

Don't Judge Your Investments Based on the Short Term

A Quiz for You...

Which investment has the best long-term return?

	2024 Return
Investment A	25.0%
Investment B	15.0
Investment C	11.7

The correct answer is – one year is too short of a period to make any judgements.

Let's say I give you **two** years of returns:

	Return	Return
	2024	2023
Investment A	25.0%	26.3%
Investment B	15.0	16.2
Investment C	11.7	4.6

The correct answer is still – two years is too short of a period to make any judgements.

What about **THREE** years of returns:

	<u>Return</u> 2024	<u>Return</u> 2023	<u>Return</u> 2022	3 Year <u>Annualized</u>
Investment A	25.0%	26.3%	(18.1)%	8.9%
Investment B	15.0	16.2	(6.9)	7.6
Investment C	11.7	4.6	(3.2)	4.2

The large loss for Investment A may lead you to the right conclusion...

Three years is too short of a period to make any judgements.

The Long Term Returns

We have returns for all three of these investments going back to 12/31/98:

	<u>Actual</u> <u>Name</u>	<u>Returns</u> <u>12/31/1998 – 12/31/2024</u>
Investment A	S&P 500®	8.3%
Investment B	Dow Industrials	8.5
Investment C	Dow U.S. Dividend 100 ⁽¹⁾	10.7

(1) This is the index for SCHD ETF™, our largest holding

CLOSING THOUGHTS...

The S&P 500®—with an allocation to Technology stocks of 30.7%—has had 20%+ returns in 2023 and 2024. But over the **long** term, **DIVIDEND STOCKS** have been a better place to invest than either the S&P 500® or the Dow Industrials.

DON'T CHASE PERFORMANCE