



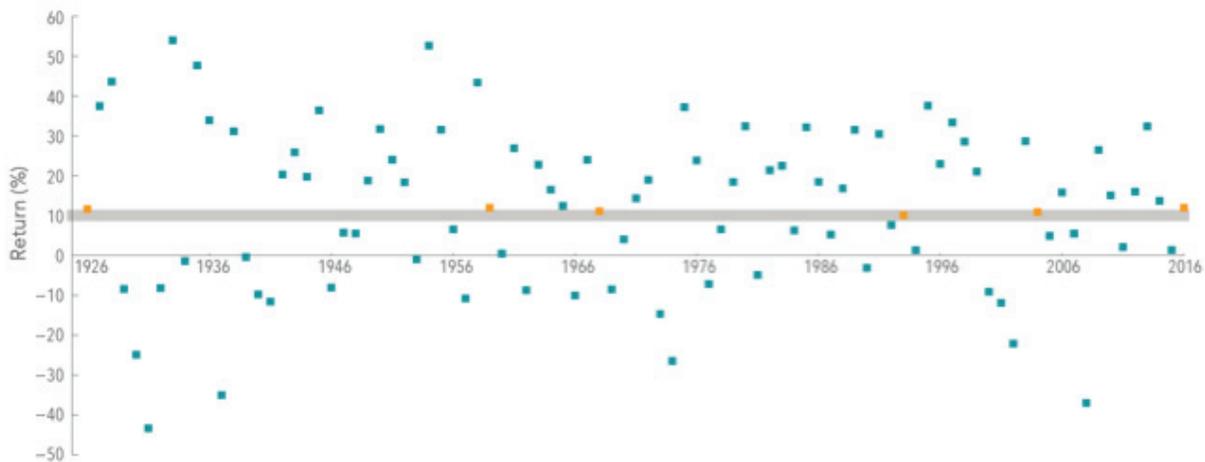
A feature from **Eide Bailly**. *Advisor Views* offers timely investment news and market updates designed to keep you informed, while attempting to enhance your overall investment experience.

### THE UNCOMMON AVERAGE

The US stock market has delivered an average annual return of around 10% since 1926.<sup>1</sup> But short-term results may vary, and in any given period stock returns can be positive, negative, or flat. When setting expectations, it's helpful to see the range of outcomes experienced by investors historically. For example, how often have the stock market's annual returns actually aligned with its long-term average?

The graph below shows calendar year returns for the S&P 500 Index since 1926. The shaded band marks the historical average of 10%, plus or minus 2 percentage points. Over this time, the S&P 500 had a return within this range in only six of the past 91 calendar years. In most years, the index's return was outside of the range, often above or below by a wide margin, with no obvious pattern. For investors, this highlights the importance of looking beyond average returns and being aware of the range of potential outcomes.

**Exhibit 1. S&P 500 Index Annual Returns  
1926–2016**



In US dollars. The S&P data are provided by Standard & Poor's Index Services Group. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. Index returns do not reflect the cost associated with an actual investment.

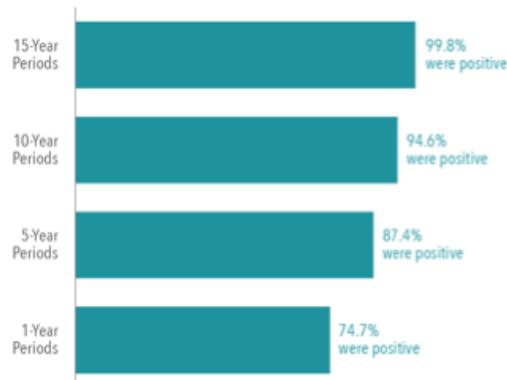
*continued...*

<sup>1</sup> As measured by the S&P 500 Index from 1926–2016. Source: Standard & Poor's Index Services Group. Past performance does not guarantee future results. All data is from sources believed to be reliable but cannot be guaranteed or warranted. Please see important disclosure in back regarding the S&P 500 index.

## Tuning in to Different Frequencies

Despite the year-to-year uncertainty, investors can potentially increase their chances of having a positive outcome by maintaining a long-term focus. Exhibit 2 documents the historical frequency of positive returns over rolling periods of one, five, 10, and 15 years in the US market. The data shows that, while positive performance is never assured, investors' odds improve over longer time horizons.

**Exhibit 2. Frequency of Positive Returns in the S&P 500 Index**  
*Overlapping Periods: 1926–2016*



From January 1926–December 2016 there are 913 overlapping 15-year periods, 973 overlapping 10-year periods, 1,033 overlapping 5-year periods, and 1,081 overlapping 1-year periods. The first period starts in January 1926, the second period starts in February 1926, the third in March 1926, and so on. In US dollars. The S&P data are provided by Standard & Poor's Index Services Group. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not an indication of future results.

## Conclusion

While some investors might find it easy to stay the course in years with above average returns, periods of disappointing results may test an investor's faith in equity markets. Being aware of the range of potential outcomes can help investors remain disciplined, which in the long term may increase the odds of a successful investment experience. What can help investors endure the ups and downs? While there is no silver bullet, having an understanding of how markets work and avoiding emotional decision-making may help. As well, we believe that an asset allocation that aligns with your personal goals and risk tolerances is similarly critical to your success.

Please contact us for additional information, or if we can provide you with assistance in any way.

Content written by Dimensional Fund Advisors (DFA), as distributed to Symmetry Partners, LLC. Symmetry Partners, LLC collaborates with Eide Bailly Advisors, LLC to build portfolios. Symmetry Partners, LLC and Eide Bailly Advisors, LLC are not affiliated entities. Symmetry Partners, LLC and Eide Bailly Advisors, LLC are investment advisory firms registered with the Securities and Exchange Commission. The firms only transacts business in states where they are properly registered, or excluded or exempted from registration requirements. All data is from sources believed to be reliable, but cannot be guaranteed or warranted. No current or prospective client should assume that future performance of any specific investment, investment strategy, product, or non-investment related content made reference to directly or indirectly in this article will be profitable. As with any investment strategy, there is a possibility of profitability as well as loss. Please note that you should not assume that any discussion or information contained in this article serves as the receipt of, or as a substitute for, personalized investment advice from Symmetry Partners or Eide Bailly Advisors, LLC.

### Index Disclosure and Definition

Investors cannot invest directly in an index. Indexes have no fees. Historical performance results for investment indexes do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the occurrence of which would have the effect of decreasing historical performance results. Actual performance for client accounts will differ from index performance.

S&P 500 Index represents the 500 leading U.S. companies, approximately 80% of the total U.S. market capitalization.

Diversification seeks to reduce volatility by spreading your investment dollars into various asset classes to add balance to your portfolio. Using this methodology, however, does not guarantee a profit or protection from loss in a declining market. Rebalance assets can have tax consequences. If you sell assets in a taxable account you may have to pay tax on any gain resulting from the sale. Please consult your tax advisor.

Please be advised that Symmetry Partners, LLC does not provide tax or legal advice and nothing either stated or implied here should be inferred as providing such advice. The information is provided for educational purposes only. Please be advised that Symmetry Partners is merely relaying this information and has no control if some of the timelines are amended.

Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. The article contains the opinions of the author(s) but not necessarily Symmetry Partners, LLC. Please note that you should not assume that any discussion or information contained in this article serves as the receipt of, or as a substitute for, personalized investment advice from Symmetry Partners or your advisor.

Financial Advisor offers Investment Advisory Services through Eide Bailly Advisors LLC, a Registered Investment Advisor. Securities offered through United Planners Financial Services, Member of FINRA and SIPC. Eide Bailly Financial Services, LLC is the holding company for Eide Bailly Advisors, LLC. Eide Bailly Financial Services and its subsidiaries are not affiliated with United Planners.

The views expressed are those of the author as of the date noted and may not be construed as a solicitation to purchase or sell any security and may not reflect the views of United Planners Financial Services.

United Planners Financial Services does not provide tax or legal advice.