

# Investing for Successful Retirement

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**UD Osher – OLLI**

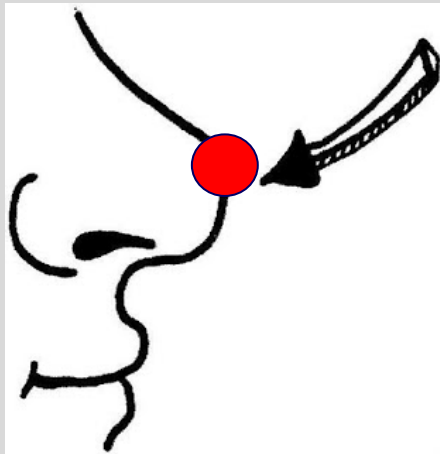
**Spring 2026**

□ **Rajeev A. Vaidya**

□ **Ron Materniak**

# Disclaimer in plain language

## Disclaimer – in plain language:



Opinions are like noses, everyone has one !

You are going to see mine in this course !!

We are simply sharing our perspective.

**This is not investment advice or recommendation.**

**Ron, and I are not a financial advisors.**

**This course is for educational purposes only.**

Form your own opinion, make your own investment decisions.

# Fourth Class – Feb. 25<sup>th</sup>

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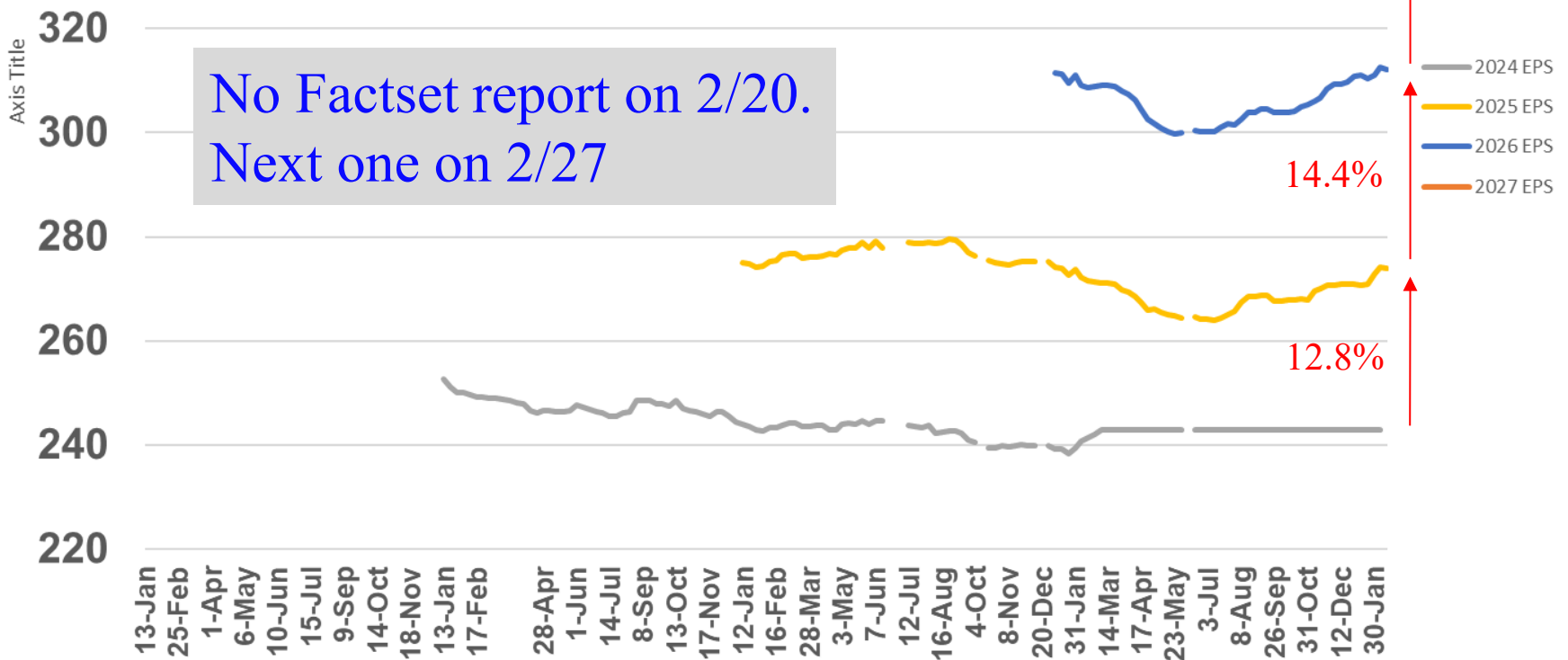
- Market Update - Rajeev
- Managing Risk

# Factset(R) - S&P 500 Calendar year earnings forecast

400 [https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight\\_021326.pdf](https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_021326.pdf)

## Factset Earnings Estimates 2/13/26

- Q425 74% reported, 74% show earnings above estimates
- Q425 S&P 500 EPS growth 13.2% .. was 13.0% last week.
- EPS for 2025 \$274.04, 12.8% rise over 2024, \$0.04 lower than last week
- EPS for 2026 - \$312.19, 14.4% rise over 2025, \$0.44 lower than last week
- EPS for 2027 - \$361.08, 15.7% rise over 2026, \$0.02 higher than last week
- Fwd. looking P/E = 21.5
- 12 month target for the S&P 500 8254.81, 20.8% higher than close on 2/13/06



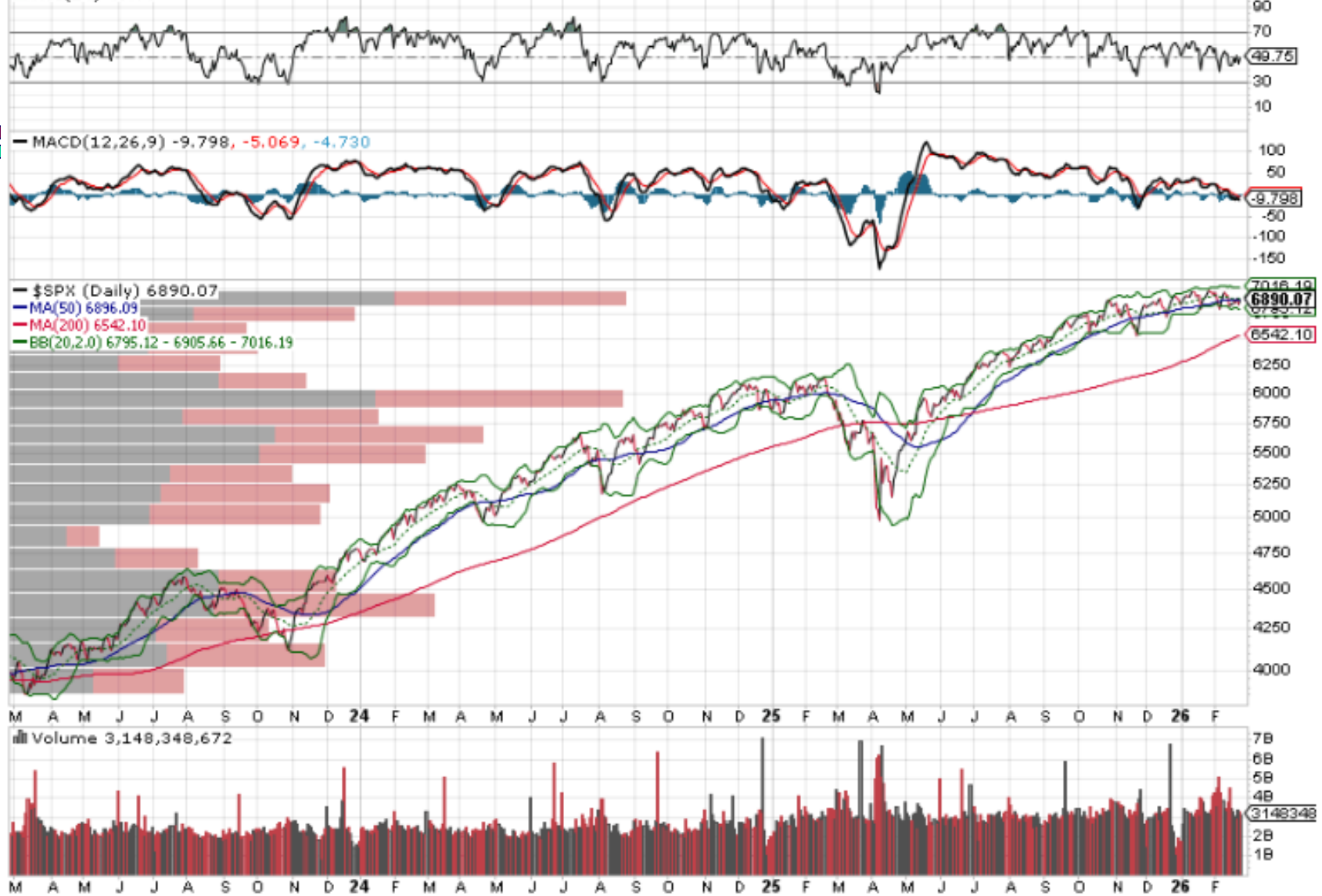
**\$SPX S&P 500 Large Cap Index INDX**

24-Feb-2026

Open 6837.37 High 6899.17 Low 6815.43 Close 6890.07 Volume 3.1B Chg +52.32 (+0.77%) ▲

© StockCharts.com

▲ RSI(14) 49.75

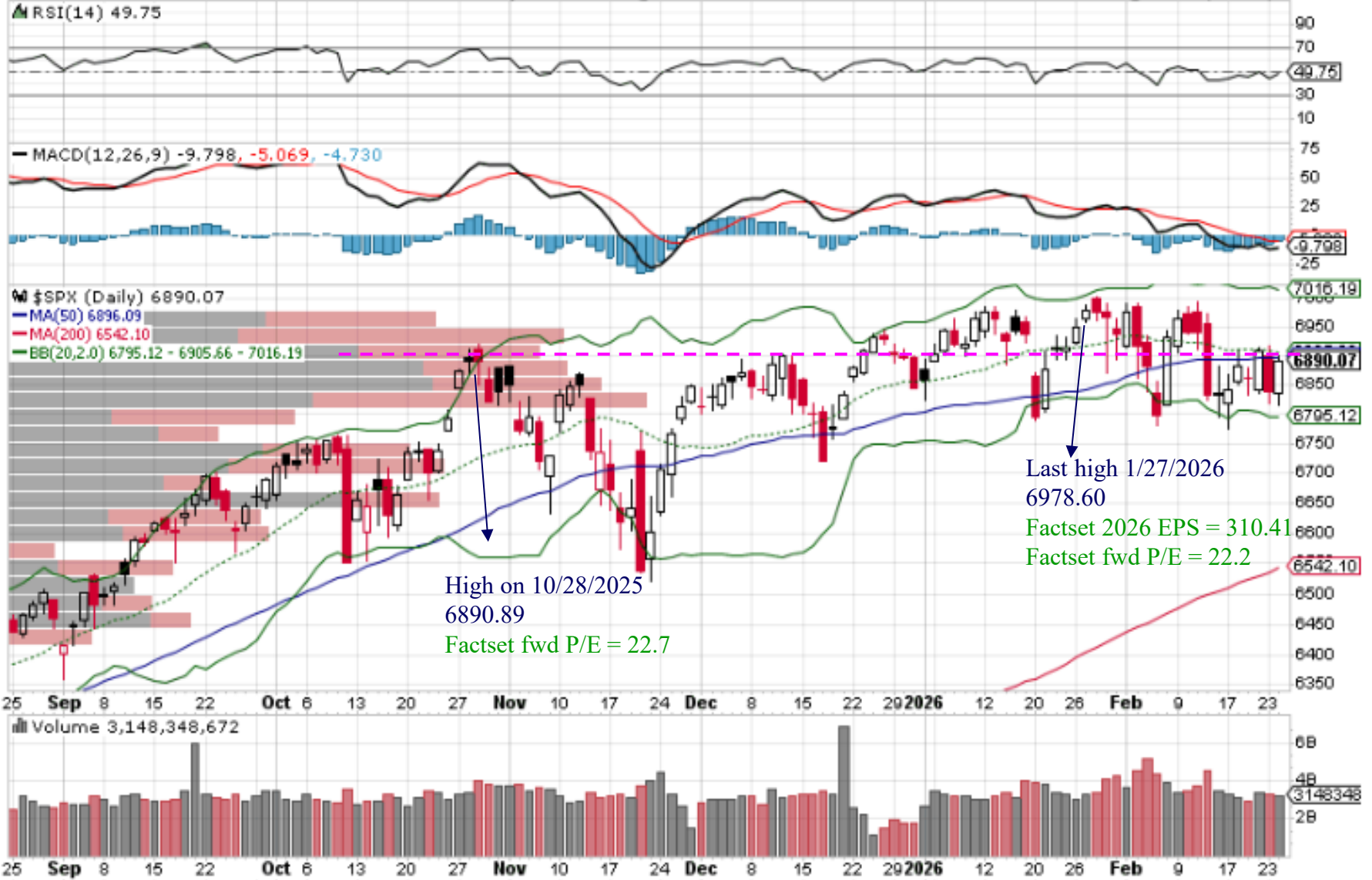


**\$SPX S&P 500 Large Cap Index INDX**

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© StockCharts.com



# Market Breadth – another way

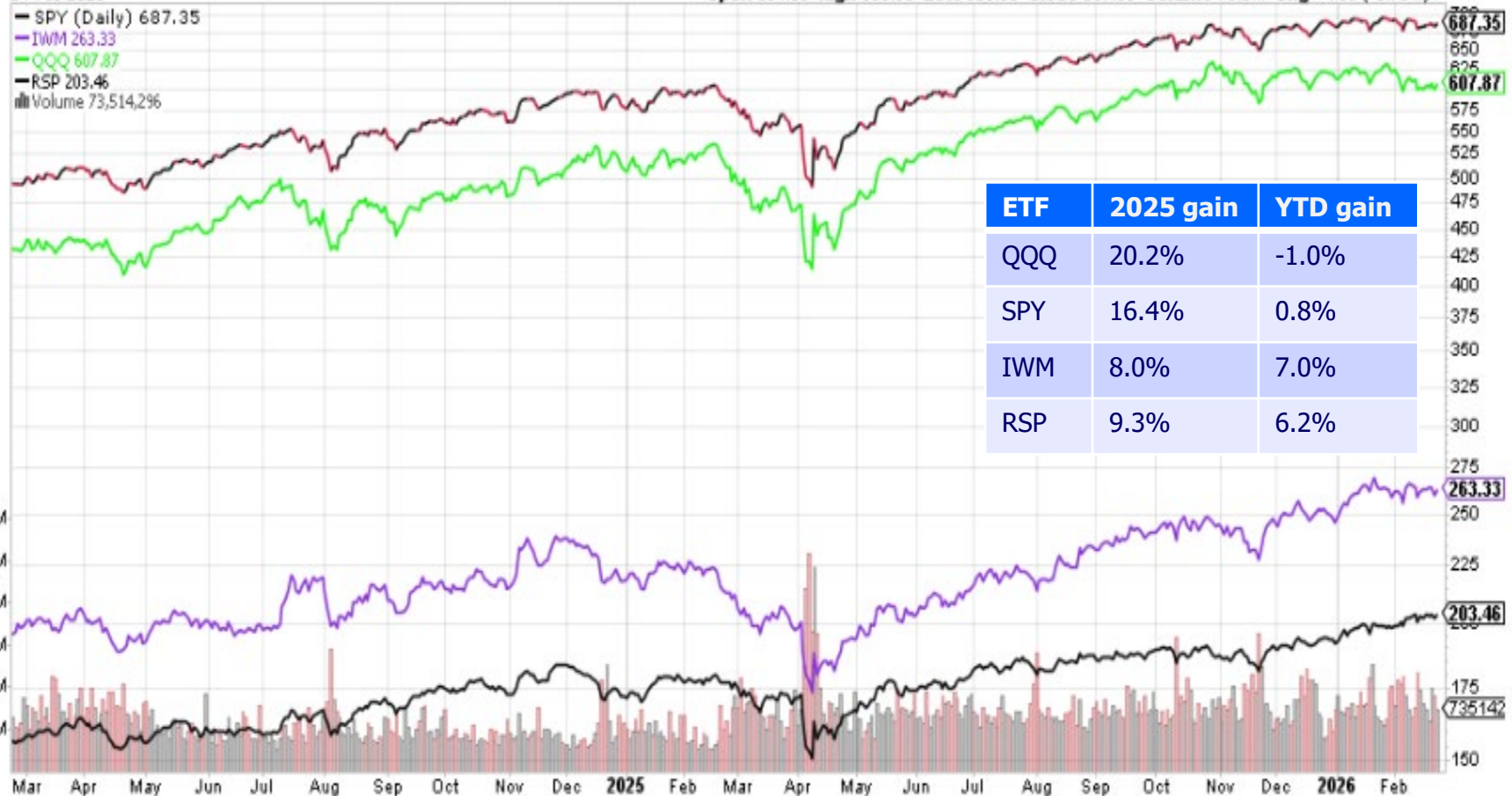
SPY SPDR S&P 500 ETF NYSE

24 Feb-2026

Open 681.00 High 688.35 Low 680.00 Close 687.35 Volume 73.5M Chg +4.96 (+0.73%) ▲

© StockCharts.com

— SPY (Daily) 687.35  
 — IWM 263.33  
 — QQQ 607.87  
 — RSP 203.46  
 Volume 73,514,296



**\$NYAD NYSE - Advance-Decline Issues: INDX**

24-Feb-2026

— \$NYAD Cumulative 67715.00  
— MA(50) 62883.82

Open 67715.00 High 67715.00 Low 67715.00 Close 67715.00 Chg +839.00 (+1.25%) ▲

© StockCharts.com



— \$SPX 6890.07



A/D line on SPY, Russell 2000, NASDAQ and NASDAQ – 100 – no longer in the charts each week

<https://www.marketinout.com/chart/market.php?breadth=advance-decline-line>

# Weekly Market direction

guywerner@verizon.net

COLUMNS C,D,E BY DAVE (IN THE NORTH) SMITH			DIST DAYS		DOW AVERAGE						S&P 500 TRIPLE SCREEN						NASDAQ TRIPLE SCREEN						
	DATE	MARKET PULSE (IBD)	S&P 500	NASDAQ	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE	
SAT	02/07/26	FOR THE WEEK						1,223	2.50%						-7	-0.10%						-430	-1.83%
SUN	02/08/26	YTD						2,052	4.27%						87	1.27%						-210	-0.90%
MON	02/09/26	CONFIRMED UP (60% -80%)	4	6	P	P	P	50,135	20	0.04%	P	0	P	6,964	32	0.46%	F	F	F	23,238	207	0.90%	
TUE	02/10/26	CONFIRMED UP (60% -80%)	4	7	P	P	P	50,188	53	0.11%	P	F	P	6,941	-23	-0.33%	F	F	F	23,102	-136	-0.59%	
WED	02/11/26	CONFIRMED UP (60% -80%) JOBS	4	7	P	P	P	50,121	-67	-0.13%	P	F	P	6,941	0	0.00%	F	F	F	23,066	-36	-0.16%	
THUR	02/12/26	UPTREND UNDER PRESSURE (40% - 60%)	5	7	P	0	P	49,451	-670	-1.34%	F	F	F	6,832	-109	-1.57%	F	F	F	22,597	-469	-2.03%	
FRI	02/13/26	UPTREND UNDER PRESSURE (40% - 60%)	5	7	P	0	P	49,500	49	0.10%	F	F	F	6,836	4	0.06%	F	F	F	22,546	-51	-0.23%	
SAT	02/14/26	FOR THE WEEK						-615	-1.23%						-96	-1.38%						-485	-2.11%
SUN	02/15/26	YTD						1,437	2.99%						-9	-0.13%						-695	-2.99%
MON	02/16/26	PRES DAY (NOT DJT) MARKET CLOSED			P	0	P	49,500	0	0.00%	F	F	F	6,836	0	0.00%	F	F	F	22,546	0	0.00%	
TUE	02/17/26	UPTREND UNDER PRESSURE (40% - 60%)	5	7	P	0	P	49,533	33	0.07%	F	F	F	6,843	7	0.10%	F	F	F	22,578	32	0.14%	
WED	02/18/26	UPTREND UNDER PRESSURE (40% - 60%)	5	7	P	0	P	49,662	129	0.26%	F	F	F	6,881	38	0.56%	F	F	F	22,753	175	0.78%	
THUR	02/19/26	UPTREND UNDER PRESSURE (40% - 60%)	6	7	P	F	0	49,395	-267	-0.54%	F	F	F	6,861	-20	-0.29%	F	F	F	22,682	-71	-0.31%	
FRI	02/20/26	UPTREND UNDER PRESSURE (40% - 60%)	5	6	P	F	P	49,625	230	0.47%	F	F	P	6,909	48	0.70%	F	F	F	22,886	204	0.90%	
SAT	02/21/26	FOR THE WEEK						125	0.25%						73	1.07%						340	1.51%
SUN	02/22/26	YTD						1,562	3.25%						64	0.93%						-355	-1.53%
MON	02/23/26				F	F	F	48,804	-821	-1.65%	F	F	F	6,837	-72	-1.04%	F	F	F	22,627	-259	-1.13%	
TUE	02/24/26				F	F	F	49,174	370	0.76%	F	F	0	6,890	53	0.78%	F	0	F	22,863	236	1.04%	


Updated every Sunday – find it at:

<https://drive.google.com/drive/folders/1ubPfiPWptgWpje7djb3yEDmtGXHXTe6u?usp=sharing>

# Market Summary – Stockcharts®

Stockcharts.com → Main Screen → Market Analysis

**New feature** – Market Summary



KELLER MARKET MODELS

MACRO MODEL STOCKS MODEL

	ST	MT	LT
Stocks (SPY)	↓	↑	↑
Bonds (TLT)	↑	↑	↑
Commodities (DBC)	↑	↑	↑
US Dollar (\$USD)	↑	↓	↓

Detailed description: This screenshot shows the 'MACRO MODEL' view of the Market Summary. It features a table with four columns: 'ST', 'MT', and 'LT', and four rows of asset classes. The 'US Dollar (\$USD)' row has a blue box around its 'ST' column indicator (a green upward arrow).



KELLER MARKET MODELS

MACRO MODEL STOCKS MODEL

	ST	MT	LT
S&P 500 (SPY)	↓	↑	↑
S&P 400 (MDY)	↓	↑	↑
Russell 2000 (IWM)	↓	↑	↑
NASDAQ 100 (QQQ)	↓	↓	↑

Detailed description: This screenshot shows the 'STOCKS MODEL' view of the Market Summary. It features a table with four columns: 'ST', 'MT', and 'LT', and four rows of stock indices. The 'S&P 400 (MDY)' and 'Russell 2000 (IWM)' rows have blue boxes around their 'ST' column indicators (red downward arrows).

# US govt bonds – TLT & SGOV

SGOV – Short term 0 to 3 month US treasuries



# U.S. Dollar

\$USD US Dollar - Cash Settle FOREX

24-Feb-2026 10:51pm

\$USD (Weekly) 97.88

MA(40) 98.35

Volume undef

Open 97.70 High 97.99 Low 97.36 Last 97.88 Chg +0.09 (+0.09%) ▲

© StockCharts.com



# Fourth Class – Feb. 25<sup>th</sup>

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- Market Update - Rajeev
- Managing Risk

# Risks – everyone's situation is unique

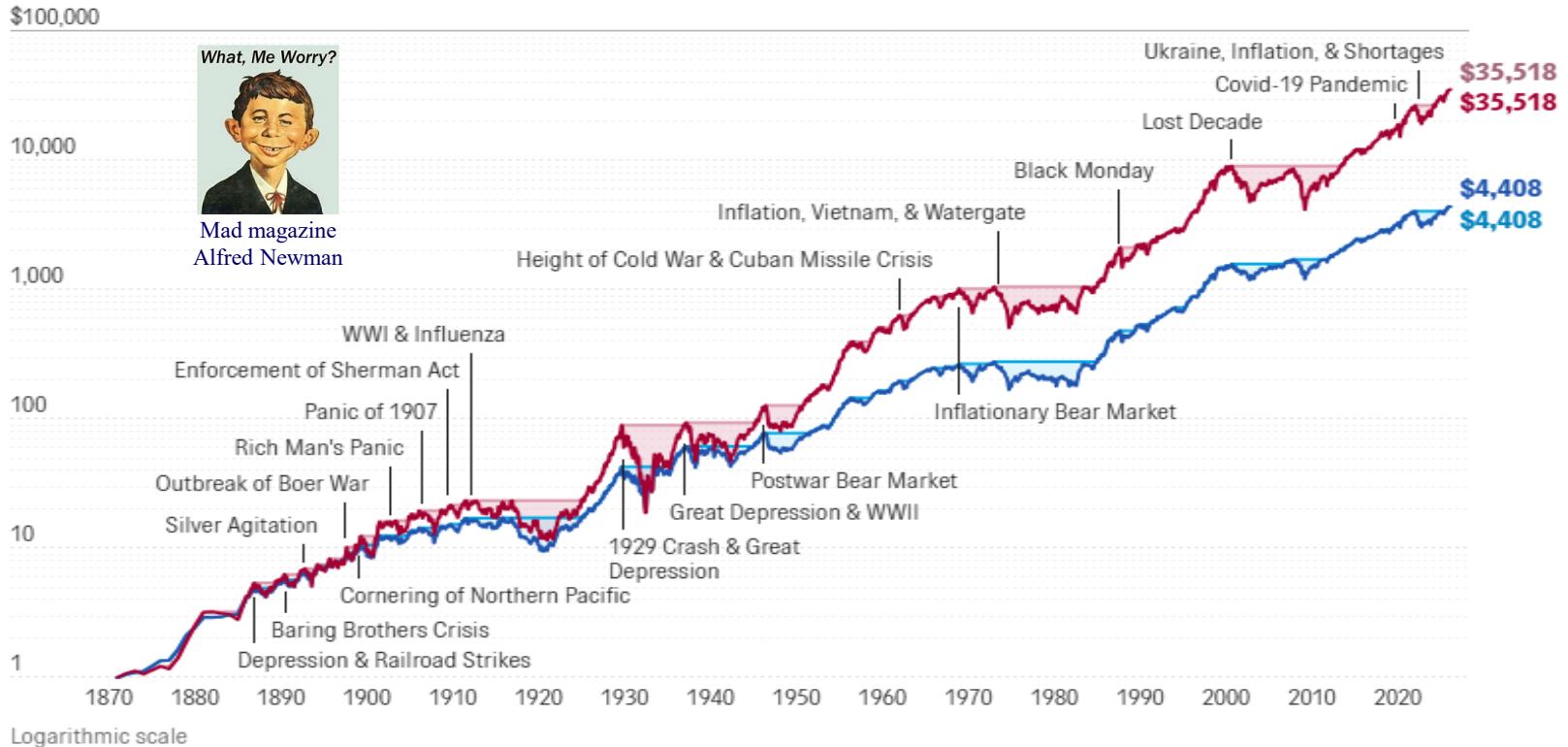
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- What risk are you trying to manage?
  - Annual income vs. expenses
  - Running out of money to support lifestyle
  - Diminished wealth for inheritance
  
- What asset class are you trying to manage risk in?
  - **Stocks**
  - Bonds

# The big picture

## Market Crash Timeline: Growth of \$1 and the US Stock Market's Real Peak Values

— Cumulative Real Wealth: 60/40   
 — Peak Cumulative Value: 60/40   
 — Cumulative Real Wealth: 100% Equity   
 — Peak Cumulative Value: 100% Equity  
 Market Crash Episode: 100% Equity   
 Market Crash Episode: 60/40



Source: Kaplan et al. (2009); Ibbotson (2023); Morningstar; Goetzmann, Ibbotson, and Peng (2000); Pierce (1982); [www.econ.yale.edu/~shiller/data.htm](http://www.econ.yale.edu/~shiller/data.htm), Ibbotson Associated SBBI US Large-Cap Stock Inflation Adjusted Total Return Extended Index, S&P 500 (2026), Bureau of Labor Statistics, Non-Seasonally Adjusted Consumer Price Index (2026). Data as of Jan. 31, 2026.

Source – Morningstar article – Emelia Fredrick – 2/19/2026  
<https://www.morningstar.com/economy/6040-portfolio-150-year-markets-stress-test>

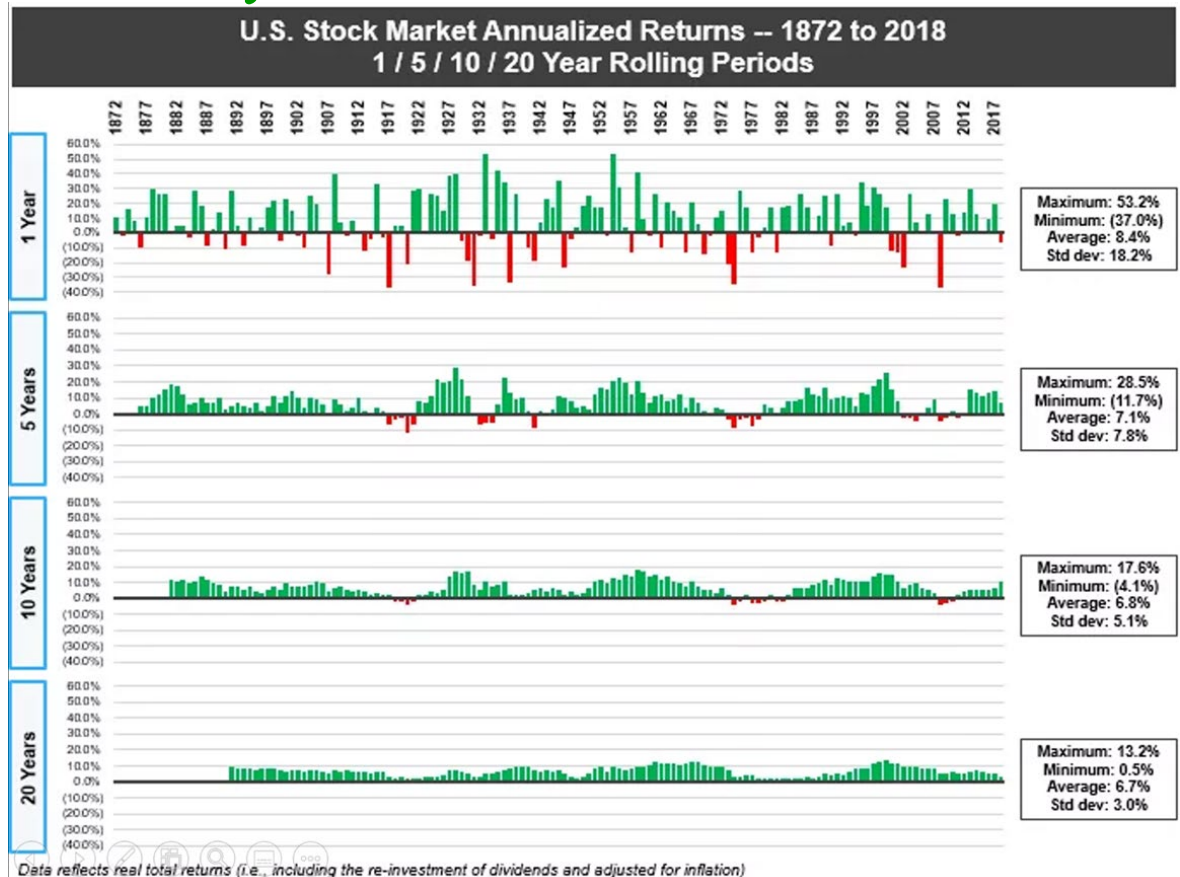
# Time is your friend

Don't panic



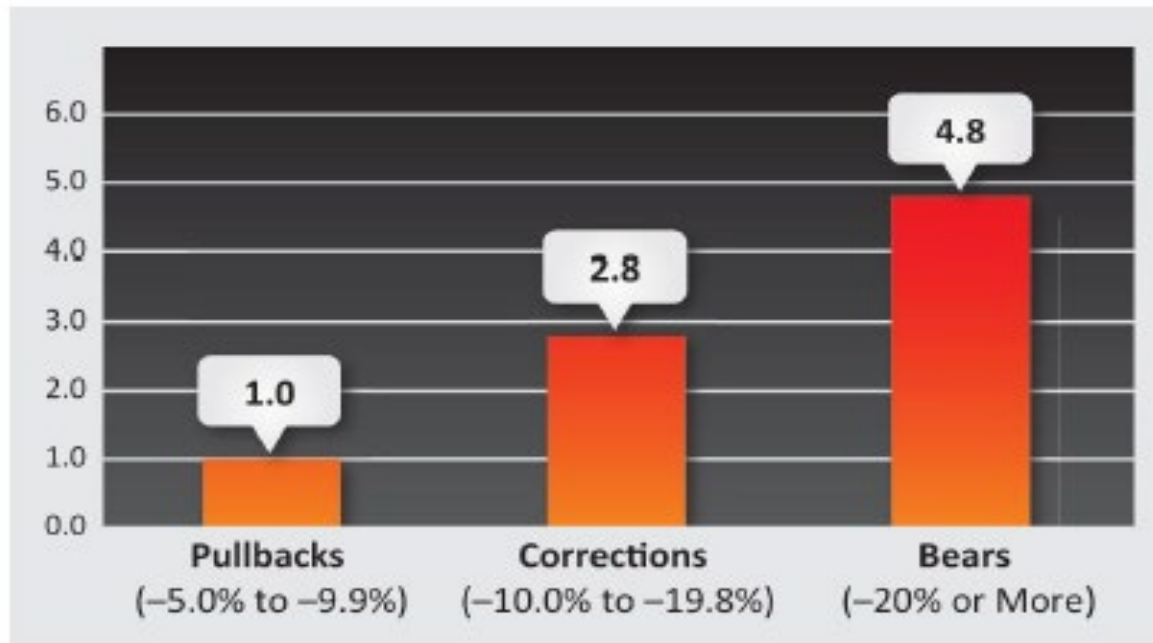
Different plans  
for different  
time horizons

## Time is your friend



# How frequent?

Figure 1. Average Number of Years Between Market Declines  
Since World War II



Source: S&P Dow Jones Indices.

# 12 biggest downturns

Recovery 3 to 5 months

#	Start Date	S&P 500 Value at top	Low Date	S&P 500 Value at bottom	Days down	Total Loss	Recovery back to start Date	Days to recover
1	7/17/1998	1186.75	8/31/1998	957.28	45	-19.3%	11/23/1998	84
2	4/29/2011	1363.61	10/3/2011	1099.23	157	-19.4%	2/23/2012	143
3	9/20/2018	2930.75	12/24/2018	2351.10	95	-19.8%	4/26/2019	123
4	7/16/1990	368.95	10/11/1990	295.46	87	-19.9%	2/13/1991	125
5	1/4/2022	4793.54	10/12/2022	3577.03	281	-25.4%	1/19/2024	464
6	11/28/1980	140.52	8/12/1982	102.42	622	-27.1%	11/3/1982	83
7	8/25/1987	336.77	12/4/1987	223.92	101	-33.5%	7/25/1989	599
8	2/19/2020	3386.15	3/23/2020	2237.40	33	-33.9%	8/18/2020	148
9	11/29/1968	108.37	5/26/1970	69.29	543	-36.1%	3/6/1972	650
10	1/11/1973	120.24	10/3/1974	62.28	630	-48.2%	7/15/1980	2112
11	3/24/2000	1527.46	10/9/2002	776.76	929	-49.1%	5/30/2007	1694
12	10/9/2007	1565.15	3/9/2009	676.53	517	-56.8%	3/28/2013	1480

15 months

Recovery 20 to 69 months

# Selling at market bottoms

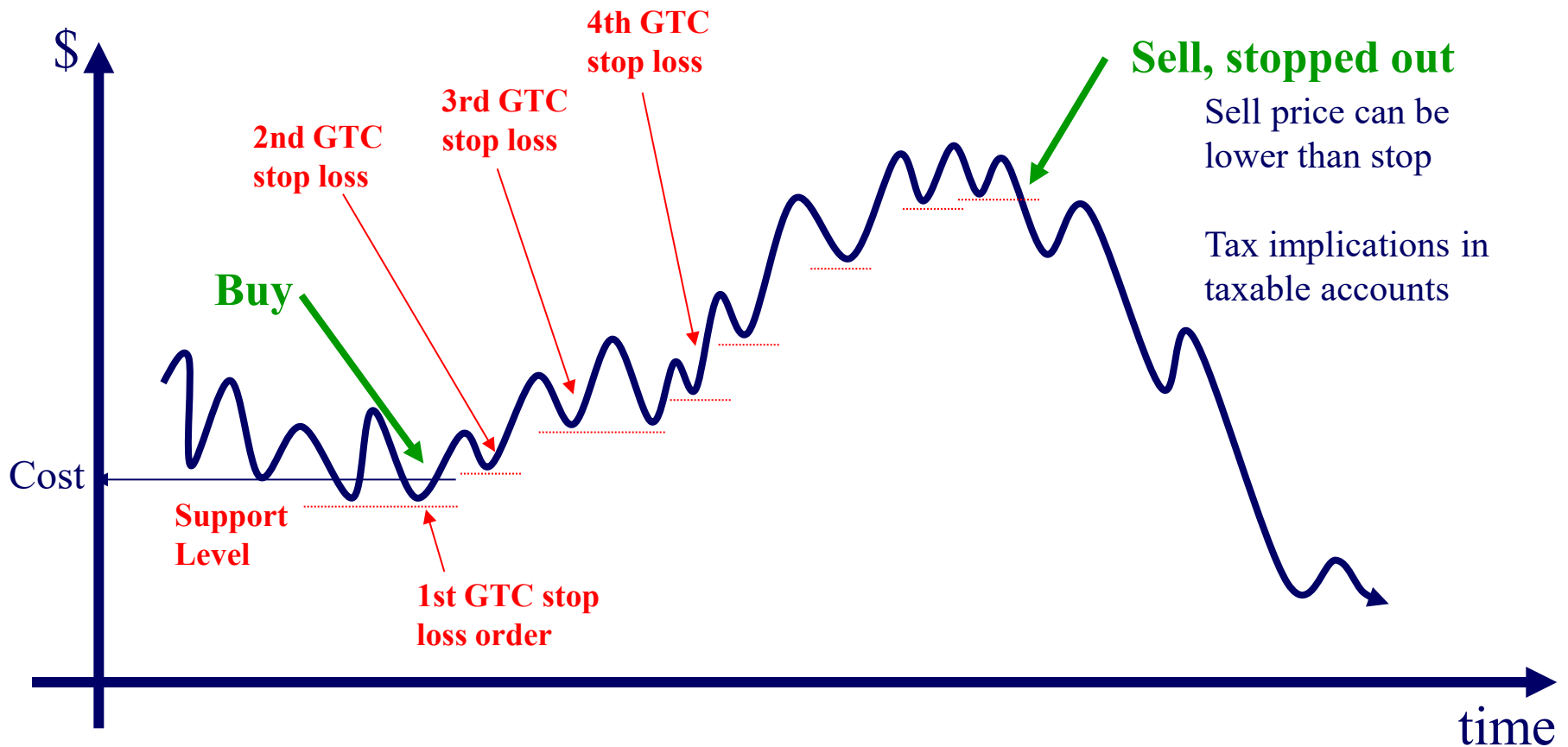
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- 100 shares \$100/share = \$10,000
- Need \$2000 for expenses
- Market correction - Shares drop to \$70
- Sell 30 shares = \$2100
- Left 70 shares
- Market recovers and rises - Shares rise to \$120
- Portfolio = \$8400
- If you did not sell portfolio = \$12000

**This is NOT investment advice**

# Protecting your profits

## Using Stop loss orders



# Distribution of size of downturns

Size of the downturn	Number
0 - 3%	487
3 - 5%	53
5 - 6%	14
6 - 7%	13
7 - 8%	7
8 - 9%	2
9 - 10%	7
10 - 11%	5
11 - 12%	0
12 - 13%	1
13 - 14%	0
14 - 15%	5
15 - 16%	0
16 - 17%	0
17 - 18%	0
18 - 19%	0
>19%	13
	607

Analysis from Jan 1950 to Nov 2021

- 607 downturns
  - Most are noise less than 5%
  - Very few are >10% and less than 19%
- Stop loss at 5% would have triggered 67 times and only 24 of these instances would have been a correction > 10%
  - Misfiring rate of 64%
- Stop loss between 8 and 9% has a misfiring rate of 27%

# Market timing

This is NOT investment advice

- Standard advice
  - Time in the market is more important than timing the market.
  - If you had missed the few biggest gain days, returns would be worse.
- Shift in paradigm - Market timing is not impossible nor perfect.
  - Simple techniques
    - Valuation based
    - Reading the chart with two moving averages
      - Stay in when the short-term moving average is above the long-term moving average
      - Stay out when the short-term moving average is below the long-term moving average.

**This is NOT investment advice**

# Two Moving averages method

- Steve Brubaker .... Presentation with simple moving averages
- The 50-day and 200-day simple moving average

- Golden cross – 6/30/2025

6/30/2025 – 6198.01

2/20/2026 – 6909.51

236 calendar days elapsed

11.47% gain so far

<b>Total Occurrences</b>	26
<b>Average Return (1 Year)</b>	12.29%
<b>Median Gain to Top</b>	18.7%
<b>Average Duration</b>	377 trading days
<b>Win Rate (1 Year Later)</b>	88%

Source – many articles– Yahoo Finance 7/1/2025, this table – Subu trades

- Death Cross – many articles on the history. Lagging indicator about half the time the bottom has already occurred before the death cross.

**This is NOT investment advice**

# Two Moving averages method

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- Signal to noise is high with moving averages on daily charts
- Signal to noise is lowest on monthly charts
  - Improvement over buy and hold is smaller
- Weekly charts offer a middle road
  - Not too many trades
- Best in an IRA

— \$SPX (Weekly) 6909.51  
— EMA(8) 6893.57  
— EMA(20) 6796.88

**This is NOT investment advice**

Anil Parikh – wallstreet.io data

Can be fully automated in Thinkorswim



1-Apr-2013

Open 1569.18 High 1570.57 Low 1558.47 Last 1562.17 Volume 1.9B Chg -7.02 (-0.45%)

— \$SPX (Weekly) 1562.17 (1 Apr)  
— EMA(8) 1544.11  
— EMA(20) 1503.25

Buy and hold:  
3/20/2000 = 1527  
3/4/2013 = 1534  
0.4% gain in 13 years  
Not counting dividends  
In IRA – no taxes

EMA 8 & EMA20:  
In and out 13 times  
6 head fakes  
97.2% gain in 13 years  
Not counting dividends  
In IRA – no taxes  
Not counting returns on cash

Source – My research, not  
Independently verified.

**This is NOT investment advice**




# Types of Risk

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- Systematic Risk – macroeconomic and other “system” events that influence the value of financial assets in general.
  
- Unsystematic Risk
  - Risk in the Stockmarket
    - How stocks will perform in the current financial environment.
    - Measured by volatility in the asset class
    - Correlation of the asset class to the economy and other asset classes.
  - Risks to specific sectors / industries within the stock market.
    - How the industry will perform in the current economy
    - Measured by volatility in a specific sector
  - Risk in a specific company within the sector/industry
    - How the company performs in the sector/industry
    - What happens to that company – financial performance
    - Measured by Beta for that company within the market.

Why are  
you taking  
more risk?



# General ideas on risk in stocks

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- It is riskier to buy an individual stock than to buy a stock fund or ETF.
- Dollar cost averaging or staged entry and exit lower risk.
- Dividend paying stocks tend to be less volatile.
  - Dividend growing stocks provide attractive income ideas.
- Diversify vs. simplify?

# Risks – everyone's situation is unique

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- What risk are you trying to manage?
  - Annual income vs. expenses
  - Running out of money to support lifestyle
  - Diminished wealth for inheritance
  
- What asset class are you trying to manage risk in?
  - Stocks
  - Bonds

# Risks in a Bond

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- **Prepayment risk** - The possibility that a bond issue will be paid off earlier than expected is known as prepayment risk. This often occurs through a call provision.
  - Reinvestment Risk – Low in a rising rate environment.
  - Loss of planned return over call/issue price
- **Default Risk** - The possibility that a bond issuer will not be able to make interest or principal payments when they are due.
- **Interest Rate risk** - Interest rate risk is the possibility that interest rates will be different than the investor expected over the life of the bond. If interest rates decline significantly, you face the possibility of prepayment as firms exercise call features. If interest rates rise, you risk holding a bond with below-market rates that may lose value.

# Buying Individual bonds

- Manage interest rate sensitivity / risk.
- Manage taxation
- Timing of maturities and income

- CD
- US govt. treasuries / bonds
- Muni bonds
- Investment grade Corp bonds
- Non-investment (junk, HY) corporate bonds
- Mortgage backed securities
- Foreign govt bonds
- Foreign non-govt bonds

## *Generally speaking*

- Yield and risk go together .. High yield .. High risk*
- Longer term bonds have more interest rate risk*
- Foreign bonds have currency risk*
- Use your broker's bond desk*
- Diversify – industry groups, time frames*

## Bond Ladder

Bond maturing in 2030

Bond maturing in 2029

Bond maturing in 2028

Bond maturing in 2027

Bond maturing in 2026

Bond maturing in 2025

Spend / Reinvest  
in 2030 bond / Reinvest in  
alternative assets

# Risk in individual assets vs. Funds

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- There is more risk in buying individual stocks than funds
- It is easier to manage risk in buying individual high quality bonds than in bond funds.
  - Not so for high yield bonds
- Actively managed funds vs. passively managed funds
  - Actively managed stock funds are unlikely to perform better than passive index funds
  - Actively managed bond funds are relatively more likely to perform better than the index as compared to actively managed stock funds



# Asset class returns

GTM U.S. 56

2011 - 2025		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Ann.	Vol.																
Large Cap 14.1%	Small Cap 20.3%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	EM Equity 34.4%	Comdty. 10.4%
Small Cap 9.5%	EM Equity 17.5%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Small Cap 11.5%	DM Equity 31.9%	EM Equity 8.9%
REITs 7.8%	REITs 16.4%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	Large Cap 17.9%	Small Cap 5.4%
Asset Alloc. 7.3%	DM Equity 15.7%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	Asset Alloc. 15.8%	DM Equity 5.2%
DM Equity 7.1%	Comdty. 15.4%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	EM Equity 8.1%	Comdty. 15.8%	Asset Alloc. 2.9%
High Yield 5.7%	Large Cap 14.7%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	Small Cap 12.8%	REITs 2.8%
EM Equity 4.2%	Asset Alloc. 10.1%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	High Yield 12.1%	Large Cap 1.5%
Fixed Income 2.4%	High Yield 9.1%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	Fixed Income 7.3%	High Yield 1.0%
Cash 1.5%	Fixed Income 4.6%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	Cash 4.3%	Cash 0.3%
Comdty. -1.1%	Cash 0.9%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	REITs 2.3%	Fixed Income 0.1%

Investing Principles

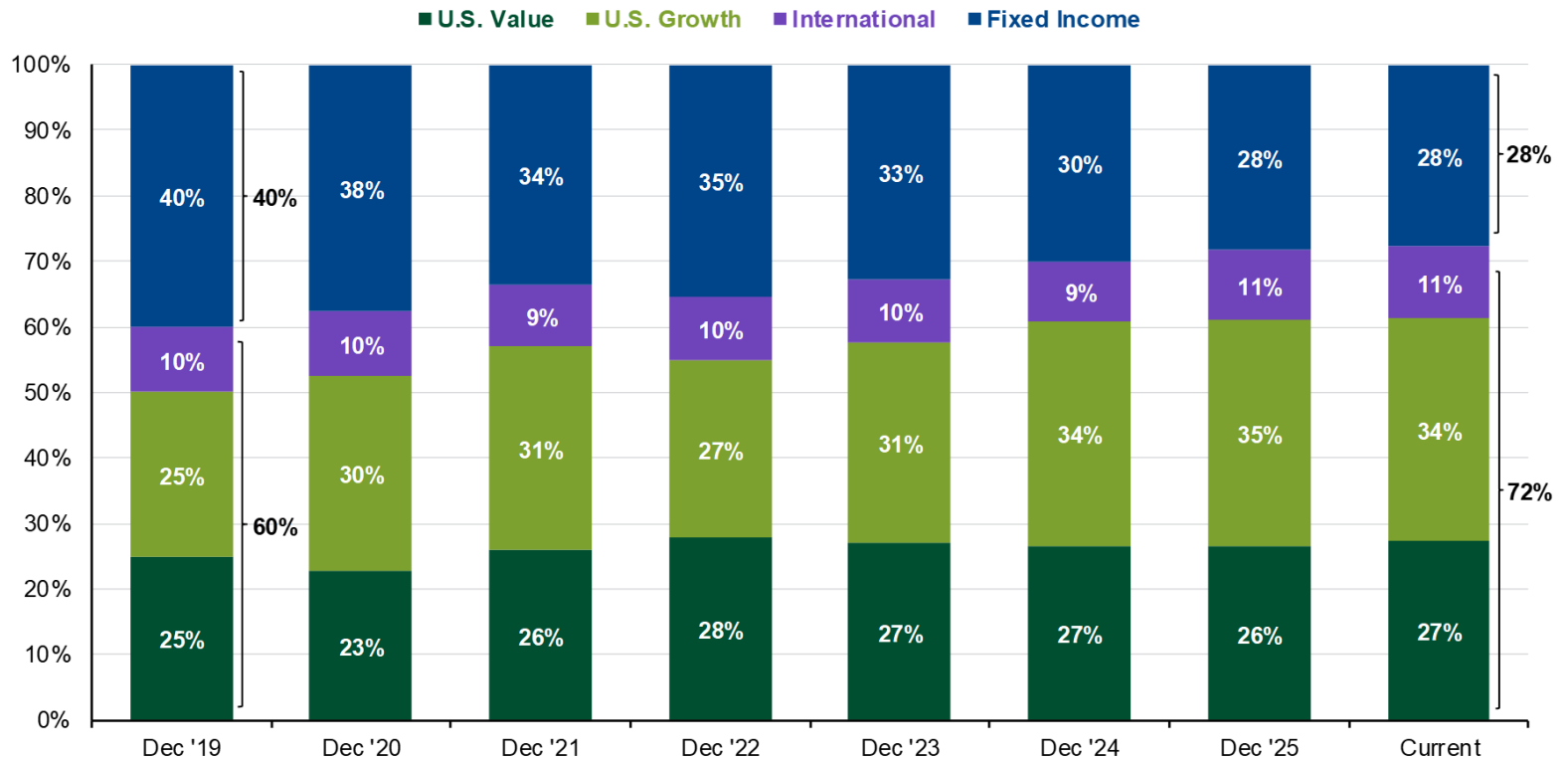
Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.  
 Large Cap: S&P 500, Small Cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio is for illustrative purposes only and assumes annual rebalancing with the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Annualized (Ann.) return and volatility (Vol.) represents the period from 12/31/2010 to 12/31/2025. Please see the disclosure page at the end for index definitions. All data represent total return for stated period. Past performance is no guarantee of future results.  
 Guide to the Markets - U.S. Data are as of January 30, 2026.



# 60/40 portfolio drift

## 60/40 portfolio composition by asset class

December 31, 2019 - present, no rebalancing



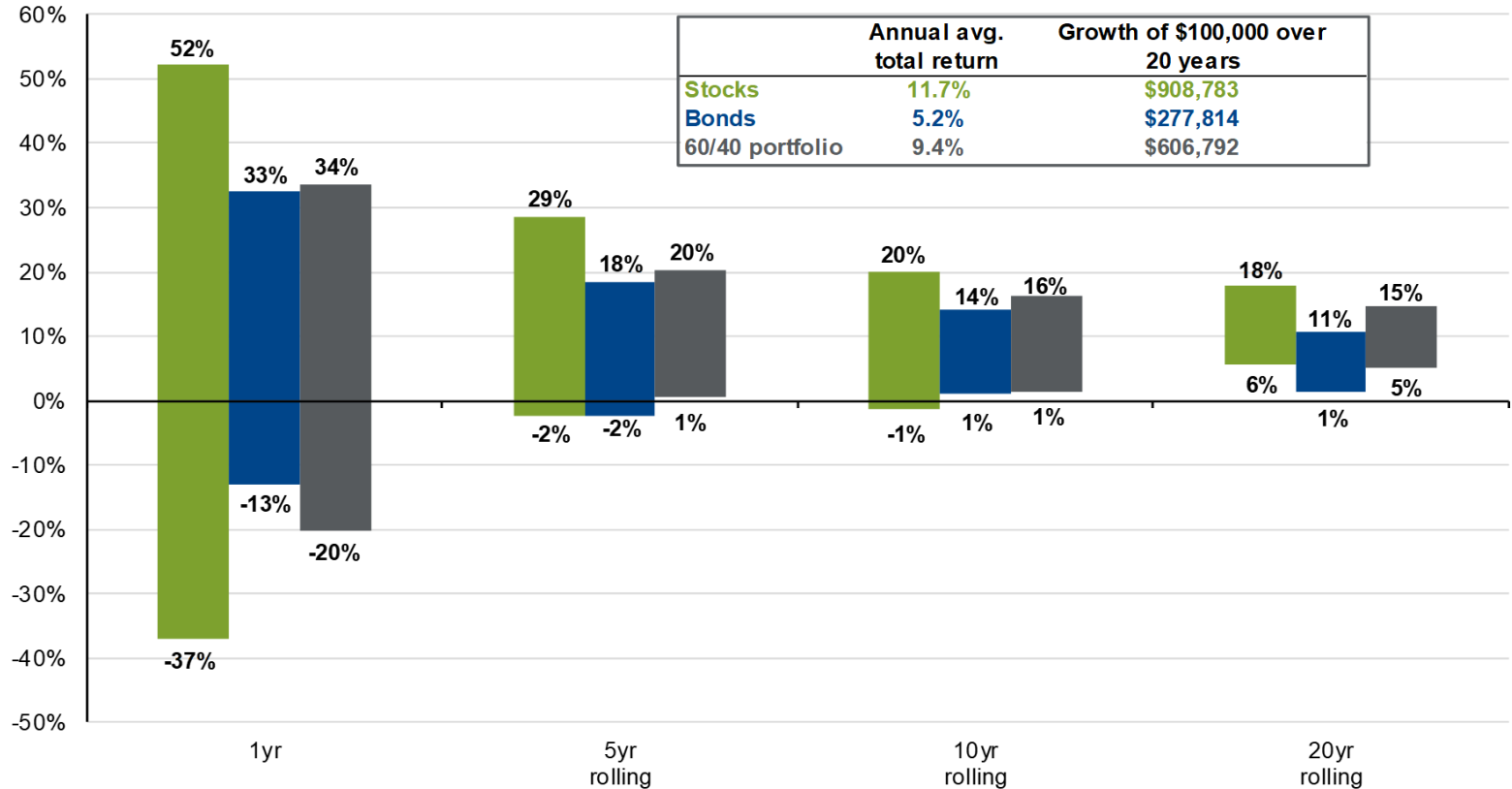
Source: Bloomberg, FactSet, MSCI, Russell, Standard & Poor's, J.P. Morgan Asset Management. Standard asset allocation at the end of 2019 assumes 60% weight to global equities and 40% to U.S. fixed income. U.S. Value: Equal-weighted Russell 1000 Value and Russell 2000 Value, U.S. Growth: Equal-weighted Russell 1000 Growth and Russell 2000 Growth, International: MSCI ACWI ex-US, Fixed Income: 10% Bloomberg Global HY Index and 30% Bloomberg U.S. Aggregate. Past performance is no guarantee of future results. *Guide to the Markets - U.S.* Data are as of January 30, 2026.



# Time, diversification and the volatility of returns

## Range of stock, bond and blended total returns

Annual total returns, 1950 - 2025

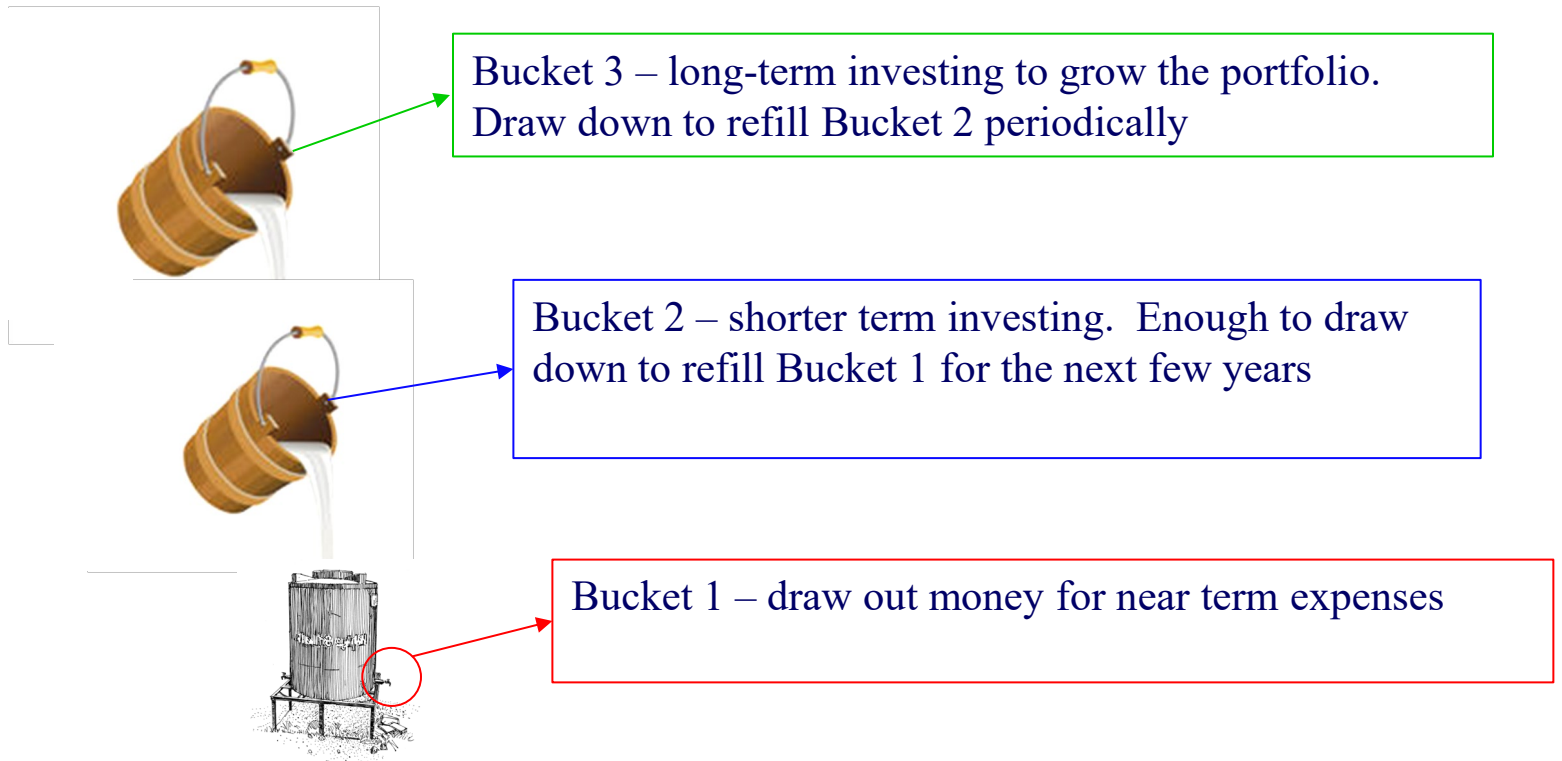


Source: Bloomberg, FactSet, Federal Reserve, Standard & Poor's, Strategas/Ibbotson, J.P. Morgan Asset Management. Returns shown are based on calendar year returns from 1950 to 2025. Stocks: S&P 500; Bonds: Strategas/Ibbotson for periods prior to 1976 and the Bloomberg U.S. Aggregate thereafter. Growth of \$100,000 is based on annual average total returns from 1950 to 2025. *Guide to the Markets - U.S.* Data are as of January 30, 2026.

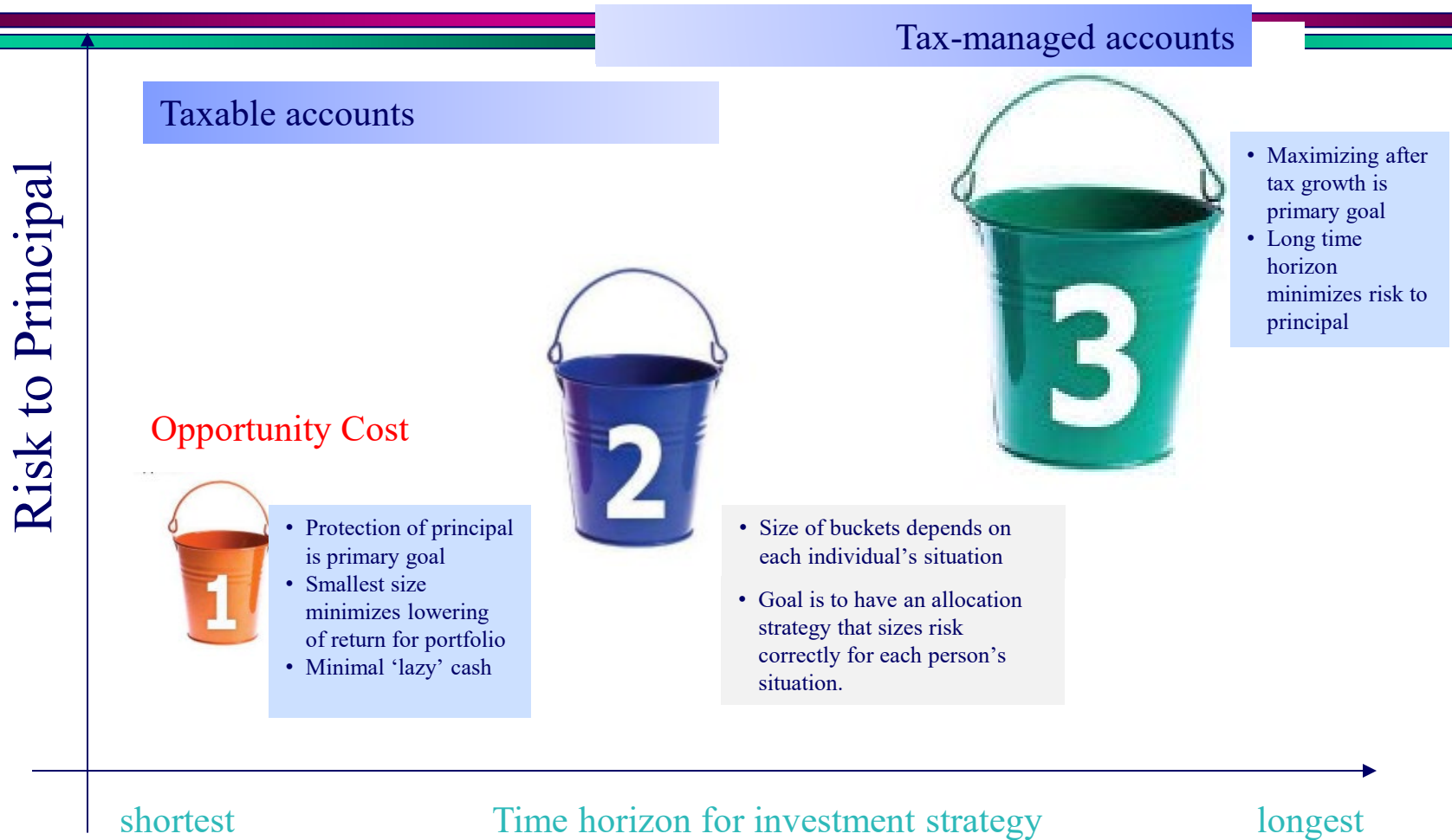
# Three bucket approach

- Pioneer – Harold Evensky, Money manager in Florida.
- Good resource of information - Christine Benz, Morningstar

□ <https://www.morningstar.com/retirement/how-retire-consider-retirement-bucket-portfolio-strategy>



# Buckets



# Fifth Class – Mar. 4<sup>th</sup>

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- Market update

- Weekly Topic

  - Deep Dive – Mutual Funds & ETFs – Part 1

    - What is an ETF?

    - How does it work?

    - How is it different from a Mutual Fund?

    - Performance Criteria for an ETF

- 6<sup>th</sup> Class on March 11<sup>th</sup>

  - We will look at the first of the two new things I had promised we would have in this semester – “Minimal work strategy for investing”

# Thanks !!

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□ Happy Investing !!

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