
Principles of Investing

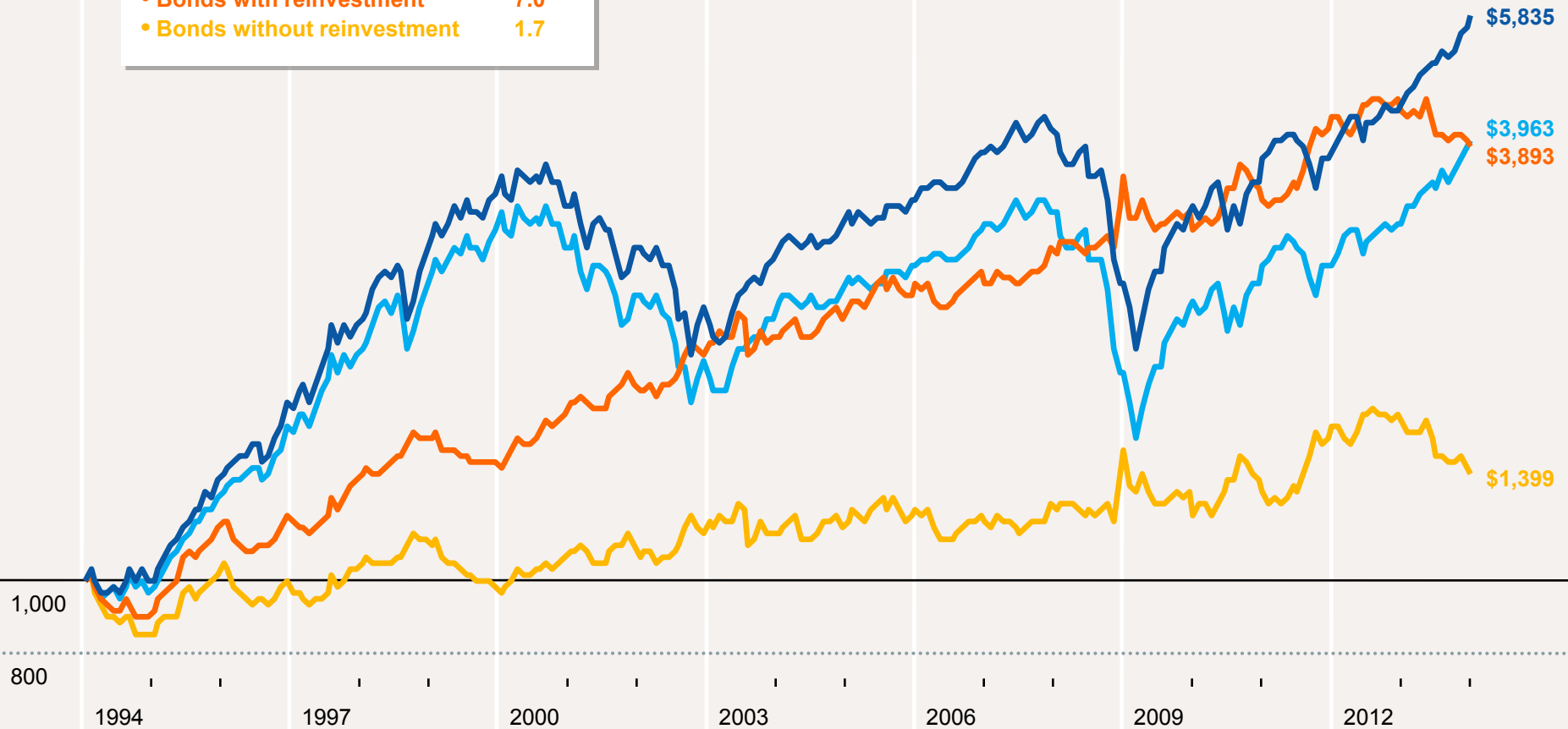
Power of Reinvesting

1994–2013

\$10k

Compound annual return

- Stocks with reinvestment 9.2%
- Stocks without reinvestment 7.1%
- Bonds with reinvestment 7.0%
- Bonds without reinvestment 1.7%

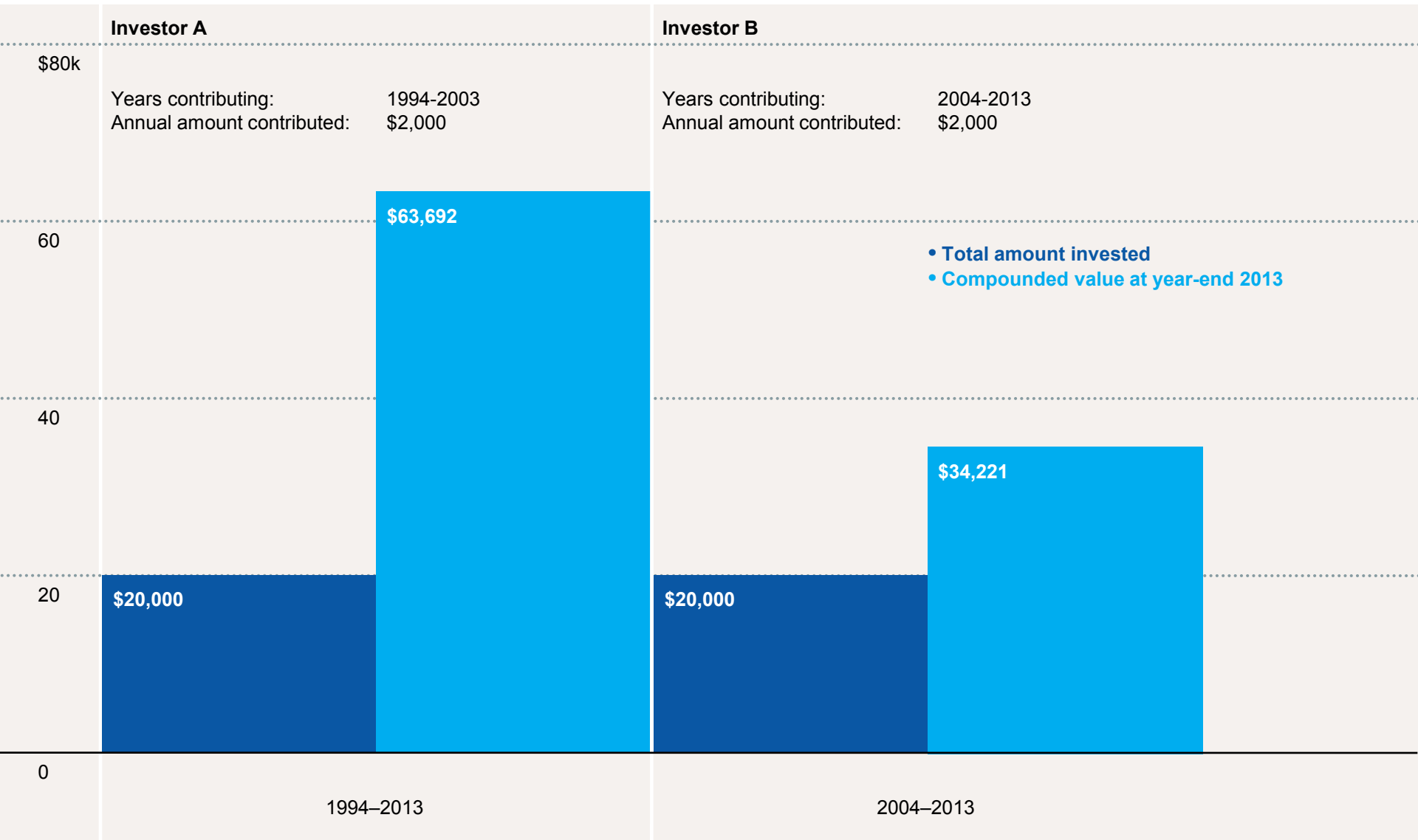


Past performance is no guarantee of future results. Hypothetical value of \$1,000 invested at the beginning of 1994. Data does not account for taxes or transaction costs. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © 2014 Consilium Wealth Advisory, LLC. All Rights Reserved.



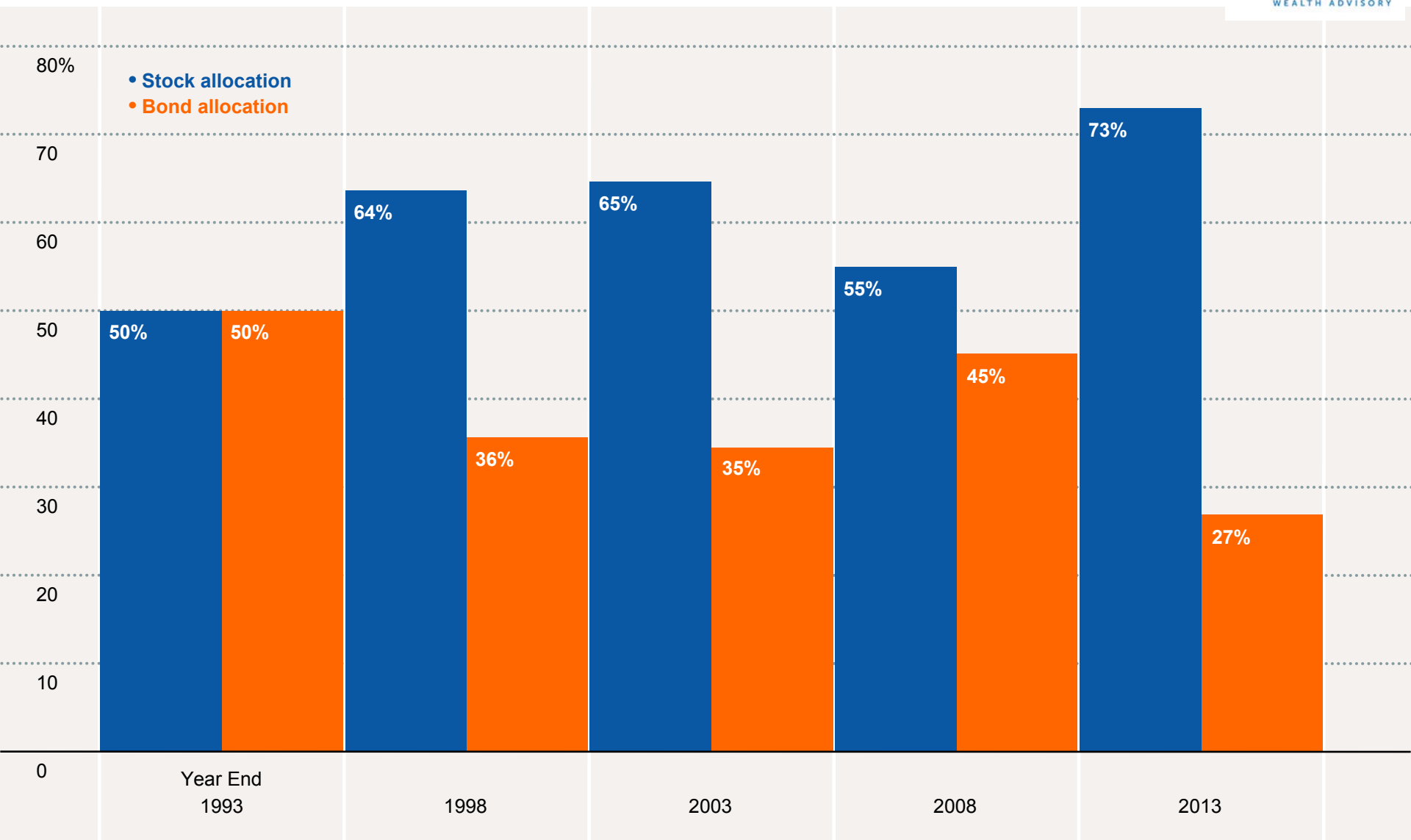
Power of Compounding

Hypothetical investment in stocks





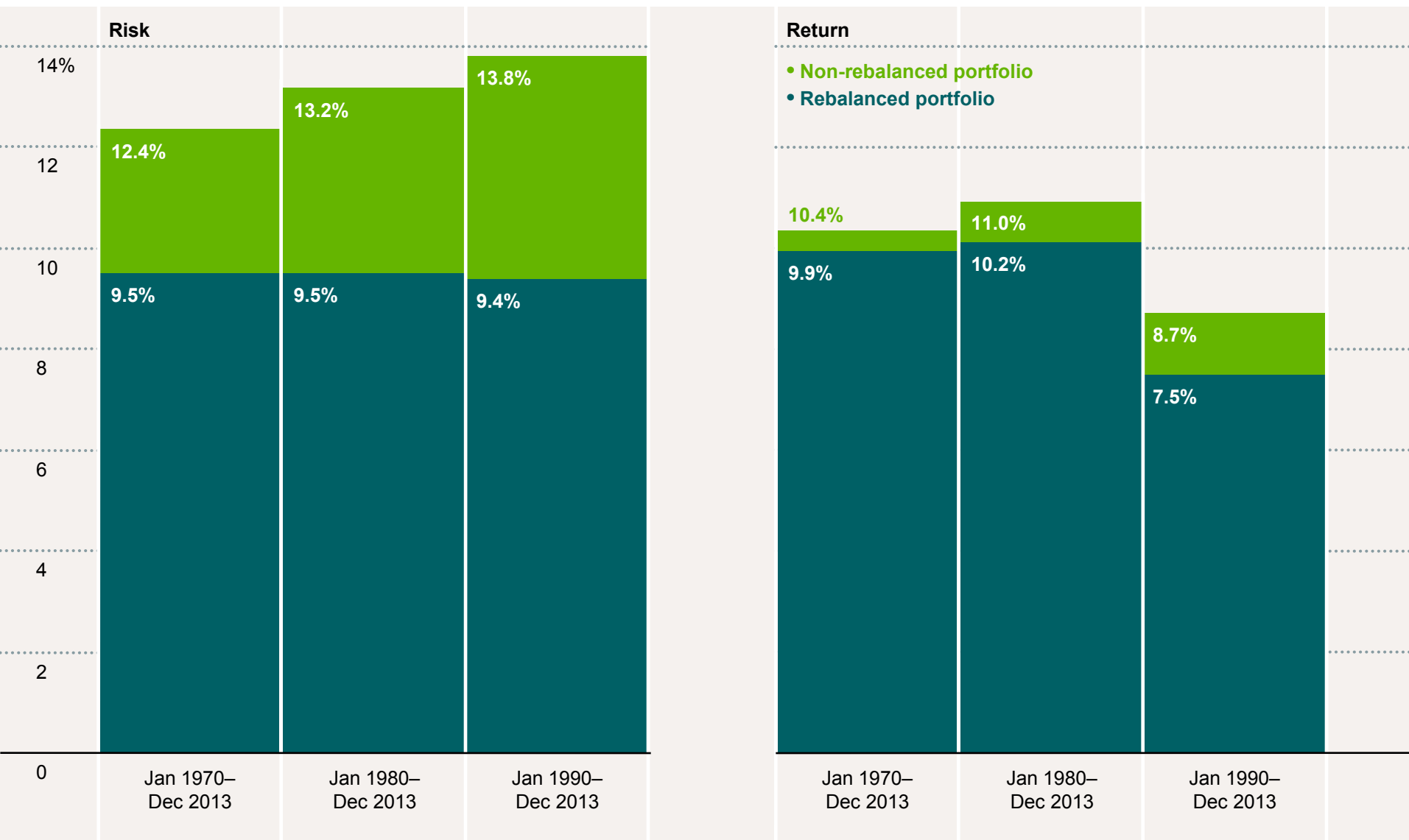
Importance of Rebalancing 1993–2013





Managing Risk With Portfolio Rebalancing

The risk and return of rebalanced versus non-rebalanced portfolios

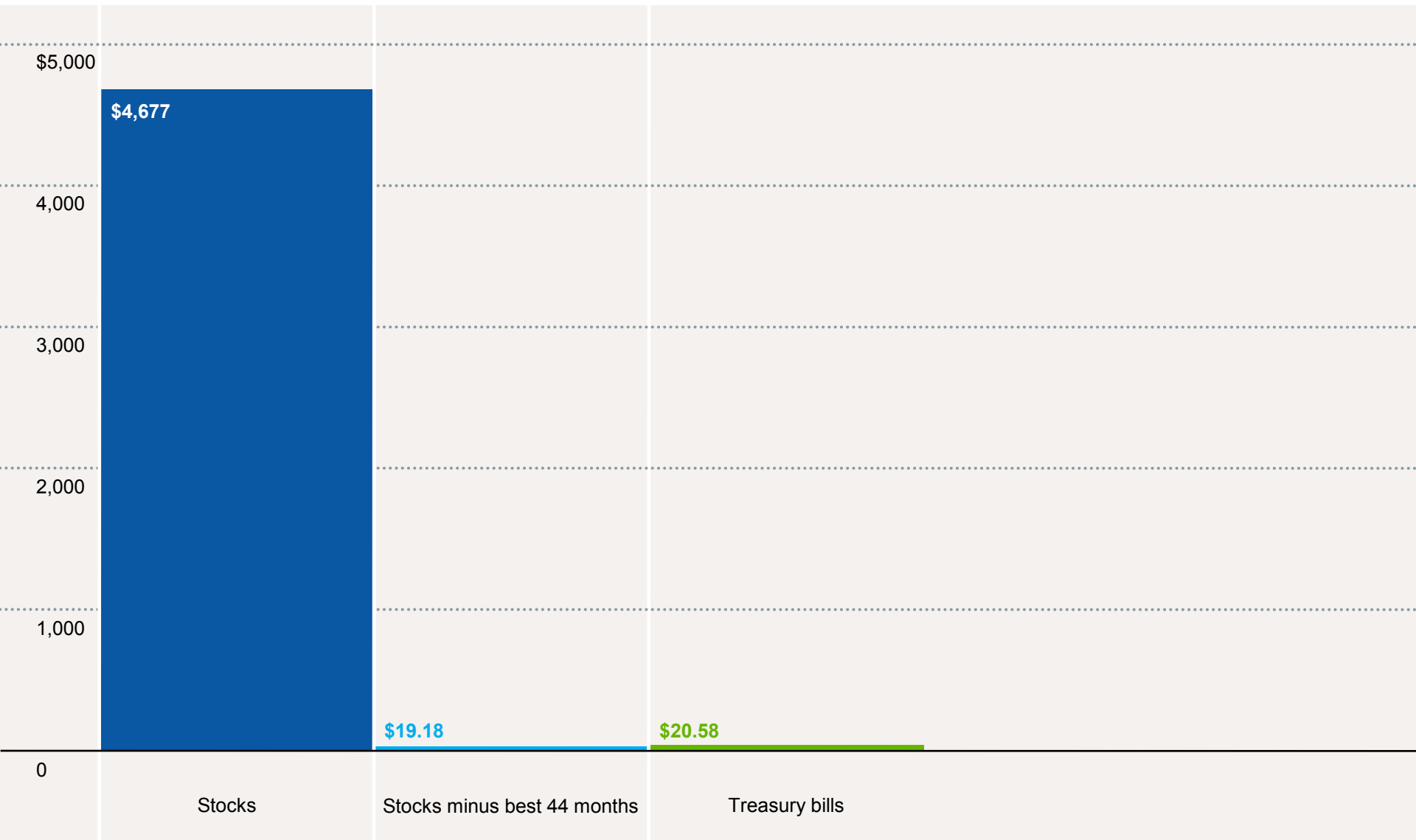


Past performance is no guarantee of future results. Risk and return are measured by monthly annualized standard deviation and compound annual return, respectively. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © 2014 Consilium Wealth Advisory, LLC. All Rights Reserved.



Dangers of Market Timing

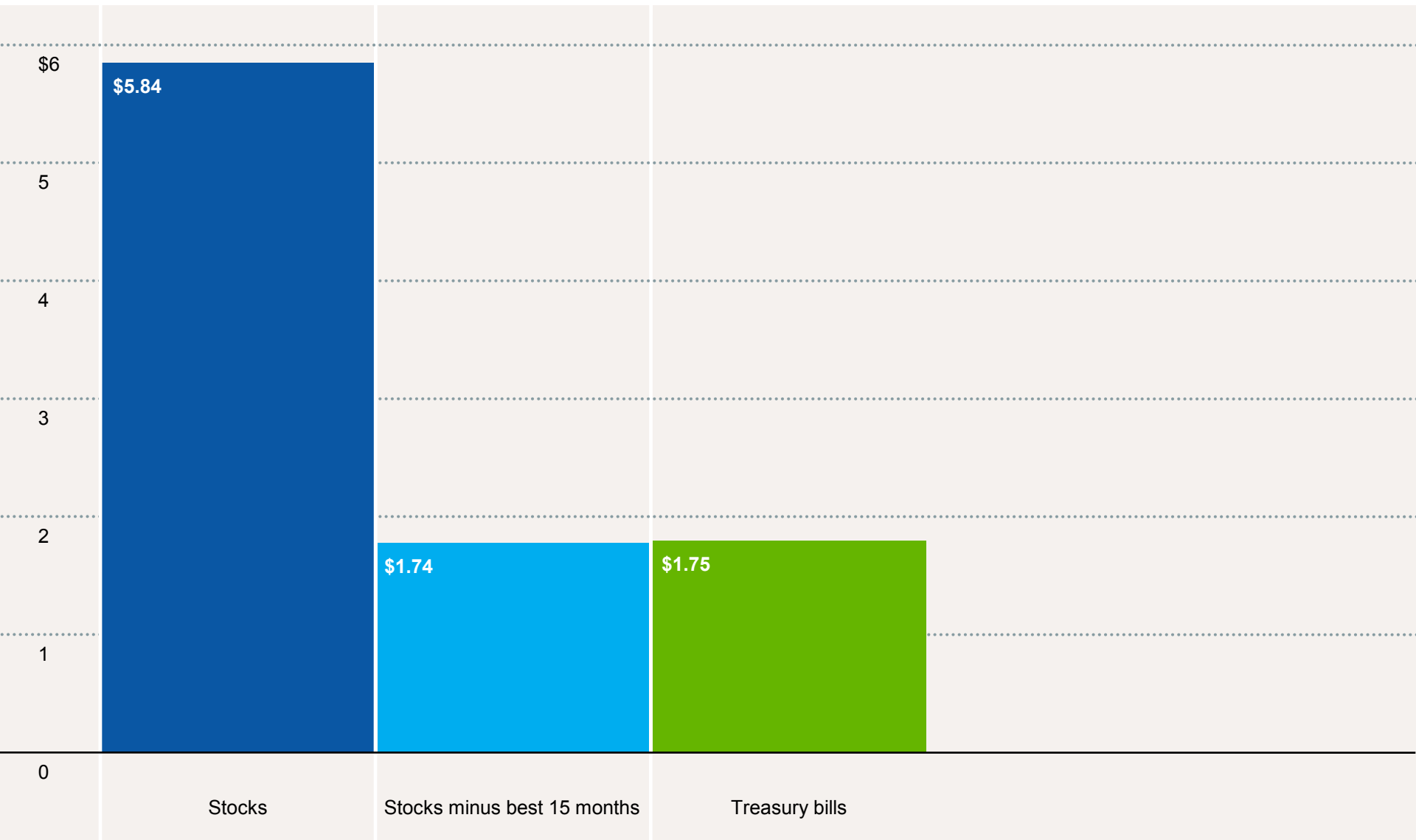
Hypothetical value of \$1 invested from 1926–2013





Dangers of Market Timing

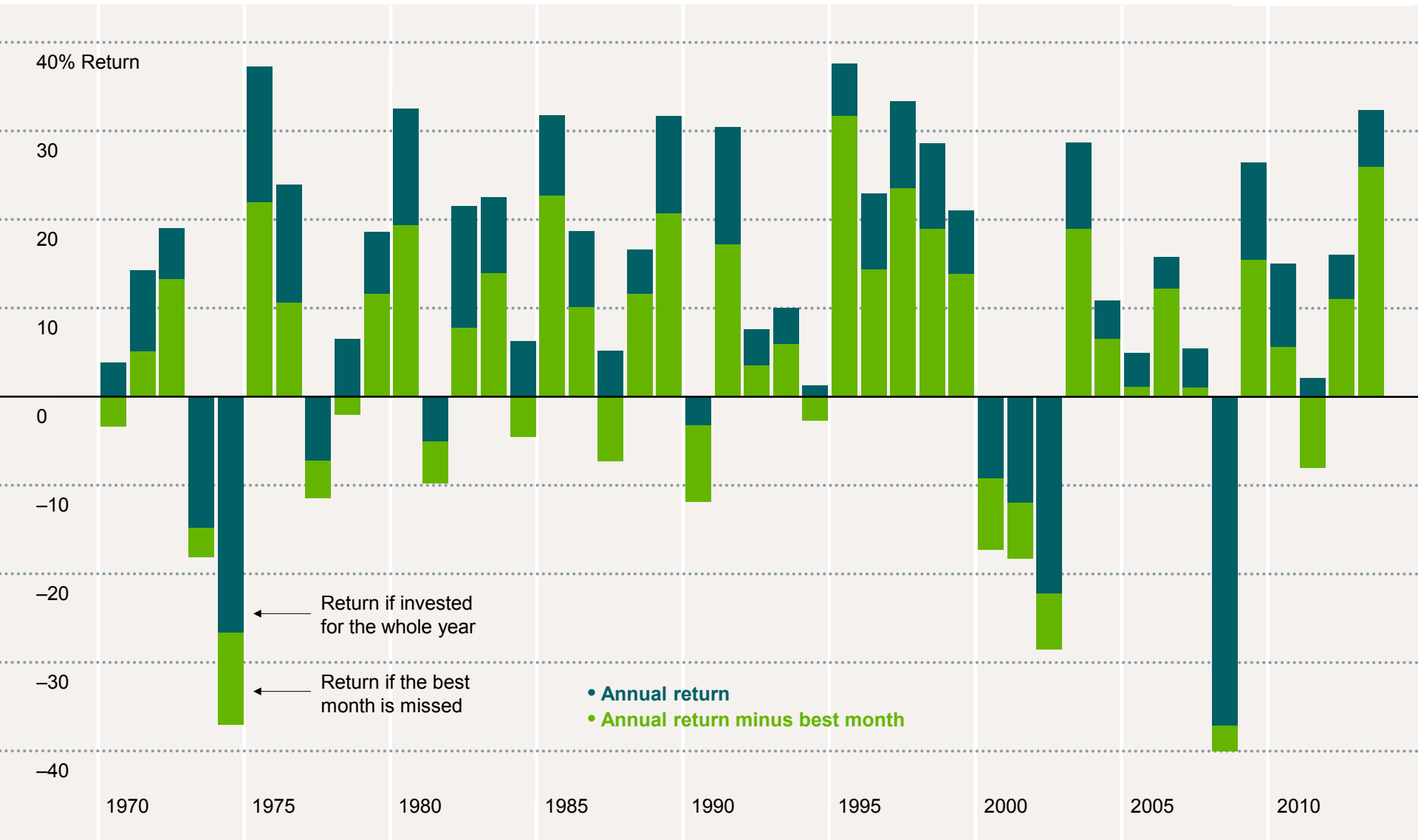
Hypothetical value of \$1 invested from 1994–2013





Market-Timing Risk

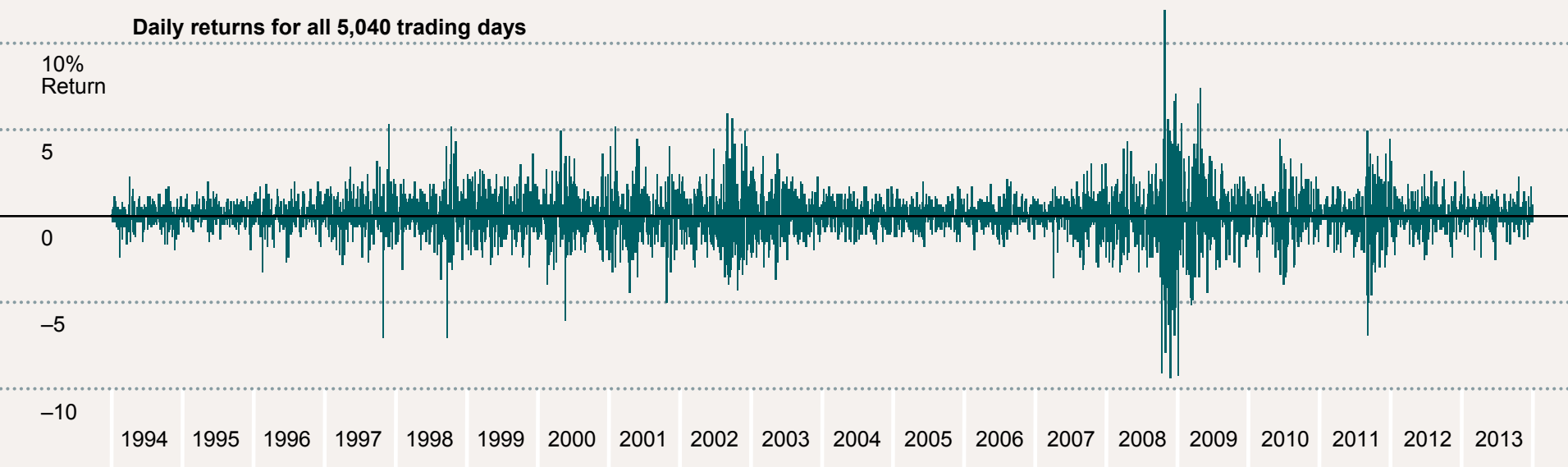
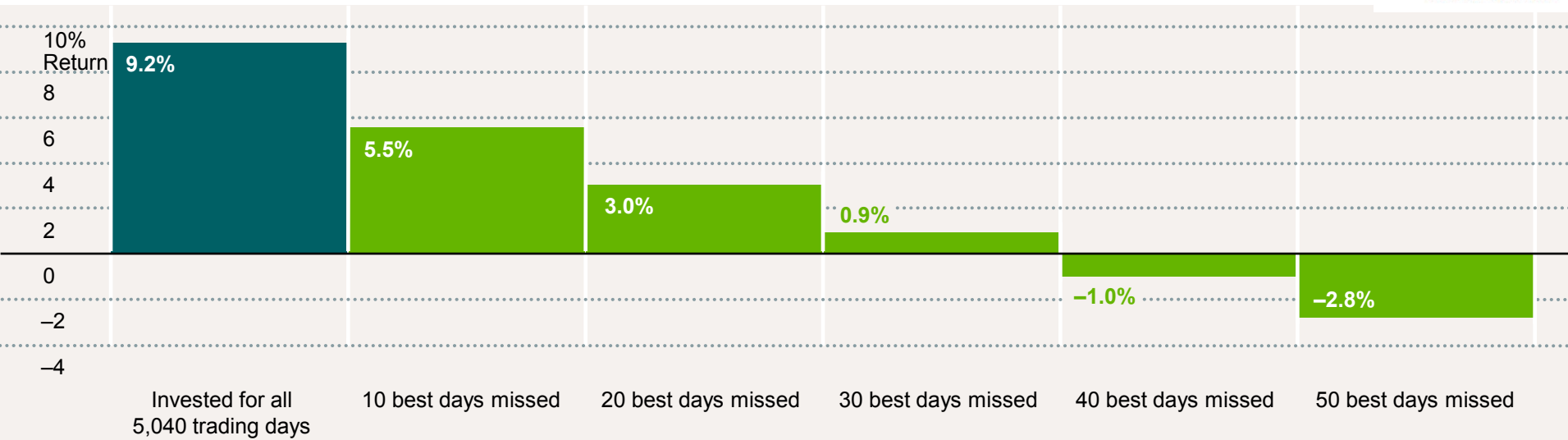
The effects of missing the best month of annual returns 1970–2013





The Cost of Market Timing

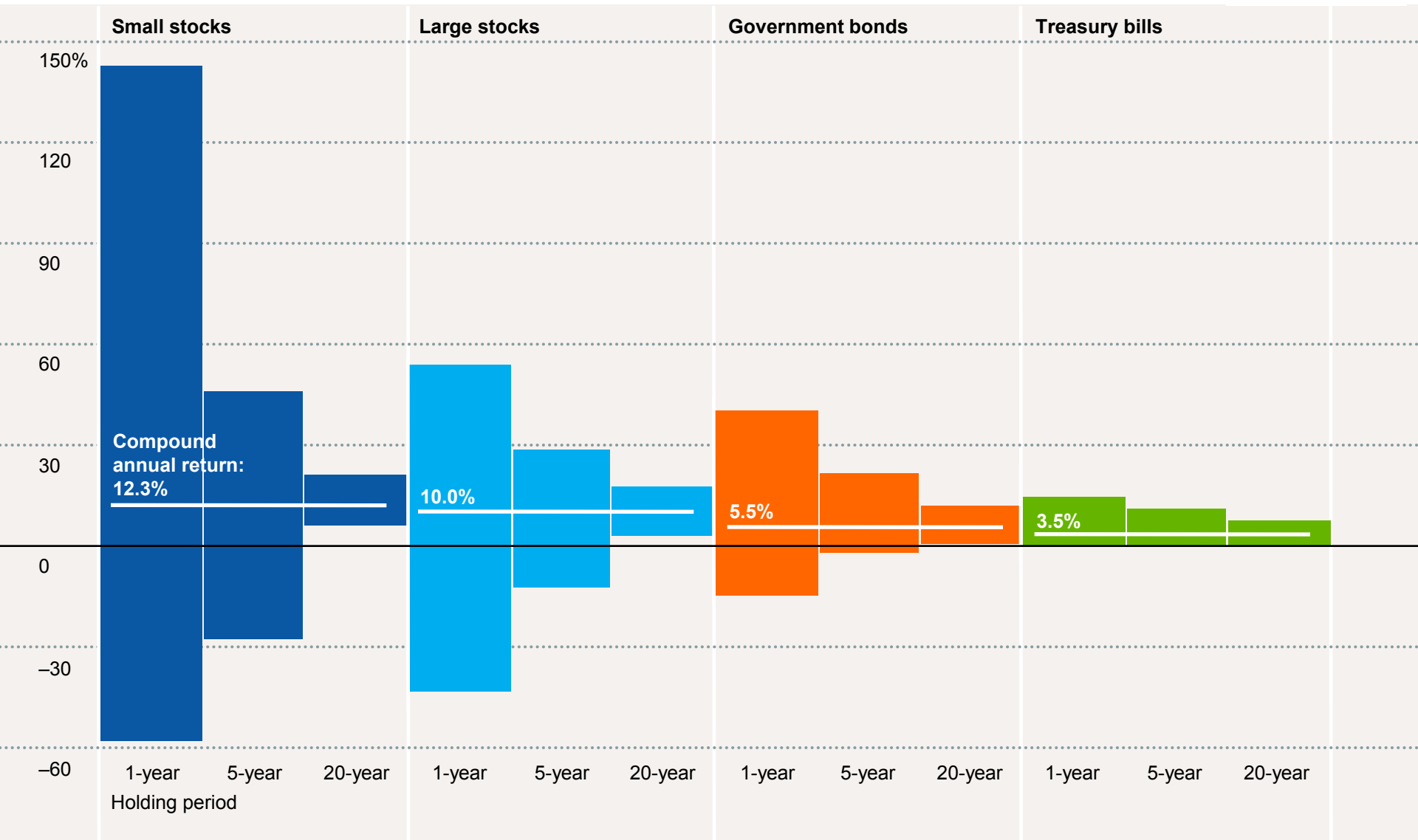
Risk of missing the best days in the market 1994–2013





Reduction of Risk Over Time

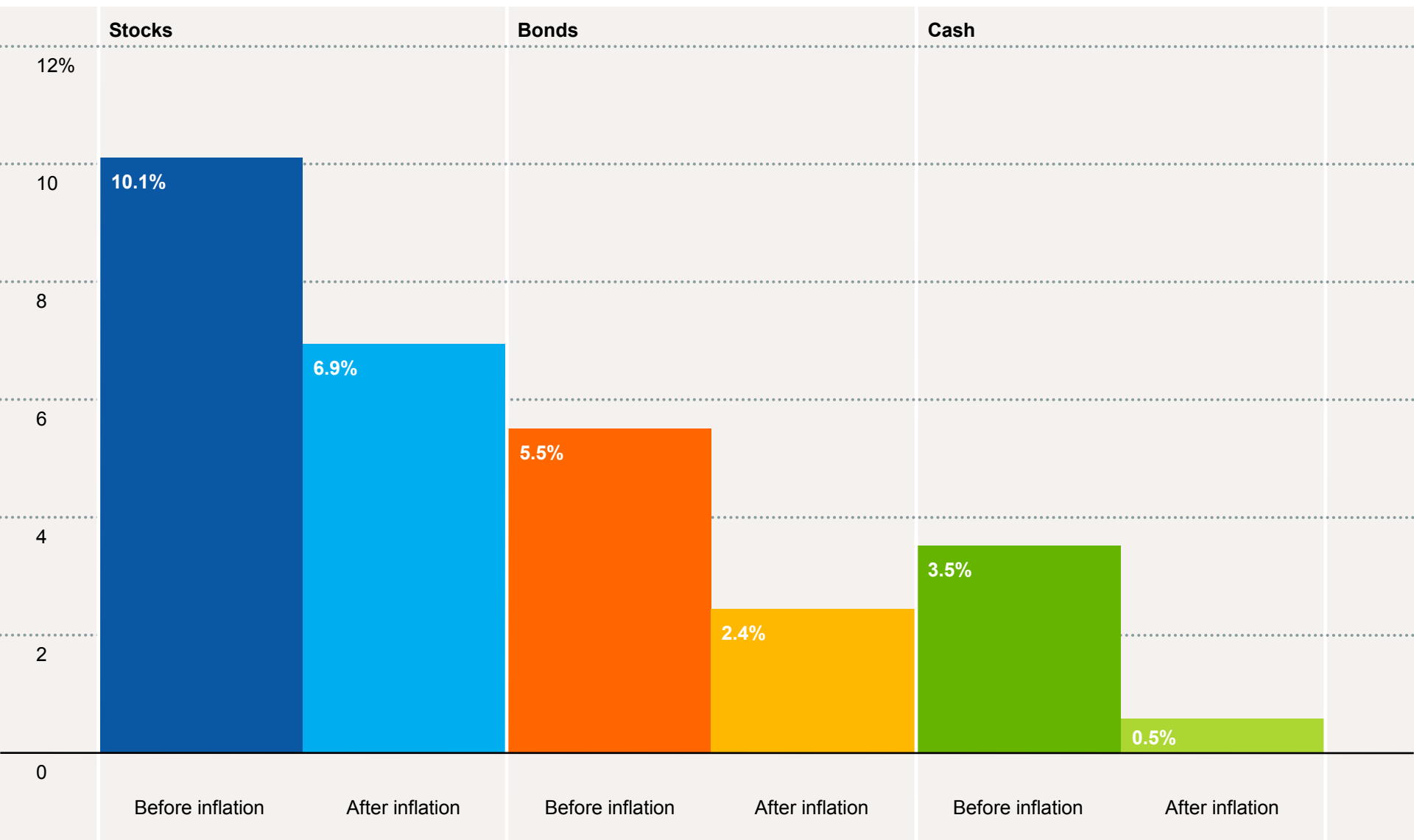
1926–2013



Past performance is no guarantee of future results. Each bar shows the range of compound annual returns for each asset class over the period 1926–2013. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © 2014 Consilium Wealth Advisory, LLC. All Rights Reserved.



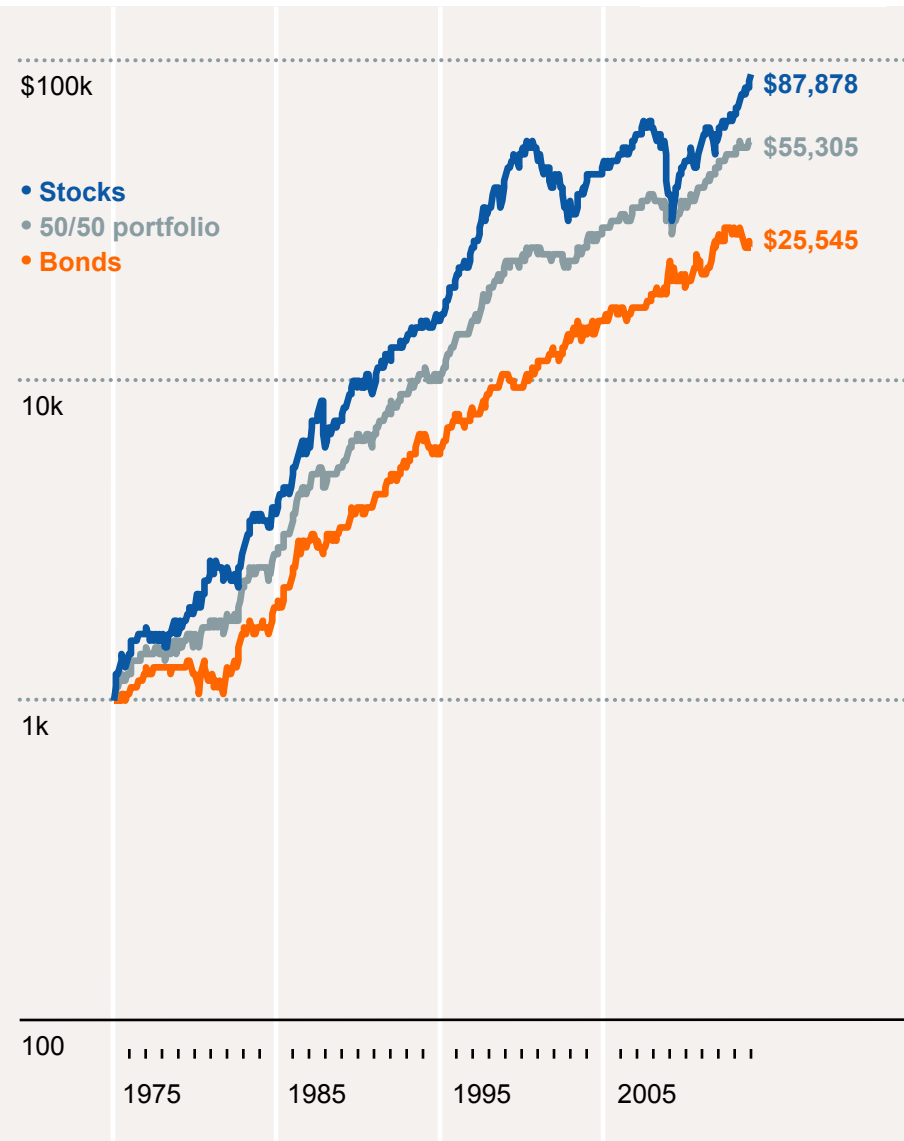
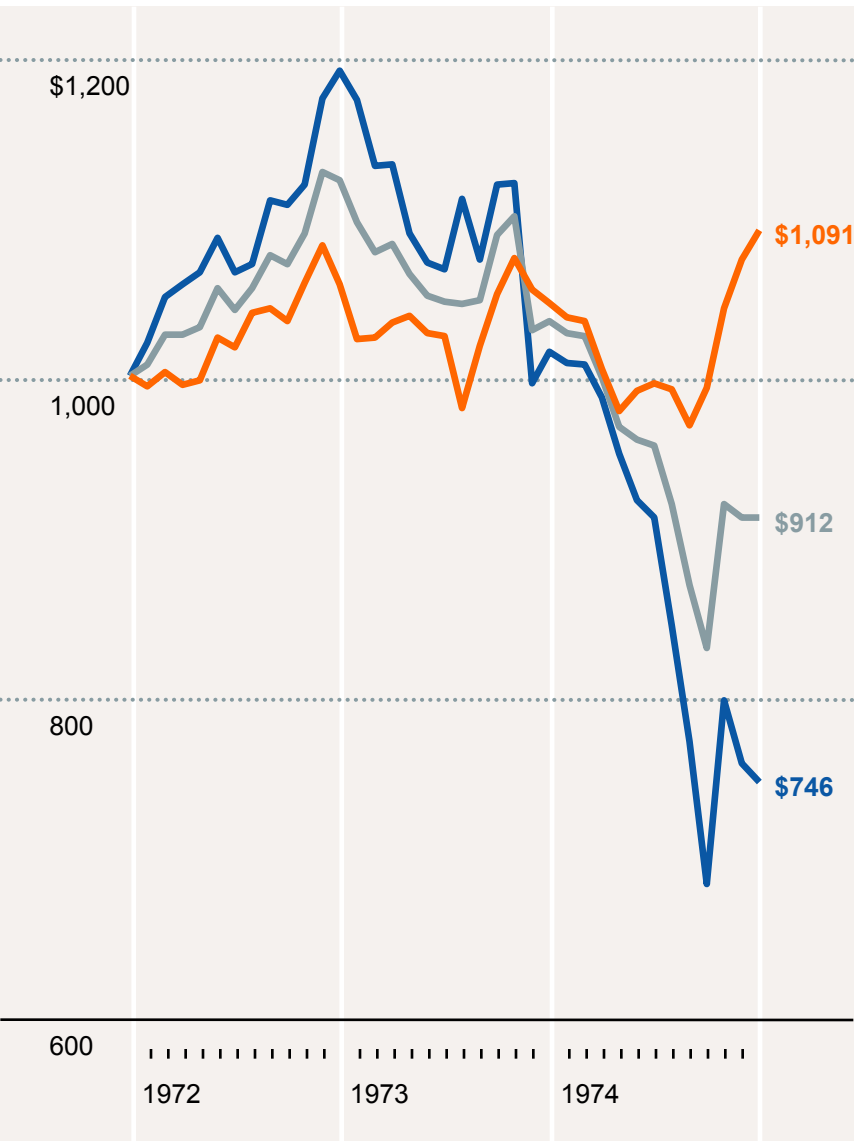
Returns Before and After Inflation 1926–2013



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Can You Stay on Track?



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