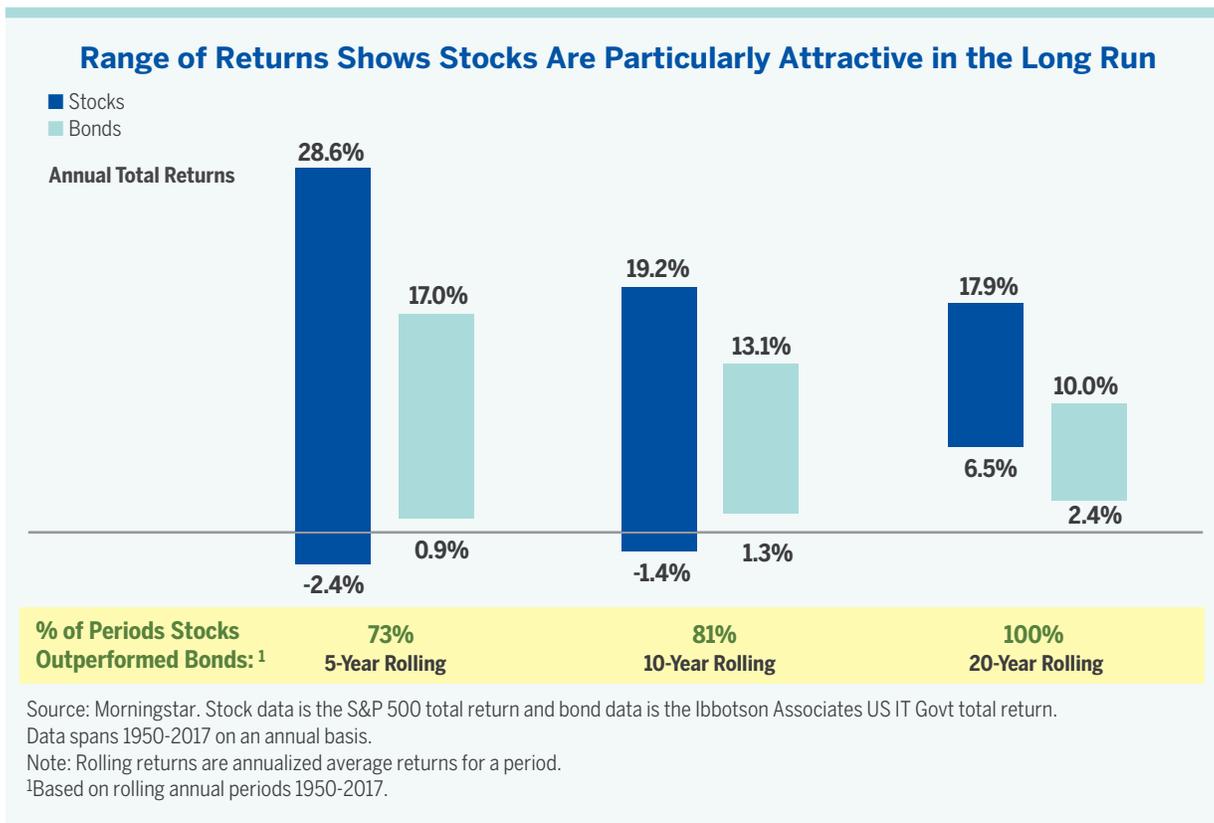


## Stocks for the Long Term?

It is a cardinal rule of finance that with higher potential return comes more potential risk. But how have the ranges of returns of various asset classes actually compared over time? The historical data may surprise investors and justify taking a second look at asset allocation.



- Though stocks may fluctuate much more than bonds in the short term, the range in equity returns has been consistently higher over longer time periods.
- Using 20-year rolling annualized returns, the minimum equity return has been higher than that of bonds while the standard deviation, a statistical measurement of risk, is less than 1% higher.
- Stocks have consistently outperformed bonds and investors may thus want to re-think their asset allocation for the long term.

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