The power of compounding.

ONE DAY
IN JULY

FINANCIAL ADVISORS

“It’s not what you look at that matters, it’s what you see.”

~ Henry David Thoreau

S&P 500 Total Return

(after fees)

Index investing + low fees + good savings = happy retirement.

Using the S&P 500:

Year	Total Return (after fees)	Savings Added	Total Money
1970	3.06%	$5,000	$5,000
1971	13.72%	$5,250	$11,656
1972	18.26%	$5,513	$20,303
1973	-14.81%	$5,788	$22,228
1974	-26.40%	$6,078	$20,832
1975	36.50%	$6,381	$37,145
1976	23.33%	$6,700	$54,075
1977	-7.48%	$7,036	$56,540
1978	6.01%	$7,387	$67,769
1979	18.02%	$7,757	$89,135
1980	31.24%	$8,144	$127,664
1981	-5.20%	$8,552	$129,130
1982	19.92%	$8,979	$165,619
1983	21.84%	$9,428	$213,273
1984	5.65%	$9,900	$235,773
1985	30.74%	$10,395	$321,827
1986	17.99%	$10,914	$392,617
1987	5.31%	$11,460	$425,545
1988	16.04%	$12,033	$507,753
1989	30.98%	$12,635	$681,579
1990	-3.56%	$13,266	$670,078
1991	29.73%	$13,930	$887,396
1992	6.99%	$14,626	$965,108
1993	9.47%	$15,358	$1,073,287
1994	0.83%	$16,125	$1,098,410
1995	36.70%	$16,932	$1,524,618
1996	22.18%	$17,778	$1,884,515
1997	32.60%	$18,667	$2,523,689
1998	27.84%	$19,601	$3,251,290
1999	20.39%	$20,581	$3,938,853
2000	-9.53%	$21,610	$3,582,958
2001	-12.35%	$22,690	$3,160,360
2002	-22.47%	$23,825	$2,468,824
2003	27.86%	$25,016	$3,188,519
2004	10.24%	$26,267	$3,544,069
2005	4.33%	$27,580	$3,726,462
2006	15.11%	$28,959	$4,322,961
2007	4.98%	$30,407	$4,570,372
2008	-37.05%	$31,927	$2,897,039
2009	25.44%	$33,524	$3,675,959
2010	14.32%	$35,200	$4,242,637
2011	1.60%	$0.0	$4,310,450
2012	15.39%	$0.0	$4,973,854
2013	31.65%	$0.0	$6,547,834
2014	13.02%	$0.0	$7,400,652
2015	0.88%	$0.0	$7,465,695
2016	11.27%	$0.0	$8,307,309
2017	21.11%	$0.0	$10,060,607
2018	-4.73%	$0.0	$9,585,055
2019	30.72%	$0.0	$12,529,934

This table only includes one stock index. This is not how a portfolio would be constructed - the risk would be too high as it would not be diversified. This table shows only how the American S&P 500 index performed, and the effect of investing at those return rates, net of fees, over a 50 year period.

Savings added assumes $5,000 of savings in 1970, increasing 5% per year until 2010, at which point no more savings added. Savings added January 1st each year. No withdrawals factored in. Total return includes dividends. This simulation does not include taxes on dividends. Advisory and fund fees combined are modeled at 0.50% - the S&P 500 returns above are shown after fees are deducted.

Source of S&P total returns: Professor Aswath Damodaran, NYU Stern School of Business, 1970-2019

0.50% fee approximation is based on assets spanning One Day In July fee breakpoints over time and usage of a low-cost S&P 500 fund at today's rates (0.04%). This is a historical view only. You should not assume the future will resemble the past - it may be less profitable. Not all clients have an S&P 500 fund in their portfolios. Early in the 1970's index funds that tracked the S&P 500 did not exist, so that investment could not have been made in practice, but is simulated here. The above table reflects one index at today's fee rates, not an investment strategy or model.

The magic of time.

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www.onedayinjuly.com