Portfolio Summary Statistics
Rolling periods 1926–2019

	Average return	12-month holding period			60-month			120-month		
		Highest return	Lowest return	Negative periods	Highest return	Lowest return	Negative periods	Highest return	Lowest return	Negative periods
100%	**10.0%**	162.9%	−67.6%	24.6%	36.1%	−17.4%	12.2%	21.4%	−4.9%	5.3%
25% / 75%	**9.1%**	118.7%	−55.7%	22.1%	29.0%	−11.5%	7.1%	17.7%	−1.3%	0.9%
50% / 50%	**8.0%**	77.8%	−40.7%	17.8%	22.2%	−6.1%	4.5%	16.2%	1.5%	0.0%
75% / 25%	**6.6%**	40.9%	−22.0%	10.6%	20.0%	−1.2%	0.3%	14.9%	3.3%	0.0%
100%	**5.1%**	32.7%	−5.6%	10.1%	19.5%	0.5%	0.0%	13.7%	1.2%	0.0%

- Stocks
- Bonds

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Portfolio Summary Statistics
Asset allocation and length of holding period have an impact on the risk and return of a portfolio.
This table shows the compound annual return and other performance measures over 12-, 60-, and 120-month rolling periods for different portfolio allocations since 1926. Rolling-period returns are a series of overlapping, contiguous periods of returns. For example, when examining 12-month rolling periods, the first rolling period is January 1926–December 1926, the second is February 1926–January 1927, the third is March 1926–February 1927, and so on.
Notice that as the stock allocation increases, the returns increase. However, these higher portfolio returns are associated with much greater volatility (risk), as evidenced by the range between highest and lowest returns for each holding period and the percent of periods that were negative.
An investor with a long time horizon may be able to deal with short-term volatility in order to receive the higher return opportunities that more aggressive portfolios may provide. Conversely, an investor with short-term goals might seek the relative stability of a conservative approach to help minimize losses.
Diversification does not eliminate the risk of experiencing investment losses. Government bonds are guaranteed by the full faith and credit of the U.S. government as to the timely payment of principal and interest, while stocks are not guaranteed and have been more volatile than bonds. Risk is measured by standard deviation. Standard deviation measures the fluctuation of returns around the arithmetic average return of the investment. The higher the standard deviation, the greater the variability (and thus risk) of the investment returns.
About the data
Stocks are represented by the Ibbotson® Large Company Stock Index. Bonds are represented by the five-year U.S. government bond. An investment cannot be made directly in an index. The data assumes reinvestment of income and does not account for taxes or transaction costs.

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