

Investment Options

It's not about timing the market...it's about time IN the market!
- Warren Buffet



Matt Crabtree, CFP®
Matt.Crabby@gmail.com

Investment Insights for:



Five Key Actions



You may pay more attention to one this year and another the next, but the ultimate goal is to strike the right balance among all five.

What we'll cover

- Accounts
 - IRA/Roth
 - 529
 - Taxable
- Investment vehicles
 - Stocks/Bonds
 - Mutual Funds/ETFs
 - Crypto/others
- Apps and Firms
 - ACORNS/Robinhood/Etc.
 - EJ/ML/Schwab/Etc.
- Research
 - Fundamental
 - Technical
- Investment Strategy
 - Risk/Goals
 - Seeking a professional

MISTAKES TO AVOID!

Investment Accounts

- Qualified vs Non-Qualified (receives special tax treatment under the IRS)
 - 401k
 - IRA/Roth
 - Taxable Brokerage account
- 529
 - Owner/beneficiary
 - Tax consideration
 - Favorable Financial Aid treatment

Investment Vehicles

Stocks/Bonds

- Stocks (equities)
 - Ownership/voting
 - Easy to follow
 - Dividends
 - Indices
- Bonds
 - Government/Corporate
 - Interest gained over time
 - Par value at issue
 - Discount/premium

Investment Vehicles

Mutual Fund vs ETF

Mutual Fund

- Basket of securities for a goal
- NAV end of trading day
- Active mutual funds (managed day to day) vs Passive mutual funds (similar to index)
- **Fund fact sheet – great tips on what the fund is**
- Share classes

ETF – Exchange Traded Funds

- Trades like a stock
- Tax efficiency

Investment Vehicles

Crypto

- Digital form designed for transactions
- Investing is speculative
 - Trade real money for digital
 - Unregulated
 - New forms daily

UIT – Unit Investment Trust

- Actively packaged
- Maturity

REIT – Real Estate Investment Trust

- Private vs public
- Retail centers, healthcare, data storage

Annuity

- Insurance contract
- Variable/fixed
- Surrender penalties

Cash Equivalents

- CD
- Money Market

Research

Stocks

Fundamental

- Company financials
 - P/E – what investors are willing to spend for \$1 in return
-
- Technical
 - Charting price movement
 - 52 week low/high

Risk

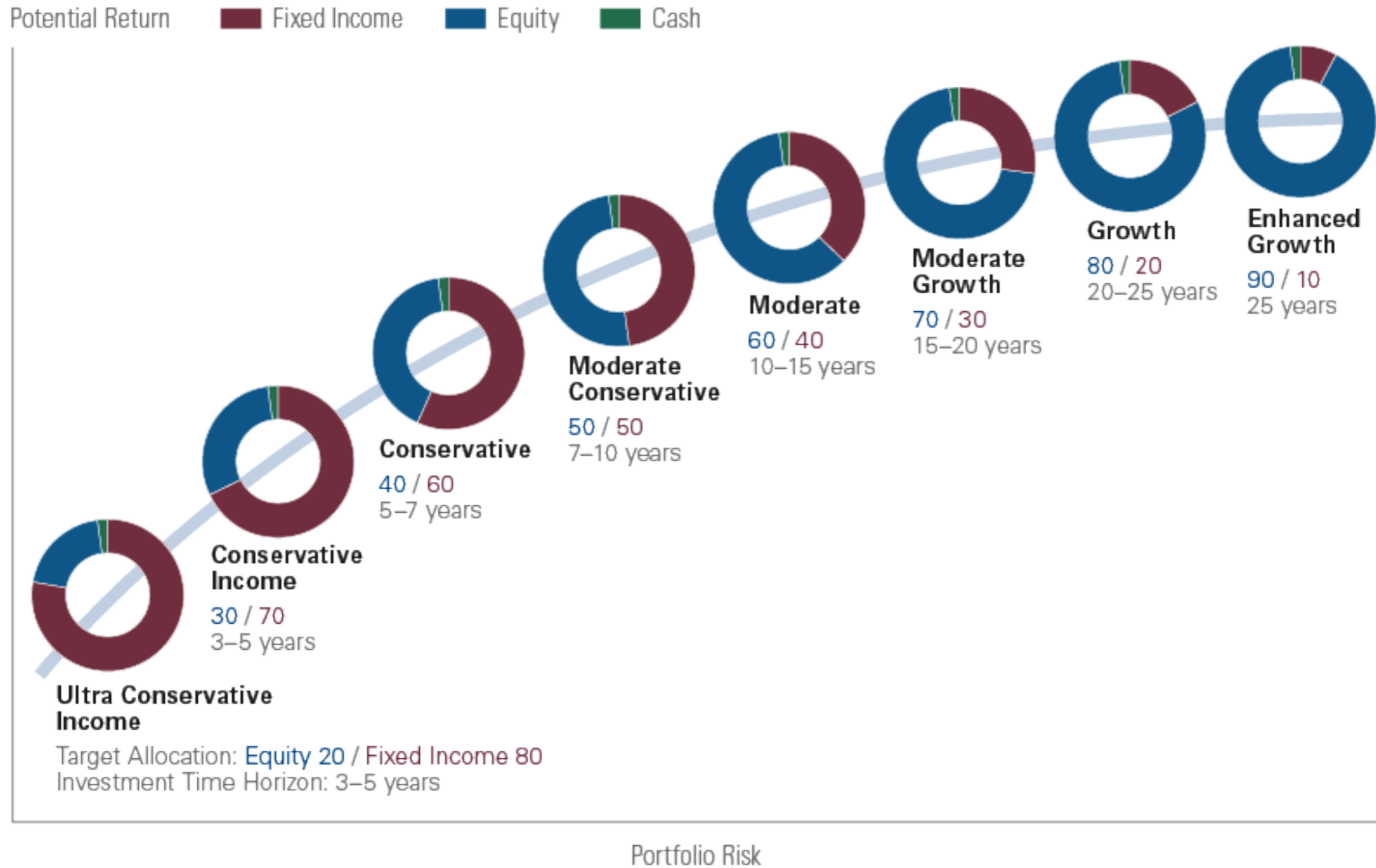
- Age
 - 20/30/40/50
- Timeline
 - Short/mid/long
- Liquidity needs
 - Expenses
- Portfolio size
 - Each account vs Aggregate
- Goals
 - Cover living expenses
 - Travel
 - Education
 - Gifting
- Risk Assessment



Choosing a professional

- Investment sales vs advice
 - Series 6/7 and 66
- Insurance, tax, investments
 - CLU, CPA, CFP[®]
- CFP.net
 - College degree
 - Min 3yrs experience
 - 1yr study in Investments, Insurance, Corporate Plans, Taxes, Estate Planning
- Fees
 - Commission, fee based, other costs
 - 6 hour exam
 - Ethical requirements
- Brokercheck.org
 - Licenses
 - Disclosures

Investment options



Chasing returns

The Callan Periodic Table of Investment Returns

Annual Returns for Key Indices Ranked in Order of Performance (2004–2023)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real Estate 37.96%	Emerging Market Equity 34.00%	Real Estate 42.12%	Emerging Market Equity 39.34%	U.S. Fixed Income 5.24%	Emerging Market Equity 78.51%	Small Cap Equity 26.85%	U.S. Fixed Income 7.84%	Real Estate 27.73%	Small Cap Equity 38.82%	Real Estate 15.02%	Large Cap Equity 1.38%	Small Cap Equity 21.31%	Emerging Market Equity 37.28%	Cash Equivalent 1.87%	Large Cap Equity 31.49%	Small Cap Equity 19.96%	Large Cap Equity 28.71%	Cash Equivalent 1.46%	Large Cap Equity 26.29%
Emerging Market Equity 25.55%	Real Estate 15.35%	Emerging Market Equity 32.17%	Developed ex-U.S. Equity 12.44%	Global ex-U.S. Fixed 4.39%	High Yield 58.21%	Real Estate 19.63%	High Yield 4.98%	Emerging Market Equity 18.25%	Large Cap Equity 32.39%	Large Cap Equity 13.69%	U.S. Fixed Income 9.55%	High Yield 17.13%	Developed ex-U.S. Equity 24.21%	U.S. Fixed Income 9.01%	Small Cap Equity 25.52%	Large Cap Equity 18.40%	Real Estate 26.09%	High Yield -11.59%	Developed ex-U.S. Equity 17.94%
Developed ex-U.S. Equity 20.38%	Developed ex-U.S. Equity 14.47%	Developed ex-U.S. Equity 25.71%	Global ex-U.S. Fixed 11.03%	Cash Equivalent 2.00%	Real Estate 37.13%	Emerging Market Equity 18.89%	Global ex-U.S. Fixed 4.36%	Developed ex-U.S. Equity 16.41%	Developed ex-U.S. Equity 21.02%	U.S. Fixed Income 5.97%	Cash Equivalent 0.05%	Large Cap Equity 11.96%	Large Cap Equity 21.83%	High Yield -2.08%	Developed ex-U.S. Equity 22.49%	Emerging Market Equity 18.31%	Small Cap Equity 14.82%	U.S. Fixed Income -13.01%	Small Cap Equity 16.93%
Small Cap Equity 18.33%	Large Cap Equity 4.91%	Small Cap Equity 18.37%	U.S. Fixed Income 6.97%	High Yield -26.16%	Developed ex-U.S. Equity 33.67%	High Yield 15.12%	Large Cap Equity 2.11%	Small Cap Equity 16.35%	High Yield 7.44%	Small Cap Equity 4.89%	Real Estate -0.79%	Emerging Market Equity 11.19%	Small Cap Equity 14.65%	Global ex-U.S. Fixed -2.15%	Real Estate 21.91%	Global ex-U.S. Fixed 10.11%	Developed ex-U.S. Equity 12.62%	Developed ex-U.S. Equity -14.29%	High Yield 13.44%
Global ex-U.S. Fixed 12.54%	Small Cap Equity 4.55%	Large Cap Equity 15.79%	Large Cap Equity 5.49%	Small Cap Equity -33.79%	Small Cap Equity 27.17%	Large Cap Equity 15.06%	Cash Equivalent 0.10%	Large Cap Equity 16.00%	Real Estate 3.67%	High Yield 2.45%	Developed ex-U.S. Equity -3.04%	Real Estate 4.06%	Global ex-U.S. Fixed 10.51%	Large Cap Equity -4.38%	Emerging Market Equity 18.44%	Developed ex-U.S. Equity 7.59%	High Yield 5.26%	Large Cap Equity -18.11%	Emerging Market Equity 9.93%
High Yield 11.13%	Cash Equivalent 3.07%	High Yield 11.85%	Cash Equivalent 5.06%	Large Cap Equity -37.60%	Large Cap Equity 26.47%	Developed ex-U.S. Equity 8.95%	Small Cap Equity -4.18%	High Yield 15.81%	Cash Equivalent 0.07%	Cash Equivalent 0.03%	Small Cap Equity -4.41%	Developed ex-U.S. Equity 2.75%	Real Estate 10.36%	Real Estate -5.63%	High Yield 14.32%	U.S. Fixed Income 7.51%	Cash Equivalent 0.05%	Global ex-U.S. Fixed -18.70%	Real Estate 9.67%
Large Cap Equity 10.88%	High Yield 2.74%	Global ex-U.S. Fixed 8.16%	High Yield 1.87%	Developed ex-U.S. Equity -43.56%	Global ex-U.S. Fixed 7.53%	U.S. Fixed Income 6.54%	Real Estate -6.46%	U.S. Fixed Income 4.21%	U.S. Fixed Income -2.02%	Emerging Market Equity -2.19%	High Yield -4.47%	U.S. Fixed Income 2.65%	High Yield 7.50%	Small Cap Equity -11.01%	U.S. Fixed Income 8.72%	High Yield 7.11%	U.S. Fixed Income -1.54%	Emerging Market Equity -20.99%	Global ex-U.S. Fixed 5.72%
U.S. Fixed Income 4.34%	U.S. Fixed Income 2.43%	Cash Equivalent 4.85%	Small Cap Equity -1.57%	Real Estate -48.21%	U.S. Fixed Income 5.93%	Global ex-U.S. Fixed 4.95%	Developed ex-U.S. Equity -12.21%	Global ex-U.S. Fixed 4.09%	Emerging Market Equity -2.60%	Global ex-U.S. Fixed -3.09%	Global ex-U.S. Fixed -6.02%	Global ex-U.S. Fixed 1.49%	U.S. Fixed Income 3.54%	Developed ex-U.S. Equity -14.09%	Global ex-U.S. Fixed 5.09%	Cash Equivalent 0.67%	Emerging Market Equity -2.54%	Small Cap Equity -20.44%	U.S. Fixed Income 5.53%
Cash Equivalent 1.33%	Global ex-U.S. Fixed -8.65%	U.S. Fixed Income 4.33%	Real Estate -7.39%	Emerging Market Equity -53.33%	Cash Equivalent 0.21%	Cash Equivalent 0.13%	Emerging Market Equity -18.42%	Cash Equivalent 0.11%	Global ex-U.S. Fixed -3.08%	Developed ex-U.S. Equity -4.32%	Emerging Market Equity -14.92%	Cash Equivalent 0.33%	Cash Equivalent 0.86%	Emerging Market Equity -14.57%	Cash Equivalent 2.26%	Real Estate -9.04%	Global ex-U.S. Fixed -7.05%	Real Estate -25.10%	Cash Equivalent 5.01%

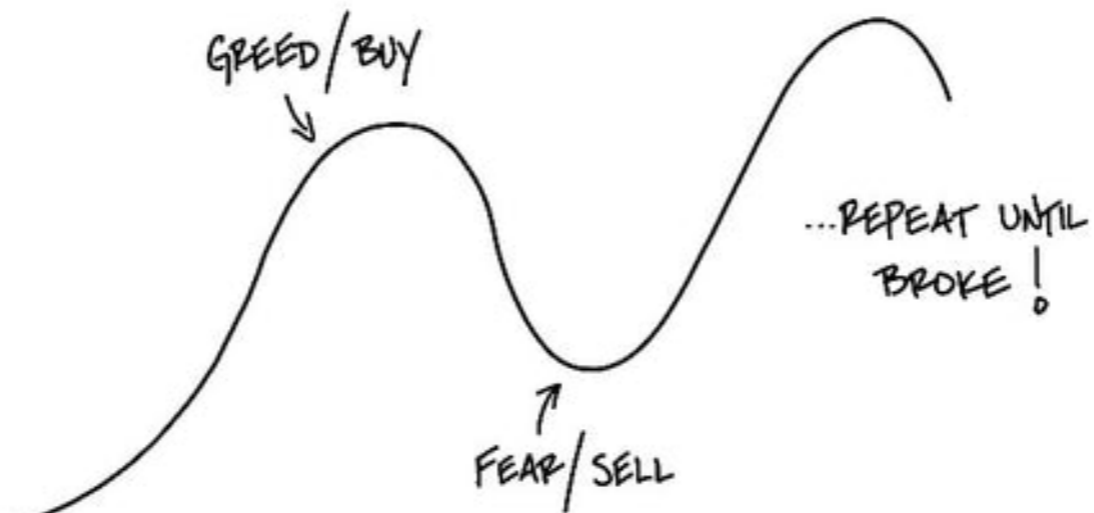
The Callan Periodic Table of Investment Returns conveys the strong **case for diversification** across asset classes (stocks vs. bonds), capitalizations (large vs. small), and equity markets (U.S. vs. global ex-U.S.). The Table highlights the uncertainty inherent in all capital markets. Rankings change every year. Also noteworthy is the difference between absolute and relative performance, as returns for the top-performing asset class span a wide range over the past 20 years.

A printable copy of The Callan Periodic Table of Investment Returns is available on our website at callan.com/periodic-table/.

© 2024 Callan LLC

Mistakes to Avoid

- Taking advice from TV, friends, family, co-workers
- Not having a plan
- Ostrich syndrome – myth vs fact



BEHAVIOR GAP

Five Key Actions for Creating a Lifetime of Financial Security

These apply no matter how old you are, how much money you have or what your goals are for the future.



Questions?

Thank You

www.ed2go.com

Business Finance

Personal Finance

Stocks, Bonds, and Investing: Oh My!

The Analysis and Valuation of Stocks

Introduction to Stock Options

Where Does All My Money Go?

Introduction to Business Analysis



Matt Crabtree, CFP®
Matt.Crabby@gmail.com