The Perils of Market Timing



Last year's best performing asset class can easily become next year's worst, or vice versa. There are a range of ways to manage this in your portfolio, such as diversifying your investments across different asset classes. The chart below shows the annual returns for different asset classes for the years from 1999 to 2018 ranked from highest to lowest.

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
BEST	29.2%	19.7%	14.6%	11.8%	24.9%	32.0%	22.8%	34.0%	16.1%	14.9%	37.0%	13.1%	11.4%	33.0%	32.3%	27.0%	14.3%	13.2%	20.0%	4.5%
	18.7%	12.1%	10.4%	11.6%	14.6%	28.0%	18.7%	24.2%	6.7%	9.2%	26.7%	9.3%	10.5%	20.3%	20.2%	12.6%	3.8%	11.8%	11.8%	2.9%
	5.0%	9.7%	8.3%	8.8%	8.8%	15.2%	12.5%	17.5%	6.6%	7.6%	8.0%	6.0%	5.0%	18.7%	7.1%	10.4%	3.3%	10.3%	5.7%	1.9%
	0.3%	6.4%	5.4%	4.8%	6.6%	8.9%	6.6%	6.0%	6.0%	-38.4%	7.9%	4.7%	-1.5%	9.7%	2.9%	9.8%	2.6%	5.2%	3.7%	1.6%
	-1.2%	6.3%	5.2%	-8.8%	4.9%	7.0%	5.8%	4.4%	3.5%	-39.1%	3.5%	1.6%	-1.9%	7.7%	2.3%	5.6%	2.6%	2.9%	3.7%	-2.8%
WORST	-4.7%	-9.0%	-13.2%	-22.0%	3.0%	5.6%	5.7%	3.1%	-8.4%	-54.0%	1.7%	-0.4%	-10.5%	4.0%	2.0%	2.7%	2.3%	2.1%	1.7%	-7.5%

Source: Bloomberg

- Australian Shares: S&P/ASX 200 Accumulation Index
- International Shares: MSCI World ex Au Hedged \$A net total return
- Australian Listed Property Securities: S&P/ASX 200 AREIT Accumulation Index
- Cash: Bloomberg AusBond Bank Bill Index
- Australian Fixed Interest: Bloomberg AusBond Composite Bond 0+Yr Index
- International Fixed Interest: Barclays Global Aggregate Index Hedged \$A

Source: BT. Antipodean Private Pty Ltd (T/A Antipodean Advisory) is a Corporate Authorised Representative (No.1271526) of Capstone Financial Planning Pty Ltd. ABN 24 093 733969. Australian Financial Services Licence No. 223135. Information contained in this document is of a general nature only. It does not constitute financial or taxation advice. The information does not take into account your objectives, needs and circumstances. We recommend that you obtain investment and taxation advice specific to your investment objectives, financial situation and particular needs before making any investment decision or acting on any of the information contained in this document. Subject to law, Capstone Financial Planning nor their directors, employees or authorised representatives, do not give any representation or warranty as to the reliability, accuracy or completeness of the information; or accepts any responsibility for any person acting, or refraining from acting, on the basis of the information contained in this document