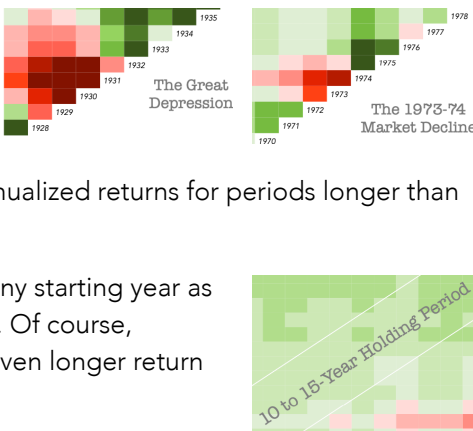


How to understand this investment graphic

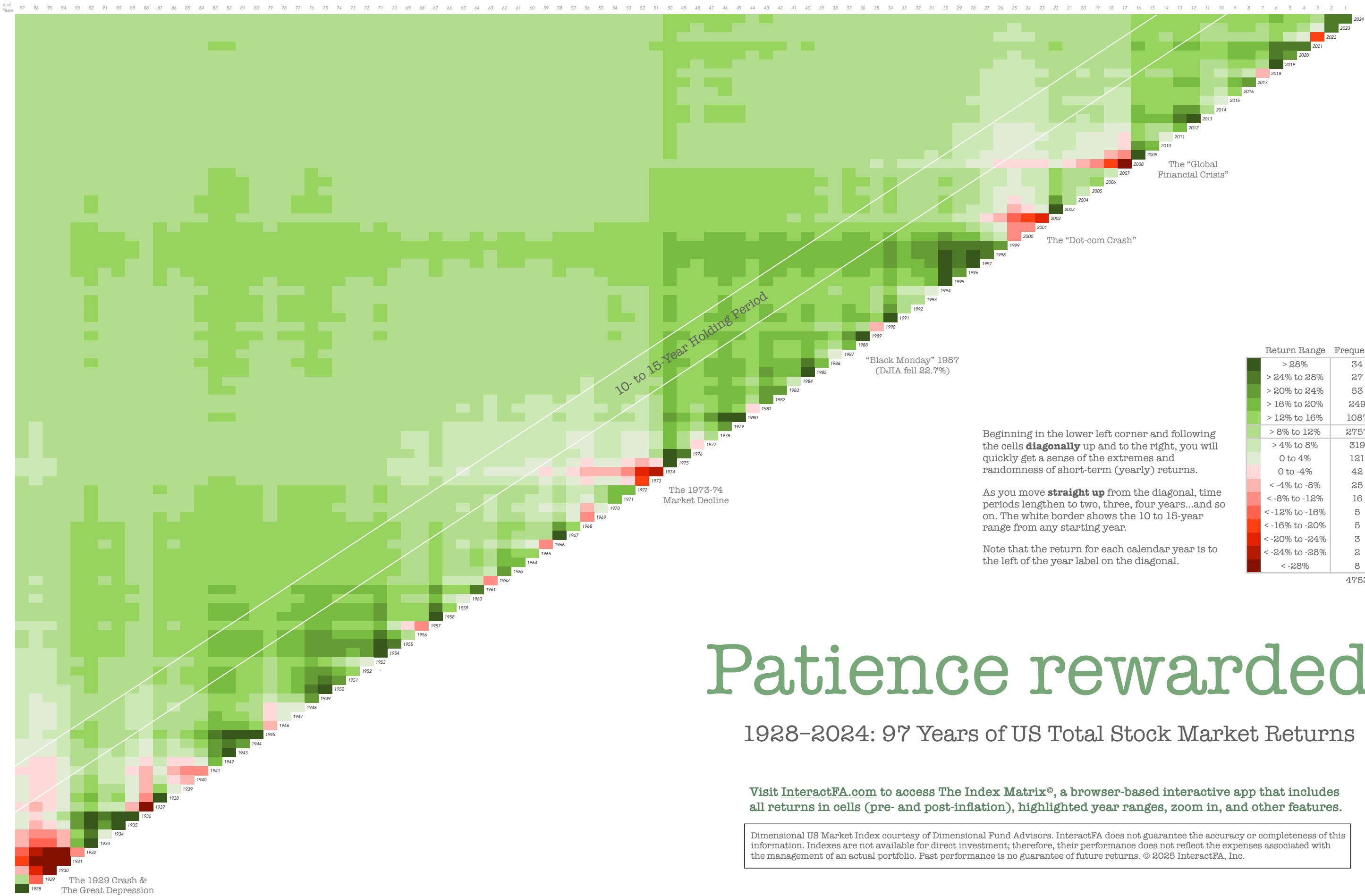
- “Patience rewarded” shows the hypothetical outcome for an investment made in the **US Total Stock Market** beginning in any year since 1928. The top left cell in the graphic represents the annual return for the full period **(10.2%)**. We use the Dimensional US Market Index as the proxy for the total US stock market.
- The index returns are shown in shades of green (positive) and red (negative). This “heat map” technique provides a unique and powerful way to visualize risk and return for US stocks.
- **Yearly** returns (1928, 1929, 1930 and so on) are shown along the up-sloping diagonal. Notice that returns are most volatile over these one-year periods—the highest highs (deep green) and lowest lows (deep red). This represents the short-term risk and return of the market.
- As you move **up** from the diagonal in any given year, you will see the annualized returns for periods longer than one year (two, three, four and so on).
- The graphic includes a range (**white-banded area**) of 10-15 years from any starting year as reference. This is an example of longer-term risk and return of US stocks. Of course, investors can and *should* look further out from the starting years for an even longer return perspective to match their investment time horizon.
- We often refer to the diagonal (year-to-year returns) as the “barbed-wire fence” of investing. If patient investors can understand and persevere through short-term periods in the market, they have the opportunity to enjoy the “green pastures” that US stocks have to offer over time.
- Investing in stocks in the aggregate (through a “total market” index fund, for example) is a way to participate in the overall growth of the US economy over time without the higher risks, higher costs and greater uncertainty associated with stock picking and market timing (traditional active management techniques).
- Comparing the returns matrix for the **Total US Stock Market** (which is dominated by very large, higher-priced “growth” stocks) to one showing the returns for **US Small Value Stocks** (a subset of the total US market representing small, lower-priced stocks) demonstrates the direct relationship between risk and return. The deeper greens (higher returns) and deeper reds (lower returns) for US small value stocks you see in some years represent higher risk, consistent with a higher expected return over time **(13.2% from 1928 to 2024)**.



Patience rewarded.

97 Years of **US Total Stock Market** Returns

1928 to 2024



Patience rewarded.

1928-2024: 97 Years of US Total Stock Market Returns

Visit InteractFA.com to access The Index Matrix®, a browser-based interactive app that includes all returns in cells (pre- and post-inflation), highlighted year ranges, zoom in, and other features.

Dimensional US Market Index courtesy of Dimensional Fund Advisors. InteractFA does not guarantee the accuracy or completeness of this information. Indexes are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is no guarantee of future returns. © 2025 InteractFA, Inc.