## 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 2000 to 2021 ranked from highest to lowest.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
BEST	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%	26.81%	10.57%	27.03%
	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%	23.40%	5.09%	24.14%
WORST	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%	19.36%	4.48%	15.56%
	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%	7.26%	1.40%	0.03%
	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%	7.19%	0.37%	-1.53%
	-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%	1.50%	-4.61%	-2.87%

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

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