Asset Allocation Risk/Reward Spectrum: A 25-Year Review

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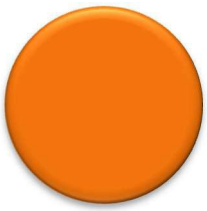
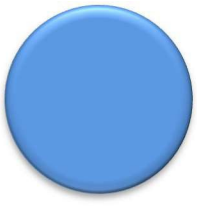
January 2026

25-Year Period from 2001-2025

Risk Level	Various Asset Allocation Models Annual Rebalancing		25-Year Annualized Return (%) of Lump Sum Investment*	Retirement Account Ending Balance**
Very Conservative	**100% Cash** Vanguard Federal Money Market (VMFXX)		1.79%	$0 (ran out in year 19)
Conservative	**100% Bonds** Vanguard Total Bond Market Index (VBTLX)		3.67%	$56,298
Moderately Aggressive	**65% US Stock 35% Bonds** Vanguard STAR (VGSTX) A fund-of-funds with 9 underlying Vanguard mutual funds		7.18%	$203,797
Moderately Aggressive	**Vanguard *7Twelve*® Portfolio** 8.33% allocation to 12 asset classes		6.89%	$350,049
Very Aggressive	**100% Large Cap US Stock** Vanguard 500 Index (VFIAX)		8.80%	$0 (ran out in year 22)

* Assuming a lump sum investment of $10,000 on January 1, 2001

** Ending account balance on 12/31/2025 in a retirement portfolio with a starting balance of $250,000 on January 1, 2001, 5% initial withdraw rate, 3% cost of living increase in the annual cash withdrawal. There were 25 annual withdrawals totaling $455,741.

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