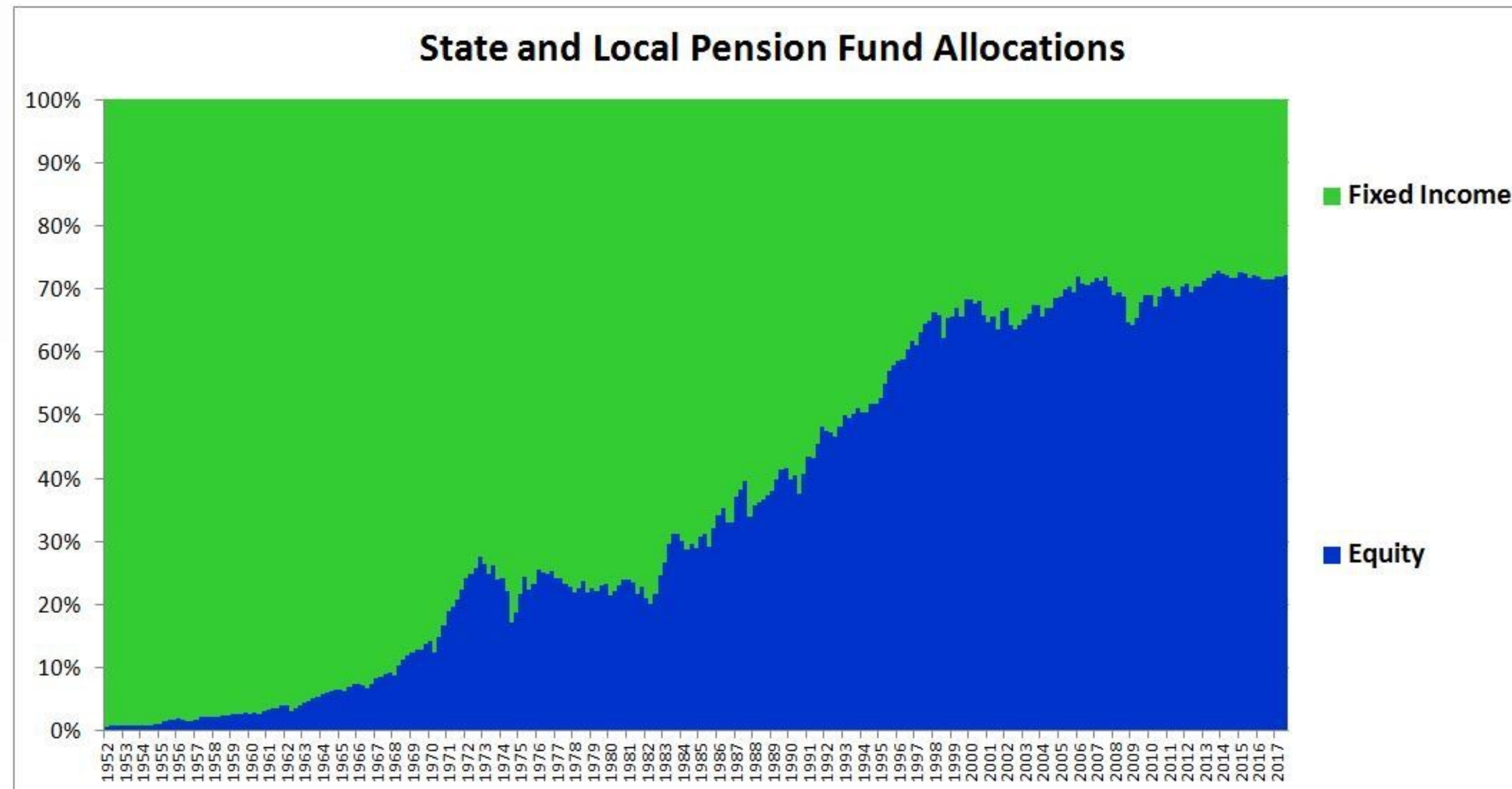


1. A Toy Model: the stock-bond portfolio

Not just a toy?



source: philosophical economics <http://www.philosophicaleconomics.com/2018/01/future-u-s-equity-returns-a-best-case-upper-limit/> compiled from government (federal reserve) data. Fixed income includes bonds, cash and equivalents, equity exposure includes domestic and foreign equity

2. Active vs Passive investing

Choosing a fixed stock / bond index such as above is called **passive investing**.

Recent years have seen a steady rise in passive investing, with many advocates of buying & holding an appropriate index ETF.