

## WorstDay / BestDay

Each year for the past twenty years, you had \$10,000 to invest. You happened to choose the sample mutual fund that we studied in chapter 4. How much would you have if you picked the worst day of each year – the market high for the year? What if you had picked the best day of the year – the market low for the year? Below on the left are the results if you had picked the worst day. On the right are the results if you had picked the best day. You would think the difference over 20 years would be huge, right?

Worst-day Investments (Market Highs)		
Date of Market High	Cumulative Investment	Account Value at End of Year
01/31/94	\$10,000	\$9,141
12/13/95	20,000	21,357
12/27/96	30,000	34,838
08/06/97	40,000	54,966
11/23/98	50,000	77,419
12/31/99	60,000	99,885
01/14/00	70,000	113,710
05/21/01	80,000	117,388
03/19/02	90,000	108,375
12/31/03	100,000	146,532
12/28/04	110,000	170,507
03/04/05	120,000	192,236
12/27/06	130,000	232,594
10/09/07	140,000	255,612
05/02/08	150,000	173,435
12/30/09	160,000	230,235
12/29/10	170,000	264,973
04/29/11	180,000	269,238
04/29/11	190,000	320,920
12/31/13	\$200,000	\$434,732
Average annual total return: 7.3%		

Best-day Investments (Market Lows)		
Date of Market Low	Cumulative Investment	Account Value at End of Year
04/04/94	\$10,000	\$9,951
01/30/95	20,000	25,179
01/10/96	30,000	41,642
04/11/97	40,000	66,342
08/31/98	50,000	93,568
01/22/99	60,000	120,249
03/07/00	70,000	135,327
09/21/01	80,000	140,124
10/09/02	90,000	130,793
03/11/03	100,000	178,793
10/25/04	110,000	206,473
04/20/05	120,000	231,417
01/20/06	130,000	279,311
03/05/07	140,000	306,470
11/20/08	150,000	211,491
03/09/09	160,000	284,510
07/02/10	170,000	327,270
10/03/11	180,000	332,574
06/04/12	190,000	395,508
01/08/13	\$200,000	\$536,404
Average annual total return: 8.9%		

Wrong! There is a difference. But it is not as large as you would expect. The moral of the story is that you need to get started now. Don't wait for the best time to invest. The best time to invest is right now!  
*(Pssst. You are in it for the long term, right? And you do remember that there are no guarantees, right? And as the numbers above show, your investment is going to be volatile, right? Okay, just wanted to make sure.)*