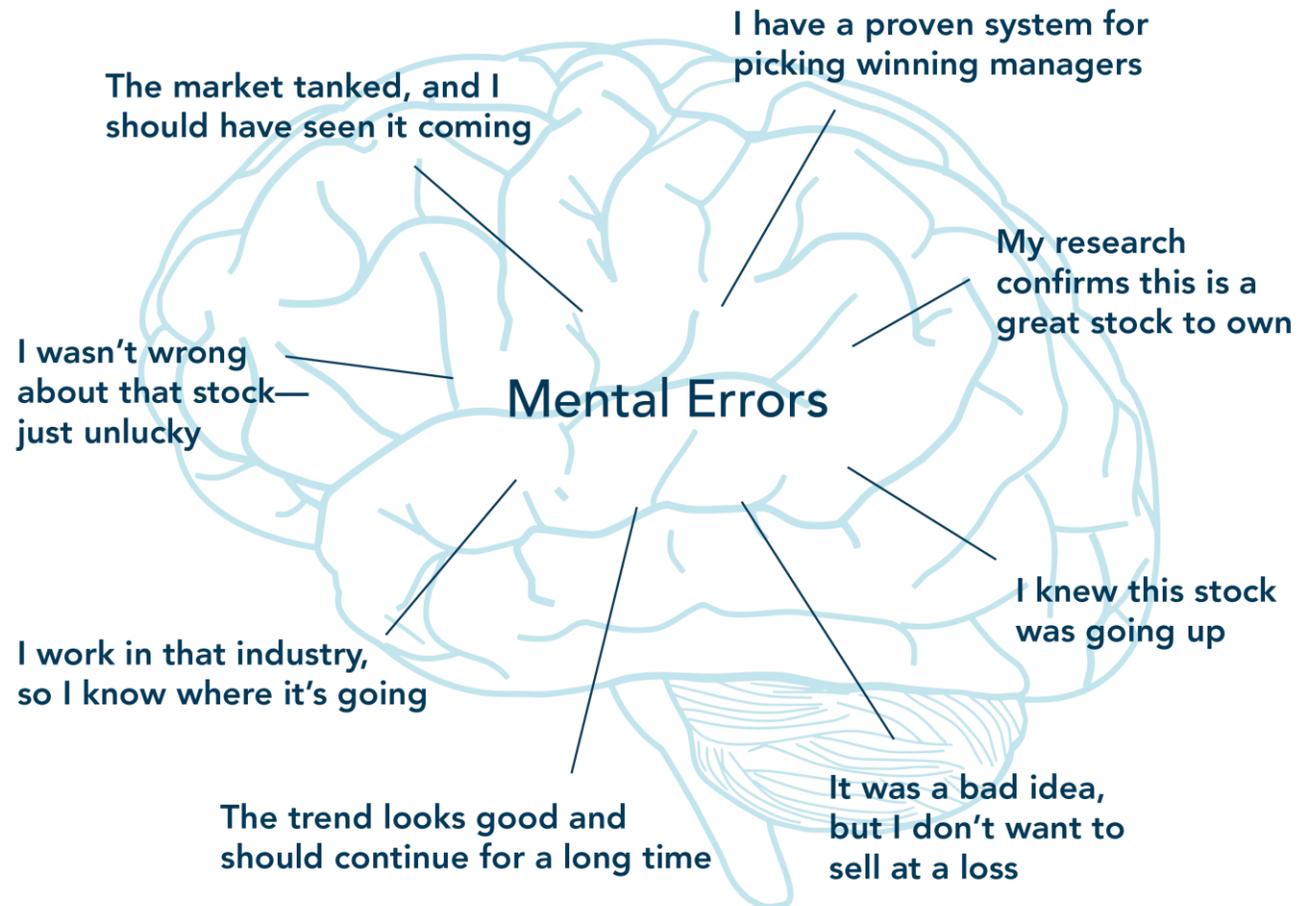


Investor Discipline

- I. Humans Are Not Wired for Disciplined Investing
- II. Many Investors Follow Their Emotions
- III. Picking the Fastest Lane is a Stressful Guessing Game
- IV. Reacting Can Hurt Performance
- V. Markets Have Rewarded Discipline
- VI. Focus on What You Can Control

Humans Are Not Wired for Disciplined Investing

When people follow their natural instincts, they tend to apply faulty reasoning to investing.



Many Investors Follow Their Emotions



People may struggle to separate their emotions from their investment decisions.

Following a reactive cycle of excessive optimism and fear may lead to poor decisions at the worst times.

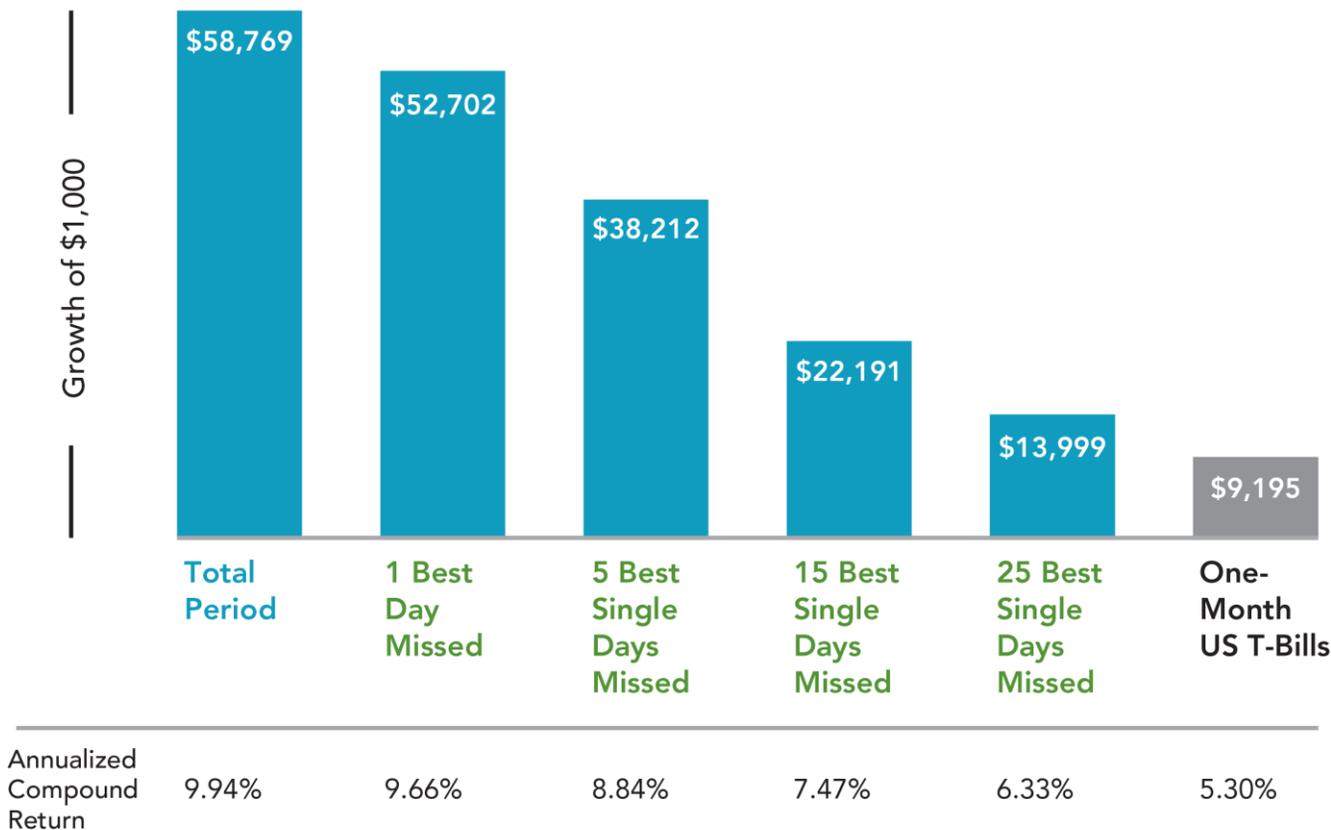
Picking the Fastest Lane Is a Stressful Guessing Game

Likewise, trying to anticipate the movement of the market adds anxiety and undue risk.



Reacting Can Hurt Performance

Performance of the S&P 500 Index, 1970-2012

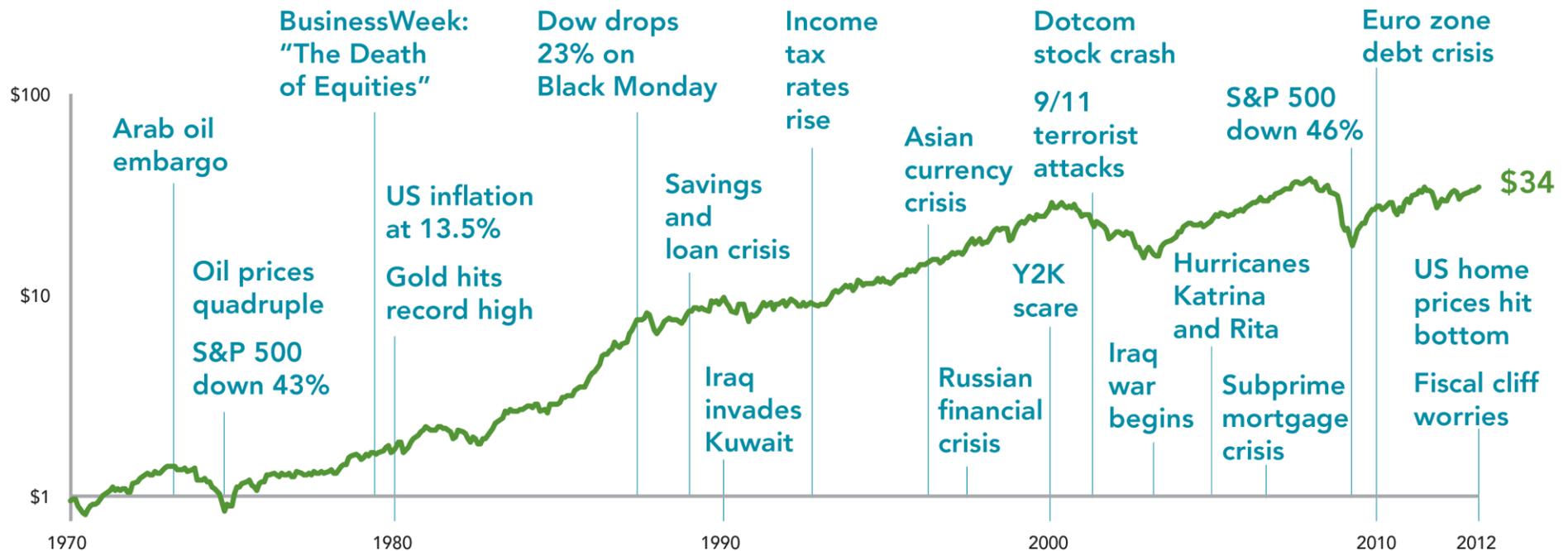


Missing only a few days of strong returns can drastically impact overall performance.

In US dollars. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. **Past performance is not a guarantee of future results.** Performance data for January 1970–August 2008 provided by CRSP; performance data for September 2008–December 2012 provided by Bloomberg. S&P data provided by Standard & Poor's Index Services Group. US bonds and bills data © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).

Markets Have Rewarded Discipline

Growth of a dollar—MSCI World Index, 1970–2012



A disciplined investor looks beyond the concerns of today to the long-term growth potential of markets.

Focus on What You Can Control

No one can reliably forecast the market's direction or predict which stock or investment manager will outperform.

A financial advisor can help you create a plan and focus on actions that add value.

Advance
with science

Let markets
work for you

Consider expenses
and turnover

Diversify

Stay disciplined