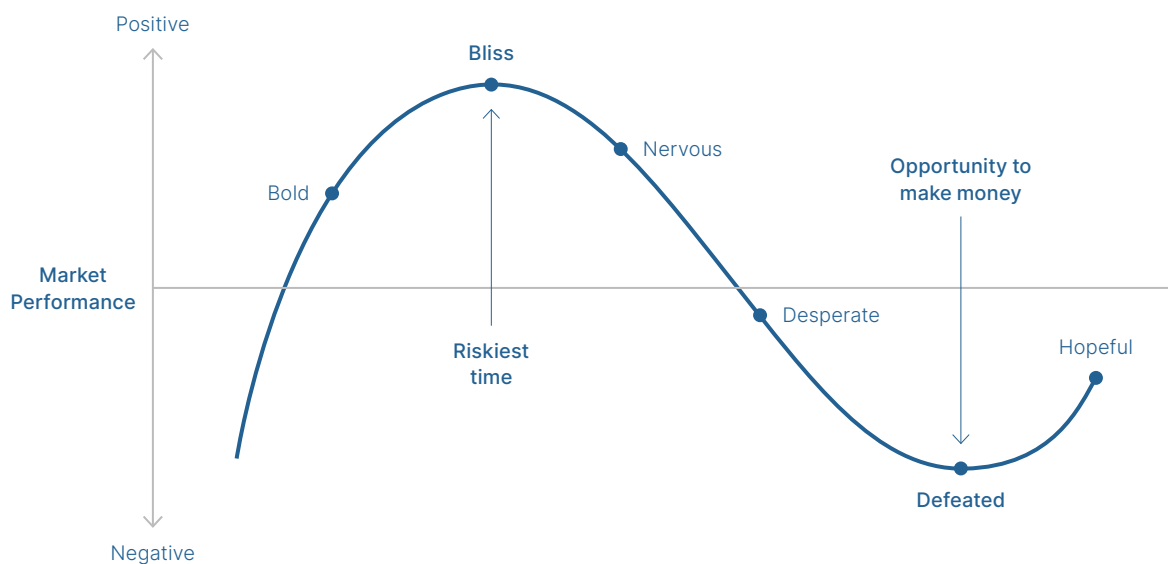


# Emotions of Investing

Logic and emotion have never been a perfect pairing. It is logical for investors to stay focused on their long-term goals during volatile markets, but emotionally it is very difficult to follow this reasoning.

Emotional instincts, which may be valuable in certain aspects of our lives, may contradict sound investment decisions. The image below depicts the emotional cycle relative to market changes.

When the market is doing well, investors are excited. This can be the riskiest time to invest, however, because it may foster a “can’t lose” attitude that strays from a disciplined investment approach. During a market downturn, it’s common for investors to experience an opposite emotional reaction that can negatively affect decision-making. But whether the market is up or down, the current trend isn’t permanent. During these times, it’s important to review and rebalance as appropriate and stay focused on long-term investment goals.



This hypothetical scenario is for illustrative purposes only and does not reflect actual market performance, nor is it a prediction of future market conditions.