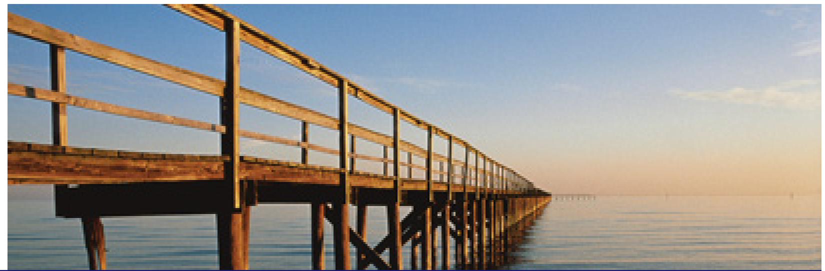

THE WHITE PAPER

Your Guide to Life Planning

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What's Your Investing Personality Type?

Just as your everyday personality affects the way you act, your investment personality influences your investment choices. There are as many investment personalities as there are investors. See if you recognize yourself in any of these common investment personality types.

"Safe" and Sound -- Conservative investors tend to favor fixed-income, low-risk investments because the chances of losing money are generally lower than with other types of investments.[1] This strategy makes sense if you need to tap your investment dollars in the next few years, but over the longer term these "safe" investments may offer less potential for growth -- and growth is what you need if you are investing for a long-term goal that is still 20, 10, or even 5 years away. While the conservative personality may seem "safe" today, it could keep you from reaching your long-term goals down the road, and may actually be a very risky approach to take.

The Steady Hand -- The balanced investor will often accept a higher level of risk in exchange for the opportunity to achieve greater investment returns. But to counter potentially higher levels of risk, the Steady Hand often makes regular, periodic purchases into investments that suit their goals and investment time horizon, then stick to their plans for the long term -- regardless of the market's short-term ups and downs.

The Market Timer -- Some investors buy and sell investments over short periods of time, attempting to anticipate when they will make a profit -- a practice also known as market timing. While this approach may occasionally prove fruitful in the short term, market timing rarely, if ever, works over long periods. The temptation can be great to "follow the herd," and sell investments when prices fall or buy when prices rise. But this approach typically results in the investor locking in losses.

Market timers also run the risk of missing the market's best-performing days. For example, using history as a guide, if you missed just the 5 top-performing days of the 20 years ended December 31, 2013, it would have cost you more than $19,628 based on an original investment of $10,000 in the S&P 500. Missing the top 20 days would have reduced your average annual return from 9.22% to 3.09%.[2]

You never know when the market is going to shoot up, so staying invested and avoiding the temptation to time the market can really make a difference.

So which type of investor are you? Chances are, you see parts of yourself in each of the three personalities described here, depending on your mood or financial situation at any given time. But when it comes to your long-term investment goals, adopting a balanced personality should serve you best.

[1]*Past performance is not a guarantee of future results.*

[2]*Wealth Management Systems Inc. This example is based on a hypothetical $10,000 investment in domestic stocks, as represented by the Standard & Poor's Composite Index of 500 Stocks, an unmanaged index that is generally considered representative of the U.S. stock market. Performance is for the 20-year period ended December 31, 2013. It is not possible to invest directly in any index. Past performance is not a guarantee of future results. Investing in stocks involves risks, including loss of principal.*

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