

BETTER INVESTORS EXPERIENCE HIGHER RETURNS AND ARE MORE CONFIDENT AND COMFORTABLE IN THE PROCESS. THEY ALSO HAVE MORE FUN. A LOT MORE FUN. **BE LEERY OF FORECASTERS. ECONOMISTS HAVE PREDICTED 9 OF THE LAST 5 RECESSIONS.** STOCKS OUTPERFORM BONDS OVER THE LONG TERM. IN THE SHORT TERM, YOU SHOULD EXPECT ANYTHING AND EVERYTHING FROM THE MARKETS. **LAST QUARTER'S PERFORMANCE IS A RELIABLE INDICATOR OF LAST QUARTER'S PERFORMANCE.**

## Be realistic

## Have a plan

IT DOESN'T NEED TO BE COMPLICATED, LENGTHY OR HIGHLY DETAILED. RATHER, IT'S A ROAD-MAP TO KEEP YOU ON COURSE. **DETERMINE A STRATEGIC ASSET MIX (SAM). SHE'LL BE YOUR BEST FRIEND IN GOOD TIMES AND BAD.** DON'T OWN MORE THAN 6 FUNDS. EVER. **DIVERSIFY YOUR PORTFOLIO BY OWNING STOCKS AND BONDS. ALWAYS.** THIS TIME ISN'T DIFFERENT. **BETTER INVESTORS MAKE BETTER LOVERS. TRUE STORY.** YOUR PORTFOLIO IS LIKE A BAR OF SOAP: THE MORE YOU TOUCH IT, THE SMALLER IT GETS.

**BE FEARFUL WHEN OTHERS ARE GREEDY**

## Commit to a routine

**AND GREEDY WHEN OTHERS ARE FEARFUL.** DIVERSIFICATION IS THE ONLY FREE LUNCH IN INVESTING. **REBALANCE ANNUALLY. IT TAKES THE EMOTION OUT OF THE PROCESS.** IF YOU'RE COMFORTABLE WITH EVERYTHING YOU OWN, YOU'RE NOT PROPERLY DIVERSIFIED.

## Prepare for extremes

**STOCK MARKETS NEVER MOVE IN A STRAIGHT**

**LINE.** BETTER INVESTORS ARE DISCIPLINED, PATIENT AND COURAGEOUS AT EXTREME POINTS IN THE MARKET CYCLE. **TUNE OUT THE NOISE.** THE STOCK MARKET WILL FALL 20%+ AT MULTIPLE POINTS IN YOUR LIFETIME. IF YOU CAN, BUY MORE STOCKS WHEN IT DOES. **MARKETS OVERSHOOT IN BOTH DIRECTIONS BUT DO NOT CORRECT BY MOVING SIDeways.** JUDICIOUSLY WATCH EXPENSES. **DELEGATE, BUT DON'T ABDICATE.** LOOK FOR MANAGERS OR ADVISORS THAT INVEST ALONGSIDE YOU. **KEEP YOUR FEES UNDER 2%. OR BETTER YET, 1.5%.**

## You're the boss

UNDERTAKE A THOROUGH PERFORMANCE REVIEW ONCE A YEAR. EVERY YEAR.

## Be a better investor