What is Emotional Investing?

Emotional investing is acting on investment decisions solely based on your feelings rather than a sound investment strategy.

Emotional investing can be driven by:

- ***Market volatility:*** *The rate at which market investment prices go up and down*
- ***Hearsay:*** *Excitement or trepidation about a specific investment based on what others are saying*

Emotions that can affect investing decisions are:

- ***Excitement*** *that a certain investment will continue to perform well*
- ***Fear*** *that market prices are going down*
- ***Optimism*** *that your current plan will always be a good fit*
- ***Anxiety*** *may influence your ability to be smart about investing*

The graph shows how much an account with a $10,000 balance could grow if kept fully invested in the S&P 500. It also shows the growth you could miss out on if you allow emotions to remove your money. By staying fully invested over the past 20 years, you would have earned $23,687 more than someone who missed the market's 10 best days.

Using emotions as a decision for investing can be a dangerous roller coaster ride. Some of the risks include:

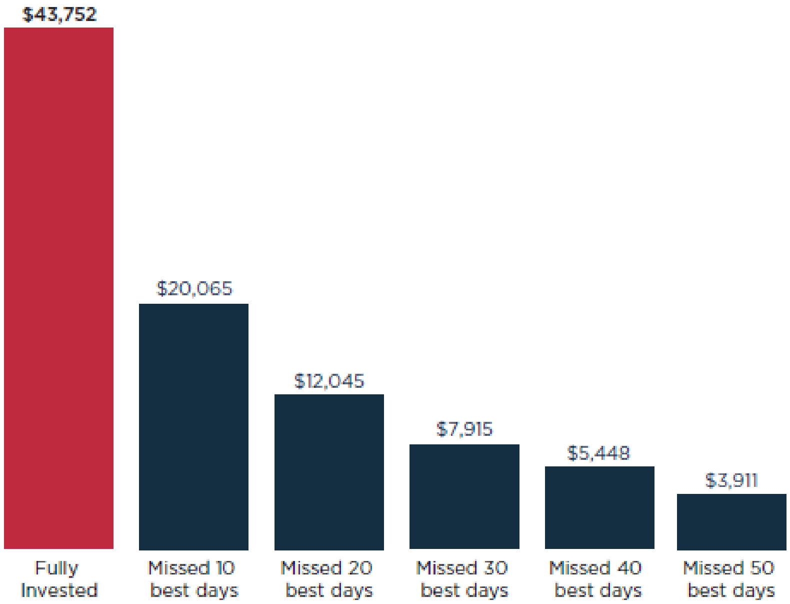
- *Buying shares at historically high prices*
- *Selling shares at historically low prices*
- *Negative impact to your returns by missing a few days in the market*

Maintaining a disciplined approach to investing will help regulate emotions when facing headlines and events in the financial market. There are four ways to avoid emotional investing:

- *Make a long-term plan*
- *Make investing a habit*
- *Check and recheck your investment strategy*
- *Learn from past mistakes*

Growth of $10,000 in the S&P 500 Index

Based on daily price return, February 2004 to February 2024



Source: FactSet Research Systems (February 2024).

Data is historical. Past performance is not a guarantee of future results. The best time to invest assumes shares are bought when market prices are low.

Investing involves market risk, including possible loss of principal, and there is no guarantee that investment objectives will be achieved.