

# Emotion drives investor decisions

“Buy low, sell high” requires discipline

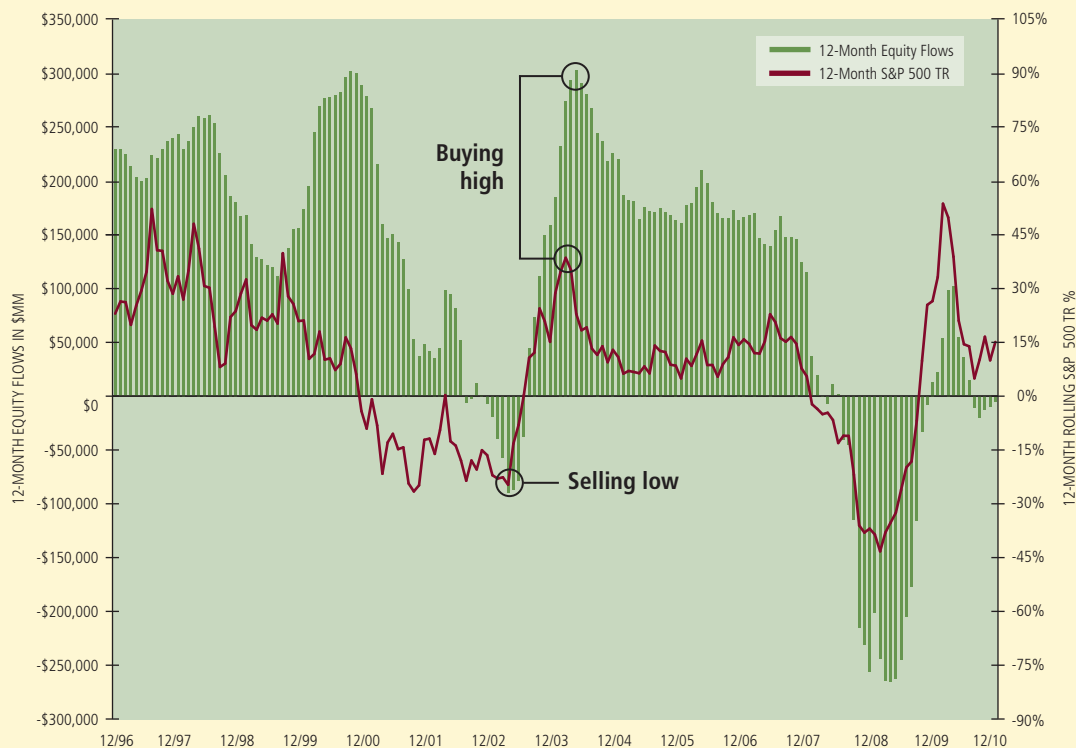
- 1** Individuals let short-term market fluctuation influence their buy and sell decisions, as mutual fund flows and market data show.
- 2** Chasing short-term performance not only diverts you from your long-term plan but can also lead to greater risk and lower returns.
- 3** Remaining in the market and resisting the urge to time it may be a far better approach for pursuing long-term financial goals.

## Buying high and selling low?

The cardinal rule of investing is to “buy low and sell high.” However, investors historically have increased their allocations to stocks near the top of the market’s runs and decreased their allocations to stocks near the bottom of down markets. As you may guess, movements in and out of the market are counterproductive for investors pursuing long-term goals because they end up buying when prices are high and selling when prices are low.

### A track record of poor timing

Monthly flows for U.S. stock mutual funds vs. stock market performance, 12/96 - 12/10<sup>1</sup>



### Resist the urge

No matter what the market is doing or what the headlines read, don’t let your emotions drive your decisions. Counter with a sound investment plan and a good financial coach. Whenever you have questions, concerns, or ideas, talk and work with your advisor. He or she knows you best and the right way to pursue your long-term goals.

#### Past performance is no guarantee of future results.

The **Standard & Poor’s 500 Stock Index** measures the broad U.S. stock market. Index performance does not include any investment-related fees or expenses. It is not possible to invest directly in an index.

Data sources: Strategic Insight Simfund/TD; SPAR, FactSet Research Systems Inc.

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The investments you choose should correspond to your financial needs, goals, and risk tolerance. For assistance in determining your financial situation, please consult a financial advisor.

Before investing, consider the fund’s investment objectives, risks, charges, and expenses. For a prospectus, or summary prospectus if available, containing this and other information, contact your investment professional or view online at [mfs.com](http://mfs.com). Please read it carefully.