

the emotional roller coaster

Sometimes the obvious thing to do in investing is not the right thing to do, largely due to the emotional element of investing. **The best entry points for long term investors can be during market declines.** Emotion, however, tells investors the exact opposite, because during declines is when they are likely the most fearful. The reverse is true in stronger markets, as rising prices of stocks often lead to optimism, which inspires investors to buy at higher prices.

Media buzz words detail the emotional roller coaster investors ride during a market downturn and upswing.



Source: Zephyr

benefits of patience

The table to the right illustrates the effect of a bad market but more importantly the powerful element of **patience** and a **long-term orientation**.

| Portfolio Begins with \$100,000 on: | Portfolio Gets as Low as: | Portfolio Value as of 09/30/08 |
|-------------------------------------|---------------------------|--------------------------------|
| Dec 1972 | \$58,172 (Sept 1974) | \$3,138,800 |
| Nov 1980 | \$92,372 (July 1982) | \$2,002,000 |
| Sept 1987 | \$70,419 (Nov 1987) | \$570,870 |
| Feb 1990 | \$94,918 (Oct 1990) | \$525,920 |
| Mar 2000 | \$61,749 (Sept 2002) | \$98,829 |

Source: Zephyr, LPL Financial Research

Note: Past performance is no guarantee of future results.

This hypothetical example is assumed to be invested in the S&P 500 and does not reflect the deduction of fees and charges inherent to investing in securities, it is also not representative of any specific situation.

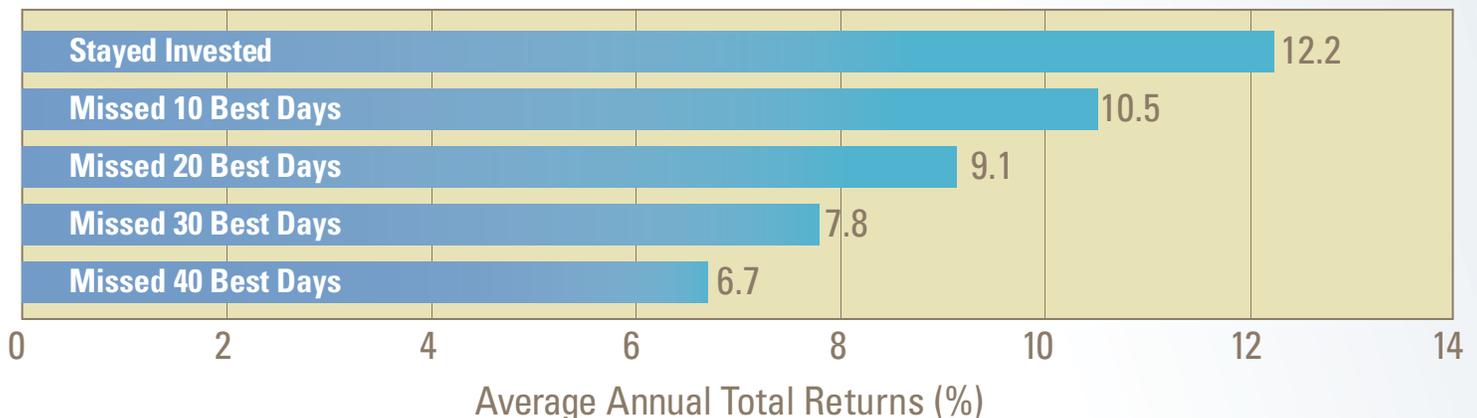
The S&P 500 is an unmanaged index which cannot be invested into directly.

off to a bad start?

Despite starting at the “worst times” markets reward investors.

Imagine starting to invest at precisely the wrong time: at the peak of the market just before a bear market decline. Even if investors experience one of the worst time periods for investing, over the longer term, markets have risen and portfolio values have increased.

Missing the Best Days in the S&P 500 1977 - 2007



Source: Standard and Poor's, LPL Financial Research

Index performance is provided as a benchmark and is not illustrative of any particular investment. The S&P 500 is an unmanaged index which cannot be invested into directly. Stock investing involves risk including loss of principal.

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