

# Simple Habits, Wise Investors



You're investing for your ideal retirement and a lifestyle that will allow you to live life to the fullest while achieving your philanthropic and personal goals. It sounds wonderful, but what can you do to be sure you'll get where you want to go?

Certainly, no one can control the future, but there are certain habits that effective investors share, and no matter what twists and turns the markets take, they recognize what they can actually control and act on those possibilities, giving themselves the best chance of success.

## Controlling Factors

Contribution ceilings on the various kinds of retirement accounts vary, but you can make sure you stay abreast of them and annually contribute the maximum. That may seem like a no-brainer, but some recent studies have found that large numbers of retirement savers are undercontributing because they haven't stayed up to date on contribution limits. Successful investors contribute up to this year's limits, not last year's.

Another habit of savvy investors is simply keeping their investment knowledge current and at a relatively high level. That applies to retirement investing as well as your other investments. Being aware of what's going on in the financial world doesn't necessarily mean panting along with the market as it runs up and down the chart week in and week out, but it does mean maintaining a level of knowledge that allows you to make intelligent choices.

## Your Portfolio

It is the market that ultimately determines whether your portfolio successfully finances your retirement years, but you are in control of the structured diversity and asset allocation that defines your portfolio. If you're already retired, are your assets wisely allocated among equities, bonds, cash and, perhaps, stable value funds? If you're not yet retired, the same question applies, but the mix should probably look rather different. The savvy investor assesses risks and timelines to arrive at an appropriate allocation.

Beyond that, check that the assets in your portfolio are wisely diversified among, say, index, actively managed mutual funds and perhaps separately managed accounts. Of course, diversification does not ensure a profit or protect against a loss.

## Emotional Control

Successful investors inevitably display the kind of emotional control that allows them to take a long-term view of the market and avoid reacting irrationally if volatility throws the direction of their portfolios off course for a time. It may be easier when you're younger to take big market risks and be unconcerned as prices race up and down daily, but it takes more control if you are in or nearing retirement.

In addition to the factors mentioned earlier, investors who successfully achieve financial freedom invariably display a commitment to make it all work – a commitment to devote the time and energy necessary to achieve their goals.

If you have questions about your portfolio or any market or retirement matter, please don't hesitate to call me.