For investors

Don't let your emotions get the best of your investments

Investing can be emotional. Even seasoned investors may act impulsively in the face of turbulent markets, incendiary headlines, or the lure of the hottest new fund. That's why a carefully considered investment plan is an important tool to help you keep things in perspective. In times of uncertainty, ask:

> Have my goals changed?

> Has my time horizon changed?

> Have my constraints changed?

Yes. Meet with your advisor to revisit your financial plan.

No. Odds are, you'd do well to stick with your financial plan.

This is standard financial advice. Yet, like many investors, you may find yourself considering an impromptu change to your portfolio.

Here are a few tips to keep you on track:

☐ **Fully understand your financial plan**

- Your plan should be based on your individual circumstances including asset allocation, risk tolerance, savings rate, and short- and long-term goals.
- Understanding the reasoning behind the elements of your plan can help you stick to it over time.

☐ **Focus on asset allocation, not funds**

- Unlike with a consumer purchase, product ratings are typically poor criteria for investment decisions.
- In the U.S., more than 90% of return variability of a diversified portfolio can be explained by the asset allocation policy.[1]

☐ **Stay focused on your long-term progress**

- The performance of a single investment or asset class is less important than the performance of your entire portfolio over time.

☐ **Avoid reactionary decisions**

- Investors who flee the market may miss the worst *and the best* trading days.
- A balanced portfolio is designed to withstand market turbulence over time.
- Impulsive actions disrupt adherence to your financial plan, which was carefully constructed to best serve your needs.

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☐ **Work with your advisor to rebalance**

- Sticking with your financial plan also means rebalancing as scheduled.
- While you may be reluctant to sell a few good performers, maintaining your asset allocation is important to help minimize risk.
- Historically, portfolios that were rebalanced as scheduled fared better than those that weren't.

☐ **Revisit the *Principles for investing success***

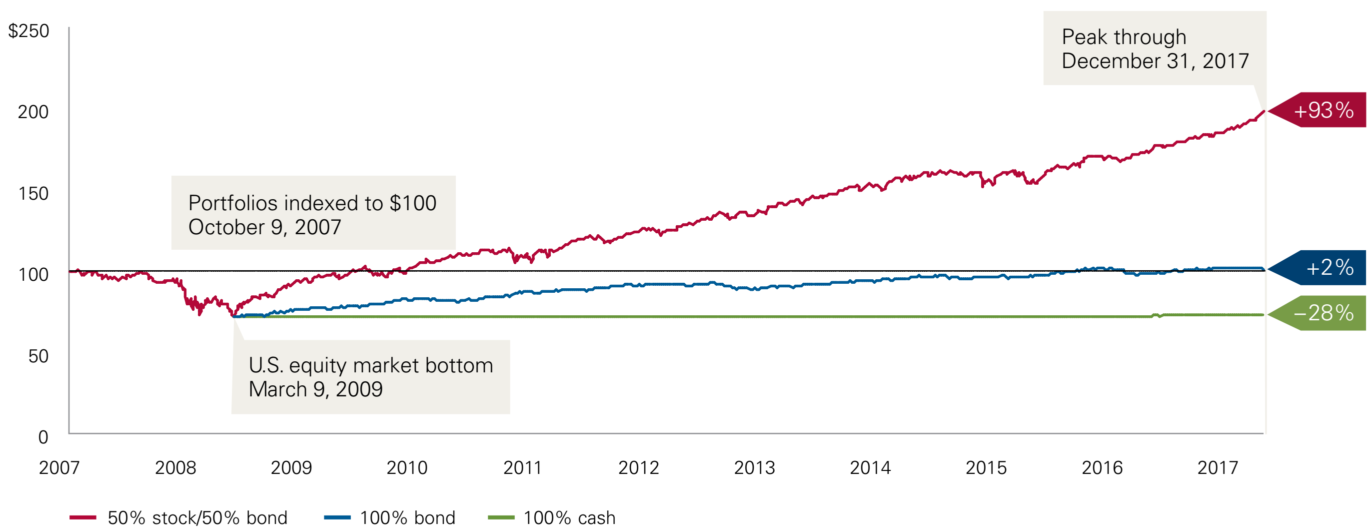
- A focus on goals, balance, costs, and discipline is an important foundation for a successful portfolio.

Consult your advisor

Your advisor can help you

- Put headlines in perspective.
- Review your financial plan.
- Understand each of your options.
- Recognize the realistic implications of any potential change.

A balanced, diversified investor has fared relatively well



This is a hypothetical illustration. Source: FactSet.

Notes: The 50% stock/50% bond portfolio is represented by the Standard & Poor's 500 Index and the Bloomberg Barclays U.S. Aggregate Bond Index (rebalanced monthly). The 100% bond portfolio is represented by the Bloomberg Barclays U.S. Aggregate Bond Index. The 100% cash portfolio is represented by 3-month Treasury bills.

Past performance is no guarantee of future results. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

1 Source: Vanguard calculations using data from Morningstar. Calculations are based on monthly returns for 518 U.S. balanced funds from January 1990 through September 2015. For details of the methodology, see the Vanguard research paper *The global case for strategic asset allocation and an examination of home bias* (Scott, et al., 2017). Note: For asset allocation to be a driving force of an outcome, one must implement the allocation using vehicles that approximate the return of market indexes.

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Please remember that all investments involve some risk. Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income.

Diversification does not ensure a profit or protect against a loss.

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