



A Sensible Approach: Stay Invested

It's not easy to sit back and ignore a market drop. So, in a falling market, investors are tempted to sell their stocks and purchase less volatile investments. But, by the time an investor makes the decision to sell, stocks may have already taken a big plunge, and selling would only lock in the losses. While it may be difficult, riding out a market decline can be a better approach for the long term.

The truth is, timing the buying and selling of investments to coincide with market highs and lows is difficult — if not impossible — to pull off. Even experts have a hard time accurately and consistently forecasting market movements. Trying to guess what the market will do can leave you with lower returns than following a simple buy-and-hold strategy.

Easy After the Fact

Recognizing market peaks and valleys is simple once they're over with. But highs and lows are a lot

harder to determine while they are happening. You might think a stock is poised for a meteoric rise, only to watch it crash and burn in a market slide soon after you buy it. Or you might sell a tanking "loser" — and then watch it rebound soon after.

Bad Timing Can Cost You

Time and again, the stock market's significant gains occur over a relatively short period of time. If you're taking a break from stock investing when stock values start to climb, you could miss out on the market's best days. And that could really hurt your portfolio's long-term growth.

A Better Path To Follow

Following a long-term investment strategy that's designed to help you weather the market's ups and downs may serve you better than trying to time the market. By all means, sell an investment that isn't performing the way you hoped it would. But first give it time to live up to its potential.

The Danger of Market Timing			
Stayed in the Stock Market			
\$10,000 invested			
1 Year (2007)	10 Years (1998-2007)	15 years (1993-2007)	20 years (1988-2007)
\$10,550	\$17,757	\$41,110	\$105,025
Missed the Month With the Highest Return Each Year			
1 Year (2007)	10 Years (1998-2007)	15 years (1993-2007)	20 years (1988-2007)
\$10,102	\$9,519	\$16,780	\$28,446

This is a hypothetical investment that performed similarly to the S&P 500 Index, an unmanaged index of 500 large-cap stocks. Past performance does not guarantee future results. You cannot invest directly in an index. Your investment returns will be different. Source: Newkirk Publications, Inc. and Mellon Analytical Solutions, LLC.

Count on COUNTRY

If you're unsure what direction to take with your investments, contact a COUNTRY Financial representative. Backed by a team of experts, your financial representative can connect you with our team of portfolio managers – individuals who invest money for a living. It's just one more way COUNTRY Financial can help you achieve financial security, no matter where you're starting from.



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