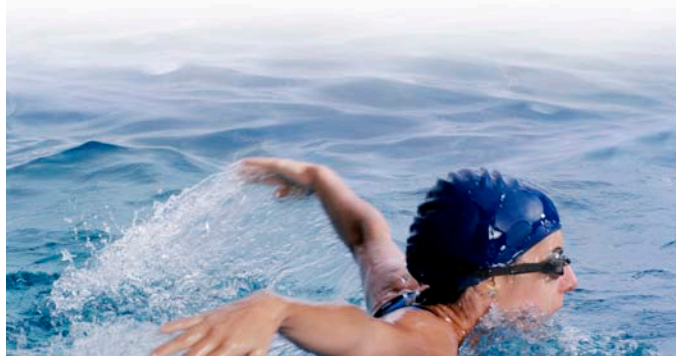


But Dad . . . I Don't Feel Like It



By: Joseph G. Budd, Managing Partner, CFP®, ChFC

July 29, 2010

I just watched my daughter, Jacqueline, finish her summer swim team program. It was difficult for her to go to practice every day for seven weeks. She had to focus on swim strokes that were difficult for her to do. The final competition was intimidating for a first time competitor as well. It was a public display of perseverance for her family and friends to watch.

The ironic thing about this swimming program was that the hardest stroke for most, the butterfly, was the easiest for Jacqueline. She shined every time she had to compete with that stroke. Wouldn't it be nice if investing was similar? One could say that earning the capital to invest in the first place is the hard part. Others may say knowing what areas to invest it is the biggest challenge. In my opinion, separating your emotions from your investment decisions is the most difficult obstacle to overcome.

Your reaction to the ups and downs of the markets, usually take a front seat to everything else. You hear all month long about bad news on Wall Street and corporate earning troubles, and whatever other bad news is popular. Then you come home from the office and see your statements in the mailbox for your investment accounts. As you slide your finger under the envelope flap to tear it open, you feel a pit in your stomach as you reach inside to pull the statements out. Your eyes immediately go to the beginning of the month and then to the end of the month values. After seeing the drop in value for the month, you wonder, how can it have dropped that much in one month? You then think of all of those bad news stories and think, I should have done something. "Why didn't they call me to get out of the market?" you say to

www.buddmelone.com

yourself. The answer to that question is because you can't and shouldn't try to time the stock market.

What happens in April, or any month, is usually not a good reason to make adjustments to a portfolio. The feeling that compels people to take action at the worst possible time can be overpowering sometimes. Add on top of that a natural disaster, war, a recession, a job loss in the family, and we have a real party going on, don't we? There will be more months like this and knowing how to react to them is the true art of separating your emotions from your investment portfolio. Sometimes this can seem to be humanly impossible and that is why you need the services of a trusted financial advisor. Just as a parent helps their child stay committed to their personal goals by showing up to practice or doing their homework, one of my most important roles as a financial advisor is make sure that my clients stick with their investment plan to realize their financial goals.

In conclusion, the hardest part is doing nothing at times. Sticking to your plan is not easy. It takes perseverance. Who would have ever thought that doing nothing is the hardest part of investing in the stock market? Jacqueline will tell you first hand, that doing nothing is easier than going to swim team practice. But Dad . . . I don't feel like it. By the way Dad, when does the next swim team program start?

Joseph Budd is a Managing Partner and CERTIFIED FINANCIAL PLANNER™ professional with Budd, Melone & Co. LLC. Joe can be reached toll free at 877-293-5830.

Joseph Budd has provided this article for information purposes only.

Wells Fargo Advisors Financial Network did not assist in the preparation of this article, and its accuracy and completeness are not guaranteed. The opinions expressed in this article are those of the author and are not necessarily those of Wells Fargo Advisors Financial Network or its affiliates.

Investment products and services are offered through Wells Fargo Advisors Financial Network, LLC, (WFAFN), Member SIPC. Budd, Melone & Co. LLC is a separate entity from WFAFN. © 2010 Wells Fargo Advisors Financial Network, LLC. All rights reserved. 0710-3075.



www.buddmelone.com