

# The Traits of a Good Investor and how Women Can Make the Most of Them

Prepared by Broadridge Investor Solutions on behalf of Nicole Robertson, Senior VP at Opus Financial Advisors



**M**any women manage their own money. This includes women who have always been doing so and women who are relatively new to the world of

investing. One of the best things you can do for yourself and/or your family is to be prepared to manage your finances responsibly. Even if you see investing as overwhelming or complicated and boring, you need to know the basics behind a well-thought-out investment strategy—at least enough to protect yourself from fraud and/or to be able to communicate effectively with a financial professional or spouse. Regardless of your level of investing experience, there are certain investor traits that can prove advantageous for anyone. Traits such as patience, willingness to confront and deal with mistakes, and recognizing when help is needed can benefit portfolio returns, particularly for a long-term investor. Even risk aversion, sometimes a problem for women who are concerned about their investing abilities, can be an advantage if it's applied wisely.

## NOT AS KNOWLEDGEABLE AS YOU WANT TO BE ABOUT INVESTING?

Chances are you're in good company. Plenty of people know less than they should but aren't willing to recognize or admit it; as a result, their portfolios suffer. Recognizing what you don't know can be

an asset. Being willing to ask questions and understand some basics will serve you better than sticking your head in the sand. Also, being a good investor doesn't mean you need to do all the work yourself. A financial professional can help you set a strategy, select specific investments, monitor their performance, and make adjustments as circumstances dictate. However, there is no assurance that working with a financial professional will improve investment results.

Being familiar with the following concepts can equip every woman to be a smarter investor:

- The three primary types of investments (also known as asset classes)
- The roles of income, growth, and safety in a portfolio, and which investments focus on each one
- The process of deciding how much to devote to each asset class (asset allocation)
- The benefits of diversification
- Risk tolerance and how your time horizon affects it
- The differences between mutual funds and individual securities
- How much you'll need to save for retirement
- What returns you would need to reach your goals
- How much income you want your assets to generate in retirement
- The role of various financial vehicles, such as 401(k)s and IRAs

## IF YOU MAKE A MISTAKE, CAN YOU ADMIT AND DEAL WITH IT?

Many investors' portfolios have

suffered because of a failure to recognize an investing mistake and deal with it; instead, their owners hang on, waiting for a turnaround that may never come. As the saying goes, "Good investors know how to take profits; great investors know how to take losses." There's never been an investor who hasn't experienced losses; smart ones follow a discipline that helps them know not only when to buy but also when to sell an investment or adjust a strategy that hasn't worked.

## ARE YOU RISK AVERSE IN THE RIGHT WAY?

When people feel unsure about their investing skills, they sometimes take the path of least resistance and invest very conservatively. In some cases, this can be helpful. For example, avoiding big risky bets that can single-handedly drag down a portfolio can sometimes lead to better risk-adjusted performance. However, this trait can also be a double-edged sword if you're investing far more conservatively than is appropriate for your goals and circumstances, either out of fear of making a mistake or from not being aware of how risks can be managed. Being unaware of how inflation can affect investment returns or how to balance various types of risks can leave you vulnerable to a shortfall in your retirement savings or other financial goals. You don't have to become a financial wizard to understand principles that can help you manage risk. Having a child involves many risks, but it's the rare parent who knows everything that will be needed before taking the plunge.

You prepare as best you can and improve as you go along; it's the same with investing. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investment strategy will be successful. But perhaps the biggest risk of all is not taking the steps needed to try to secure your financial future.

## CAN YOU BE PATIENT?

Excessive trading costs have historically been one of the reasons individual investors often underperform the stock market as a whole. A portfolio is—or should be—a means to an end, not a competitive sport. It's a way to pursue your financial goals, rather than a measure of self-worth or a vehicle for bragging about how you "beat the market."

## POTENTIAL INVESTMENTS ARE ALL AROUND

Odds are that you make many purchasing decisions every day. That means you have a lot of opportunities to observe products and consumer behavior. Everyday life can be a rich source of information that can be applied to investments. For example, if all your friends seem to be flocking to a new retailer or buying a certain type of product, you might be seeing an emerging trend or company whose value hasn't yet been recognized by Wall Street. That doesn't mean you should invest without additional research, of course, but your

**WOMEN** CONTINUED ON PAGE 7

## Building A Foundation to Reclaim and Reuse Natural Resources

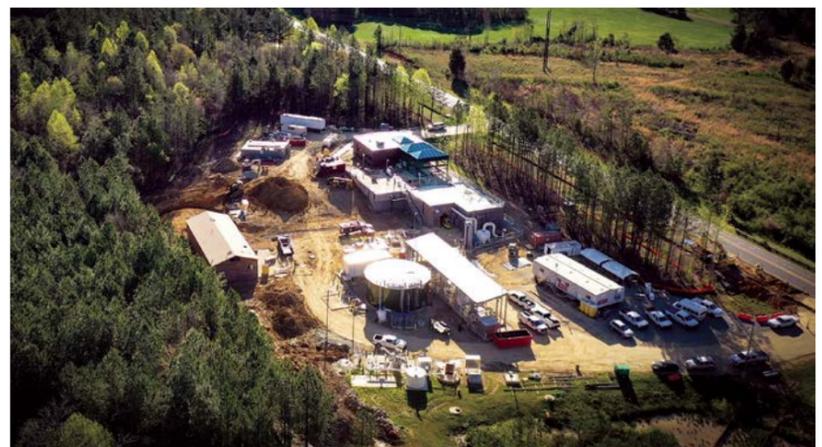
To drive through present-day Chatham Park you wouldn't think that you were driving through one of the most forward-thinking communities in North Carolina. But for the last two years, Chatham Park has been hard at work building a foundation for its master planned community that is technologically advanced, environmentally friendly and ensures sustainability of our natural resources.

Working with Strata Solar, Chatham Park created Tinker Farm, one of over 500 solar farms in the state of North Carolina that feeds directly into the power grid. The 5 megawatt solar installation is already servicing the Pittsboro area and is projected to produce enough energy to power over 750 households. Taxpayers in Pittsboro will receive significant benefits from the project.

The Farm also functions as an ecological resource to the community. Across its 12 acres of land native grasses and wildflowers, planted by Strata Solar, are increasing pollinator populations, aiding rainwater filtration and pollutant removal and providing an ecological 'bridge' to nearby wildlands.

"Chatham Park has made a commitment to environmental, economic, and social sustainability, and Strata is thrilled to be able to bring our experience to help realize this commitment," states Shawn Blazer, Development Associate at Strata Solar. "It's extremely encouraging to see such a large developer commit to a model of sustainable growth. We hope that more communities follow in the example of Chatham Park and commit to a future powered by renewables."

Working with McKim and Creed, Chatham Park is revolutionizing the way communities think about water through the development of a technologically advanced water treatment plant - one of only two in the United States. Most often water is seen as a disposable product, something we use once and then throw away. Chatham Park recognizes that water is a renewable, recyclable resource - something that can be harvested and reused over and over again.



According to Tim Baldwin, Senior Vice President at McKim and Creed, who leads the project, "The Piedmont region is one that is stressed by finite water resources. Having the ability to preserve and extend the life of our raw water resources is a huge benefit. At the same time, our rivers, lakes and tributaries can only absorb so much waste product. This facility offers an opportunity to save water at both ends of the recycling system: reclaiming the water for non-potable uses saves raw water sources, and using the water for toilet flushing and irrigation, rather than discharging it into a stream, keeps groundwater and aquifers recharged and minimizes impurities making it to our surface waters. By leveraging a partnership with nature, we're using fewer chemicals, less energy and generating a smaller carbon footprint."

"There is also a future economic benefit to this technology: over time it will be more expensive to treat raw water for potable uses, so it is economically beneficial to use reclaimed water for non-potable purposes."

"My hope for this facility is that it will help shift our social consciousness and mindset so that we recognize that it's all water, and it all needs to be reused, recycled as many times as possible, and returned unharmed to the earth for future generations," says Mr. Baldwin.



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