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THE FINANCIAL FORMULA

Giving You The Financial Information You Need

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In This Issue

Investors: Don't Let Fear Keep You on the Sidelines

One of the key determinants to investment success over the long term is having a disciplined approach to balancing short-term risk (stock price volatility) with long-term risk (loss of purchasing power).

While the U.S. stock market, as represented by the S&P 500 Index, has risen a stunning 205.66% as of March 31, 2015, since its low on March 9, 2009, some investors are still reluctant to participate after the near market collapse that accompanied the 2007-2008 financial crisis.[1]

Fleeing the market certainly may have felt like the right thing to do at the height of the financial crisis. But history shows that making investment decisions based on emotion has never proven successful. For instance, greed may have led an investor to own too many technology stocks when the bubble burst on that industry in 2000. Alternatively, fear may have caused investors to cash out of stocks following the crash of 1987 and miss some or all of the subsequent rebound.

Fast forward to 2015, and the reality is that investors who missed the extraordinary rally that has occurred since March 2009 may have helped to put their long-term accumulation goals at risk. This is especially true for investors with shorter time horizons, such as those approaching retirement. Consider this: From 2010 through 2014, U.S. stocks recorded an average annualized return of 15.5%, compared to 0.1% for money market securities.[2] The nearly nonexistent returns associated with cash-like investments could have a powerful impact on investors' purchasing power over time.

Maintain Balance to Manage Risk

One of the key determinants to investment success over the long term is having a disciplined approach to balancing short-term risk (stock price volatility) with long-term risk (loss of purchasing power). Finding a "middle ground" in your investment philosophy -- and portfolio makeup -- may go far toward helping investors manage overall risk and realize their investment goals.

For instance, history supports the case of stocks, as they have tended to outperform other asset classes as well as inflation over long periods of time.[3] But investors who are too focused on the long term may over-allocate their portfolios to stocks -- and over-expose themselves to short-term volatility risk. Alternatively, investors who are extremely averse to short-term risk may do the opposite and face heightened long-term risk.

Easy Does It

How might this balanced approach to risk be used to get investors back in the market? One of the best ways to take emotion out of investing is to create a plan and stick with it. And one of the best ways to do that is through a systematic investment plan called dollar cost averaging (DCA).[3] Dollar cost averaging is a process that allows investors to slowly feed set amounts of money into the market at regular intervals.

Although DCA does not assure a profit or protect against a loss in declining markets, it can help achieve some important objectives. First, it gives investors a measure of control while eliminating much of the guesswork -- and emotion -- associated with investing. Second, DCA can help investors take advantage of the market's short-term price fluctuations in a systematic way -- by automatically buying more shares when prices drop and fewer when prices rise.

It is important to remember that periods of falling prices are a natural part of investing in the stock market. But by maintaining a long-term focus and following a balanced approach to managing investment risk, you may better position yourself to meet your financial goals. A qualified financial professional can help you identify which strategies may be best for your situation.

[1]*Wealth Management Systems Inc. Stocks are represented by the daily closing price of Standard & Poor's Composite Index of 500 Stocks (the S&P 500), an unmanaged index that is generally considered representative of the U.S. stock market. The percentage increase represents the gain through March 31, 2015. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.*

[2]*Wealth Management Systems Inc. For the five years ended December 31, 2014. U.S. stocks are represented by the S&P 500 Index. Money market securities are represented by Barclay's 3-Month Treasury Bill rate. Example does not include commissions or taxes. Past performance is no guarantee of future results.*

[3]*Dollar cost averaging involves regular, periodic investments in securities regardless of price levels. You should consider your financial ability to continue purchasing shares through periods of high and low prices. This plan does not assure a profit and does not protect against loss in any markets.*

Is Your Portfolio Mix Right for Today's Market?

Call your financial advisor -- together you can decide if changes in your portfolio management strategy may be necessary.

To help you determine if your asset allocation is appropriate for today's market environment, complete the following worksheet.[1] Then, call your financial advisor -- together you can decide if changes in your portfolio management strategy may be necessary.

Savings/ Investments	**Stocks**	**Fixed Income**	**Cash**	**Real Estate**	
Savings, checking, money markets, CDs[2]			$_________		
Stocks, stock funds[3,4]	$_________				
Bonds, bond funds[5,4]		$_________			
DB plans, DC plans, IRAs, annuities, profit sharing plans[6]	$_________	$_________	$_________		
Cash value of life insurance [7]			$_________		
Primary residence, vacation homes, investment properties				$_________	
TOTALS					**Grand Total**
Add columns down and then this row across to get the grand total	$_________	$_________	$_________	$_________	$_________
Calculate asset classes as a percentage of total portfolio	%________	%________	%________	%________	100%

[1]*Asset allocation does not assure a profit or protect against a loss.*

[2]*An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund. CDs are FDIC insured and offer a fixed rate of return if held to maturity.*

[3]*Investing in stocks involves risks, including loss of principal.*

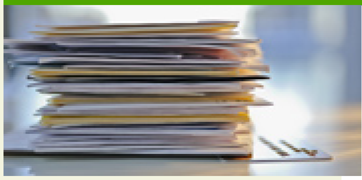
[4]*Investing in mutual funds involves risk, including loss of principal. Mutual funds are offered and sold by prospectus only. You should carefully consider the investment objectives, risks, expenses and charges of the investment company before you invest. For more complete information about any mutual fund, including risks, charges and expenses, please*

contact your financial professional to obtain a prospectus. The prospectus contains this and other information. Read it carefully before you invest.

[5]Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and are subject to availability and change in price.

[6]An annuity is a long-term, tax-deferred investment vehicle designed for investment purposes and contains both an investment and an insurance component. They are sold only by prospectus. Guarantees are based on the claims-paying ability of the issuer and do not apply to an annuity's separate account or its underlying investments. The investment returns and principal value of the available sub-portfolios will fluctuate so that the value of an investor's unit, when redeemed, may be worth more or less than their original value. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal.

[7]Life insurance policies are subject to substantial fees and charges. Death benefit guarantees are subject to the claims-paying ability of the issuing life insurance company. Loans will reduce the policy's death benefit and cash surrender value, and have tax consequences if the policy lapses.



Your Credit Report: Can You Afford to Ignore It?

Federal law requires the three major nationwide consumer reporting companies -- Equifax, Experian, and TransUnion -- to each provide you with a free copy of your credit report, at your request, once every 12 months.

When was the last time you obtained a copy of your credit report? If your answer is "never" you are not alone. A recent survey found that one in four Americans have never checked their credit report. The simple reason? They don't think it is important.[1]

Credit reports ARE important to every consumer. They typically are a major factor in determining if you will be approved for a loan, be able to rent an apartment, or even get hired at a new job. They qualify your creditworthiness and are one of the first places to detect whether you have become the victim of identity fraud.

If all of those reasons are not enough to convince you that monitoring your credit report is a good idea, the no-brainer fact you can't deny is: It's free and has been for more than a decade!

The Fair Credit Reporting Act (FCRA) requires the three major nationwide consumer reporting companies -- Equifax, Experian, and TransUnion -- to each provide you with a free copy of your credit report, at your request, once every 12 months. These three companies sponsor an official website -- annualcreditreport.com-- that allows you to request credit information from all three agencies in one place.

Once you receive your report(s), be sure to review all of the following for accuracy:

- Your name (including any variations or nicknames)
- Your Social Security number
- Date of birth
- Current and previous addresses
- Employment data
- Credit accounts and history
- Public records (e.g., liens, bankruptcies, etc.)

If you find errors in the report, you'll need to contact the credit bureau and provide documentation to correct the error.

Confusion Compounded

Even among those who have checked their credit reports fairly recently, confusion persists about what is included in the report and why it matters to them. For example, a survey of more than 4,300 adults conducted in early 2015 by Credit.com found that:[1]

- 27% of those surveyed were surprised by some of the information included in the report.
- One in five found (21%) incorrect or outdated information.
- One in 10 (10%) found a collection account they didn't know existed.
- 15% were unsure of the relevance of each section of the report.

Further, the study showed that many consumers only saw their credit reports in conjunction with an application for housing or a loan and were left with little or no time to respond to any problems or mistakes that may have surfaced.

Don't be blindsided by errors in your credit report that could cost you a job or disqualify you from a loan application. Credit experts generally encourage individuals to check their credit report at least annually to ensure that the information it contains is accurate and up-to-date.

[1] *Credit.com, "Are Credit Reports Important? Many Americans Say No," March 3, 2015.*