Summer 2012

Wise Choices®

Investor, Know Thyself

You may have your dad's wit and your mom's competitiveness, but your personality is uniquely yours. And it influences the decisions you make, including decisions you make about your investments.

Here are three questions that may give you insight into your investor personality. For each question circle the answer that best describes you.

1. A coworker mentions that Company LMN is going to debut a major new product. Do you:
A. Buy stock in Company LMN?
B. Go to lunch?
C. Thoroughly research Company LMN, and then decide whether to invest?

2. You're concerned with how your retirement plan investments performed last quarter. Do you:
A. Sell all the investments that performed poorly?
B. Do nothing and hope that your investments will do better next quarter?
C. Compare the performance of the investments in question with the appropriate benchmark indexes before making a decision?

3. One of your plan investments delivered outstanding returns last quarter. Do you:
A. Move the majority of your portfolio into that investment?
B. Intend to move more money into the investment but never get around to it?
C. Do nothing because the investment is part of your overall diversified portfolio?

If most of your answers are:	This may describe your investment personality:
A	**Impulsive—**Investors who buy and sell investments frequently without being guided by a clear plan. Impulsive investors may be prone to greater investment losses than investors who follow a well-thought-out strategy.
B	**Unengaged—**Investors who avoid making investment decisions. Unengaged investors tend to ignore their investments and could miss out on some good investing opportunities. Staying put is not always the best course of action.
C	**Planner—**Investors who are well aware of their risk tolerance, time frame, and goals and have allocated their assets accordingly. While planners may be on track to meet their investment objectives, they should periodically review their asset allocation and investment performance to determine whether changes are necessary.

Personality Change
If you don't fit neatly into one of these categories or you're in a category you're not comfortable with, don't worry. Your investment personality is not set in stone. If you have a tendency to be an impulsive or unengaged investor, you can make changes that will help you become a planner and set you on course to achieving your retirement goals.

Do Your Investments Need a Matchmaker?

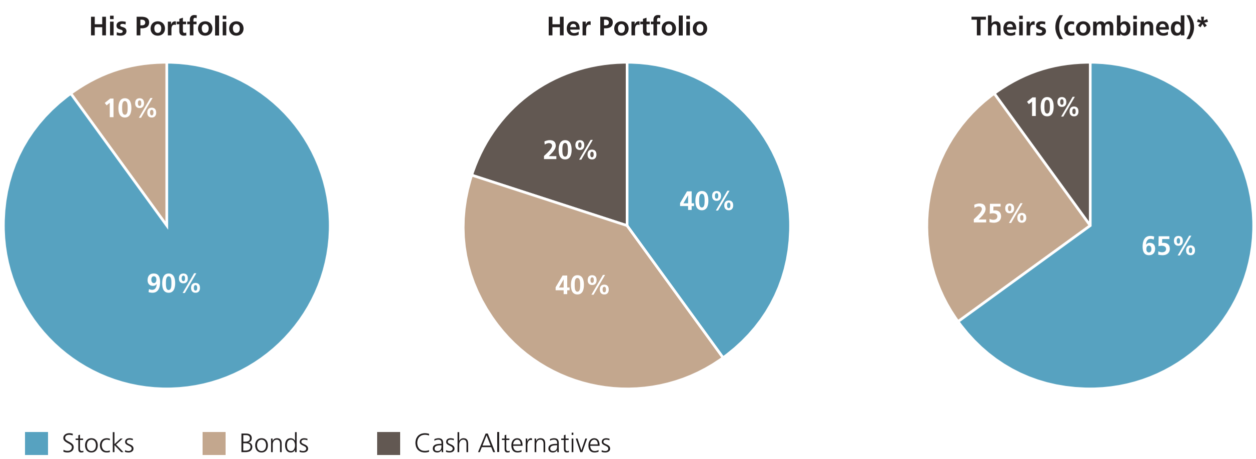
You like spicy food; your spouse doesn't. Your spouse likes to travel abroad; you're happy staying home. But that's okay. You don't *have* to like the same things or do the same things to be happy. When it comes to your retirement investments, though, it's important to be on the same page.

Yours + Mine = Ours

Spouses frequently have different attitudes about money. Lots of couples maintain separate bank accounts so they can manage money individually. As long as the bills get paid, they generally don't have a problem. But what about investing? Couples often have different attitudes about investing, too. One might be an aggressive investor with a portfolio full of stocks. The other might be risk averse, holding mostly low risk investments. If they both contribute to retirement savings plans at work, should they coordinate their investment strategies? Or should they each make their own investment decisions?

The Big Picture

Even if you and your spouse prefer to make individual investment decisions, ideally you should work together to develop an overall strategy for meeting your joint goals. Take a look at your retirement investments to see how your *combined* assets are allocated* among the different investment types. Then decide *together* whether your combined asset allocation is appropriate for your joint goals and investing time frames. If you have investments outside of your retirement plans, include them in your asset allocation decisions. The following example illustrates how combining asset allocation could look:



Talk It Over

Check your combined asset allocation at least once a year. If it has shifted, you may need to rebalance. Tweaking the investments in just one of your accounts may accomplish the results you want. As you get closer to retirement, your risk tolerance may change, leading you both in a more conservative direction. At that point—and at every point along the way—coordinating your investments may help you and your spouse reach your retirement savings goal.

Source: NPI

* *These hypothetical portfolios are for illustration only. They assume spouses have equal amounts invested. The combined asset allocation percentages were created by totalling each His and Her asset category and dividing by 2.*

The information contained in this newsletter has been obtained from sources believed to be reliable, but we cannot guarantee its accuracy or completeness. The newsletter is intended to offer factual and up-to-date information on the subjects discussed, but should not be regarded as a complete analysis of those subjects.

Important information about Advisory & Brokerage Services

As a firm providing wealth management services to clients, UBS is registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser and a broker-dealer, offering both investment advisory and brokerage services. Advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate contracts. It is important that you carefully read the agreements and disclosures UBS provides to you about the products or services offered. For more information, please visit our website at **ubs.com/workingwithus.**

ubs.com/fs
110106-2703-153