Chasing performance can be like running in reverse

It's not a race, it's a marathon

In a volatile market, investors can exhaust themselves chasing after the "latest and greatest" investment tip, or selling their current holdings to try and outperform their peers.

But trying to take advantage of a short-term trend to support a long-term strategy is like starting a marathon as if it were a sprint. If you take that approach, you'll use up all your energy in the first mile and by the time you reach the five-mile mark, chances are you'll have fallen behind.

Instead, consider these actions to keep your portfolio in good financial health:

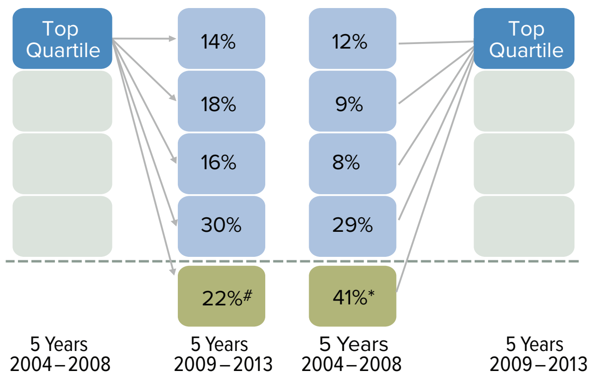
- **Focus on yourself:** You have no control over the future of the economy or the financial markets, so the only thing you can control is your commitment to a disciplined approach to investing.

- **Fuel your body for peak performance:** Just like your body requires plenty of water and the right high energy food to function properly during a marathon, your portfolio should be regularly rebalanced to ensure your original asset allocation is aligned with your goals. Uncontrollable, wild swings in the market make portfolio rebalancing more important than ever in an effort to keep moving ever closer toward your goals.

- **Keep pace with change:** Changes in your life happen—whether planned or unplanned—and more likely than not, they'll impact your investment goals. That's why it's important to revisit your financial plan regularly and make necessary updates to reflect those changes.

You also need to be careful of unseen obstacles in the road. While it's easy to look backwards at historical market performance, it's not easy to predict what will happen next. Guessing what's around the next corner isn't a consistently reliable investing strategy and you may find yourself selling when you should be buying and vice versa, as the chart illustrates.

It follows the performance of all of the large-cap value funds in the Morningstar Large Cap Value category for two consecutive five-year periods—2004 through 2008 and then 2009 through 2013. Of the funds that ranked in the top 25% of the group in the first period, more than 50% dropped to the bottom—or completely out of existence. Ranking managers by their five-year returns provides little insight into future performance.



#22% of top quartile managers from 2004–2008 are no longer included within the Morningstar U.S. Large Blend Category

*41% of the top quartile managers from 2009–2013 did not have a full five-year track record during the previous period

Source: SEI, Morningstar Direct, U.S. Large Blend Universe over the entire 10-year period from 12/31/03 through 12/31/13. Based on the Morningstar universe of 3,964 U.S. Equity Large Cap Blend managers.

The bottom line is that when it comes to stellar past performance credited to "highly rated" funds, it's important to remember that yesterday's top performer may be tomorrow's underperformer.