

Are behavioral finance biases sabotaging your future?



Cognitive, emotional, and social influences affect our investment decisions, and therefore collectively affect the performance of the U.S. stock market.

Behavioral finance—a field that combines psychology and economics to explain investor behavior—refers to many of these influences as “biases.”

Even experienced investors may fall prey to behavioral finance biases, which can lead to substandard investment decisions and results.

Sources: Charles Schwab Investment Management; Bloomberg.

What does this mean for investors?

Ask your advisor how to address your behavioral finance biases and better achieve long-term financial success.

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Investment Management

Put the Biagnostics™
process to work.

Identify and treat the investing biases that can hold you back.

Biagnostics is a framework designed to give you and your advisor insight into how emotional and psychological influences may affect your investment behavior and investment outcomes.

With the Biagnostics toolkit, you can learn how to:

- Identify your specific cognitive and emotional biases.
- Understand which social and generational triggers affect your investing potential.
- Work with your advisor to create a customized Bias Freedom Plan to treat your biases on a long-term basis.

Ask your advisor to download a Biagnostics toolkit to get started at www.schwabfunds.com/biagnostics.

Charles Schwab Investment Management

As one of the nation's largest asset managers, our goal is to provide investors with a diverse selection of foundational products that aim to deliver consistent performance at a competitive cost.

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