



Smart Moves For “Frozen” Investors

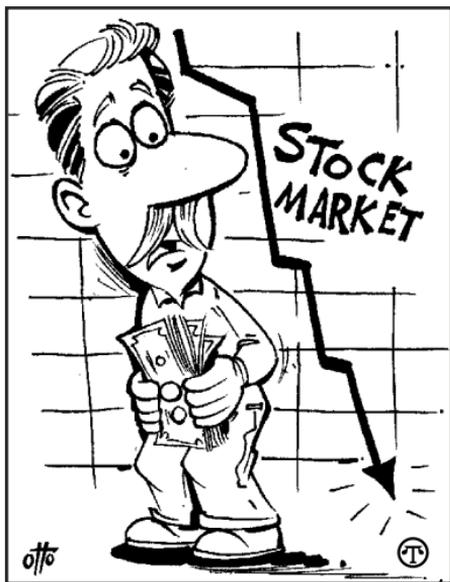
(NAPSA)—When the economy slows down, it can pay to bring your investments up to speed with market conditions.

Yet a recent survey found most investors feel the stocks they hold are better suited for the market of two years ago. In addition, 47 percent feel “paralyzed” as investors by market volatility and 55 percent are “staying on the sidelines” and taking no action with their portfolio.

“Nearly seven in ten surveyed accept the notion that long-term investors hold their losses, waiting for the next market rebound, but this can be a costly mistake,” says Ed Yardeni, chief investment strategist of Prudential Securities. “Inactivity is not the same as ‘buy and hold,’ especially if your portfolio is filled with stocks that are not likely to come back.”

The survey, called the Prudential Financial Anxious Investor Study, questioned “retail investors”—those who invest in stocks, bonds or mutual funds. It found while many investors knew what they should be doing with their portfolios, there is a “disconnect” between that knowledge and their actions.

“A significant majority know they should be looking for buying opportunities on undervalued stocks but barely one in five are doing that,” says Yardeni. “Also, nearly three-quarters of those surveyed said they should have more contact with their financial advisers, but less than half are



The majority of investors say they should look for buying opportunities when the market is down.

actually doing that.”

To keep your portfolio with the economic times, experts advise you:

- Reevaluate your portfolio. Don't be afraid to take a loss.
- Actively look for new buying opportunities.
- Rebalance your portfolio to match your investment style.

“Investors don't have to feel paralyzed,” says Yardeni. “There are ways to get your portfolio back to work for you.”

There may be tax consequences involved when rebalancing a portfolio. Consult your tax advisor about your individual situation.

For more tips on avoiding costly mistakes, visit prudential.com.