



## NEWS

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# Keeping Your Balance as Markets Wobble

*Advisor suggests re-jigging your portfolio now to help your outcome when shares pick up again*

ATLANTA, GA (January 13, 2009)—For many investors, the market's recent swoon has not only shaken their confidence, but thrown their portfolio out of alignment. According to Don Patrick, an independent financial professional, over time, even the most carefully constructed portfolio can become unbalanced as the riskier asset classes outperform the more conservative ones, but serious unbalancing can occur more quickly in sudden, steep declines like we've seen in recent months.

"Having an unbalanced portfolio can be very harmful," says Patrick. "Think of a car when it's out of alignment. Sure, it still works, but that tug to the side inhibits its optimal operation. So, just as taking in the car for a routine tune-up, the process of rebalancing can bring a portfolio back to original asset allocation to both maintain a comfortable risk level and provide a better chance of meeting short- and long-term goals."

According to Patrick, getting a portfolio back in sync is simple. Patrick says the first step is to identify the winners that occupy a larger piece of the overall portfolio and sell some. "Then, buy the poorest performing asset class—probably equities in this market," Patrick says. "Rebalancing seems counterintuitive in a stable market—and it can be downright frightening in a volatile market. But experienced investors buy when the market seems at its lowest."

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Even with current declines, Patrick believes there's reason to assume that, over the long-term, stocks will continue to produce the inflation- and bond-beating returns they have for more than a century. "We read the same 'This time it's different' headlines in 1974 but the market eventually recovered from the damaging stagflation of the 1970s, as well as the more than 20% one-day decline in 1987, the savings-and-loan crisis of the early 1990s, the Asian crisis of the late 1990s, and the tech bubble."

Using history as a guide, Patrick also warns that the market gets better before the news gets better. So, Patrick says, it's good to rebalance and prepare for the inevitable turnaround now.

"There are a number of ways to rebalance," says Patrick. "If an investor has a surplus of cash, it may be a good idea to purchase new investments for the under-weighted asset categories. For those making continuous, automatic contributions to the portfolio, consider altering the contribution percentages so that more of those dollars are directed into the under-weighted asset categories until the portfolio is back into balance."

Because, as the behavioral finance literature suggests, investors experience more extreme negative emotions when they suffer investment losses than they do positive emotions when they enjoy investment gains, volatility can destroy the discipline necessary for successful investing. Rebalancing the portfolio according to an individual plan can help investors make investment decisions based on reason, not emotions, and maintain the diversification necessary for the best chance at meeting personal goals.

### **About Don Patrick and Integrated Financial Group**

Don Patrick, Managing Director of Integrated Financial Group in Atlanta, Georgia, has been serving clients as a financial advisor for over 26 years. Patrick earned his MBA from the University of Southern California. Undergraduate studies were completed at Loyola University Los Angeles in the areas of finance and economics. He served as a pilot in the U.S. Air Force, graduating first in his class. He is also a member of the Financial Planning Association, the nation's largest organization of professionals dedicated to championing the financial planning process. He has completed additional studies and passed a rigorous certification examination and is authorized to use the CFP® mark of

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distinction. Integrated Financial Group, an independent financial planning consortium of advisors, delivers practical, effective financial solutions aimed at addressing the long-term financial planning needs of their clients.

For five years listeners in south Florida relied on Patrick to deliver sound, accurate financial advice as co-host of a radio talk program. He taught financial planning at Georgia State, North Metro Technical College and Gwinnett Technical College. Listed in Who's Who of Investment Management Consultants, Patrick recently authored a book titled *Keep Your Nest Egg from Cracking – What You Need to Know*. He is also a regular contributor to numerous financial trade and consumer publications, including Wall Street Journal, Kiplinger's Retirement Report, New York Daily News, Investment News and Research magazine. Visit [www.integrated-financial-group.com](http://www.integrated-financial-group.com) for more information about Mr. Patrick and the consortium of advisors.

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Written by Don Patrick, Securities America, Inc. Registered Representative, with industry journalist, Marie Swift, President of Impact Communications.