



**Ryan Shannon**  
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# In the Press:

## PIONEER PRESS

### **Weathering the Stormy Market**

**Advisers offer tips to help you ride out the current crisis**

Nicole Garrison-Sprenger, August 18, 2007

All this market turmoil have you shaking your head? It's easy to panic and make drastic changes to a portfolio or to pull money out of the market, but financial advisers say there are other, less brash things investors can do to protect themselves.

1. Give the market time to settle down before making any major overhauls. Then, look at the bonds you have in your portfolio. Barbara Bencini, first vice president of investments and a wealth-management adviser at Merrill Lynch, recommends moving out of BBB or lower-grade bonds and into A-rated bonds or better. Those higher-quality bonds generally cost more, but it's worth it.

2. Lean toward large-cap stocks. When markets and the economy appear unstable, investors can be well-served by investing their money in large companies with deep pockets and a global reach. "They are less volatile in this kind of market," Bencini said.

3. Consider stocks in "defensive" industry sectors like health care and consumer staples, which

generally retain their markets even in tough times. "No matter how bad things get, you still have to go to the doctor and you still need to buy toilet paper," Bencini said.

4. Dabble more into dividend-paying stocks. These tend to include banks and oil companies. Locally, U.S. Bancorp of Minneapolis and Maplewood-based 3M Co. are known as consistent, high-dividend payers.

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5. Get back to the basics. Don't go chasing after the new hot asset class, said Ryan Shannon, a financial adviser with Webb Financial Group in Bloomington. "There are certain emerging markets that are hard to stay away from when they've been on such a great run," Shannon said. China and Mexico are a few examples. But in uncertain times, those runs could come to a screeching halt.

6. Monitor mutual-fund

performance. Many funds claim they are conservative, yet they took a big hit during this last correction, Shannon said. Many market-neutral or long-short funds, which are based on computer models and have become popular in recent months, are good examples of this "double-speak." "They are designed to weather the storm and they didn't," Shannon said.

7. Harvest losses. Many investors wait until the end of the year to dump securities that they've been unsure about. "But if you are showing a loss on paper, it may be time to get rid of it now," Shannon said.

8. Take a deep breath and consider this advice: Go shopping. Many asset classes that were too expensive for you before essentially are on sale now, said Patrick Egan, senior investment product specialist at Thrivent Financial for Lutherans. Real Estate Investment Trusts, high-yield bonds and financial stocks have all seen pretty significant corrections in price, Egan said.