

By KRIS FRIESWICK

IS NOW THE  
TIME TO SELL  
YOUR MUTUAL  
FUNDS? BUY  
A HOUSE? RUN  
OFF TO  
VEGAS?  
WE ADVISE.

# Riding Out THE Storm

**A**N ECONOMIC STORM is raging outside, and if you have investments – stocks, funds, bonds, a 401(k) plan, real estate – you’re likely feeling like a boat tossed by an angry sea. But as any sailor can tell you, there are two ways to cope: You can batten down the hatches and ride it out, or hoist sail and take advantage of the winds to get ahead.

Overall, recessions are a bad time to sell anything. But fear may tempt you to hold a fire sale of your portfolio. Don’t. “In reality, the stock market’s not too far off,” says Marc Freedman, a certified financial planner in Peabody. “It’s about where it was a year ago.”

So don’t panic. “Ask yourself, ‘Why did I make this investment in the first place? Was it for a short-term return on money or a nest egg for the future?’” He also advises that people remember the research they did when selecting the fund. “Most people look at investments on a three-to-five-

year historical basis, yet they’re willing to make a change based on a shorter-time framework than that when things turn down.” Those who hold tight through the tough times are the ones who make money in the long run, he says.

On the flip side, if you’re not already in the market, don’t let the volatility scare you off. There are bargains to be had, but Freedman advises mutual funds for those just getting started, because they tend to be less mercurial than individual stocks.

Given the troubled real estate market, if you are considering selling your home, put that off, if you can. If you do have to sell your house, further value declines are predicted, so sooner is better than later; if you bought your home prior to the 2005 bubble, you’ll probably still make a profit. For those looking to take advantage of the current down market to nab a deal, Freedman urges caution. Such an investment today is best

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