



**LM Federal Credit Union**  
Aaron Welch, RFC  
Financial Advisor  
1200 E Joppa Road, Suite G  
Towson, MD 21286  
667-308-2724  
awelch@moneyconcepts.com



---

**Wealth Management &  
Financial Planning Services**

# How long should I hang on to an investment?

---

---

# How long should I hang on to an investment?



You'll want to hang on to an investment as long as it meets your investment objectives, and you think it is likely to continue to perform as well as or better than comparable investments. Evaluating your investments once or twice a year will help you make that determination.

To evaluate your investments, you'll have to determine whether a particular investment is still appropriate for your age, risk tolerance, and financial goals. For example, perhaps you have been investing for retirement and have recently decided to purchase a home later this year. If a large part of your current investment portfolio is in a growth company stock fund, you should consider moving at least part of that investment to a less volatile investment. Your investment goal has changed, and you'll need access to your investment dollars sooner rather than later. You certainly don't want to risk losing the down payment for your new home because of a sudden downturn in the markets.

A common mistake among investors is to hold on to an investment because it has fallen in value, hoping to earn your losses back before moving on. A good rule of thumb is that if you aren't willing to buy more of that investment at the lower value, it may be time to sell it.

Aside from changes in your financial goals, a good time to re-evaluate an investment is when changes occur in the management of a mutual fund or company in which you own stock. You generally have no way of predicting what effect new management may have on the value of the securities. The additional risk or a change in investment objective, if any, may lead you to reconsider holding on to your shares.

Whenever you contemplate selling an investment, you may want to speak with a tax professional about the tax impact of the sale. You may decide to sell an investment that has performed poorly to offset gains in a given tax year. In contrast, you may want to hold on to an investment because selling it now may result in short-term capital gains treatment, whereas holding it for longer than a year could allow you to qualify for more favorable long-term capital gains treatment.

All Securities Through Money Concepts Capital Corp., Member FINRA / SIPC  
11440 North Jog Road, Palm Beach Gardens, FL 33418 Phone: 561.472.2000  
Copyright 2018 Money Concepts International Inc.  
Investments are not FDIC or NCUA Insured  
May Lose Value - No Bank or Credit Union Guarantee