



THE RESTLESS INVESTOR

*When it comes to your investments,
are you aiming for long-term rewards?*

“But it looks so good!” When you hear about a new stock becoming available, are you enticed by its promise? Do you suddenly feel compelled to run right out and buy shares? Let’s say you DON’T buy shares, and then the stock doubles after the initial public offering. Do you run out and buy it THEN? Do you sell shares of a loser in favor of this new stock that’s hot?

Grab the reins! A recent study found that in many cases, investors who sell one stock for another that seems more promising typically find the new stock trailing the old stock throughout the next year. Meaning, if they’d held out for twelve months, they’d be better off. Just like playing roulette, quick and frequent stock trading *might* hold big rewards ... but it doesn’t happen often. If you’re investing small amounts, just for fun and to see what happens, well that’s your call. But if you’re trying to reach a long-term goal (like retirement), a more committed investment strategy could be a better choice.

What is long-term investing? Is three months a long-term investment? What about six months? What about a year? Actually, a long-term investment is typically five years or *more*. If you’re currently buying and selling stock every few months, you may want to reconsider your long-term strategy. You certainly would not be the only investor with a “love ‘em and leave ‘em” stock trading mentality, but that kind of investing is haphazard and can be very risky.

Be advised. If you’re reading this, nodding, and realizing that you are not truly a long-term investor, then chances are you have been investing on your own and have not yet enlisted the help of a financial advisor. A seasoned financial advisor can assist you in determining your risk tolerance and help you to develop a long-term investment strategy based on your goals. Do you have to have a financial advisor to be a good investor? No. But if you’re not ready or willing to spend time doing research, or if you feel you need guidance to keep you on track, enlisting some professional assistance could be a good move.

A good strategy. The way I see it, a long-term investor is steadfast and employs a solid long-standing, goal-oriented approach. He or she is patient, invests consistently, saves regularly, reinvests dividends, and evaluates portfolio returns over the years (not months or weeks.)

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