

New Haven Register

<https://www.nhregister.com/business/article/MARKET-MATTERS-Space-for-rent-in-your-portfolio-14452884.php>

Also published by these Connecticut newspapers:

Connecticut Post (Bridgeport): <https://www.ctpost.com/business/article/MARKET-MATTERS-Space-for-rent-in-your-portfolio-14452884.php>

The Hour (Norwalk): <https://www.thehour.com/business/article/MARKET-MATTERS-Space-for-rent-in-your-portfolio-14452884.php>

The Advocate (Stamford): <https://www.stamfordadvocate.com/business/article/MARKET-MATTERS-Space-for-rent-in-your-portfolio-14452884.php>

News-Times (Danbury): <https://www.newstimes.com/business/article/MARKET-MATTERS-Space-for-rent-in-your-portfolio-14452884.php>

Greenwich Time (Greenwich): <https://www.greenwichtime.com/business/article/MARKET-MATTERS-Space-for-rent-in-your-portfolio-14452884.php>

Register-Citizen (Torrington): <https://www.registercitizen.com/business/article/MARKET-MATTERS-Space-for-rent-in-your-portfolio-14452884.php>

Middletown Press (Middletown): <https://www.middletownpress.com/business/article/MARKET-MATTERS-Space-for-rent-in-your-portfolio-14452884.php>

MARKET MATTERS: Space for rent in your portfolio?

By Joseph Matthews
Sunday, September 22, 2019



Photo: Contributed Photo; Joseph Matthews

We've all seen "For Rent" signs while driving down the road. It's a sign that signals opportunity. It's a chance for a fresh start — a new beginning. We've all been there before with our investments. Who hasn't made an investment that didn't work out as planned or held on to one that you were ready to sell?

So what do you do when you believe a change in your portfolio is necessary? First of all, take a step back and ask yourself why you believe an investment should be replaced. After you've made that determination, it's time for a serious evaluation of your primary reason and any others you discover along the way.

Is it short-term performance deviations from the investment's benchmark? If that's the case, be careful. Powerful emotions often get the better of us. A few months or quarters of poor performance from an investment can easily get under anyone's skin and impact your decisions — just as significant gains can result in an emotional barrier to a sale.

It is easy to overlook many positive reasons to sell. Has a security appreciated in value so it is time to take profits? If the stock has exceeded your target price, is it time to sell or time to set a new target price or a time to take profits? Alternatively, it might be time to sell because the appreciated stock has resulted in an imbalance in your portfolio or your situation has changed.

Every investor faces the demons of behavioral predispositions. Don't "marry" a stock after a significant appreciation, as it may have reached a point where taking profit is the proper course. And be careful about holding on to a security when the facts indicate otherwise. Ask yourself, "would I buy it again today?" If your answer is no, you should consider selling; conversely, if the answer is yes, you may want to hold onto it.

Replacing investments that have underperformed or don't fit into your plan anymore can be a precarious and difficult thing to do. Selling over-achieving investments may be just as tough. Perhaps your objective has switched from long term gains to current income. That may be a sign to sell and re-invest in a different type of security.

By utilizing rational thinking in a manner consistent with what you're trying to accomplish, you can increase the probability of having a portfolio that is geared to helping achieve your goals.

Joseph Matthews is a Financial Advisor with the Wealth Management Division of [Morgan Stanley](#) in Fairfield. He can be reached at 203-319-5165 or by email at joseph.matthews@morganstanley.com. Follow Joe on Twitter @jmatthewsMS. The information contained in article is not a solicitation to purchase or sell investments. Any information presented is general in nature and not intended to provide individually tailored [investment advice](#).