“Book my profits.
I will invest again when markets are low.”

Is this easy?



The urge to book profits is the most common investor behavior. **Investors fear that equity markets may fall and their gains will be wiped off.** However, is it easy? When is the right time to book profits? Let’s examine.



It may so happen that **after you book profits, equity markets continue to go up.** In such a case, you may lose the upside.



Even if markets go down after booking profits, you may not be able to invest then. This is because; **during a crisis investors generally think markets will fall further.** Eventually, they miss the opportunity. We have regularly witnessed this with many of our clients. **One must complete the cycle of selling high and buying low to benefit from market movements.** This is extremely tough.



There are **costs and taxes involved** in doing such transactions.



Research shows that if you book profits and miss a couple of big upsides in the equity markets, **your overall returns even in the long term can fall dramatically.** You should try to hold for as long as you can.



You should book profits only when you need funds/your objective is near or there is an emergency. Otherwise, you should continue to hold your investments. We have seen this works well for most investors.

Mutual Fund Investments are subject to market risks, please read the scheme related documents carefully

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