

## Short-term vs. long-term capital gains treatment

### Capital gains realized upon disposition

A growth or deferred growth type of return refers to capital gains returns realized upon disposition. Growth represents an increase in the market value of the asset without a corresponding increase in cost basis.

In NaviPlan Standard, the prorated difference between market value and cost basis on any sell amount from a non-qualified asset is treated as **long-term capital gains**, regardless of the asset's purchase date.

### Annually realized capital gains

Capital gains are realized annually.

The tax treatment (short-term vs. long-term) is based on the type of asset:

- For mutual funds: capital gains returns are treated as long-term capital gains.
- For all other assets: capital gains returns are treated as short-term capital gains.