

Common Mistakes New Investors Make

Understand the Landscape Before Investing

- Gut feelings or tips instead of data and strategy
- Not using credible sources (e.g., financial news, government reports, certified advisors)
- Poor prep increases risk and loss potential

Emotional Decision-Making

- Fear and Greed cloud investment judgment
- Hasty buying; Premature selling
- Misleading and unsustainable trends
- Following the crowd.
- Emotional biases distort perception

Solution – Use psychological strategies:
Set pre-defined buy/sell rules.
Maintain a diversified portfolio.
Ground decisions in data, not emotion

Overlooking Portfolio Diversification

- Failing to diversify
- Not using a mix of asset types (stocks, bonds, real estate, etc.)
- Not using tools like index funds and ETFs
- Failing to review and rebalance regularly

Ignoring Long- term Planning

- Seeking short-term gains can derail bigger financial goals
- Excessive trading incurs fees and sacrifices compound interest
- Not identifying clear goals and choose investments accordingly
- Failing to align investments with future objectives (e.g., retirement)