



E-NEWSLETTER

5 BEGINNER INVESTMENT MISTAKES TO AVOID



In a bid to grow wealth and improve our financial status, a lot of people look for other ways to make their money work for them apart from savings and interest.

But what happens when you invest and instead of making more money, you find yourself losing all that you have invested? Barring the financial market's stability, you may just be losing money because of these five avoidable mistakes.

Having no investment plan

Do you start investing based on a hunch? Or because of market rumours? No investor should put their money into a venture without a solid investment plan, or it will be like flying blindly. It is important to ask yourself what you intend to gain from your investments, and how these help your short and long term financial goals.

Not Diversifying



Stocks, bonds, treasury bills and mutual funds are good investments, but so also is gold, real estate, and other hard assets. You need to diversify your portfolio across different industries and sectors to maximise your benefit and avoid losing money.

Borrowing to invest

No matter how good the opportunity looks right now, it is never a good idea to borrow money to make an investment. Expectations that your investment will yield substantial returns may be high, but reality is that risk is attached as well. In the event of a loss, it will be bad to lose money and be indebted.

Not learning the basics



What do you know about the market? Or the business that you are about to put your money on? A good investor takes the time to learn and know more about their investment before going all the way in. This mistake usually results in making poor judgement of an investment's yield, or worse, investing in something that is doomed to fail.

Putting all your money in

A good financial plan combines saving cash, and investing, to create wealth for the long term. This is why personal finance experts advise that a person should save money for emergencies, and still invest for the future. Unfortunately, in an erroneous desire to maximize returns, a lot of beginner investors put all their savings into investments. Even if the opportunity to buy a piece of land right away is irresistible, try to leave some money in your savings. You may need it for expenses or emergencies.