**3 Things a Financial Advisor should not tell you**

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Having a financial advisor is one thing but at the end of the day it is you who has to make the decisions of where to invest your money. In other words; you must take full responsibility for your actions. You must also have the ability to discern whether a piece of advice is good, bad, or not applicable to your personal circumstances.

Here are some things a financial advisor should not tell you to do.

1. Invest in cryptocurrency

Only money that you can fully afford to lose should be invested in bitcoin or other types of cryptocurrency. This is an extremely volatile investment with a short history, therefore it is hard to know where it is heading as far as the price of Bitcoin goes. Anyone who claims to know the future of Bitcoin is probably misleading you. It is likely that they are using data from Bitcoin’s history to predict its future but as they say, “The past is no guarantee of the future.”

Only discretionary spending money should be invested in Bitcoin. It will give you plenty of interest while investments which are for your material goals are growing as you continue to save for whatever it is you are saving for, whether that be a house deposit, car, education, or overseas trip.

2. Invest your life savings in one company

There is a phrase for this and it is called, “Placing all of your eggs in one basket.” During the Global Financial Crisis of 2007/2008 some New Zealand investors lost their entire life savings after some high profile company collapses. Several finance companies were offering above average interest rates to attract investors and some people let greed get the better of them, but no one would admit to such a sin. Financial advisors who promoted these finance companies were scape goats. It may be true that it is a mistake to advise someone to invest everything into one company but it is up to each and every investor to take responsibility for their own investment portfolio.

Diversification needs to be part of your financial vocabulary if it already isn’t. Diversification means you invest your money with different companies and across several asset classes. This minimizes risk. Ordinary Mum and Dad investors are able to drip feed small amounts of money into the markets these days with so many online investing plat forms available. It is just a matter of choosing one or two of them which fits in with your investing strategy.

3. Invest in growth funds when you are retired

Investing in growth funds is okay when time is your friend but not when it is your enemy because a market slump can affect your lifestyle if you are retired. This is because retired people are in the spending phase of their life and if the value of your portfolio is down when you need the money then you are accepting a loss. The young ones, however, do not need to panic because they have time on their side and do not need the money in a hurry. By the time they themselves retire the market will have had it’s ups and downs.

I am not saying that you should not have anything invested in growth funds if you are retired, but rather, it should not be money which you can ill afford to lose. It all boils down to how soon you may need the money keeping in mind that time is not your friend.

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