6 Risks From Using Artificial Intelligence To Predict Stock & Investment Performance

Many have asked the question whether AI will make the human investment advisor obsolete?

PHILADELPHIA, PA, UNITED STATES, February 27, 2026 /EINPresswire.com/ -- It is estimated that artificial intelligence will become the primary source of investment analysis for approximately 80% of investors, by 2028, according to leading professional services firm, Deloitte. AI's speed and depth in compiling and analyzing data make it an extraordinary technological advance with the potential to transform investing. As a result of its capabilities, many have asked the question whether AI will make the human investment advisor obsolete.

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> Large language model tech is valuable as a tool in wealth management, utilized by humans who provide context, perspective & empathy. Together, both can significantly enhance the investment experience."
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> *James Graves, Investment Advisor and Principal at Joppa Mill Advisors*

"Artificial intelligence technology is already transformational to many aspects of wealth management. However, there is a lot more to wealth management than data and technical analysis. Comprehensive investment counselling consists of three main components - data, strategy and empathy," said James Graves, investment thought leader, advisor and Founder of Joppa Mill Advisors. Graves observes that although AI may be advantageous regarding the data component, it is less valuable, or even potentially detrimental, when used to create personal strategy and advisory support.

Graves has compiled a list of 8 potential risks from relying on artificial intelligence alone in a wealth advisory role. They include:

1) The knowledge base of AI is built on the past.
There is an age-old investment advisory cliché that "past performance is not indicative of future results." However, the information foundation of AI is based on the past, utilizing historical data and trends to predict future results. Although there may be significant value in using AI technical analysis as part of investment evaluation, it is by no means the entire practice and may miss some important considerations such as context, risk tolerance, human sensitivity and more.

2) AI lacks empathy.

AI is adept at presenting information and trends based on its tendency to homogenize data. Often this can lead to one-size-fits all types of recommendations that may or may not be applicable to the investor. Because every investor is different, based on conditions, risk tolerance, goals and other factors, AI's recommendations may not be valuable. It is one thing to recommend an investment based on past performance, which AI excels at doing. It is quite another to fit recommendations to investors' unique circumstances and needs.

3) AI's conclusions and advice can be biased.
It's true that AI has the potential to remove human bias from many investment decisions. However, AI can be biased in other ways, for example, from the ways its data is collected, discovered, weighted and other influences. Due to the "black box" nature of artificial intelligence, there is little or no transparency as to how AI's recommendations have been made to indicate how it was sourced or why it responded the way it did.

James Graves, Investment Advisor & Principal at Joppa Mill Advisors

4) AI can be inconsistent.
One can often find that asking AI similar questions can often yield different responses. AI's inconsistency can often influence disparate investment actions, and not all of them leading to positive results.

5) AI is not legally responsible.
If one receives incorrect information or bad advice from using AI, there is no entity to be held responsible. Only human advisors and corporate entities are ultimately responsible for their recommendations.

6) AI recommendations often lack context.
AI can recognize sentiment, but it lacks empathy stemming from participating in a human experience. It also can miss the emotional and cultural nuances that often influence investment decisions. Investors' susceptibility toward risk, fear, hope, motivation and other human factors is an important part of successful investment advising.

Said Graves, "Large language model technology is valuable but only as a tool in wealth management. AI excels at providing speed, scale, and precision, but it will prove to be a valuable wealth management advance only when utilized by humans who provide context, perspective and empathy. Ultimately, clients won't have to choose between AI or a human advisor, they'll

expect and receive both enhancing their investment experience and providing greater potential for success."

ABOUT JAMES GRAVES

James Graves is a nationally recognized investment thought leader, investment advisor and Founder of Joppa Mill Advisors. He began his career at Bankers Trust Company as a commercial lending officer before transitioning to BTCo.'s trading desk where he was an institutional bond salesman and subsequently underwrote and traded Federal Agency bonds. Decamping from New York, Graves has held senior positions with Wilmington Trust Company, T. Rowe Price, Acadian Asset Management, Morgan Stanley and Merrill Lynch. In addition to his holding the preeminent industry designation, Certified Financial Planner®, he holds degrees from Trinity College in Hartford CT (B.A. English/Political Science) and New York University Stern School of Business (M.B.A.).

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James Graves
Joppa Mill Advisors LTD.
1414 S. Penn Square, 14C
Philadelphia, PA 19102
Phone: (610) 971-6296
Email: james@joppamilladvisors.com

Website: joppamilladvisors.com
Linkedin: linkedin.com/in/jameswgraves
X.com: @JamesWGraves

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Leo Levinson
GroupLevinson Public Relations
+1 215-545-4600
email us here
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LinkedIn
X

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