

MISSION STATEMENT

Assisting investors in FINANCIAL PLANNING, helping them in WEALTH CREATION thereby giving them COMPLETE FINANCIAL FREEDOM.

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“ WISHING YOU A VERY HAPPY NEW YEAR.

We hope that the year 2021 will bring some positive news and changes and lots of success and happiness to each one of you. Year 2020 did not go as we planned, many hurdles came in our way due to the pandemic which is going on, but the whole world will fight through this phase.

A year of transition, a year of pain, a year of disruption and a year of recovery. For most investors, 2020 can be characterized as one year where markets changed fortunes.



INVEST SEARCH

Redefine your Search for Investments

Market overview of 2020 and start of 2021

1 IN THE YEAR 2020

We experienced major turbulence in Indian Economy and Market. Equity market crashed by 30-40% but after a point, it also recovered.

2 IN THE YEAR 2021

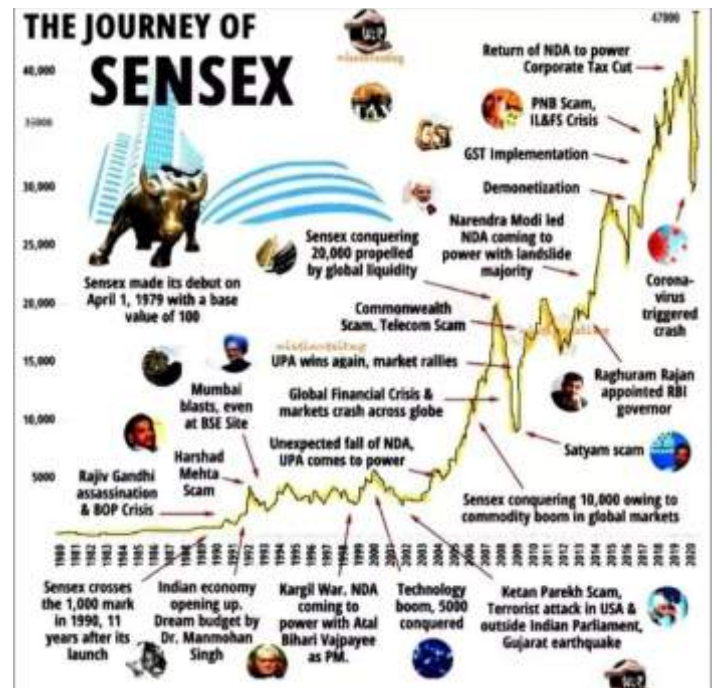
- **LOCKDOWN TO REOPENING**
Data points indicates that global economy is coming back to where it was before covid.
- **RECESSION TO RECOVERY**
Economic growth upgrades are supported by fiscal and monetary stimulus.

3 MARKET VIEWS

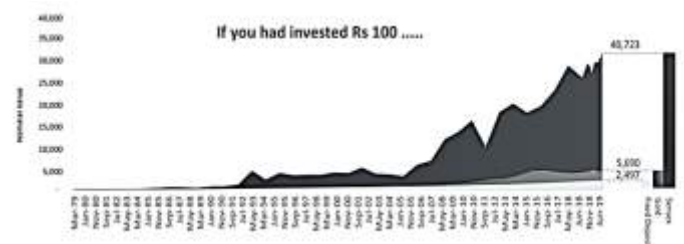
- Faster Economic recovery and increasing liquidity can drive **bull market** in Indian Equity market.
- Most of the sectors started performing very well. **Domestic financials** can play out in the year 2021.
- Availability of vaccines, faster economic recovery, high liquidity, monetary policy should provide support for stocks.
- In an environment of **low interest rates and high liquidity**, valuation multiples can be higher than their long-term averages, thereby justifying **higher equity valuations**.

4 LONG TERM VIEW

- During economic recovery, mid-and-small caps typically do well and could outperform large caps.
- From current levels, we can expect a **10 - 12% CAGR** return for the Nifty.



- Sensex has grown from **5000 points to 45000 points** since 1979.
- There were about **8-10 market falls** but still we have seen investors making profits.
- This the whole journey of SENSEX since 1979. All the events that have occurred since 1979 are mentioned in this above chart.
- There were times where market crashed badly but we have seen that even in the bad times, people have **created wealth**.



- If you had invested ₹ 100 in the year 1979, you would have got ₹ 45000
 - According to our many years of experience, we have seen that while investing in equities market, investors end up doing simple mistakes which is harmful for creating wealth.
 - To help them overcome this, we have covered 5 myths which will help investors to avoid doing these simple mistakes.

Common myths that acts as a barrier To wealth creation in equities market

What are the myths that come across investor's minds While investing into the market?

- Can you time entry/exit in equities market?
- Do you wait for clarity to enter the markets?
- Do you get influenced by media, news channels and experts?
- Should you invest in direct stocks or mutual funds?
- Are you a victim of herd mentality?



MYTH NO. 1

Can you time entry/exit in equities market?

- Peter Lynch, an American investor and mutual fund manager, stated, “Far more money has been lost by investors preparing for corrections, or trying to anticipate corrections than has been lost in corrections themselves.”
- This is a very common myth, while investing people wait for the better timing and there are chances that while they are waiting for the better timing, they miss the best days when market is at the peak.
- Time in the market gives you a sense of perspective. When you time the market you tend to get too involved with the market vagaries at a short term level. Instead, if you take a longer term approach you are able to invest when valuations are attractive and vice versa. This sense of perspective works in favour of time in the market over timing.

Wealth creation in mutual fund schemes for past 17 years (2003-2020)

PRODUCT	SENSEX	BIRLA SUN LIFE EQUITY FUND
CURRENT VALUE	1201240	2981089

What if you miss the 2 best days?

Risk of timing the market

(Valuation as on 31st January, 2020 of 1 lakh Invested from 1st January, 2003)

PRODUCT	CURRENT VALUE	IMPACT OF BEST DAYS MISSED 2 DAYS
SENSEX	1201240	944497
BIRLA SUN LIFE EQUITY FUND	2981089	2423517

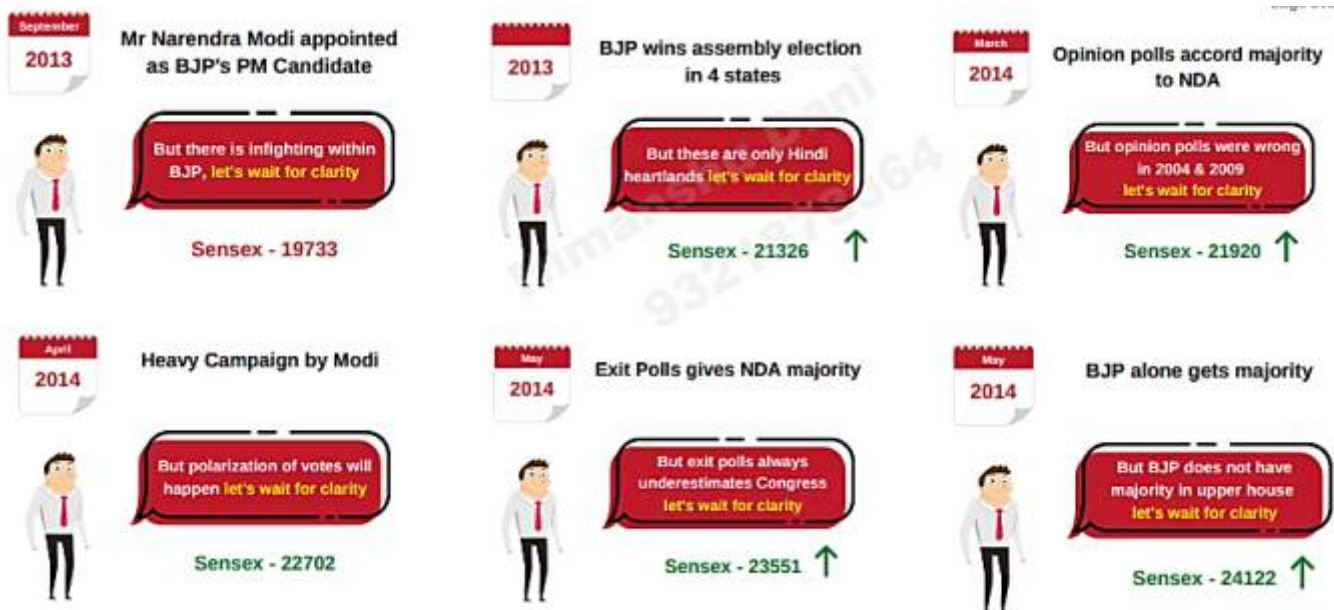
- Looking at this table, you come to know that by just missing 2 days we can incur heavy loss
- In Aditya Birla fund, we almost lost **5,00,000** just by missing 2 best days of market.
- **Timing the market is a big barrier for wealth creation.**

Common myths that acts as a barrier To wealth creation in equities market

MYTH NO. 2

Do you wait for clarity to enter the markets?

- **“MARKETS DO NOT WAIT FOR CLARITY, IT REACTS IN ADVANCE”**
- Budget, election result, demonetisation, monsoon, RBI monetary policy, GDP numbers, but the point is various events are going to occur in the whole world.
- The real question is, will you always wait for clarity to happen on each and every event ?
- You have to make choice whether you will wait for **clarity or returns on investment**.
- The below chart tells about the Sensex journey and what happened after waiting for clarity in the market.
- In the below chart we can see that, from **September 2013 to May 2014**, there were many events that occurred in Indian Economy.
- Investors always thought that we should wait for clarity and then enter the market.
- In the process of getting clarity, Sensex reached **24122 points** from **19733 points** within **8 months**. (Refer the chart)



MYTH NO. 3

Do you get influenced by media, news channels and experts?

- It has been seen that various investors are influenced by watching news channels or by what journalists have to say about the behaviour of market.
- Headlines in the newspaper are always given based on past but you have to invest according to the present behaviour of market.
- One of the most renowned philosopher 'MARK TWAIN' SAID, **“IF YOU DON'T READ NEWSPAPER YOU ARE UNINFORMED, AND IF YOU READ IT, YOU ARE MISINFORMED”**
- CNBC head Udayan Mukherjee also confessed that 8 out of 10 times, the predictions that are made by experts or media mostly go wrong.

Common myths that acts as a barrier To wealth creation in equities market



JANUARY 2008



NOVEMBER 2009

- **“I THINK THE WORST MISTAKE YOU CAN MAKE IN STOCKS TO BUY OR SELL BASED ON CURRENT HEADLINES.”- by warren buffet.**
- Sensex was at **20873** level in **January, 2008** and it was at the peak and was predicted that it will rise and net equity inflows will increase. **At his point investors usually invest in equities market and in subsequent years the returns are not that good.**
- In **November, 2008** Sensex has reached the bottom at **8451** level. **It was darkest hour, at this point investors tend to avoid the market and miss a very big opportunity for wealth creation.**

MYTH NO. 4

Should you invest in direct stocks or mutual funds?

- Many investors say that it is easier to directly invest in stocks, but it actually seems easier but while investing directly in stocks risk is higher and there are other complications.
- Investing in large cap companies is not always safe because most of the scrips are delisted or suspended.
- The risk in mutual funds is spread across and hence, reduced with the pooling of diverse stocks. With stocks, you have to do extensive research before investing, especially if you are a novice investor.
- Investing in different mutual fund schemes tend to give more returns than investing in direct stocks since many years.

BSE DATA

There were almost 8853 scrips but from that only few are active now.

ACTIVE	SUSPENDED	DELISTED
4201	960	3692

- We can see that only 4201 scrips are active. We can't say that directly investing in stocks can be beneficial.
- Sensex was started from 1979 and there were 30 companies in it, but as of now only 7 companies are active.

Common myths that acts as a barrier To wealth creation in equities market

Experience of Mainly Bluechips Since 2008

STOCK RETURNS SINCE JANUARY, 2008

STOCK	STOCK PRICE IN 2008	CURRENT PRICE	% RETURN
Reliance Power	281	3.45	-98.8%
ONGC	208	89.85	-56.8%
Jet Airways	1189	33.3	-97.2%
Unitech	507	2.05	-99.6%

- Above table shows that, investing in large cap (blue-chip) companies is not always safe.
- The examples given in the table are all large companies but currently their share price is quite low. Investing in large cap companies is not always safe.

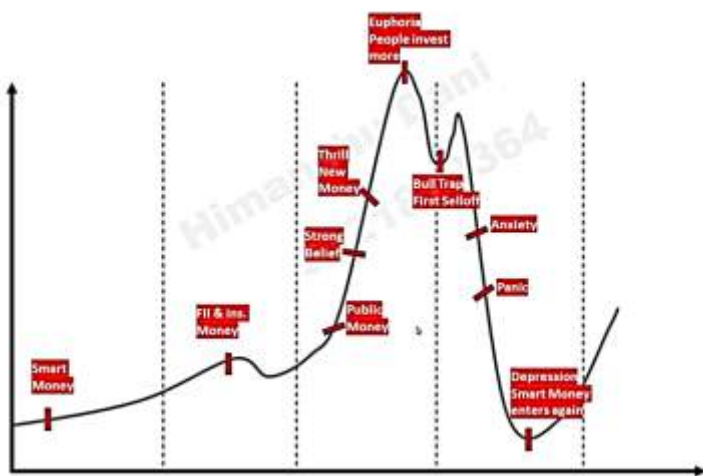
MYTH NO. 5

Are you a victim of herd mentality?

- Each and every one is familiar with this term, but when they have to implement, all of them fail to do the same.
- Herd mentality bias refers to investors' tendency to follow and copy what other investors are doing. They are largely influenced by emotion and instinct, rather than by their own independent analysis.
- You should do your own research and take help from experts before just blindly following other investors.

- **BE FEARFUL WHEN OTHERS ARE GREEDY, AND GREEDY WHEN OTHERS ARE FEARFUL. – By WARREN BUFFET.**

- The above chart shows us the different levels of market.
- Herd mentality comes between the stage Thrill (new money) and Euphoria (people invest more), these are the stages where investors invest blindly.
- You should do your own research and take the help of financial advisors and should never follow herd mentality.



Investing in Balanced Advantage Fund

BALANCED ADVANTAGE FUND

What are balanced advantage fund and why should you invest in them?

- A balanced advantage fund is a mutual fund that contains a stock component, a bond component, and sometimes a money market component in a single portfolio. Generally, these funds stick to a relatively fixed mix of stocks and bonds. Balanced mutual funds have holdings that are balanced between equity and debt, with their objective somewhere between growth and income.
- Balanced mutual funds are geared toward investors who are looking for a mixture of safety, income, and modest capital appreciation.

Why should you invest in balanced advantage fund?

- Aims to deliver long-term returns closer to equity funds but with significant lower volatility.
- Combines the features of potential capital appreciation, capital preservation and volatility control.
- Aims to generate capital gains primarily through dynamic management of equity allocation as per varying market conditions.



HYBRID BALANCED ADVANTAGE

Sr No.	Scheme Name	1 years (p.a.)	3 years (p.a.)	10 years (p.a.)
1	ICICI Pru Balanced Advantage Fund(G)	11.06%	8.09%	11.69%
2	Kotak Balanced Advantage Fund-Reg(G)	13.17%	-	-
3	L&T Balanced Advantage Fund-Reg(G)	12.22%	7.96%	-
4	Union Balanced Advantage Fund-Reg(G)	21.17%	11.00%	-
5	IDFC Dynamic Equity Fund	12.18%	7.40%	-

Fun Financial Quiz

FINANCIAL QUIZ (An initiative to keep you financially updated)

1 WHAT IS THE FULL FORM OF STP?

- A: Systematic transfer plan B: Special transfer plan
C: Systematic tool plan D: Simple Top-up plan

2 WHICH OF THE FOLLOWING IS INSURANCE REGULATORY?

- A: AMFI B: IRDA
C: SEBI D: RBI

3 LIKE STOCKS HAVE PRICES, MUTUAL FUND HAS _____ ?

- A: NAV – Net Asset Value B: NFO – New Fund Offer
C: PE – Price to Earnings D: BV – Book Value

4 WHAT IS ANOTHER WORD FOR LIQUIDITY?

- A: Reinvestment B: Profit
C: Cash Flow D: Dividend

5 WHICH OF THESE FUND IS AN ADEQUATE FUND THAT HELPS YOU TO TIDE OVER THE CRISES?

- A: Index fund B: Emergency fund
C: Equity fund D: Thematic fund


Whatsapp us photos of your answers on **8355816883**
First 5 winners will get surprise gift from us!!!

BOOK POST


Regards,
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