

FUNDAMENTALS OF INVESTING

WIRC – ICAI
Capital Market Summit 2017



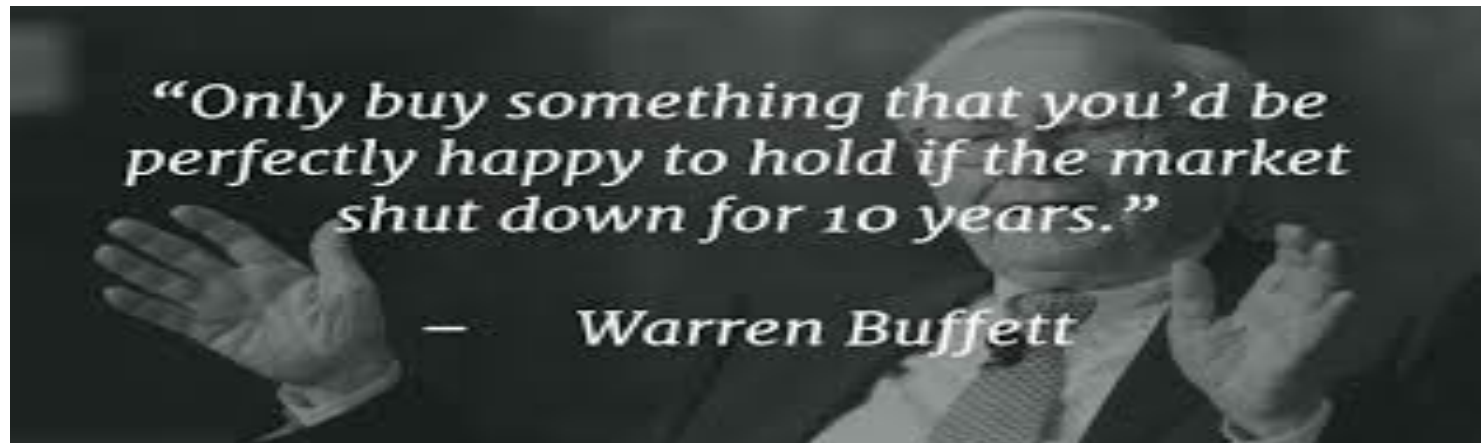
■ INVESTING Vs TRADING

+ After One Makes Money on Stock Markets



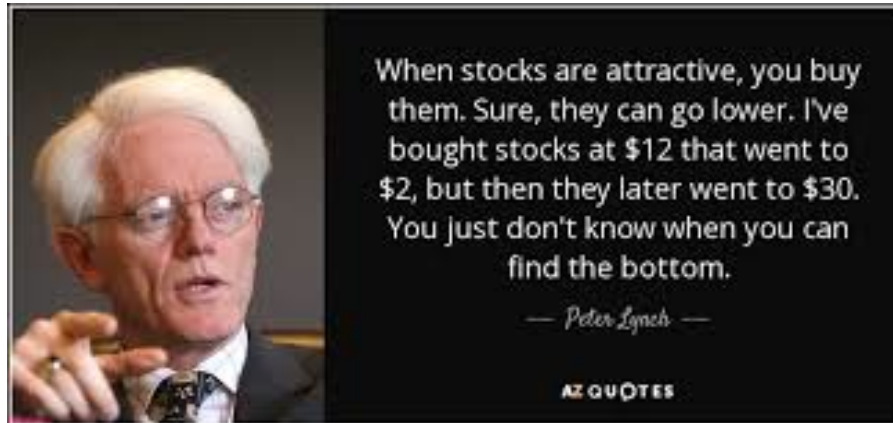


TIPS Vs RESEARCH



■ Value Vs Growth

+ Investing Secrets



You should have a strategic asset allocation mix that assumes that you don't know what the future is going to hold.

Ray Dalio

QuoteAddicts.com

■ PORTFOLIO DIVERSIFICATION Vs

ASSET ALLOCATION

■ DEBT OR EQUITY

+ Significance of Asset Allocation

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	10 Years
REITs 35.1%	Emerging Mkts 33.1%	Bonds 7.6%	Emerging Mkts 68.9%	REITs 28.3%	TIPS 13.3%	Emerging Mkts 19.1%	Small Cap 41.0%	REITs 30.1%	REITs 2.2%	Small Cap 8.4%
Emerging Mkts 31.4%	Comdty 14.9%	Cash 2.1%	Small Cap 41.6%	Small Cap 27.2%	REITs 8.5%	Int'l Stocks 18.8%	Mid Cap 33.1%	Large Cap 13.7%	Large Cap 1.3%	Mid Cap 7.9%
Int'l Stocks 25.9%	TIPS 11.9%	TIPS -0.5%	Mid Cap 37.6%	Mid Cap 26.3%	Bonds 7.7%	Mid Cap 17.8%	Large Cap 32.2%	Mid Cap 9.4%	Bonds 0.5%	REITs 7.4%
Small Cap 17.0%	Int'l Stocks 9.9%	Mid Cap -36.4%	REITs 29.6%	Emerging Mkts 16.5%	Large Cap 2.1%	REITs 17.5%	Int'l Stocks 21.4%	Bonds 6.0%	Cash 0.1%	Large Cap 7.2%
Large Cap 15.6%	Mid Cap 7.1%	Large Cap -36.6%	Int'l Stocks 26.9%	Comdty 16.2%	Cash 0.1%	Large Cap 15.8%	REITs 2.3%	TIPS 3.6%	Int'l Stocks -1.0%	Bonds 4.3%
Mid Cap 10.0%	Bonds 6.7%	Comdty -37.4%	Large Cap 25.9%	Large Cap 14.8%	Small Cap 1.1%	Small Cap 15.7%	Cash 0.1%	Small Cap 3.0%	TIPS -1.8%	TIPS 3.8%
Cash 4.9%	Large Cap 5.5%	REITs -37.1%	Comdty 20.1%	Int'l Stocks 8.2%	Mid Cap -2.1%	TIPS 6.4%	Bonds -2.0%	Cash 0.1%	Small Cap -1.8%	Int'l Stocks 2.8%
Bonds 3.9%	Cash 5.0%	Small Cap -37.6%	TIPS 8.9%	Bonds 6.4%	Int'l Stocks -12.3%	Bonds 3.8%	Emerging Mkts -3.7%	Emerging Mkts -3.9%	Mid Cap -2.5%	Emerging Mkts 2.8%
Comdty 2.1%	Small Cap 1.8%	Int'l Stocks -41.0%	Bonds 3.3%	TIPS 6.1%	Comdty -14.0%	Cash 0.1%	TIPS -8.5%	Int'l Stocks -6.2%	Emerging Mkts -16.2%	Cash 1.3%
TIPS 0.2%	REITs -16.5%	Emerging Mkts -48.9%	Cash 0.2%	Cash 0.1%	Emerging Mkts -18.8%	Comdty -2.1%	Comdty -11.1%	Comdty -18.6%	Comdty -28.2%	Comdty -7.7%

Funds: EEM, VGSIX, MDY, SLY, SPY, EFA, TIP, AGG, DJP, T-Bills



■ MUTUAL FUNDS Vs DIRECT EQUITY

+ Mutual Fund Investing



If you have the stomach for stocks, but neither the time nor the inclination to do the homework, invest in equity mutual funds.

Peter Lynch

QuoteAddicts.com

+ Equity Investing



**SUCCESSFUL INVESTING
IS ABOUT MANAGING
RISK, NOT AVOIDING IT**

BENJAMIN GRAHAM

PICTURE QUOTES . COM

PICTUREQUOTES . COM

+ Equity Investing

If you think the market's 'too high' wait 'til you see it 20 years from now.

Nick Murray

QuoteAddicts.com

“THERE IS NO SURE
AND EASY
PATHS TO RICHES IN WALL STREET
OR ANYWHERE ELSE.”

Benjamin Graham WallStCollege.com



FUNDAMENTALS Vs TECHNICALS



+ Fundamentals Vs Technicals

**CHARTS ARE GREAT
FOR PREDICTING
THE PAST**

PETER LYNCH
PICTUREQUOTES.COM

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■ INVESTING SURPLUS Vs LEVERAGING

+ Investing Insights





■ LARGE CAPS Vs MIDCAPS Vs SMALL CAPS

+ Valuations

	RETURNS (Jan-Mar 2017)	P/E Multiple
Sensex	9.7%	22.3x
Mid Cap Index	13%	30.2x
Small Cap Index	14.4%	64.5x



 THANK YOU