

FUNDAMENTALS OF INVESTING

WIRC – ICAI Capital Market Summit 2017

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INVESTING Vs TRADING

March 25, 2017

+ After One Makes Money on Stock Markets



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TIPS Vs RESEARCH

March 25, 2017

"Only buy something that you'd be perfectly happy to hold if the market shut down for 10 years."

Warren Buffett

Value Vs Growth

+ Investing Secrets



When stocks are attractive, you buy them. Sure, they can go lower. I've bought stocks at \$12 that went to \$2, but then they later went to \$30. You just don't know when you can find the bottom.

- Peter Lynch -

AZQUOTES

"The stock market is a device for transferring money from the impatient to the patient. ??

Warren Buffett

"Risk comes from not knowing what you're doing"

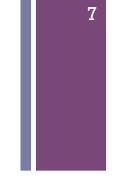
Although it's easy to forget sometimes, a share is not a lottery ticket... it's part-ownership of a business.

- Peter Lynch

Double Quotes doublequotes.net

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

PORTFOLIO DIVERSIFICATION Vs

OuoteAddicts.com

ASSET ALLOCATION



+ Significance of Asset Allocation

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

+ Equity Investing



My best stocks have been the third year, the fourth year, the fifth year I've owned them. It's not the third week, the fourth week. People want their money very rapidly, it doesn't happen. Peter Lynch

www.elearcyesinvesting.com

SUCCESSFUL INVESTING IS ABOUT MANAGING RISK, NOT AVOIDING IT

BENDAMIN GRADIAM

RECTORCONSTON



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

Nick Murray

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

Benjamin Graham WaliStCollege.com

QuoteAddicts.com



FUNDAMENTALS Vs TECHNICALS



CA. Nipun Mehta

+ Fundamentals Vs Technicals

CHARTS ARE GREAT FOR PREDICTING THE PAST

PETER LYNCH

PICTURE QUOTES - com-



PICTUREQUETES



CA. Nipun Mehta



INVESTING SURPLUS Vs LEVERAGING

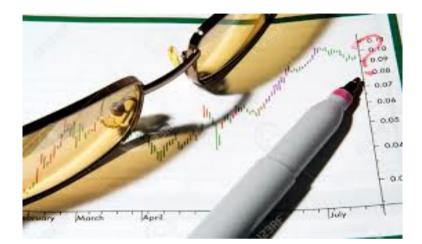
+ Investing Insights



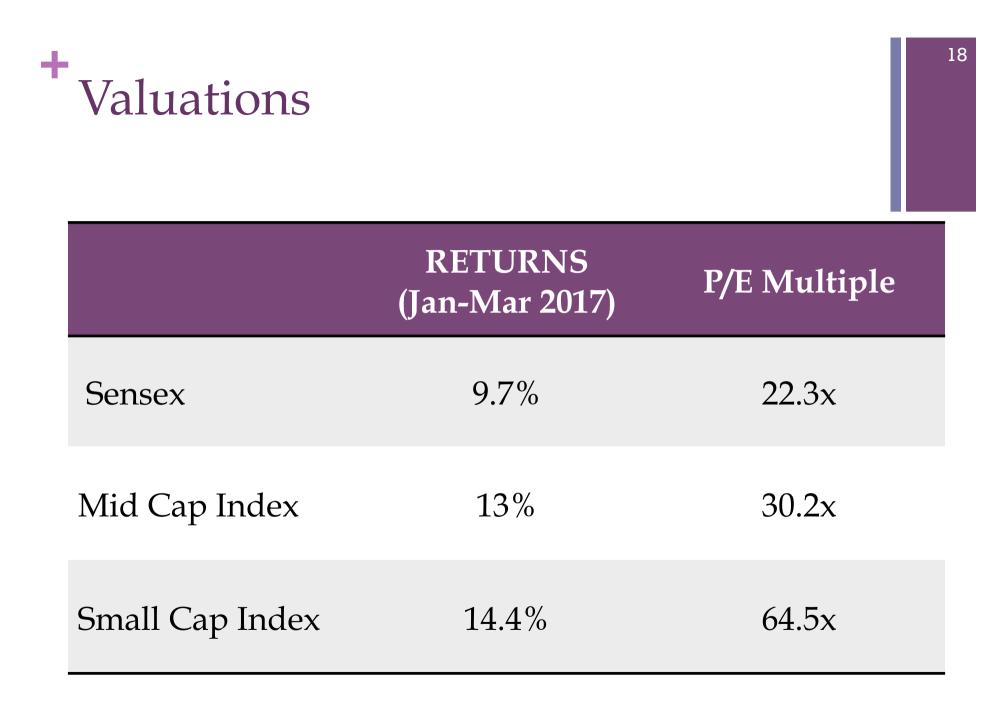
It's not whether you're right or wrong that's important, but how much money you make when you're datal right, and how much you lose when you're wrong

AZQUÔTES

George Sous



LARGE CAPS Vs MIDCAPS Vs SMALL CAPS



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THANK YOU