

# THE INVEST *igator*

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## No One Can Predict Market. But, Can Choose To Be **AGGRESSIVE OR DEFENSIVE**

Billionaire investor and author Howard Marks co-founded Oaktree Capital management which is one of the world's biggest distressed debt firms. His time- tested philosophy says that psychology matters more than market predictions. No one can see into the future. Nobody knows what lies ahead in terms of the macro future. You cannot predict but you can prepare.

To make money your decisions must be based on 3 factors:

- ❖ **Know the knowable.**
- ❖ **Control emotion.**
- ❖ **Invest in a contrarian and counter-cyclical fashion.**

According to him the most important choice that any investor can make is whether to be **aggressive or defensive**. This decision can be made on observations regarding current conditions. They do not require guesswork about the future. Simply turn aggressive when there are bargains and defensive when everything is high.

So what to see and how to analyse events around you?

### **Time to be defensive or caution.**

- ✓ Economy is strong; reports are positive
- ✓ Earnings beat expectation
- ✓ Media is full of good news
- ✓ Everyone around you is confident, optimistic and greedy
- ✓ People are ready to take risks
- ✓ Defaults are few
- ✓ Everyone is sure about the market. Doubt is low.
- ✓ Euphoria everywhere
- ✓ Difficult to imagine things going wrong

### **Time to be aggressive.**

- ✓ Economy is slowing; reports are negative
- ✓ Earnings are flat or declining
- ✓ Media report only bad news
- ✓ Everyone around you is worried, depressed and fearful
- ✓ People are not ready to take risks
- ✓ Defaults soar
- ✓ Uncertainty & Doubt is high
- ✓ Panic everywhere
- ✓ Everyone assumes things will get worse

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

- Warren Buffett

Markets can remain irrational longer than you can remain solvent.

- John M Keynes

# SYSTEMATIC WITHDRAWAL PLAN [SWP]

## HOW IT WORKS

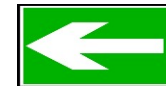
Nav Date	Nav	Units	Cum. Units	Cash Flow	Gain/Loss	Curr. Value
22/08/2016	19.39	51,572.98	51,572.98	10,00,000	0	10,00,000
12/09/2016	19.81	403.8364	51,169.14	-8,000	169.61	10,13,661
10/10/2016	20.31	393.8946	50,775.24	-8,000	362.38	10,31,245
10/11/2016	19.26	415.3686	50,359.88	-8,000	-54	9,69,931
12/12/2016	18.28	437.6368	49,922.24	-8,000	-485.78	9,12,579
10/01/2017	18.56	431.0345	49,491.20	-8,000	-357.76	9,18,557
10/02/2017	20.06	398.8036	49,092.40	-8,000	267.2	9,84,794
10/03/2017	20.28	394.4773	48,697.92	-8,000	351.08	9,87,594
10/04/2017	21.59	370.5419	48,327.38	-8,000	815.19	10,43,388
10/05/2017	22.85	350.1094	47,977.27	-8,000	1,211.38	10,96,281
12/06/2017	23.15	345.5724	47,631.70	-8,000	1,299.35	11,02,674
10/07/2017	23.44	341.2969	47,290.40	-8,000	1,382.25	11,08,487
10/08/2017	23.43	341.4426	46,948.96	-8,000	1,379.43	11,00,014
11/09/2017	25.04	319.4888	46,629.47	-8,000	1,805.11	11,67,602
10/10/2017	24.93	320.8985	46,308.57	-8,000	1,777.78	11,54,473
10/11/2017	24.84	322.0612	45,986.51	-8,000	1,755.23	11,42,305
11/12/2017	25.68	311.5265	45,674.99	-8,000	1,959.50	11,72,934
10/01/2018	26.8	298.5075	45,376.48	-8,000	2,211.94	12,16,090
12/02/2018	25.54	313.2341	45,063.24	-8,000	1,926.39	11,50,915
12/03/2018	25.28	316.4557	44,746.79	-8,000	1,863.92	11,31,199
10/04/2018	26.37	303.375	44,443.41	-8,000	2,117.56	11,71,973
10/05/2018	27.1	295.203	44,148.21	-8,000	2,276.01	11,96,416
11/06/2018	27.73	288.4962	43,859.71	-8,000	2,406.06	12,16,230
10/07/2018	28.51	280.6033	43,579.11	-8,000	2,559.10	12,42,440
10/08/2018	29.17	274.2544	43,304.86	-8,000	2,682.21	12,63,203
10/09/2018	28.62	279.5248	43,025.33	-8,000	2,580.01	12,31,385
10/10/2018	25.71	311.163	42,714.17	-8,000	1,966.55	10,98,181
12/11/2018	25.4	314.9606	42,399.21	-8,000	1,892.91	10,76,940
10/12/2018	25.64	312.0125	42,087.20	-8,000	1,950.08	10,79,116
10/01/2019	26.04	307.2197	41,779.98	-8,000	2,043.01	10,87,951
11/02/2019	25.76	310.559	41,469.42	-8,000	1,978.26	10,68,252
11/03/2019	26.48	302.1148	41,167.30	-8,000	2,141.99	10,90,110
10/04/2019	27.35	292.5046	40,874.80	-8,000	2,328.34	11,17,926
10/05/2019	26.6	300.7519	40,574.05	-8,000	2,168.42	10,79,270
10/06/2019	28.68	278.94	40,295.11	-8,000	2,591.35	11,55,664
10/07/2019	27.66	289.2263	40,005.88	-8,000	2,391.90	11,06,563
13/08/2019	27.25	293.578	39,712.30	-8,000	2,307.52	10,82,160
11/09/2019	27.49	291.0149	39,421.29	-8,000	2,357.22	10,83,691
10/10/2019	28.87	277.1043	39,144.18	-8,000	2,626.95	11,30,093
11/11/2019	30.38	263.3311	38,880.85	-8,000	2,894.01	11,81,200
10/12/2019	29.92	267.3797	38,613.47	-8,000	2,815.51	11,55,315
10/01/2020	30.99	258.1478	38,355.32	-8,000	2,994.51	11,88,631
10/02/2020	32.39	246.9898	38,108.33	-8,000	3,210.87	12,34,329
11/03/2020	29.33	272.7583	37,835.58	-8,000	2,711.22	11,09,717
13/04/2020	24	333.3333	37,502.24	-8,000	1,536.67	9,00,054
11/05/2020	24.54	325.9984	37,176.24	-8,000	1,678.89	9,12,305
10/06/2020	26.27	304.5299	36,871.71	-8,000	2,095.17	9,68,620
10/07/2020	28.12	284.495	36,587.22	-8,000	2,483.64	10,28,833
10/08/2020	29.23	273.6914	36,313.53	-8,000	2,693.12	10,61,444

### S.W.P

**Tax efficient way of getting regular income from Mutual Funds because dividends have now become taxable in the hands of investor**



**Adjoining table gives complete working of SWP.**



**Interested investors will call & ask the name of the fund**



**AMT INVESTED = Rs 1000000**  
**MTHLY SWP @ 9.6% p.a.**  
**MTHLY INSTALMENT Rs 8000**  
**TOTAL INSTALMENTS = 48**  
**AMT WITHDRAWN Rs 384000**  
**FUND RETURN = 11.5% p.a.**

## INVESCO INDIA FOCUSED 20 EQUITY FUND

[Opens 09<sup>th</sup> Sept 2020 & Closes 23<sup>rd</sup> Sept 2020]

- ❖ The focused strategy has assumed significance since last few years since there is a huge divergence in stock returns across the sectors and also within the sector. **This has been proven by the fact that only a handful of stocks have contributed to most of the index returns at various points of time.**
- ❖ For instance, the contribution of top 10 stocks in the total returns of Nifty have been as given below:
 

CY2016 = 112%	CY2017 = 69%
CY2018 = 198%	CY2019 = 108%
- ❖ The fund will invest in maximum 20 stocks and will have a Multicap portfolio. It aims to generate returns from a concentrated portfolio, albeit at a higher risk.
- ❖ **Strongly recommended fund for SIP.**

**NEW LAUNCHES**

## MIRAE ASSET EQUITY ALLOCATOR FUND OF FUND

[Opens 08<sup>th</sup> Sept 2020 & Closes 15<sup>th</sup> Sept 2020]

- ❖ An open-ended fund of fund scheme predominantly investing in Nifty 50 ETF, Nifty Next 50 ETF and Midcap 150 ETF. Allocation between ETF's will be based on the valuation attractiveness.
- ❖ Investor gets an opportunity to invest in ETF's without a Demat account and like any other Mutual Fund.
- ❖ **Benefit of equity taxation and comparatively low expense ratio. Avoids under performance risk of active mutual funds.**
- ❖ A simple passive exposure to large & midcap segment.

## AXIS GLOBAL EQUITY ALPHA FUND OF FUND

[Opens 04<sup>th</sup> Sept 2020 and Closes 18<sup>th</sup> Sept 2020]

- ❖ An open-ended Fund of Fund scheme investing in Schroder International Selection Fund Global Equity Alpha.
- ❖ Schrodgers ISF Global Alpha Equity Fund was launched In July 2005 and its current AUM Is US \$1.34bn. Its performance as on 31 July 2020 is:
 

1 Year	3 Years	5 Years	Since Inception
22.01%	15.2%	11.2%	10.5%
- ❖ The Scheme's benchmark is MSCI World – Net Total Return Index
- ❖ At present the Geographical breakdown of its allocation is North America 65.4%, Europe 20.3%, Emerging Markets 6.2% and United Kingdom 5.1%.
- ❖ Although, India holds a tag of fastest growing projected economy, many equity investment opportunities in sunrise sectors are not available on Indian Exchanges. Companies like Alphabet, Facebook, Amazon, Visa & Master Card are not listed in India. **Also, as rule of Asset Allocation one should have 5% to 7% exposure to Global Fund.**

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**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**



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