



# THE FACTS

Your Personal Investment Newsletter : January 2014



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Advisory Services: Planning of "Your" Finance, Investments, Tax, Insurance, Childrens Education/Marriage and Retirement  
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## Always Positive

Any Investor would be happy to earn HIGH returns out of his / her investments. Though common sense says High returns are often associated with Higher risks, the human mind fails to accept it. Most investors are infact conservative and risk averse but take uncalculated risk. It is like driving at 100kmph speed without seat belt or helmet or even a brake. Both on roads and markets we do the same – many of us lack risk management strategies.

Sensex journey in 2013 was indeed a scary, roller coaster ride. Many investors avoided investing due to the fear of losing their capital. Sensex started at 19513 on 1<sup>st</sup> Jan 2013, hitting a low of 18460 on 27<sup>th</sup> Aug 2013 before closing at 21170 (31<sup>st</sup> Dec 2013). Though the sensex ended the year with decent positive return, many investors missed out the opportunity – all due lack of Investment Strategy to manage risk.

At EASY Investments, we developed Investment methods called “**Emotionless Investment Strategies**” to manage risk and maximize returns. Many of our investors have made use of these strategies and made handsome profits in 2013 (see table).

Emotionless Investment strategies are :

- For investing in VOLATILE, uncertain market conditions.
- To invest with CONFIDENCE and AVOID PANIC.
- To MAXIMIZE return on investments (profits).
- To make profits CONSISTENTLY.
- For both Stock market & Mutual Fund Investing
- Among a dozen strategies we devised – the most popular ones are : STP, STEP and VIP.
- STP Strategy:
  - It is a strategy for Short Term Investing in Stock Market
  - It is with Limited Capital Investment
  - It is an Automated Profit Booking strategy.
  - Profits are transferred to your Bank A/c on quarterly basis.
  - The Objective of STP is to book trading profits by “Buy Low – Sell High” logic.
- STEP Strategy:
  - It is based on Warren Buffet style of Investing.
  - It is for Long Term Investing (3Y+) in Stock Market / Mutual Funds.

- It is an ideal way to accumulate Good Dividend yielding Shares / Mutual Funds
- Its Objective is to generate Capital Appreciation + Dividend Yield resulting in Wealth Creation
- VIP Strategy:
  - It is For Long Term Investing (3Y+) in Equity Mutual Funds.
  - It is based on Harvard University Research.
  - It is a strategy with Minimum Investments + Maximum Profits.
  - Its objective is to generate Capital Appreciation + Dividend Yield. It is like having a cake and eating it too!

	01-Jan-13	31-Dec-13	Change	
	Investment Amount	Maturity Value	Rs	%
Sensex	19513	21170	1657	8.49%
Stock Market - STP Strategy	300000	350457	50457	16.82%
MF (Bluechip) - One Shot	120000	131385	11385	9.49%
MF (Bluechip) - SIP Strategy	120000	130163	10163	16.37%
MF (Bluechip) - VIP Strategy	110122	121921	11799	21.99%
MF (Bluechip) - STEP Strategy	80840	91025	10185	25.60%

As you would see in the table,

- The sensex has delivered 8.49% in 2013 against our Short Term Profit (STP) Strategy return of 16.82%.
- Similarly, an investment in simple bluechip mutual fund delivered 9.49%, where as our VIP strategy has delivered 22% and our STEP strategy has delivered 25.60% in last one year.

Being an election year, there are lots of headwinds in 2014 : Be it election results, coalition government, corporate earnings, economic outlook, QE tapering and a midterm budget. Hence markets are bound to be volatile. It is high time investors understand the importance of risk management while investing.

It is every investors dream to earn maximum return by taking minimum risk. At EASY Investments, we have done that precisely. We request every investor to include these strategies in their portfolio so that they benefit the most.

We wish that 'Happy New Year 2014', truly turns out to be a profitable year on all your investments. We at EASY Investments would be happy to extend our service to maximize your return on investments.

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## Best Performing Mutual Funds - as on 20th Dec 2013

Scheme Name	6 Month Return	1 Year Return	3 Years Return	5 Years Return	Returns Since Launch
<b>DIVERSIFIED EQUITY</b>					
ICICI Prudential Dynamic Plan	18.24	13.34	6.27	20.63	26.00
Axis Equity Fund	6.43	10.84	5.06	NA	7.68
Mirae Asset India Opportunities Fund	11.61	7.05	5.42	23.81	12.82
Reliance Equity Fund	11.25	6.57	2.40	9.92	6.29
Birla Sun Life Frontline Equity Fund	8.76	6.51	4.52	19.75	23.21
Birla Sun Life Top 100 Fund	11.57	6.35	5.19	18.10	13.30
Kotak Classic Equity Fund	6.64	5.86	2.92	16.86	11.24
Tata Pure Equity Fund	8.47	5.60	3.34	17.49	16.87
SBI Blue Chip Fund	6.99	5.49	4.14	17.64	7.40
L&T India Large Cap Fund	8.85	5.44	1.89	19.47	5.17
UTI Equity Fund	7.45	4.93	4.90	19.90	25.19
Birla Sun Life Equity Fund	12.16	4.38	0.77	16.15	24.53
ICICI Prudential Discovery Fund	14.23	4.25	6.26	28.27	21.10
Principal Growth Fund	10.94	3.65	2.24	16.11	14.62
Franklin India Prima Plus	6.61	3.55	4.71	17.97	18.45
<b>Large Cap Funds</b>					
ICICI Prudential Top 100 Fund	13.47	9.08	5.82	18.03	19.98
ICICI Prudential Focused Bluechip Equity Fund	9.96	7.83	5.84	21.96	13.21
BNP Paribas Equity Fund	8.02	6.73	5.63	15.66	16.80
DWS Alpha Equity Fund	5.30	5.91	-0.17	12.90	21.36
IDFC Equity Fund	5.59	5.50	2.18	16.44	8.21
UTI Mastershare Unit Scheme	6.61	3.67	2.33	16.03	23.79
Union KBC Equity Fund	6.25	3.41	NA	NA	4.66
Canara Robeco Large Cap+ Fund	5.91	3.34	5.73	NA	6.59
LIC NOMURA MF Equity Fund	7.65	3.20	-0.23	13.15	5.06
ICICI Prudential Top 200 Fund	8.11	2.88	1.52	17.33	14.07
L&T Equity Fund	7.64	2.86	1.70	18.69	17.14
UTI Top 100 Fund	6.71	2.76	2.83	15.22	24.94
Kotak 50	3.72	2.37	1.60	14.18	17.56
<b>Midcap Funds</b>					
Franklin India Smaller Companies Fund	12.27	11.48	7.84	24.16	8.25
SBI Magnum Midcap Fund	18.12	10.69	7.82	22.56	13.49
HDFC Mid-Cap Opportunities Fund	12.59	7.20	7.59	25.38	11.15
UTI Thematic - Mid Cap Fund	14.65	6.02	5.11	23.20	17.24
Franklin India Prima Fund	7.50	5.77	6.23	23.49	19.30
IDFC Premier Equity Fund	8.72	2.47	6.88	25.52	18.75
Principal Emerging Bluechip Fund	8.00	2.40	1.88	24.91	27.50
IDFC Sterling Equity Fund	9.96	1.07	5.59	24.64	14.54
ICICI Prudential MidCap Fund	16.62	0.38	-0.07	18.04	14.55
Sundaram Select Midcap	6.55	0.32	2.85	22.08	28.21
<b>Multicap Funds</b>					
Tata Equity Opportunities Fund	7.70	6.65	4.04	18.06	23.22
HSBC India Opportunities Fund	11.85	5.64	3.00	14.59	15.13
Franklin India Flexi Cap Fund	10.96	4.93	3.11	18.93	16.04
UTI Opportunities Fund	7.90	3.61	5.85	21.87	15.42
SBI Magnum MultiCap Fund	6.25	3.15	0.13	13.70	8.19
Reliance Equity Opportunities Fund	10.66	1.70	6.52	26.12	18.74
<b>Tax Saving Funds</b>					
IDFC Tax Advantage (ELSS) Fund	14.92	11.07	6.01	NA	19.95
HDFC Long Term Advantage Fund	10.09	9.66	2.96	20.45	23.80
Religare Invesco Tax Plan	8.46	7.01	4.68	20.07	11.14
LIC NOMURA MF Tax Plan 1997	8.82	5.37	0.30	12.50	8.73
BNP Paribas Tax Advantage Plan	9.39	5.34	6.80	18.04	7.41
L&T Tax Saver Fund	12.12	5.13	-1.67	15.33	6.14
Franklin Taxshield Fund	6.77	4.49	4.99	19.70	24.48
DSP BlackRock Tax Saver Fund	7.77	4.39	3.06	18.77	10.30
SBI Magnum Tax Gain Scheme 1993	8.30	4.06	3.23	17.01	9.83
UTI Equity Tax Saving Plan (ETSP)	6.64	3.98	1.24	14.97	19.20
<b>USA Funds</b>					
FT India Feeder - Franklin U.S. Opportunities Fund	23.38	49.89			33.64
Motilal Oswal MOST Shares NASDAQ-100 ETF	24.00	47.01			32.03
ICICI Prudential US Bluechip Equity Fund	16.64	40.96			34.33
DSP BlackRock US Flexible Equity Fund	16.20	39.77			31.25
<b>Index Returns</b>					
CNX Midcap Index	1.25	-9.09	-3.81	15.38	NA
CNX NIFTY Index	5.92	4.00	1.20	14.90	NA
S&P BSE SENSEX	7.60	6.33	1.39	15.43	NA

## Silent Partner

Investments are best understood when we correlate with our own experience. Many objects / items / situations we come across in day to day life would make us admire the producer of such products. Be it a Noodles / Tooth paste / hospital / bank / Mobile Phone etc. Usually we remain just a consumer or maximum being an admirer or a facebook friend. Seldom we take one step beyond and become a partner in such company.

Following are a few points to note:

- Imagination is more important than knowledge. Often we associate a product with a company. For instance Colgate - Toothpaste or Kit-Kat produced by Nestle. Actually "Nestle" brand include milk products and nutrition, prepared dishes and cooking aids, beverages, and chocolates and confectionery. If you want to truly benefit, you need to understand these companies completely.
- Though spending on these products may be inevitable, you can participate in the companies profits if you become its share holder. For instance, all of us avail the service of a bank – be it for ATM, Savings Bank Account, Loans, Fixed Deposits, Lockers etc. These banks charge us for the services they render. And millions of consumers like us keep paying these banks for such services, resulting in these banks making fat profits. By being a Share holder you grow along with the bank's fortunes and end up making good returns.
- Thanks to strict regulations in the stock market – Investing is so simple today. By having one Demat

and One Trading account – you can buy a whole lot of these listed companies. Beyond convenience, the cost of transaction is lowest and the transparency of transaction is highest.

- Televisions, Magazines, Newspapers and Friends play a major role in influencing investments. And many investors just want a one word 'TIP' to make their investment. While we advocate that investing could be easier and enjoyable, there is no short cut to investing. Successful investment practices suggests that, the first step would be to identify the sectors with good growth potential and then identify companies with attractive valuations.
- It is natural that the previous experience often haunts when it comes to investing. "Once bitten Twice shy". When there are investors who have made huge fortune just out of investing, it is possible that these "Bitten" investors 'missed out' something while investing. May be a closer look at successful investors method of investing could be of help.

From a high GDP growth rate of 8%+, India had fallen to sub 5% levels. And it is time for the markets to bounce back from current subdued levels. Hence it is time you take a deep look at your portfolio, sit with your Investment manager and realign your portfolio to maximize your return on investments. The time you spend now on such activity is definitely worth going forward. After all, equity investing is all about being a partner in a company – A Silent Partner.

## Our Network - Your Solution

Many Indian Investors are obsessed with Gold and Real Estate. Infact the percentage of savings invested in Gold (5.8%) and Real Estate (5%) is higher than investments in Shares (1.1%) and Mutual Funds (1.2%).

Everyone who invested in real estate would agree that it is a cumbersome process - right from identifying a suitable property, negotiating the price and the lengthy documentation. Since these buyers have no clue of the sellers and vice versa, the need for property brokers and mediators arise. It is these intermediaries who often complicate the property deal. Apart from rigging the price, some of them make an 'advance' payment and 'block' the property. As a result both the buyer and seller suffers.

EASY Investments could bridge this Buyer-Seller gap. If someone wishes to sell a property (anywhere in India), they can enroll the details with us along with their property details and price expectations. Similarly prospective buyers can register their intentions and preferences along with their budget. If we could match these buyers with sellers,

the deal could be done seamlessly.

This set up is more like an attorney's office in USA or a Property office in Singapore, which deals with all such real estate deals. Being a professional Investment office, buyer – sellers details would be maintained with utmost confidentiality at EASY Investments.

This could be a big boon to all those living in India and abroad to easily 'connect through our network' and complete their deal. Need be, we can assist in documentation like formulating sale deed, obtaining encumbrance certificates, registration process etc. "That Makes Life EASY", in otherwise cumbersome real estate transactions.

So what are you waiting for? Be it a plot / flat / private property / orchard / estate / any other asset – do let us know your requirements. We can communicate the same to the counterparty and complete the deal. We request all our investors to make use of "EASY Investments network" and benefit in 2014 and beyond!

## 2014 Outlook

Being an election year, there is a sense of excitement in the air. Last 5 years have been a tragedy for Indian economy. After few years of 8%+ growth, our economy fell far below 5% last year. Being Corruption hit, Scam hit, Inflation hit, currency hit and confidence hit – every Indian is hanging on to hope of better days ahead. No doubt, there seems to be silver lining.

- Change of Guard: The success / popularity / victory of a Government is proved only during election times. Recent state elections have clearly shown that the general mood is for Growth oriented economy. It seems the old magic of Freebies are not working anymore. With GDP falling below 5%, every industry / sector has been affected. A decisive election result could bring in lots of freshness and confidence on the economy.
- Market valuation: At 21000 points, many investors feel that markets are at all time high. But markets are cheaper now. In Jan 2008, sensx was 21000 and PE was 20.18. Now Sensx is again at 21000 and PE is only 17.19. For markets to 'heat up' to 2008 levels, sensx should reach 25000 levels : That's another 25% upside from here.
- The price trend of a share reflects the company's future prospect. If the market expects the company to do well in future, the price usually rises and viceversa. In the last 5 years, many industries or

trapped either due to cyclical nature of their business or due to rising debt or higher raw material price (inflation) or falling demand. Few examples are: Banks, Infrastructure companies, Import oriented companies etc. As a result many of these stocks, which were once darling to investors, were dumped. With revival of sentiments, some of these companies are now repairing their wheels and are getting back on track. That's a beautiful opportunity to ride the recovery wave.

- Biggest strength of India is its young population. Once touted to be India's weakness, population is now India's strength. With a median age of 26 years, India is among the youngest countries on earth. Around 65% of India's population is below 35 years of age. And there will be 70 million new entrants to work force in next 5 years. That's an immense market for every industry – from food, textile, consumer goods, cars, banks, loans, houses and what not.

To sum up, we are living in the most vibrant part of India's transformation. Looking back at 1991, those who invested would feel happy and proud of having made the right decision. Similar is today's situation, last 5 years underperformance could catch up and get compensated in the next few years. Hope those who read this article, act upon and benefit.

## EASY Finance

Assets and Liabilities are part of any balance sheet. If Investments are under asset side, Loans are under the liabilities side.

Since inception, EASY Investments have been catering to the 'Asset side' of the Investors. The investments you make fall under the asset side of the balance sheet.

Not to deny, many of these 'investors' have avail loans for varied purposes – for building home, refinancing, vehicle loans, gold loans, education loans etc. Often these loan applying / sanctioning process is cumbersome and time taking. At EASY Investments, we have studied the eligibility conditions and standardized the requirements for availing various loans.

In 2014, EASY Investments is happy to launch **“EASY Finance”** to cater to the 'funding' side of investors.

We would mediate the following loans:

- Gold loans,
- Short term loans,
- New Home loans,
- Mortgage loans for existing buildings,

- Plot purchase loans,
- Small business loans,
- Loan against Securities like shares, mutual funds, debentures etc.

EASY Investments would process the loan application, collate all the annexures / documents required, forward it to the loan provider and coordinate with them for smoother loan disbursement. We hope to add value by analyzing the loan terms, compare with other loan providers and suggest the best option. This would save lots of time for both the loan seeker and loan provider.

For any of these loan requirements, do feel free to call us / meet us. We hope to expand our arena of service as and when the need arises.



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