

Returns from Equity are negative?

IS IT A TIME TO SELL?

Natural questions during correction?



What should I do?

**Should I Stop
My Mutual Fund
SIPs?**

**Should I
withdraw from
Mutual Fund?**

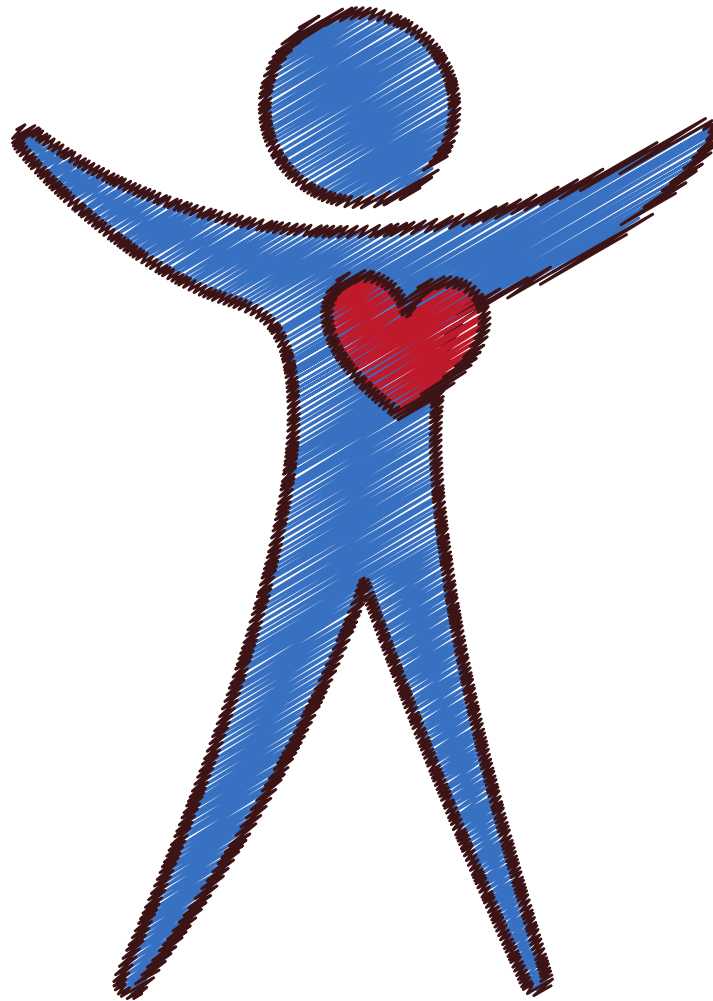


What should be the right questions?

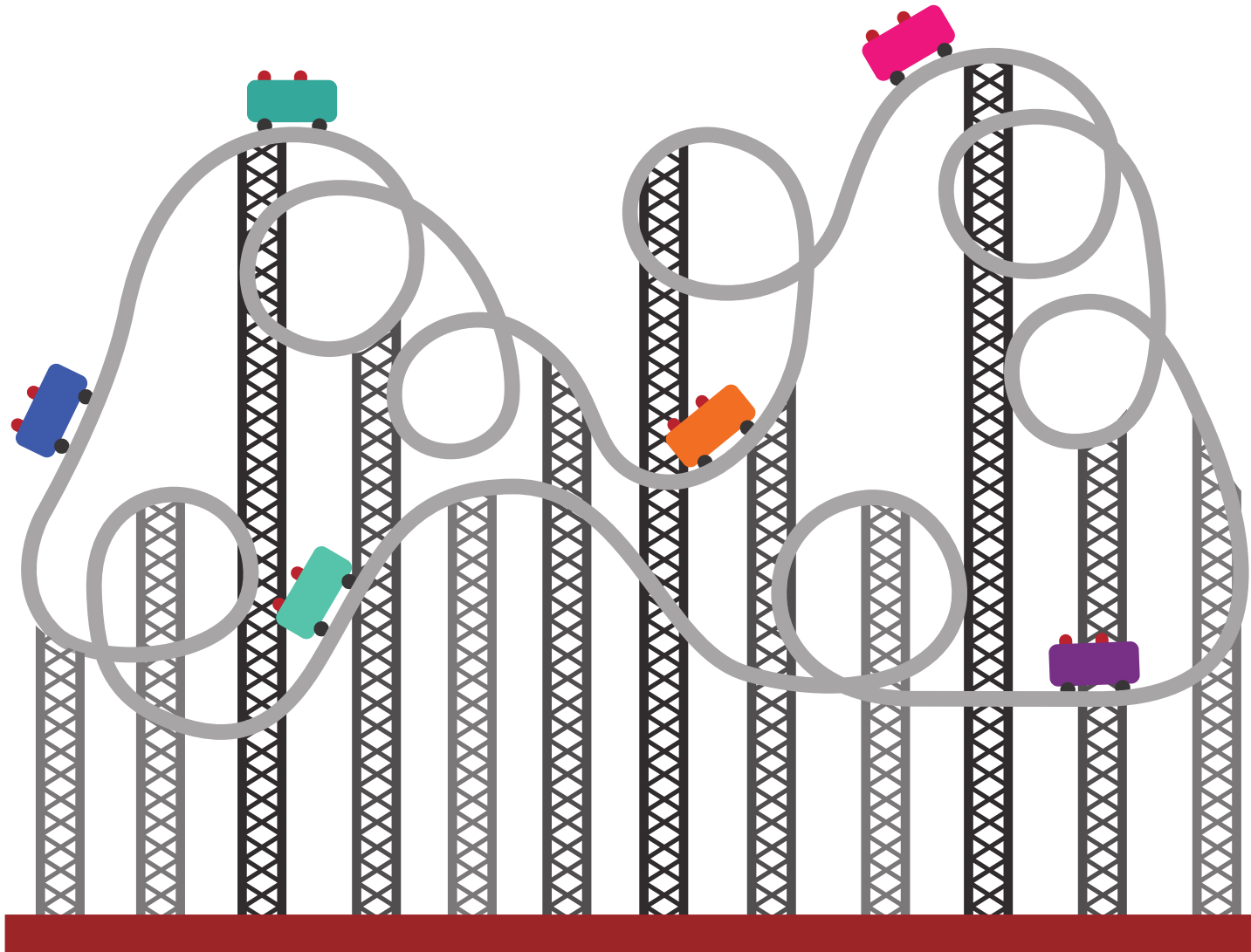
- Why do i feel fear?
- Is the correction permanent?
- When do i require money?



Fear is natural for humans!

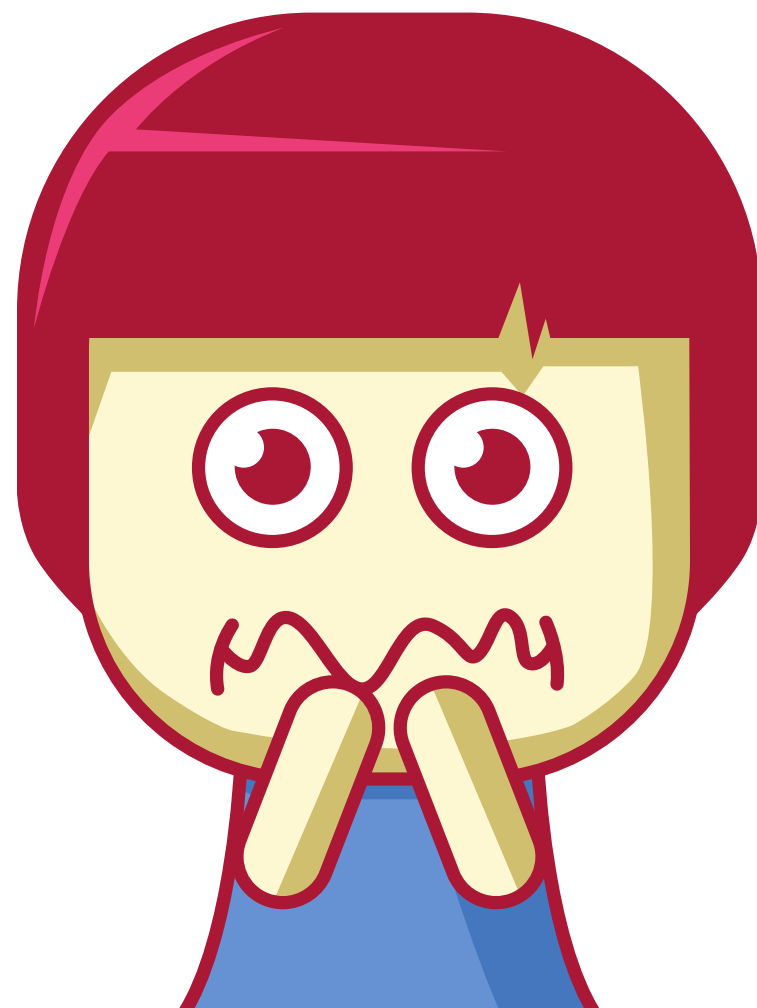


Do you feel fear in roller coaster?



Equity or roller coaster, feeling's same!

- When it goes up, you feel excited.
- When it goes down, you feel scared!



While scared, you have only two options!



Have you ever '*flight*' from roller coaster?

**Jumping out of roller coaster is
not a good Idea, Sirjee.**

WHY?

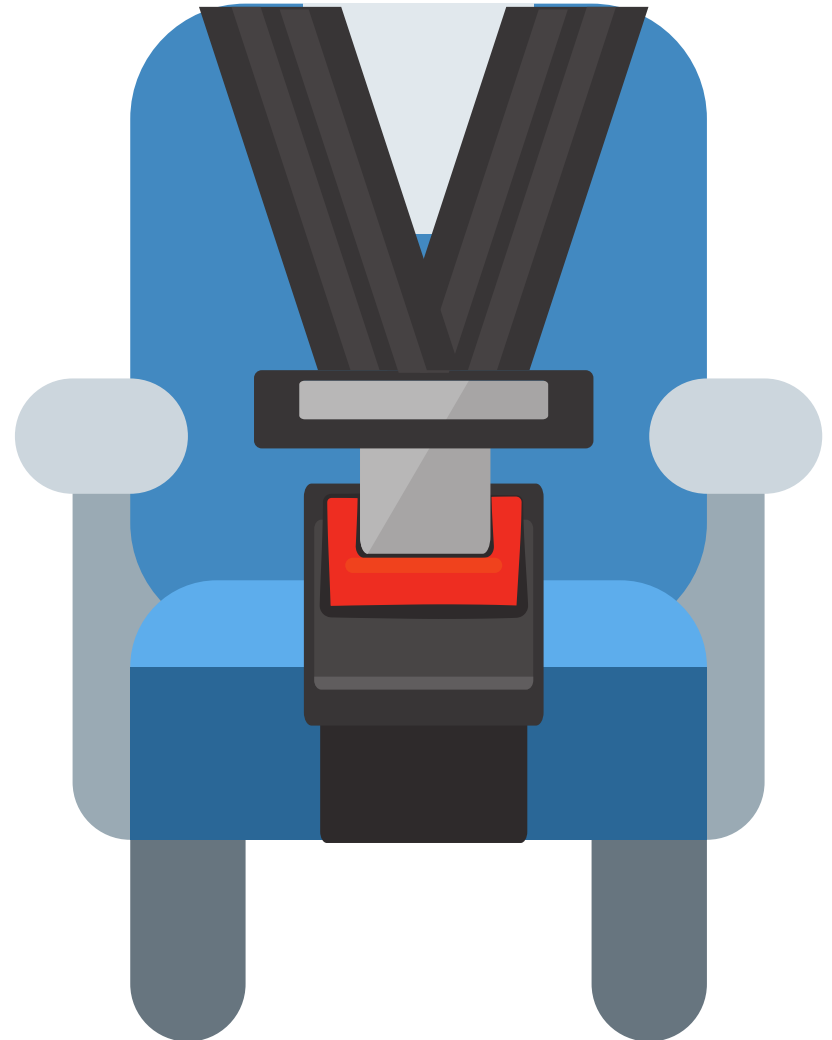
Sure shot receipe of failure!

100%
Guaranteed
LOSS!



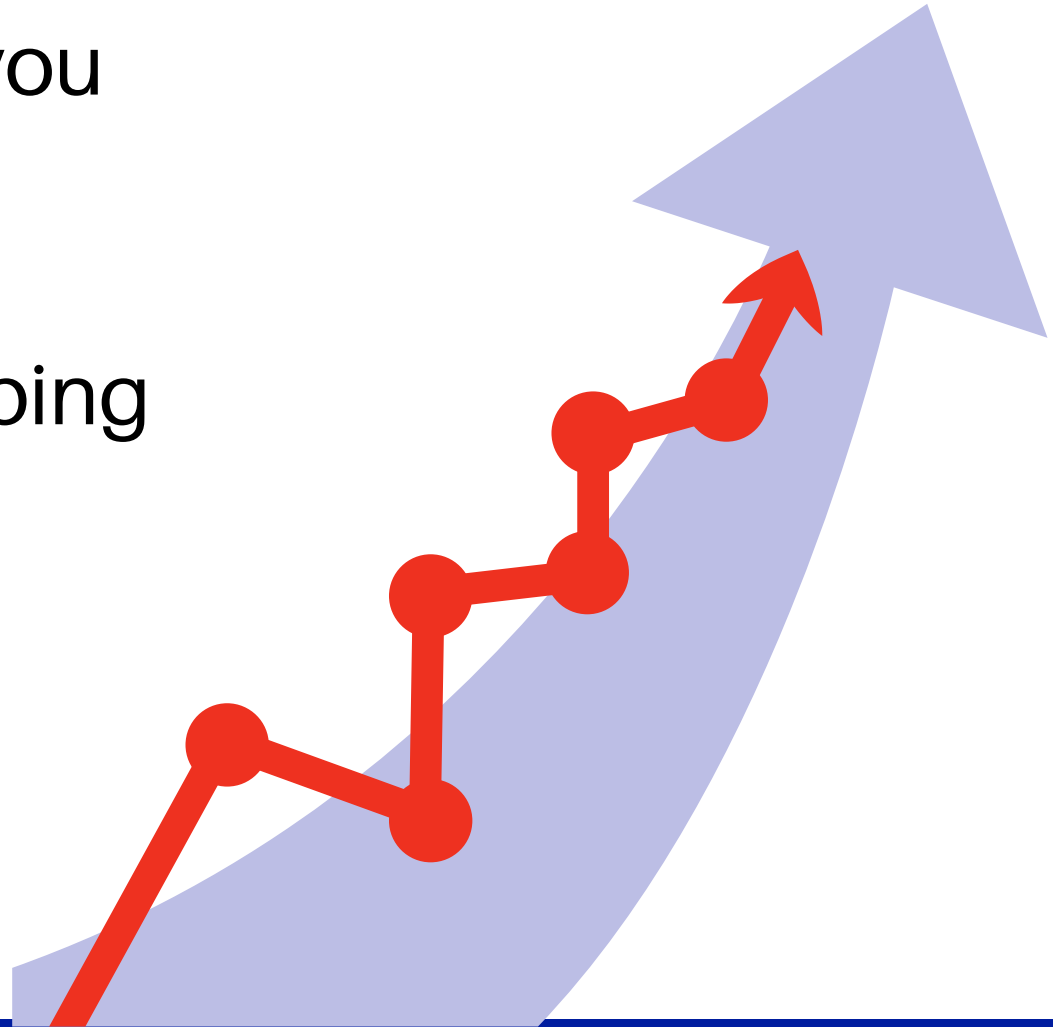
What's right strategy?

- Being seated is the best option.
- Let the ride get over.
- You will enjoy at the end.

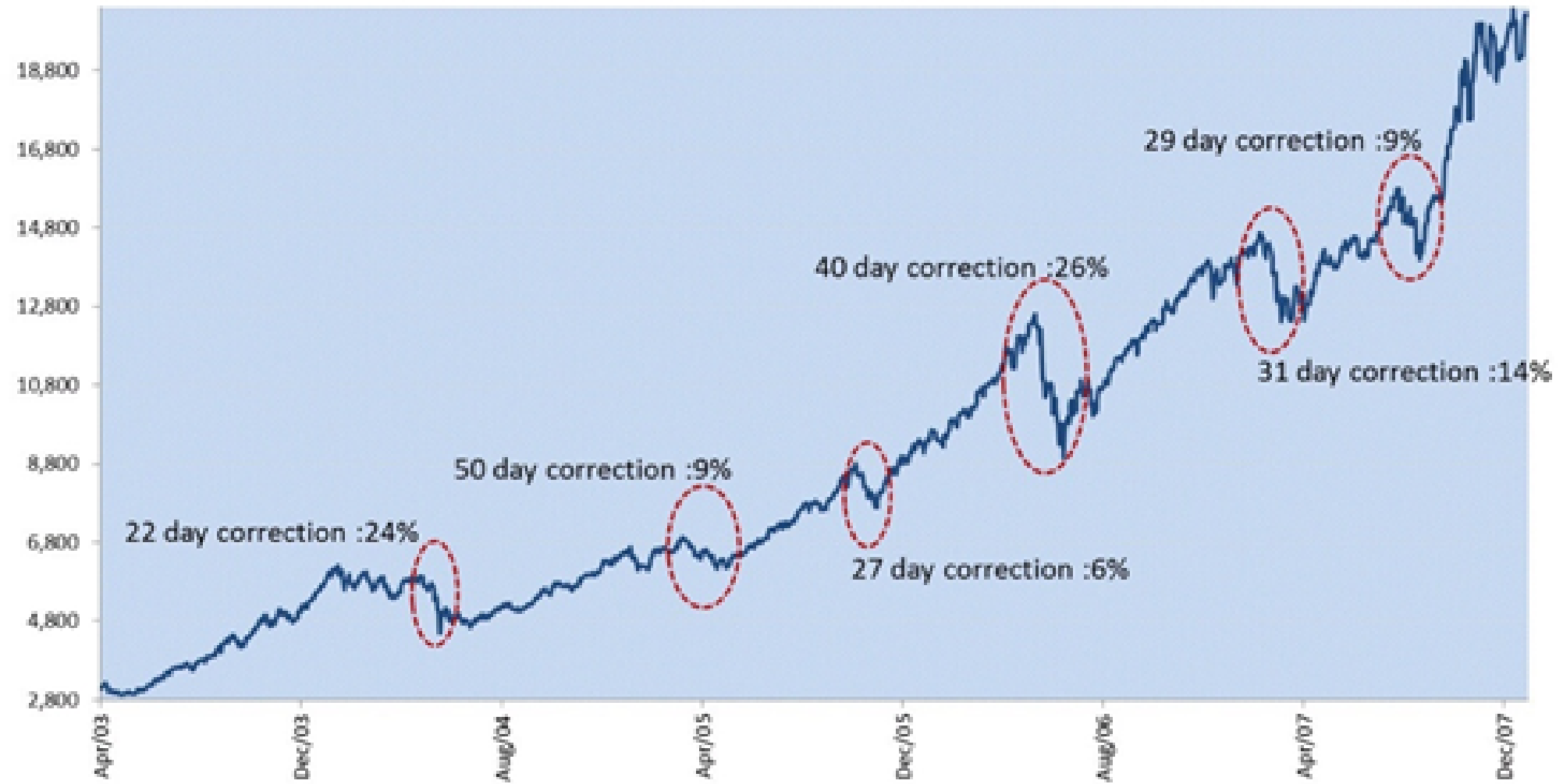


So as the case of Equity?

- During correction, you might get scared.
- Redeeming or stopping an SIP is sure shot receipe of **LOSS**.



Sensex movement - 2003 to 2007



Why not to worry about correction?

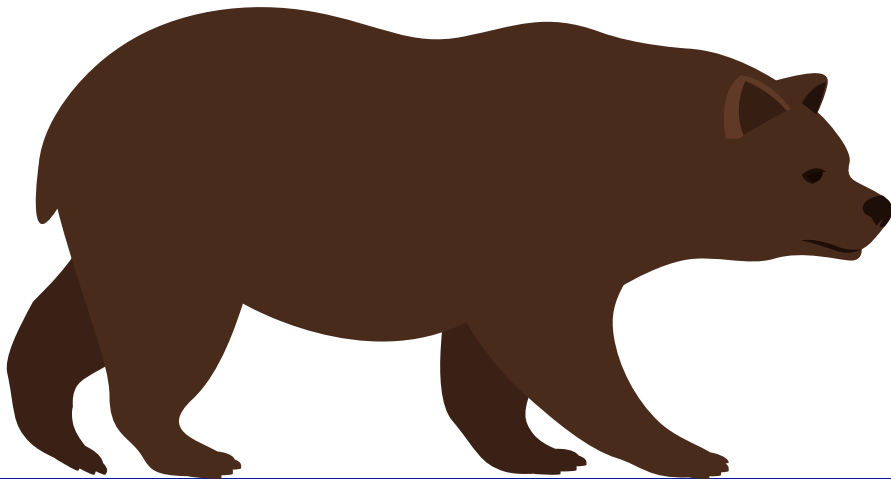
3 THINGS YOU CANNOT PREDICT ABOUT THE MARKET!



- **When** shall market correct?
- **How much** will market correct?
- **How long** will it take to recover?

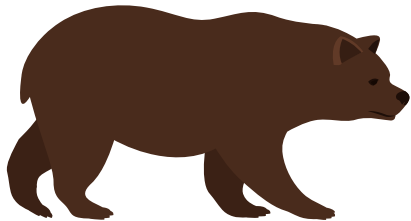
What can be predicted!

Correction
is temporary! & **Growth**
is permanent!



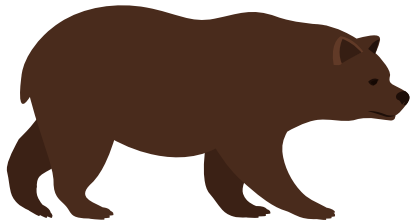
1992 - Harshad Mehta

**Sensex
plunged
54% in 1 year**



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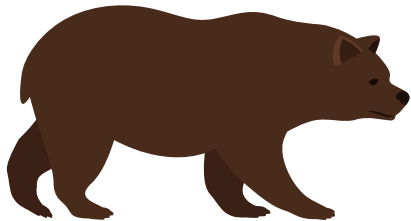


**Sensex
recovered
127% in 1.5 years**



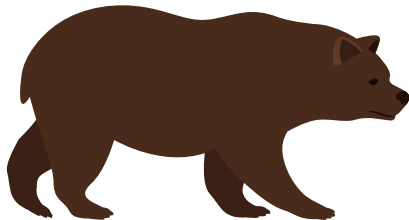
1996 - Asian Crisis

Sensex
plunged
40% in 4 year



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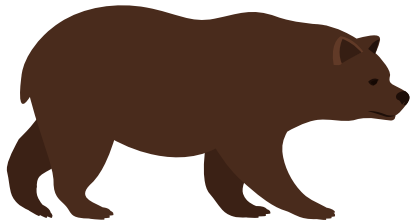


**Sensex
recovered
115% in 1 year**



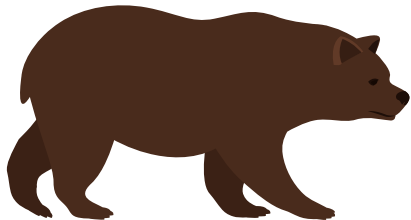
2000 - Technology bubble

Sensex
plunged
56% in 1.5 years



2000 - Technology bubble

Sensex
plunged
56% in 1.5 years

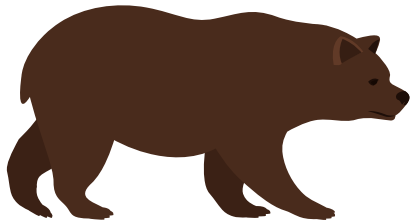


Sensex
recovered
138% in 2.5 years



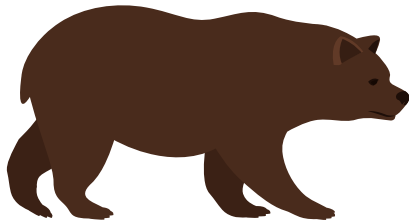
2008 - Lehmen crisis

Sensex
plunged
61% in 1 year



2008 - Lehmen crisis

**Sensex
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61% in 1 year**

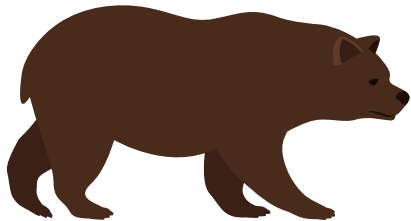


**Sensex
recovered
157% in 1.5 years**



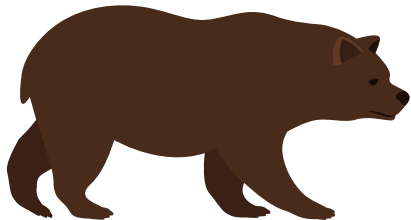
2010 - Correction

Sensex
plunged
28% in 1 year



2010 - Correction

**Sensex
plunged
28% in 1 year**

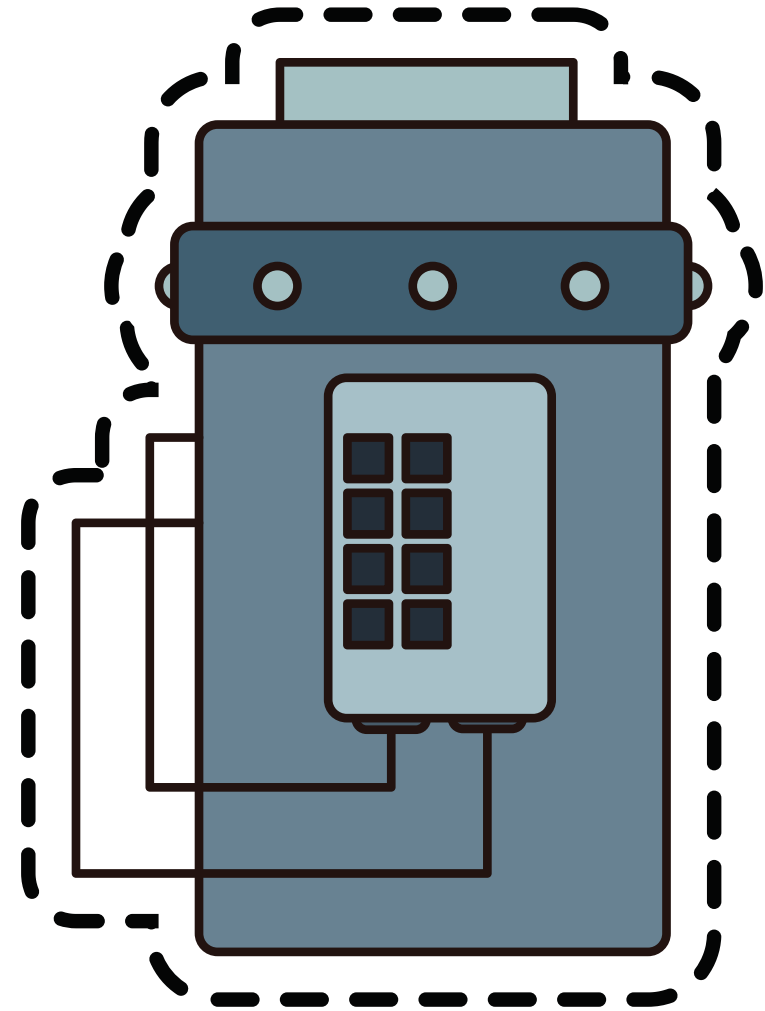


**Sensex
recovered
96% in 3 years**



Million dollar question!

If you get a chance to
travel back to those
corrections, will you invest
or withdraw?



And the obvious answer is..

YES!

It's our natural behavior!

All past corrections feel like

LOST OPPORTUNITY

All current and future corrections feel like

BIG PROBLEM

Equity mutual fund

Particulars	Investment On
	14-Feb-00
Sensex	5924
Mutual Funds*	100000

***Avg. Return of 11 Open ended schemes of various AMCs**

Value of investment during correction!

Particulars	Investment On	Value As On (Panic Investor)
	14-Feb-00	21-Sep-01
Sensex	5924	2600
Mutual Funds*	100000	48119

***Avg. Return of 11 Open ended schemes of various AMCs**

Long term investors need not worry

Particulars	Investment On	Value As On (Panic Investor)	Value As On (Confused Investor)
	14-Feb-00	21-Sep-01	23-Nov-04
Sensex	5924	2600	6009
Mutual Funds*	100000	48119	204309

***Avg. Return of 11 Open ended schemes of various AMCs**

Story of two frogs!



Value of SIP during correction!

LC funds	3 Years
Investment	360000
Value	357000

**Average Return of all Large cap funds of Rs 10000 of SIP started on 1st September 2010. Figures are round of in thousands.*

If continued further!

LC funds	3 Years	4 Years
Investment	360000	480000
Value	357000	695000

**Average Return of all Large cap funds of Rs 10000 of SIP started on 1st September 2010. Figures are round of in thousands.*

If continued ever further!

43 LC funds	3 Years	4 Years	Till today
Investment	360000	480000	1030000
Value	348896	695000	1738000

**Average Return of all Large cap funds of Rs 10000 of SIP started on 1st September 2010. Figures are round of in thousands.*

What does Negative return in SIP mean?

It means you get
MORE UNITS
for your installments



What about everyone!

But everyone is selling
and talking about
STOPPING an SIP!



Legendary advice from the legend!

Be greedy when
others are fearful,
and be fearful when
others are greedy.

WARREN BUFFETT



WISHING YOU HAPPY
INVESTING!

THANK
YOU