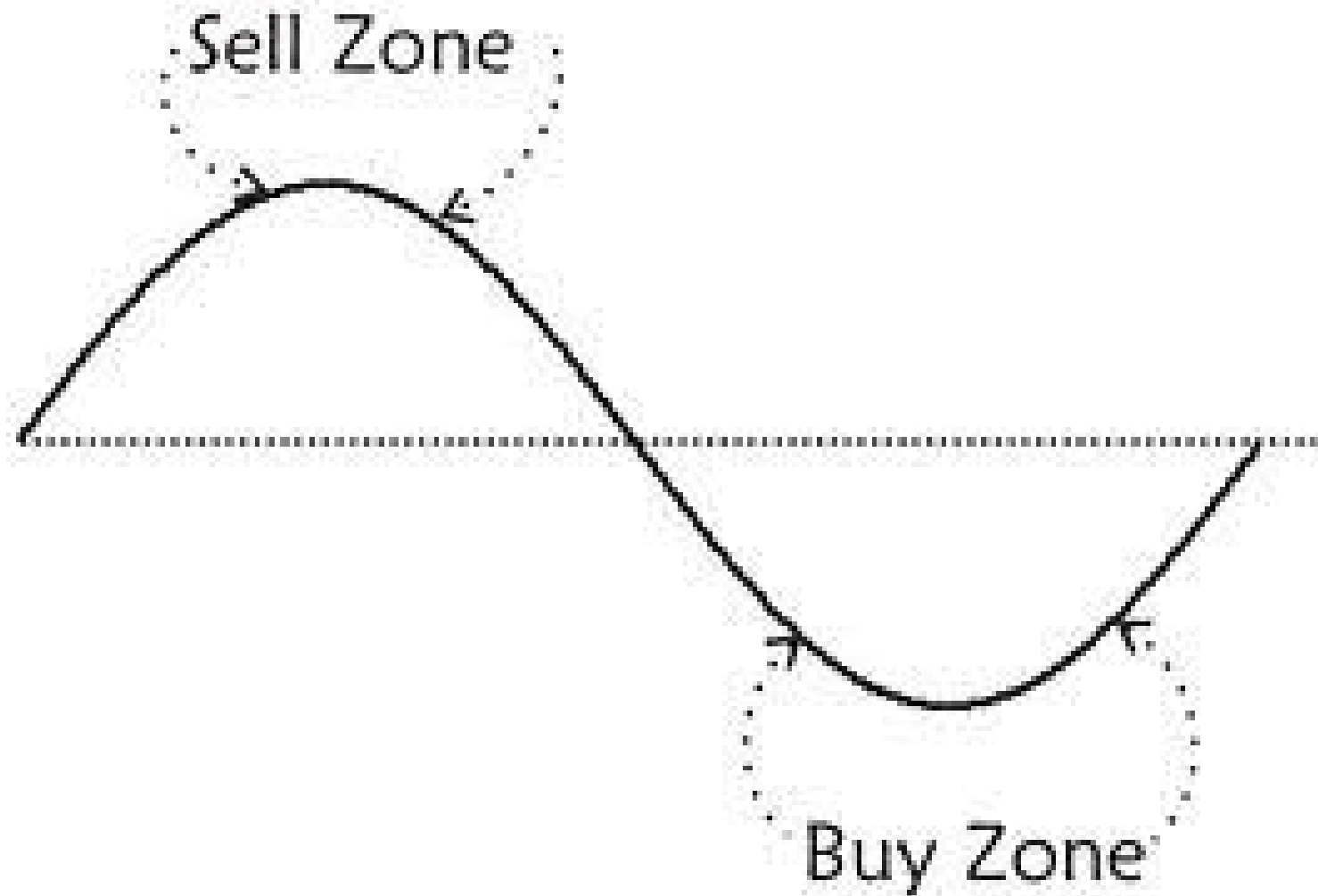


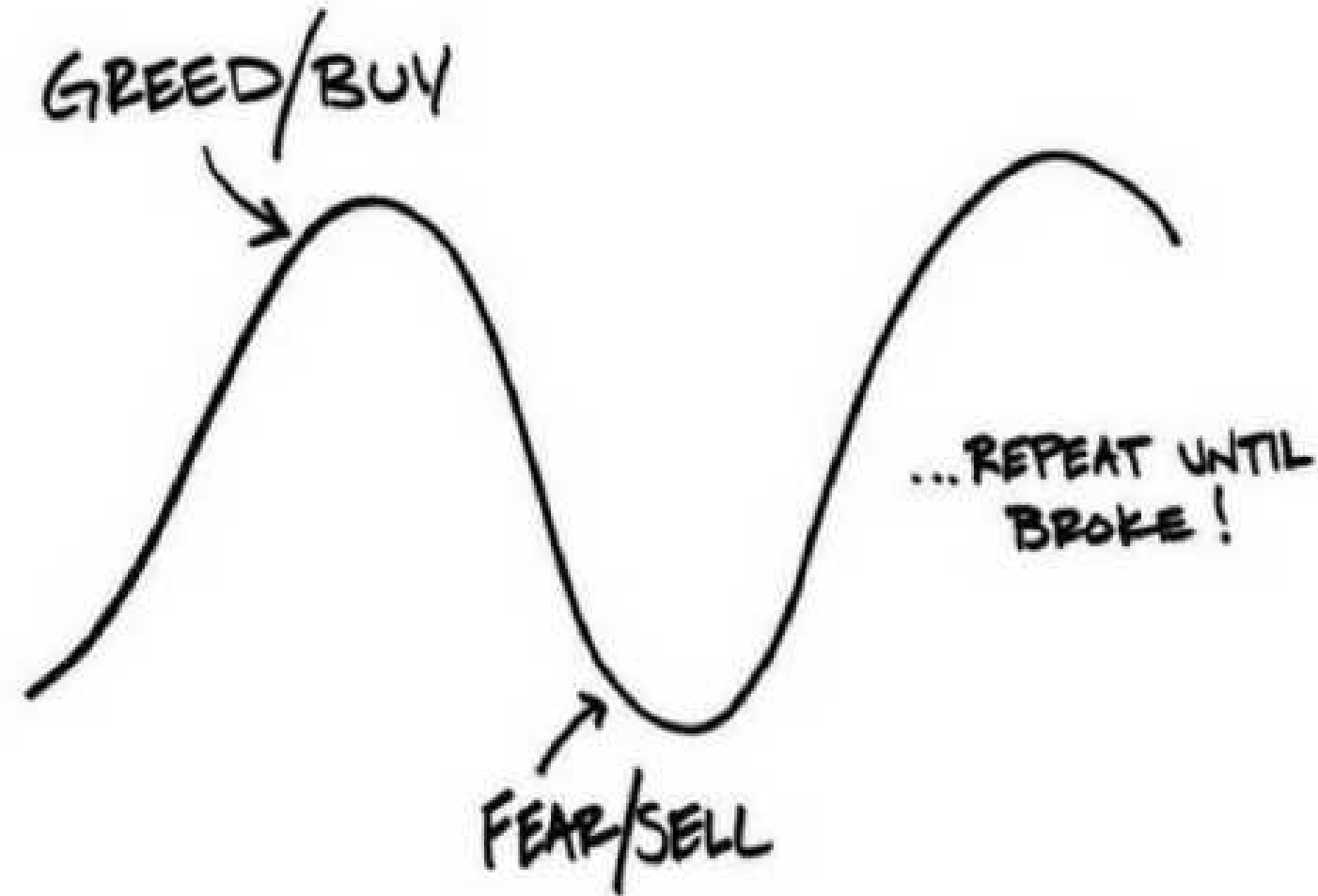
# WHY PEOPLE SELL DURING CORRECTION



# WHAT INVESTOR SHOULD DO?



# WHAT INVESTORS DO?



**RIGHT STRATEGY**

**STAY INVESTED**  
**STAY SAFE**





# **WHY INVESTORS SELL IN PANIC?**

**DARNA MANA HAI!**



**JO DAR GAYA  
SAMJO MAR  
GAYA!**



# WHY INVESTOR SELL DURING CORRECTION?



# FEAR

**PRIMARY JOB OF MIND**

# **SURVIVAL MECHANISM**



# IDENTITY THREAT &...



# IDENTITY THREAT &...



## threat

/θrɛt/

*noun*

1. a statement of an intention to inflict pain, injury, damage, or other hostile action on someone in retribution for something done or not done.  
"members of her family have received **death threats**"  
*synonyms:* threatening remark, warning, ultimatum, intimidating remark; [More](#)

**PAIN = THREAT**

# NEGATIVE RETURN MEANS PAIN



= PAIN

# MOST PEOPLE FLIGHT





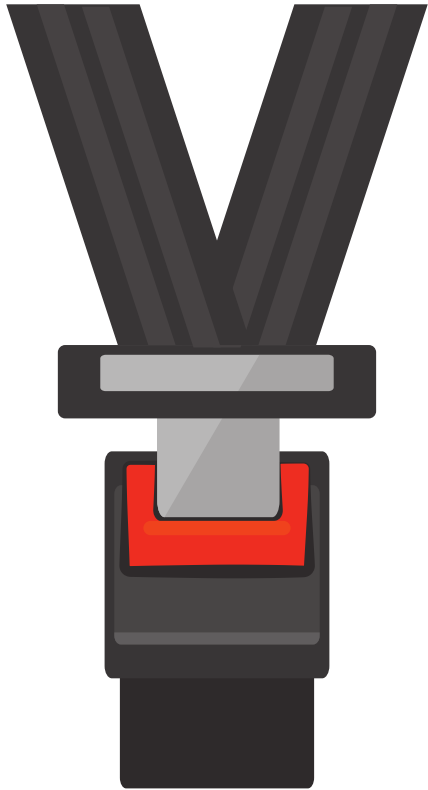
# **WHY ONE SHOULD NOT SELL DUE TO FEAR?**

# WHY YOU SHOULD NOT FEAR?

- WHEN IT GOES UP, YOU  
FEEL **EXCITED!**
- WHEN IT GOES DOWN, YOU  
FEEL **SCARED!**



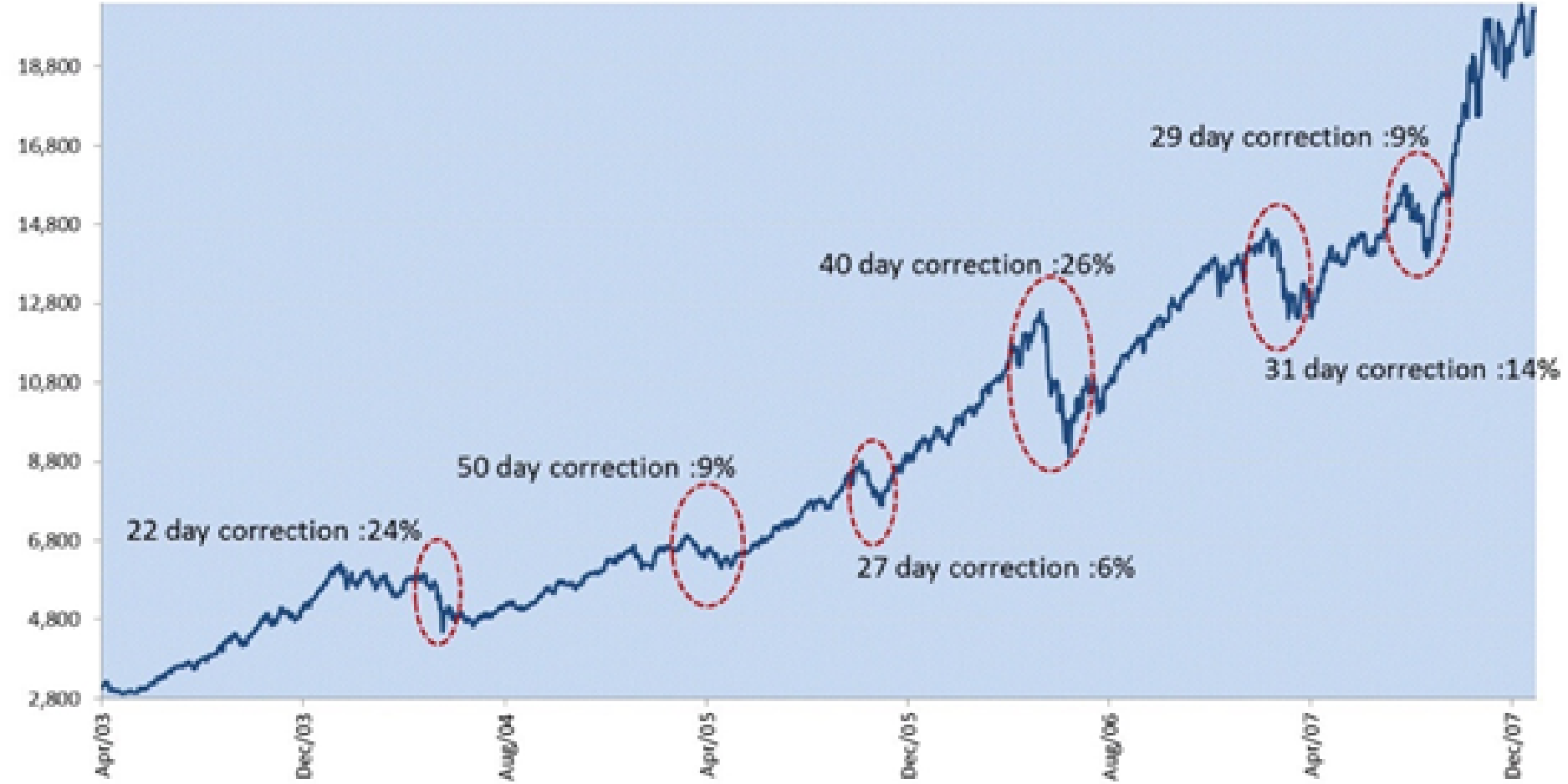
# WHAT'S THE RIGHT STRATEGY?



**OR**



# CORRECTIONS ARE NORMAL



# 3 THINGS YOU CANNOT PREDICT

- **WHEN** SHALL MARKET CORRECT?
- **HOW MUCH** WILL MARKET CORRECT?
- **HOW LONG** WILL IT TAKE TO RECOVER?

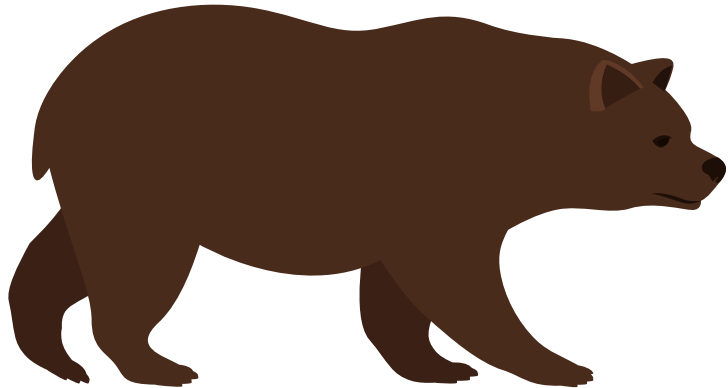


**ONLY THING WHICH CAN BE PREDICTED IS**

**CORRECTION  
IS TEMPORARY!**

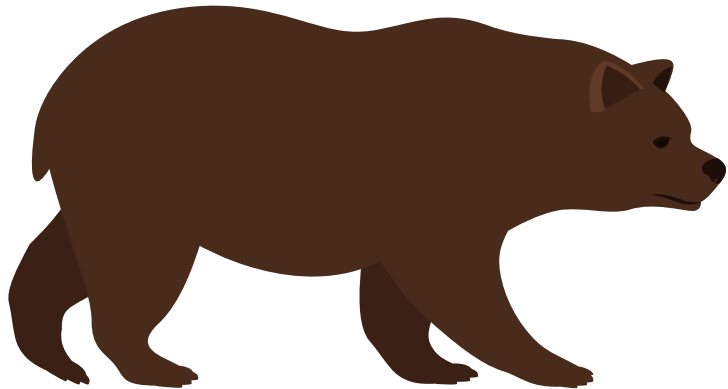
**GROWTH  
IS PERMANENT!**

**&**



**DURING 1992 - (HARSHAD MEHTA ERA)**

**SENSEX**  
**PLUNGED 54%**  
**IN 1 YEAR**



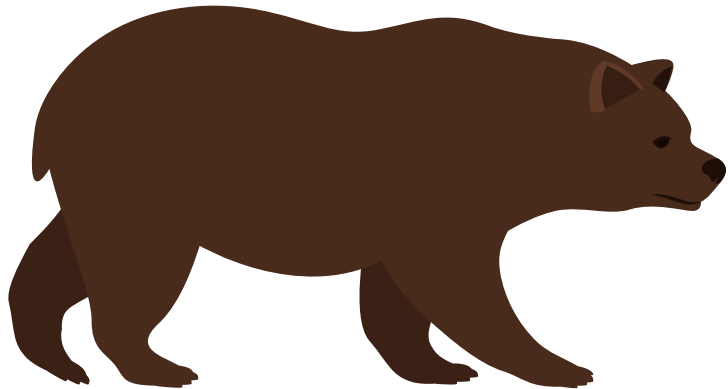
**&**

**SENSEX**  
**RECOVERED 127%**  
**IN 1.5 YEARS**



# DURING 1996 - ASIAN CRISIS

**SENSEX**  
**PLUNGED 40%**  
**IN 4 YEARS**



**&**

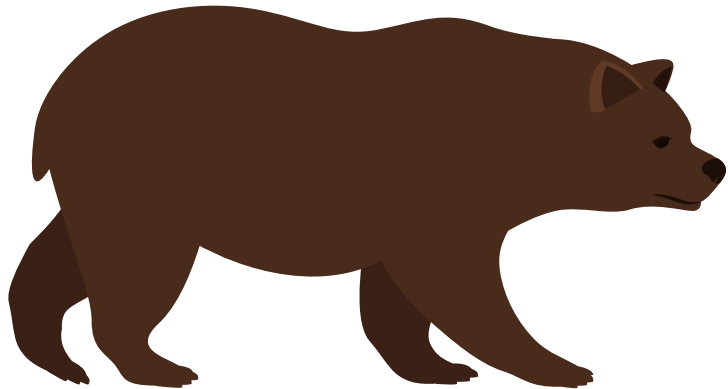
**SENSEX**  
**RECOVERED 115%**  
**IN 1 YEAR**





**DURING 2000 - TECH BUBBLE**

**SENSEX**  
**PLUNGED 56%**  
**IN 1.5 YEARS**



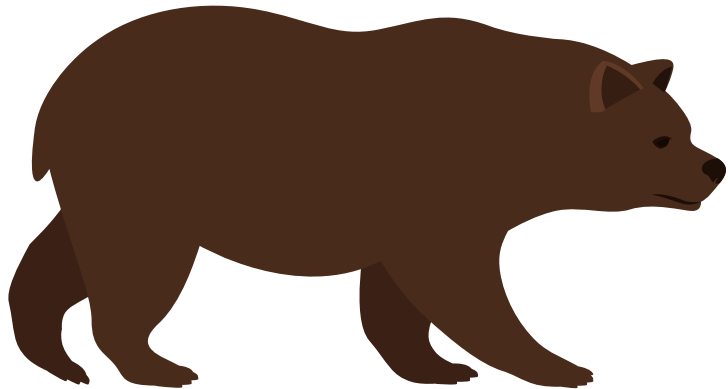
**&**

**SENSEX**  
**RECOVERED 138%**  
**IN 2.5 YEAR**



**DURING 2008 - LEHMAN CRISIS**

**SENSEX**  
**PLUNGED 61%**  
**IN 1 YEAR**



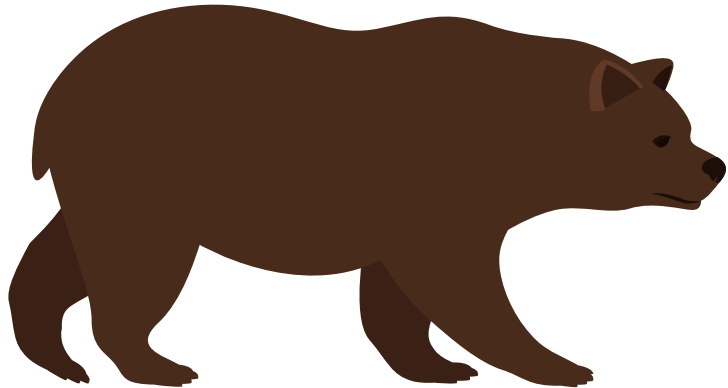
**&**

**SENSEX**  
**RECOVERED 157%**  
**IN 1.5 YEARS**



**DURING 2010**

**SENSEX**  
**PLUNGED 28%**  
**IN 1 YEAR**



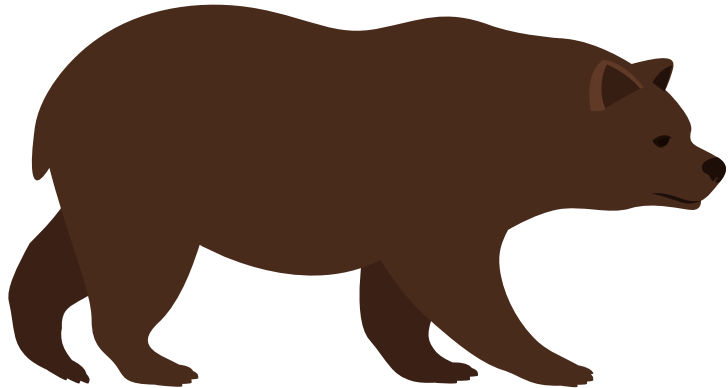
**&**

**SENSEX**  
**RECOVERED 93%**  
**IN 3 YEARS**



**DURING 2020**

**SENSEX**  
**PLUNGED 30%**  
**IN LESS THAN A YEAR**



**&**

**SENSEX**  
**RECOVERED ???**  
**IN ??? YEARS**



# ATTRACTIVE VALUATION

| Date of Observation | Market Cap<br>(in Rs. Trillion) | GDP<br>(in Rs. Trillion) | Market Cap to GDP Ratio | BSE S&P Sensex Level |               | Return in Next 3 years (CAGR) |
|---------------------|---------------------------------|--------------------------|-------------------------|----------------------|---------------|-------------------------------|
|                     |                                 |                          |                         | Observation Date     | After 3 Years |                               |
| Dec-2007            | 72                              | 48                       | 149%                    | 20287                | 20389         | 0%                            |
| Dec-2008            | 31                              | 56                       | 56%                     | 9647                 | 15455         | 17%                           |
| Oct-2010            | 72                              | 72                       | 100%                    | 20032                | 21034         | 2%                            |
| Aug-2013            | 57                              | 104                      | 55%                     | 18620                | 28343         | 15%                           |
| Feb-2016            | 87                              | 133                      | 65%                     | 23154                | 35974         | 16%                           |
| Jan-2018            | 152                             | 163                      | 94%                     | 35965                | ?             | ?                             |
| Aug-2019            | 136                             | 195                      | 70%                     | 37018                | ?             | ?                             |
| 9-Mar-20            | 137                             | 206                      | 66%                     | 35634                | ?             | ?                             |

Data Source: Bloomberg, BSE India, Internal Calculation. Past performance may or may not be sustained in future. For illustration purpose only. 1 Trillion = 1 Lac Crore.

# MOST INVESTORS COMMITTED MISTAKE DURING 2008 FALL

| SIP return                                  |           |                        |           |             |
|---------------------------------------------|-----------|------------------------|-----------|-------------|
| Time Period                                 |           | Jan 2008 to March 2009 |           |             |
| Scheme Name                                 | Category  | Investment amount      | Valuation | Profit/Loss |
| DSP Top 100 Equity fund                     | Large Cap | 150000                 | 114764    | -35236      |
| UTI Master Share fund                       | Mid Cap   | 150000                 | 109746    | -40254      |
| Aditya Birla Sun Life Frontline Equity Fund | Large Cap | 150000                 | 107826    | -42174      |
| Tatalarge cap fund                          | Large Cap | 150000                 | 107812    | -42188      |
| Nippon India Large Cap Fund                 | Large Cap | 150000                 | 107374    | -42626      |
| Nippon India Tax saver fund                 | ELSS      | 150000                 | 107125    | -42875      |
| HDFC Top 100 Fund                           | Large Cap | 150000                 | 106480    | -43520      |
| Franklin India Equity Fund                  | Multicap  | 150000                 | 106284    | -43716      |
| SBI BLUE CHIP FUND                          | Large Cap | 150000                 | 105886    | -44114      |
| Franklin India TaxShield Fund               | ELSS      | 150000                 | 105364    | -44636      |
| Franklin India Bluechip Fund                | Large Cap | 150000                 | 103069    | -46931      |
| ICICI Prudential Multicap Fund              | Multicap  | 150000                 | 102301    | -47699      |
| HDFC Equity Fund                            | Multicap  | 150000                 | 101849    | -48151      |
| HDFC Mid Cap opportunity fund               | Mid Cap   | 150000                 | 101394    | -48606      |
| Nippon India Growth Fund                    | Multicap  | 150000                 | 101121    | -48879      |
| HDFC Long Term Advantage Fund               | ELSS      | 150000                 | 100223    | -49777      |
| SBI Magnum Multicap fund                    | Multicap  | 150000                 | 98880     | -51120      |
| Aditya Birla Sunline Equity Fund            | Multicap  | 150000                 | 98300     | -51700      |
| ICICI prudential long term equity fund      | ELSS      | 150000                 | 98199     | -51801      |
| Aditya Birla Sunlife Midcap Fund            | Mid Cap   | 150000                 | 94460     | -55540      |
| ICICI Prudential Mutual Fund                | Mid Cap   | 150000                 | 86231     | -63769      |
| SBI Magnum Midcap fund                      | Mid Cap   | 150000                 | 79864     | -70136      |



# KEEP INVESTING DURING CORRECTION

| SIP return                                  |           |                        |           |             |                        |           |             |
|---------------------------------------------|-----------|------------------------|-----------|-------------|------------------------|-----------|-------------|
| Time Period                                 |           | Jan 2008 to March 2009 |           |             | Jan 2008 to March 2011 |           |             |
| Scheme Name                                 | Category  | Investment amount      | Valuation | Profit/Loss | Investment amount      | Valuation | Profit/Loss |
| DSP Top 100 Equity fund                     | Large Cap | 150000                 | 114764    | -35236      | 360000                 | 501875    | 141875      |
| UTI Master Share fund                       | Mid Cap   | 150000                 | 109746    | -40254      | 360000                 | 490811    | 130811      |
| Aditya Birla Sun Life Frontline Equity Fund | Large Cap | 150000                 | 107826    | -42174      | 360000                 | 526097    | 166097      |
| Tatalarge cap fund                          | Large Cap | 150000                 | 107812    | -42188      | 360000                 | 507819    | 147819      |
| Nippon India Large Cap Fund                 | Large Cap | 150000                 | 107374    | -42626      | 360000                 | 488141    | 128141      |
| Nippon India Tax saver fund                 | ELSS      | 150000                 | 107125    | -42875      | 360000                 | 531422    | 171422      |
| HDFC Top 100 Fund                           | Large Cap | 150000                 | 106480    | -43520      | 360000                 | 559375    | 199375      |
| Franklin India Equity Fund                  | Multicap  | 150000                 | 106284    | -43716      | 360000                 | 502631    | 142631      |
| SBI BLUE CHIP FUND                          | Large Cap | 150000                 | 105886    | -44114      | 360000                 | 530949    | 170949      |
| Franklin India TaxShield Fund               | ELSS      | 150000                 | 105364    | -44636      | 360000                 | 524703    | 164703      |
| Franklin India Bluechip Fund                | Large Cap | 150000                 | 103069    | -46931      | 360000                 | 481241    | 121241      |
| ICICI Prudential Multicap Fund              | Multicap  | 150000                 | 102301    | -47699      | 360000                 | 515271    | 155271      |
| HDFC Equity Fund                            | Multicap  | 150000                 | 101849    | -48151      | 360000                 | 599808    | 239808      |
| HDFC Mid Cap opportunity fund               | Mid Cap   | 150000                 | 101394    | -48606      | 360000                 | 587041    | 227041      |
| Nippon India Growth Fund                    | Multicap  | 150000                 | 101121    | -48879      | 360000                 | 517044    | 157044      |
| HDFC Long Term Advantage Fund               | ELSS      | 150000                 | 100223    | -49777      | 360000                 | 555449    | 195449      |
| SBI Magnum Multicap fund                    | Multicap  | 150000                 | 98880     | -51120      | 360000                 | 461836    | 101836      |
| Aditya Birla Sunline Equity Fund            | Multicap  | 150000                 | 98300     | -51700      | 360000                 | 498251    | 138251      |
| ICICI prudential long term equity fund      | ELSS      | 150000                 | 98199     | -51801      | 360000                 | 569094    | 209094      |
| Aditya Birla Sunlife Midcap Fund            | Mid Cap   | 150000                 | 94460     | -55540      | 360000                 | 548782    | 188782      |
| ICICI Prudential Mutual Fund                | Mid Cap   | 150000                 | 86231     | -63769      | 360000                 | 513013    | 153013      |
| SBI Magnum Midcap fund                      | Mid Cap   | 150000                 | 79864     | -70136      | 360000                 | 477171    | 117171      |

THANK  
YOU