

growth  
through  
prudence



Bharat Phatak,  
Wealth Managers (India) Private Limited

- Do not ask

- How can I be successful?

- Ask

- How can I be useful?

- Peter Drucker

WE CAN'T SPELL  
SUCCESS  
WITHOUT  
★ "U" ★



# Mission Statement of any Service Firm



**Clients**

Performance  
&  
Service



**Team Members**

Satisfaction  
&  
Growth



**Owners**

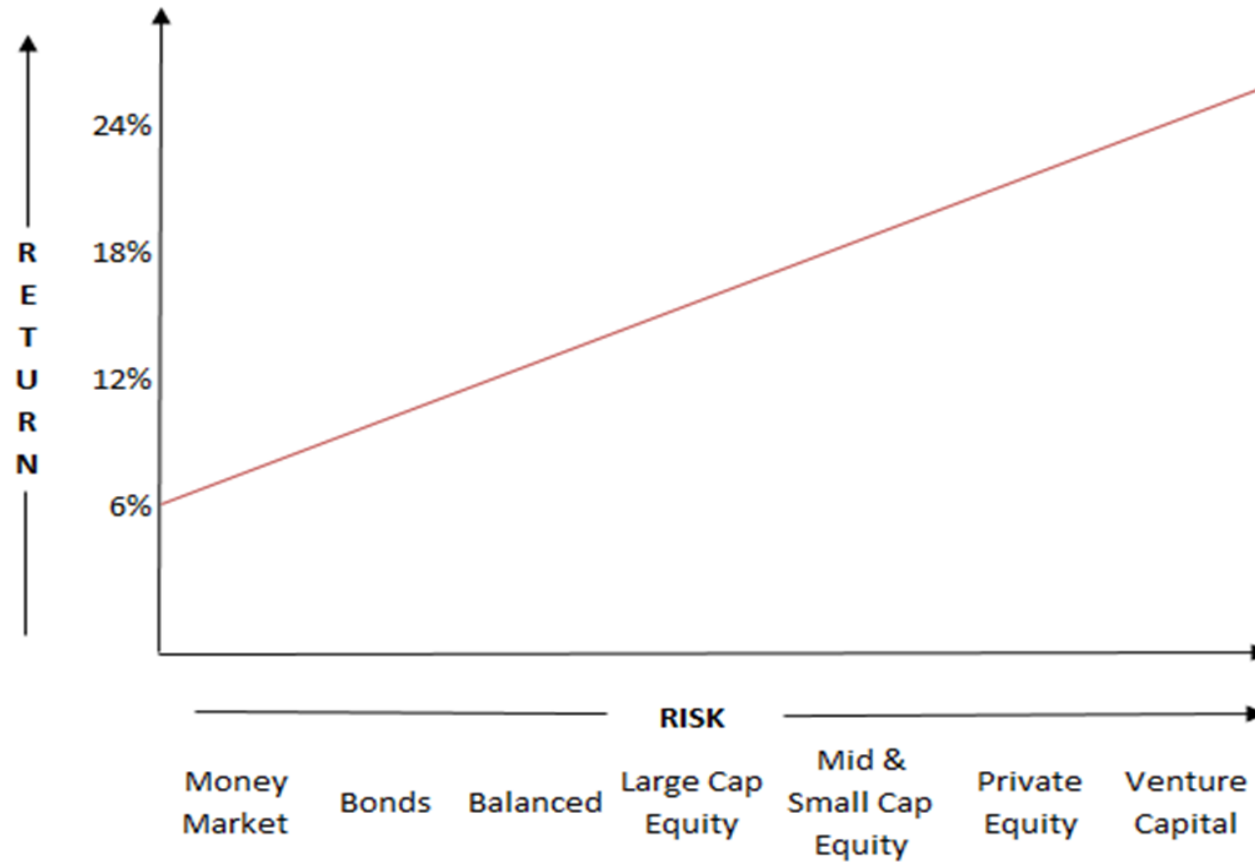
Profits  
&  
Recognition

# Principle Centred Approach

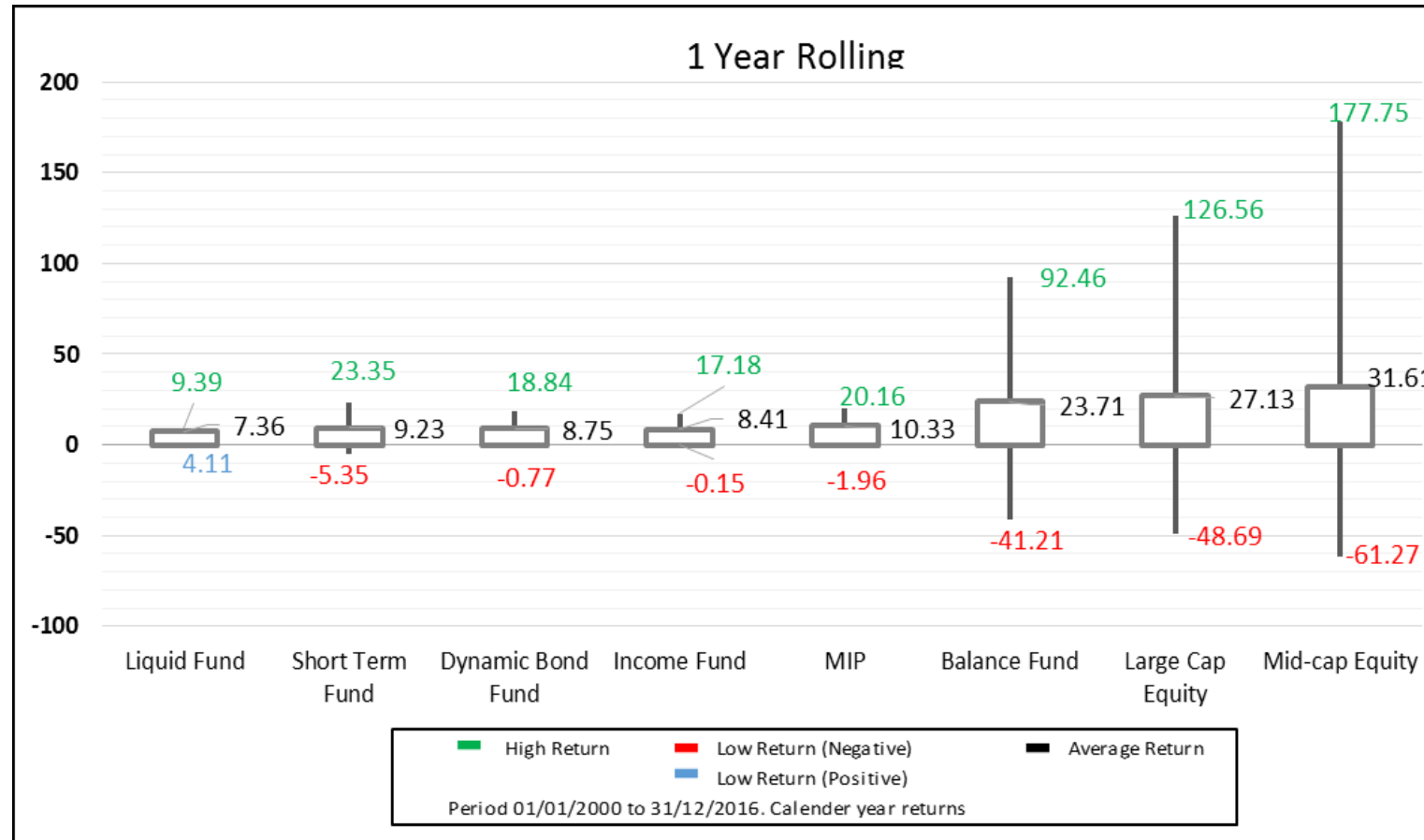
volatility  
uncertainty  
**VUCA**  
complexity  
ambiguity



# Risk and Return – Perception

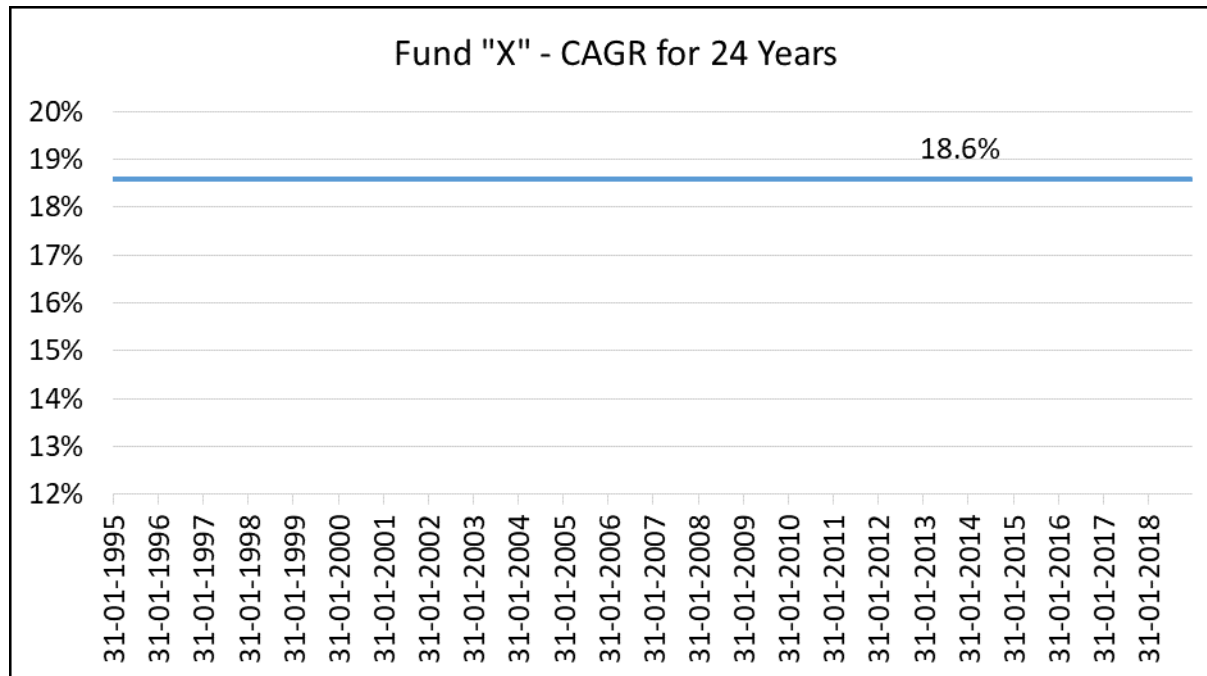


# Risk and Return - Reality

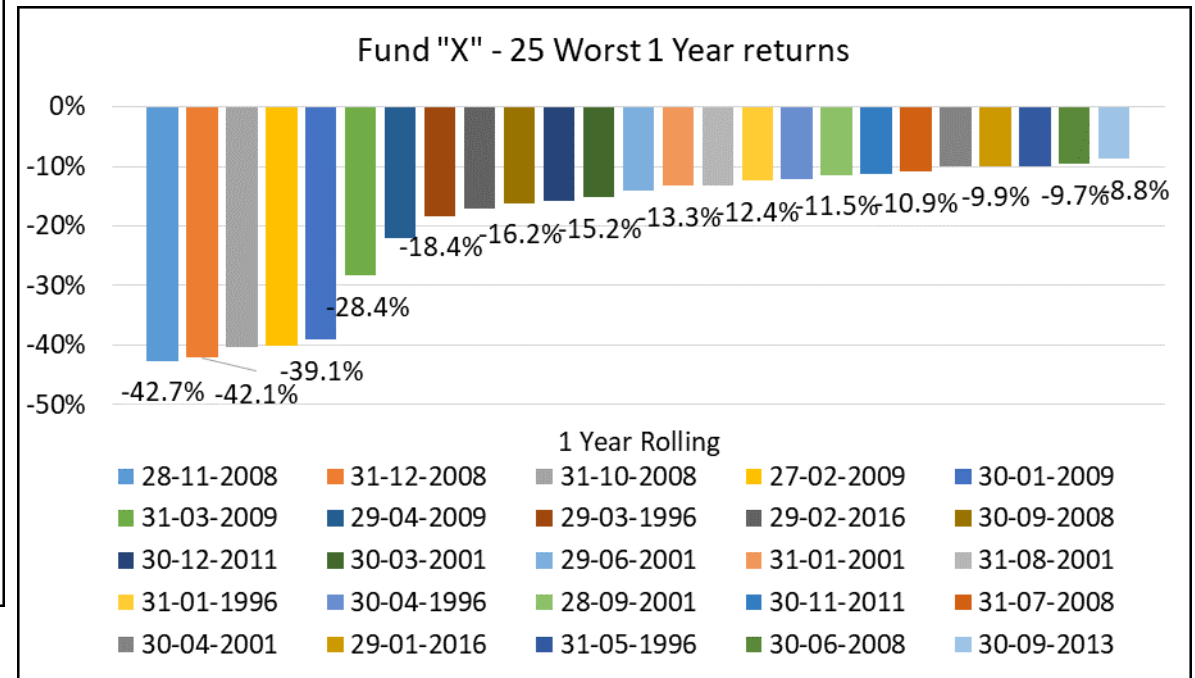


# A Difference of Perspective

## What salesmen see



## How Advisors See



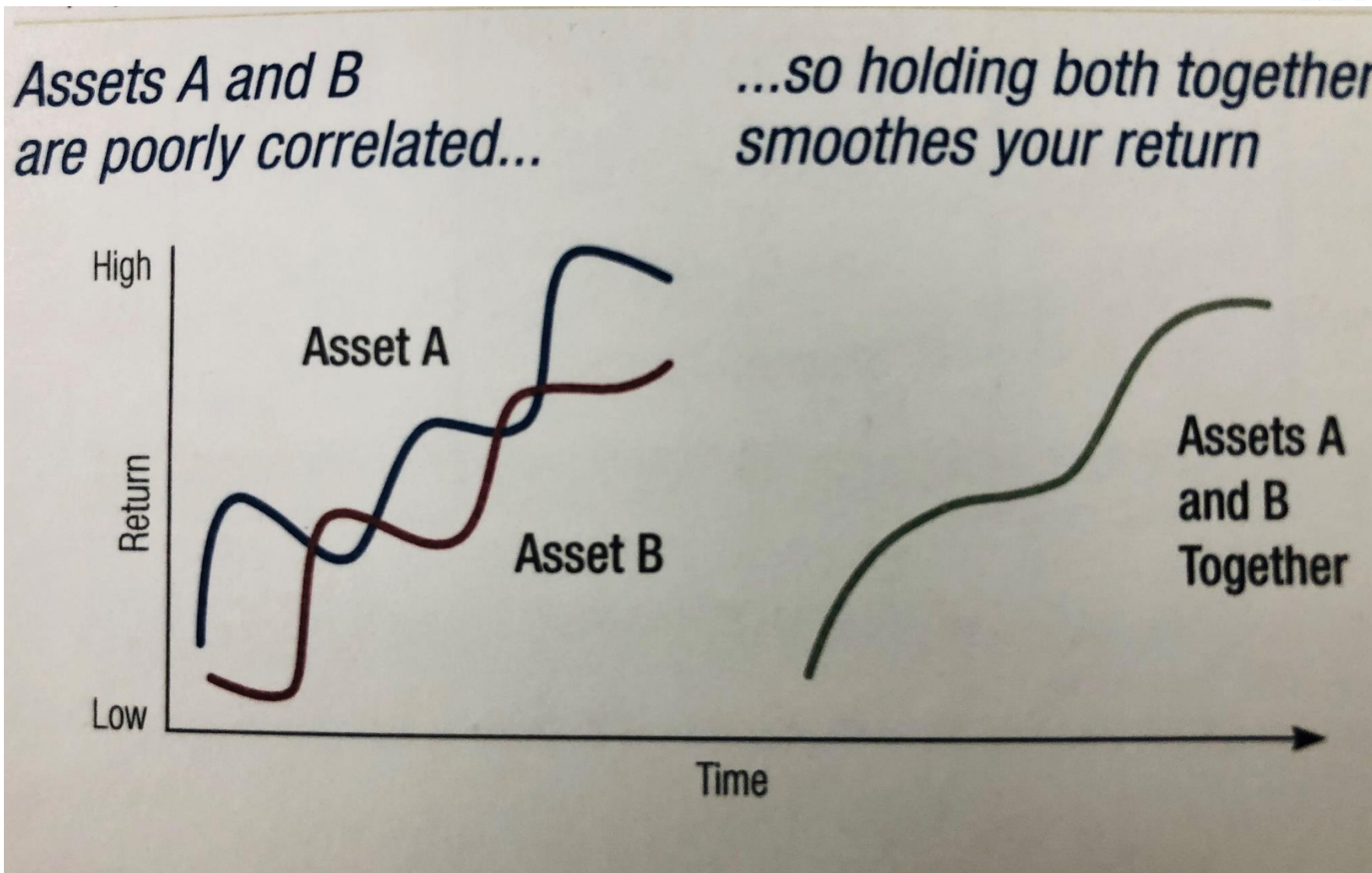


# Asset Allocation

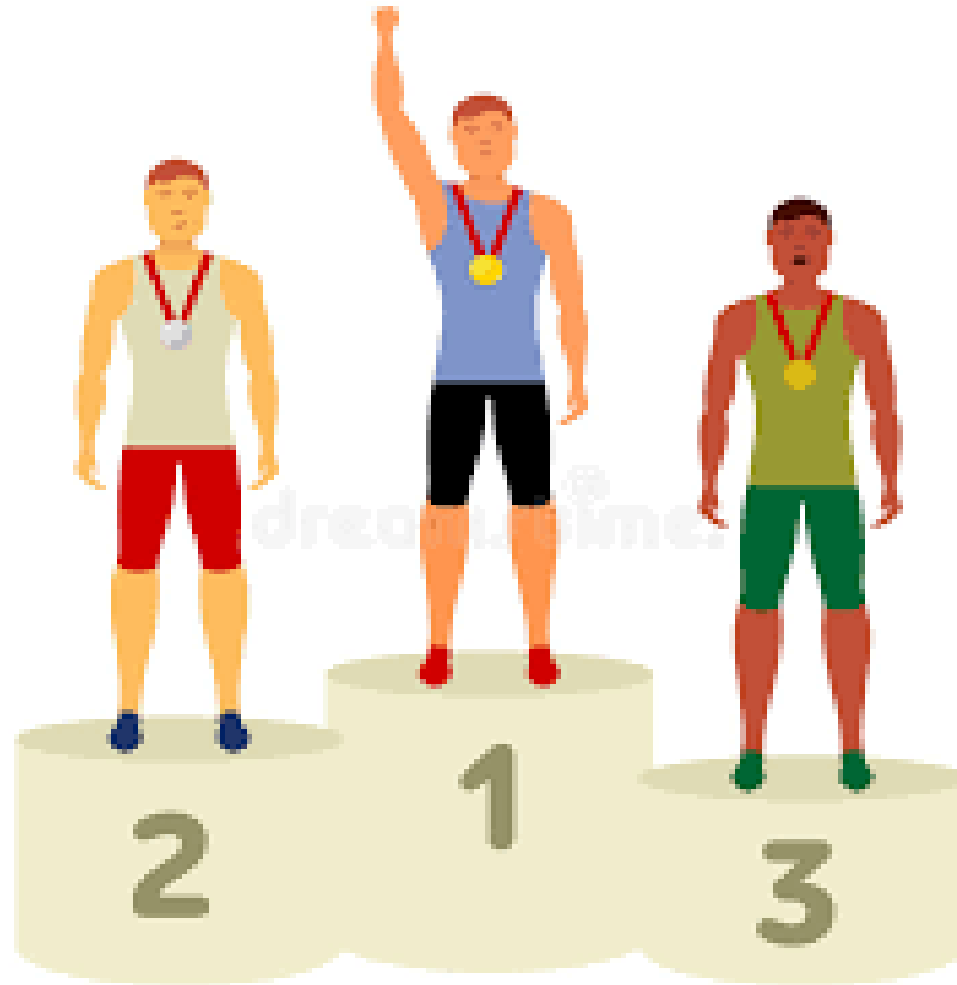
## Simple to preach, difficult to practice

- This applies to all good theories
- It applies to all of us – *including me*
- I am also a student, still learning
- The more you know, the more you realize how much you do not know
- Facts and theories are about the past, *Decisions are always about the future*
- Lessons of history or Baggage of History...
  
- I will not have right answers, but at least some valid questions!

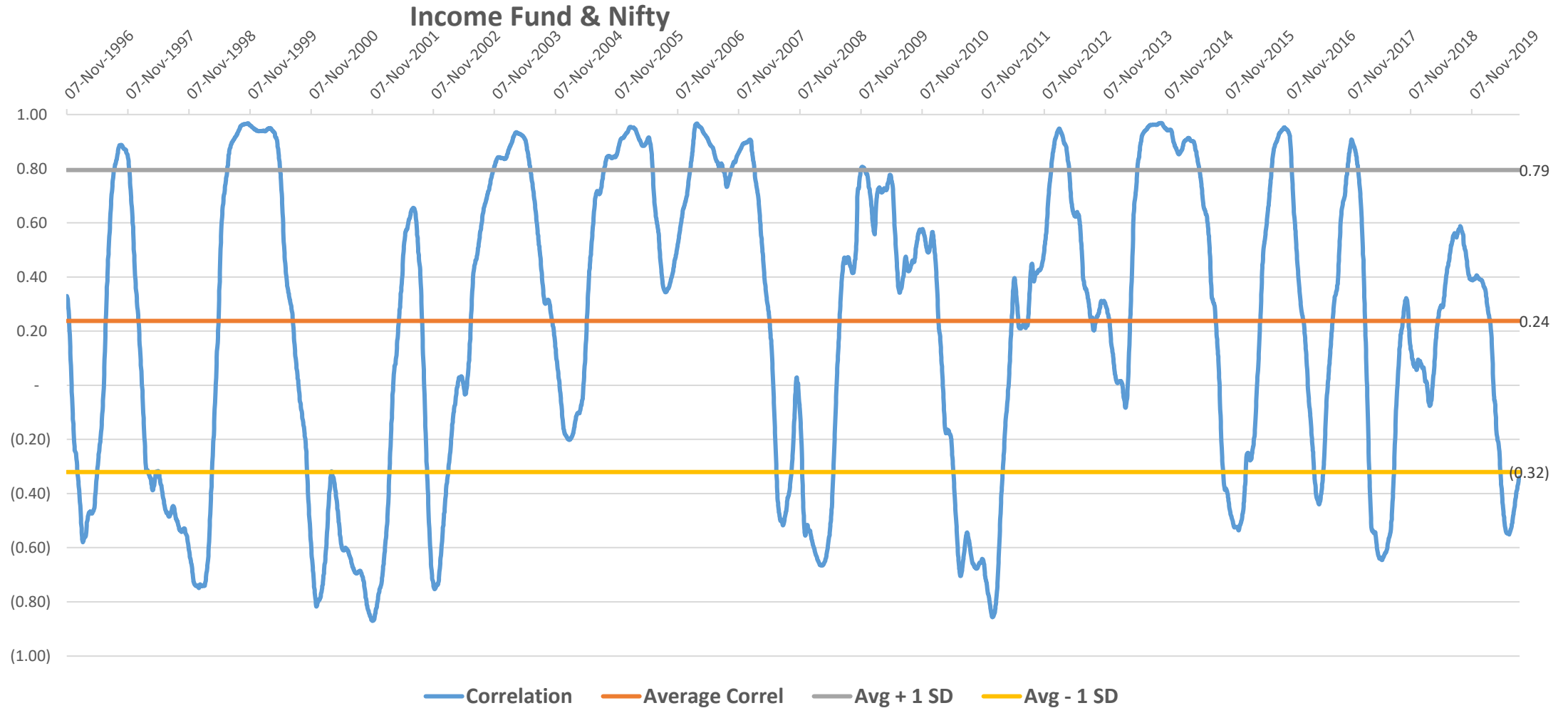
# Concept



It will never give “Best” results!

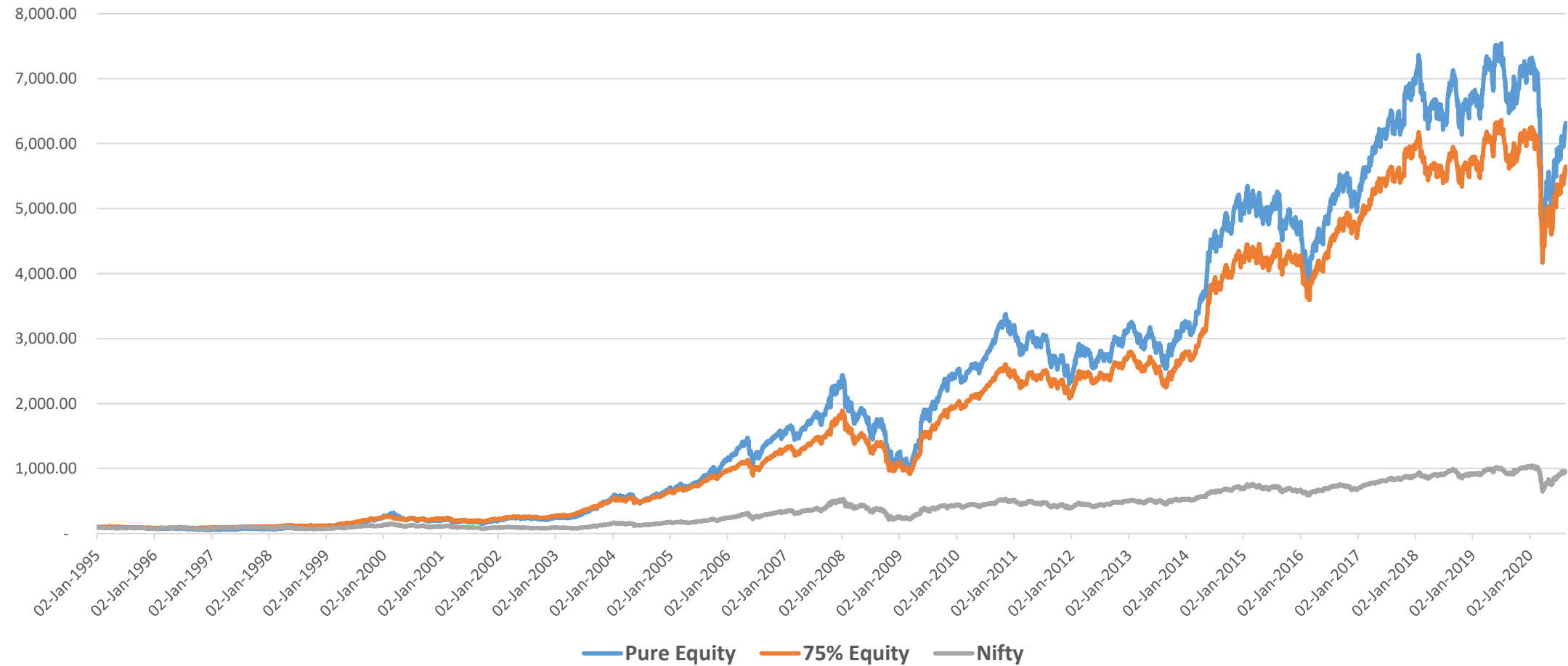


# We have to combine low correlation assets for diversification



# But will they really be inferior?

NAV Movement



## Compare the results

	Pure Equity	75% Equity	Nifty
Risk Free Rate assumed	8.00%	8.00%	8.00%
Sharpe Ratio	0.37	0.47	0.04
Treynor Ratio	0.12	0.17	0.01
Beta	0.80	0.53	1.00
Standard Deviation	21.20%	16.09%	22.65%
Return Since Inception	17.56%	17.05%	9.16%
Daily Std Dev	1.34%	1.02%	1.43%

It is all about (re)balance





## Benjamin Graham's "Mechanical Method"

*To provide considerable will power to keep from following the crowd.*

- As the market advances, he will from time to time make sales out of his stockholdings, putting the proceeds into bonds;
- As it declines, he will reverse the procedure.
- The chief advantage, perhaps, is that such a formula will give him *something to do*.
- *These activities will provide some outlet for his otherwise too-pent-up energies.*
- If he is the right kind of investor, he will take added satisfaction from the thought that *his operations are exactly opposite from those of the crowd.*



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WEALTH  
MANAGERS



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