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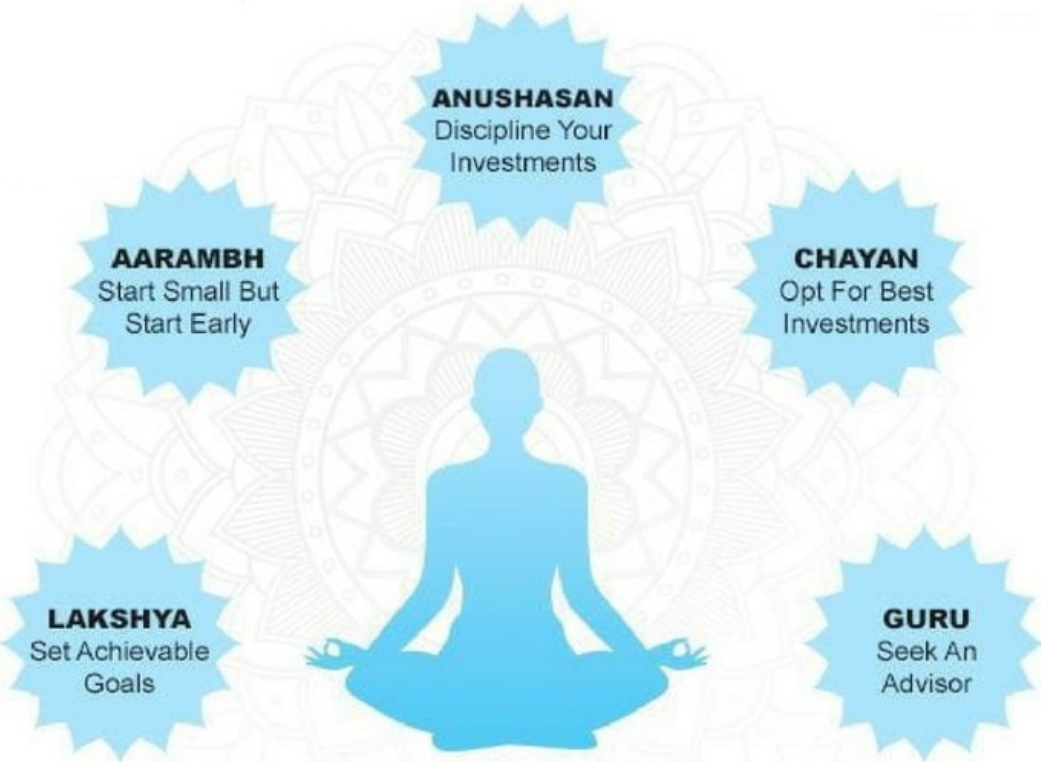
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Sahayak Times

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A monthly Personal Finance newsletter Brought to you under the personal finance literacy mission of

June - The Month of Yoga and Fitness



INHALE THE HABIT OF **INVESTING**
EXHALE THE BENEFITS OF **WEALTH CREATION**





From the Editor

As we bring out our 4th edition of ‘Sahayak Times’, our readers and subscribers have been climbing steadily. Our effort has always been to cut the jargon and handhold our investors as they ride the tide of volatility on the way to achieving their financial goals.

Spain has a national lottery since 1763. The first prize paid out was €4 million in 2011. The winner had hunted for a ticket with the last two digits as 48. He found the ticket, bought it, and then won the lottery. When asked why he was so intent on finding that number, he replied, “I dreamt of the number 7 for 7 straight nights. And 7 times 7 is 48.” So, you can be lucky even when you are dumb and don’t have a process! But a great outcome doesn’t always mean that the decision was good. In investing, a bad decision, especially one that is not based on any process, can have disastrous consequences. The role of the Investment Process cannot be more relevant than during the volatile times that we are currently facing.

At Sahayak Associates, we understand that no two people are alike, and that each client will have a unique set of objectives. We use a 5-stage process to ensure it is suited to Client’s current circumstances and adapts to their future needs.

Step 1 – Meet and Understand

An introductory meeting for your financial health check-up, to discuss your immediate plans as well as your longer-term needs and goals.

Step 2 – Analyze

We analyze and understand the financial, human, and emotional priorities of life goals, your current saving potential, and the current portfolio mix.

Step 3 – Plan & Execute

Your RM will draw up your individual plan that will help you achieve your financial goals.

Step 4 – Support

Your RM will continue to work with you as your plan evolves in response to your changing needs and circumstances.

Step 5 – Review

Every six months, a two-hour session is conducted by our team to review the strategy, your goals and rework the investment strategy if required.

Always, Always follow a suitable investment process.

Happy Reading & Happy Investing!

Sandeep Sahni

The Month that was- May 2022

Index	As on 30-04-22	As on 31-05-22	Change (%)
Nifty 50	17102.55	16584.55	-3.03
Nifty Small Cap	10256.95	9208.5	-10.22
Nifty Mid Cap 100	29880.35	28288.35	-5.33
Sensex	57060.87	55566.41	-2.62
US \$	76.5	77.59	1.42
Bitcoin \$	37714.88	31792.31	-15.70
Dow Jones (in USD \$)	32977.21	32990.12	0.04
Shanghai Composite (in USD \$)	3047.06	3186.43	4.57
Brent crude oil (in USD \$)	109.34	115.6	5.73
Nasdaq 100 (in USD \$)	12854.8	12642.1	-1.65
Gold (in INR ₹)	5280	5210	-1.33
10 Year Government bond yield	7.13	7.41	3.93

Top 5 Gainers of May 2022

Name	31st May, 22	30th Apr, 22	Change (%)
Mahindra & Mahindra	1053.95	922.1	14.30
Coal India	198.4	182.85	8.50
Britannia Inds	3523	3279.25	7.43
Hero Motocorp	2669	2506.65	6.48
Eicher Motors	2755.5	2630.35	4.76

Top 5 Losers of May 2022

Name	31st May, 22	30th Apr, 22	Change (%)
Indiabulls Housing	115.9	153.6	-24.54
JSW Steel	562.9	727.15	-22.59
Vedanta	319.05	408.35	-21.87
Grasim Industries	1418.8	1692.3	-16.16
Tata Steel	1068.6	1271.05	-15.93

Economic Headlines

5 Best Performing Sectors in May 2022.

Name	Return (in %)
Auto	8.46
FMCG	2.16
Financial Services	1.63
MNC	1.16
Private Banks	1.12

Return (in %)

Category	1 year	3 year	5 year	10 year
Equity- Contra	11.68	17.62	13.11	15.66
Equity- ELSS	8.34	14.31	10.5	15.2
Equity- Flexi Cap Fund	7.15	14.52	10.76	14.74
Equity- Focused Fund	7.55	14.19	10.57	15.19
Equity- Large & Mid Cap Fund	9.63	15.97	10.69	15.65
Equity- Large Cap Fund	6.17	12.44	9.93	13.43
Equity- Mid Cap Fund	11.98	20.14	11.77	17.84
Equity- Multi Cap Fund	11.64	17.25	12.7	16.51
Equity- Small Cap Fund	16.89	25.34	13.04	19.32
Equity- Value Fund	9.87	14.59	9.24	15.68
Hybrid- Aggressive	6.91	12.49	9.42	13.04
Hybrid- Arbitrage Fund	3.56	4.05	4.76	6.33
Hybrid- Balanced Advantage	5.96	9.74	7.88	12.52
Hybrid- Equity Savings	5.52	8.09	6.64	7.79

Mutual Fund
Category wise fund performance



Centre approves 8.1% EPF interest rate for 2021-22, lowest in four decades

Read more at :

<https://www.indiatoday.in/business/story/centre-approves-8-1-epf-interest-rate-for-2021-22-lowest-four-decades-1958071-2022-06-03>

GST collections jumped 44% to almost ₹1.41 lakh crore in May 2022

Read more at :

<https://www.thehindu.com/business/Economy/gst-collections-jumped-44-to-almost-141-lakh-crore-in-may-2022/article65483002.ece>

Exports up 15.46% to \$37.3 bn in May; trade deficit widens to \$23.33 bn

Read more at:

https://economictimes.indiatimes.com/news/economy/foreign-trade/exports-up-15-46-to-37-3-bn-in-may-trade-deficit-widens-to-23-33-bn/articleshow/91968132.cms?utm_source=contentofinterest&utm_medium=txt&utm_campaign=cppst

Forex reserves up by \$3.854 billion to \$601.363 billion

Read more at:

https://economictimes.indiatimes.com/news/economy/finance/forex-reserves-up-by-3-854-billion-to-601-363-billion/articleshow/91990409.cms?utm_source=contentofinterest&utm_medium=txt&utm_campaign=cppst

India created 14 unicorns in the first half of 2022 — before funding slowdown hit them

Read more at:

<https://www.businessinsider.in/business/startups/news/india-created-14-unicorns-in-the-first-half-of-2022-before-funding-slowdown-hit-them/articleshow/91955385.cms>

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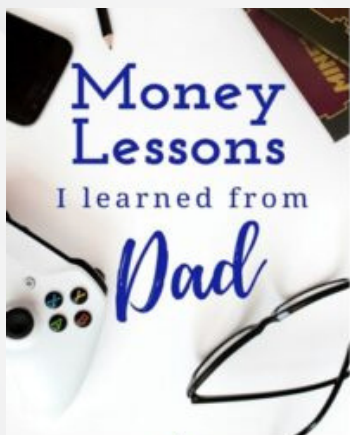
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<https://sandeepsahni.com/>

Though these blogs were originally written in 2019, but they still holds a lot of relevance today.

Money Lessons I learned from Dad



In my college days whenever I confessed to my Dad over the phone of my latest blunder, invariably there was a long silence. Was he angry? His silence was more menacing than a scolding or a lecture, even without him reprimanding, most of the times, his silence worked.

Perhaps most dads are like that — tough on the outside but emotional when nobody is watching. Besides providing emotional and financial security, Dads are also one of the best solutions providers that you will ever find; be it your career, finances or even your love life, depending on how close you are to your dad.

Fathers teach their children many basic things in life: how to read a book, throw a ball, tie a necktie, ride a bike, or drive a car. More importantly, they also help instill time-honoured values in their children, such as hard work, respect, honesty, and being a good citizen.

“Through their words, actions, and sacrifices, fathers play an important role in shaping the characters of their sons and daughters,” proclaimed former American President George Bush.

One of the earliest money lessons and the thing I shall always remember is the haggling with my Dad over the increase in my pocket money during my College hostel days and in retrospect the financial lessons they were meant to teach.

To read the full blog visit:

<https://www.sahayakassociates.in/money-lessons-i-learned-from-dad/>

Are You Taking Enough Risks?



“The biggest risk is not taking any risk.” Profound words indeed!

You need to look in the mirror and answer, Are you taking enough risks to meet your goals?

Although it is often used in different contexts, Risk is the possibility that an outcome will not be as expected. Specifically in finance, it is always discussed with reference to returns on your investment. Risk implies future uncertainty about deviation from expected earnings or expected outcome. Risk measures the uncertainty that an investor is willing to take to realize a gain from an investment.

Great things never come from being in your Comfort zone. In order to grow, we need to take risks, whether in businesses or in our careers.

Generally we take risks because there's a gap between where you are now and where you want to be.

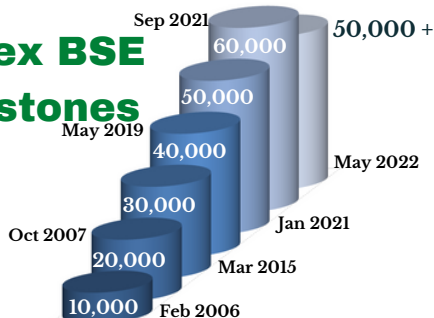
Risk and return go hand in hand and have a direct correlation, you want to become rich and grow your wealth, you must take the necessary risks.

Most investors consider risk only as loss of capital or the reduction in corpus, whereas to assess risk in the true sense, we need to also consider the risk in valuation of the corpus or reduction in purchasing power due to inflation and also the opportunity cost of capital. The benchmark for inflation should not be the Government sponsored WPI or CPI but also factor in the Lifestyle inflation.

To read the full blog visit:

<https://www.sahayakassociates.in/are-you-taking-enough-risks/>

Sensex BSE Milestones



Sensex Doubling Rate:

10,000 to 20,000 : 1 Year

20,000 to 40,000 : 12 Year

30,000 to 60,000 : 6 Year

Next Target: Sensex @1,00,000 by when ?

NIFTY 50 OVER THE LAST..



**"REMOVE YOUR EMOTIONS AND HAVE PATIENCE.
INVESTING IS A LONG-TERM GAME"**

As the RBI gets ready for another Rate hike, Check The table below How equity markets have performed during different rate cycles

Time frame		Duration (no of days)	Interest Rate Phase	Policy Rate	Change in Policy Rate(bps)	Nifty Absolute returns during the period
18-09-2004	11-10-2008	1484	Hike	Repo 6% to 9%	300	113.9%
11-10-2008	13-02-2010	490	Easing	Repo 9% to 4.75%	-425	39.4%
13-02-2010	10-03-2012	756	Hike	Repo 4.75% to 8.50%	375	14.1%
10-03-2012	20-09-2013	559	Easing	Repo 8.50% to 7.25%	-125	14.8%
20-09-2013	15-01-2015	482	Hike	Repo 7.25% to 8.00%	75	43.1%
15-01-2015	06-06-2018	1238	Easing	Repo 8% to 6%	-200	31.3%
06-06-2018	07-02-2019	246	Hike	Repo 6% to 6.50%	50	4.5%
07-02-2019	08-04-2022	1156	Easing	Repo 6.5% to 4.00%	-250	66.7%
08-04-2022	26-05-2022	48	Hike	Ongoing	40	-8.8%

Investment Thesis

Let's take a look at something very interesting from America. This is the letter that Amazon founder (and then CEO) Jeff Bezos wrote to shareholders in 2000, when during the preceding year, the stock had fallen by 80 per cent. While you should search and read the entire letter, here are some of the points he made right in the beginning:

We served 20 million customers in 2000, up from 14 million in 1999.

Sales grew to \$2.76 billion in 2000 from \$1.64 billion in 1999.

Pro forma operating loss shrank to 6% of sales in Q4 2000, from 26% of sales in Q4 1999.

Pro forma operating loss in the U.S. shrank to 2% of sales in Q4 2000, from 24% of sales in Q4 1999.

Average spend per customer in 2000 was \$134, up 19%.

Gross profit grew to \$656 million in 2000, from \$291 million in 1999, up 125%.

Almost 36% of Q4 2000 U.S. customers purchased from one of our "non-BMV" stores such as electronics, tools, and kitchen.

International sales grew to \$381 million in 2000, from \$168 million in 1999.

And, most importantly, our heads-down focus on the customer was reflected in a score of 84 on the American Customer Satisfaction Index. We are told this is the highest score ever recorded for a service company in any industry.

There's nothing about the stock market here. This is what mattered. As they say, the rest is history. From the time of this letter, the Amazon stock is up 200 times.

What I'm saying here is not that stocks that fall can rise again. As we know well, there are plenty of stocks that do not ever rise again and essentially destroy all value for shareholders. Instead, the moral of the story is that you need to know your stock, the business, your investment case and have confidence in your knowledge.

The investment thesis has to be clear in your mind. Not just clear, but correct.

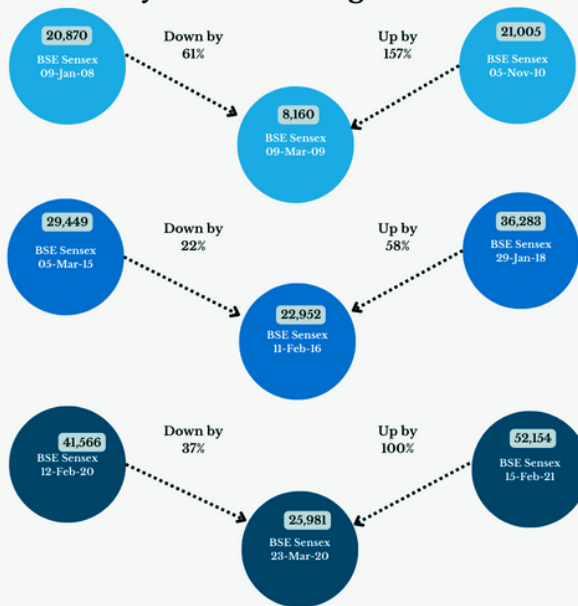
MUSK ON RECESSION



Do you still think we're approaching a recession?" In response, the SpaceX chief Elon Musk has this to say, "Yes, but this is actually a good thing. It has been raining money on fools for too long. Some bankruptcies need to happen. Also, all the Covid stay-at-home stuff has tricked people into thinking that you don't actually need to work hard!" But how long will the recession last? Musk gave his projection: "Based on past experience, about 12 to 18 months. Companies that have inherently negative cash flow (that is, value destroyers) need to die, so that they stop consuming resources."



Why Invest During Bad Times



Past performance may or may not sustain in future.
Mutual Fund investments are subject to market risk, please read all scheme related document carefully

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K-Shaped Recovery:

- A K-shaped recovery occurs when, following a recession, **different parts of the economy recover at different rates, times, or magnitudes**. This is in contrast to an even, uniform recovery across sectors, industries, or groups of people.
- A K-shaped recovery **leads to change in the structure of the economy** or the broader society as economic outcomes and relations are fundamentally changed before and after the recession.
- This type of recovery is called **K-shaped** because the path of different parts of the economy when charted together may diverge, resembling the two arms of the Roamn letter "K".

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Investment Process

In 1888, the Curacao city government decided to build a bridge to connect the two ends. Few people proposed a standard toll tax, but officials wanted it to be a progressive tax. They decided that rich people from the city would pay a higher tax amount to cross the bridge.

The critical question was how to identify who is rich and poor quickly?

At that time, wealthy people used to wear a shoe. So, the government official decided to charge a tax - if a person is wearing a shoe and crossing the bridge, then tax will charge, and it will be free for barefoot.

Simple. Easy. Difficult to avoid. Brilliant idea.

But it failed. Why?

The rich simply took off their shoes & crossed the bridge.

The poor did not want to be seen as poor, so they would wear shoes or borrow shoes to cross the bridge.

This is a true story.

Moral: Rich stays rich by spending less. The poor remain poor by spending more. Ask yourself, are you "borrowing shoes" to cross any "bridge?", if you are, please stop.

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Articles we are reading

How Mark Cuban's Online Pharmacy Plans to Make Medications Affordable

<https://www.nbcchicago.com/news/health/how-mark-cubans-online-pharmacy-plans-to-make-medications-affordable/2807435/>

Learning Management from Rahul Dravid

<https://www.linkedin.com/pulse/learning-management-from-rahul-dravid-prithvi-chandrasekhar/>

Aswath Damodaran says inflation-hedging stocks share these characteristics

https://economictimes.indiatimes.com/markets/stocks/news/aswath-damodaran-says-inflation-hedging-stocks-share-these-characteristics/articleshow/91787009.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Understanding India's K-shaped economic recovery

<https://www.livemint.com/mint-top-newsletter/easynomics21012022.html>

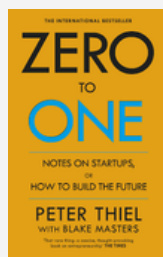
Howard Mark's latest memo 'Selling Out' answers when is it right to sell an investment

<https://www.timesnownews.com/business-economy/markets/article/howard-mark-latest-memo-selling-out-answers-when-is-it-right-to-sell-an-investment/849410>

Books to be Read

Zero to One

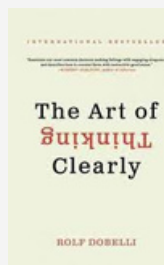
Thiel starts from the bold premise that we live in an age of technological stagnation, even if we're too distracted by our new mobile devices to notice. Progress has stalled in every industry except computers, and globalization is hardly the revolution people think it is. It's true that the world can get marginally richer by building new copies of old inventions, making horizontal progress from "1 to n." But true innovators have nothing to copy. The most valuable companies of the future will make vertical progress from "0 to 1," creating entirely new industries and products that have never existed before. Zero to One is about how to build these companies. Tomorrow's champions will not win by competing ruthlessly in today's marketplace.

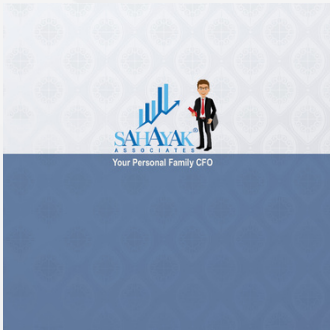


The Art of Thinking Clearly

A world-class thinker counts the 100 ways in which humans behave irrationally, showing us what we can do to recognize and minimize these "thinking errors" to make better decisions and have a better life.

Despite the best of intentions, humans are notoriously bad—that is, irrational—when it comes to making decisions and assessing risks and tradeoffs. Psychologists and neuroscientists refer to these distinctly human foibles, biases, and thinking traps as "cognitive errors." Cognitive errors are systematic deviances from rationality, from optimized, logical, rational thinking and behavior. We make these errors all the time, in all sorts of situations, for problems big and small: whether to choose the apple or the cupcake; whether to keep retirement funds in the stock market ...





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