

The Pocket Guide to Investing Successfully in Mutual Funds



Investing successfully means you manage your investing in a way that you can provide for your future goals whatever they maybe

1. Set Goals and Do your Financial Planning

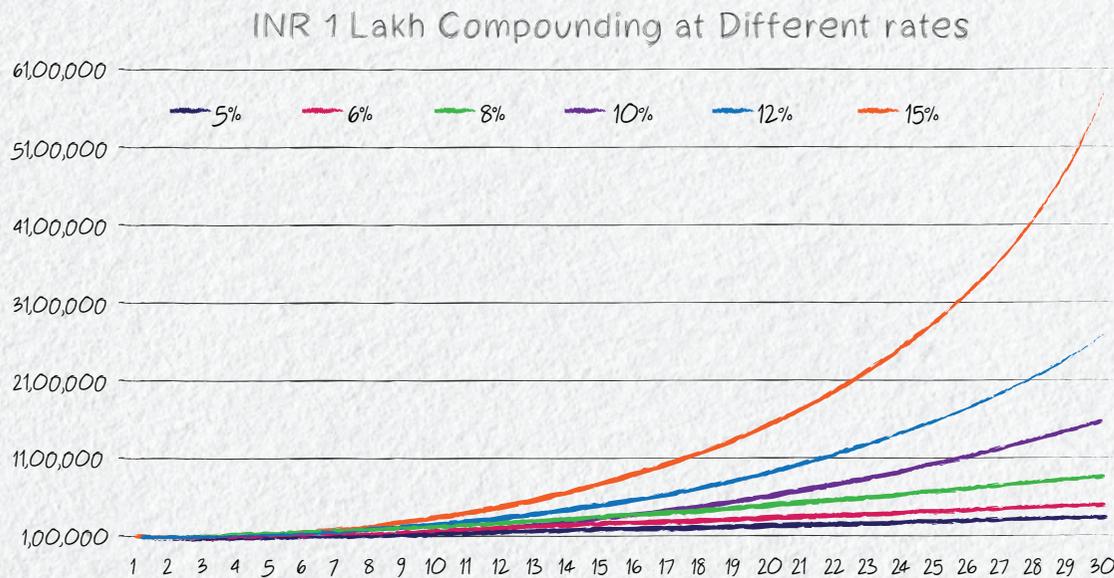
2. Save money to SIP in MF

3. MF Selection Process

4. Manage Fund Portfolio

This Pocket Guide provides you a robust Process + System for Building and Managing a MF Portfolio successfully.

How does money grow in investing?



Money grows through compounding

Wealth = Surplus $(1 + \text{returns})^{\wedge} \text{years invested}$

To grow your money successfully you need to build a portfolio of funds in such a way that it earns you significantly higher returns than inflation but keeps your discomfort within manageable levels to enable you to put all your surplus to work and stay invested in the portfolio for long, as long as required to reach your Financial Goals.

Most suitable for retail investors to invest successfully

Build a portfolio of funds that consistently outperform the Index, are always invested in high-quality stocks; and have a track record of delivering high returns over 3 to 5 years no matter when you enter or exit the fund.



You need a way to identify:

1

Consistent Out-Performance: Can the fund deliver returns consistently higher than the benchmark immaterial of when you enter or exit, provided you hold it for a reasonable period. How does the return compare with its peers?

2

Quality: Does the Fund Manager invest in high quality stocks that are safe to invest in, and can it withstand economic and market cycles?

3

Upside Potential: When investing a large lumpsum amount you want to know what is the potential upside or returns the fund can deliver over the next 5 years or so if you invest in it today.

MoneyWorks4Me DeciZen Rating System has put 'FastTags' on Performance, Quality, and Upside Potential, PQUP for all the equity mutual funds

You can make an informed decision based on:

P : Performance (%)*

14 Very Good

14 Somewhat Good

12 Not Good

Q : Quality of Holding

Q Very Good

Q Somewhat Good

Q Not Good

UP : Upside Potential*

UP > 11%

UP 8 - 11%

UP < 8%

UP Not Available

*Color code for outperformance consistency

*Number is average 3 year rolling returns over 10 year period

*Over 5 year CAGR

Follow this Simple Rule for Successful SIP

Invest in Funds with Green on Performance as they consistently outperform the benchmark.

Choose Green on Quality as they are invested in high-quality stocks. Between funds that are Green on both, shortlist funds with the highest average 3-year rolling returns as indicated in the number in the Performance button. Study these funds before deciding or refer to [Funds4Me](#) for recommendations.

*Upside Potential is relevant when investing lumpsum

How do you build a portfolio of Funds that is Sahi for you?

Build a well-diversified portfolio with funds that assures you of a stable growth through market and economic cycles and funds that enhance your portfolio returns over the long run.

1. Core Funds

Choose from Large cap, Large & Mid cap and Flexicap funds

2. Booster Funds

- Choose from Mid and Small cap funds
- Select a Sector or Thematic Fund that is likely to outperform in the long term



Find the Top-class funds in any category using the [MoneyWorks4Me Fund Screener](#) or go with the recommendations made by [MoneyWorks4Me Funds4Me](#) where you get the most suitable set of funds based on the above and your age.

Mutual Fund Screener

Selected Screeners: Plan: Direct Plan EQ Large FundEndType: Open Ended

Show Filter P : Performance Q : Quality UP : Upside Potential [\(Understand the Method\)](#) 33 Funds found

#	Fund Name Rating	DeciZen			Category	Nav (Rs.)	AUM (Cr.)	Ret. Since Inc(%)	3Yr Ret (%)	3Yr Rolling Ret.(%)	5Yr Ret (%)	5Yr Rolling Ret.(%)	Expense Ratio
		P%	Q	UP									
1	Mirae Asset Large Cap Fund(G)-Di... 	16	Q	UP	EQ Large	90.9	33,926	15.9	24.4	16.3	12.0	15.4	0.51
2	Canara Rob Bluechip Equity Fund(...) 	15	Q	UP	EQ Large	49.4	9,600	14.0	23.6	15.0	14.0	14.4	0.40
3	ICICI Pru Bluechip Fund(G)-Direct ... 	14	Q	UP	EQ Large	78.5	37,016	14.4	27.2	14.2	12.0	13.3	1.12
4	Invesco India Largecap Fund(G)-Di... 	14	Q	UP	EQ Large	54.1	774	14.3	25.1	14.1	12.6	13.3	0.81
5	Edelweiss Large Cap Fund(G)-Dire... 	14	Q	UP	EQ Large	66.5	458	13.9	26.0	13.8	12.3	13.2	0.94
6	Axis Bluechip Fund(G)-Direct Plan 	15	Q	UP	EQ Large	50.0	33,644	14.4	19.5	14.9	12.2	15.0	0.59
7	Kotak Bluechip Fund(G)-Direct Plan 	14	Q	UP	EQ Large	446.3	5,858	14.1	28.0	14.3	13.8	13.2	0.54

What if you already have funds?

Check whether your funds' portfolio is a Sher or a Billi i.e. is it likely to deliver the expected returns or disappoint you. Add the funds to the Portfolio Manager or add the fund names on and get an [insightful report!](#)

Do you have the right number of funds?



For SIP you are over-diversified

How is the Funds' Portfolio Quality?



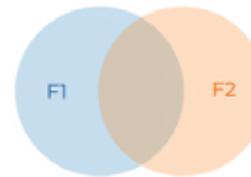
Good. Your Portfolio has no Fund Quality Risk

Market Cap Risk



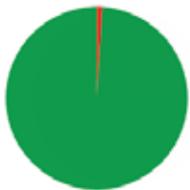
Good. Your portfolio has no Market Cap Risk.

Are the funds' Portfolios similar or different?



You hold funds that are significantly different from each other.

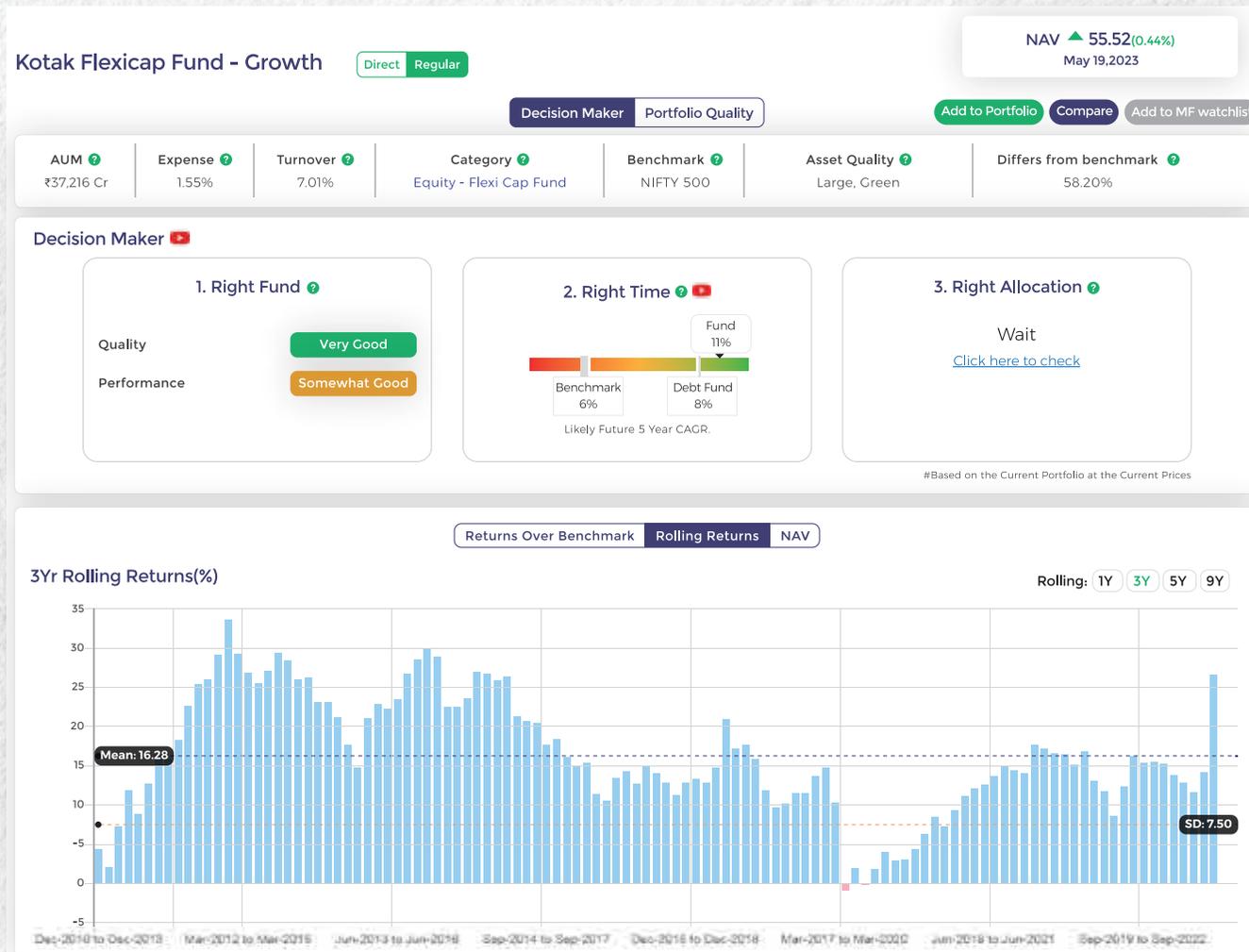
Is your Portfolio likely to deliver acceptably good returns?



Yes, it's very likely. 99% of your current portfolio has a potential upside that is higher than Debt Funds over the next 3 years.

Check if a Mutual Fund is sahi for you?

The unique Fund page enables you to make better decisions with ease. It answers three essential questions in details -Is it the right fund, is it the right time (price) and should you make the allocation? Read more [Kotak Flexicap Fund](#)



What is required to ensure Success?

1. Set Goals and do your Financial Planning.
2. You need to invest as per the Asset Allocation recommended by your financial Plan. Invest in Debt or Fixed Income assets and Gold before you invest in equity.
3. Take Life insurance (Term Plan), Health insurance and keep aside an emergency fund.
4. Follow the Process+ System and learn from both your successes and failures to invest even better in the future.
5. Read How the heck to Invest Successfully and Reach Nirvana by Raymond Moses, Founder-MoneyWorks4Me especially chapters on investing in mutual funds [Smartly](#).



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