

Wasankar holds workshop on wealth management

Follow principles of asset allocation

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March 22: Investors could have earned a 20% more returns from their investments even during 2008 had they followed the principle of asset allocation and rebalancing of investments from time to time said Dr Prashant Wasankar who startled the participants with undisputable data.

Wasankar Wealth Management Pvt Ltd (WWML) conducted a two-hour interactive workshop on 'How to be Your Own Wealth Manager' on March 22. The workshop attracted more than 150 participants and was a grand success. Chairman of WWML Dr Prashant Wasankar, and his team of experts conducted the workshop in their inimitable style known for simplicity, clarity and down to earth examples. Various wealth management concepts and strategies were explained with graphical presentation.

A game show organized as part of interactive session based on asset allocation and actual returns during different investment periods starting from 1991 was not only highly interesting and acted as a practical exercise for the participants. The game show threw up some interesting facts. Long term investments with 5 years time horizon would have given a negative return on 3 occasions during the last 18 years, while 3

years time horizon would have given a negative return on 2 occasions. Maximum loss on investment in gold during the last 18 years was only 16% for investment time horizon of 1 to 5 years irrespective of which year investment was started. WWML had also organized a competition for investors titled 'Wealth is the name of the Game' dealing with asset allocation. Participants were asked to decide their asset allocation between equity, gold, risk-free investments and cash (investment in saving account) for two different periods between starting from 1991 with 3 year time



Chairman of WWML Dr Prashant Wasankar conducting the workshop.

horizon in each case.

WWML will calculate the average returns for both periods and pick the top three contestants based on average returns. WWML has announced a prize of Rs.10,000, Rs.5000 and Rs.2500 for the winners. The names of winners will be announced within a week.

True to its title, the workshop was highly interactive with participants actively participating in game show and competition

as well as in getting their doubts on various aspects related to investment clarified by team of experts from WWML. Besides Dr Wasankar, MD Vinay Wasankar, ED Ramkumar Iyer, VP Srinivas, and 20 heads of research took active participation in the workshop enlightening the investors. At a time when conventional strategies and fund managers have failed to protect the investors' wealth, the workshop was like an eye opener for the participants. The highlight of the workshop was the revelation that 96% of the success of investment strategies depend on asset allocation (equity, gold, properties, risk free investments).

He pointed out that there is a lot of information overflow through print and television media leaving the investors totally confused as to the right strategy to be adopted. He differentiated between noise and actionable information. While replying to a specific query as to whether investors can be their own wealth managers, his answer was an emphatic 'YES'. He pointed out that there are three basic requirements for being your own wealth manager. One- understanding economic and industrial changes and their correlation to various asset classes. Second is knowledge of macro fundamental and technical analysis and third is a firm belief in wealth management concepts. Dr. Wasankar emphasized that investors

should stop looking at each asset class separately and they should think of wealth and its deployment amongst various asset classes. He added that investors do not have the time and skills necessary for the first two requirements but this can be remedied through structured reports from time to time. Dr. Wasankar compared investments to a journey by air. He said that just like a flight, investments also need a smooth take off, a comfortable journey and a safe landing. Translating it in investors parlance, he said that investments require entry at the right time, staying with the investments as long as macro fundamentals show growth, liquidating investments or switching asset class once growth declines.

Talking about future outlook for economy and markets, Dr. Wasankar pointed out that things are not looking bright at the moment with threat of deflation, huge fiscal deficit, rising NPAs, liquidity problem, Pledge of shares by promoters and uncertainty over whether we would get a stable Government. He said that some amount of clarity would emerge only after a new Govt is formed and budget is presented. He advised investors to adopt the principle of 'It is better to be safe than be sorry' and use rallies to reduce exposure from equity and adopt wealth management through asset allocation and asset rebalancing.