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“Perfecting one's self is as much unlearning as it is learning.”

Dear Investors and Advisors,

With the start of every New Year, and days before it, starts the list: the best of 2018, the worst of 2018, and of course the famed “New Year Resolutions” for 2019. In every sphere – from the office to home, from food to fitness, there is a resolution, a desire to learn. To learn big things, to learn small things. Simple things. Exotic things. Whatever they are, but new things. And while learning is well intentioned, what is equally important is unlearning. In order to learn the new, we must unlearn the old. In this information age, we are constantly taking in information that programs our brains to look at the world in a certain way, and we often become unaware that we're seeing the world in a particular way. Thus the need of the hour is to unlearn, intentionally unlearn, so that we can make room for new learnings. And as with many things, it is also true with money. Before making new resolutions for your money, before learning how to be better investors, it's imperative to unlearn the not so good money habits from 2018!

Ditch the Binge: Spending the weekend “binge-watching” TV (or video streaming platforms), is an all so famous bad habit, that keeps us away from time that should be spent with family, friends, or in developing a new hobby. There's nothing wrong with entertainment, but when in excess, it is unhealthy. The same applies in markets, to the news. There is nothing wrong in being aware and informed, but this year, let us unlearn to “binge-watch” markets related media and news. Because like excessive television watching distracts from personal time, excessive media binging distracts from financial goals. If you recycle 2018 back, you will realize how much time was spent watching election results, global news, tracking Trump, looking at oil prices, and many more things. Had half of this time been spent on focusing on our financial goals, and how to sharpen them, things would've looked very different then. And ultimately, how did the outcome of any of these news affect our financial goals, in the long or even medium term? The year 2019 is going to be – like any other year – a year full of news. Let us unlearn to give it so much due, and focus on what matters.

Don't Buy Things You Don't Need: Much of our holiday time – whether Diwali, winter breaks, or in the Western world, “spring cleaning” goes into cleaning our closets, because we are constantly buying things we don't need. The random piece of clothing bought because it was on sale, or fad of the season bought because it was in vogue - actually has very little utility and occupies precious real estate. Similarly, in our portfolios, let us resist the urge to buy things we don't need. Stocks that are cheap but inherently have no quality, funds that are the fad of the season, exotic instruments that we don't completely understand creep up into the portfolio. Soon, your portfolio has 20 funds, 10 of which you could -do without. And they occupy real estate. Each investment, no matter how small it is, is time consuming – there are tax filings to be done, NAVs to be tracked, capital gains to be monitored. As markets evolve, the number of options available to investors' increase, however, the number of investments needed in a portfolio stays the same.

Swipe Right for Meaningful Relationships: In the days of social media and phones, so much time is devoted to a quantity of random encounters, rather than investing more in a few meaningful relationships. Surprisingly, there is more time spent on friends on social media than friends from college, and quantity of interactions take precedence over quality. Similarly, in the world of money, there is so much information and advice available – blogs, podcasts, social media, advisors, news, and experts of every kind. In this abundance, there is the temptation to form random relationships with a range of financial experts, and collect a range of advice, that when aggregated actually doesn't mean very much. At Edelweiss AMC, we have always believed #AdviceZarooriHai – but advice should be focused only on one or two financial advisors, with whom you build a quality relationship. Invest and trust in a meaningful relationship with your financial advisor, which will last the test of time and corrections, much as real friends and family do. This year, ditch quantity time for quality time in your money relationships.

Long Press to Shut Down: It is a reality that we all are digitally addicted. In a twitter poll, I had asked people, what is the reason to constantly check their phones in the middle of meetings and presentations? The most common answer was – habit. We are addicted to our screens, because of our need to take action. The need to take action also hits our money – we constantly want to take action in our portfolios, and in the process we rarely give them time to breathe. Markets are volatile, but so is our behaviour, and while we can't control the former, we definitely can control the latter. And the best way to control volatility is to remember to stay invested for long term. If you think of your own life in 2018, on a daily basis it probably felt very volatile – issues at work, with friends, with family, traffic, pollution, events. But as you reflect on a year gone by, what you will see is much more stillness and calmness, and hopefully some satisfaction at the year gone by. Time diffuses volatility in markets, and in life, so sometimes it is better to take a pause and shut down. This year, unlearn the need to act.

I'll end by saying that unlearning is difficult. It is less exciting. Everyone loves to say, “I learned something new today”, but it is far less exciting to say, “I unlearned a bad habit I had for 20 years”. It is almost like learning to drive in reverse for miles and miles. It takes focus and persistence, just like being a good investor and advisor does. At Edelweiss AMC this year, we celebrate #UnlearnToLearn. Years change, but markets don't, goals don't, and we don't – unlearning will help us see the same world with a fresh perspective.

Happy unlearning, and on behalf of the Edelweiss AMC team, a Happy New Year!

**Regards,
Radhika**