Ways to Create Wealth

- Investor Awareness Programme

22nd December 2025
SIRC

Opportunity Comes to the Prepared Mind

- Charlie Munger

Investments success isn't about luck, its about preparation. Only those who have done the homework can truly benefit. Learn continuously, study businesses, and stay informed

-

So when opportunity knocks, you don't just answer, you capitalize on the opportunity.

First you get paid for what you do.

Then, you get paid for what you know,

and at the highest level,
you get paid for what you are.

First Rule of Investing

- GOAL Based Investing

Start your Investment journey with

WHY ? Need of the hour

Investing without a goal is like shooting without a target.

WHEN ? Today

You don’t have to be rich to invest. But you have to invest to be rich.

HOW ? By taking actions

Your journey to wealth is not a 100 mtr sprint. It’s a marathon — run with strategy, not emotion.

SMART GOALS

S – Specific (Purpose of Investments should be clear)

M – Measurable (In Quantifiable Targets)

A – Achievable (Set realistic targets)

R – Realistic (Match with your Risk Tolerance)

T – Time Bound (TimeLine – Focused)

This framework will bring a structure and clarity to your investment journey. (Child education, retirement, wealth creation, passive income.

DIVERSIFIED PORTFOLIO
CRED - CREDibility

C – Commodity (For Diversifying Risk & Protecting against inflation)

R – Real Estate (For Creating Empire)

E – Equity (For High Risk- high returns seekers)

D – Debt (For stability and regular income)

By combining these, you are not relying on one asset class, thus increasing your portfolio's credibility.

Concept of leverage

Managing cash flow/ switching from one bucket to another for higher returns

don’t be in love with any bucket,
rotating your money with the emerging bucket,
can fetch extra returns.

- Example of Leverage

(Invest in higher rate investments than lower rate repayment of loan)

first 5 year housing loan interest is equal to last 15 years loan interest

so if your repaying extra dues, do it in your early loan duration then in later stage, because you have already paid the major interest on your total loan in early years of loan duration.

Importance of Investing in Debt Funds

Liquidity

Debt Fund- It’s the cash which can be encased in an unpredictable situation

majorly used for cash flow crunch at the time of bear market

Matrix of Reward

Risk Management

Small Profits	Small Losses
Big Profits	Big Losses

what you need to be prepared is the fourth matrix, avoid big losses and this will come by time.

Data : market has fallen more than 2% in a single day only 120 times out of 4500 day working days in last 17 years

Focus ON

Slugging Ratio

Correct Trade / Wrong Trade

2:1 is decent ratio for growth

Allocate more funds to winning category, Don’t keep equal weightage.
Let your Winners ride your portfolio, cut losers early
(this is where most investors fail)

Power of Compounding

SEAD- Means to be Fortunate

S – Start Early (Time is your biggest Ally)

E – Evolution (Gradual Process of change)

A – Avoid (Cheap is not always value)

D – Disciplined & Focused

Compounding is the magic of earning returns on your returns. The earlier you start, the more your money grows.

A 10,000 SIP for 200 years at 12% is 1Cr.

Simple Math

Future Value = P (1+r)^n

If you grow 1 Lakh by 5% every month for next 60 months (5 years) the final amount will be 100000 (1+0.05)^60 which comes to 18.67 lakhs

assuming our slugging ratio is half and we have 30 good trades. We will still make 100000 (1+0.05)^30 = 4.32 Lakh

which is nothing but 4 times in 5 years at a CAGR if 34%

art to learn for math is swing trade (catch the fundamentally good stock technically for momentum gain)

INDEX

I – Incremental (RoCE, Revenue, Opt Margins)

N – Networth (Cash Reserves + Surplus in P&L)

D – Development in CAPEX(Increase in Capacity)

E – Earnings (Q on Q growth rate)

X – X Factor

This Evaluation helps in identifying fundamentally strong businesses with long term potential (Strategy for Value Pick)

The Valuation Game

PEG Ratio

PE / Earning Growth rate

Preferably should be less the 1

* don’t miss any stock which u have found using above index definition, if its available under a PEG Ratio of 0.5%

Forward PE

Price is the Factor of Earning

Therefore, Future Price is the factor of Future Earnings

Invest in the direction of earnings growth and not in the history.

A company with low current PE may sound catchy to invest but with declining earning is a value trap.

Same way a high PE company with exponential growth ahead is a future blue-chip (PEG ratio will help here)

- Rewards comes from conviction and patience

True wealth creation comes from holding quality businesses for long periods. Avoid buying stocks just because someone else did. Build your own conviction based on research, understanding, and belief in the business model.

Patience turns conviction into returns.

Following the Concept of returns in times than in percentage

- Patience and Continuous Learning is the WAY to create wealth in any market

(Few books to read - The Intelligent Investor, The Compound Effect, Japanese Candlestick Charting Techniques)
(Companies Announcements, news letters, Investors Concall, Companies Interviews)

- One such continuous learning the required in

In sectors where Government focus is increasing,

such as manufacturing – make in India.
PLI incentive schemes.
Finance budget – allocation of new sectors

New allocation of airport/Gift city/SEZ
- tracker for real estate investments

This study will help for long term investment

- Evaluate Frequently

(Buy, Sell and Hold – digest your profit
– most ppl miss to digest profit then losses)

- keep the Hunt ON

(Even if you don't have funds or fully invested, keep the HUNT ON, because, when you will have funds – the eagerness to find a gems wont be there)

Side Hustle Income → Invest 100% of it→ Treat any side income as pure investment power

Time you give in the market beats timing the market
if you miss best 10 days in market, returns drop sharply

- Don’t be in a Hurry

(Don't Invest Just Bcoz you have funds,
Be A Watch Dog and wait for your chance)

- Common investors Mistakes

Investing With goals
panic Selling in bear markets
overtrading
following tips blindly
not booking profit
more allocation in single assets category

Power of Mutual Funds

SIP: Its like planting one seed every month – over years, you get a forest
– while working , keep adding money monthly (wealth building)

SWP: Its like living off the fruits of your forest without cutting down the trees.
– after retirement, start withdrawing monthly(wealth Utilization)

Thus, Mutual funds can support you from first salary to last breath.

Here we use the mind of professional fund managers.

and Most Important

- Consult / talk to your friend on your strategies and action plan

(for improved decision making)

Talk with friends /fellow investors—bounce ideas, challenge assumptions. This collaborative and curious mindset helps in continuous improvement and better decisions.

- Key Takeways

There's no one-size-fits-all investment.
Regular review and rebalancing of your portfolio is essential.
Start early, stay disciplined, and match strategy to your life goals.

THANK YOU - SIRC

Rajkumar Bafna S
S R Bafna & Associates
Chartered Accountants
O: 58, Audiappa Naicken Street
Sowcarpet, Chennai – 600079
+91 98848 35778

Feel free to reach out for strategy discussions, mentorship, or investment frameworks.