



BEING SMART Parag Parikh

INVESTMENT INFLUENCES

Taking stock of future in a sound way

Parag Parikh gave the audience a thorough understanding about how investment works

Emotions can get in the way of sound investing. This is a universal state of affairs that applies equally to India and America.

Most investors are vulnerable to psychological influences, this book is all about what we can do to protect our portfolios from the destructive effects of their own emotions, and take rational, sensible decisions."

That was Parag Parikh

speaking at the launch of his book *Value Investing and Behavioural Finance*, recently.

Parikh gave the audience a thorough understanding about how investments work. And what is value investing in India? Working with stocks and shares, a time came when Parag Parikh was facing an all-time low.

At this point, Parag reached the conclusion that

even after working with investments for almost half-a-decade, he was unable to understand them. "I then applied for course at 'behavioural finance at Harvard, where I understood what true value investing is."

Elaborating about emotions and investments, he said, "value investment is all about delayed gratification, the longer you wait, the greater your returns, but now-a-days market is almost

like a legalised casino, and it's very easy to indulge in short-term gratification. The trick is to not get caught up in greed while thinking about future returns and get bogged down by past failures, as they cloud your judgement while investing wisely."

Parag also emphasised on the true meaning of investment.

"One should not confuse investing with trading, the

latter is just buying shares, and selling it. Investing is buying a business interest, and being an active participant in it."

"Value investment is no rocket science, it's just about keeping self-discipline. The fact is that nobody can predict the markets, a bit of sensibility and wisdom is enough to make rational decisions while investing," he says.

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