IDEAL Assosiates

riskmanagement@idealassociate.in

+91 9789472732

What is Risk Management??

Why Risk Management??

What are the process included in Risk Management??

Why is Portfolio Restructuring Required??

IDEAL Associates

RISK MANAGEMENT

What is Risk Management… ?

Practice of identifying potential risks in advance, analyzing them and taking precautionary steps to curb the risk.

Monitoring the growth & progress of Invested companies & sector and controlling threats in the Portfolio

Why Risk Management...?

- Managing the Financial uncertainties
- Navigate through Economic slowdown & Recession
- Tracking the macro economic trends and factors
- Monitor the progress & growth of investing sector
- Other factors which we cannot control

Risks stem from a various external aspects which may affect investment Portfolio so following key terms are important to monitoring to saved portfolio from big losses

Process Included in Risk Management

To avoid risk which may threaten or weaken the portfolio

Steps to be followed on regular basis

- Industry wise & Sector wise classification & Recommendation
- Market Capitalisation Exposure Recommendation
- Company wise Allocation position sizing
- Fundamentals of Holding companies
- Financial Metrics of Holding companies
- Cyclical / Noncyclical Exposure
- Portfolio Restructuring Recommendation

INDUSTRY WISE & SECTOR WISE CLASSIFICATION

Industries / Sector face various types of risks like macroeconomic environment, competitive threats etc.,

Our Classification Includes:-

- Industry wise Growth projection for the FY and upcoming years
- Analysis & monitor Sectorial Current Performance & Growing Demand for the products
- To know which sector in our portfolio investment
- Industry growth projection

IDEAL Assosiates

Our Recommendation

This Classification will help which sectorial companies growth is slowing down and which products and services are in demand So We recommend which industry / Sector to avoid and which one to concentrate

MARKET CAPITALIZATION EXPOSURE RECOMMENDATIONS

- This Classification plays significant role in investment portfolio with three categories such as Large Cap, Mid Cap and Small Cap

- Market passes through different phases, the performance of large-, mid-, and small-cap stocks keeps changing

- When large-caps are not doing well, mid- and small-caps could be on the rise and when mid- or small-caps are plummeting, the large-caps in your portfolio could steady your overall returns

- After choose industry, analyze this classification because Some times we will invested in small cap or microcap losers instead of market runners so It is important to identify whether invested in market winners or losers

- It will help your portfolio to tide you over changing market conditions

COMPANY WISE ALLOCATION

- This Classification helps to balance risk by dividing funds and allocate to different growing sectors
- It will provide how much an Individual company is exposed to portfolio & what will be the effect of company's performance and non-performance in the portfolio
- Also provide the reasons to reduce or increase exposure to enhance the portfolio Performance
- Restructure of stocks exposure in the portfolio depends upon the seasonal trends

FUNDAMENTALS OF HOLDING COMPANIES

This Classification will be fundamental numbers of each companies derived from their annual reports and This numbers will be changing every QoQ based on their performance and track on regular basis

IDEAL Assosiates

Key parameters to **Monitor**

- ✓ History & Business models
- ✓ Competitive advantage & Quality of Management
- ✓ SWOT Analysis
- ✓ ROCE / ROE / ROI
- ✓ OPM growth
- ✓ Peer Industry Median
- ✓ Recommendation

Financial Metrics of Holding Companies

This Classification helps to identify the systematic risk of Individual stocks in comparison of following key metrics

Key Metrics

- ✓ Book Value
- ✓ Intrinsic Value
- ✓ Earning per share
- ✓ Balance Sheet
- ✓ ROCE / ROE/ ROI
- ✓ Compounded Sales & Profit Growth
- ✓ Stock Price CAGR
- ✓ Margin of Safety

CYCLICAL OR NONCYCLICAL EXPOSURE

Reallocation based on Prevailing Macro economic Trends (Globally & Nationally)

CYCLICAL EXPOSURE

Cyclical stocks have a direct relationship with the economy & provide dispensable or luxury goods and services.

NONCYCLICAL EXPOSURE

Non-cyclical stocks have an inverse relationship in the sense that when economic growth is slower, these stocks perform better than the market also provide essential goods

- This exposure helps to control overall nature of Portfolio Yield
- They can be categorized as cyclical and non-cyclical stocks on the basis of the relationship between the share price and movements in the economy.

PORTFOLIO RESTRUCTURING RECOMMENDATIONS

Rebalance your portfolio to maximize its returns will be based on following terms

- Recommendation to Exit non performance Sectors
- Recommendation to Focus on Growing sectors with good valuation
- Recommendation to Increase the exposure in potential stocks
- Recommendation to invest in Sectorial winners in the particular sector
- Get into the habit of Buy & Hold Strategy

IDEAL Associates

1000/-

With GST

OUR CHARGES

~~5000~~/-

SPECIAL OFFER

1000/-

only with GST

IDEAL Associates

PORTFOLIO DISCUSSION WITH OUR ADVISOR

Discuss with our Lead Research Analyst & Risk manager for 15 mins regarding Stocks details include Package details also

DISCLAIMER

- Past performance Does Not Guarantee future Performance , Kindly note Investing involve risks, the Value of the Investment will fluctuate time to time based on Market
- Conditions Our Report content to be used and must be used for information purposes only, it is important to do own research before making investment based decisions
- All Financial Opinions Expressed in this report are from Personal Financial Research and Experience Although Best efforts are made to make the information accurate., unintended errors or mis prints may occur
- Risk Assessment of the portfolio will different from Client to Client and suitability will change according to the client appetite The investments discussed or recommended in the market OUR ANALYSIS, research reports, etc. may not be suitable for all
- Investor statement declaring that there is an inherent risk in investing, and that the party facilitating the investment does not provide any guaranteed return on any investments made