Once upon a Time

EXPOSING THE MARKET TROJAN

ICICI PRUDENTIAL MUTUAL FUND

The Battle Between Greece and Troy

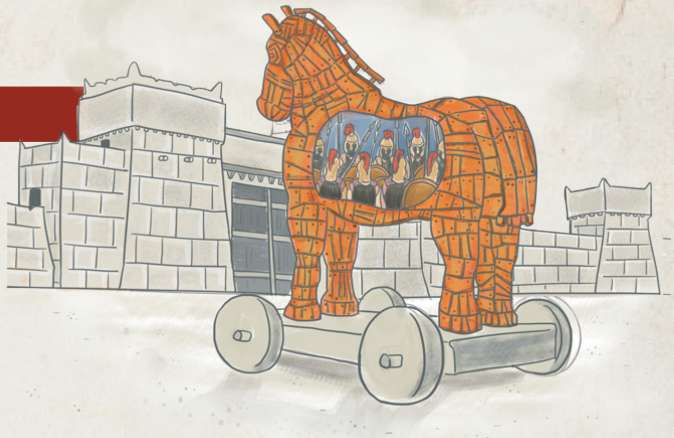
The Greeks battled the Trojans for a decade, but **failed** to succeed. The **mighty walls of Troy prevented intruders** from entering.

Unable to defeat the Trojans, the **Greeks devised a strategy.**

The Greeks Weaved a Plot of Deception

A Greek general, Odysseus advised, "Let's build a **giant wooden horse** with our **men hidden inside it**. We'll leave it outside the gates of Troy as an offering to the Gods."

The Greeks thought it was a brilliant idea – they created a huge wooden horse with soldiers hidden within its womb and left it near the **gate of Troy**.



The Dilemma of the Trojans

"Have the Greeks surrendered at last?" the Trojans pondered as they stared at the beautiful piece of art.

Laocoön (the Trojan priest) and **Cassandra** (the King's daughter), **suspected foul play** – they persuaded the Trojans to burn the horse.

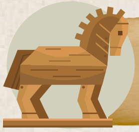
However, the Trojans disregarded their words of wisdom and **dragged the wooden horse** into their **city** as a **memento** of their victory against the Greeks.

The Climax Unfolds

That night, the **Greeks** crept out of the horse and **captured Troy** to win the epic war.

It's time to expose certain Market Trojans that impact investment decisions

We have unmasked **5 Market Trojans** for you:



Just like how the Greeks used the Trojan horse to trick their opponent, markets are also engulfed by Trojans that compel investors to make irrational decisions.

1 Holding on to a short-term view

The Indian stock market experienced selling pressure amidst the ongoing geopolitical tensions.

However, as an investor, we should always have a long-term view to reap the compounding benefit.

S&P BSE Sensex Index : Short-term view

Source: BSE

S&P BSE Sensex Index : Long-term view

Source: BSE, Data as on March 31, 2024.
Past Performance may or may not sustain in future.

2 Following stock tips from illicit sources

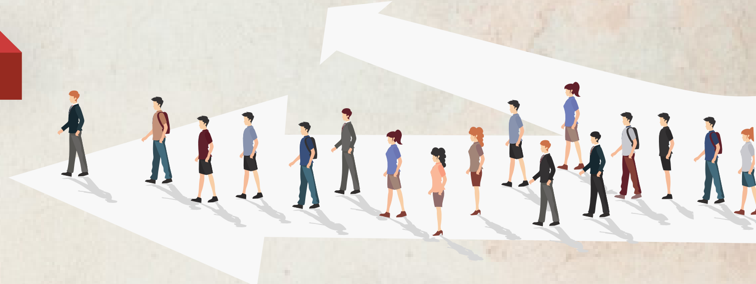
If you have ever received stock recommendations from traders or social media, you are not alone. Nascent investors burn their fingers as they act on tips from unofficial sources that assure them of earning hefty returns.

3 FOMO - Fear of Missing Out

"Hey, crypto has recently tested an all-time high of $69000; did you invest?" such questions could be terrifying. The pain of feeling left out compels investors to purchase assets without evaluating if it is in line with their risk appetite.

4 Succumbing to Herd Mentality

Heard of the phase, "If your friends jump off the cliff, will you too?" Investors may get influenced by their friends/family/colleagues and follow suit without verifying the facts.



5 Predicting the Markets

> **"The biggest investing errors come not from factors that are informational or analytical, but from those that are psychological."**
>
> \- Howard Marks

If Markets Rise

- Are market valuations expensive at these levels?
- Is this a bubble that would burst soon?

If Markets Fall

- Is it a temporary fall or a bear market correction?
- How much time will the markets take to recover?
- Should I invest regularly to benefit from lower price levels?
- Is it wise to hold though my peers are exiting?

So, what could be the solution?

- Just as how Laocoön and Cassandra guided the Trojans to stay away from the horse, **seeking professional expertise could help make prudent investment decisions.**
- **Investing for the Long-term** is key to reap the compounding benefit.
- **Considering schemes that have the flexibility to invest across various sectors and market caps** could help you benefit from opportunities across market cycles.

Have you ever fallen prey to the Trojan in the market? If yes, don't let it win over you again!

To know about one of our recommended flexible schemes: **ICICI Prudential Business Cycle Fund**

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