



**DIGITIAN
CAPITAL**



FUTURE FOCUS

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“..It is a great opportunity to get access to the long term Investors' investment book with a research capsule, buy/hold/sell real time guidance, and get a return of 20%-60% in 6-12 months - this is the unique offer Surrogate Investor brings ”

Relevance of John Bogle in Today's market

DIGITIAN VIEW!

I hope you are enjoying this small capsules of stalwart Investors and brushing up your investment funda. In my Investor Guru Series, I will discuss the philosophies of another Guru Investor, JOHN BOGLE and his relevance in Today's Market.

John Bogle (1929-2019) was an investor and founder of the Vanguard Group, one of the largest investment firms in the world. Bogle created **index investing**, which allows investors to buy mutual funds that track the broader market. Bogle introduced the Vanguard 500 fund, which tracks the returns of the S&P 500 and marked the first index fund marketed to retail investors. **Bogle's pioneering achievements was low-cost investing in mutual funds by creating no-load funds, low cost, and low turnover. Index investing utilizes a passive investment strategy that requires a manager to only ensure that the fund's holdings match those of the benchmark index. He is known as the "Father of Passive**

Investing." He wrote a book - "*Common Sense on Mutual Funds: New Imperatives for the Intelligent Investor*" on investing that has since become a classic for investors worldwide

Passive investing stands in contrast to active investing, which requires managers to take a more hands-on role with the intent of outperforming the market.

Index funds fit this model nicely because they base their holdings on the securities listed on any given index. Investors who purchase shares in index funds gain the benefit of the diversity represented by all the securities on an index.

This protects against the risk that a given company will lower the performance of the overall fund. Index funds also more or less run themselves, as managers only need to ensure their holdings match those of the index they follow. This keeps fees lower for index funds than for funds with more active trading.

MARKET WATCH

Equity Indices	Monthly Open	Monthly Close	Monthly Change %	2022%	2021%
S & P	4210	3932	-6.6%	-11.7%	26.9%
Nasdaq	12854	11634	-9.5%	-17.8%	21.4%
FTSE 100	7507	7386	-1.6%	1.2%	14.8%
Shanghai CompSITE	3278	3238	-1.2%	-9.9%	4.8%
NIFTY	17660	18005	2.0%	1.7%	16.4%
Nairobi SE 20	1744	1787	2.5%	-8.2%	1.7%
Egypt SE 30	9965	10397	4.3%	-16.6%	10.2%
Tanzania All Shares	1920	1905	-0.8%	1.2%	4.5%
Nigeria SE 30	1800	1770	-1.7%	4.6%	4.9%
Morocco All Shares	11989	12417	3.6%	-10.2%	18.3%
Bangladesh DSE 30	2237	2353	5.2%	-11.6%	21.7%

Commodity	Monthly Open	Monthly Close	Monthly Change %	2022%	2021 %
Gold	1801	1711	-5.0%	-6.45%	-3.8%
Crude Oil	97.34	92.87	-4.6%	19.85%	49.8%
WTI Oil	91.81	87.06	-5.2%	15.30%	56.2%
Copper	3.66	3.53	-3.5%	-20.09%	25.6%
Iron Ore	109.63	101.43	-7.5%	-9.84%	-27.8%
Aluminium	2497	2306	-7.6%	-17.67%	41.5%

Famously, Warren Buffet told that if you put the money on S&P 500 Index fund it will provide you with the best return over a long term of 10 years provided it is a low cost fund.

In his latest book Investment vs Speculation, He has outlined his **fundamental ideas** are captured :

1. Revision to the Mean (RTM)

This is the main principle that there will be always reversion to the mean. It is true for all best Mutual Fund, it needs to be kept in Mind which goes up will come down - it is only a matter of time. The entry timing in a mutual fund is the crucial or you can go down the hill for long period of time. All the performance curve are inverted U shaped over a period 10-20 years so it needs to be determined at which point of the curve you are investing.

2. Time is your Friend and Impulses your enemy :

Miracle of compounding effect will be observed if the investments are over a longer period of time. Even **Einstein mentioned compounding is the biggest miracle in the modern history**. In this regard time is your friend.

However one should not follow own impulses in investment. It is the hardest practice. Investors always tend to panic during market down trend and euphoric during Up Phase. This is due to human impulses. While you need to buy during a down panic and sell during an uptrend.

3. Buy Right and Hold Tight :

Investors need to diversify between equity and bonds. This is more traditional wisdom that you have to buy right things as per your investment goal and risk appetite and then you have to hold tight for a long time to get the benefit of compounding

4. Bagel and Donut :

Bagel is a Jewish bread which provides nutrition almost like a long term investment. While Donuts are little sweeter - tasty but not healthy almost like Short term Trading and speculation. So one has to select Bagel and leave the Donuts however attractive these are.

5. Forget the needle Buy the Haystack :

It is hard to get a Good long term stock - it is like looking needle in a haystack. While if you invest in traditional index fund (like a Haystack), It is much simpler, less riskier and more possibility of winning.

6. Minimize the Croupier's rake

The Croupier's Rake is a tool used by casino croupiers to rake in chips from a large gaming table,(roulette). Casino never loses they always take their cut from the winners. Similarly Fund managers always make money out of investors' gain. Thus the most important fact is how to keep the cost low in the equation. your Gross return may be high but so is your cost and eventually Net return is low. Like magic of compounding return on Gross also has a negative side of compounding the cost which affects Net return.

7. No Escaping Risk :

People think investing in CD or keeping cash is sometimes the best to escape risk of losing money. But that is a misnomer as given the inflation the real rate is mostly negative and diluting your investment. Stocks will surely give you a return of 7% CAGR over a 10 year period.

8. Be aware of fighting the last War :

Often investors are paralysed by burgeoning inflation. However, the data over 100 years show that stock provides a return of 9% CAGR. The same is now expected to be 7% CAGR. It is like war you have to face it.

9. The Hedgehog beats the Fox :

As per Greek Philosophers Fox is smarter and knows everything while Hedgehog knows one great thing - that is the market they operate in so they always beat the Fox, More in the comparison Passive vs Active Investing;

10. **Stay the course :** Once you decide on Intelligent Asset Allocation, Risk preference and own financial programme, you need to be on the path for long term with out getting distracted by market Noise

COUNTRY DATA

Countries	GDP (USD Bn)	Market Cap (USD Bn)	GDP Growth 2022 %	Inflation %
USA	23420	48264	2.7%	6.80%
China	16000	7620	5.1%	2.2%
India	3050	3210	8.2%	6.7%
Egypt	340	49	3.8%	10.70%
Kenya	107	23	5.5%	6.2%
Tanzania	62	7	4.7%	3.7%
Morocco	122	11	1.1%	5.3%
Nigeria	445	54	3.10%	16.3%
Bangladesh	400	68	7.2%	6.20%

Forex	Monthly Open	Monthly Close	Monthly Change %	2022%	2021%
EUR USD	1.080	0.997	-7.69%	-11.93%	-6.7%
GBP USD	1.219	1.148	-5.80%	-15.19%	-1.0%
USD INR	79.430	79.580	-0.19%	-6.41%	-1.9%
USD KES	119.200	120.250	-0.87%	-5.91%	-3.0%
USD EG POUND	19.130	19.180	-0.26%	-18.09%	0.8%
USD TZS	2332	2332	0.00%	-1.16%	0.6%
USD NAIRA	418.000	428.000	-2.34%	-3.92%	-7.3%
USD TAKA	95.000	102.430	-7.25%	-16.31%	-0.8%



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Surrogate Investment refers to getting the benefits of Investment in stock like a professional without the pain of tracking the stock, studying the market trend and the time it takes to do the same. **REAL TIME**

Why it is a success:

- **Skin in the game:** the fund managers picked up these shares and invested in themselves basis proprietary Research
- **Time to market :** They are keeping daily watch on the stock/market behaviour and that of the global trend
- **Regular Profit booking :** They make profit and you make too in the short run

- **Professional Expertise & Performance Track:** Fund managers are super Qualified Professional Experts with their Return CAGR varies between 35%- 48% over last 10 years

What you have to do ?

- Have your trading account for full control of your money
- Act fast when Buy and Sell advice is given and make Huge Profit
- Only pay Back if you made money

Success returns :

Surrogate Investors are making 100%+ to 450% annualised return from each trade

New Service : Surrogate Investment

Digitian Capital (DC) has launched a new service "Surrogate Investment". We have come across many of our readers who may not have USD 100,000 or equivalent to join the club and make their investment fortune. Further, we understand **TRUST & BELIEF** are two big factors confronting the medium value investors. The service is designed to address these issues while creating a family of DIGITIAN investors :
The features of Surrogate Investment (SI) :

1. Invest your own Money through your own custodian account (so no money transfer)
2. Only two markets : India and USA
3. Atleast investable funds of USD 20,000 or AED 10,000 or INR 10,00,000
4. Digitian Capital would give you names of only 1(one) share (on the basis of our model **WINGS to freedom**)
5. You will invest yourself on the basis of that Tips on that share
6. Digitian will advice you to sell the shares at right point in time.
7. You transfer 20% of the profit you generated out of the sale of shares. (Say you invested USD 20000/- in Apple and you sold it at USD 24000 then you will pay DC, USD

800 (20% of gain of USD 4000)
8. On receipt of USD 800 DC will provide you another name of shares where you will invest again USD 20000 or more.

If you have a loss from a tip it will be adjusted first from subsequent gain, before upside kicks in.

So it is SIMPLE .. SIMPLE

Why You should avail this service?

- You do not have time like Professional Fund Managers like us, so you are getting a professional specific advise
- Your money is in your own account. You can sell whenever you want
- Digitian capital is doing all the hard work, Selecting the share, monitoring the performance of the company, attending AGM and Investors Conference, advising you the buy and sell time with entry and exit price.

Fees for the Service :

- a) ZERO UPFRONT Fees
- b) Upside of 20% of the profit **only on realisation** of the profit (So Zero risk)

Process :

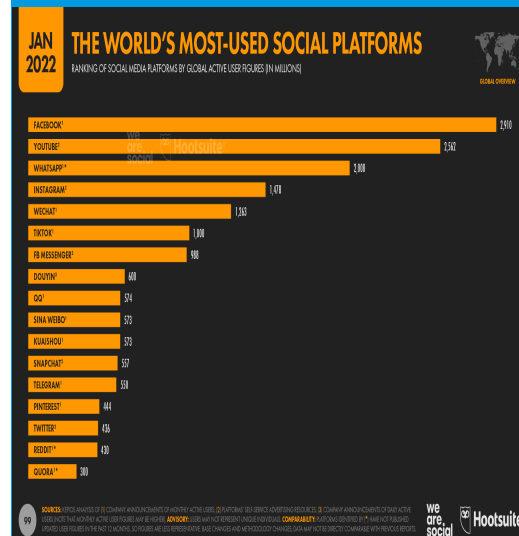
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BEST CHART OF THE MONTH



Vj g'above ej ct v'lj qy u'the Social Media Penetration across the world

While the below chart shows the world most used social platforms. Which shows the digital link between the entire world and the growing dependence of communication and Advertisement dollar following the social media.





VALUE INVESTING

Debashish Neogi

“ If you are a value investor then you need to understand the fairvalue of the share of a company and you need to have a conviction that come what may unless there is change in basic premises adverse change in the market has no bearing on the stock, the long term value will be reflected”

Arman Financial - A case for Value Investing

by Saugata Banerjee

Debashish is always a value investor and he has been writing on the topic with the caption "Value Investing:". In this issue, I would like to show a real story of Value Investing which our readers read and can understand what it goes in to become a Value investor.

In October 2019, he wrote about his pick Arman Financial in this News Letter ([Please click to read](#)) in a two part stories. for the first time we allowed to reveal one of his shares to public other than our actual investors. That was his commitment.

He narrated Arman Financial where he holds little more than 1%* that time that the requirement of scuttlebutt following Phil Fischer investing model.

He identified the secret sauce of the Arman financial was its ingrained culture of the employees and their focus on collection rather than credit growth

In November 2019 Newsletters the strength of the Arman Financial was analysed ([Please click for reading](#)). He pointed out Five differentiator :

1.Conservative operations framework with focus on risk & asset quality

(* In Indian stock market if you hold more than 1% of the share in any stock your name is published as a Top Investor)

2.Focus on small-ticket retail loans to the large under-served informal segment customer in rural & semi-urban geographies

3.Diversifying products, geographies, sources of funds and delivering growth by increase in volumes and also ticket size

4.Completely in-house operations with bottoms up driven credit appraisal models and rigorous collections practices

5.Business model centered around conservative approach to high yielding assets to deliver a sustainable ROA of

3-5% with upsell and cross sell is being planned for future;

At that time in November 2019 , the share was quoted at Rs 574 and the entry price was around Rs 329 so the gain was around 74%.in a holding period of 16 months. **The entry price recommended was Rs 500.**

His valuation basis was as under :

The company plans to raise INR 100 cr by end of the fiscal year. Once this is done at present market price of INR 574, the Price to book value will be little less than 2. With AUM and PAT growth of more than 50% , good asset quality (NPA less than 1%), huge head room for growth (company just at INR 500 cr market cap) both from sectoral and expansion /superior execution point of view ,the company can be **valued at PBV of 3.5 (and forward PE of 15) gives a price of 1050 from 2-3 years** perspective. While the company stock price has doubled in last 2 years but we feel the best may be yet to come and hence a good hold for a 3-5 year perspective !!

In February 2020, The stock reached Rs 1100+ as Debashish predicted. However, Debashish saw more value in the stock so hold on.



Conviction of a Value Investor

In Covid 19, like all other stocks, Arman also nose dived to Rs 297 from Rs 1100 in May 2020. Debashish remained committed to the stock and continuously purchased the stocks and increased his individual holdings from 1% to 1.71% and other Investors in Digitian also invested in Arman.

He was of the sound belief that once the Covid pandemic would come to an end the share price of Arman would again come back to the February 2020 level and more. **He clearly wrote the same in the newsletter in September 2020 that Arman will be a big multi bagger.** (Please click here for reading) The share price of Arman remain within Rs 530 even after 1 year till May 2021.

His advice to all investors were very clear that the Arman will be a multi bagger. For another year till Feb 2022, the Arman went upto Rs 1000 but corrected to 727 level.

In 2022, after returning towards higher profit, revenue growth and Lower Net profit and higher collection performance, Arman Share price rallied to Rs 1565 .

It is now a multi bagger of 4 times in his portfolio and many of our investors more than doubled/tippled their money in 3 years. This what we call conviction of a value investor. For over two years when the stock was reeling on the ground, other stocks are growing, as a Value Investor he maintained that stock will come back one day given his understanding of the business, his assessment of the management

quality and potential of the untapped business. Share price crushed due to a temporary unknown circumstances and the company had shown all resilience and transparent action to combat the difficulties. So it is a matter of time that once the situation becomes normal and the company will start performing again and the stock price will respond to the same.

This has happened to many of our multi bagger stocks = it went up and then fallen down but we never left those stocks for a temporary news as we believed in the fair value of the shares. So the most important traits are CONVICTION & understanding of underlying Value in the stock.

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We told you

Performance during Covid: India

We only publish Top Multi bagger stocks with return >100%

Name of the Company	Date of Purchase	Entry Price	Actual Gain Published in Feb2021	Actual Gain Published in Dec2021	Actual Gain Published in March 2022
NGL Fine Chem	13-Mar-20	302	352%	767%	729%
Tata Elxsi	27-Apr-20	790	263%	646%	1057%
RACL Geartech	4-Aug-20	65	204%	897%	877%
Arman Financial	8-Feb-17	243	Not in List	327%	332%
Shivalik Bimetal	5-Feb-21	69	407%	443%	697%
Vedanta	7-Apr-20	73	190%	373%	477%
Trident	1-Oct-20	6.55	123%	648%	740%
Triveni Engineering	5-Apr-21	80	New	181%	300%



Debashish



Saugata

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DIGITIANS are those who born in or after the year 2000 and will be a dominant force through 2075. They are completely different in usage of their left brain and motor nerves. They are different from the Millennials in behaviour, thinking and action.

The world is changing superfast – media, communications, banking, currencies, education, retail channels, health & medicines, travel and tourism, consulting, manufacturing, agriculture, – every sectors facing disruptive innovations; Nano technology, internet of things, artificial intelligence and robotics will be overwhelmingly embedded. In this age, model disruption, extinction, miniaturisation, real time delivery, speed and virtualisation are neo normals.

We make you ready for them

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Presently DIGITIAN is raising money from Equity Investor in various classes (A, B and C) depending upon investment amount. This is a Unique opportunity to select a Zero Tax destination to Invest money especially for Diasporas. If you need to know about Investment opportunities, Please write to us for more details at info@mydigitian.com

- ⌘ Unique Access to Frontier & Emerging Markets
- ⌘ Value Stock Pick
- ⌘ Online Investment Platform
- ⌘ Cheaper Cost
- ⌘ Multi-bagger return
- ⌘ Open & Transparent Upside Sharing

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