



2022

 450 +
happy clients

 55 + years
market experience

 17 + years
of continued excellence

 300+
crores AUM

The New Year is a great time to reflect with gratitude on the past and set our hopes and intentions for the year ahead. For the investing community at large and specifically for Banconus, 2021 was a year which gave several reasons to be thankful about. Beating the pandemic blues, the Indian Equity market posted stunning gains this year reaching several milestones. From reaching the epic 50000 mark in January to scaling 62000 level in October, the BSE Sensex had a memorable journey this year.

At Banconus, we continued to focus on our core values of Expertise, Excellence and Ethics. We worked with our clients in aligning their investments with their goals and risk appetite; making their money work for them. Combining a strong technology platform in operations and offering personalized solutions for specific client needs, has made the investing experience with Banconus a unique proposition. This has helped add value to 450 plus clients with an AUM of Rs.300 crores.

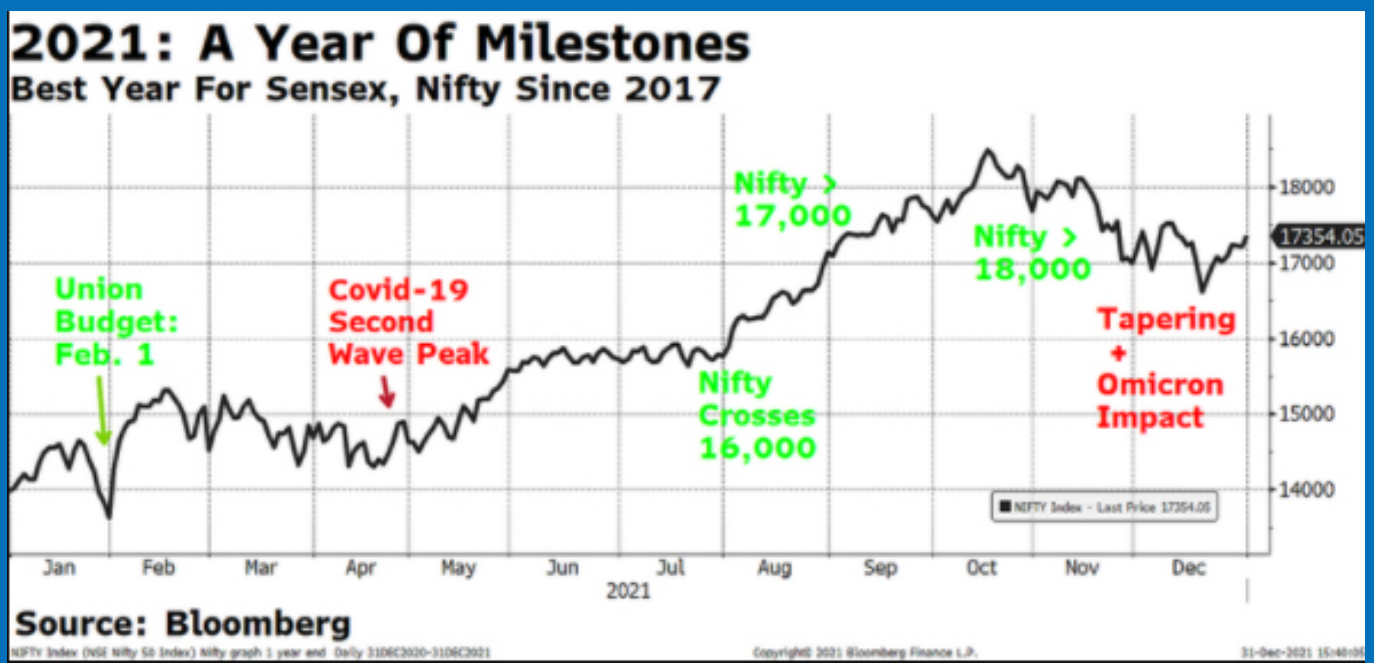
This year, we launched our mobile app for iOS and Android Users with several features – a snapshot of portfolio with costs, values, transaction listings and asset allocation charts, elaborate reports on Realised and Unrealised Capital Gains to plan your taxes and a host of financial tools and calculators.

At the beginning of this New Year, we commit ourselves once again to work with you in creating actionable financial goals, investing smartly and getting more organised to let your dreams soar higher. Thank you for allowing us to be your trusted partner in this journey.

Ramkey & Rajee

QUICK LOOK BACK AT 2021 AND THE DECADE PRIOR

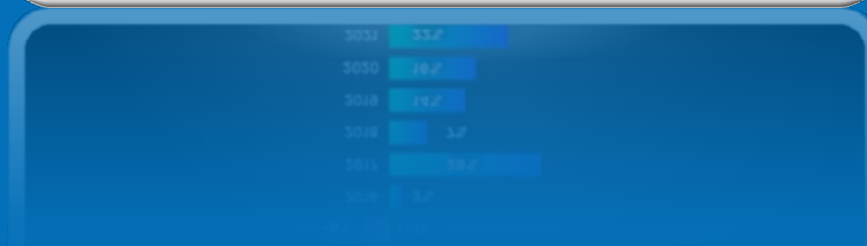
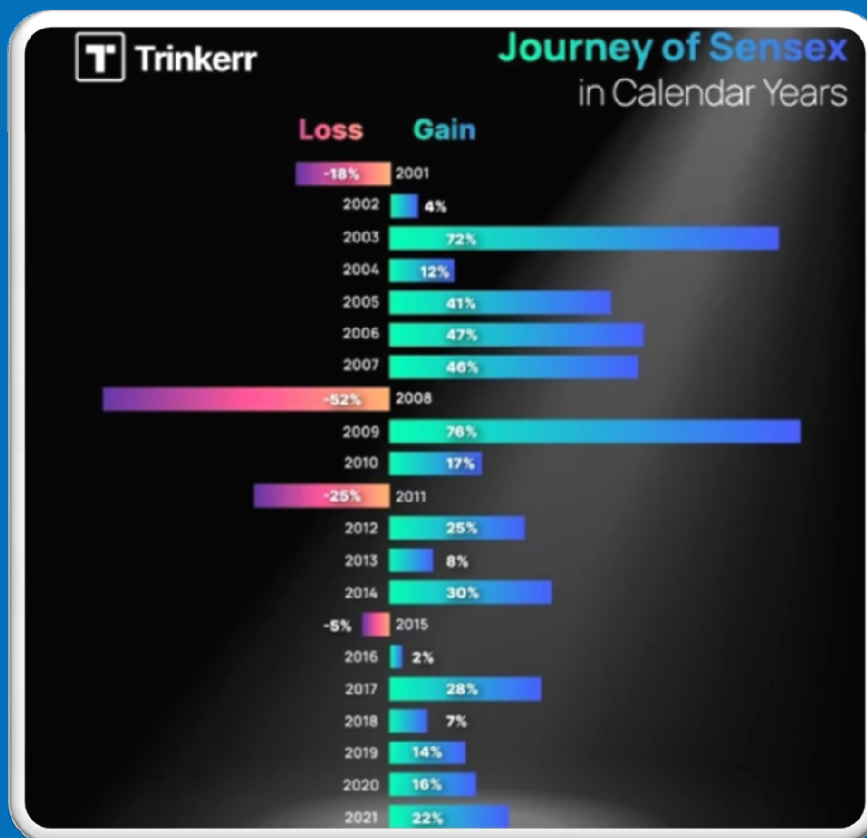
Indian stock markets were the top performers among global peers as they scaled new records. Nifty closed the year at 24% while the Sensex gave 22%; S&P500 gave 27%.



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Most global markets gave positive return with India coming 3rd in global markets' performance.

SENSEX PERFORMANCE SINCE 2001



Over the last 10 years but for a -5% return in 2015, the Sensex has given double digit returns in 6 out of 10 years!!

Diversification is Key Rather than predicting which asset class will do well, the key is to ensure that you have allocations to relevant asset classes based on your risk profile. A diversified portfolio of small, mid & large cap Equities with International equities and a good mix of bonds with Gold is key to having an enjoyable ride through volatile market conditions.

The asset allocation quilt

The table ranks 10 asset classes in order of their return performance—from the highest to lowest—for each calendar year in the 10-year period from 2012 to 2021. For example, mid-caps delivered 38.52% in 2012 and small-caps gave a return of 36.45% in the same year. The absence of any pattern in the returns of asset classes from one year to the next reinforces the importance of asset allocation to build a portfolio against trying to consistently predict the next winning asset class. A diversified portfolio of stocks, bonds, and physical assets is key to steering through every market condition. Such a portfolio may not deliver the highest return in any given year but will perform competitively across market cycles.

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Mid-cap 38.52	International 29.60	Small cap 62.91	Credit risk 10.00	G-sec 15.00	Small cap 59.64	Gold 8.00	International 27.31	Small cap 30.75	Small cap 58.96
Small cap 36.45	Large cap 8.98	Mid-cap 54.69	Corporate bond 9.00	Corporate bond 12.00	Mid-cap 48.13	G-sec 8.00	Gold 18.00	Gold 27.11	Mid-cap 37.02
Large cap 25.70	Real estate 7.46	Large cap 29.89	Mid-cap 7.43	Credit risk 12.00	Large cap 27.91	Large cap 5.91	Large cap 12.65	Mid-cap 18.83	International 26.51
Real estate 17.07	Credit risk 7.00	G-sec 17.00	G-sec 7.00	Gold 11.00	International 19.42	Corporate bond 5.00	G-sec 12.00	International 14.66	Large cap 21.26
International 13.40	Corporate bond 6.00	Credit risk 14.00	Small cap 6.10	Real estate 9.63	Credit risk 8.00	Credit risk 5.00	Corporate bond 10.00	Large cap 14.64	Credit risk 8.4
G-sec 13.00	T-Bill bond 5.50	Corporate bond 13.00	T-Bill 5.38	International 9.54	Corporate bond 7.00	Real estate 4.83	Credit risk 8.00	G-sec 12.83	Corporate bond 3.66
Gold 12.00	G-sec 2.00	Real estate 11.91	Real estate 4.52	Mid-cap 7.97	Real estate 6.40	T-Bill 4.08	T-Bill 4.20	Corporate bond 12.26	Real estate 2.6
Credit risk 11.00	Mid-cap -5.73	International 11.39	International -0.73	T-Bill 4.73	Gold 6.00	International -6.24	Real estate 4.20	Credit risk 11.36	G-sec 2.48
Corporate bond 11.00	Small cap -9.67	T-Bill 5.72	Large cap -5.03	Large cap 1.95	T-Bill 4.03	Mid-cap -13.38	Mid-cap -4.01	T-Bill 3.06	T-Bill 2.01
T-Bill 5.59	Gold -18.00	Gold 2.00	Gold -8.00	Small cap 1.77	G-sec 2.00	Small cap -23.53	Small cap -8.98	Real estate 1.20	Gold -1.65

Returns as of 27 December, 2021. T-Bill: treasury bills; G-secs: government securities. For large-cap we have used S&P BSE Sensex data; For mid-cap, S&P BSE Midcap data; For small-cap, S&P BSE Smallcap data. For T-Bills, CCL T-Bill Liquidity Weight data; For G-secs, CCL All Sovereign Bond Index data; For corporate bonds, Crisil Corporate Bond Composite Index; For gold, CCL Gold Index data; For international, CCL All International Bond Index data.

27.29	-18.00	3.00	-8.00	7.33	3.00	-37.23	-8.98	1.30	-1.62
17.00	-1.73	2.33	-0.03	1.80	1.03	-13.38	-4.01	3.00	3.01
11.00	-7.33	5.72	-5.03	1.95	4.03	-13.38	-4.01	3.06	2.01

It is difficult to look ahead when all the news headlines are about Omicron and rising covid cases. However, we need to look beyond the near term uncertainties and look at the bigger picture. An analysis of 300+ articles, white-papers, podcasts and interviews have created this big picture look at 2022.

2022 PREDICTIONS

PREDICTION CONSENSUS OFFICIAL BINGO CARD We analyzed 300+ articles, whitepapers, podcasts, and interviews to create this big picture look at what experts predict for the coming year.

Rich countries will move from pandemic to endemic phase	Big Tech gets even bigger	The Creator Economy will flourish	Highly unequal global recovery	Ransomware ramps up
Social commerce picks up steam	Inflation slowly eases off	Regulation is coming for crypto	Bullish on European and Japanese equities	Meta's Metaverse plans fall flat <i>Sorry, Zuck</i>
Climate change is back in the spotlight	Growing influence of ESG* factors <small>*environmental, social, and governance</small>	Increased volatility	China will have a rocky start to 2022	Onshoring trend continues
Interest rates will go up	You'll be hearing a lot more about NFTs and Web3 <small>Whether you want to or not</small>	Continued growth of crypto <small>excluding meme coins</small>	Supply chain disruptions ease off, but slowly	4-5% global GDP growth
Another banner year for electric vehicles	Industrial real estate remains hot	Modest gains for equities <small>Single-digit growth</small>	Shifting labor dynamics <small>Workers are in the driver's seat</small>	Geopolitical tensions will flare up

Sources: Deloitte, Goldman Sachs, Credit Suisse, Atlantic Council, DHS Markit, Reuters, IMF, Forrester, Zillow, USDA, State of AI Report, Halogen, EIU, Bloomberg, Economist, Fish Solutions, Wells Fargo, LinkedIn, Forrester, CNBC, Forbes, Vox, Barron's, UBS, Vanguard, Mastercard, Morgan Stanley, NeimanLabs, Knight Frank, Sabing, All-In Podcast, Oliver Wyman, C-Net, Searchlight, WSJ, Experiential View, TrendDive, TrendHunter, No Money / No Malice, Collins, CBRE, Construction & WasteFeed, Wood Mackenzie, Kiplinger, The Verge, Gartner, Asustek, CoinDesk, Sans Group, Eurasia Group, BARR, Instagram, Kantar, McKinsey, PwC, Carbona, MIT Tech Review, Center for Strategic and International Studies, MERED, TechCrunch, Blackrock, Schwab, TDG, and many more...

LABORATORS RESEARCH Nick Routley, Carmen Ang, and Dorothy Neufeld | **DESIGN** Nick Routley

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What are the key events that could impact the Indian markets?

- **India turns 75:** The 1991 reforms addressed the supply side while the country needs to focus on the demand side reforms.
- **Elections:** State elections take place every year; the markets will however, focus on the largest state - UP's elections.
- **Unicorns & IPOs:** In 2021, 44 startups achieved unicorn status; this number is higher than the total Unicorns over the past decade. Also US\$ 16Bn worth IPOs hit the markets in 2021; IPO enthusiasm is expected to remain high in 2022 as well.
- **Omicron or is it Deltacron** - I retain hope based on reading various expert opinion that this third wave will not wreak much havoc on the economy.
- **US Tapering** : The US has already begun tapering with interest rate hikes expected this year. The US QE tapering in 2013 caused a 15% correction in 2013. Such a sell off is unlikely given both forex reserves and current account are in much better shape.

What should you do? Similar to every year, there will be quite a few events in 2022. And any predictions about the market is going to be wrong; so let's not even get there.

Keep reviewing your asset allocation and if and when the markets correct, ensure you are able to take advantage of it and add to Equities.

LETS PLAN OUR FINANCES WITH THESE SIMPLE NEW YEAR RESOLUTIONS



Stay Invested and continue making your money work for you.