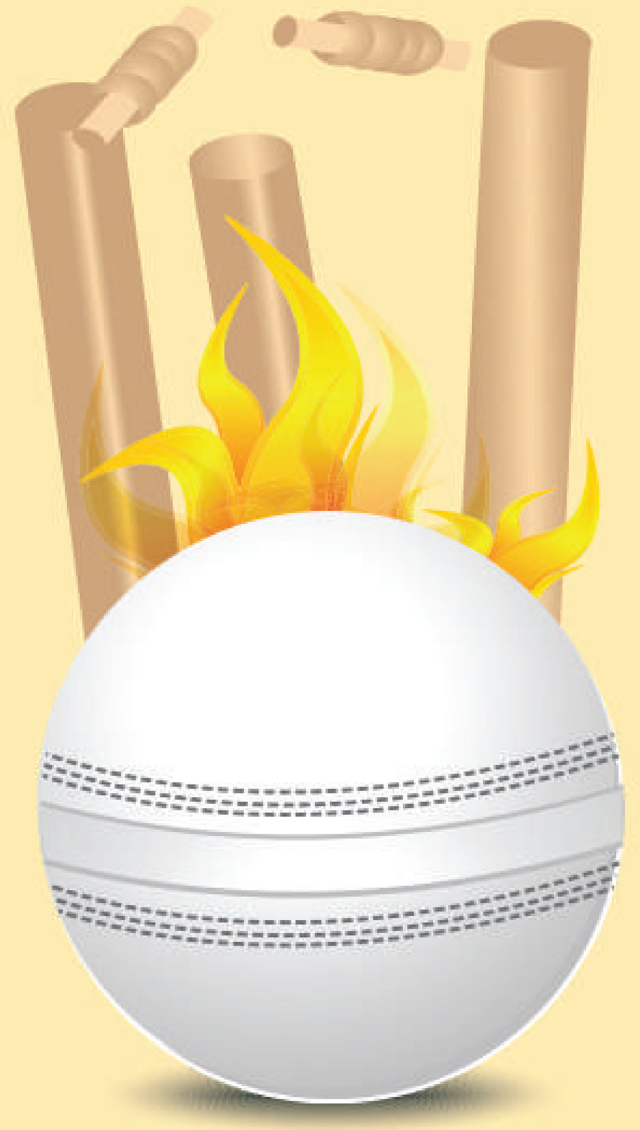
Swatantra Kumar Explains

DIVERSIFICATION DOES NOT MEAN MORE SCHEMES, IT MEANS DIFFERENT SCHEMES



CASE 1

Your cricket team has been losing for a while.

You realise that the team needs more specialists.

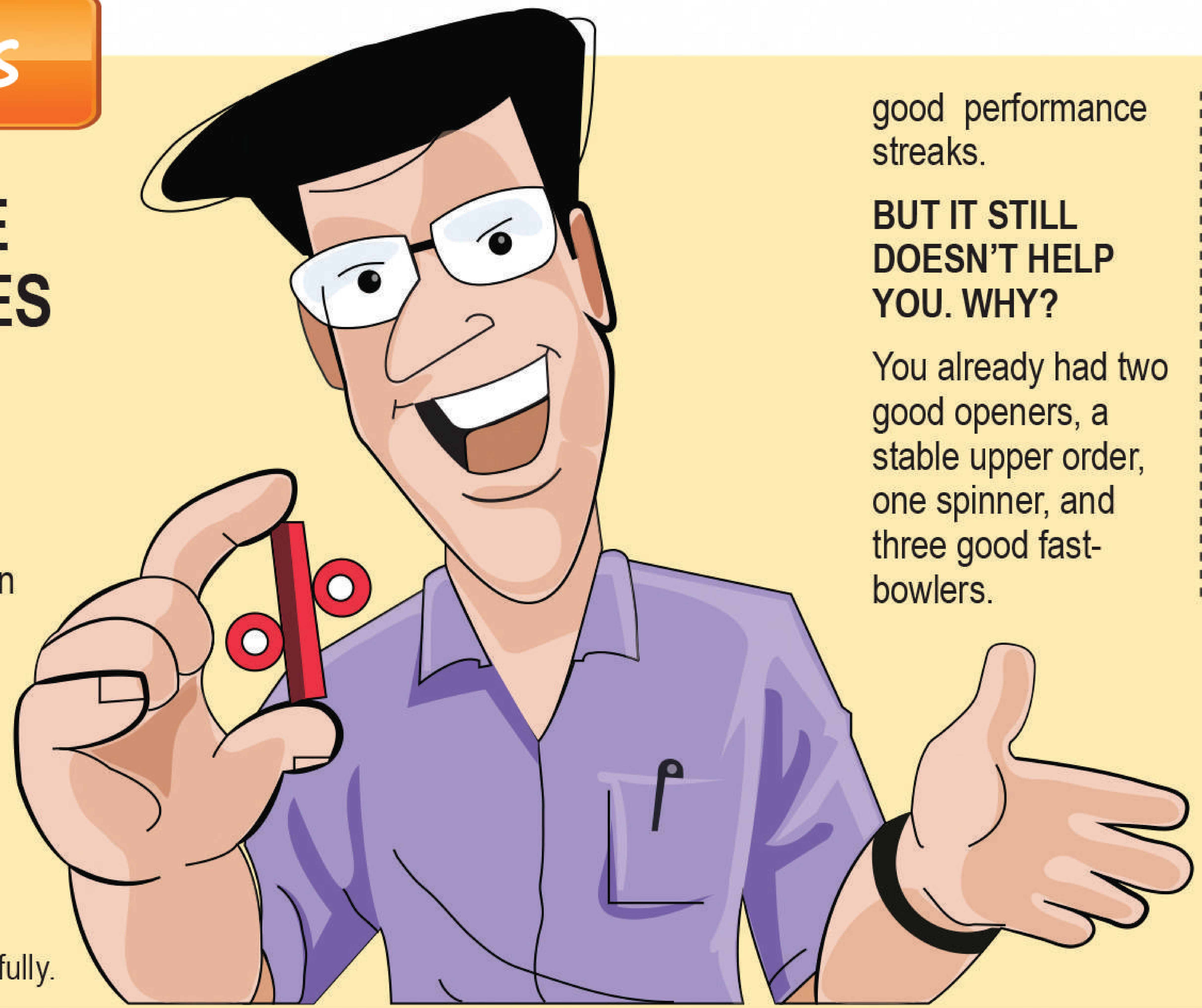
You tell your management that you need better players.

The management buys your 2 new batsmen and 3 new bowlers.

THEY ARE:

- An opener
- A No. 3 batsman
- Two fast-bowlers
- One spinner

They all had incredible talent and good performance streaks.



BUT IT STILL DOESN'T HELP YOU. WHY?

You already had two good openers, a stable upper order, one spinner, and three good fast-bowlers.

You needed a good 5th order batsman and a left-arm medium pacer.

CASE 2

- Imagine you ordered a basket full of apples. This was a gift for a friend or a loved one.
- And then it turns out - they are allergic to apples.
- If only you had opted for a mixed-fruit basket.

The lesson to be learned?

- It's good that you are investing across multiple options.
- But it may not reduce your risk.
- You need to ensure you invest across DIFFERENT options.
- Sheer numbers can't help lower your risk.

It's only the difference in schemes and options that can.