

## Kingsman Secret Service

September 20, 2017

Once in a while, it happens that I go to watch a movie without any expectations and the movie then proceeds to not only beat my expectations but actually proceeds to blow my mind. One of them is Kingsman Chronicles: The Secret Service. My wife wanted to see it because it had Colin Firth in it and I tagged along. And boy was the movie different. First it had Colin Firth as an action star- a very different kind of role than we are used to seeing him. Second it had real style in every sense. Finally it had one of the best choreographed action sequences ever in cinema is this movie and for those who have not seen the movie please, please watch this Youtube clip:



The villain in Kingsman is played by a lisping Samuel Jackson. The irony is that he is a villain despite the fact that he only ever wants to save the world. The problem, you see, is that he wants to save the world by destroying a huge portion of the human race. He believes that the earth cannot support the current human population and the only way to save the world is by culling more than 50% of its current inhabitants (there is a lesson in it somewhere. Even someone who we call a villain actually thinks he is doing a good thing and has a reason for what he does?)



For this purpose, he gives away SIM cards for free which of course the entire world queues up to buy. Jackson has built a machine which when turned on will get all the SIMs to trigger a wave that will activate the aggression centre in the human brain-thus forcing all the population that has the SIM to kill anyone they can. Only Jackson and his favored people in every region will be safe because he would have secreted them away to a safe underground hideout by then. All perfectly planned, but of course the plan is destroyed by Colin Firth and his team and the world is made safe for humans again....for the time being.... before a new villain comes along for the team to save it all over again on 22<sup>nd</sup> September!

If you haven't seen the movie yet, then see it. From life advice like "Manners maketh man" to advice on how to dress "Oxford not brogues" and fantastic action with a decent enough story to hang the action sequences on, the movie had it all. I am now really hoping that the sequel that is releasing on the 22<sup>nd</sup> of Sept doesn't go ahead and destroy that franchise.

If you thought that this was all the movie was about then you have another thing coming. The movie actually had a fantastic piece of investment advice too! Samuel Jackson gives away the SIM for free with an intention to kill the very people who take the SIM. The investment advice hidden in the movie is that there is always a price for everything especially when it is given free and this is probably the most important piece of investment advice that anyone can ever give!

Every investor always looks for a product that gives high returns for low risk or preferably zero risk! A search for holy grails like this invariably leads to doom. What else can explain the behavior of HNIs who invested in the NSEL commodity arbitrage product? They were being paid upwards of 14% interest and that too risk free. This 14% was after all the middlemen involved got their share! Did no alarm bells ring? Did no one think of the fact that equities with all their risk still pays a maximum of 14% compounded and that too only in the long term. Did no one think that risk free Govt bonds paid only 8% those days and if that is the case then why should there be an arbitrage opportunity (risk free trade) of 14% net of all costs?

The problem is that this need to get something for nothing is so ingrained in people that the word FREE is even now used to sell things. It is always better to sell something as "BUY ONE and GET ONE FREE" instead of saying that something is at a 50% discount. It is as if the word FREE actually triggers some action centre in our brain!

I fear for investors when they make statements like "I buy real estate because the prices generally never go down" or "I invest with a builder because I get risk free 18-24% returns." Risks exist, only we are unaware of them. It is far better to invest in things where the risks are known and risks are upfront. Mutual fund are clearly risky investments but the risks are known upfront. We



walk into the investment with our eyes open. We do this investment because that is the best possible investment for the risk that it takes.

So my FREE advice is simple 😊. All our investments should be in things we understand. Our investments should be such that we can explain the product that we are invested in to someone else if required. The investments should not be illiquid. We should be able to buy and sell them at a price that is transparent and where we are not dependent on someone else to do the transaction for us. Our investments should never be in structured products because the structured products are clearly structured to help the manufacturer and seller of the product. Of course, the FREE advice that I gave you is only because Mutual Fund investments fulfill all the above mentioned criteria of transparency, liquidity and simplicity and NOT because I am a seller of Mutual Funds! There is a conflict of interest but then there is truth in that advice I gave you and you can trust me because after all I sign my name as Mahesh T Bhagwat and as Michael Douglas in the hit movie "Romancing the Stone" said, T stands for Trustworthy!

And if you liked the clip of Kingsman, then please do watch this superbly choreographed action sequence from the movie John Wick.



See ONE and get ONE FREE!!! Boy is this your lucky day!!!