Devina Mehra shares 8 investing lessons: Why FOMO, gold mania, and IPO frenzy can hurt returns

Devina Mehra, Founder, Chairperson and MD of First Global, explained that gold is not the safe haven many believe it to be, noting that it has historically been more volatile than equities in dollar terms.

By Latha Venkatesh

October 14, 2025

Devina Mehra, Founder, Chairperson and MD of First Global, shared eight valuable lessons for investors—from avoiding emotional investing to building a globally diversified portfolio.

According to Mehra, FOMO (fear of missing out) is one of the biggest mistakes investors can make. “If you chase the heroes of yesterday, you will systematically underperform,” she warned, adding that those who blindly follow market trends—whether it’s small caps, gold, or new themes—tend to lose out in the long run.

On gold, Mehra broke the myth of it being a safe haven. “Gold is actually no safe haven. It has been more volatile than equities in dollar terms,” she said. Historically, gold prices have taken decades to recover from their peaks—it took 27 years to regain its 1980 high. While gold remains a valid part of asset allocation, she advises keeping it to single-digit exposure, given that investors now have access to better global diversification options.

Turning to IPOs, Mehra cautioned against joining the frenzy. "When there is an IPO frenzy, it almost never makes sense to invest," she said, explaining that most IPOs during bull markets are overpriced and serve as an exit for promoters and early investors.

She reminded that IPO hype doesn't translate into long-term success—citing examples like Reliance Power and DLF, where investors suffered heavy losses despite strong listings.

When asked about market predictions, Mehra dismissed the practice as "a fool's game." She pointed out that even top Wall Street forecasts are off by around 15 percentage points on average. Instead of guessing market direction, she advises investors to focus on business fundamentals and valuations.

Despite short-term volatility, Mehra remains optimistic about a consumption revival in India. With lower inflation, cooling crude prices, and better household budgets, she expects an improvement in earnings, especially by the third quarter of the current fiscal year.

On global investing, Mehra encouraged Indian investors to look beyond domestic markets and the US. “Global diversification no longer means just the US,” she said. However, she advised caution when using mutual funds with global exposure, as the regulatory cap limits new investments and could make them trade at a premium. Direct routes like ETFs or global portfolios may be more efficient.

Finally, Mehra reiterated that true wealth creation comes from discipline and patience, not chasing trends. Investors should stay diversified, avoid hype, and think long term—principles that remain timeless regardless of market cycles.

For the entire interview, watch the accompanying video.