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Should you invest yourself or let professionals do the job for you?

Devina Mehra | 18 December 2025

Investing yourself is the best way to understand how the stock market game works.

SUMMARY

Everyone loves the bragging rights of a winning stock pick. But what if you judged your own portfolio the way you judge professional fund managers? Before going all-in as a DIY investor, run an objective assessment to check if you can outperform the professionals.

I don’t know that much about stock markets, but want to start investing in equities.”

“What is the point of just investing with mutual funds and portfolio management services (PMSes)? I want to learn and do it myself.”

These are some of the questions I get. Often, the unsaid part is, “It is so boring to say that I am invested in a combination of fixed deposits, mutual funds and PMSes. What do I say when my friends brag about the latest multi-bagger they unearthed? And anyway I am smarter than most of these so-called experts.”

The question all these investors need to ask themselves is: Is managing your portfolio yourself the best way to invest in equities? After all, why use financial advisors and fund managers if you can avoid it? So, should you be a do-it-yourself (DIY) investor or is it better to leave the decision making and portfolio management to professionals?

First off, investing yourself is the best way—actually, the only way—to understand how the stock market game works. And learning is always a laudable objective!

However, do think of this another way too: based on data, are you the very best fund manager you know? Logically, that should decide whether you should manage your own funds.

Now the game gets interesting. Look at all the data on your own investing performance and be objective about this—account for not just the winners that you trot out at every party, but every single stock you have bought from the beginning of your investing journey.

Yes, including all the painful ones you don't want to think about or ignore in your DP (depository participant) statement. The ones that no longer trade, for example. The 'great story' stock that is now down 80%, instead of tripling. Now that we are in a digital world with an electronic trail of everything, dig out your DP account details from the beginning. This is the portfolio managed by the fund manager 'I/Me.'

How has your portfolio done over time? What kind of returns and volatility have you seen? What was the biggest loss you made? No cheating!

Collect similar data for the mutual fund or PMS schemes that you may be thinking of investing in. In short, look at yourself as just another fund manager. Suppose there are five professional fund managers that you are considering investing with. Get the same details for them and consider 'I/Me' as Fund Manager No. 6.

Then compare the six fund managers that are now in your consideration set. Is Fund Manager No. 6 the best there is in terms of returns—not just over a few months, but over the longer term? How did they perform in times of volatility and drawdowns (that is, when the markets or portfolio went down)? If Fund Manager No. 6 happened to be just another professional who you did not know personally, would you entrust this manager with the bulk of your money?

Objectively speaking, are you the very best fund manager there is?

If not, how much should you allocate to this fund manager called 'I/Me' and what proportion to each of the other professional fund managers you are considering?

Of course, 'I/Me' as a fund manager may not have a great past track record, but you may be convinced that this individual has learnt from past mistakes; and that 'I/Me' now has outstanding potential and may deserve to get a somewhat higher share than one strictly based on performance.

Maybe this fund manager has now shown a much better understanding of markets, given all the ups and downs he or she has seen, and is confident of doing well in the future.

Even so, how much of your money should you allocate to this particular fund manager? Should it be 100%? Or even 50%? Or should it be a smaller percentage? Or maybe 'I/Me' should get only a small proportion of the total corpus as play money, so that 'I/Me' can be happy to learn and have something to talk about with friends at parties.

After all, calculations are all very well, and far be it for me to be such a killjoy as to advise resisting the small thrill of telling your friends, "Remember that stock I told you about three months ago? It has doubled since then." Of course, no one is going to check your DP account for a full and complete picture. So a bit of play money is fine.

But for the rest of your portfolio, you must account for the fact that 'I/Me' is probably not managing your portfolio full time. This manager also has a day job or a business to run. In short, this manager has limited time and other resources to devote to this activity. 'I/Me' is unlike other fund managers, who are doing this full time and who have a large team supporting them, providing them data, analysis, alerts, etc.

So go ahead and compare a set of fund managers. It's a fun mental exercise to do and will probably improve your decision-making. It will force you to step back and evaluate yourself earnestly, rather than just work on vague impressions that you can do a better job than the professionals.

In all likelihood, you may find that you are better off investing via mutual funds, PMSes or guided investments in smart baskets, etc, at least for the bulk of your investments. Happy investing!

The author is chairperson, managing director and founder of First Global and author of 'Money, Myths and Mantras: The Ultimate Investment Guide'. Her X handle is @devinamehra