

## Why Devina Mehra believes 'buy blue-chips & forget' is a myth in investing

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### SUMMARY

*Investors often believe in the strategy of buying blue-chip stocks and ignoring them. However, expert Devina Mehra argues this is a myth, highlighting the changing nature of blue-chip definitions and the influence of market dynamics on company longevity.*



Investors often feel that they have cracked the code to stock market investing. And one such strategy that many investors repeatedly vouch for is “Buy blue-chip stocks and forget about them.” But ace investor and founder of First Global [Devina Mehra](#) feels it's a failed mantra and just a myth.

Mehra in a post on X on Wednesday said, "There is no such strategy as, “Buy blue chips and forget” because the definition of what's a blue chip changes all the time.”

Supporting her argument, Devina Mehra shared a comparison of [Nifty 50](#) companies from 1996 vs 2024, highlighting that only 11 companies that were part of the flagship index in 1996 still remained. Some of the companies like Ponds or Brooke Bond, which were part of the Nifty 50 originally, are no longer listed on the

stock exchanges while others like Reliance Infrastructure, Reliance Capital or Arvind have shrunk in size.



Mehra argued that the life cycle of a company is getting shorter. This can be attributed to disruption, technological changes, and evolving consumer preferences, as they are influencing the business cycles.

## Survivorship Bias

Mehra also added that investors believe in this strategy because of survivorship bias -- focusing only on success stories while ignoring companies that failed.

"We remember the successes but forget those that fall by the wayside," Mehra said. For example, everyone would remember an [HDFC Bank](#) or a Reliance Industries, but forget about the firms that lost relevance. This bias leads to a false sense of security, making us believe that today's blue chips will remain market leaders forever.

Mehra's argument drives home the point that instead of blindly holding onto stocks, investors must actively evaluate their portfolios.