

Annual Letter - 2024



Dear Investor Partners,

We have completed two years since we started our Investment Advisory journey. While two years is a small period in the **"long-term journey of compounding wealth,"** partnering with you has been a rewarding journey of learning and navigating the volatile investing world.

"Guy Spier," a wonderful human being and Investment Manager, recently wrote in one of the letters, that in the financial market there are always some high rollers who are hitting the jackpot at any given time, whether through luck or smarts. It is frustrating to fall behind them, but I need to remind myself that I am playing a different game—a long game that requires discipline and patience. Equity investing is a long game where survival matters more than sprinting for a few months or years.

In this long-term pursuit of wealth creation, **Compounding** is what matters most. In his book *Ergodicity*, Luca Dellana states that when it comes to competitive pursuits like downhill ski racing, motorsports, or investing in stocks, nothing matters more than survival.

With more than two decades of personal investment experience and investment advisory firm, which we started almost two years ago, we feel that sensible investing with a reasonable risk-adjusted return containing the downside of wealth erosion creates wealth. While our investments may return a few percentages up or down compared to others or our neighbours' return, letting the Compounding play its game is key to wealth creation.

We always suggest people desist from investing in Equity if they need that money in less than three to five years; however, investors tend to ask after six months to 1 year of starting investing whether the investment should be liquidated, and profit be booked. In case you require money, it is advisable to put that in a Fixed Deposit or savings account in the first instance instead of exposing it to the volatile world of Equity. Consider Equity only when you can leave your funds for the long term.

Wealth creation through investment has a simple formula:

$$A = P * (1+r)^n$$

While we normally tend to focus on A (End value of investment) and r (Return), **it is n where the wealth game is played.** Allow the money to compound for the long term. It does not mean that you should live a life filled with misery but invest a reasonable amount and let it run for a long. As an investor, only thing you have to ensure is to not blow-up money. As Luca puts it "Irreversible losses absorb future gains".

continued...

Markets and Outlook

Indian markets continue to perform well. As we write this letter, BSE Sensex has topped its historical high after a slight drop in March 2024. Nifty PE continuous to be around 23 around (it may move up or down by the time you read this), which is at the higher end of the average nifty range of 15-25. However, market does not seem to be in bubble zone however cautious and discipline investment approach is required. With April, starts the quarter and annual result season of corporate India which shall primarily drive the market sentiments. We shall keep a close watch on this for all our portfolio companies.

Positive-through-negative Approach

Dhirendra Kumar of Value Research wrote in one of his recent notes about the "positive-through-negative" approach. Investor always overthink the difference between, say four and five stars ranked mutual funds. However, your job is done if you steer clear of the one- and two-star funds. The rest will fall into place. It is very similar to stocks. ***Eliminating questionable investment is a huge first step.***

Performance:

While we do not consider a ***period of less than five years as adequate*** for measuring equity investment returns, for the sake of transparency, below are the in general return generated by our advised portfolio Alpha 30 vs Benchmark (in Absolute %):

This information is for our clients. Please contact us if you need any information on this.

* Returns may vary from client to client based on the portfolio recommended, timings and/ or different weightages.

Mutual fund schemes advised by us have given mixed returns in comparison to benchmarks.

We understand that returns in such a short period should not be construed as a skill of an investment adviser, but a significant part of this is because of being strict to the policy of taking the best possible approach at the right time and in interest of our investors. Our CIO, Jitender Kumar, with long experience, leads our Alpha 30 portfolio. While Jitender's long experience and humility are critical to reasonable performance, we expect a patient approach from our investors in case of downside, whenever that happens to come.

continued...

Client Engagement:

We have provided online platform access to all the clients where you can log in and see your portfolios. While we do not suggest you frequently log in and see the portfolios, our team will be happy to assist you if you need assistance accessing your investment portfolios.

A Timeless Advice – People with regular investment plans through SIPs should continue investing. And it's always a good idea to have some cash to capitalize on opportunities whenever the same comes up.

Many of the investor partners come to us through recommendations from existing investors who are pleased with our performance, our approach, and our alignment of interests. If you know of someone who might benefit from investing with us, please feel free to introducing them. We are pleased to partner with the investor who are patient, long-term investors and like to join us in compounding wealth over many years, without unnecessary risk.

If you have any queries (about your portfolio, our firm, or investing in general), or would like to invest with us, feel free to contact us at 9873485885 or at the coordinates below. We would love to talk or connect via email:

Manoj Sharma	Manoj.sharma@alphasnr.com
Jitender Kumar	ops@alphasnr.com

Thanks & Regards,

Manoj Sharma & Jitender Kumar

15th April 2024

“At the beginning of the AGM of the Berkshire Hathaway Company they show this little video, and each year Buffett is asked what’s the main difference between himself and the average investor, and he answers patience. And there is so little of it these days. Has anyone heard of getting rich slowly”

–Nick Sleep

Phone: +91 11 40239070, **Email:** ops@alphasnr.com

SEBI Registered RIA (Non individual) - INA100016947 | AMFI Registered Mutual Fund Distributor

Disclaimer: “Registration granted by SEBI, membership of BASL (in case of IAs), and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors” The above document expresses our views as the date and such views are subject change without any notice to readers. SNR Investment Advisers has no obligation to update the information contained therein. Further, the firm makes no representations, and it should not be assumed that past investment performance is an indication of future results.

“Investments in the securities market are subject to market risks. Read all the related documents carefully before investing”.

Past performance shown above is nowhere to be considered as any assurance or expectations of future returns. We do not guarantee or expect and positive returns/ gains/ loses in future from any of our recommendations or advise. Clients are advised to do their due diligence before investing.