

## SNR INVESTMENT ADVISERS PRIVATE LIMITED

### Quarterly Letter – April 2025

#### Dear Investor Partners,

There's an old saying: "Never let a crisis go to waste." While we do not know, what we witnessed recently was truly a crisis or simply another chapter in the market's story, one thing is certain: periods of uncertainty often present the seeds of opportunity.

Over the last few weeks, **renewed tariff tensions triggered by the U.S. on select Asian and European goods** have added fresh layers of volatility to an already delicate market environment. Investors are now grappling with what this means for supply chains, inflation, and interest rate expectations. Naturally, Indian markets, too, have not remained insulated, reacting daily to shifting global cues, sometimes disproportionately.

We understand that these headlines can feel overwhelming. But as always, our job is to help you look past the noise, and remain anchored to your long-term plan.

#### Markets and Outlook

Over the last quarter, the markets continued their mean reversion trend. The exaggerated gains seen in 2020–2023 have moderated, and while that can feel uncomfortable in the moment, this reversion is both necessary and healthy. No market goes up in a straight line, and corrections are the cost we pay for higher long-term returns.

Discussions around moving into cash naturally resurface during such times. But even the most cautious fund managers—those who raised cash levels beyond 20% remain meaningfully invested in equities. Holding some cash can offer optionality, but timing the market precisely is rarely successful. More often than not, investors freeze when the best buying opportunities actually appear.

The key is clarity and conviction. When you know what to buy, why you own it, and have a long-term horizon, temporary drawdowns become less threatening and more enabling.

India's GDP trajectory, after slowing to **5.4%** in Q2 FY2024–25 from **8.1%** a year prior, improved to **6.2%** in Q3. This recovery signals the economy's resilience amid global challenges and a testament to India's growing domestic momentum.

On the valuation front, while the Nifty currently trades at 20–21x PE, broader market segments—particularly mid, small, and micro-caps—have corrected significantly. This has reduced overall valuation risk, although some frothy corners still remain. We continue to tread with a balance of caution and optimism.

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## Investment Insights – PEG Ratio

From this quarter, we start sharing important investment tool as part of sharing knowledge with investors.

One of the most powerful yet underappreciated ratios in fundamental investing is the PEG Ratio – which measures the Price-to-Earnings (PE) relative to Earnings Growth:

$$\text{PEG} = \text{PE Ratio} / \text{Annual EPS Growth}$$

It helps investors evaluate whether a stock is over- or under-valued by factoring in its future growth. A PEG ratio:

- Below 1 may indicate undervaluation if growth is sustainable.
- Above 1.5 may suggest a stock is overpriced relative to its growth potential.

We look at PEG ratios not in isolation, but as part of other key numbers, especially when reviewing growth companies. This helps us balance valuation with quality and sustainability.

## Life and Health:

One evening, an elderly man sat with his grandson in their courtyard, sipping warm Tulsi tea. The boy, glued to his phone, asked, *“Dadaji, how do you stay so calm, even when the world seems so restless?”*

The old man smiled and pointed to his small garden. *“Every morning, I water the plants, walk a few rounds, eat on time, and call an old friend. And I never miss my SIP date,”* he chuckled. *“That’s it?”* the boy asked, puzzled.

*“Yes,”* the grandfather replied. *“Like investing, peace comes from small things done consistently. You don’t grow a tree by shouting at it. You nurture it—with balance, patience, and care.”*

He paused and added, *“We chase wealth outside, but true richness is when your body, mind, and money—all grow in harmony.”*

## Performance:

While we firmly believe equity returns must be judged over a 5+ year horizon, we continue to share shorter-term metrics for transparency.

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 %):

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

\* Returns are reflected since 30<sup>th</sup> June 2022

\* Client returns may vary depending on investment timing, portfolio selection, and asset allocation. Returns may vary from client to client based on the portfolio recommended, timings and/ or different weightages.

Our mutual fund recommendations have delivered a mixed performance this year, in line with the volatility across categories.

### **Client Engagement:**

Your wealth deserves care, attention, and clarity. That's why we have provided an online portal where you can view your portfolios. Still, we know numbers alone don't tell the full story—our team is always here to walk you through the details, whenever needed.

Be assured knowing that your money is being managed by a team that values it as much as you do.

**A timeless advice** – If you have SIPs in place, stay consistent. If you're sitting on cash and uncertain, please reach out – we're here to support, advise, and walk this path with you.

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 the coordinates below. We would love to talk.

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Thanks & Regards,

**Manoj Sharma & Jitender Kumar**

28<sup>th</sup> April 2025

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***“The stock market is a device for transferring money from the impatient to the patient.”***

**–Warren Buffett**

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

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