

SNR INVESTMENT ADVISERS PRIVATE LIMITED

Quarterly Letter – January 2025

Dear Investor Partners,

The past few weeks have been challenging for the markets. Gains accumulated over nearly a year have been erased in a matter of days – that’s the ruthless nature of the market. While there are various ways to navigate such volatility, we don’t claim to be market forecasters. However, we are not immune to making tough decisions during these times.

When faced with uncertainty, investors often debate whether to move to cash by selling fully or partially, wait on the sidelines, or remain invested. Our approach has always been to stay invested, provided the portfolio comprises quality stocks or well-chosen mutual funds. Timing the market is difficult, and history has shown that good businesses tend to recover and surpass previous highs over time.

Markets and Outlook

The market delivered positive returns in 2024, but most of the gains came in the first half of the year, only to be largely wiped out in the second half. Below is a snapshot of the market’s performance:

Indices	Return – Jan to June 2024	July-Dec 2024	Net Return – 2024	Returns – 1st Jan to 30th Jan 2025
Nifty 50	10.5%	-1.5%	8.9%	-1.6%
Nifty Mid Cap 100	20.3%	2.3%	23.1%	-7.9%
Nifty Bank	8.6%	-2.8%	5.5%	-3%
BSE Sensex	9.4%	-1.1%	8.3%	-1.9%

India Inc. continued to struggle with muted revenue growth in Q2FY25, leading to declining margins and profits. The impact was particularly severe for non-financial companies, whereas the banking, financial services, and insurance (BFSI) sectors significantly outperformed.

According to Business Standard, the combined profit of 1,353 listed companies that reported Q2FY25 results declined by 0.6% year-on-year (Y-o-Y)—marking the first cumulative earnings drop in eight quarters. For context, these firms had posted a strong 47.4% Y-o-Y growth in Q2FY24. This earnings slowdown has contributed to sharp corrections in several stocks.

While the Nifty currently trades at 21-22x PE, mid-cap, small-cap, and especially micro-cap stocks still appear overvalued. We anticipate further cooling in these segments before a more stable recovery.

continued...

Life and Health:

If you owe nothing, You are rich. Money does not make people happy.

But neither does poverty

The secret, then, is to have as much as you need or may be a little more, and then share what you have.

'I enjoy life,' said Seneca, 'because I am ready to leave it.' If we can disencumber ourselves of nine-tenths of our worldly goods, it should not be difficult to leave the rest behind.

(Source: Ruskin Bond)

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 are reflected since 30th June 2022

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

The situation of trade wars and budgetary shifts from investments to consumption lead to sudden and significant underperformance of core sectors like capital goods, export oriented and PSUs. We understand that we may have little concentration into these sectors in some of our portfolios, but we are continuously monitoring the fundamentals and advise our investor to have a long-term view in India growth story. Volatility is set to remain a companion in short run especially during these paradigm political shifts but as long as fundamentals are intact, we shall stick to our strategy.

As always, we remain committed to long-term investing and disciplined portfolio management. Market fluctuations are part of the journey, and history has shown that patience is often rewarded.

Mutual fund schemes advised by us have given mixed returns in comparison to benchmarks based on the category and scheme.

continued...

Client Engagement:

We have provided online platform access to all the clients where you can log in and see your 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.

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.

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

Thanks & Regards,

Manoj Sharma & Jitender Kumar

31st January 2025

“The big money is not in the buying or selling, but in the waiting.”

–Charlie Munger

Phone: +91 11 40239070, **Email:** ops@alphasnr.com
SEBI Registered RIA (Non-Individual) – INA100016947

Corporate Offices:

Delhi Office: A15, Second Floor, Hauz Khas, New Delhi- 110016
Noida Office: 7th Floor, Tower D, Awfis Bhutani Technopark, Sector 127, Noida,
Gautam Buddha Nagar, Uttar Pradesh - 201313
Registration Validity: From 3rd June 2022 till Cancelled
AMFI Registered Mutual Fund Distributor

Mr. Jitender Kumar

Principal Officer

Mobile: 9868333294

Email: ops@alphasnr.com

SEBI Regional/Local Office: The Regional Manager, 5th Floor, Bank of Baroda Building, 16 Sansad Marg, New Delhi - 110001

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.”

“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.”