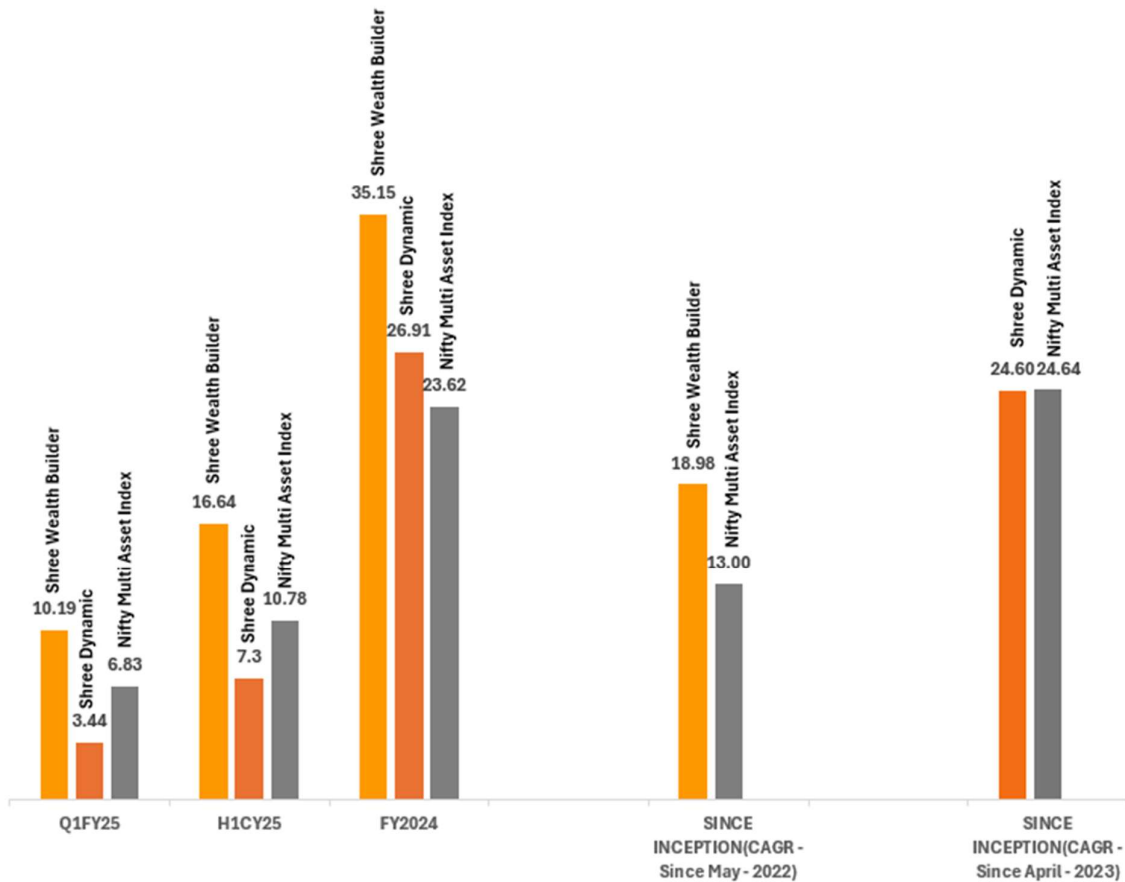


- **How did your Funds Perform – Decent!**

Wealth Builder did pretty decent & Dynamic's performance was Underwhelming.



- **Honest Confession!**

- For the past few months, I had been thinking about Shutting down our SHREE WEALTH BUILDER FUND & SHREE DYNAMIC PLAN.

Also, asking you to shift money to our better performing funds - SHREE LAKSHMI & SHREE VRIDDHI.

- Running an Index ETF based strategy in the Middle of Bull markets is Tough. Adding to it, the call of not having 100% equity is Maddening. (80% Equity in SWBP & 30-99% Equity dynamically managed in SDP)
- To Pour Fuel on Fire, the call of having a Large cap (Nifty 100) biased strategy is almost Suicidal.
- When you see people dumber than you, make money faster than you.... You have what I call the perfect situation for FOMO (Fear Of Missing Out).
- At several times, I was tempted to call Bullshit on myself & throw in the Towel. (the returns of these thematic & cyclical strategies are too juicy & quite tempting)
- But then the Spirit of Late Charlie Munger came in & whispered into my ears: **Invert! Always Invert!** – Avoid Mistakes

It's not about the Speed, It's about the Mileage.

Remember, the Hare & Tortoise story.

Slow & Steady, you will win.

Running fast increases the risk of Accidents.

Wealth in Equities is not created by Running Fast but by Staying Invested for the Longest period.

- Then you go back to First Principles... What is our Philosophy?

SHREE WEALTH BUILDER PLAN – 30-year philosophy, Low-cost investing, only Passive Market index (no growth, no value, no momentum, no fund manager bias, almost no churn, defer Taxes to Perpetuity), fixed income, Real estate & Gold.

Avoid stupidity, rebalance regularly, especially when market dramatically falls.

A philosophy, I wrote for my family (at the middle of Covid), what is to be followed as part of my will.

SHREE DYNAMIC PLAN – Conservative Investing with exposure to Markets. Pro-cyclical thinking & not valuation based.

If a Yorker is coming, defend (markets are weak, stay at 30% equity, protect capital & earn interest).

If a juicy ball is coming & begging to be hit for a 6, please hit it out of the park. (markets are strong, go up to 100% equity, enjoy the upside to our capital).

- So, now that I am reassured by what I want, what did we do?
 1. **Rebalancing done** (made it 80:20 in SWBP & when triggers hit, moved as per plan in SDP).
 2. **Better security selection** (changes in REIT's & Liquid fund).

- **Update on NASDAQ:** (I mentioned about finding a Plan B in the last letter)

Tax benefits went away in March 2023.

RBI squeezed us out in March 2024. (limit for Foreign Mutual funds hit, no meaningful transactions possible).

Looking at the above & kind of super high valuations for the Nasdaq 100, we exited all money which came in after 31st March, 2023 & that money will have only an Indian ETF portfolio.

Post April 25, we intend to do it for the earlier money as well.

Although in the recent Budget, NASDAQ 100 ETFs are now Taxed favourably.

We await RBI's opening up & will update our model accordingly.

- **Model of SWBP**

Running an 80% only equity portfolio is always going to disappoint in Bull markets. Having said that, **Performance has been Quite Superb.** Infact, exceeding my Modest expectations.

We have been thinking about why 80% & why not 70 or 90 or even 100.

It's a call to be taken only in the middle of a Bear Market which is looking quite afar.

I will come back to you on this.

- **Model of SDP**

Currently **Release 3.1 is running.**

Yep, Release 3 was up about in April.

We got stuck in the **whiplash of Elections & that's the reason why we underperformed**.
Now wiser, we wait for a day for confirmation of the signal.
Indicators: we **use Bollinger Band, RSI & Pivot Points**.

- **Specific Observations:**

- ~ **Nexus REIT gave us Good Profits**. (*REIT which owns Malls & other commercial spaces*).
- ~ **Gold went up & came down** (*tax benefits given on income tax, yippee & customs duty came down... ouch*)
- ~ Fixed income - our call of not being too aggressive (*high duration*) played off. Taxation is still bad. We are waiting for Interest rate cuts.
- ~ Markets are on a tear & are up this quarter.
- ~ **Valuations are berserk especially for certain Themes & Sectors**.
Sometimes I think, its' like Mahabharat's Chakravyuh.
Hope its investors are like Arjun & don't end up like Abhimanyu.

- **Rebalancing**

My **biggest learning from 21 years of Investing** has been – **Asset Allocation & Regular Rebalancing**.

I am **attaching an Article on Rebalancing**. From the **God of All Financial Advisors – Nick Murray** (*his seminal book **Simple Wealth, Inevitable Wealth** should be the Holy Scripture of Investors*).

As I always say—but can never say enough—thank you for being my clients. It is a genuine privilege to serve you.

Trustfully,
Mohit Beriwal

Mohit Beriwal (CEO)

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