



1st April 2023

Dear Investor,

Greetings from KRIIS Portfolio!

Markets continued to be more volatile in March 2023 with lot of uncertainties globally, hike in interest in rate by fed, fall of SVB in US and Credit Suisse in Europe, due to liquidity crisis. The main cause was with interest rates going up steeply in the last one year has caused the assets and bond prices to fall and thereby caused liquidity issues and when the depositors started withdrawing the cash. The Nifty benchmark remained range bound between 16900 and 17766 and closed at 17360 in March. FPI continued their selling spree during the month, with lot of global uncertainties. We expect the trend to be slightly better and continue to improve for the rest of the year.

Like the last month, we will continue to discuss on timeless strategies of investment guru Warren Buffet's investment philosophy. The markets may take some time to adjust to current global macro events like high interest rates, inflation, war and geopolitical uncertainties etc.

Lets recall Warren Buffett's investing philosophy in 9 steps. Here are some of the most important Buffett investing principles that one can incorporate into investing strategies:

1. Look for a margin of safety.
2. Focus on quality.
3. Don't follow the crowd.
4. Don't fear market crashes and corrections.
5. Approach your investments with a long-term mindset.
6. Don't be afraid to sell if the scenario changes.
7. Learn the basics of value investing.
8. Understand compounding.
9. Research and reflect.

We had discussed the 2 principles last time. Don't fear market crashes and corrections and Approach your investments with a long-term mindset. Here let us discuss here another 3 most relevant principles of investment for current volatile times.

Look for a margin of safety.

Prioritizing a margin of safety is a cornerstone of Buffett's investment philosophy. In simple terms, a margin of safety refers to characteristics of an investment that help to protect investors from losing money. For example, if a stock trades for \$10 per share, but the company's assets are realistically worth \$12 per share, then there's a \$2 margin of safety. The intrinsic value of the assets should prevent the company's stock price from declining too significantly. Buffett's goal is always to pay less than a company's intrinsic value. As he says, "A too-high purchase price for the stock of an excellent company can undo the effects of a subsequent decade of favorable business developments."



Focus on quality.

Warren Buffett doesn't invest in junk. You typically won't see him buying struggling businesses, regardless of how cheap they become. One of the best Buffett quotes new investors can absorb is, "It's far better to buy a wonderful company at a fair price than a fair company at a wonderful price."

Don't follow the crowd.

Here's another piece of Buffett advice that is extremely important for beginners, especially in the modern age of Reddit message boards: Don't buy certain stocks just because everyone else is. But also do not aim to always be a contrarian and sell the stocks that everyone else is buying. As Buffett does, the best way to invest is to ignore the crowd entirely and focus on finding value on your own.

He also says, "The most important quality for an investor is temperament, not intellect. You need a temperament that neither derives great pleasure from being with the crowd or against the crowd."

Valuations

The beauty of Equities is that it throws up surprises when you least expect it both on the upside and downside. Further upside from hereon will be a function of stability in global and local macros and continued earnings delivery v/s near-term expectations. We could thus see time correction in our markets rather than a price correction.

Thanks with Regards,

CA Rakesh Doshi

Principal Officer & Fund Manager

KRIIS – The Portfolio Management Company