

Twitter Thread by Just A Finance Aficionado



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[@mishika_chamria](#)



Thanks for sharing such valuable insights [@SamitVartak](#) ♥■

Alot of key takeaways ■

You guys are adding alot of value to investors community■

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SAMIT VARTAK CLUBHOUSE SESSION

Core Investing Philosophy @ Sage One ?

It's a risky asset class so we have to make higher returns atleast **out performing market is the goal.**

CAGR of 20-25% → **doubling money** in 3-4 years.

To do this companies have to double earnings and they find such companies.

Focus is not on P/E or valuation.

Primary focus is on business model, first go right with it and then come valuation into play.

Many cheap businesses are available at 2-3 P/E.

He wants quality over cheapness.

Many cycles have rolled out b/w the years how do you filter stocks ?

When we are looking for growth, you want this growth to be easily funded.

Earnings should be ideally enough to fund the growth and also companies that have some control on their profitability.

Sectors that do well are not necessarily high growth

A lot of consumer oriented companies you will find for 10-15% consistent compounders.

How can we play the real estate cycle?

→ building materials - electricale, steel pipe
or an amazing builder.

"LOCATION IS THE KEY"

Financial Sector ?

Not so bullish.

- Knowing corporate credit will be very difficult. Companies can finance their expansions, mostly the cash generating companies.
- Unsecured lending - 95% of the population. very stressed due to lending to rural, MSME, so their lending will be difficult who support to the corporate lending.

Dividend policies have a big effect too.

Promotor takes up the max dividend.

Another struggle - Auto Industry.

- cost of manufacturing ↑
- running cost ↑
- old electric can be a disruptor

There can be 3 triggers for the auto.

Not that these will de-grow, but his targets are big.

In India knowing the management of the company is necessary.

eg Baj Finance, PI Industries, Deepak Nitrate,

You should read alot.

Question 'why' among different valuations what businesses get.

Think about your style of investing.

If you go wrong then you have an emotional decision, probability game, or you missed on to something.

He believe in ground level checks, meeting the supplier, knowing the management, hearing out from them.

Anything unique you find in promoter?

Indian promoters may not be good at communicating but good at execution.

- Why CAPEX ?
- What can disrupt the industry ?
- What's execution plan ?
- Have they executed in the past ?
- Work culture is important ?
- Is he a good delegator ?
- Do they hire talent ?
- Understand the future ?