



Piper Serica

# Piper Serica PMS: Investor Presentation

October 2024

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## Section 1: Introduction



Piper Serica

## About Piper Serica

Piper Serica is a Mumbai based asset management company founded in 2003 by Abhay Agarwal (ex-Citi and JP Morgan PE). Piper Serica is a highly respected and successful fund management company. Over the last decade our public market funds have generated an IRR of 20% compared to 9% for Nifty. We have created a unique horizontal and vertical platform to service investors. We manage capital across public markets as well as private investments through a VC fund.

The company's senior management team has more than 100 years of cumulative fund management experience across companies like JP Morgan, Citibank, SBI Mutual Fund and Reuters. Our investors include renowned HNIs and family offices from across the world.

## Currently we manage funds across 2 practices

### India Public Market Fund (Onshore + Offshore)

- AUM of more than \$125Mn
- CAGR since inception of 21% (net of expenses)
- Multi-cap strategy with focus on growth stocks at value multiples
- Sponsor contribution of \$5Mn
- Dynamic profit booking

### Piper Serica Angel Fund (VC Fund)

- AUM \$35Mn
- Investment in early-stage tech-focused start-ups in India
- Already deployed capital of \$15Mn in 20 startups
- Very strong deal flow through industry relationships



**Abhay Agarwal**  
Founder & CEO



- Over 30 years of experience in investment management
- MBA (JBIMS), B.Com (Sydenham College)
- Prior Experience: Director - JP Morgan Private equity, AVP - Citi



**Rajni Agarwal**  
Director & Head -  
Research



- Over 30 years of experience in research and developing portfolio strategy
- MBA (JBIMS), M.A Economics (Delhi University)
- Prior Experience: Fund Manager, SBI Mutual Fund



**Ajay Modi**  
Director - Investments



- Over 10 years of experience in research and portfolio management
- B.Tech, CFA Institute, IM Program (CISI UK)
- Prior Experience: Thomson Reuters



**Rahul Chaudhari**  
Head - Operations



- Over 10 years of experience in finance and compliance
- M.Com (University of Mumbai)
- Prior Experience: Investcorp, LIDCOM, AMP and Associates



**Preet Malde**  
Analyst



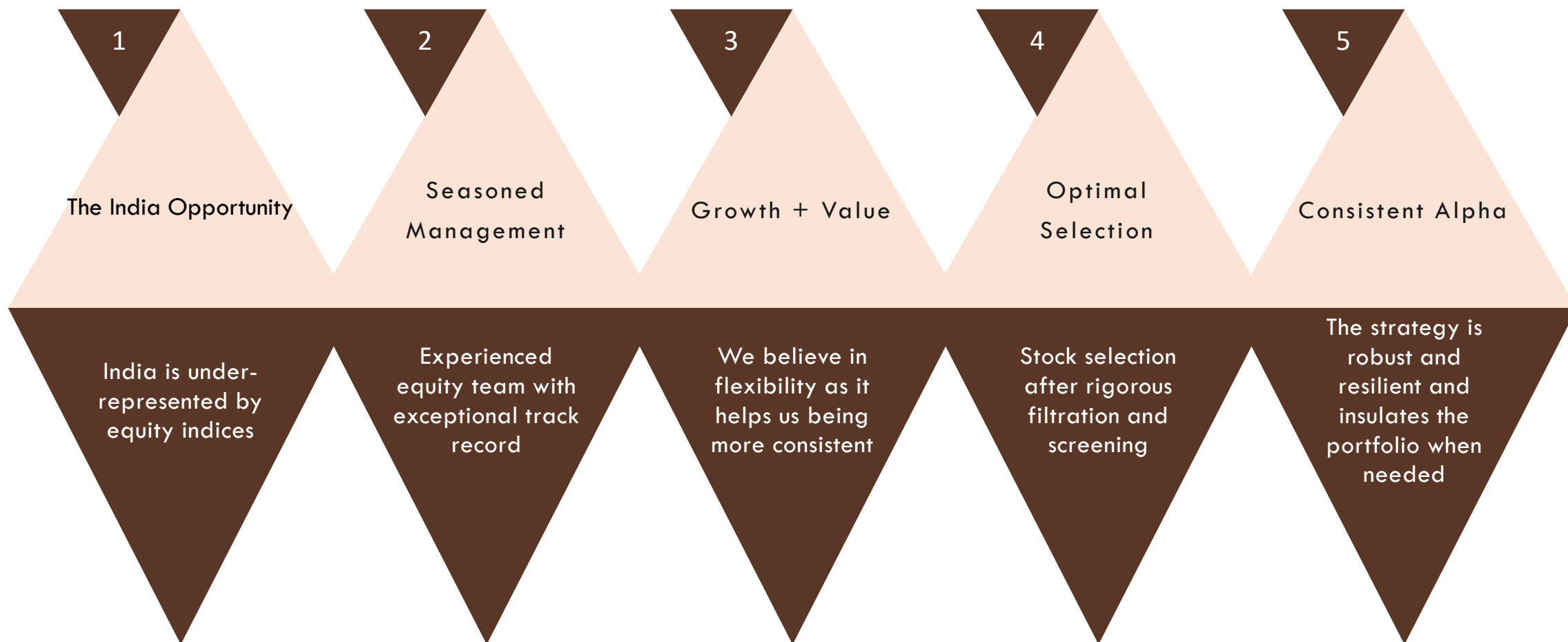
- Over 2 years of experience in investment analysis
- B.Com (University of Mumbai), CFA Level 2 Candidate
- Prior Experience: Colgate Palmolive, Centra Insights



**Nitay Aggarwal**  
Analyst



- Over 3 years of experience in investment analysis
- Bachelors in Management (ISME), B.Com (University of Mumbai)
- Prior Experience: Faber Capital, IIFL Wealth



## Multi-Cap Model Portfolio

Our portfolio management approach is centered on a single, robust **model portfolio** that reflects our commitment to delivering superior risk-adjusted returns. We believe that short-term share price volatility and stock market cyclical moves are not accurate indicators of risk. Consequently, we do not prioritize a large-cap heavy portfolio, as it does not inherently ensure optimal risk-adjusted returns. Instead, we assess risk based on the financial and business health of individual companies, their future prospects, and the share price in relation to our assessment of fair valuation.

## Focus On Fair Valuations

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## Research And Due Diligence

Our **research process** is extremely thorough and heavily skewed towards primary research. We meet all stakeholders of the company - suppliers, customers, competitors, distributors, employees (including ex-employees) to build a very solid understanding of the competitive position of a company. In addition, we conduct **due diligence** of the financial statements of the company to ensure we are not blind sighted. With this process we can build very robust business and financial models and track the company's performance. With this long process we can understand the quality of management and corporate governance.

## Risk Management

We track market risk of the portfolio on a regular basis. We have built strong guard rails that include:

1. Max allocation of 6% to a particular stock and 25% to a sector.
2. Adequate Stock liquidity for us to exit our entire holding in 7 trading days .
3. Annual churn of less than 25%.
4. Regular activity to keep investor portfolio in line with model portfolio.
5. Adequate sectoral diversification.

## Historical Returns Snapshot – Consistent Alpha

Historical Returns					
	Since Inception (June-2019)	5Y	3Y	2Y	1Y
Piper Serica PMS	<b>20.9%</b>	<b>20.2%</b>	<b>13.7%</b>	<b>28.5%</b>	<b>32.2%</b>
Nifty 50	<b>16.2%</b>	<b>17.6%</b>	<b>13.6%</b>	<b>12.9%</b>	<b>31.4%</b>

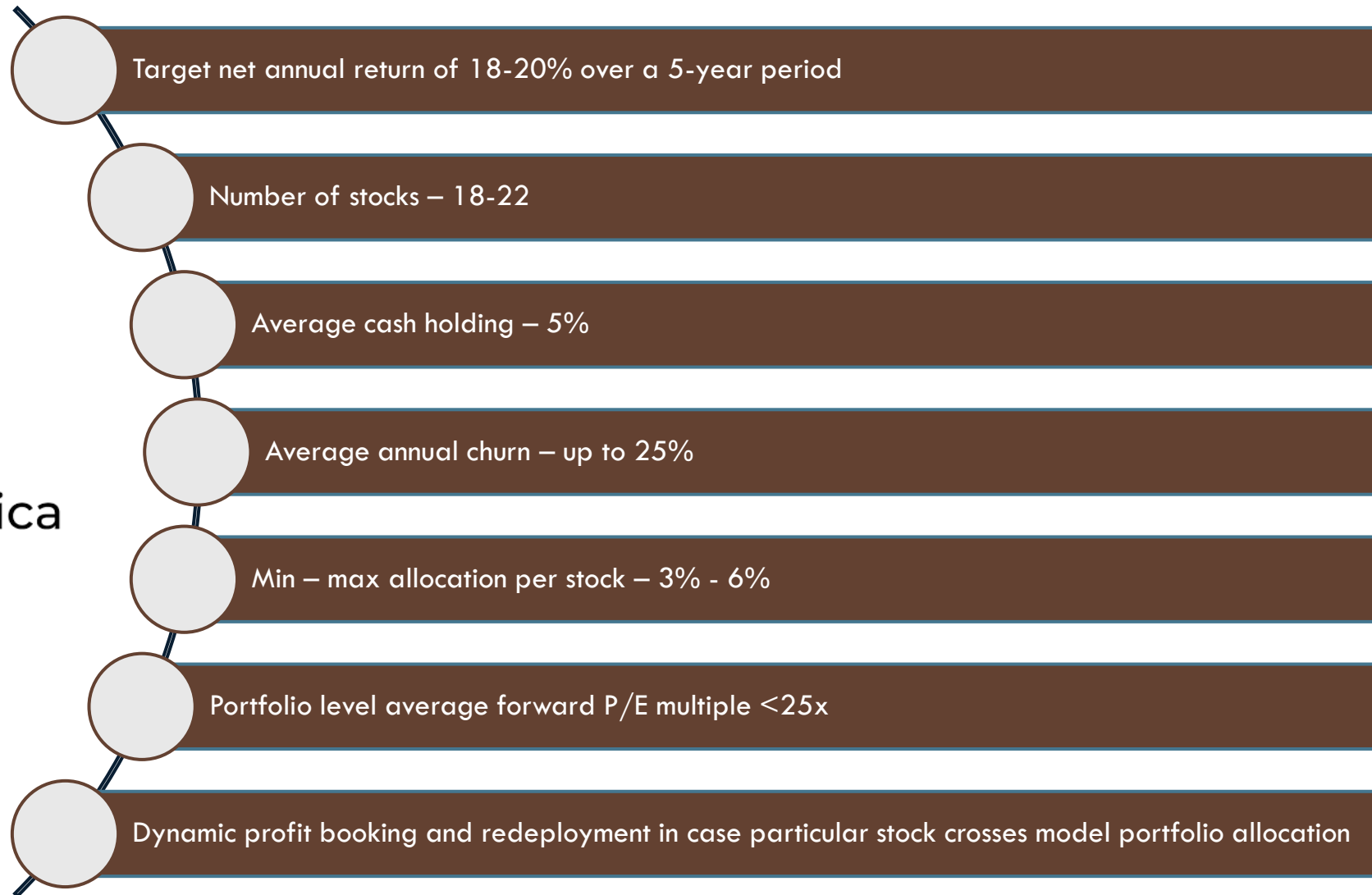
Source: Piper Serica, Bloomberg.

- Returns on end clients differ on based on their vintage and mandated risk level.
- Past performance is not indicative of future results. We do not guarantee returns
- All returns are post expense. Returns for 1 year and above are annualized.
- PMS returns are calculated by an independent Fund Accountant.



## Section 2: Portfolio Construction and Returns

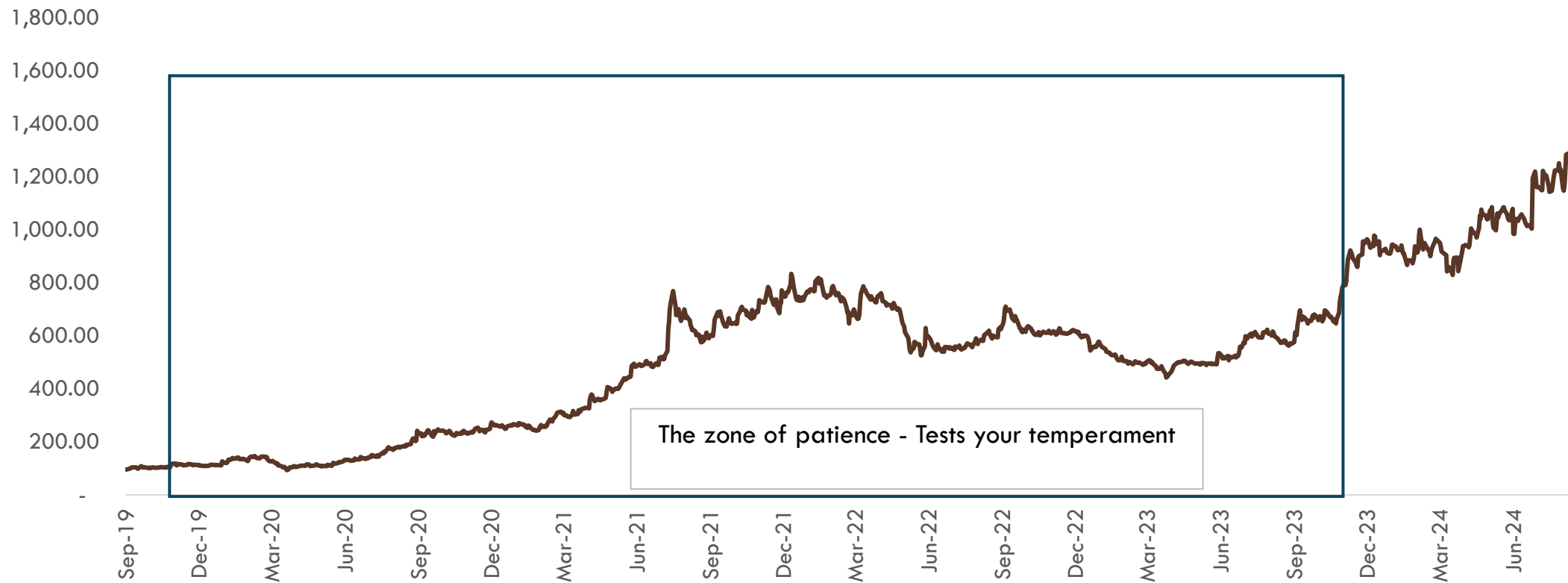




## Alpha Drivers – Our Portfolio Multi-baggers

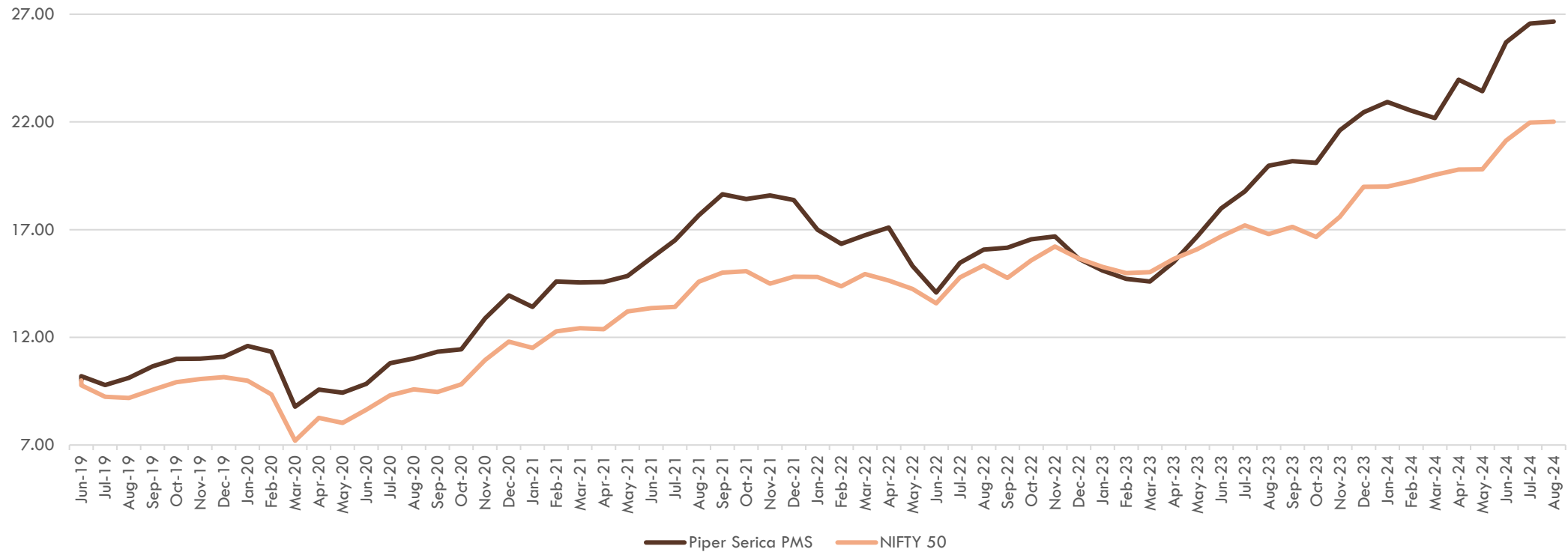
CDSL 10x	Angel One 8x	APL Apollo 10x
CMS Info. 2x	Apollo Pipes 2x	Titan 5x
Apollo Hosp. 6x	Dixon Tech. 10x	ITC 2x

CDSL – 12 bagger for Piper Serica



# Our Performance Compared To The Benchmark

Piper Serica PMS Vs. NIFTY 50



Rs. 1 crore invested in Piper Serica PMS in June 2019 is 2.67 crores compared to 2.20 crores in NIFTY 50. Our absolute return stands at 166.6% vs 120.1% for NIFTY a difference of **46.5%**

## Section 3: Investment Strategy and Thesis



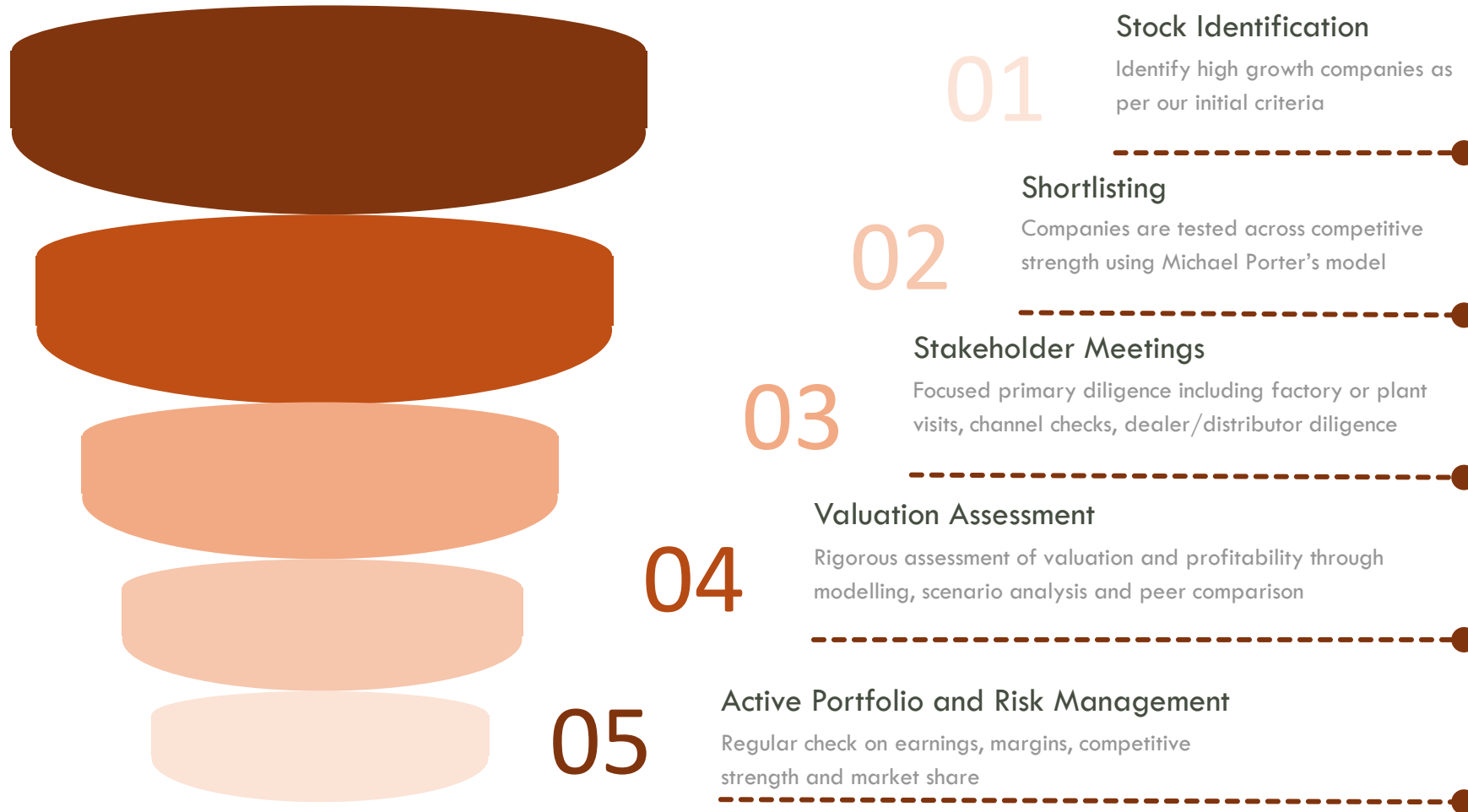
## What we believe makes money

- 1** Look for industries that have a long-term growth
- 2** Back the right players (not one, sometimes multiple – THEMES)
- 3** Focus on finding growth plays and value multiples
- 4** Regularly rebalancing model portfolio –to keep booking profits and redeploying in new ideas
- 5** Stay invested in long term trends where earnings are growing. Don't bother about market momentum. It will eventually pay you



## Common threads among outperformers

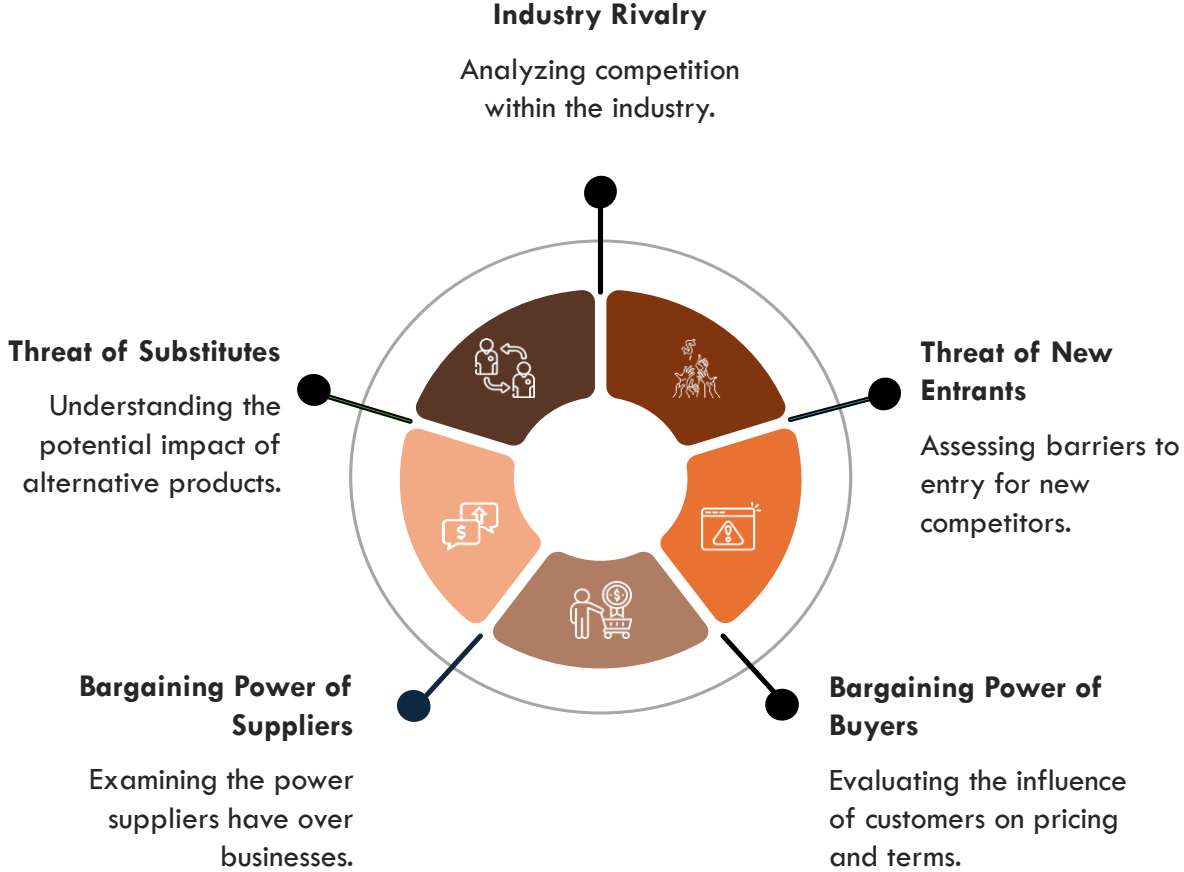
- 1** Companies with growth & tailwinds
- 2** A visionary founder/leader at the top
- 3** A very strong CXO team with sharp focus on execution
- 4** Steady economic conditions
- 5** Reasonable Valuation



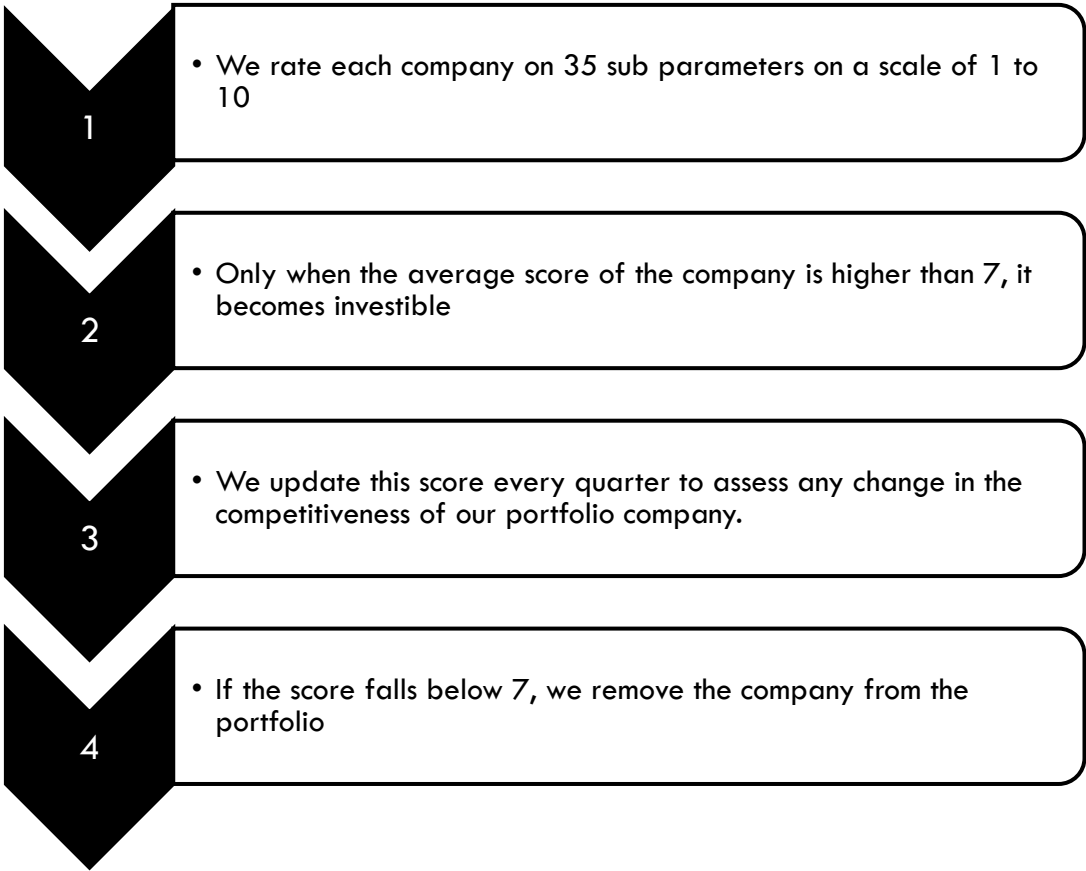


# We Have Integrated The Five Forces Model Into Our Decision-Making Tool

## Porter's Five Forces Model



## Our 4-Step Decision making Tool For Optimal Stock Selection



## Risk Mitigation and Management's Commitment

Concentration risk: optimally diversified portfolios.  
Maximum single company weight of 6% of the total portfolio.

Talking about skin in the game, the fund manager and his family have invested over INR 40Cr of their own personal wealth.

Valuation Risk: strict adherence to valuation ranges – book profit or add to position as soon as any stock hits upper or lower end of pre-established valuation range.

Fund management is at the core of Piper Serica, we have no other conflicting business. Our interests are 100% aligned with the fund's investors.

Liquidity Risk: Entire portfolio can be liquidated within a week without much impact cost.

We follow the best practices in the industry and have tied up with quality service partners like Kotak and Nuvama.

## Section 4: Key Terms



Piper Serica

	Fixed Fee	Hurdle Rate	Profit Share	Exit Load 1 <sup>st</sup> Year
Option 1	2.5%	-	-	-
Option 2	0.0%	6.0%	20.0%	2%