Piper Serica

PIPER SERICA PMS – AN IDEAL SOLUTION FOR SINGLE FAMILY OFFICES

JULY 2024

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Introduction

Piper Serica is a Mumbai based Asset Management company founded in 2003.

It manages more than INR 1000 crores in long-only public and private market funds.

Its senior management team has more than 100 years of cumulative fund management experience across companies like JP Morgan, Citibank, SBI MF and Reuters.

Piper Serica has license from SEBI to manage PMS for HNIs and family offices.

It advises Piper Serica Numero Uno India Fund, an FPI based in Mauritius.

It manages Piper Serica Start Up Fund, a Category 1 AIF, that invests in promising start-ups.

Our investors include renowned HNIs and family offices from around the world.

Please refer to www.piperserica.com for more details.

Key Leadership Team

Abhay Agarwal, *CEO & Founder*

- Experience: 30 Years of experience in investment management
- Education: MBA from Jamnalal Bajaj Institute of Management Studies (JBIMS); B.Com at Sydenham college
- Prior Experience: Fund Manager at Citibank, Investment Director at J.P Morgan Private Equity

Rajni Agarwal, *Director & Head - Research*

- Experience: 30 years of experience in research & developing portfolio strategy
- Education: MBA from Jamnalal Bajaj Institute of Management Studies (JBIMS); B.A (Hons.) in Economics; Master degree in Economics from Delhi School of Economics
- Prior Experience : Fund Manager at SBI Mutual Fund

Ajay Modi, *Director, Investments*

- Experience: 10 years of experience in research & portfolio management
- Education: B.Tech; CFA candidate; Investment Management Program, CISI, (UK)
- Prior Experience : Research at Thomson Reuters

Our Historical Returns – Consistent Alpha

Piper Serica Leader Portfolio (Performance as on 30th June 2024)					
	Since Inception	5Y	3Y	2Y	1Y
Piper Serica Leader Portfolio	**21.0%**	**20.7%**	**18.3%**	**35.5%**	**44.2%**
Nifty 50	**16.7%**	**15.3%**	**15.2%**	**23.4%**	**25.1%**

- 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.
- Inception: 01-06-2019

Investment Strategy

Multi-cap model portfolio – dynamic allocation management to reduce risk

Thematic plays – reduce single stock dependence

Growth + value mix – but not overpay for growth

Deep research – based on Michael Porter 5 Forces model

Sanity checks – corporate governance, liquidity, leverage etc.

Build insights through a long association with portfolio companies

Maintain a high rejection rate

Stay away from BAAP stocks – no information asymmetry – high premium for consensus.

Model Portfolio

- Target net annual return of 18-20% over rolling 5-year period.
- Number of stocks – 18-22
- Average cash holding – 5%
- Average annual churn – up to 25%
- Min – max allocation per stock – 3% - 6%
- Portfolio level average forward P/E multiple <25x
- Adequate sectoral allocation
- Dynamic profit booking and redeployment in case particular stock crosses model portfolio allocation

Alpha from picking Multi-baggers

Consistently. Regularly.

CDSL 12X	Angel One 7X	APL Apollo 11X
CMS Infosystem 2X	Apollo Pipes 2X	Titan 5X
Apollo Hospital 10X	Dixon Technologies 12X	Amara Raja 3X

Our Research Process

Primary research – high touchpoint scuttlebutt

Scoring on Michael Porter 5 Forces model to check for competitive strength.

Scanning global markets for trends – demand, inventory, pricing, technology and financials.

Team based approach to research – IC takes final decision.

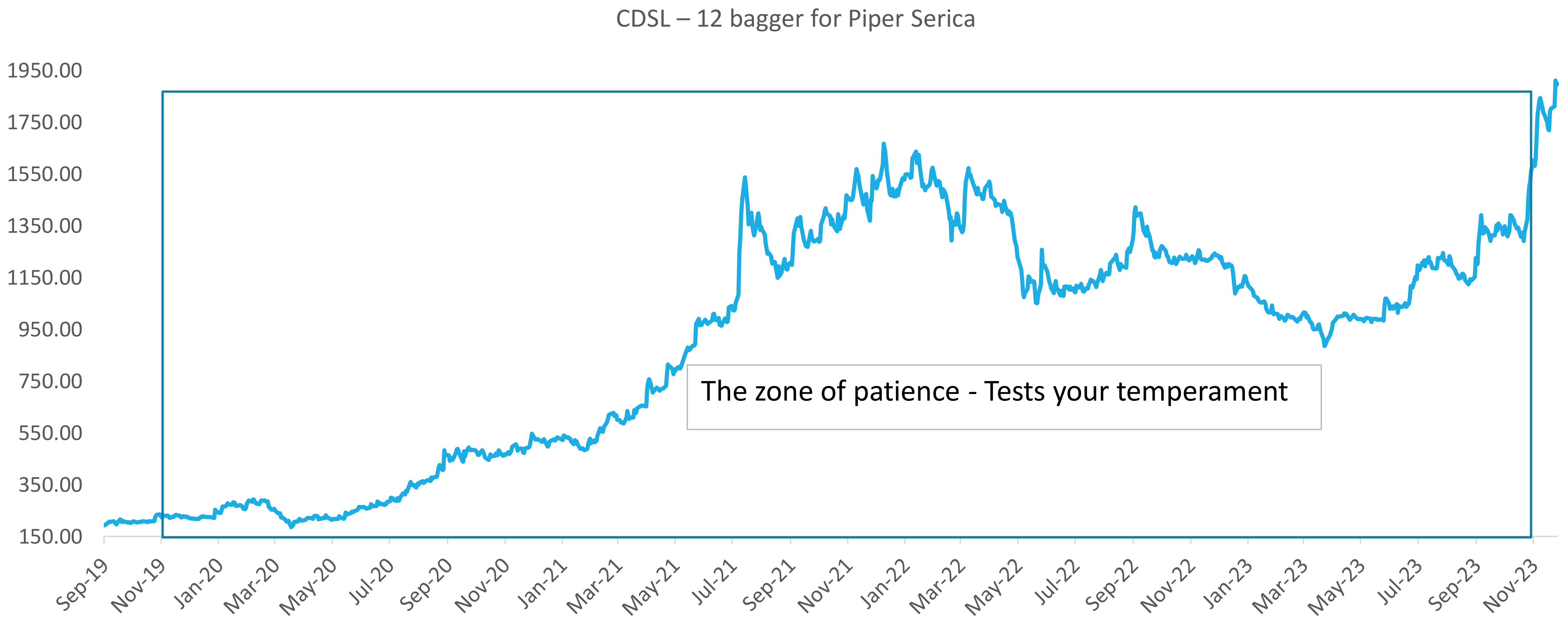
Portfolio management through continuous management interaction, plant visits and industry events.

Change in allocations on a regular basis through rebalancing.

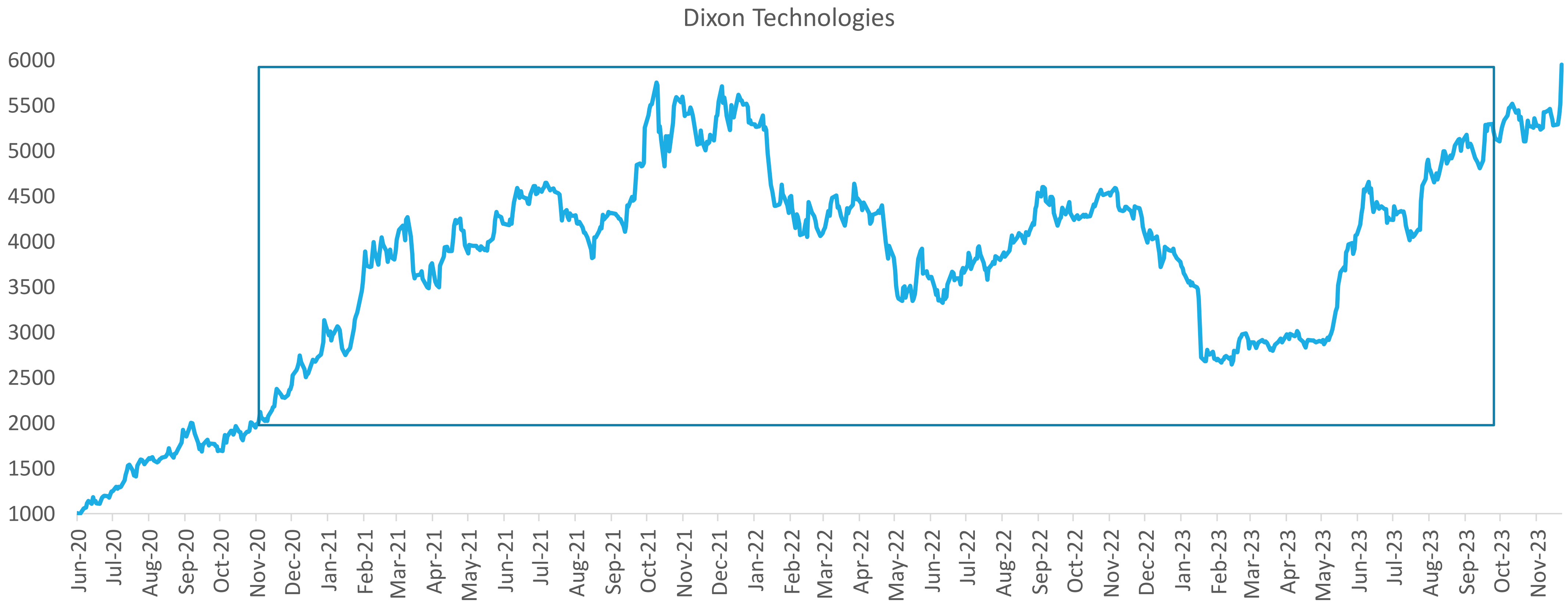
The common thread between all the companies where we made multi fold returns

- Companies with growth & tailwinds
- A visionary founder/leader at the top
- A very strong CXO team with sharp focus on execution
- Steady economic conditions
- Fair entry valuation

Case study - CDSL



Case study - Dixon



Risk Management

- Concentration risk: optimally diversified portfolios. Maximum single company weight of 6% of the total portfolio.
- Liquidity Risk: Entire portfolio can be liquidated within a week without much impact cost.
- 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.

Management commitment

We have full skin in the game. The fund manager and family have invested Rs. 40 cr in the PMS and this is their only investment vehicle.

Fund management is our only business. We have no other conflicting businesses.

We follow the code of conduct laid out by US CFA.

Our investor reporting and communication is one of the best in the industry.

We have best of service partners like Kotak Bank and Nuvama.

Piper Serica

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