

## Twitter Thread by Aditya Shah



**Aditya Shah**

[@AdityaD\\_Shah](#)



**Parag Parikh Flexi Cap has been an investor favorite over the past 2 years.**

**Should u chase the fund?**

**An in-depth thread■ analyzing the performance and strategy of the fund.**

**Hit "Retweet" to educate maximum investors.**

**Lets go**

**(1/20)**



**Scheme:-**

**Parag Parikh Flexi Cap fund**

**Fund Manager:-**

**Mr Rajeev Thakkar**

**AUM:-**

**29,294cr**

(2/20)

PPFAS has been the vision of the great Late Parag Parikh.

A true Value Investor.....who lost his life while attending a Berkshire Hathway AGM.

The Mutual fund has tried to remain true to the investing concepts laid by Late Mr Parag Parikh.

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Fund Manager:-

Mr Rajeev Thakkar possesses over 15 years of experience.

Joined PPFAS in 2001.

Rajeev is a strong believer in the school of "value-investing" and is heavily influenced by Warren Buffet and Charlie Munger's approach.

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Mr.Thakkar is a Chartered Accountant, Cost Accountant, CFA, and CFP. He has been associated with PPFAS AMC since 2013.

Mr Thakkar has been the lead fund manager at PPFAS Mf ever since launch.

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Portfolio of the Scheme:-

PPFAS was the first one to blend foreign investments with Indian portfolio.

Portfolio:-

68% is in India

21.68% is in the US

Since Mutual funds are restricted from making foreign investments due to restrictions by SEBI

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## Portfolio Disclosure

Core Equity		
Name	Industry	% of Net Assets
Housing Development Finance Corporation Ltd.	Finance	8.11%
Bajaj Holdings & Investment Ltd.	Finance	7.71%
ITC Ltd.	Diversified FMCG	7.48%
ICICI Bank Ltd.	Banks	6.05%
Axis Bank Ltd.	Banks	5.14%
Power Grid Corporation of India Ltd.	Power	4.98%
HCL Technologies Ltd.	IT - Software	4.93%
Hero MotoCorp Ltd.	Automobiles	4.80%
Coal India Ltd.	Consumable Fuels	4.17%
Indian Energy Exchange Ltd.	Capital Markets	2.87%
Central Depository Services (I) Ltd.	Capital Markets	2.20%
Motilal Oswal Financial Services Ltd.	Capital Markets	1.83%
Multi Commodity Exchange of India Ltd.	Capital Markets	1.42%
Balkrishna Industries Ltd.	Auto Components	1.15%
Sun Pharmaceutical Industries Ltd.	Pharmaceuticals & Biotechnology	1.02%
Zydus Lifesciences Ltd.	Pharmaceuticals & Biotechnology	0.98%
IPCA Laboratories Ltd.	Pharmaceuticals & Biotechnology	0.93%
Dr. Reddy's Laboratories Ltd.	Pharmaceuticals & Biotechnology	0.92%
Cipla Ltd.	Pharmaceuticals & Biotechnology	0.90%
ICRA Ltd.	Capital Markets	0.67%
Oracle Financial Services Software Ltd.	IT - Software	0.53%
Maharashtra Scooters Ltd.	Finance	0.13%
<b>Total</b>		<b>68.92%</b>
Overseas Securities, IDRs and ADRs		
#Alphabet Inc (Google Class A)	Internet & Technology	6.62%
#Microsoft Corporation	Internet & Technology	6.36%
#AMAZON.COM INC	Consumer Services	5.05%
#Meta Platforms Inc (Formerly Facebook Inc)	Internet & Technology	3.06%
#Suzuki Motor Corp (ADR)^	Automobiles	0.59%
<b>Total</b>		<b>21.68%</b>

Foreign Portfolio:-

Foreign Portfolio Includes

Alphabet

Microsoft

Amazon

All these stocks have seen a correction of anywhere b/w 10-35%.

However, due to restrictions, the Mutual Fund is unable to invest more in these stocks.

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Total		21.68%

Investments are being made in the Indian portfolio.

Indian Portfolio:-

PPFAS has remained true to its investment philosophy of trying to find value.

1. They correctly exited IT when the stocks went thru the roof.
2. Invested in ITC when the stock was pretty cheap.

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3. Invested and increased the position in HDFC Ltd even as the merger was announced and the stock is underperforming.
4. Tried firsthand to invest in a PSU company Coal India.

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Portfolio metrics:-

Churn rate(Buy/Sell Transactions) remains at an average of 15-17%.

Sharpe Ratio(Risk metric) is 0.95.

Beta(Measure of pf volatility) is 0.78

These metrics are well within tolerance.

(10/20)

Quantitative Indicators	
Beta	0.78
Standard Deviation	19.33%
Sharpe Ratio	0.95
Portfolio Turnover (excl Equity Arbitrage)	17.90%
Portfolio Turnover (incl Equity Arbitrage)	22.09%

- Above figures are annualised

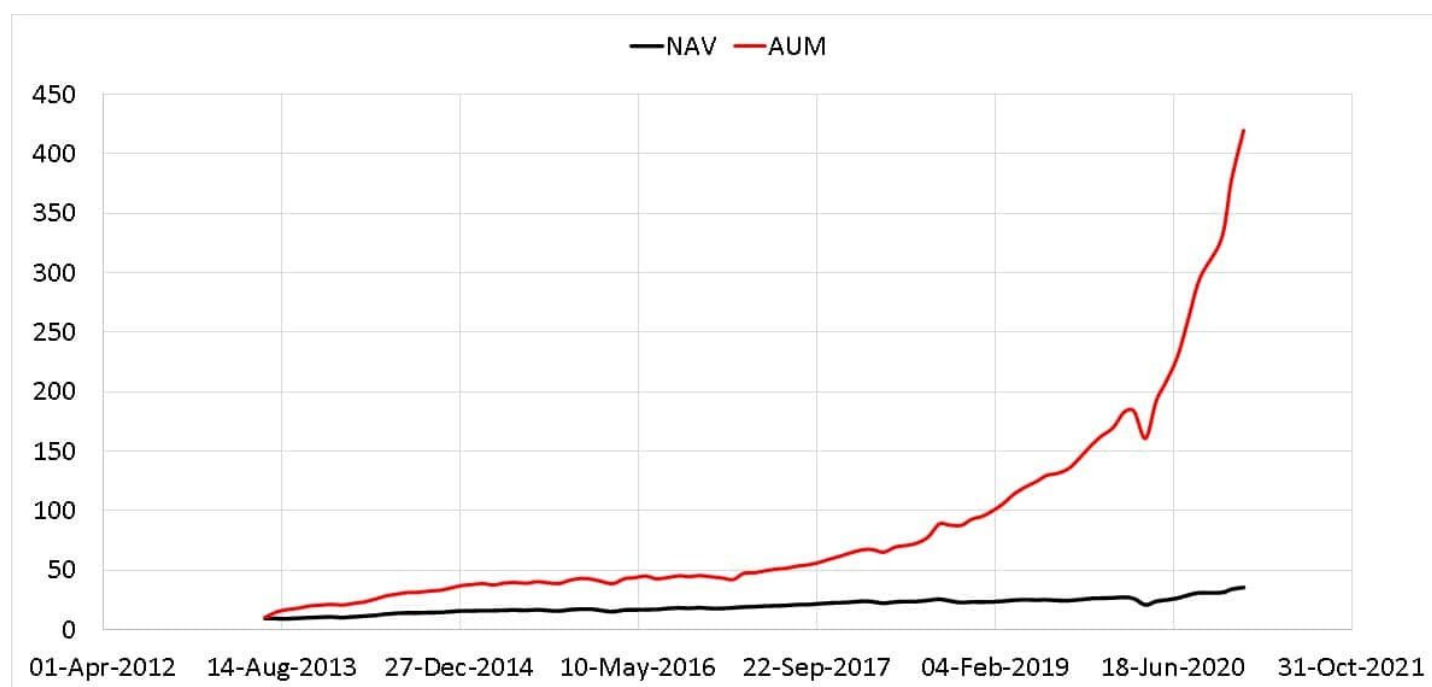
Stupendous Rise in AUM:-

PPFAS has seen a 10x rise in AUM over the last 4 years.

In 2019 they managed 2700cr.

In 2022 they manage 24,000cr.

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Expense Ratio:-

Regular-1.93%

Direct-0.77%

The expenses are in line with the peers in the flexi cap fund category.

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Peer Comparison:-

In the flexi cap category

PPFAS has been a top performer in the last 3/5 years.

During those years the concept of blending of International+National equities was new.

Stock picks also were very good from the Mutual fund.

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### Trailing Returns (%)

	YTD	1-Day	1-W	1-M	3-M	6-M	1-Y	3-Y	5-Y	7-Y	10-Y
Parag Parikh Flexi Cap Direct-G	-3.84	0.97	2.28	9.92	9.93	0.66	7.64	27.56	19.38	17.18	--
S&P BSE 500 TRI	3.39	0.92	2.02	11.11	13.44	4.56	10.25	21.11	13.67	13.09	--
Equity: Flexi Cap	0.65	0.82	1.86	10.15	13.06	2.85	7.87	19.84	12.86	12.45	--
Rank within category	56	21	9	44	65	54	27	2	1	1	--
Number of funds in category	63	69	69	67	67	66	59	48	35	34	1

As on 16-Aug-2022

Unit-holder AGM:-

PPFAS is known for being investor friendly.

PPFAS Mutual Fund, the only fund house in India to organize Annual General Meetings (AGMs) for its unit holders and partners

Interactions with unit holders is out of the box thinking.

(14/20)

A Goldmine youtube channel:-

<https://t.co/zf4lczX6kj>

The PPFAS youtube channel is a goldmine to anybody who wants to truly learn investments.

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Risks:-

1. The AUM has risen spectacularly over the last 4-5 years.

Everybody is chasing the fund now.

As the size keeps growing....there will be difficult for the fund manager to deploy huge amounts of money.

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## 2. Competition:-

As more and more fund houses come and copy the concept followed by PPFAS.

There will be competition.

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## Conclusion:-

1. PPFAS has stayed true to the concept of value investing.
2. Both Indian and US portfolios have done well.
3. Current stock picks are in line with the philosophy of the fund.
4. They have a great team lead by a fantastic fund manager Mr Rajeev Thakkar.

(18/20)

However, while chasing outperformance one should keep in mind.

There will be periods of underperformance as well.

Stick with them during underperformance as well to enjoy the real fruits of COMPOUNDING.

(19/20)

Stay tuned for more posts where we analyze Mutual funds in depth.

We will now analyze the phenomenal performance of Quant Mutual Fund.

Follow me [@AdityaD\\_Shah](#) for more such insights into personal finance, equities etc.

(20/20)

## Disclaimer:-

This is my study

Not an Investment Advise

Please consult your own investment advisor before investing.