Parag Parikh IFSC S&P 500 Fund of Fund

Retail fund investing into S&P 500 linked UCITS & ETFs

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PPFAS
at
GIFT City

PPFAS
GIFT

What is GIFT IFSC?

1. GIFT City (Gujarat International Finance Tec-City) - India's only approved IFSC (International Financial Service Centre)
2. International Financial Services Centres Authority (IFSCA) being a unified Regulator (power of 4 domestic regulators delegated to IFSCA) with Globally Benchmarked Regulations
3. Full Fledged Financial Ecosystem with Global Connect
4. Full Convertibility with 15 currencies permitted
5. Free trade zone with tax incentives enabling flow of financial products and services across borders
6. Special carve outs from domestic laws

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PPFAS in GIFT City (1/2)

November-2024:

PPFAS Alternate Asset Managers IFSC Private Limited (PPFAS GIFT) formed as a wholly owned subsidiary of Parag Parikh Financial Services Limited

April-2025:

Receipt of FME (Retail) license from IFSCA

Current Setup:

PPFAS GIFT has a full fledged team in place across Research, Compliance and Operations along with an office and all necessary infrastructure to launch products from GIFT IFSC

- PPFAS GIFT
  - Outbound
    - Active
      - Global Investing PMS — PMS Strategy investing in global stocks mainly developed markets
      - Retail Active Fund — Actively managed retail fund investing in global markets; product yet in pipeline
    - Passive
      - S&P 500 FoF — Retail fund investing only into S&P 500 replicating ETFs
      - NASDAQ 100 FoF — Retail fund investing only into NASDAQ 100 replicating ETFs
  - Inbound
    - Parag Parikh India Flexi Cap Fund — Retail fund feeding directly into Parag Parikh Flexi Cap Fund
    - Parag Parikh India Large Cap Fund — Retail Fund Feeding directly into Parag Parikh Large Cap Fund

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PPFAS in GIFT City (2/2)

	Inbound Fund	Outbound PMS	Outbound Passive Funds	Outbound Active Fund*
Investing Geography	India	Global (Ex-India)	USA	Global (Ex-India)
Fund Category	Retail	-	Retail	Retail
Strategy+	Active	Active	Passive	Active
Ideal For	NRIs, Foreign residents and Institutions	Indian Residents Individuals	Indian resident individuals, corporates, and other eligible persons	Indian resident individuals, corporates, and other eligible persons
Alpha Generation	✓	✓	✗	✓
Ticket Size (US$)	TBD	75,000	500	TBD
Top-up (US$)	TBD	5,000	500	TBD
Style	Benchmark Agnostic	Benchmark Agnostic	Benchmark Replicating	Benchmark Agnostic
Currency Denomination	US$	US$	US$	US$
Taxability	Tax free in India; Applicable as per investors domicile country	Tax to be paid at the investor level	Tax to be paid at the fund level	Tax to be paid at the fund level
Exit Load & Lock-in	0-365 Days - 2%; 366-730 Days - 1%; No Lock-in Applicable	No Exit load & No lock in applicable	No Exit load & No lock in applicable	No Exit load & No lock in applicable

*Products yet not filled with regulator; hence the details are subject to change; + Strategy refers to the management style of underlying funds in case of FoF

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What is S&P 500?

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S&P 500- Introduction

The S&P 500 Index tracks the performance of 500 leading publicly traded U.S. companies, representing the core of the American equity market. It is a float-adjusted, market-capitalization-weighted index designed to reflect the performance of the U.S. large-cap economy.

🌍 📈 Market Dominance

Represents ~80% of the total U.S. equity market capitalization & covers all 11 GICS sectors, offering diversified exposure.

🛡️ Strong Corporate Governance

Benefits from **transparent governance of US** and rule-based oversight, **unlike certain large emerging markets** where regulatory opacity can be a concern.

⭐ 🔍 Quality Selection

Constituents are selected by an Index Committee, providing an additional layer of qualitative oversight.

🔗 Wide use case

Benchmarked by 90% of US Equity Funds and forms the foundation for trillions of dollars in index funds, ETFs, and derivatives globally.

📜 Proven History

Established in 1957, making it a 65+ year benchmark with a proven performance history.

Industry Standard & Global Foundation

- Serves as the primary barometer of U.S. economic and corporate health.
- Rebalanced quarterly to adjust weights based on updated market capitalisations.
- Reviewed annually for sectoral reconstitution under the Global Industry Classification Standard (GICS).

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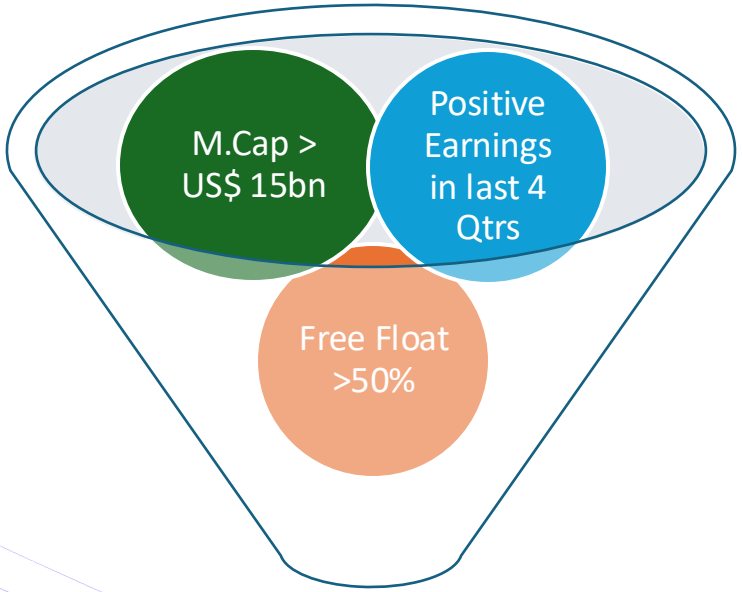
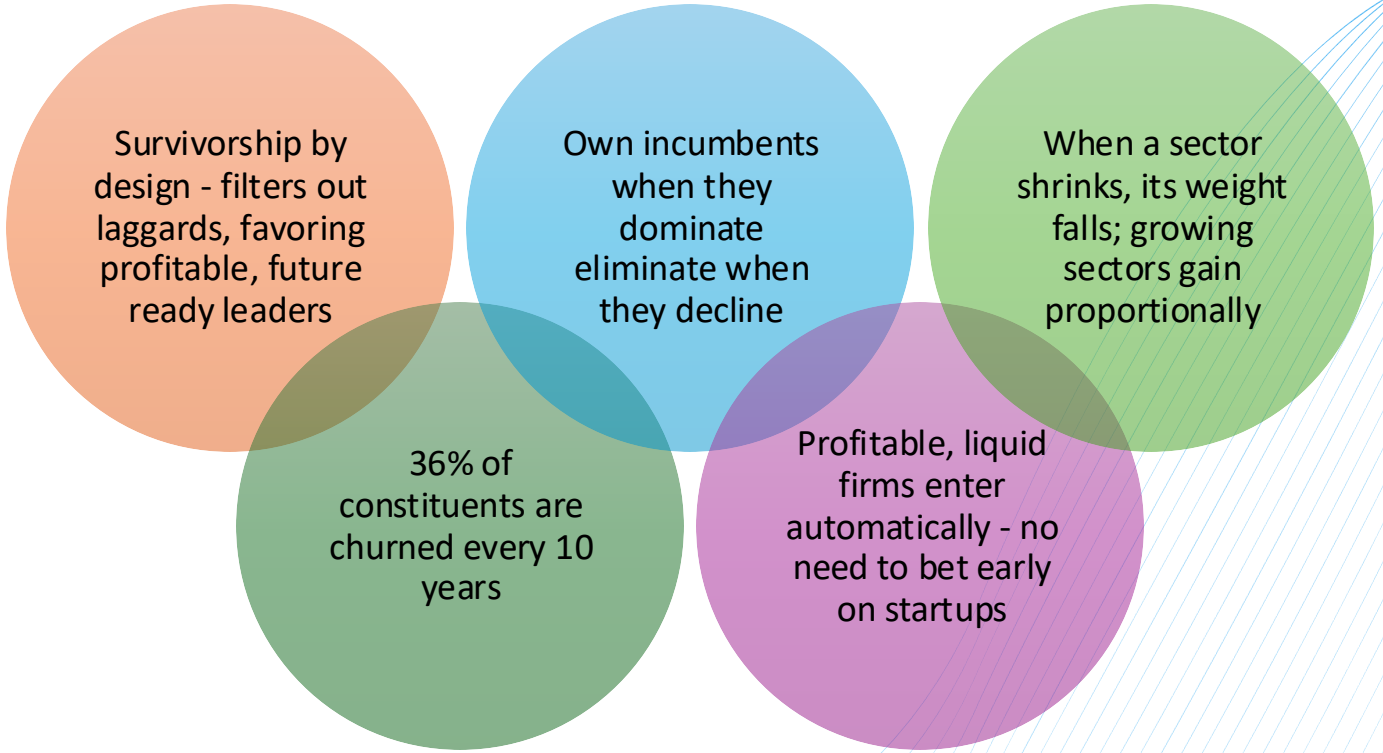
S&P 500: Curated index composition

Quality Gate Baked in Index rules



stock entry are at discretion of Index committee and not just mechanical

Active index management by committee



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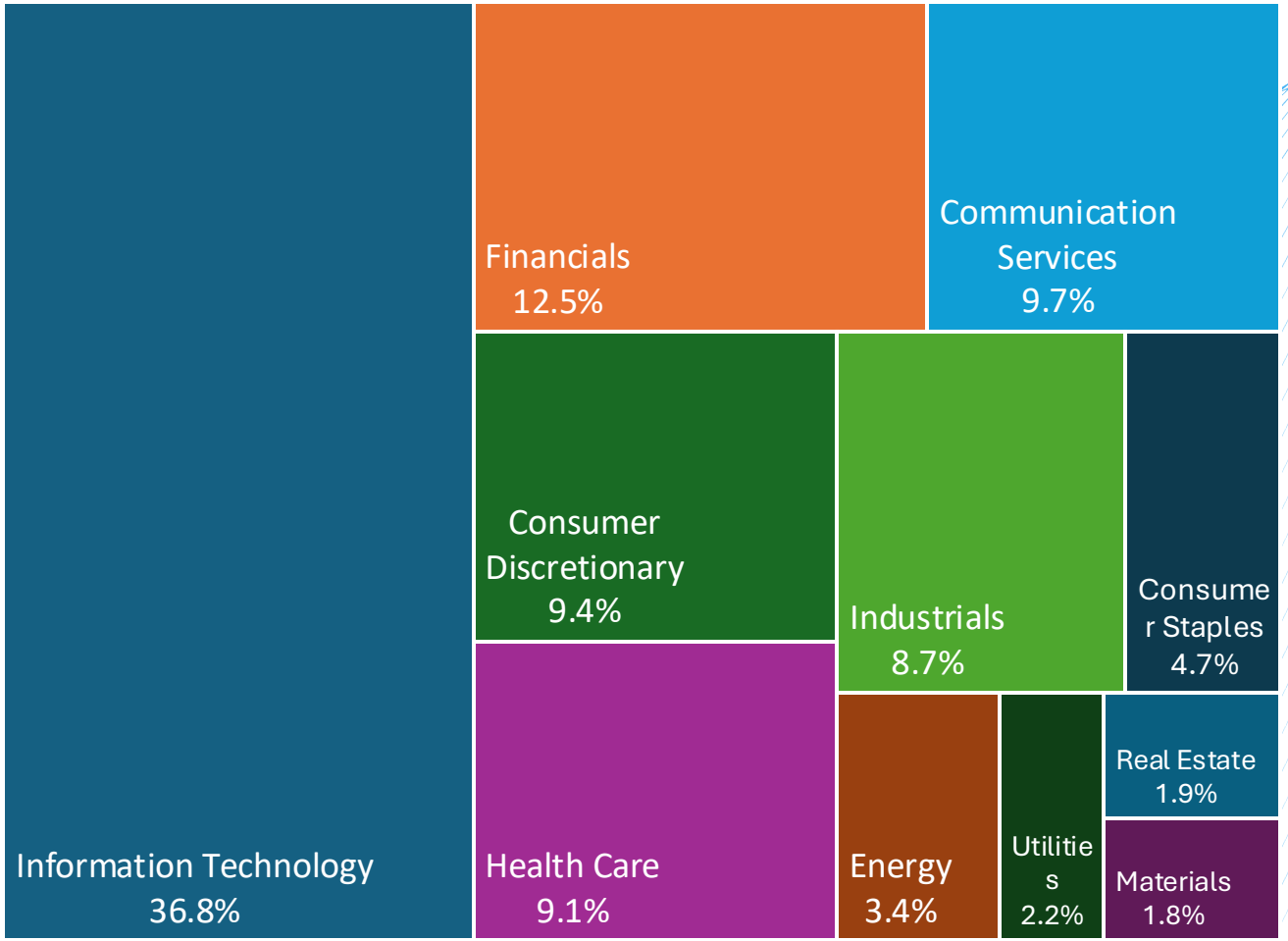
Diversified Composition

Top 10 constituents of S&P 500

Company	Weight	GICS Sector
Nvidia	7.49%	Information Technology
Apple	6.51%	Information Technology
Alphabet	6.01%	Communication Services
Microsoft	5.17%	Information Technology
Amazon	4.01%	Consumer Discretionary
Broadcom	2.66%	Information Technology
Tesla	2.36%	Consumer Discretionary
Meta	2.02%	Communication Services
Eli Lilly & Co	1.61%	Health care
Berkshire Hathaway	1.53%	Financials

GICS Sector Allocation



Source: Macromicro, slickcharts updated as on July,26

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Top 50 companies spread across 9 different sectors

Source: Slickcharts.com

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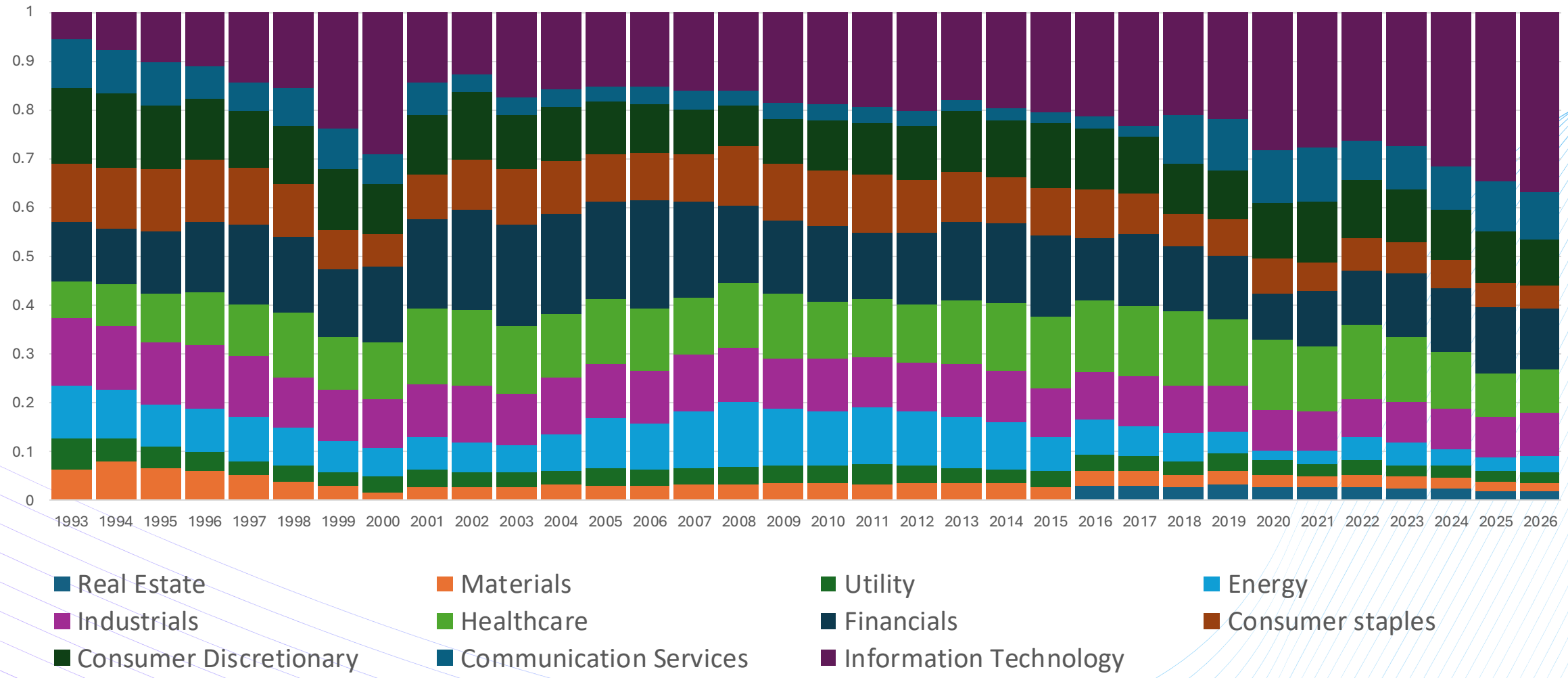
S&P 500 historical sector allocation



Source: Macromicro.me

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S&P 500 : Top 10 stocks over years

2005	2008	2011	2014	2017	2020	2022	2025
GE (3.28)	Exxon (5.15)	Exxon (3.56)	Apple (3.56)	Apple (3.81)	Apple (6.69)	Apple (6.05)	Nvidia (7.24)
Exxon (3.09)	P&G (2.34)	Apple (3.3)	Exxon (2.16)	Microsoft (2.89)	Microsoft (5.3)	Microsoft (5.56)	Microsoft (6.28)
Citigroup (2.17)	GE (2.15)	IBM (1.89)	Microsoft (2.11)	Alphabet (2.76)	Amazon (4.38)	Alphabet (3.1)	Apple (6.25)
Microsoft (2.11)	AT&T (2.12)	Chevron (1.85)	Google (1.65)	Amazon (2.05)	Alphabet (3.27)	Amazon (2.32)	Alphabet (5.05)
P&G (1.71)	J & J(2.1)	Microsoft (1.7)	J & J (1.61)	Facebook (1.84)	Facebook (2.06)	Berkshire Hathaway (1.73)	Amazon (3.96)
Bank of America (1.63)	Chevron (1.9)	GE(1.66)	Berkshire Hathaway (1.51)	Berkshire Hathaway (1.66)	Tesla (1.69)	United Health (1.54)	Meta (3.15)
J & J (1.59)	Microsoft (1.89)	P&G (1.61)	Wells Fargo (1.43)	J & J (1.64)	Berkshire Hathaway (1.43)	J & J (1.44)	Broadcom (2.66)
AIG (1.57)	Wal-Mart (1.59)	AT&T (1.57)	GE (1.4)	JPM (1.62)	J & J (1.31)	Exxon (1.41)	Tesla (2.36)
Pfizer (1.53)	Wells Fargo (1.58)	J & J(1.57)	P&G (1.36)	Exxon (1.54)	JPM (1.22)	JPM (1.22)	Berkshire Hathaway (1.76)
Altria Group (1.38)	Pfizer (1.52)	Pfizer (1.46)	JPM (1.29)	Bank of America (1.25)	Visa (1.17)	NVIDIA (1.13)	Oracle (1.48)

Source: S&P Global, Vasconomics.com

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S&P 500 vs NASDAQ 100

	S&P 500	NASDAQ 100
	Sectoral balance	Technology
US Mcap coverage	>80%	>40%
Number of companies	500	100
No. of common stocks	86	86
Largest sector & Weight	IT : 36.5%	IT : 64.75%
Valuation Cyclicality	Valuation moderates during downturns due to diversified coverage including defensive names	More prone to valuation bubbles/crashes (dotcom 2000, AI 2023 surge)
Dividend + Buyback yield (recent)	2.8-3.2%	1.5-2.5%
Geographic revenue split*	US - 65 to 70%; ROW - 30 to 35%	US - 50 to 55%; ROW - 45 to 50%
Profitability gate for entry	Profitable for last 4 quarters	No such requirement
Rebalancing and Reviewing Frequency	No fixed timeline; committee driven ad-hoc rebalancing	Annual reconstitution in December, quarterly rebalancing in March/June/Sept/Dec
Weighting mechanics	Pure free-float market cap weighting; committee Discretion	Uses modified market-cap weighting → caps large stocks (like Apple, Microsoft) to prevent one stock from exceeding ~14% and top 5 from exceeding 40%

*Geographic Split is calculated on basis of companies which discloses the split, companies not reporting the same is out of calculation universe

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Why Invest in S&P 500?

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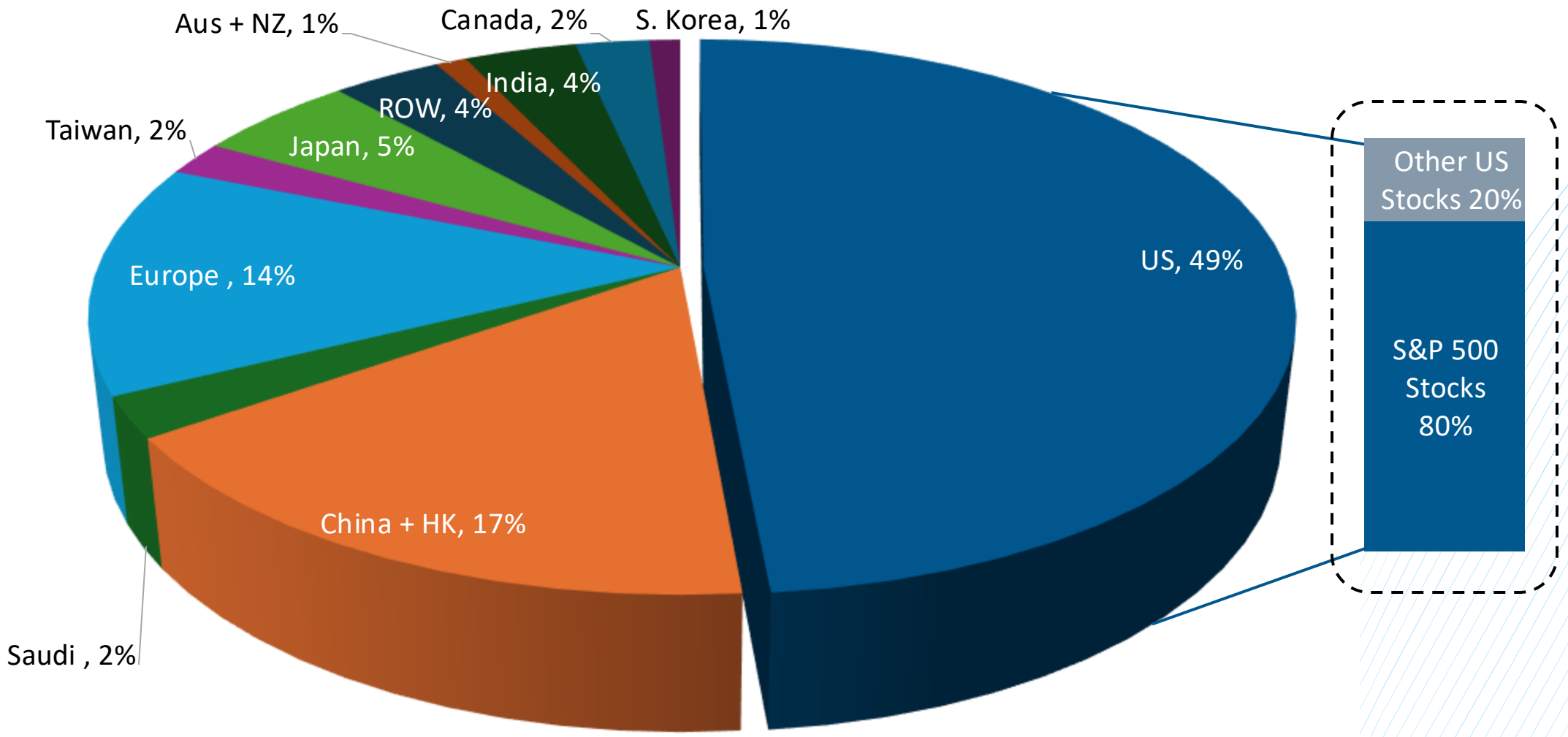
S&P 500 stocks accounts for ~40% of world market cap



Source: CEIC data, Wikipedia. Note- data of market cap of countries below 1% may be lagged

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US Indexes tops in terms of US$ returns for 4 out of 6 quinquennium

Rank	1995-2000	2000-2005	2005-2010	2010-2015	2015-2020	2020-2025
1	S&P 500	Nifty 50	Shanghai C	S&P 500	S&P 500	S&P 500
2	DAX	TSX	Nifty 50	DAX	Shanghai C, DAX	DAX
3	Stoxx 600	DAX	Kospi	Nifty 50	Nikkei 225	Nifty 50
4	CAC	CAC	TSX	Shanghai C	Nifty 50	TSX
5	TSX	Stoxx 600	DAX	Nikkei 225	Kospi	CAC
6	Shanghai C	S&P 500	Stoxx 600	Kospi	DAX	Stoxx 600
7	Nifty 50	Shanghai C	CAC	Stoxx 600	CAC	Nikkei 225
8	Nikkei 225	Nikkei 225	Nikkei 225	TSX	Stoxx 600	Kospi
9	-	-	S&P 500	CAC	TSX	Shanghai C

Please note – we have considered one indexes each from major geographies therefore Nasdaq 100 is not covered; Nasdaq 100 outperformed S&P500 during most of these periods at the same time drawdowns also has been higher

Source: Investing.com

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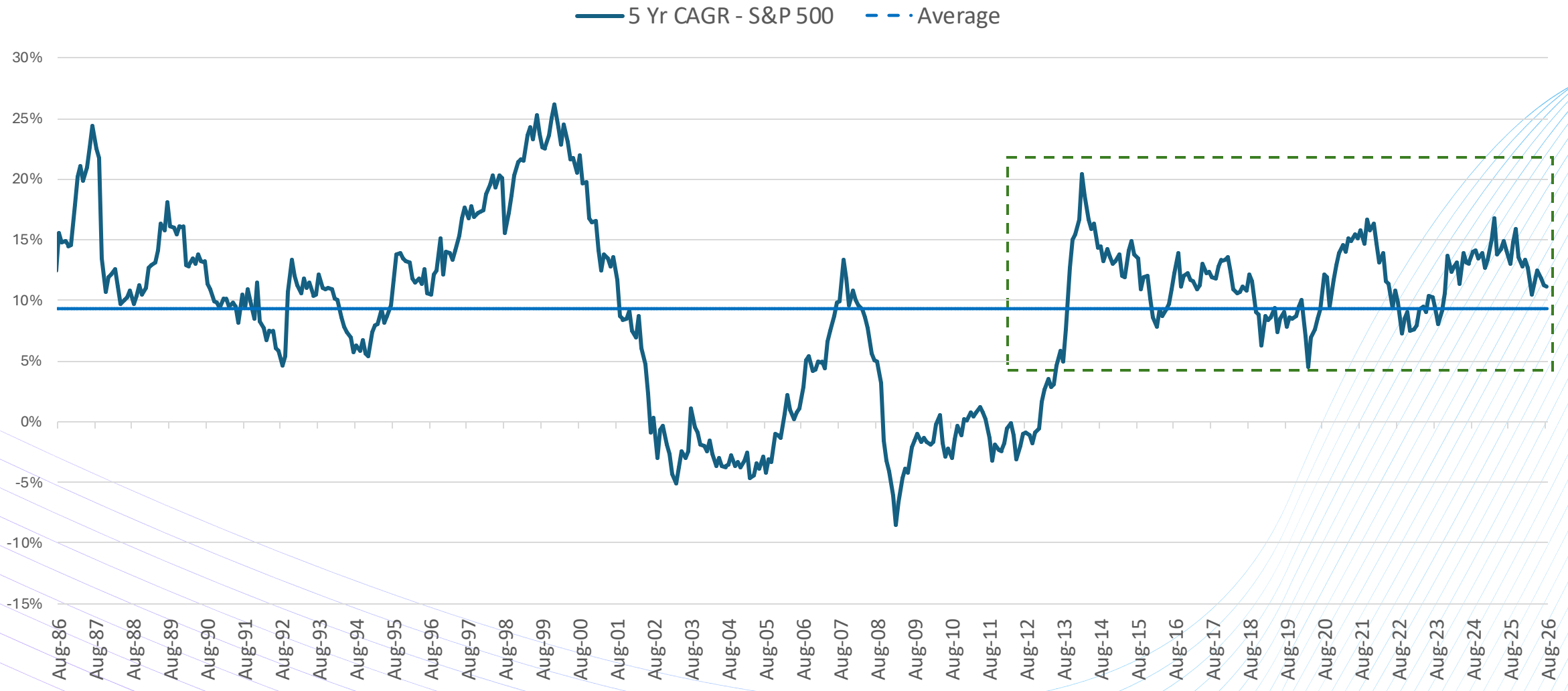
Over last 12 years, S&P 500 5 Yr price CAGR has become much more stable



Source: Investing.com

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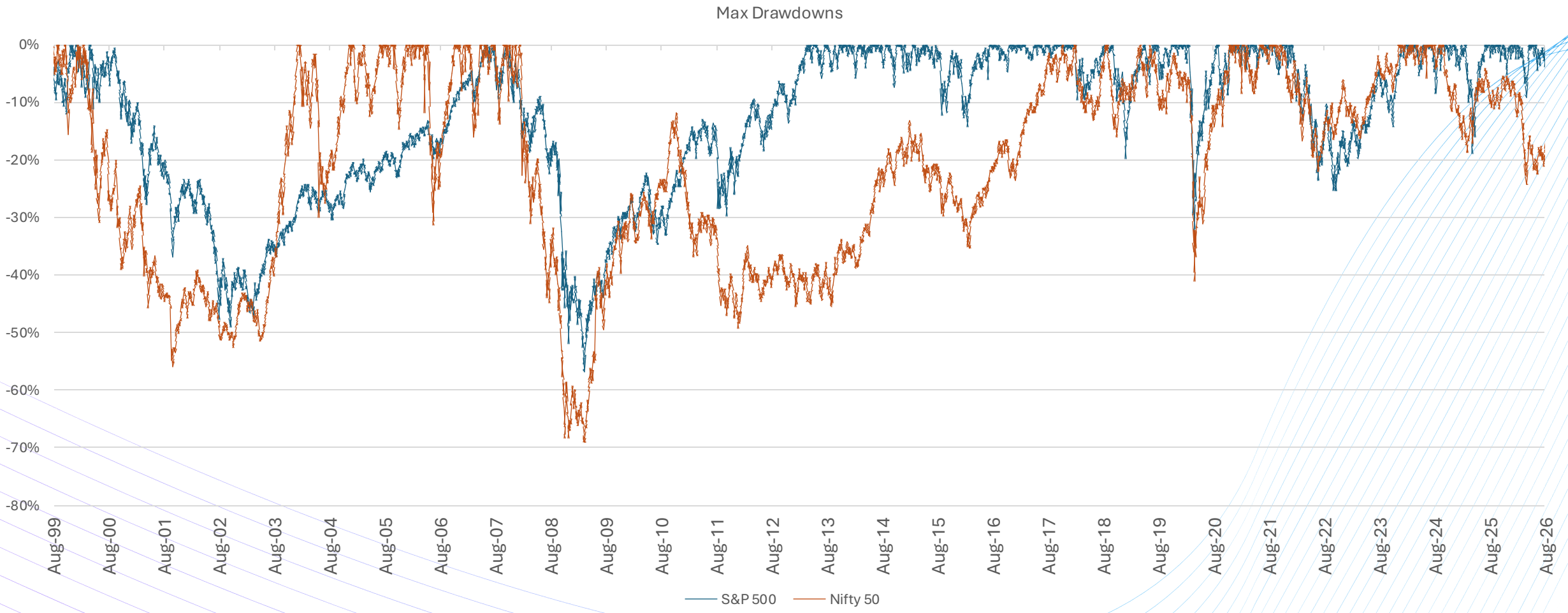
S&P 500 drawdowns sustainably improved post GFC



Source: Investing.com

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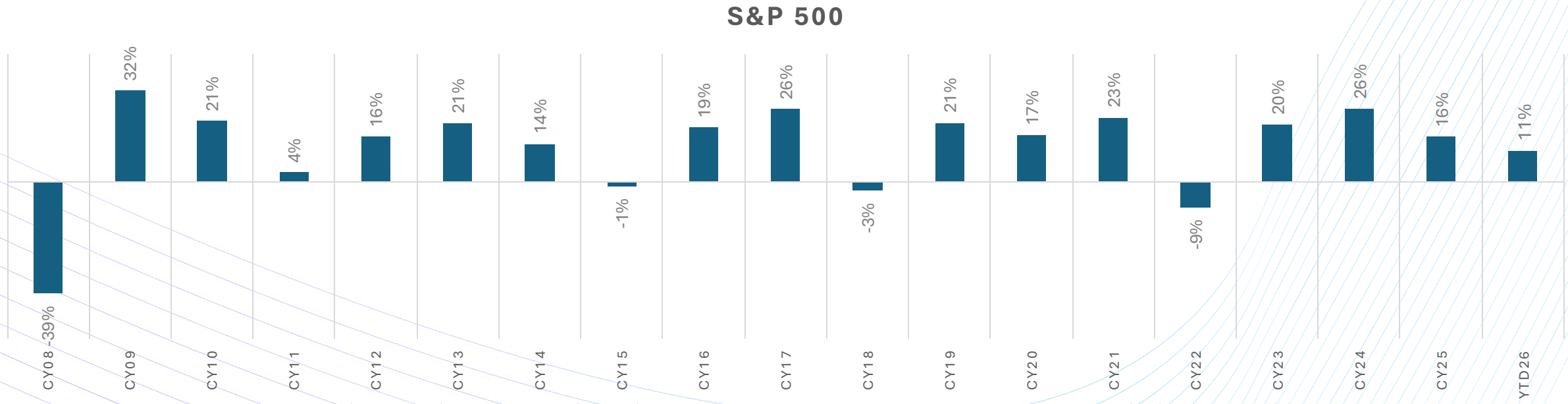
S&P 500 Performance

S&P 500 Index Performance*	Average	Minimum	Maximum	Std. Deviation
3 YR Rolling Returns	9.1%	-17.3%	30.1%	9.6%
5 YR Rolling Returns	8.7%	-8.5%	26.2%	7.2%
10 YR Rolling Returns	8.7%	-5.1%	16.7%	4.7%



Please note the Rolling returns average in 1st table is calculated on index directly, however net total return averages 1–2% above the price index due to dividends

*Average of rolling returns are calculated since 1991 in US$

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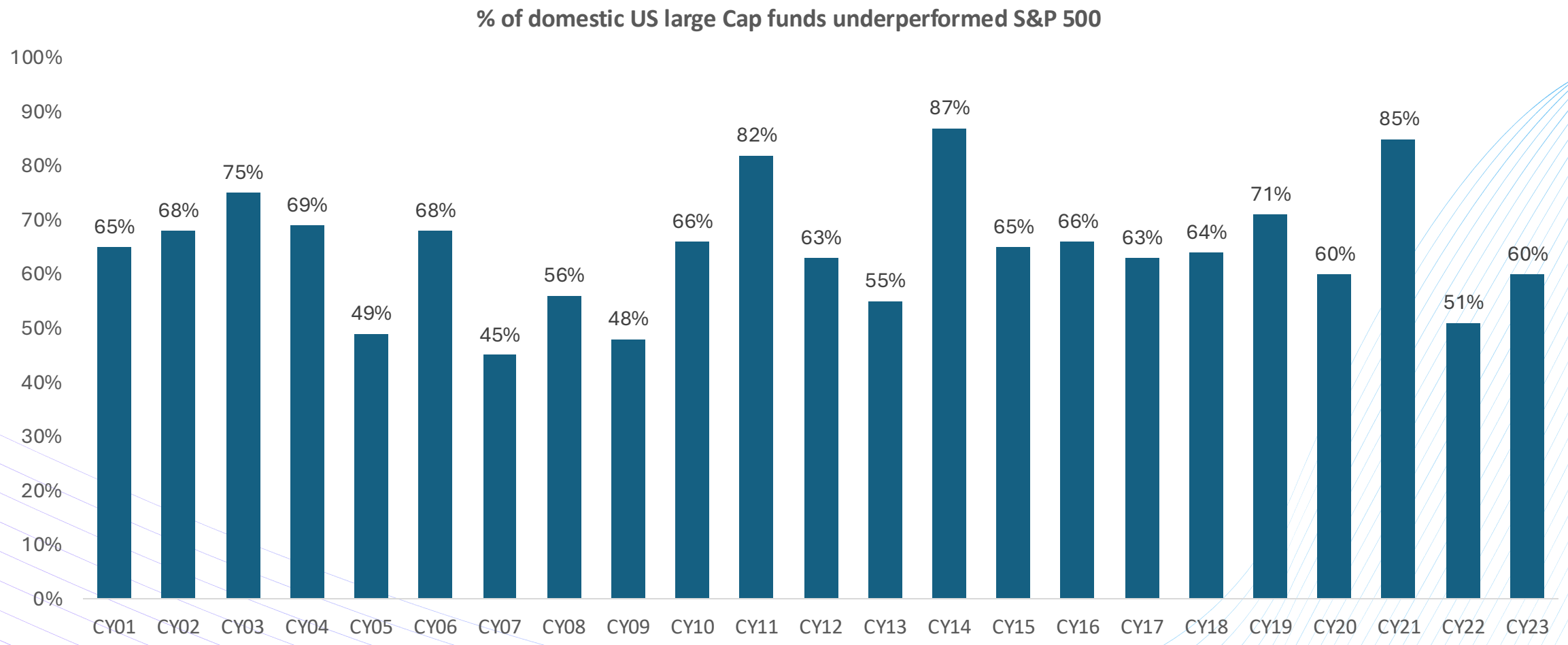
Majority of Active Large-Cap Funds Lag the Benchmark mostly Each Year



Source: S&P Global

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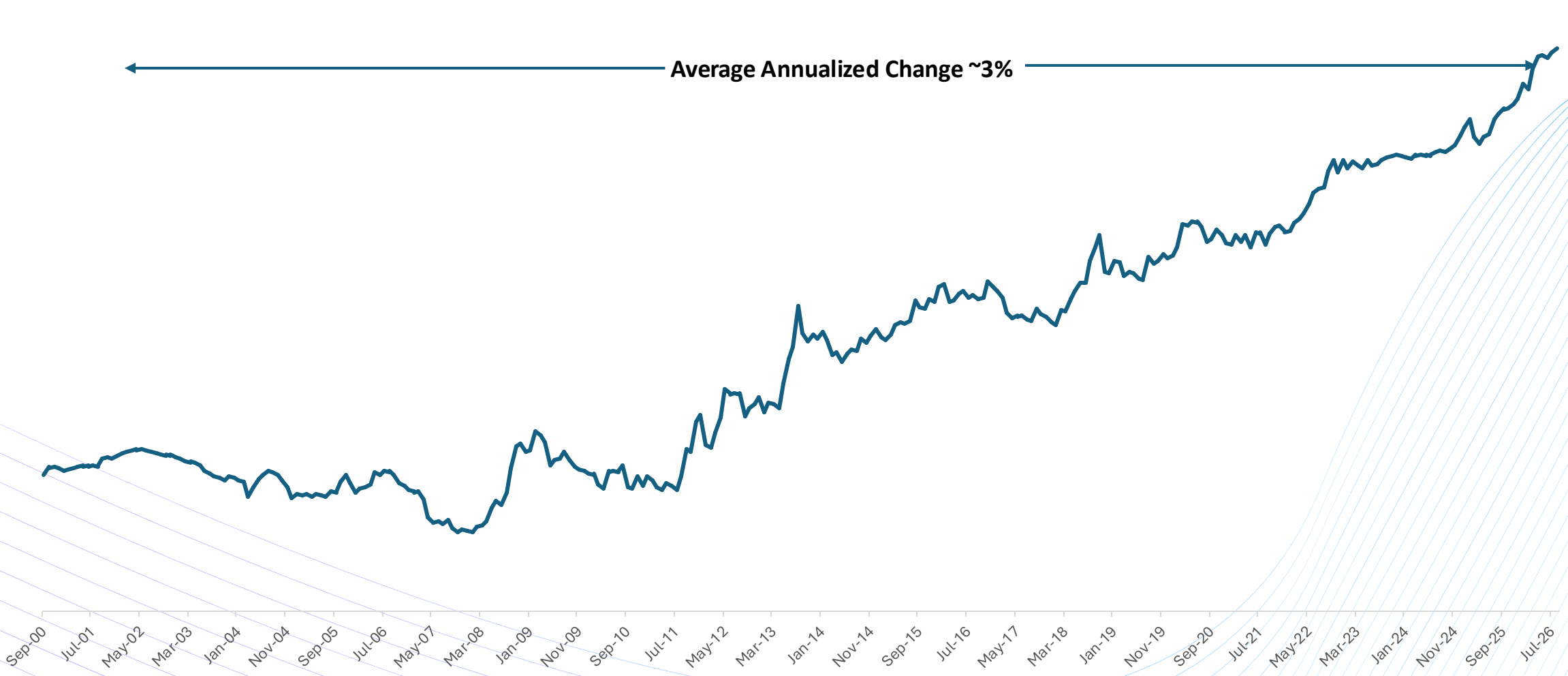
US$ vs ₹ historical FX movement



Source: Investing.com

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Fund Details

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Advantage of investing through this fund vs direct Investing

- No inheritance tax implications
- Ease of Tax compliance for Investors – Tax paid at fund level
- OPI route is only allowed through GIFT city based pooled vehicle
- Optimization of cost involved (FX conversion & transaction costs)
- Strong Compliance and Governance Framework

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Fund Facts

Target Investors	Indian resident individuals, corporates, partnership firm and other eligible persons
Base Currency	US$
Benchmark	S&P 500 Net TRI
Face Value	US$ 100
NAV Computation	Daily
Purchase & Redemption	All Business Days
Subscription NAV	Long term post-Tax NAV
Redemption NAV	Investor's Holding Period > 2 Years – Long term post-Tax NAV Investor's Holding Period <2 Years – Short term post-Tax NAV
Lock-in	No Lock-in Applicable
Exit Load	No Exit load

Class of Units	Type	Minimum Initial Investment (US $)	Minimum Top-up (in US $)	Total Expense Ratio of the Scheme	Max TER including Investee Funds*
A	Direct	500	500	0.30%	0.40%

*TER of our fund + TER of ETFs in which we will further invest in

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Fund Facts

Name of the Fund	Parag Parikh IFSC S&P 500 Fund of Fund
Nature of the Scheme	Retail Scheme under the IFSCA (Fund Management) Regulations, 2025
Tenure	Open-ended
FME/IM	PPFAS Alternate Asset Managers IFSC Private Limited
Trustee	Axis Trustee Services Limited
Fund Accountant	Apex Fincore LLP
Custodian	Kotak Mahindra Bank Limited
Banker	Kotak Mahindra Bank Limited
Tax Advisors	Deloitte Touche Tohmatsu India LLP
Legal Advisors	IC RegFin Legal Partners LLP
Statutory Auditors	SDKD & Associates LLP

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Asset Allocation

Sr. No	Type of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
01	ETFs and UCITS linked to S&P500	90 - 100	Medium to High
02	Debt Securities, Money Market Instruments & other similar instruments	0 - 10	Low to Medium

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PPFAS Alternate Asset Managers IFSC Private Limited

A wholly owned subsidiary of

Parag Parikh Financial Advisory Services Limited

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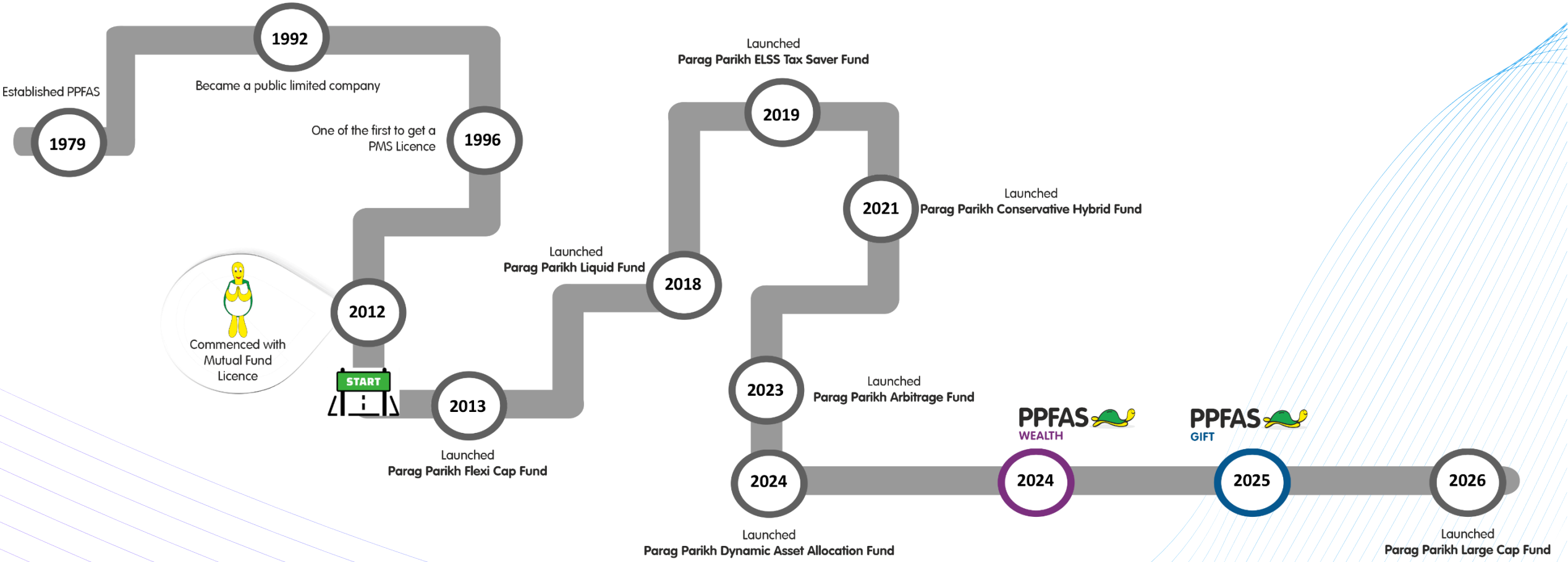
Journey of PPFAS Group



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PPFAS Senior Management

Neil Parag Parikh

Chairman and CEO

- He pursued BA in Economics from the University of North Carolina and he completed MBA from IESE Business School, Barcelona, Spain.
- Neil has been associated with the firm on a full-time basis since June 2004. Although he was initially involved in the Research Department, he found his natural calling in the more action-oriented field of Institutional Equity Dealing

Rajeev Thakkar

Chief Investment Officer & Equity Fund Manager

- His academic inclination is evident in the plethora of degrees earned by him. He is a Chartered Accountant, Cost Accountant, CFA Charter holder and a CFP Certificant.
- He is Portfolio manager, CIO since 2003 and possesses over 15 years of experience in various segments of the Capital Markets such as investment banking, corporate finance, securities broking and managing clients' investments in equities.

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Group structure

Parag Parikh Financial Advisory Services Limited

PPFAS WEALTH

1. **PPFAS Asset Management Private Limited**
   - PPFAS MUTUAL FUND — There's only one right way
   - **PPFAS Mutual Fund (7 schemes)**
2. **PPFAS Trustee Company Private Limited**
3. **PPFAS Alternate Asset Managers IFSC Private Limited**
   - PPFAS GIFT

PPFAS GIFT Team

Nirmal Bari
Principal Officer

- He pursed BE in Mechanical Engineering from Faculty of Technology, M.S. University, Baroda and did his PGDM from Management Development Institute, Gurgaon.
- Nirmal Bari possesses more than 11 years of experience in Equity Research, Private Equity & Venture Debt. In his current role, he is actively involved in coverage of listed Indian & Global companies

Purvesh Pandit
Compliance Officer

- He holds a Bachelor's degree in Law (LLB), a Master's degree in Commerce (M.Com), and has been a member of the Institute of Company Secretaries of India.
- With over a decade of experience, Purvesh has successfully managed complex corporate assignments, including mergers, acquisitions, IPO, private equity transactions, start-up funding and high-stake due diligence.

Akshay Falgunia
Fund Manager

- He is a Chartered Accountant and holds a Bachelor degree in Commerce from Gujarat University.
- He is an investment professional with more than 7 years of experience in equity research, covering a wide range of sectors across both Indian and global markets. Throughout his career, he has developed a deep understanding of financial analysis, market dynamics, and strategic insights.

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Thank You

PPFAS Alternate Asset Managers IFSC Private Limited

Registered Office: 412, Pragya II, Block 15C1, Road 11, GIFT City,

Gandhinagar, Gujarat, India, 382 355

Email: customerservice_gift@ppfas.com

Website: https://gift.ppfas.com/

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