

# TIMELESS INVESTMENT PRINCIPLES THE PARAG PARIKH WAY

In a heartfelt and insightful interview, **Neil Parikh**, Chairman & CEO of PPFAS Mutual Fund, son of the legendary stock market stalwart Parag Parikh, joined **Vivek Law** on the Simple Hai! show to share his perspectives on investing, legacy, and the evolving landscape of asset management in India. The conversation unfolded personal reflections, market wisdom, and practical advice, offering investors a rare glimpse into the mind of a fund manager who balances tradition with modernity.

Parag Parikh was a pioneer in investor education long before social media or television popularised financial literacy. He and his wife went to great lengths, even selling personal jewellery, to educate and empower ordinary investors. Neil Parikh honours this legacy, emphasising how he took up the mantle after his father's untimely demise in an accident.

## Remembering Parag Parikh

Law began by reminiscing about Parag Parikh, an iconic figure in Indian investing whose principles shaped the way many approached the stock market. "When I started covering the stock market in 1997 and moved to Mumbai, I met Parag Parikh. Everything I learned from him is the reason I am here today," Law reflected. As Neil Parikh put it, "My father's legacy was a responsibility, and despite the challenges, I promised to continue his work. Today, we have managed to keep that promise."

## The Timeless Investment Principle

When asked about the core of successful investing, Parikh reiterated a simple yet powerful rule his father lived by: "If you want to make money in the stock market, the only thing is to buy a stock at a low price and sell it at a higher price. This was true 100 years ago, it remains true today, and it will be true 100 years from now." This principle underscores the importance of patience and valuation over speculation or noise. Parikh explained that investing is more like a marathon than a sprint, akin to a Test cricket match rather than a T20 game. "You don't need to hit every ball for a four or six. Sometimes, you just need to leave a ball outside the off-stump. Similarly, in investing, it's okay to sit on cash when valuations are

high and wait for the right opportunity."

## Legacy Speaks Volumes

Law asked Parikh how he dealt with the pressure of stepping into the shoes of a revered father, especially when Parag Parikh was a celebrity figure in the stock market. Neil Parikh shared that he acknowledged the challenge but credits open communication within the family as a key factor in overcoming it.

"First and foremost, there has to be clear communication between the first and second generation," Parikh said. "My father was very passionate and always talked about values and philosophy at the dinner table. I didn't always understand it then, but later realised it was his way of guiding me." Parikh feels second-generation successors should not feel compelled to reinvent the wheel or make radical changes.

## The Swiss Army Knife Approach

One of the standout topics in the discussion was Parikh's explanation of their flagship mutual fund scheme, which has surpassed Rs 1 lakh crore in assets under management (AUM), a remarkable feat in an industry comprising over 50 mutual fund houses and numerous schemes. "We wanted to simplify investing. Why have 100 schemes when one can do it all? Our fund is like a Swiss Army knife, multifunctional. You can invest across market caps, sectors, and geographies, including international stocks, all within one scheme." This approach was born out of the confusion he experienced earlier in his career, when he faced numerous funds with overlapping portfolios but different names.

## Opportunities and Caution

On the state of the Indian market and future outlook, Parikh remained bullish on India's growth over the next decade but highlighted the importance of stock selection and valuation.

"We believe India will do well, but not every company will benefit equally. Our job as fund managers is to identify the right opportunities, not just ride the growth narrative blindly."

Parikh recalled the telecom and real estate booms of the late 1990s and 2017, respectively, where many investors lost money despite sectoral excitement. "Sometimes, it's okay to underperform during booming times if valuations are stretched. Better to keep your wicket intact and wait for the loose ball."

He also discussed the value of global diversification, pointing out that 97% of investment opportunities lie outside India. "If you want exposure to companies like Google, Amazon, or Facebook, you need to look beyond borders."

## Technology & Customer Service

While discussing the evolving asset management industry, Parikh highlighted the dual role of technology and human touch. "We use AI and other technologies, but ultimately, investing is a human-to-human business. Parikh also emphasised excellent customer service, including quick resolution of queries, as important aspects for retail investors who experience anxiety if transactions don't reflect promptly. Transparency is maintained through annual general meetings (AGMs), which are open to all investors, where any unitholder can ask questions.

## Patience, Discipline, and Saying No

The conversation closed with profound life and investment lessons. Parikh quoted Warren Buffett's advice on the power of saying "no" to distractions and unnecessary commitments. "You have to learn to say no 99% of the time to be successful." He also shared his father's favourite teaching, the Law of the Farm: "You cannot harvest benefits immediately. Just like a seed takes time to grow into a full tree, investments and life require patience."



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