



## Note on the eve of our Unitholders' Meet - 2021

Mr. Rajeev Thakkar  
CIO & Director

Greetings!

In April of 2013, when we were into Portfolio Management Services (PMS) business, we had around 600 clients (as at end of April 2013), today being Investment Manager for schemes of PPFAS Mutual Fund that number is increased to 1,275,613 clients (as at end September 2021). In one way it feels happy to serve so many clients. However what has changed is that earlier each client more or less had a clear idea of what we stood for and what she was signing up for.

Today I have a small element of concern that some clients at least would have invested without a deeper dive into our investing process and what to expect when investing in our funds. I will take this opportunity to communicate at length about these aspects. It may be nothing new for our older clients but I am sure that the newer clients will get a better understanding about us from reading the material in this note.

### **Prior name of the Flexi Cap Fund**

The prior name of Parag Parikh Flexi Cap Fund was Parag Parikh Long Term Equity Fund. The reason for the name change is that we could no longer retain the phrase "Long Term" given that regulations now require a uniform naming of schemes across all mutual funds for a particular category.

That however does not take away the fact that the scheme is suitable only for investments of 5 year and above (the longer the better).

### **Investment approach**

- We look at equity investment as ownership of a business. When we buy shares of a company, we are looking at staying invested for the long term. We are not unduly focussed on the results of a particular quarter or even a year.
- Promoter / management quality matters a lot. We will pass on companies which have promoters / managers who have a track record of minority shareholder unfriendly actions, chronic problems with customers and suppliers, trouble with the tax and regulatory authorities and so on. The promoters / managers should also have a good understanding of the business they operate in and be successful in operating in that field for long.

- The business characteristics of the company should be good in terms of financial ratios. We like companies with high Return on Capital Employed and low levels of debt.
- We are mindful of the valuations that we pay. Even excellent companies can have poor investment outcomes if an excessive price is paid for them.

## Fundamental Cues and not Price / Volume Cues

Our investments are based on our fundamental assessment of the business and its prospects and not on price action. Hence, kindly do not expect only those stocks where the price is going up to be in our portfolios.

## Patience

Having invested in a company, one has to be patient with the investment. One cannot expect overnight returns and sometimes it takes a long time for the returns to come.

Sometimes patience works in our favour, other times it does not. I am giving one example of each.

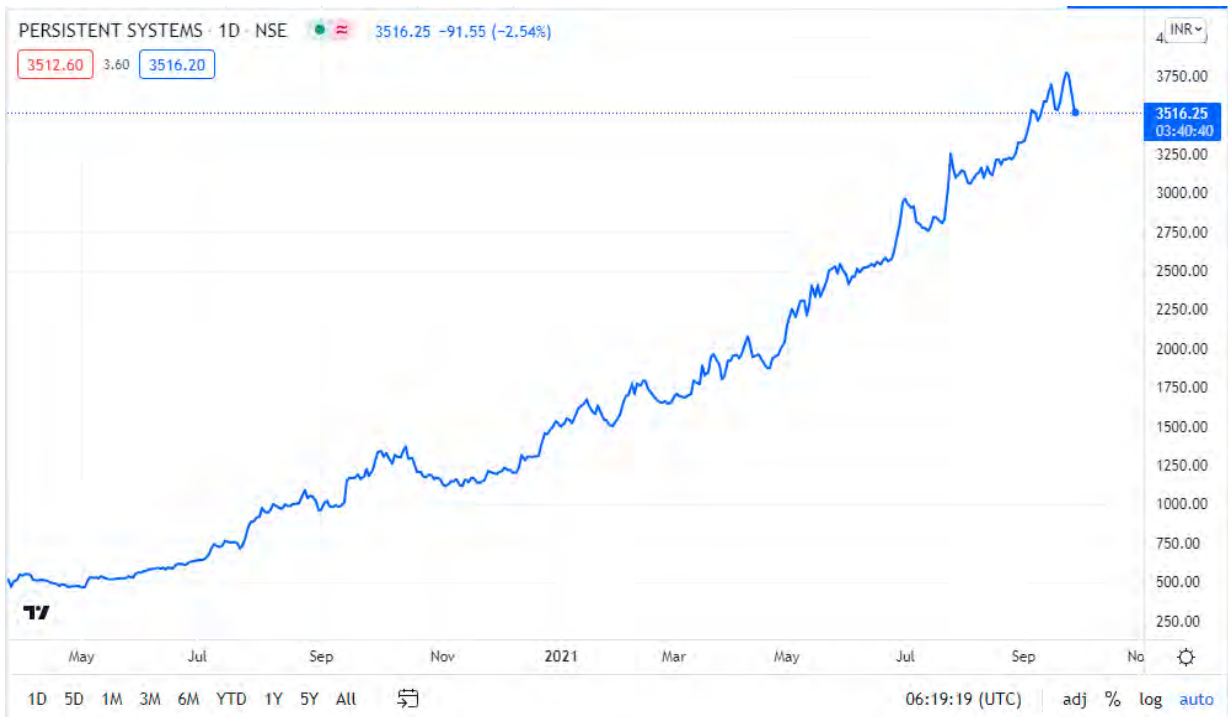
### *Persistent (Pun not intended) Systems*

We bought the stock in November 2014 and added more along the way. Till March / April of 2020, the stock did not have much to contribute to the portfolio.



Source: tradingview.com

However the returns post that period more than made up for the lost years



Source: tradingview.com

### Mahindra Holidays

This is a stock which had opportunity loss for us (we could have invested the money elsewhere).



Source: tradingview.com

Given our long holding periods, it is not worthwhile to get excited about a CDSL or an IEX moving up in a short span of time or to get depressed about an ITC or Bajaj Holdings not going up (though of late even those have started going up). On ITC, we had a detailed discussion at last year's AGM. Nothing much has changed since then in terms of our thinking and the questions on ITC are also few this time around (as of writing of this note). We will spend more time addressing some of the other questions from unitholders. ITC fans can refer to the last years discussion of ITC here :

[▶ PPFAS | Annual Unitholders' Meeting | 2020](#)

## **Test match and not Twenty20**

Equity investment in our funds, to use a cricket analogy can be seen as a test match rather than a Twenty20 tournament.

## **Probabilities and not certainties**

Equity investing is about taking due care in selecting the companies and management and deciding on the price to pay for the shares. However there are no certainties. At a portfolio level one should aim for a decent risk adjusted return. There will be some businesses (companies) which do not do as was expected of them and may lose money either in terms of actual loss or in terms of opportunity cost. These cannot be completely avoided. One can only try to minimise these.

## **Ones and Twos and not sixes**

The current environment is such that valuations are clearly elevated in a lot of companies and sectors. Also trailing returns are looking exceedingly good. To use a cricket analogy again, the run rate so far (trailing returns) is exceedingly good. To win the match (reach financial goals) ones and twos and an occasional boundary will do the job and sixes are not really required. Also the best bowlers of the opposite side have started to bowl (high valuations). At such a time, it is important to conserve the wickets (capital and gains so far) rather than to hit out at every ball and try to get a six.

## **Underperformance is guaranteed (at least some of the time)**

Our investments in companies ignores whether they form part of the index or not and if it is a part of the index, the weightage of the company in the index. Our portfolio looks very different from the index and as a consequence, for better or worse, the performance will be different from the index.

No strategy (even if it has a long successful track record) beats the benchmark index all of the time. There are times and sometimes long stretches of time where the performance of an actively managed portfolio lags that of the benchmark. In our case this is usually, but not always, seen in bull markets where the market keeps scoring via sixes and we take singles.

## **Why International?**

An uncommon factor in our Flexicap fund is the presence of international stocks. All along we have maintained that adding international stocks to the portfolio does the following

- It enables us to avail of opportunities that are otherwise unavailable in India
- It reduces the portfolio volatility
- In any case we live in a globalised world where the country of listing matters less and less. If one buys Tata Motors, one is investing in Jaguar and Land Rover. IT services analysts tracking TCS, Wipro and Infosys, track Accenture and Cognizant as well.

These are the logical factors to choose international companies to invest in.

## **Reasons not to invest in International companies**

- **To get “higher” returns. There is nothing automatic about getting higher returns by buying international stocks. This should not be a driving factor.**

The chart below will vividly show how NIFTY beat the US S&P 500 over the decade January 1, 2000 to December 31, 2009 (both returns in Indian Rupees, Nifty in White and S&P 500 in Blue, dividends not considered).



Source: Bloomberg

Even when we launched our equity scheme, the previous 10 year returns were not looking that great for US stocks



Source: Bloomberg

- FAANGS will easily out-perform

Firstly, this is not necessarily true for all times. Secondly it is not obvious in real time (it only seems obvious in hindsight).

At the time of the scheme launch, these were the past 5 year returns of TCS vs Google. (Both returns in Indian Rupees, dividends not considered)



Source: Bloomberg

A fun fact, in our first factsheet of June 2013, we had ZERO exposure to FAANG stocks. At least the prospects of FAANG stocks easily trouncing all indices were not obvious to me.

Overseas Securities, IDRs and ADRs		
Standard Chartered PLC IDR	Banks	4.55%
3M Company #	Industrial Conglomerate	4.87%
Nestle SA ADR #	Packaged Foods	4.78%
<b>Total</b>		<b>14.20%</b>

In 2018 June, even after 5 years of the funds existence, the total exposure to FAANG stocks was only 15.58% out of the total international exposure of 28.10%

Overseas Securities, IDRS and ADRs		
# Alphabet Inc (Google Class C)	Internet & Technology	10.41%
# Facebook INC	Internet & Technology	5.17%
# Suzuki Motor Corp (ADR)^	Auto & Auto Accessories	5.02%
# Nestle SA ADR^	Packaged Foods	3.53%
# 3M Co	Industrial Conglomerates	2.16%
# International Business Machines Corp	IT Consulting & Other Services	1.81%
Total		28.10%

At some point in the last few years it may have seemed “obvious” to buy Chinese Internet company stocks. That has not turned out to be that great.

What is obvious today in hindsight was not necessarily obvious while investing real time.

International investing should be seen only from the point of view of increasing diversification and the opportunity set and not to predict as to which market or which sector will do better than the other.

### **AUM and fund performance**

There may be questions about the size of our fund (Flexicap Fund) and the flexibility we have in investments. I had written a detailed note on this which is reproduced in Annexure 1 for ready reference. Surely we have grown. However I would say that the reports of our AUM growth are greatly exaggerated (with due apologies to Mark Twain). Just for context, the AUM of our Flexicap fund (which includes capital appreciation and fund inflows) over *eight and a half years* is more or less equal to what some of the NFOs are garnering these days.

### **Tax Saver Fund**

The Tax Saver Fund enables investors to avail of Section 80C benefits under the income tax act. Given the current regulations, this fund cannot invest in international stocks and also cannot undertake derivative transactions. Apart from this, the investment approach here is largely similar to the Flexicap fund.

### **Note on Conservative Hybrid Fund**

Investors in the Conservative Hybrid Fund may wish to refer to the note on the same which is reproduced in Annexure 2.

### **Returns have the last priority in our Liquid Fund**

Our liquid fund is managed to prioritise safety and liquidity. Returns are what the money market gives us after factoring in safety and liquidity. We do not seek to generate extra returns here by taking on additional risk and the scheme is mainly to facilitate Systematic Transfer Plans of investors or for investors who need a positive return instead of keeping money in a current account.



[Annexure 1](#)

[Annexure 2](#)



With Warm Regards,

**Rajeev Thakkar**

Chief Investment Officer & Director

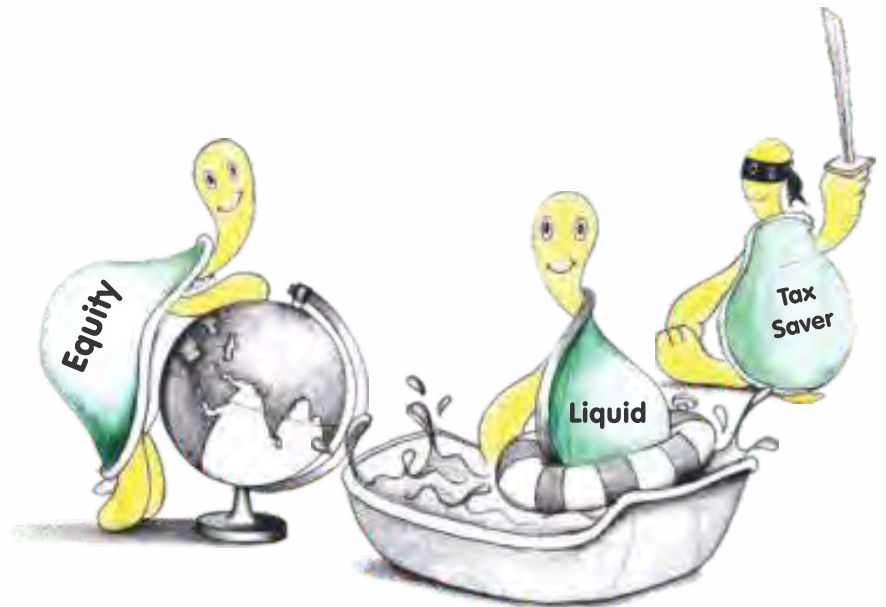


**Date: 11th October, 2021**

1. Mr. Rajeev Thakkar or any of his dependent family members do not have any personal holdings/interest in the script discussed here.
2. Note: Viewers/readers should note that the objective of these articles/interviews is to communicate with our unit-holders and share with them our thought process. It should be noted that views expressed here are based on information available in the public domain at this moment. Views expressed here can change depending on change in circumstances. Nothing discussed here, constitute a buy/ sell/ hold recommendation.
3. The views expressed here are the author's own.



## Managing your money using **Value Investing** principles!



## Addressing size of the fund

In the initial months after the launch of our fund in 2013, we were at a size of about ₹ 300 crores. For much of our existence, any question on the size of the fund would be answered with a standard reply that we are a rounding error for the mutual fund sector. Now that our market share is in decimal points (we crossed ₹ 10,000 crores in the Flexicap Fund this month and total assets across all schemes are close to ₹ 12,000 crores) it may be a good time to address the size question again.

The following points may be interesting to keep in mind while comparing fund sizes:

- We have to invest only about  $\frac{2}{3}$  of our fund size in India. Hence from ₹ 10,000 crores, only about ₹ 6,700 crores are to be invested in Indian stocks. For the remaining (foreign stocks plus cash) the size question is irrelevant for the foreseeable future.
- Since we have limited fund offerings (1 equity fund + 1 ELSS), the fund size will look large. However the comparison is to be made across total equity assets of fund houses and not for a single scheme. As a thought experiment, if the ₹ 6,700 crores of our Indian portion of the Flexicap fund was split into 3 funds, say a large cap, a mid cap and a small cap fund, the task for our investment team would not be any easier.
- The largest fund houses manage well over ₹ 1,00,000 crores each in equity assets in India. There are many Portfolio Management Services in India (some of them recently launched) which have equity assets more than ₹ 6,700 crores.
- The limit of overseas investments per fund house has been recently increased to \$ 1 billion per fund house by SEBI. Hence maintaining the India plus Global strategy will not be an issue till about ₹ 25,000 to 30,000 crores of total equity assets.

The gist of the above is that size is NOT at an unmanageable level. There are however the following caveats.

## Size Disadvantages

There may be some size disadvantages, we have discussed those below:

- There are no problems for us investing in Alphabet, Amazon, ITC, Bajaj Holdings and HDFC Bank etc. on account of the size of our fund. However there will be some stocks where the fund size will play a role. Hence, a ₹ 10,000 crores fund cannot build a 5% portfolio weight (₹ 500 crores position size) in a small cap company with ₹ 2,000 crores of market capitalisation. Hence for the smaller companies in the small cap space there will be a slight modification in our strategy which is discussed below.
- We do not expect any problem in deploying money in the mid cap space. The smallest mid cap company as per the AMFI December 2020 list at ₹ 8,389 crores market cap is Persistent Systems, one of our large holdings in the portfolio.
- The fund cannot churn rapidly in the small cap space and to some extent in the mid cap space on account of the impact cost of our own buying and selling. The good part is that we have never relied on a high churn strategy and we are largely buy and hold investors.

## Size Advantages

It is not all bad. There are a lot of advantages to being a mid sized fund. Some of them are listed below:

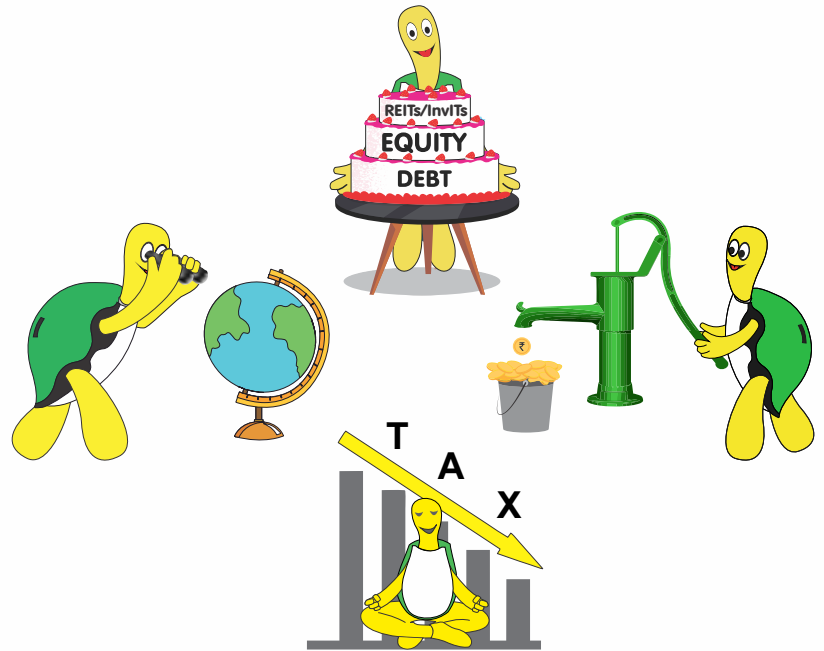
- Expense ratio for investors has been coming down as our size has been growing.
- Transactions costs in terms of brokerage paid have come down as we were able to negotiate better rates.
- The fund now has opportunities in terms of pre-IPO placement opportunities, anchor investor opportunities, QIPs, block deal offers and so on which were difficult or not available at a smaller fund size.
- Being serviced by better equipped brokers. As our size has grown, many of the institutional brokers which were not working with us have now started doing so.
  - Fun Fact #1: An Institutional broker in India had assigned our account to their HNI desk rather than their Mutual Fund / Insurance / Institutional desk. This has now changed.
  - Fun Fact #2: Most foreign brokerages still consider us quite small and do not consider it worthwhile to deal with us for our Indian and Foreign stock trades. We do have a small number of them serving us now after many years.
- Better dealing methods in terms of Direct Market Access and algorithms to optimise trade execution.
- More research access and budget. More brokers are providing us with research, we have increased our research and dealing team strength, adopted a more system driven approach to research and investments and so on.

## Small tweak to the investment approach

Given the fact that in the small cap space it may be difficult to build a large position in each individual stock, we will be increasing the number of stocks we invest in, in the small cap space. Hence from the total number of stocks in the portfolio which usually is around 25 in number, we may gradually increase it to about 30 in number.

**"Please note that the portfolio of Parag Parikh Conservative Hybrid Fund will be disclosed in the factsheet for the month of June 2021 which will be released latest by July 10, 2021."**

## Managing your money using **Value Investing** principles!



## Note on the Parag Parikh Conservative Hybrid Fund (PPCHF)

When we announced the launch of PPCHF, it was a head scratcher for many. We had earlier announced that we would be launching a scheme in the debt space. This was instead a launch in the hybrid category.

Typically, Debt Fund are either segmented by the issuer

- Corporate Bond Fund
- Banking and PSU Fund
- Gilt Fund

Or on the basis of maturity

- Ultra Short Duration Fund
- Short Duration Fund
- Medium Duration Fund
- Long Duration Fund

And so on.

Even in the hybrid fund category of funds, this particular class of funds has been more or less dormant, the more popular classes being Balanced / Aggressive Hybrid Funds and Balanced Advantage Funds or Dynamic Funds.

At the time of the NFO, we tried to explain the broad contours of the scheme. However in the absence of an actual portfolio, we were largely saying what was there in the offer document. Now that we are disclosing the scheme portfolio in the first fact sheet since the launch of the scheme, it is a good opportunity to explain our thinking further.

## Suitability

At the time of the fund launch itself, we have been saying that the scheme is not suitable for short term fund deployment. It is suitable for medium to long term fund deployment.

## Interest Rate environment

An individual investor today can invest in Bank Fixed Deposits or Small Savings Schemes. Some of the interest rates are given below.

@State Bank of India offers 5.3% (5.8% for senior citizens) interest on 3 to 5 year deposits and 5.4% on 5 years and above maturity (6.2% for senior citizens).

National Savings Certificates for a 5 year tenure offer an interest rate of 6.8% p.a. As such these are great investment avenues, the only drawbacks of something like a National Savings Certificate are that liquidity is not easily available, regular cash flows are not there and they are tax inefficient.

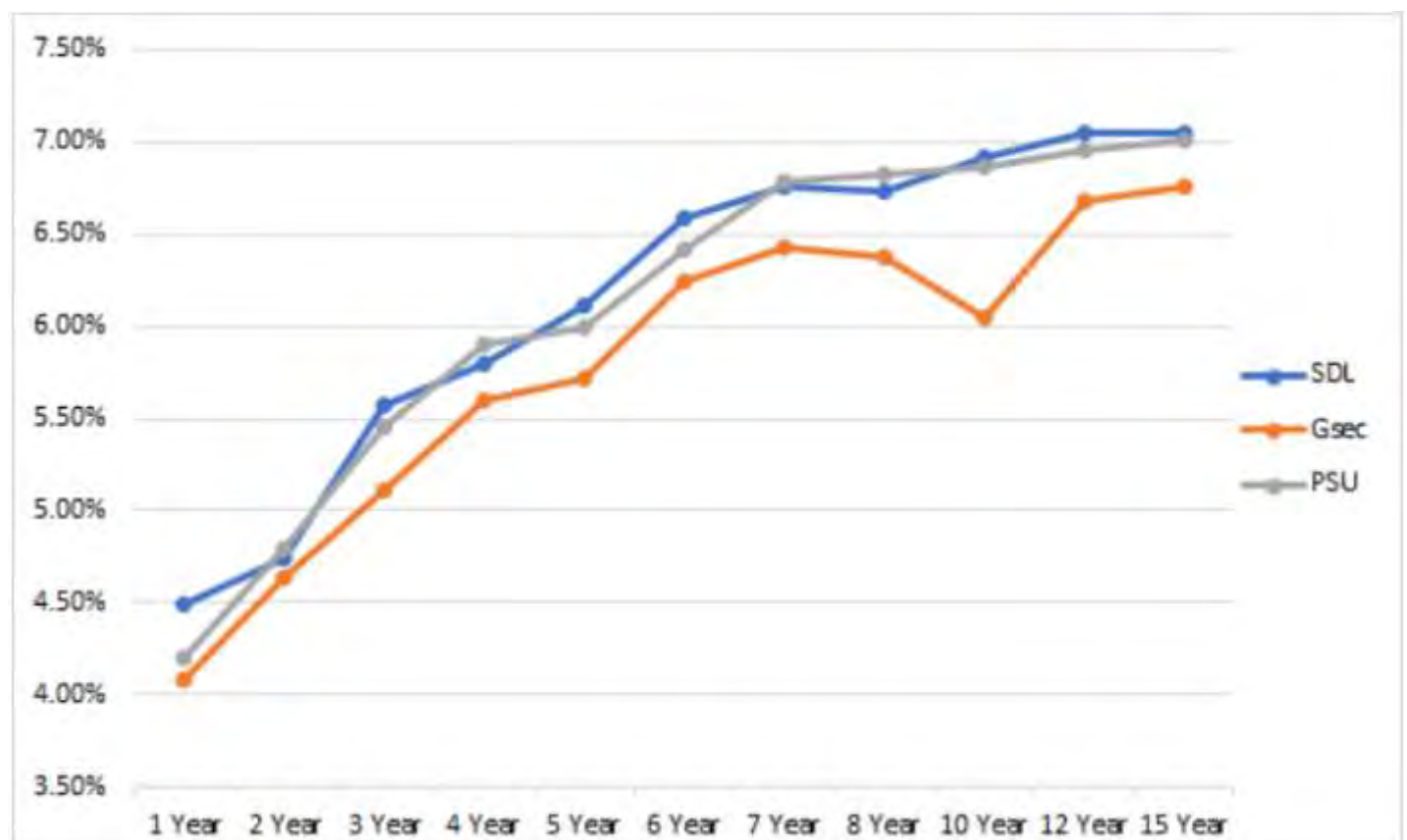
These interest rates are important to keep in mind, especially for the later discussion on interest rate risks.

@Source-SBI Website

## Why does it not make sense to pre-define the issuer?

In the equity space, we have chosen to be in the Flexi Cap segment. The thinking is that we should choose the capitalisation space where the opportunities are attractive rather than having three predetermined categories of large cap, mid cap and small cap funds.

A similar thinking is behind PPCHF where we are not segmenting our fund into Gilt, Banking and PSU and Corporate Bond Funds. The following traded yields in the debt markets on June 30, 2021 will make the situation very clear.



Based on the above, in the current market, we see the Sovereign State Development Loans as the most attractive space. These are backed by the taxing power of the government and indirectly the monetisation power of the Reserve Bank of India. In the current environment, we would not want to invest in corporate bonds at yields which are lower than sovereign paper. At some other point in time if quality AAA or AA+ corporate papers are paying a decent spread over sovereign paper, we may choose to invest in them. The lone AAA bond in our portfolio is one where there is an attractive yield pick up available over sovereign bonds. Wherever we choose to invest in non sovereign paper, we will keep individual exposure to issuers limited rather than buy huge chunks of individual paper.

Central Government Securities, as can be seen from the yield curve, trade at significantly lower yields than State Government Securities and AAA Bonds. The advantage of Central Government Securities is that they trade in huge volumes and to the extent it is expected that one may need to liquidate some holdings, they are very liquid. It is not that State Government Loans and AAA bonds are not liquid. It is just that in comparison to Central Government Securities, the volumes are lower and the bid / offer rates are wider. Hence the impact cost on the buy / sell price may be a bit larger if a huge volume is to be transacted.

(A special class of Central Government Securities are the recently issued bonds in popular maturity categories. For example a 10 year Central Government Security recently issued. These are the most liquid and offer the lowest yield in comparison to similar other securities. The big dip around the 9-10 year maturity mark that you see in the Central Government Yield curve is on account of the security 5.85% GS 2030. These are in market terminology called on the run securities).

## Ok, at least specify the maturity / duration ....

There is some merit in specifying the maturity duration, especially at the short end. If you have a goal to buy a car in say 2 years, a fixed deposit or a short duration fund or a Fixed Maturity Plan would be ideally suited and PPCHF would not be appropriate.

PPCHF is suited for debt investments which are of the following types

- Regular savings as part of a financial plan in the debt segment with a longer term time horizon.
- People (including retirees) who are looking at generating periodic cash flow from their investments. The investment horizon can be typically long (a retiree at the age 60 may spend 10 - 30 years in retirement) but there is a need for liquidity in case of an unforeseen event like a medical need.

A minimum investment horizon of 3 years+ is recommended for this scheme.

As can be seen from the portfolio, currently the investments are largely in the 6 to 7 year maturity bucket. PPCHF does not aim to be investing and moving between extreme ends of the maturity spectrum, say invest in short term treasury bills at some time and at other times invest in 30 year bonds.

However flexibility in selecting the maturity bucket helps us invest where we see the yields attractive. Currently the SDLs in the 6-7 year maturity bucket capture most of the steepness of the yield curve. Hence for example these are trading at Yield To Maturity of around 6.6% as compared to short term treasury bills of 3.3%. Lengthening of the maturity beyond this point does not add much by way of yield but increases the interest rate risk (risk of locking up funds at yields which may possibly be higher in future years).

**The Annualised Yield To Maturity (YTM) on the debt portion of the PPCHF is 6.72% and the Modified Duration of the debt portion is 4.89 years.**

## OK, Why not a Dynamic Bond Fund?

We did consider this category and it has its merits. However when we compared this with a Conservative Hybrid Fund category, we found that we could have the additional opportunity to invest in REITS / INVITS in the Conservative Hybrid Fund category. Even the minimum 10% of the allocation toward equity investments can be managed with a conservative investor in mind. We can also have arbitrage strategies, special situations and so on in the equity allocation.

REITs, INVITs and Equity shares apart from offering periodic payouts also have the possibility of growth in the payouts and capital appreciation over time.

The yields on the REITS and Equity Shares as on June 30, 2021 are given below.

(Please note that the payouts on REITS and Equities are not fixed and can vary based on business and other considerations)



## REITS:

Brookfield India REIT*	8.0%
Embassy Office Parks REIT	6.1%
Mindspace Business Parks REIT	6.8%

\* Expected yield based on the 6 month guidance from the managers of the REIT. Brookfield has recently got listed and is yet to make its first payout.

## Equity Shares:

ITC	5.3%
Bajaj Auto	3.3%
Petronet LNG	5.1%
Coal India	8.5%
Power Grid Corporation of India	4.3%

## What about the interest rate risk?

Interest rate risk is in my opinion slightly less understood by investors as compared to say credit risk. Credit risk is relatively simpler to understand. Someone who borrowed from you did not pay back at all or paid only part of the dues. Or the Issuer was downgraded by the Credit Rating agencies.

To explain interest rate risk, let us get back to National Savings Certificates (these are not traded and cannot be sold or purchased, the following is only for the purpose of illustrating the concept of interest rate risk).

If you invest Rs. 1,000 in a National Savings Certificate (NSC), you get Rs. 1,389 after 5 years. An interest rate of 6.80% per annum is available. Now let us say the government increases the interest rates on National Savings Certificates to 7.05% per annum immediately after you invested at 6.80% per annum. You are not eligible for the higher interest rate since you have invested at the old rate.

Would you now get a buyer for your older NSC at Rs. 1,000 after the rate increase has been announced? The answer is no since newer NSCs are available at higher interest rates. For a buyer to buy your older NSC, you would have to sell them at Rs. 988.20 to effectively give the buyer the new interest rate of 7.05% per annum.

Do note however that if you hold the NSCs till maturity, you do not have to worry about the interest rate movements and you will still get Rs. 1,389 on maturity (that is if you do not envy your neighbour who got higher interest rates).

In simple terms, interest rate risk matters if your investment horizon does not match the maturity profile of the investments, especially if you need money in a short time while the bonds are of a longer maturity.

In a mutual fund of course there is no one to one correspondence between the maturity preference of an individual investor and of the fund except for schemes like Fixed Maturity Plans. Open end mutual funds do not have a fixed maturity date and they may or may not hold bonds to maturity. There will also be fresh inflows and outflows and newer investments and sales.

However, as long as the investor broadly has time horizons which are not too different from the fund investments, things should work out fine over the tenure of the investment on the interest rate risk front.

The other thing to note is that while interest rate movements do affect bond prices, the bond price movements are typically far less volatile than the movements of equity shares. When we say that mutual fund investments are subject to market risks, it means very different things in the context of equity funds vs debt oriented funds.

## “Interest Rate Kya Lagta Hai?” (What do you think of the interest rates?)

Interest rate kya lagta hai? Is the debt market equivalent to the question, “Market kya lagta hai?” for equities.

The perennial worry of the equity investor is that a stock market crash is just waiting for her to make her equity investment. The perennial worry of the debt investor is that inflation and interest rates are just waiting for her to make her investments and that immediately after that, the interest rates will spike up.

So, seriously, what do we think of interest rates?

“Everyone knows that currently rates are too low”

“Everyone knows that inflationary pressures are there”

“Everyone knows that interest rates are going to go up”

The current consensus among investors seems to be that the current interest rates are too low given the huge amount of liquidity infused by central banks and the lower policy rates of central banks on account of the COVID situation. Consensus is also there that these measures are temporary and that rates will move up once the economic and medical situation normalises.

Our view is that sure, short term interest rates can move up. It is not necessary for the medium and long term rates to move up in tandem. Hence, it is not inconceivable that the overnight rates and short term treasury bill rates move up from around 3.25% levels to say 4% levels and 5 year Government Securities rates be around 6%.

In fact the yield curve seems to imply that a lot of rate hikes are already priced in.

Consider the following.

- An Investor can buy a 6 year government bond today and hold to maturity (say interest rate of 6.21% annualised)
- Or
- The same investor can buy a 2 year government bond today and hold to maturity and then invest further for 4 years. The current 2 year government bond yield is 4.39% annualised. For this option to be equivalent to the first option of directly buying a 6 year bond, the interest rate on a 4 year bond has to be 7.14% two years from now.#

All calculations and the steepness of the yield curve seems to indicate that a lot of interest rate increases are priced in. As mentioned earlier, we believe the 6-7 year maturity bucket captures most of the steepness of the yield curve. As such, we believe it is better to stick to this maturity bucket, rather than try to predict/ guess interest rate movements in the near term.

#For the CFA and MBA finance types, this is the 4 year forward rate two years from now

## A Ship in harbour is safe - but that is not what Ships are built for

A ship which is in harbour is safe and does not have to face the storms at the sea. However that is not what ships are built for.

Similarly, money kept in overnight money market at 3.25% is safe. However if this money is part of a debt allocation which either is supposed to generate cash flow for consumption or as part of an asset allocation plan for the longer term, it is costing around 3.25% p.a. on account of the lower interest rates at the short end as compared to 6-7 year bonds.

Over a 3 year+ period, I would expect that the underlying yield on the bonds will overpower the transient ups and downs in the NAV on account of interest rate movements. Given that the NAV bounces around somewhat on account of interest rate movements, it is not suitable for short term investments. However medium term investors should not unduly worry about the NAV fluctuations.

I hope this note clarifies the approach of the Conservative Hybrid Fund and that investors are clear about the suitability of the fund for their particular investment needs.

**Rajeev Thakkar**



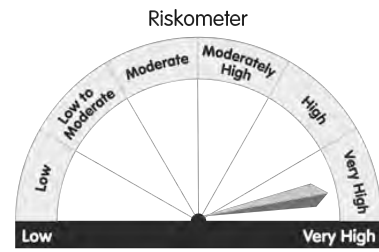
**Chief Investment Officer**  
**July 9, 2021**



## Parag Parikh Flexi Cap Fund

**This product is suitable for investors who are seeking\***

The investment objective of the Scheme is to seek to generate long-term capital growth from an actively managed portfolio primarily of Equity and Equity Related Securities. Scheme shall invest in Indian equities, foreign equities and related instruments and debt securities.



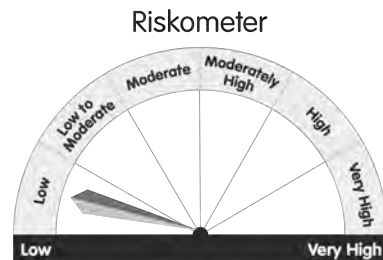
Investors understand that their principal will be at very high risk.

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

## Parag Parikh Liquid Fund

**This product is suitable for investors who are seeking\***

- Income over short term
- Investments in Debt/money market instruments



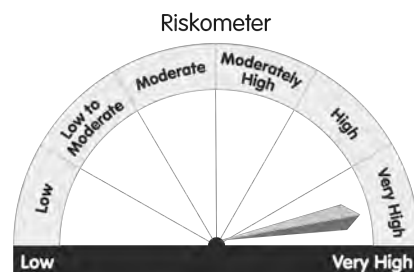
Investors understand that their principal will be at low risk.

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

## Parag Parikh Tax Saver Fund

**This product is suitable for investors who are seeking\***

- Long term capital appreciation
- Investment predominantly in equity and equity related securities.



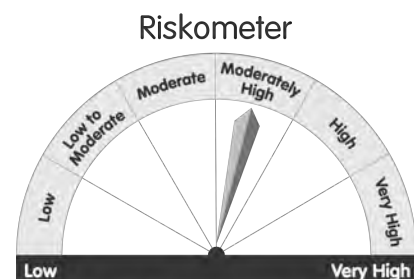
Investors understand that their principal will be at very high risk.

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

## Parag Parikh Conservative Hybrid Fund

**This product is suitable for investors who are seeking\***

- To generate regular income through investments predominantly in debt and money market instruments.
- Long term capital appreciation from the portion of equity investments under the scheme.



Investors understand that their principal will be at moderately high risk.

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

[Download SID/SAI and KIM here](#)

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**