Dear Editor,

The one constant in my whole life has been equity investments. I grew up in a household where money management and equity were discussed daily. Like a sponge, I was soaking up the finer points. I grew up in humble surroundings. My grandmother and mother had to sell all their jewellery for my father's brokerage license. My mother would double up as his typewriter. Nine of us lived in a small two-bedroom apartment in Mumbai. We were extremely conservative and judicious with our money.

My father has been my biggest inspiration and role model. Most of my lessons about money and investment have come from him. The way he led us was something I always looked up to. He believed that one's outlook towards money had to be the same regardless if one won a lottery or earned it through hard work. If you are conservative with your money in your professional life, you cannot be spending lavishly in your personal life. Simply put, if you do not respect money, it will not respect you. This consistent attitude often leads to better decision-making and helps one avoid big money mistakes.

The year 1992-93 was important for us as a family and for our business. It laid the foundation of our value system and investment philosophy, in addition to providing us with confidence and self-belief. Although I was just a kid, it would take me more than two decades to realise how this impacted my behavior towards money. This was the era of Harshad Mehta securities scam. My father was trying to establish himself as a broker who did things the right way. However, a lot of his contemporaries were getting rich in no time. He even got offers to join them but he refused. He held on to his beliefs that he would be rewarded in due time. It showed us that managing people's money as well as our own required a huge degree of integrity, honesty and responsibility, no matter how unpopular it was in the short-term. Since then, there was no looking back.

I lived through subsequent market cycles. Every cycle made me more resilient and confident in managing my own finances and making rational decisions. In 2015, my father suddenly passed away in a car accident. I was made responsible to manage our family finances as well as the future of our organisation. I had the good fortune to learn some important money lessons that I put into practice. Patience is crucial when it comes to investments. Having a plan and following an investment philosophy is key to long-term success.

The key to achieving financial independence is to be debt-free. I am fortunate my family started investing on my behalf since I was six years old. By the time I went for my higher education and got married, I did not have to take any loan. Being debt-free, allows the investments to compound uninterrupted. I regularly invest my savings, which helps further in growing the corpus. I have started investing for my daughter since she was six months old. I hope this will help her follow her dreams and passion, without being bogged down by debt. This will be my biggest joy and gift to her.

My investments are predominantly in equity, about 80 to 90 per cent, the rest are in liquid funds to take care of emergency or unexpected expenses. This asset allocation works for me, as I believe equity is the best asset class for wealth creation and I am not perturbed by the volatility that is associated with it. I am young enough to take on the risk associated with equity at this time.

My wife is a director in a multinational bank. Her hard work and dedication have always inspired me to do better. My daughter could not ask for a better role model. My wife is more than capable of managing her own finances after being in banking for 15 years. Her asset allocation is quite different. Real estate, gold and equity make up for her basket of investments. Managing money separately helps us complete our asset allocation as a family, yet aids in reaching our financial goals.

Neil Parag Parikh
Chairman & CEO, PPFAS Mutual Fund

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