MUTUAL FUND PRESENTATION

Bits of Advice for Smart, Young Adults

TEAM EPSILON

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DISCUSSION OUTLINE

Brief Introduction

Ultra short duration fund

- PGIM India Ultra Short Term Fund

Overnight fund

- UTI overnight fund-growth

Summary

TODAY'S HIGHLIGHTS

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BRIEF INTRODUCTION

DEBT FUND

A debt fund is a Mutual Fund scheme that invests in fixed income instruments, such as Corporate and Government Bonds, corporate debt securities, and money market instruments etc. that offer capital appreciation. Debt funds are also referred to as Fixed Income Funds or Bond Funds

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ULTRA SHORT DURATION FUND

These mutual funds select bonds/debt for investment such that the average maturity (remaining) period for the portfolio is between 3 to 6 months. Although these are low-risk funds owing to their low lending duration, they are slightly above liquid funds in the risk spectrum.

LOWER MATURITY

Ideal for anyone looking to keep aside money for a couple of weeks to a few months

SAFE INVESTMENT

Near zero risk of loss if someone invests for at least 3 months

HIGHER RETURNS

These Schemes tend to give similar or slightly higher returns than Bank Fixed Deposits of equal or comparable investment tenure

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BASED ON HISTORICAL RETURNS

7.15%

IS THE AVERAGE ANNUAL RATE OF RETURN THESE SORT OF FUNDS

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TIME TO TAKE RECOGNITION

NOTICABLE FUNDS

- PGIM India Ultra Short Term Fund
- Aditya birla sun life saving fund
- SBI Magnum Ultra Short Duration Fund
- ICICI prudential ultra short term fund- growth
- HDFC ultra short term fund

TAKE NOTE AND INVEST!

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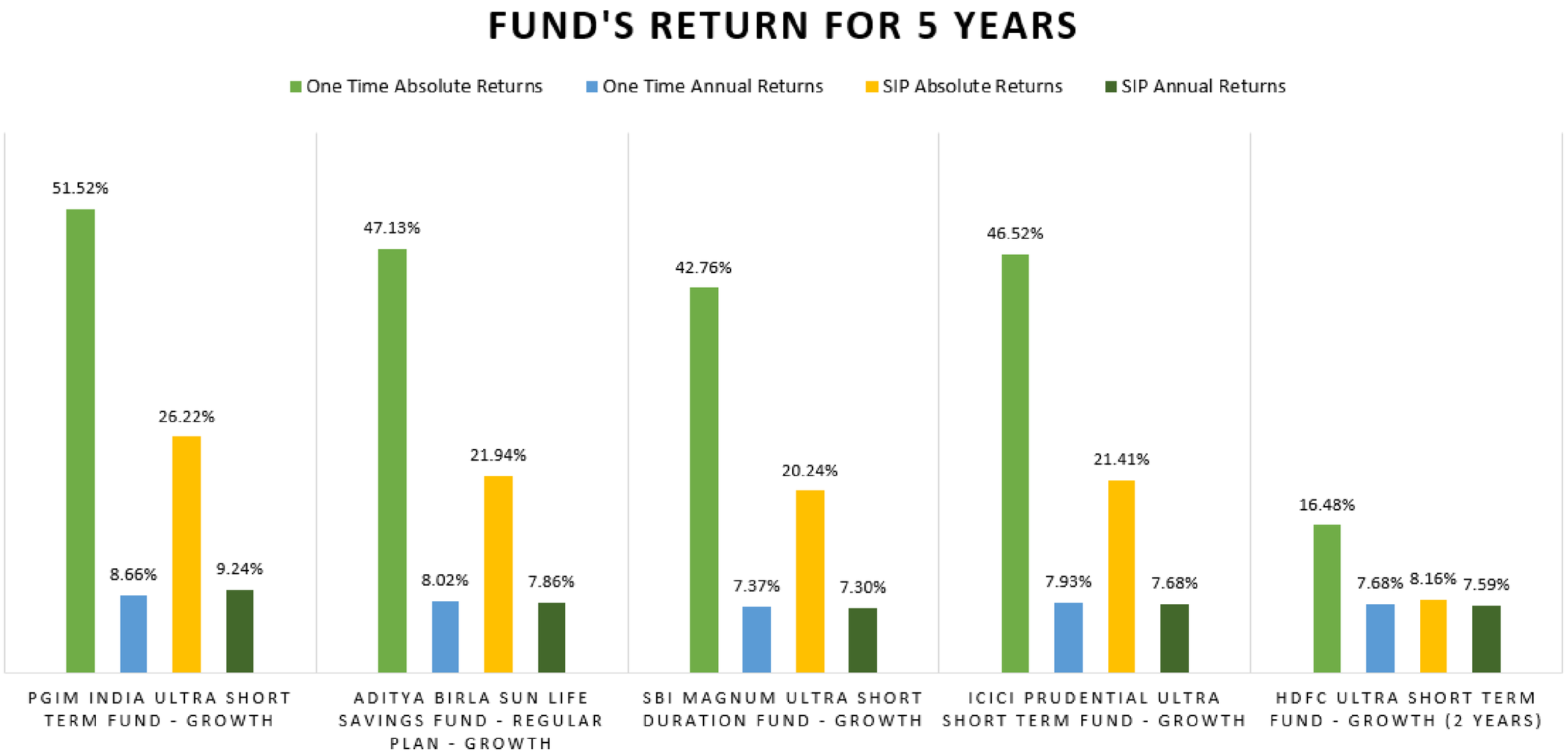
FUND PERFORMANCE COMPARISON



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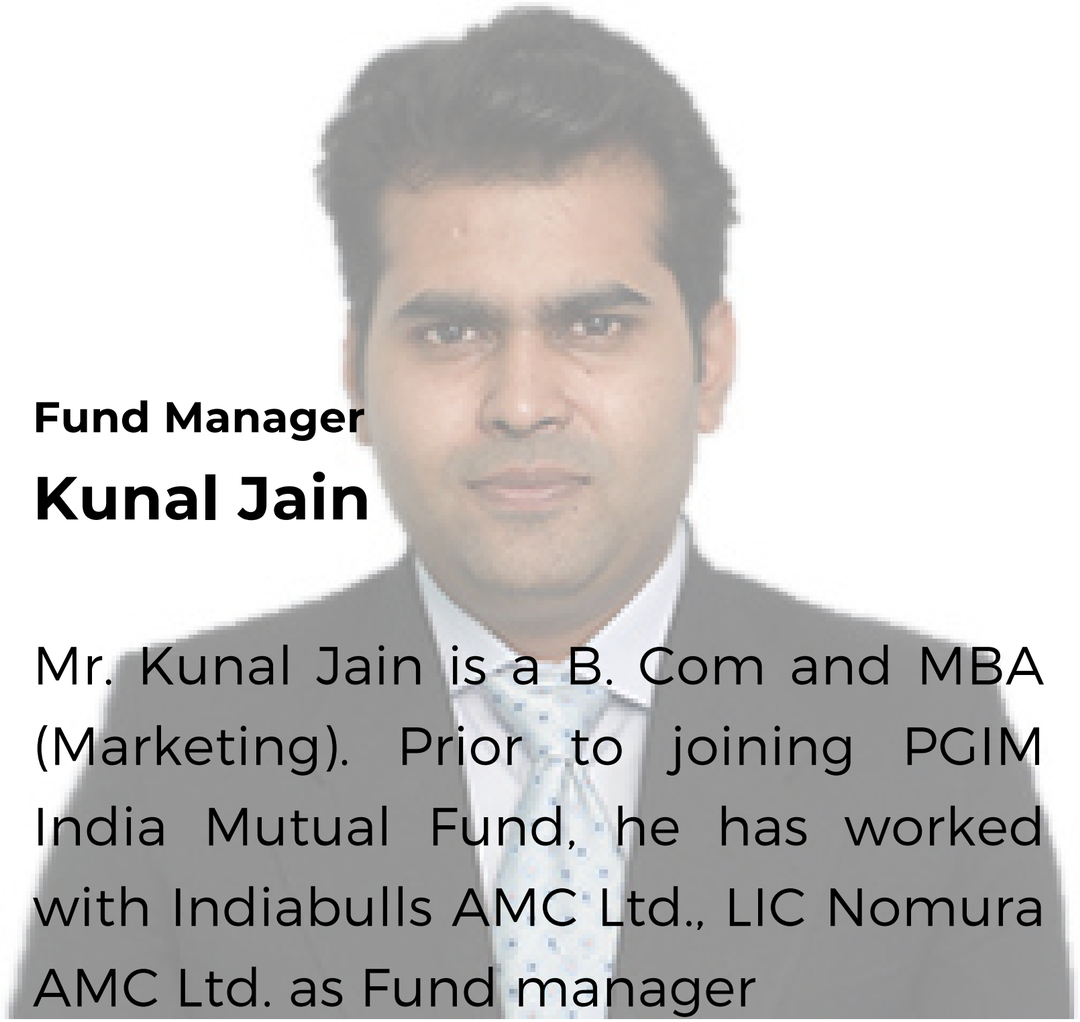
PGIM INDIA ULTRA SHORT TERM FUND

Fund has 91.54% investment in Debt of which 11.91% in Government securities, 79.63% in funds invested in very low risk securities.

NAV: ₹ 26.64
AUM: ₹ 162.42 Cr
Expense Ratio: 0.75%
Crisil Rank: Not ranked
Risk-O-Meter: moderately low



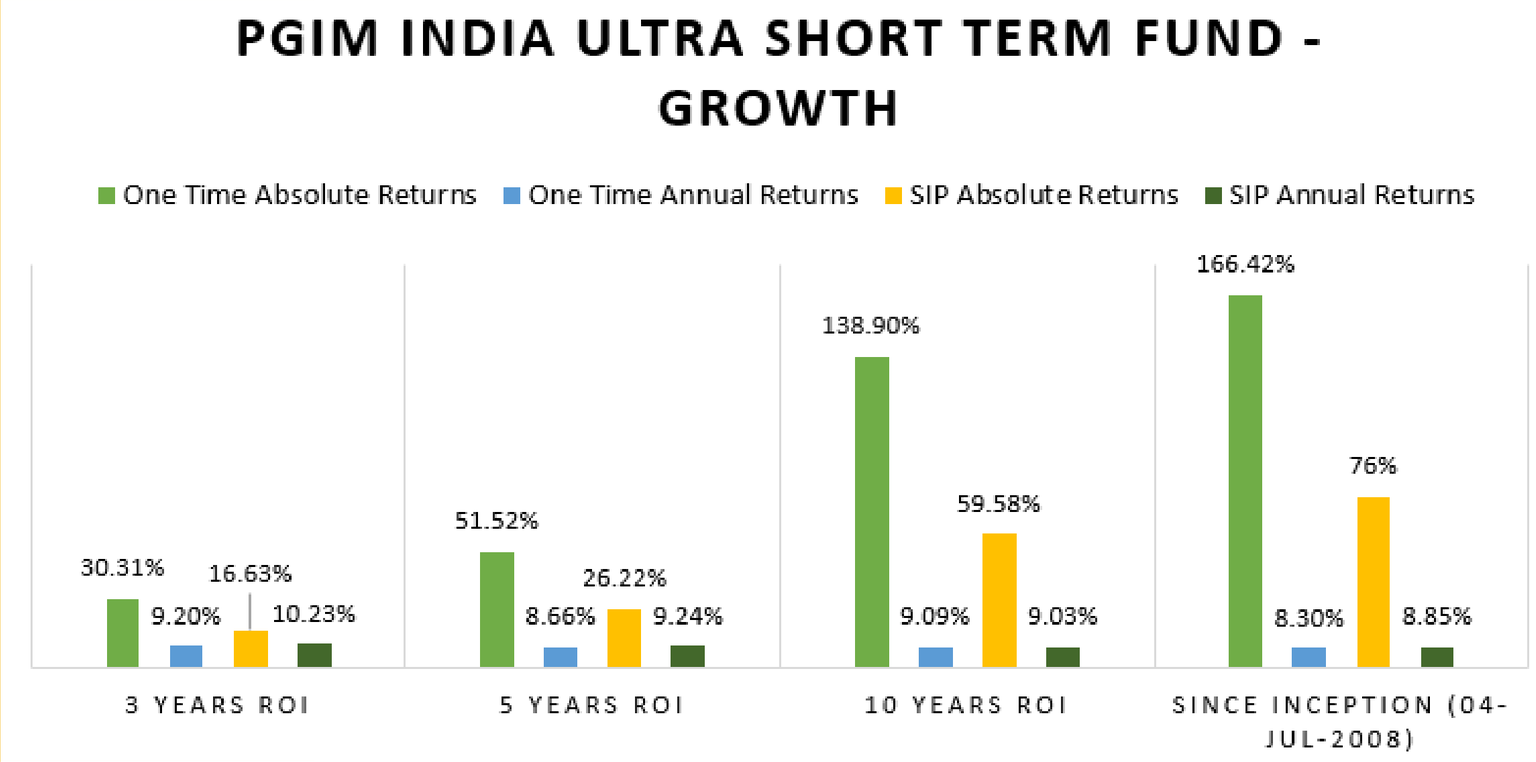
Fund Manager

Kunal Jain

Mr. Kunal Jain is a B. Com and MBA (Marketing). Prior to joining PGIM India Mutual Fund, he has worked with Indiabulls AMC Ltd., LIC Nomura AMC Ltd. as Fund manager

FUND PERFORMANCE

- This fund has been categorically outperforming its peers
- The fund is undervalued in terms of AUM



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WHO SHOULD INVEST IN OVERNIGHT FUNDS?

short-term investment needs: Those who need their money invested in any fund for short amount of time, they can choose these funds.

systematic transfer plans (STPs): instead of putting all your cash in the equity fund in a one-time lump sum, people can invest in an ultra short-term fund (belonging to the same fund house). Then they can then give instructions to switch a regular sum every month their equity fund.

OVERNIGHT FUND

Overnight funds are debt funds that invest in overnight assets, or securities with a residual maturity of one day. This is a new category of debt funds that was introduced as part of SEBI's mutual fund reclassification exercise in 2018.

SAFEST DEBT FUND

These funds are the safest among debt funds, with zero interest rate risk and minimum credit risk.

LOW COST

Overnight funds are low-cost debt funds with expense ratios below 1%.

FLEXIBLE HOLDING PERIOD

An investor in an overnight fund can hold his or her investment for it's easy to enter and exit

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BASED ON HISTORICAL RETURNS

3.8%

IS THE AVERAGE ANNUAL RATE OF RETURN THESE SORT OF FUNDS

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THINGS TO CONSIDER BEFORE INVESTING

Safest category of debt fund

Akin to savings account; not optimal returns

short investment horizon

liquidity

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WHO SHOULD INVEST IN OVERNIGHT FUNDS?

Investors with a very short investment horizon: Overnight funds are ideal for those with an investment horizon of one week or less, as investors can redeem after holding the units for even one day.

Medium to Route investments in Equity Funds: Investors who do not want to take any risks until they move to equity can hold funds in an overnight fund.

How to Find the Best Overnight Fund

In evaluating overnight funds, two criteria are commonly used:

- **Returns:** Since overnight funds invest in securities that mature overnight, their performance should be measured on the basis of one week, or at most one-month returns.
- **Expense ratio:** it is the amount that is charged by the fund annually for managing the investment portfolio. The net return to the investor is calculated after subtracting expense ratio. Hence higher expense ratios reduce the final return to the investor.

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TIME TO TAKE RECOGNITION

NOTICABLE FUNDS

- L&T overnight fund-growth
- UTI overnight fund-growth
- SBI overnight fund- growth
- HDFC overnight fund- growth

TAKE NOTE AND INVEST!

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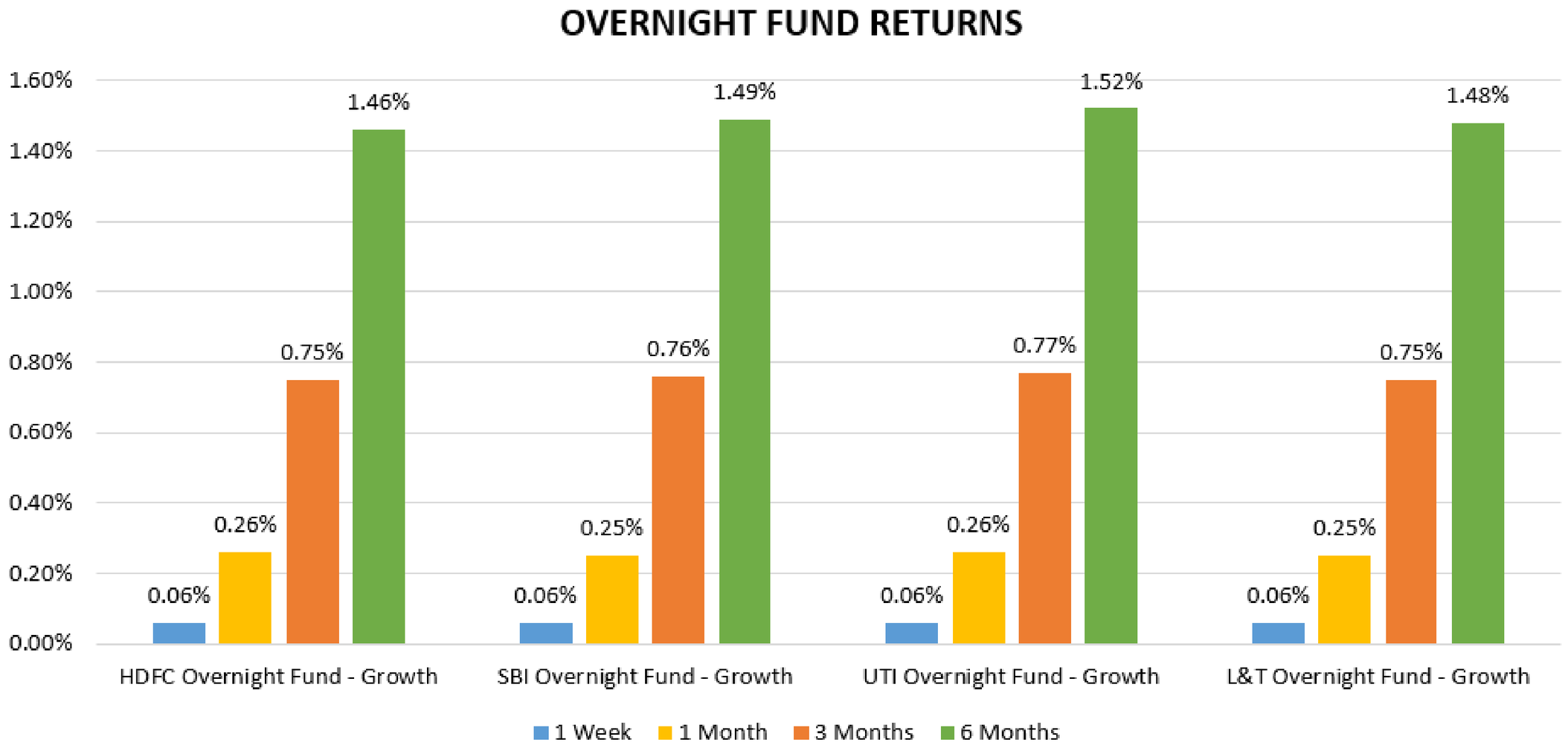
FUND PERFORMANCE COMPARISON



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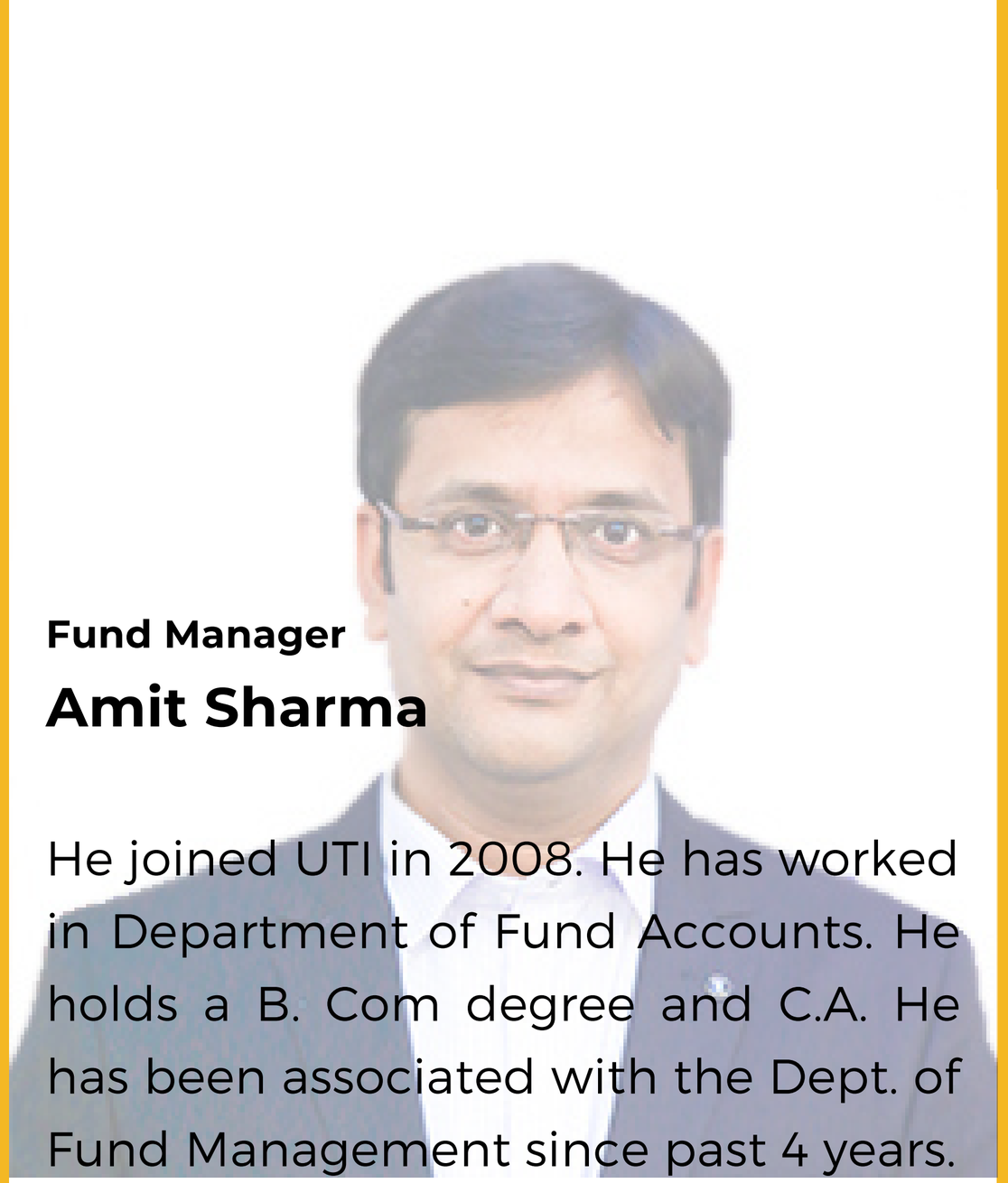
UTI OVERNIGHT FUND-GROWTH

Fund has 100% investment in TREPs(triparty repo dealing and settlement), CBLO and reverse repo.

NAV: ₹ 2757.48
AUM: ₹ 7024.39 Cr
Expense Ratio: 0.11%
Crisil Rank: Not ranked
Risk-O-Meter: moderately low



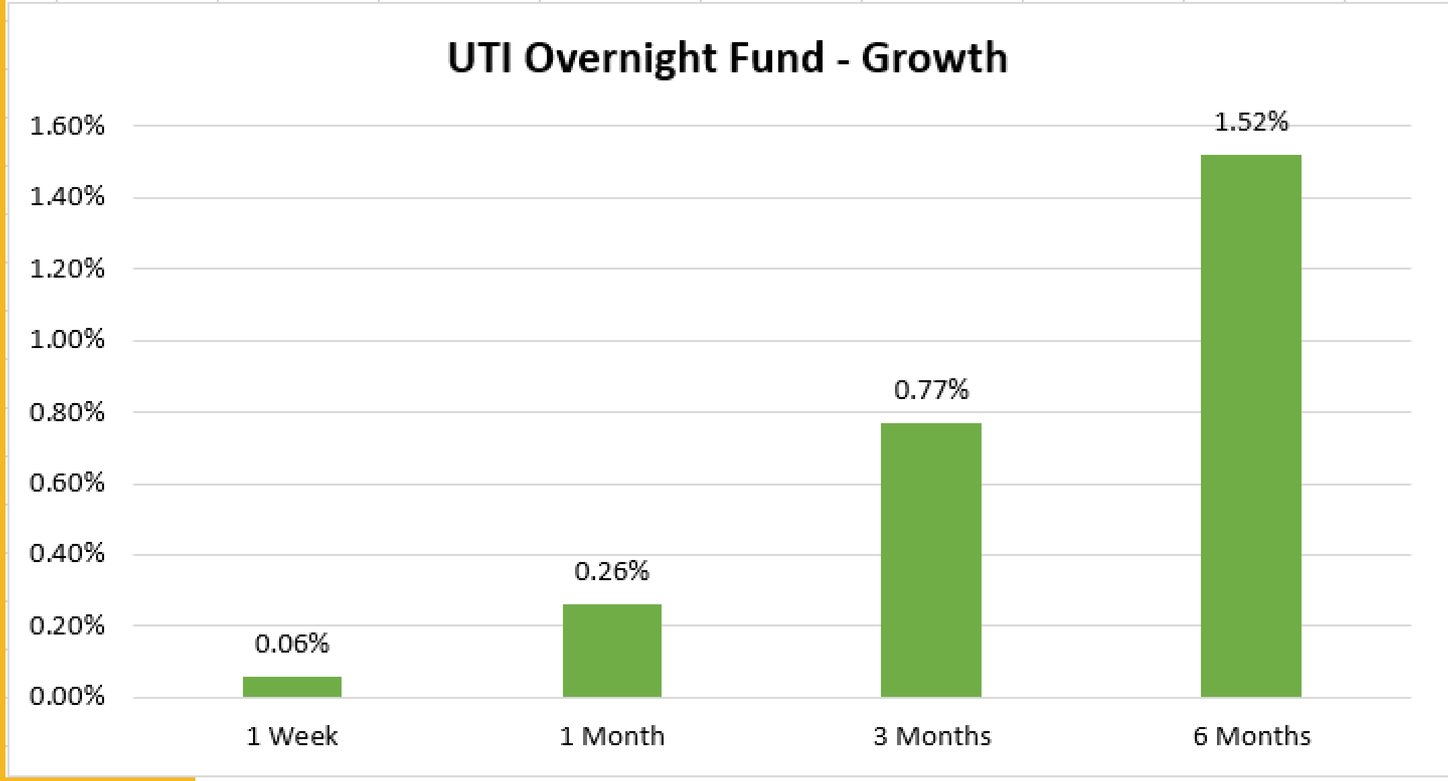
Fund Manager

Amit Sharma

He joined UTI in 2008. He has worked in Department of Fund Accounts. He holds a B. Com degree and C.A. He has been associated with the Dept. of Fund Management since past 4 years.

FUND PERFORMANCE

- This fund has lowest expense ratio in its peers.
- This fund has the most experienced fund manager in the debt fund category.



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SUMMARY

- Overnight funds invest in reverse repo, CBLO, and other debt assets with a maturity of one day.
- They earn through interest payments on their debt holdings.
- They are the safest debt fund. They carry zero interest rate risk and minimal credit risk.
- They offer safety, liquidity, and flexibility of withdrawal.
- They are most suitable for investors with a very short investment horizon or for use as a medium to route funds into other long-term funds.

FINANCIAL INSPIRATION:

“

An investment in knowledge pays the best interest.

BENJAMIN FRANKLIN

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