

EQUITY SAVING FUND



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B/408, Dev Aurum, near Anand
Nagar cross road Satellite,
Ahmedabad 380015
AMFIRegistrationNumber:ARN-
245683



What is an Equity Saving Fund?

An Equity Saving Fund (ESF) is a type of conservative hybrid mutual fund that invests in a mix of three types of assets:

1. Equity (Stocks) – 30% to 50% of the total investment
 - The fund typically invests in large-cap stocks or stable blue-chip companies to reduce risk.
2. Debt Instruments (Bonds, Government Securities, Corporate Bonds, etc.) – Typically 30% to 50%
3. Cash or Arbitrage Opportunities (typically 10% to 20%) – Remaining portion in liquid assets or arbitrage positions to reduce risk.



How It Works:

- The fund aims to generate moderate returns with lower risk compared to pure equity funds.
- It follows a conservative investment strategy by investing partly in stocks and partly in debt.
- Arbitrage helps in reducing the volatility of the equity portion by buying and selling the same stock in different markets to lock in risk-free profits.



Equity Savings Fund

How Does an Equity Saving Fund Work?

Step	Explanation
Asset Allocation	The fund manager divides your investment into stocks, bonds, and arbitrage.
Equity Portion	Stocks of large companies are selected for growth.
Debt Portion	Invested in government or corporate bonds for stability.
Arbitrage Strategy	Buy in the cash market and sell in the futures market to make small, safe profits.
Monitoring & Rebalancing	Fund managers actively monitor markets and adjust allocations regularly.



Who Should Invest in an Equity Saving Fund?

- Conservative investors wanting some exposure to equities with lower risk.
- Investors aiming for moderate returns (5%-10% per year).
- Medium-term investment goal (≥ 1 year).
- Looking for tax efficiency (LTCG benefit after 1 year).



◆ Advantages of Equity Saving Fund

Benefit	Explanation
Lower Risk	Compared to pure equity funds.
Tax Benefit	LTCG tax applies only after 1 year.
Arbitrage Strategy	Helps reduce volatility and generate small safe returns.
Stable Returns	More stable than equity mutual funds in volatile markets.

? Why People Choose It:

- ✓ Safer than pure stock (equity) funds.
- ✓ Gives moderate returns (better than just debt, but safer than full equity).
- ✓ Good for people who want to grow their money but don't want to take big risks.
- ✓ Ideal for holding at least 1 year or more (better returns, tax benefits).



Top 5 Best Equity Saving Fund :

1. Kotak Equity Savings Fund

Fund Managers: Devender Singhal, Abhishek Bisen, Hiten Shah

Strategy: Mix of equity + arbitrage + safe debt

Avoids high-risk mid & small caps

Focus on reducing volatility

2. HDFC Equity Savings Fund

Fund Managers: Anil Bamboli (Debt), Srinivasan Ramamurthy (Equity), team support

Strategy: Balanced use of equity, debt & arbitrage

Conservative debt portfolio for safety

Good for medium-term investors (1–3 yrs)

3. Sundaram Equity Savings Fund

Fund Managers: Sudhir Kedia & Rohit Seksaria (Equity), Dwijendra Srivastava (Debt)

Strategy: Keeps $\geq 65\%$ gross equity exposure (equity + hedged)

Hedging + debt ensures stability

Tax-efficient like equity funds

4. Mirae Asset Equity Savings Fund

Fund Managers: Experienced Mirae equity & debt team

Strategy: Focus on large-cap stocks for growth

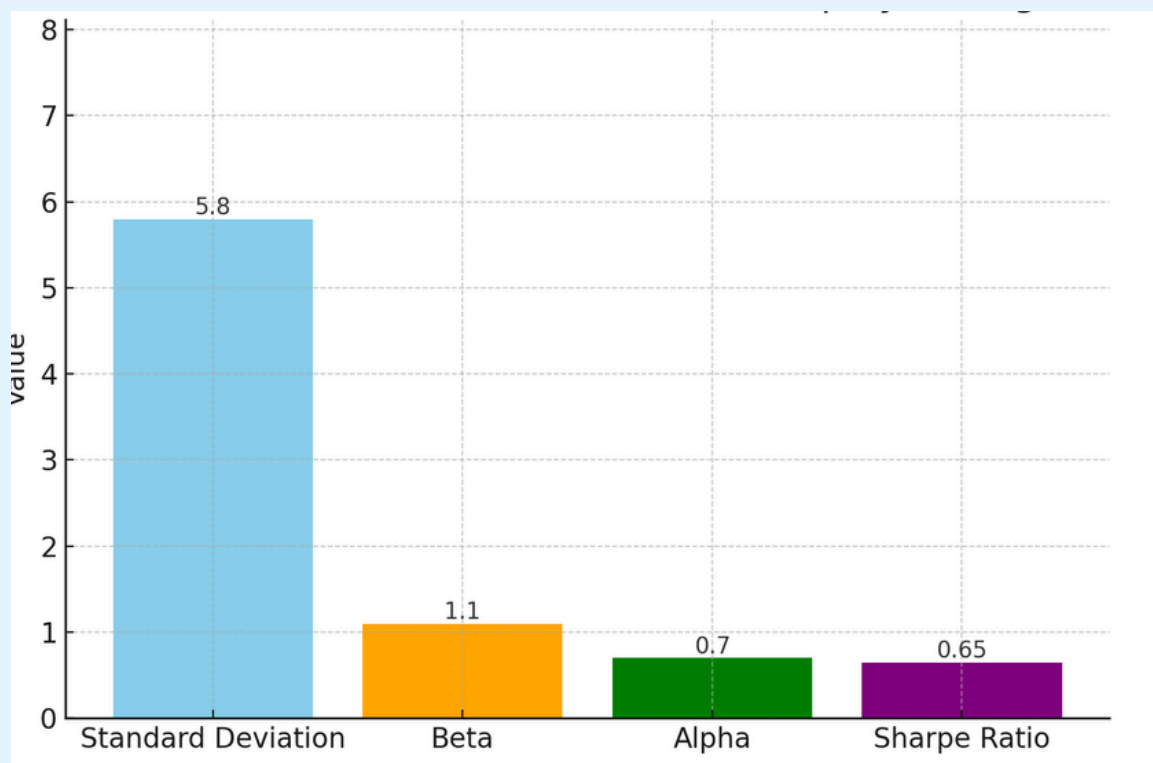
Strong use of arbitrage to reduce risk

Balanced returns with moderate volatility



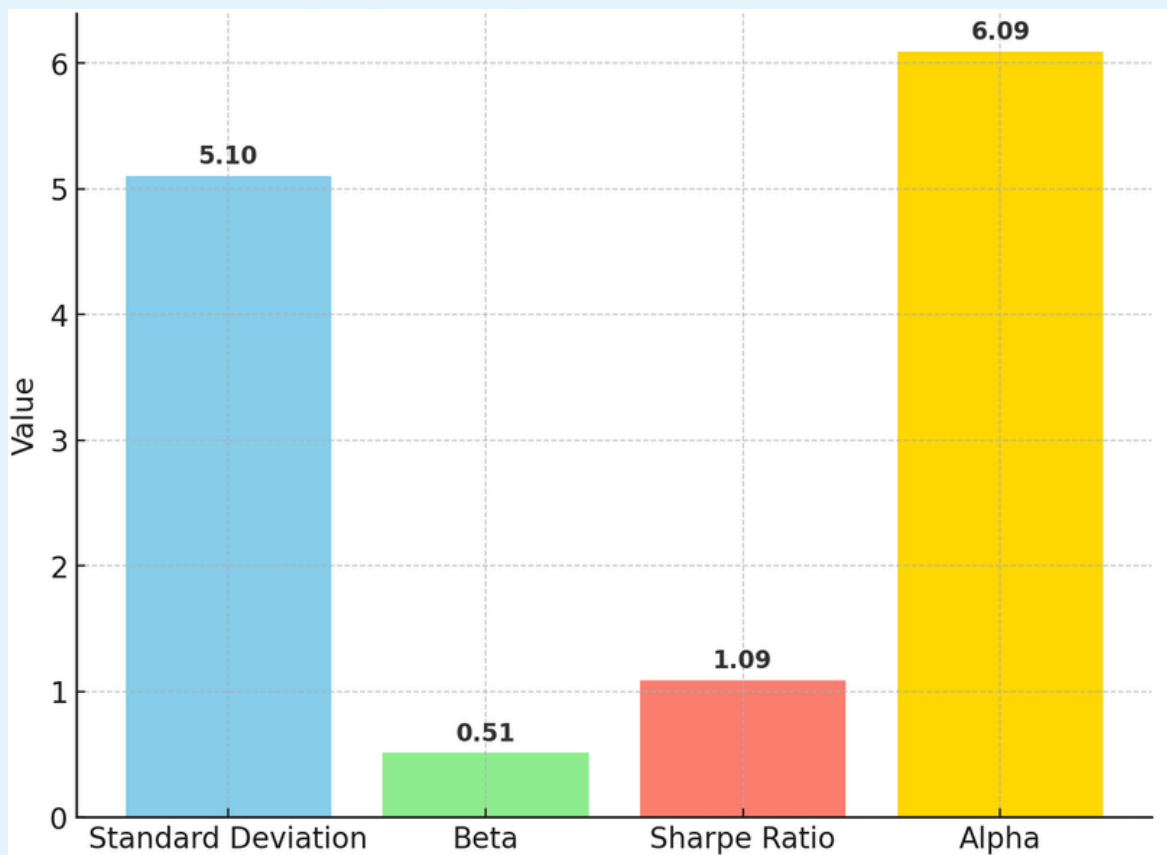
Volatility Measures and Performance:

1. Sundaram Equity Saving Fund



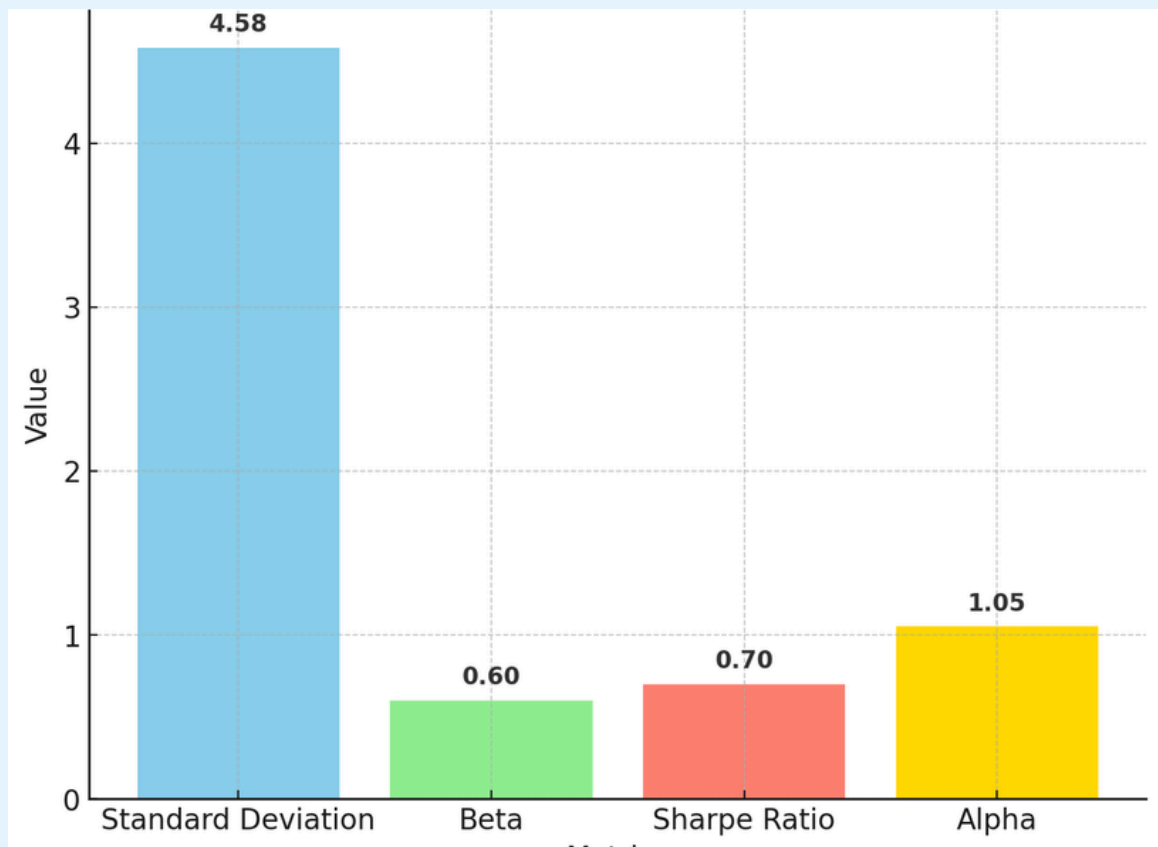
The Sundaram Equity Savings Fund shows moderate risk with a standard deviation of 5.8 and a beta of 1.1, indicating slightly higher volatility than the benchmark. However, it delivers strong performance with an alpha of 2.2, reflecting good fund management. A Sharpe ratio of 0.4 suggests decent risk-adjusted returns, making it suitable for moderate-risk investors seeking stable growth over the medium term.

2. Kotak Equity Saving Fund :



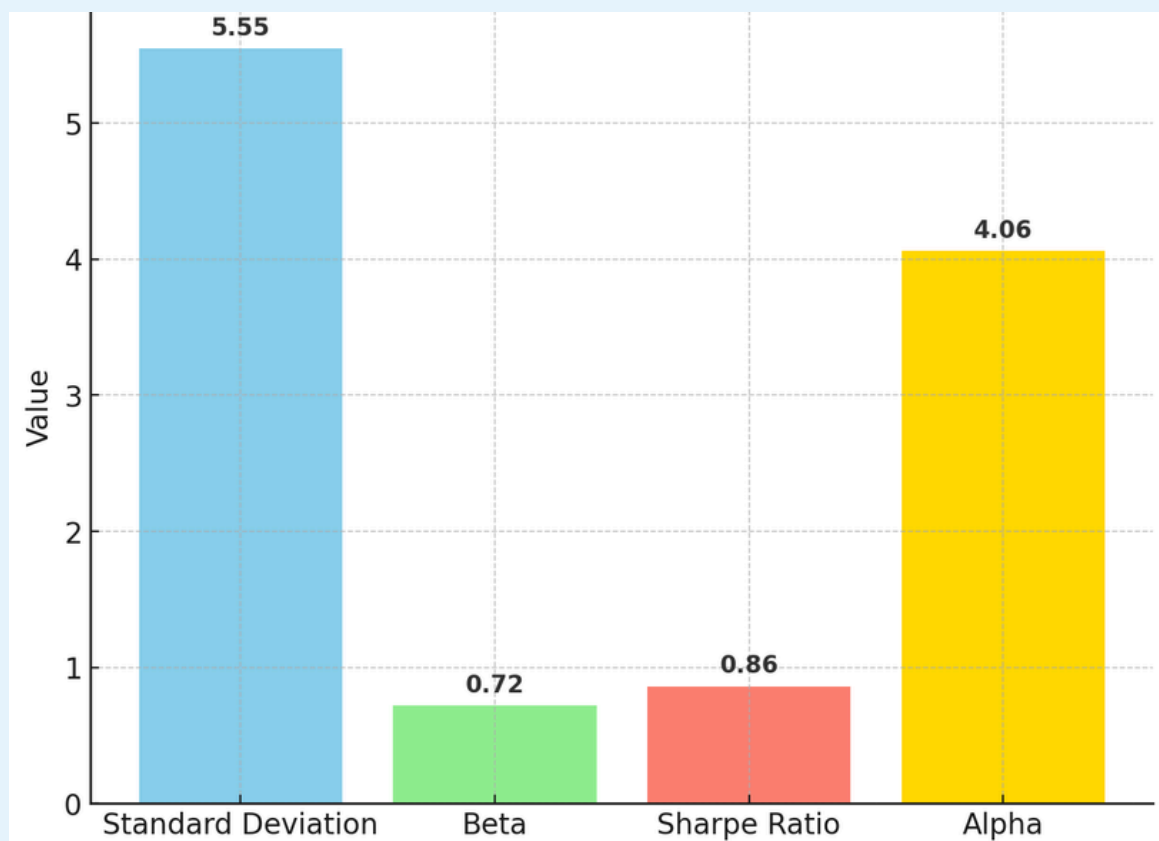
Kotak Equity Savings Fund offers moderate risk with strong risk-adjusted performance. It has relatively low volatility compared to peers and delivers the highest alpha, showing very efficient fund management and consistent extra returns over the benchmark.

3. HDFC Mutual Fund:



HDFC Equity Savings Fund maintains low volatility and stable performance. While its alpha is modest compared to peers, it provides steady returns with controlled risk, making it a reliable but slightly more conservative option.

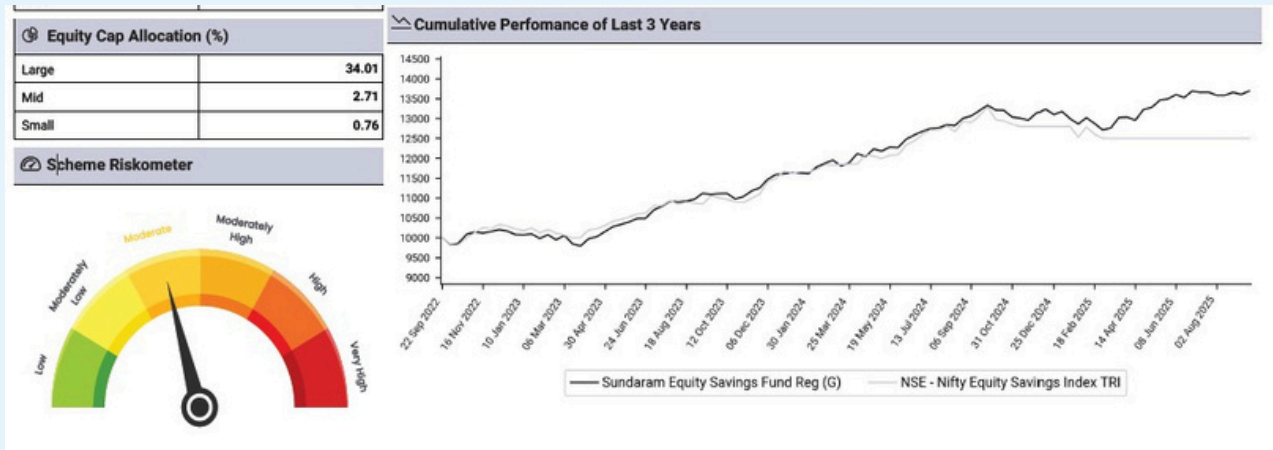
4. Mirae Asset Equity Saving Fund :



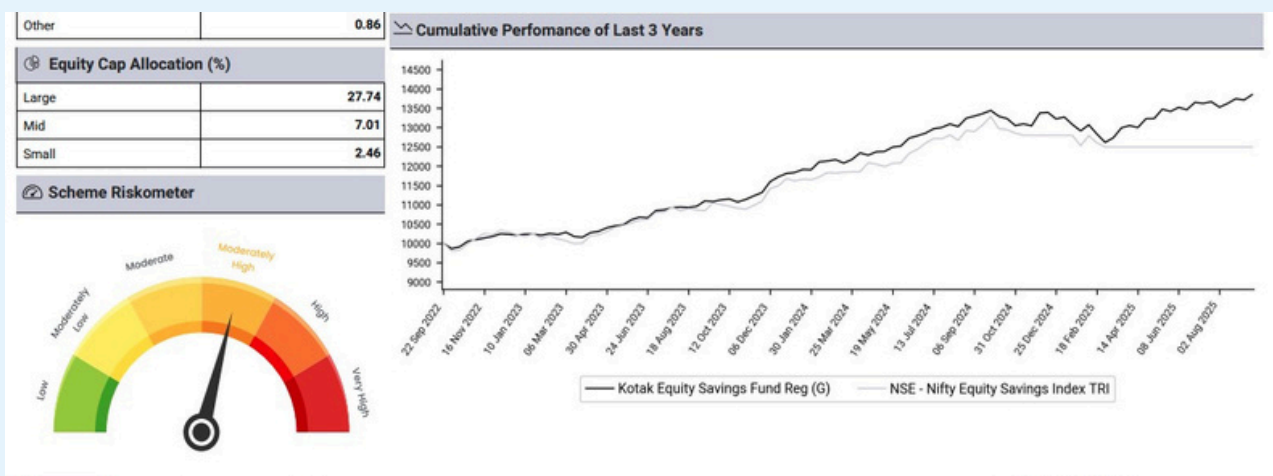
Mirae Asset Equity Savings Fund balances moderate risk with consistent risk-adjusted performance. It has slightly higher volatility than peers but compensates with better alpha, meaning good fund management efficiency

Risk o meter & Allocation

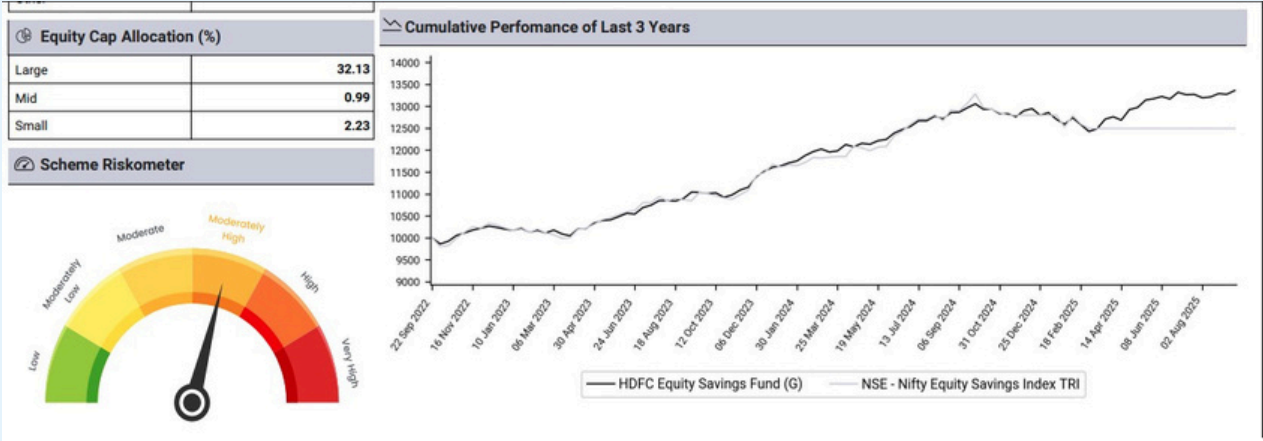
1.Sundaram Equity Saving Fund



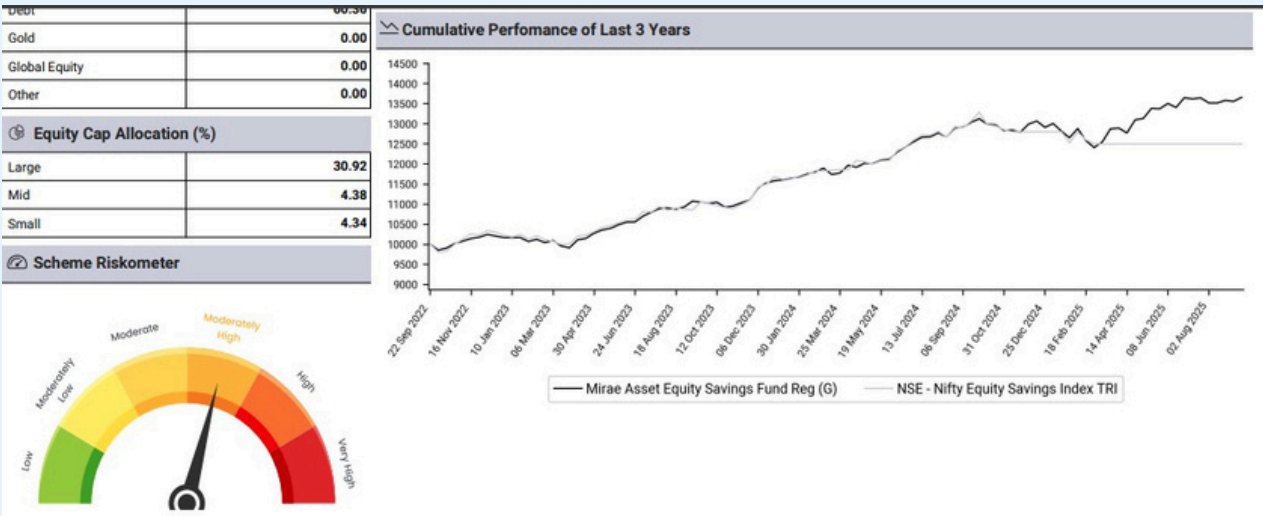
2. Kotak Equity Saving Fund :



HDFC EQUITY SAVING FUND: -



MIRAE EQUITY SAVING FUND: -





CONCLUSION

Equity Savings Funds offer a unique blend of stability, tax efficiency, and moderate growth, making them a suitable investment option for risk-averse or conservative investors. By combining equity, debt, and arbitrage strategies, these funds aim to deliver consistent returns with lower volatility than pure equity funds. With favorable tax treatment and a balanced risk-return profile, Equity Savings Funds are well-suited for medium-term financial goals and can serve as a stepping stone for first-time mutual fund investors. However, they are not ideal for those seeking high returns or investing for the very short term. Overall, they represent a smart middle path between aggressive equity investing and conservative fixed-income instruments.

Thank You



connect@sharebrother.com



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