



# Introduction to Asset Allocation Category

# Don't allow market take you on an emotional ride



“An Investor’s worst enemy is not the stock market but his own emotions.”

-- Peter Lynch



## What is Balanced Advantage Fund?

▶ **Balanced Advantage Funds are hybrid funds**, which are free to manage their exposure to equity and debt instruments without any caps on exposure limits.

▶ These funds change their exposure to equity and debt instruments as per the changing equity valuations or market conditions.

▶ The fund aims to generate capital gains primarily through dynamic management of equity allocation as per varying market conditions.





# Why Balanced Advantage Fund?

## Chase Growth through Equity

1



These schemes invest in stocks and other Equity instruments with the goal of creating long term wealth. Investment in equities would get investors market linked returns that may help beat inflation.

## Maintain Stability through Debt

2



Investments in Debt securities are generally less risky than equity with a moderate return potential. This may help reduce the overall risk of the portfolio and endeavour to limit losses during steep market corrections.

## Reduce volatility through Dynamic asset allocation strategy

3



A dynamic asset allocation strategy helps these schemes adjust their Equity and Debt investment levels as per different market conditions.



## Asset Allocation is easier said than done

- 1 Choosing right asset class
- 2 Dynamically shifting the asset class
- 3 Select right stocks
- 4 Determine entry / exit points
- 5 Remove personal / emotional biases



Its better to invest in **Balanced Advantage Fund** instead.



## A Gist About the Dynamic Asset Allocation Model?

▶ It is a complex model that analyses multiple variables and arrives at an optimum allocation percentage.

▶ There is no bias towards any particular asset class.

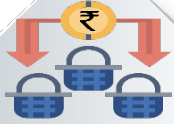
▶ It aims to keep balance between risk and return.



**In order to reach the high, be flexible.  
Be dynamic!**



# Who should Invest in Balanced Advantage Fund?



Investors looking for diversification of Investments.



Investors who uncomfortable buying stocks at extremely high valuations



Investor with an investment horizon of 3 years and above



Investor looking for long term Wealth creations.



**Helps to build a diversified portfolio.**



**Aims to reduce the impact of losses in adverse market conditions.**



**Aims to deliver long-term returns closer to equity funds but with lower volatility.**





## How different Dynamic Asset Allocation Fund with other Funds?

Dynamic Asset Allocation Fund	Particulars	Other Funds
Dynamic in Nature	Asset Allocation	Static in Nature
No	Bias Towards Asset class	Yes
Relatively Higher	Protection against market cuts	Relatively Lower
Relatively Higher	Probability of capturing the highs & lows	Relatively Lower



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Investment manager: LIC Mutual Fund Asset Management Ltd. CIN: U67190MH1994PLC077858

For further details, please refer to the Scheme Information Document, Statement of Additional Information & Key Information Memorandum cum Application forms, available on our website [www.licmf.com](http://www.licmf.com) and at the official points of acceptance of LIC Mutual Fund Asset Management Ltd.

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## LIC Mutual Fund Asset Management Ltd.

Investment Managers to LIC Mutual Fund

Industrial Assurance Building, 4<sup>th</sup> Floor,

Opp. Churchgate Station, Mumbai - 400020

For more details, contact:



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