

Fund Facts

Investment Objective:

The investment objective of the scheme is to generate capital appreciation by investing in a dynamically balanced portfolio of equity & equity related securities and debt & money market securities.

Type of Scheme:

An Open-ended Dynamic Asset Allocation Fund

Fund Manager: Mr. Deepak Gupta, Mr. Harish Krishnan & Mr. Abhishek Bisen
Allotment Date: August 3, 2018
Benchmark: NIFTY 50 Hybrid Composite Debt 50:50 Index

Plans Available:

A) Regular Plan B) Direct Plan
 Options: Dividend Payout, Dividend Reinvestment & Growth (applicable for all plans)

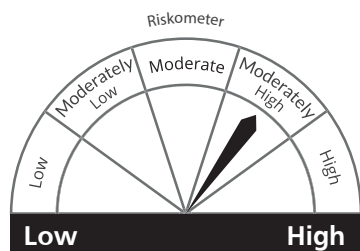
Minimum Investment:

Initial Investment: ₹5000 and in multiples of ₹1 for purchases and of ₹0.01 for switches
 Additional Investment: ₹1000 & in multiples of ₹1 for purchases and of ₹0.01 for switches
 SIP (Systematic Investment Plan): ₹1000/- (Subject to a minimum of 6 SIP instalments of ₹1000/- each)

Load Structure:

Entry load: Nil. (applicable for all plans)
Exit load: a) For redemption/switch out of upto 10% of the initial investment amount (limit purchased or switched in within 1 year from the date of allotment: Nil.
 b) If units redeemed or switched out are in excess of the limit within 1 year from the date of allotment: 1%.
 c) If units are redeemed or switched out on or after 1 year from the date of allotment: Nil.

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Investors understand that their principal will be at moderately high risk

KOTAK BALANCED ADVANTAGE FUND

An open-ended dynamic asset allocation fund

It is suitable for investors who are seeking*:

- Wealth creation over a long period of time.
- Investment in equity, equity related securities & debt, money market instruments while managing risk through active allocation.

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

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Kotak Balanced Advantage Fund

It's Automatic!

A fund that gives you **freedom from managing equity and debt allocation manually** during market ups and downs, giving you a balanced growth.

An open-ended dynamic asset allocation fund.



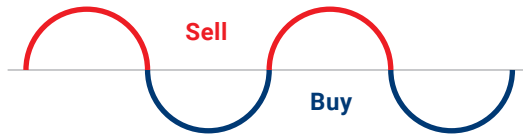
Kotak Balanced Advantage Fund

An Open-Ended Dynamic Asset Allocation Fund

Be it a first-time investor, a market timer or a long-term investor, here is a fund that can help meet everyone's need. The investment objective of the scheme is to generate capital appreciation by investing in a dynamically balanced portfolio of equity & equity related securities and debt & money market securities.

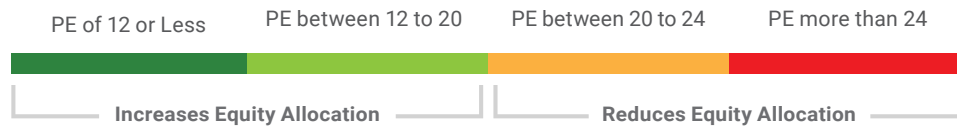
How It Works

Buying Low and Selling High is a mantra for successful investing!



The fund endeavours to make the most of this investment mantra with a 2 factor model:

1. Primary - Trailing NIFTY 50 P/E



2. Secondary - Trend/Sentiment Data

For eg. If rolling long range returns are sub-optimal, it signals to increase weight from mid-point of broad range, and vice-versa

To simplify, let's look at the example below:



Our model measures the future of market weather and automatically directs accordingly.

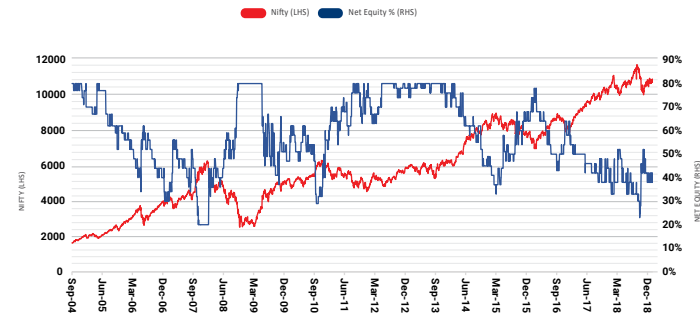


Stay at the docks in Euphoric Sea i.e. when equity market valuations are high, we will keep the equity asset allocation low.



Sail full steam when weather is fair and sea is calm i.e. when equity market valuations are low, the equity asset allocation will be high.

Let us see how this model would have helped managing equity allocation across market cycles since 2004



The chart shows that the model would have been successful in buying low and selling high i.e. increase equity allocation when valuations are low and vice-versa.

Also check out how the model would have performed against traditional investment over different time frames

Rolling Return Summary of 5 year performance

Particulars	Model	Traditional Investment Returns
Min	7.54%	7.19%
Max	25.45%	9.58%
Average Return	15.02%	8.63%

On an average, the corpus doubles in 5 years.

The longest period for doubling of the corpus is 7.4 years

First data point Sept 2009

Source: Internal research. Disclaimer: The data of the model is as per our back-tested internal calculation. This is an illustration to highlight the functioning of the model. The performance is gross of expenses. Past performance is no guarantee for future returns.

Here are some other Features & Benefits of this model

- Emphasis on back tested P/E* based model
- Dynamic asset allocation & portfolio rebalancing across market cycles
- Better volatility management
- Better tax efficiency by leveraging arbitrage opportunities#
- Potential for capital appreciation across market cycles
- Removed behavioural & emotional biases from investing
- Immunity from market timing to ensure disciplined investing

* The primary factor to decide broad allocation is trailing Nifty P/E. Other factors include fundamental attributes like P/B, market cap to GDP and trend/sentiment data.

Equity allocation to ensure equity taxation.