

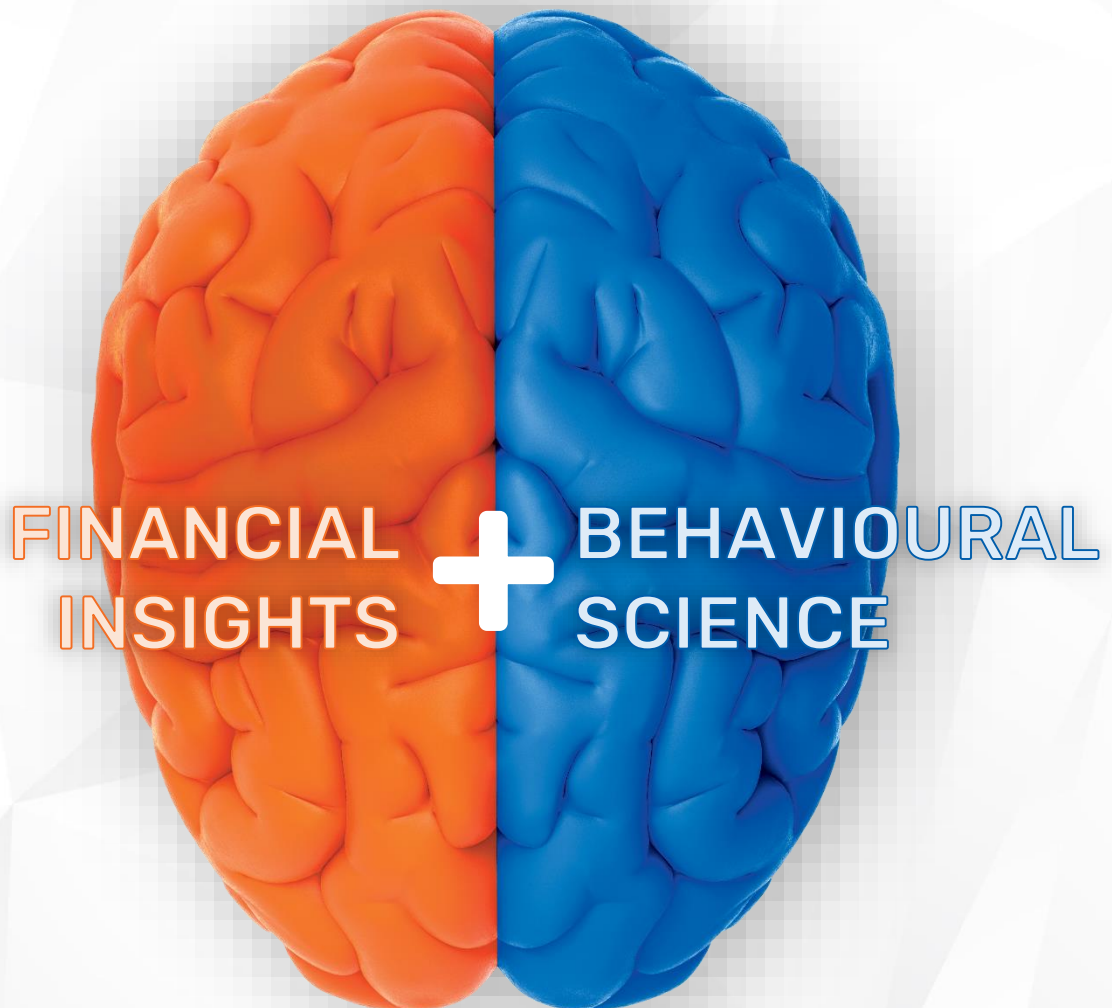
Bajaj Finserv

Balanced Advantage Fund

(With Behavioural Edge)

An Open Ended Dynamic Asset Allocation Fund

Frequently Asked Questions



1. What is Bajaj Finserv Balanced Advantage Fund?

Bajaj Finserv Balanced Advantage Fund is designed to strategically allocate assets by dynamically adjusting the Balanced between equity and fixed income. This method is based on a fundamental and behavioural model, which helps in avoiding emotional decision-making influenced by market dynamics. The primary goal of this fund is to aim for risk-adjusted returns throughout different market conditions, ultimately assisting investors in reaching their medium to long-term financial objectives.

2. Why invest in Bajaj Finserv Balanced Advantage Fund?

One should Invest in this fund because the fund's investment approach is rooted in the first principles thinking that the equities market is influenced by both fundamental and behavioural factors. Fundamental factors include economic variables (GDP growth, interest rates, inflation, industrial production, current account deficit etc) and corporate aggregates (revenue outlook, earnings outlook, balance-sheet strength etc). Behavioural factors on the other hand, encompass elements such as investor sentiment, herd behaviour, underlying biases, and other similar considerations. Additionally, our fund management team also simultaneously monitors behavioural elements prevalent in the market, utilizing an internally built composite indicator. This indicator is based on multiple factors which captures trends in different markets such as currency fluctuations, commodities trends, fixed income premiums of key securities, and prevailing liquidity momentum in the market.

3. What are the factor driving Bajaj Finserv Balanced Advantage Fund?

Bajaj Finserv Balanced Advantage Fund broadly works on 2 factors:

- I) Fundamental:
 - a. 1 Year forward earnings per share
 - b. Fair Value Multiple (Target PE Ratio) that is derived on basis of i) growth premium, ii) interest rate and iii) composition adjustments.
- II) Sentimental:
 - a. Currency
 - b. Commodity
 - c. Fixed Income
 - d. Equity

4. What is the rebalancing frequency?

The underlying model of Bajaj Finserv Balanced Advantage Fund has provision for daily rebalancing of its equity and debt allocation. However, the rebalancing would be dependent on the prevailing market conditions and valuations.

5. Will the fund manager use derivatives?

If the net equity allocation falls below 65%, the fund would engage in arbitrage strategies, involving long positions in stocks and short positions in futures, to ensure that the total equity exposure remains above 65% of the entire portfolio. To clarify, if the scheme's net equity allocation is at 50%, the fund will use arbitrage strategies to increase the equity exposure to 65% of the portfolio by 15%.

6. What is the taxability on Bajaj Finserv Balanced Advantage Fund?

The fund will have a tax incidence as an equity fund. Towards that purpose, the asset allocation in the scheme will be adjusted as needed with the goal is to ensure that a minimum of 65% of the total fund portfolio is invested in equity and equity-related instruments. This allocation will be calculated based on the annual average of the monthly opening and closing figures.

7. How will the Scheme allocate its assets?

Instruments	Indicative allocations		Risk Profile
	Maximum	Minimum	High/Medium/Low
Equity and equity related instruments#	90%	65%	Very High
Debt and money market instruments and units of mutual fund schemes	35%	10%	Low to Moderate

#The gross equity and equity related exposure would be normally maintained between 65%-100%, the net equity exposure can be brought down below 65% through various derivative strategies.

8. Will an exit load be applicable in the Scheme? If yes, then what is the exit load structure?

Yes the scheme will be having Exit Load,

- Entry load – not applicable
- Exit load – For each purchase of units through Lumpsum / switch-in / Systematic Investment Plan (SIP) and Systematic Transfer Plan (STP), exit load will be as follows:
 - if units are redeemed / switched out within 6 months from the date of allotment:
 - if upto 8% of units allotted are redeemed/switched out – Nil
 - any redemption / switch-out of units in excess of 8% of units allotted – 1% of applicable NAV.
 - if units are redeemed/switched out after 6 months from the date of allotment, no exit load is payable.

9. What are the key advantages of Bajaj Finserv Balanced Advantage Fund?

Bajaj Finserv Balanced Advantage Fund offers several notable advantages:

- It effectively manages risk through diversified investments across various Debt and Equity.
- The diversified investment strategy aligns with tax efficiency.
- This fund category has consistently demonstrated the potential for superior returns, particularly when held for a longer investment horizon, making them a compelling choice for investors seeking long term wealth creation options.
- The Bajaj Finserv Balanced Advantage Fund employs a dynamic asset allocation strategy to optimize returns and manage risk across various market conditions.

10. How will the net equity portion of the Scheme be managed?

- Flexi cap Approach
- Prefer Large-cap orientation

11. How will the debt portion of the Scheme be managed?

- Short to Medium term duration
- Investment in highly rated securities

12. Who should invest in Bajaj Finserv Balanced Advantage Fund?

Bajaj Finserv Balanced Advantage Fund is an ideal investment option for investors seeking:

- Automated portfolio rebalancing, which responds to market dynamics, serves to eliminate behavioural biases that may emerge throughout the investment horizon.
- It strives to achieve an optimal asset allocation, which helps in reducing investment volatility.
- The primary goal is to foster capital appreciation while simultaneously mitigating potential losses and risks.

Product Label and Riskometer

Bajaj Finserv Balanced Advantage Fund

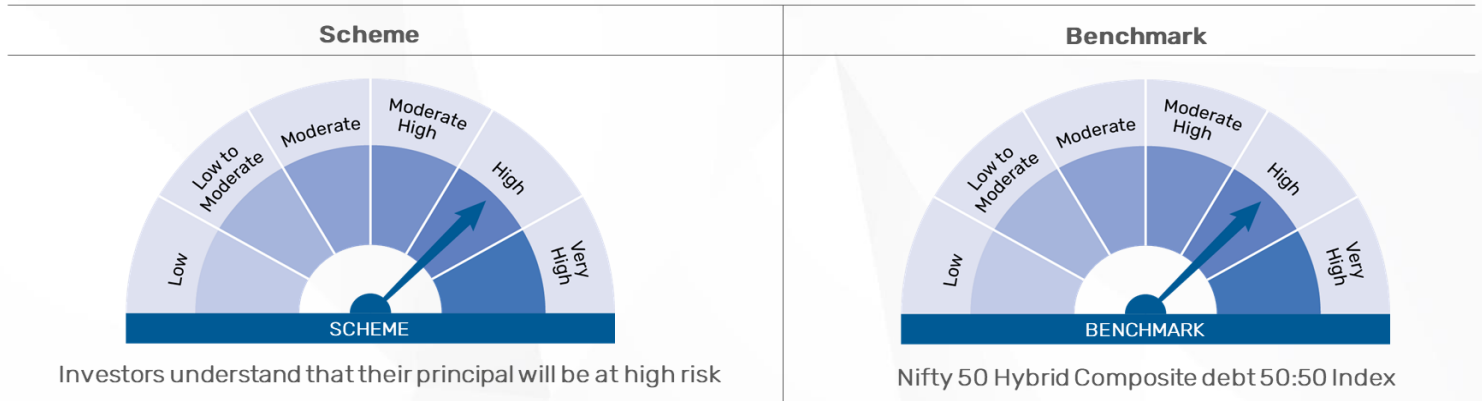
An Open Ended Dynamic Asset Allocation Fund

This product is suitable for investors who are seeking*:

- To generate wealth creation over long term
- Dynamic asset allocation between equity and equity related instruments including derivatives, and fixed income instruments

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

Riskometer#



#The product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made.

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

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