

BEHAVIOURAL INDICATOR

Date	Jul 24	Jun 24	May 24	Apr 24	Mar 24	Feb 24	Jan 24
Fundamental View	Above Fair Value	Below Fair Value	Below Fair Value	Below Fair Value	Fair	Below Fair Value	Below Fair Value
Sentiment Indicator	Moderate	Moderate	Positive	Positive	Positive	Positive	Positive
Net Equity Allocation	53.0%	57.3%	78.4%	71.2%	70.0%	79.7%	78.0%

■ Portfolio Allocation
 ■ Increased Portfolio Allocation
 ■ Decreased Portfolio Allocation

Combining fundamental and behavioural finance principles provides a key advantage in managing investments. Our proprietary asset allocation model at Bajaj Finserv AMC is based on those two elements namely: fundamental analysis and behavioural insights. It ensures that our Balanced Advantage Fund is well-positioned to navigate market complexities and deliver long-term value to our investors. By understanding the interplay of various market factors, we can make informed decisions that align with our investors' goals, fostering financial growth and stability. This unique approach helps us determine the optimal asset allocation between equity and debt, providing an edge for our investors.

Fundamental Indicator:

Our fundamental indicator focuses on the Nifty 50 Index, analysing its ideal earnings and valuations. Ideal earnings are forward-looking estimations, while ideal valuations are comparative, offering a realistic assessment rather than absolute measures. This robust analysis forms the backbone of our model, ensuring a sound foundation for asset allocation.

Behavioural Indicator:

The differentiation in our model lies in the behavioural indicator, which measures behavioural and sentimental trends in the market by monitoring four key factors: **currencies, commodities, bonds, and equities**. Let's explore how each of these factors contributes to our asset allocation strategy:



- Currencies reflect the market's risk appetite. When investors favor riskier currencies, it signals a risk-on mode, indicating optimism and potential growth.
- Conversely, a preference for safe-haven currencies signals caution.
- By understanding these shifts, we can predict capital flows into Indian equities, enabling more informed investment decisions.



- Commodity price movements reveal broader economic health and business outlooks.
- Rising prices in energy and industrial commodities indicate robust economic activity, while gains in precious metals often signal uncertainty.
- Monitoring these trends helps us guide investment strategies in sectors tied to commodity performance, such as energy and industrials, ensuring our portfolio is aligned with economic cycles.



- The bond market, through yield spreads and the yield curve slope, captures investor sentiment and global liquidity conditions.
- Narrowing spreads between emerging and developed markets or between corporate and government bonds suggest improving confidence.
- A steepening yield curve typically indicates expectations of economic growth, guiding our equity investments in growth-oriented sectors.



- Equity market behaviour, reflected in market cap preferences and sector allocations, reveals investor sentiment.
- Shifts toward large-cap stocks indicate a search for stability, while interest in small or mid-caps suggests a higher risk appetite.
- Sector rotations highlight where investors see future growth or safety, informing our strategic asset allocation.

The sequence, relationship and nature of trends in these assets helps understand and anticipate market movements driven by psychological factors, leading to more informed and effective investment decisions. By integrating behavioural insights with fundamental analysis, our model offers a comprehensive approach to asset allocation, optimizing returns while managing risks.

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

Product Label

Bajaj Finserv Balanced Advantage Fund

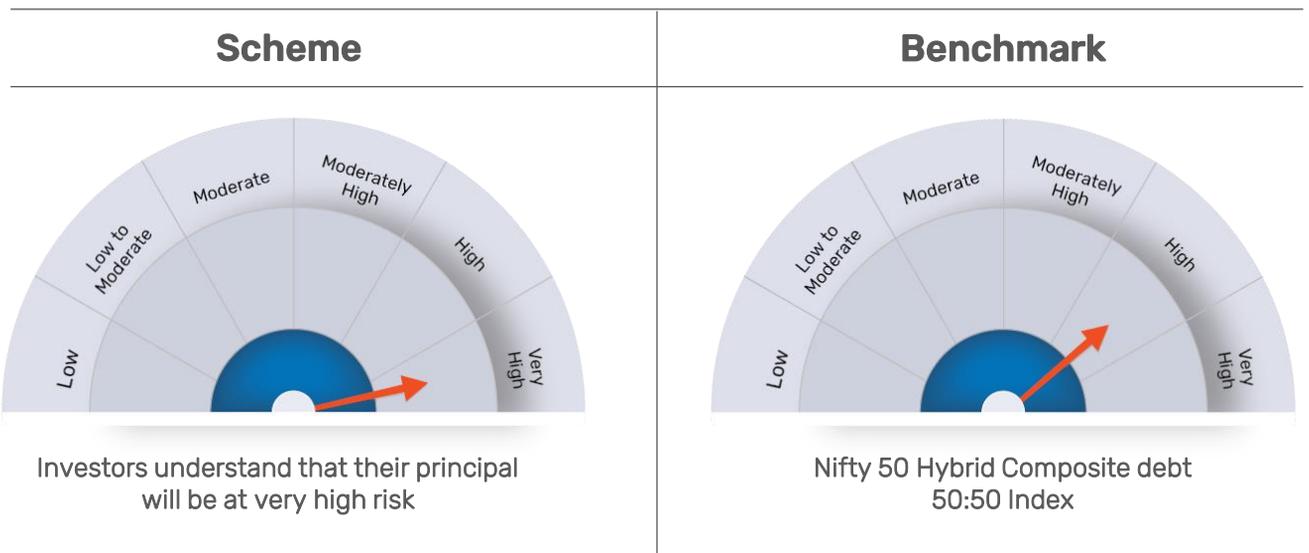
An Open Ended Dynamic Asset Allocation Fund

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



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