

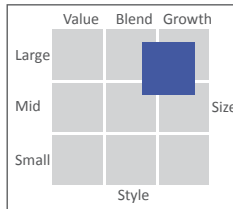
# Edelweiss Balanced Advantage Fund

(An open ended dynamic asset allocation fund)

FUND INSIGHTS: August 31, 2020

## About the Fund :

- Aim to benefit from multi-asset class opportunities by investing in equities, debt, and Arbitrage while maintaining eligibility for equity taxation
- The equity exposure is dynamically managed to ensure maximise upside participation in a rising market while limiting drawdown in a falling market.
- Equity portfolio comprises of high quality, consistently growing companies which are available at reasonable valuations.
- The fund actively participates in arbitrage opportunities to generate absolute alpha
- Suitable for investors looking for capital appreciation through equities and portfolio stability through fixed income portfolio and achieve better risk adjusted returns in the long term.



## Fund Manager's Outlook :

- We expect a heightened volatility over next couple of quarters driven by fear of elongated slowdown and optimism of rally on the announcement of further stimulus.
- Fiscal and monetary bridge financing will help to tide some of the difficult period of lockdown to recovery path. However, this journey will be elongated and tough.
- In current market conditions, it is difficult to assess the earnings impact; both at macro level and micro level. Consequently, valuations cannot be sole criteria for any investment or asset allocation decision.
- Larger companies having balance sheet strength, market share, economies of scale and efficacy to deliver goods and services will be able to recover quickly.
- Our portfolio continues to remain conservative with an overweight stance on defensives and companies with strong balance sheet having sufficient cash to tide over the current uncertain times. Hence we prefer Pharma, FMCG and high quality financials and remain UW on Pvt Banks, Consumer Discretionary, Oil & Gas
- This along with a pro-cyclical model offers a balanced approach in current environment.

|  |   |                                    |
|--|---|------------------------------------|
|  | AUM of scheme   | ₹ 1,502.45 Crore                   |
|  | Total Stocks  | 72                                 |
|  | Top 10 Stocks as % of Total Portfolio   | 32.94                              |
|  | Total Active Bets~  | 43.15%                             |
|  | ~Active positive bets are those where the fund has a higher weightage as compared to the benchmark.   |                                    |
|  | Benchmark   | CRISIL Hybrid 50+50 Moderate Index |
|  | Total Expense Ratio   |                                    |
|  | Regular Plan  | 2.06%                              |
|  | Direct Plan   | 0.60%                              |
|  | Entry Load  | Nil                                |
|  | Exit Load   |                                    |
|  | 10% of the units allotted shall be redeemed without any Exit Load on or before completion of 365 days from the date of allotment of units. Any redemption in excess of such limit within 365 days from the date of allotment shall be subject to the following Exit Load: |                                    |
|  | • If redeemed or switched out on or before completion of 365 days from the date of allotment of units – 1.00%   |                                    |
|  | • If redeemed or switched out after completion of 365 days from the date of allotment of units – NIL  |                                    |
|  | Redemption of units would be done on First in First out Basis (FIFO).   |                                    |



**Bharat Lahoti**  
Co-Fund Manager  
Experience : 13 years  
Managing scheme Since :  
September 18, 2017



**Gautam Kaul**  
Fund Manager - Debt  
Experience : 18 years  
Managing Scheme Since :  
December 11, 2017



**Bhavesh Jain**  
Fund Manager - Equity  
Experience : 11 years  
Managing scheme Since :  
August 07, 2013

## Portfolio Positioning

| Sector Over Weights Vs Benchmark | % Over wt | Sector Under Weights Vs Benchmark | % Under wt |
|----------------------------------|-----------|-----------------------------------|------------|
| PvtBanks                         | 7.58%     | Transport & Logistics             | -0.46%     |
| Technology                       | 3.26%     | Textile                           | -0.18%     |
| Pharma                           | 2.90%     | Real estate                       | -0.17%     |

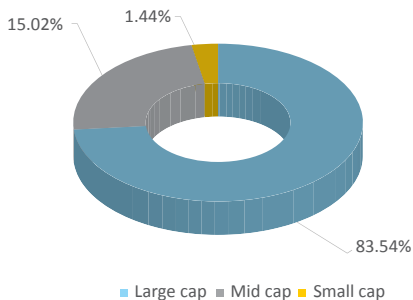
## Top Sector (%)

| Top Sector (%)     | Top Stocks (%) |
|--------------------|----------------|
| Financial Services | 17.92%         |
| Automobile         | 10.99%         |
| IT                 | 9.79%          |
| Consumer Goods     | 9.69%          |
| Oil & Gas          | 7.98%          |

## Top Stocks (%)

|                          |       |
|--------------------------|-------|
| WABCO India Ltd.         | 7.68% |
| Reliance Industries Ltd. | 4.81% |
| ICICI Bank Ltd.          | 4.40% |
| Infosys Ltd.             | 2.98% |
| Bharti Airtel Ltd.       | 2.92% |

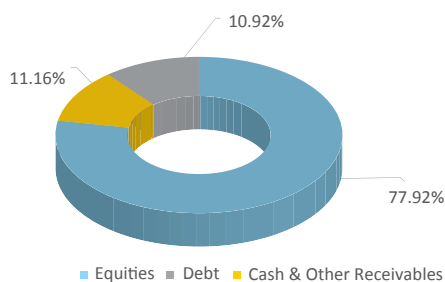
### Market Cap



Source: Bloomberg

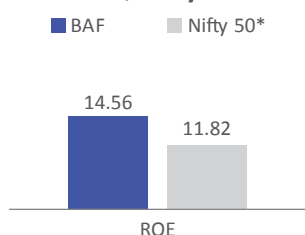
Range of market capitalisation of portfolio holdings.

### Asset Allocation



### Portfolio Quality

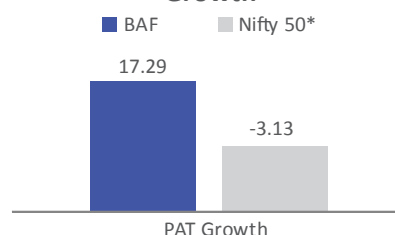
#### Quality



Source: Bloomberg

Portfolio quality is represented by Return on Equity. Return on equity measures companies profitability by revealing how much profit a company generates with the money shareholders have invested.

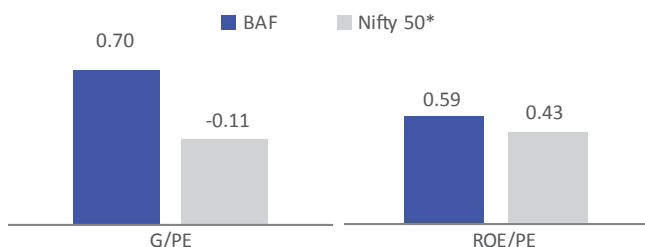
#### Growth



Source: Bloomberg

Growth is represented by growth in Profit After Tax (PAT) of the portfolio equity holdings.

#### Valuation



Source: Bloomberg

Valuation is represented by G/PE and ROE/PE valuation matrices that highlight Growth at Reasonable Price (GARP) and Quality at Reasonable Price (QARP). They both state how much growth (or ROE) an investor is getting for every one unit of valuation that you pay.

### Key Information

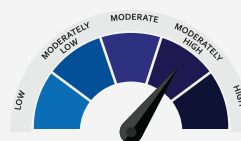
- 1** **Minimum Investment:** ₹ 5,000/- per application & in multiples of ₹ 1/- thereafter.
- 2** **INCEPTION DATE**  
Regular Plan: August 20, 2009  
Direct Plan: January 21, 2013
- 3** **OPTIONS AVAILABLE**  
• Growth  
• Dividend - Monthly & Quarterly
- 4** **PLANS:**  
Regular Plan & Direct Plan

#### This product is suitable for investors who are seeking\*:

- To create wealth over long term and prevent capital erosion in medium term
- Investment predominantly in equity and equity related securities including through arbitrage opportunities with balance exposure to debt and money market securities

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

#### Riskometer



Investors understand that their principal will be at Moderately High risk

Mr. Bhavesh Jain, Bharat Lahoti and Mr. Gautam Kaul are the Fund Manager of the Scheme. The view of the Fund Manager should not be construed as investment advice. Investor must make their own investment decisions based on their specific investment objectives and financial positions and using such AMFI qualified advisors as may be necessary. Opinions expressed are not necessarily those of Edelweiss Asset Management Limited (EAML) or any of its Directors, Officers, Employees and personnel. Consequently, EAML or any of its Directors, Officers, Employees and personnel do not accept any responsibility for the editorial content or its accuracy, completeness or reliability and hereby disclaim any liability with regard to the same. BAF - Edelweiss Balanced Advantage Fund

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