



5 reasons why a SIP in a Balanced Advantage Fund is like *sone pe suhaga*

Everyone loves a good deal, especially when you get just a little bit more than what you expected. The thing is that sometimes you have to go searching for good deals and sometimes they just fall into your lap. This piece will feel like the latter. Now, many of you would know that there are different types of mutual fund schemes that are available in the market. Some are relatively low risk and low return in nature like debt mutual funds while others are potentially high risk and high return in nature like equity mutual funds. Then there are hybrid funds that invest in a mix of both equity and debt instruments in order to bring you the benefits of both investment types. Within hybrid funds there is a unique scheme called Balanced Advantage Fund. Balanced Advantage Fund is basically a hybrid mutual fund, i.e., it invests in a mix of both equity and debt instruments. Additionally, it dynamically changes exposure from debt to equity and vice versa, depending on market conditions.

Look for the safest SIP plan? Your search stops here.

Sounds good so far, right? Despite knowing the above, many of you would wonder whether it is safe to invest in mutual funds. Even those of you who understand the benefits of investing via a Systematic Investment Plan (SIP) would be looking for the safest SIP plan. While generally, all investments, mutual funds or otherwise carry a degree of risk, investing in mutual funds via the SIP route can help you reduce risk to a great extent. SIPs allow you to invest a fixed amount of money in a mutual fund scheme of your choice and at time intervals that suit you best. They offer several benefits including compounding, rupee cost averaging, and inculcating investment discipline. For all these reasons, SIPs are a great way of mitigating some of the risks that are inherent in equity mutual funds. However, if you are still looking for the safest SIP plan, then you must consider starting a SIP in a Balanced Advantage Fund.

5 Reasons why a SIP in a Balanced Advantage Fund can potentially be the safest SIP plan

- **Multiple sources of risk mitigation:** Since a SIP entails investing at all market levels, you don't really need to worry about market ups and downs. This benefit is amplified when you start a SIP in a Balanced Advantage Fund since these funds are designed to manage both market ups and downs by dynamically switching exposure between debt and equity in changing market conditions.
- **Improved opportunity for return generation:** SIPs can help you improve the return potential of your investments through the power of compounding. A SIP in a Balanced Advantage Fund can add more value since the fund is designed to take advantage of market rallies and compounding through SIP can multiply this value.

- **Help in long-term wealth creation:** A SIP in a Balanced Advantage Fund can further help you reduce risk as it allows you to continue investing for the long-term, in a fund that takes advantage of market ups and is well-protected in market downs.
- **No need to worry about market cycles:** Whether the market is up or down, a SIP in a Balanced Advantage will benefit from the up move and stay protected during the down move.
- **Simple and easy:** Starting a SIP is very easy. You can simply log on to the AMC website or visit your distributor to start a SIP in a Balanced Advantage Fund. Further, given the multiple benefits of Balanced Advantage Funds, through a single investment, you can benefit from the long-term growth potential of equities and protect your portfolio from equity market volatility.

If you are really looking for the safest SIP plan, then the above can prove to be a compelling argument in favour of starting a SIP in a Balanced Advantage Fund.

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