

# How to Benefit from Hybrid Equity Funds

Still wondering whether you should invest in Equity or in Debt? With a hybrid fund, you can invest in both! Hybrid equity funds give you the best of both worlds.



## What are hybrid equity funds?

- ▶ Open-ended hybrid mutual funds that invest in equity and debt
- ▶ They have equity exposure of at least 65%

## Benefits of Hybrid Equity Funds



**TWO ASSET CLASSES, ONE FUND**  
Invest in both equity and debt with one single scheme



**EXPERT FUND MANAGEMENT**  
Rest assured with hands-on fund management for asset allocation and portfolio rebalancing



**EQUITY-ORIENTED RETURNS BUT WITH SOME STABILITY**  
Enjoy the potential of equity-oriented returns along with a touch of stability from debt



**EASY INVESTING**  
Invest in a lump sum or through SIPs starting from as low as Rs. 500



**LONG-TERM WEALTH CREATION**  
Invest with a long-term perspective to boost your prospects of returns



**TAX BENEFITS**  
Get tax-free returns of up to Rs. 1 lakh if you stay invested for at least a year as per overall equity mutual fund taxation rules



**PORTFOLIO DIVERSIFICATION**  
Mitigate risks while optimising returns



## How to invest in hybrid equity funds

Make hybrid equity funds work for you with these simple tips :



### 1. CHOOSE THE SIP ROUTE

Systematic Investment Plans (SIPs) are a convenient route for investment into mutual funds. They offer several advantages, including:

No need to time the market

Benefits of rupee-cost averaging

Affordability as even small contributions go a long way in building wealth over long term

Encouragement for a disciplined savings approach



### 2. START EARLY

Get in early and give yourself time to benefit from the power of compounding.



### 3. INVEST FOR THE LONG HAUL

Long-term investing helps average out the risk, improves potential for returns and can help save tax.



### 4. KEEP AN EYE ON THE COSTS

The lower the Total Expense Ratio (TER), the better the returns.



### 5. DO YOUR RESEARCH

Compare different schemes and check past performance to find one with potential. Hybrid Equity Mutual Funds too are subject to market risk and you should seek the advice of a financial advisor before investing to align with your risk profile

**In short, when you invest in Hybrid Equity Funds, the equity portion generates returns when the equity markets are doing well, and the debt portion provides a cushion for the times that the market is under-performing. Thus Hybrid equity funds aim to offer long-term capital appreciation through equity and short-term stability and regular income through debt.**