



# Bank of India Multi Asset Allocation Fund

(An open ended scheme investing in Equity, Debt and Gold ETF)

**NFO Opens: 07th February 2024 | NFO Closes: 21st February 2024**

# Strong future needs a strong foundation

**To build a resilient future  
your portfolio needs a mix of  
all asset classes**



# Why Multi Asset Allocation Funds?



# The investors conundrum

Should I invest in Equity?

Which sector, theme to invest?

Which category will give me better returns?

Is gold a good option?



# Reasons to consider Multi Asset Allocation Funds

- **Multi Asset Allocation Funds** are hybrid funds that must invest a minimum of **10%** in at least **3** asset classes.
- The low correlation between Global Debt market and Global Equity market makes them a good pair to counter portfolio volatility.
- Adding some amount of Gold to the portfolio reduces the volatility further.

Correlation Matrix			
	Gold	MSCI World Equity Index	Bloomberg Global Aggregate Bond Index
Gold	1	0.09	0.51
MSCI World Equity Index	0.09	1	0.18
Bloomberg Global Aggregate Bond Index	0.51	0.18	1

**The correlation matrix varies from 0 -1 (1 indicates high correlation and 0 no correlation)**

# Influence of Correlation in Indian context

The return profiles of three asset classes indicate divergent trends, and hence, when used together, they may generate a superior risk-adjusted return profile

Absolute 1 Year			
CY	Crisil Composite Bond Index	Nifty 500 TRI (Equity)	Gold ETF
2013	3.59%	4.02%	-6.34%
2014	14.31%	39.37%	-9.84%
2015	8.75%	0.47%	-7.17%
2016	12.80%	4.68%	12.47%
2017	4.74%	36.84%	3.08%
2018	5.69%	-1.25%	6.59%
2019	11.21%	8.82%	21.90%
2020	12.00%	18.28%	27.54%
2021	3.44%	30.95%	-5.32%
2022	2.49%	4.25%	12.80%
2023	7.32%	27.18%	14.85%
Average	7.85%	15.78%	6.42%

# Why invest in Bank of India Multi Asset Allocation Fund?



# Bank of India Multi Asset Allocation Fund

## Investment Objective:

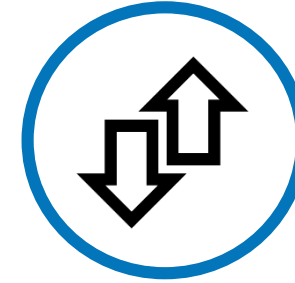
The investment objective of the scheme is to seek long term capital growth by predominantly investing in equity and equity related securities, debt & money market instruments and Gold ETF. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/ indicate any returns.

<b>Type</b>	An open ended scheme investing in Equity, Debt and Gold ETF
<b>Benchmark</b>	37.50% of Nifty 500 TRI + 50% of Nifty Composite Debt Index + 12.50% of Domestic Prices of Gold
<b>Fund Manager</b>	Mr. Alok Singh Mr. Mithraem Bharucha
<b>Plan &amp; Options</b>	The Scheme has two plans viz. Regular Plan and Direct Plan. Each of the Plan shall offer the following Option(s): Growth Option IDCW Option (Re-investment of IDCW and payout of IDCW option)
<b>Exit Load</b>	<ul style="list-style-type: none"><li>• For redemption/switch out upto 10% of the initial units allotted -within 1 year from the date of allotment: "NIL"</li><li>• Any redemption/switch out - in excess of the above mentioned limit would be subject to an exit load of 1%, if the units are redeemed/switched out within 1 year from the date of allotment of units.</li><li>• If the units are redeemed/switched out after 1 year from the date of allotment of units : "Nil"</li></ul>

# Fund Features



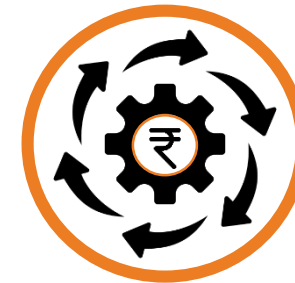
Facilitates diversified asset class



Blend of top down and bottom up approach

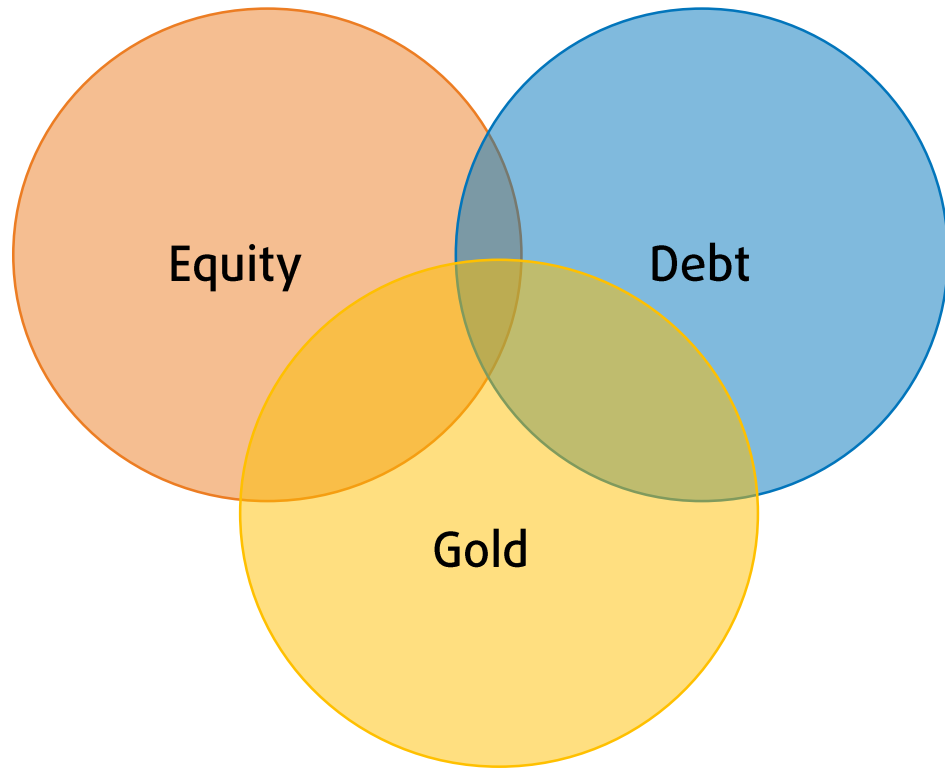


Potential for capital appreciation



Sustainable business model

# Mix of 3 Asset Classes



**Equity:** In any portfolio seeks to be a wealth creator. However, in the process it goes through various phase of consolidation.

**Debt:** Aims to provide stability to your portfolio.

**Gold:** May be useful in times of economic uncertainty by acting as a hedge against inflation.

# Advantages

- ✓ Allocation in three asset classes: Equity, Debt, Gold
- ✓ Invests with a minimum allocation of at least 10% each in all three asset classes
- ✓ Portfolio building using a combination of top-down and bottom-up approaches
- ✓ Exposure to a mix of stocks, bonds, commodities, and REITs and InvITs
- ✓ Taxation – offers indexation benefit^

# Index Simulation

	Benchmark Allocation		
Nifty Composite Debt Index	50%	35%	25%
Nifty 500 TRI Index	37.50%	50%	65%
Gold ETF	12.50%	15%	10%
Years	3 years Average Return^		
2012-15	8.64%	8.80%	10.31%
2013-16	11.08%	10.96%	11.89%
2014-17	9.80%	10.19%	11.09%
2015-18	9.63%	10.22%	10.88%
2016-19	10.24%	11.17%	11.96%
2017-20	10.83%	10.94%	10.23%
2018-21	13.87%	15.35%	16.54%
2019-22	11.41%	13.05%	14.43%
2020-23	10.75%	12.82%	15.03%
Average	10.69%	11.50%	12.48%

# Tax should not be the criteria for choosing Multi Asset Allocation Strategy

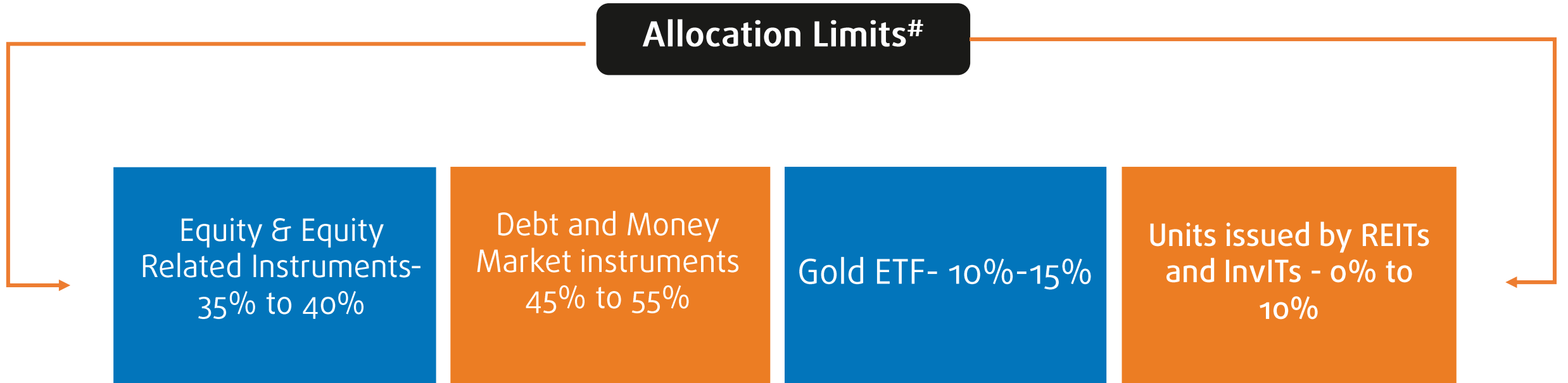
Money invested is Rs. 100 and the taxable amount is considering investment for 3 years

			Income post Indexation	Tax	3 years Post tax
Inflation per year (%)	Considering	5			
Gross Income (pre tax) (%)	Considering	9			
Taxable amount		29.5029			
Equity taxation		29.5029	29.5029	2.95029	26.55261
Fixed Income Taxation		29.5029	14.5029	2.90058	26.60232
				Difference	-0.04971

Considering the investment horizon is for 3 years, the applicable tax rate for long term equity gain is 10 % and long term capital gain on eligible^ debt is 20% post indexation.

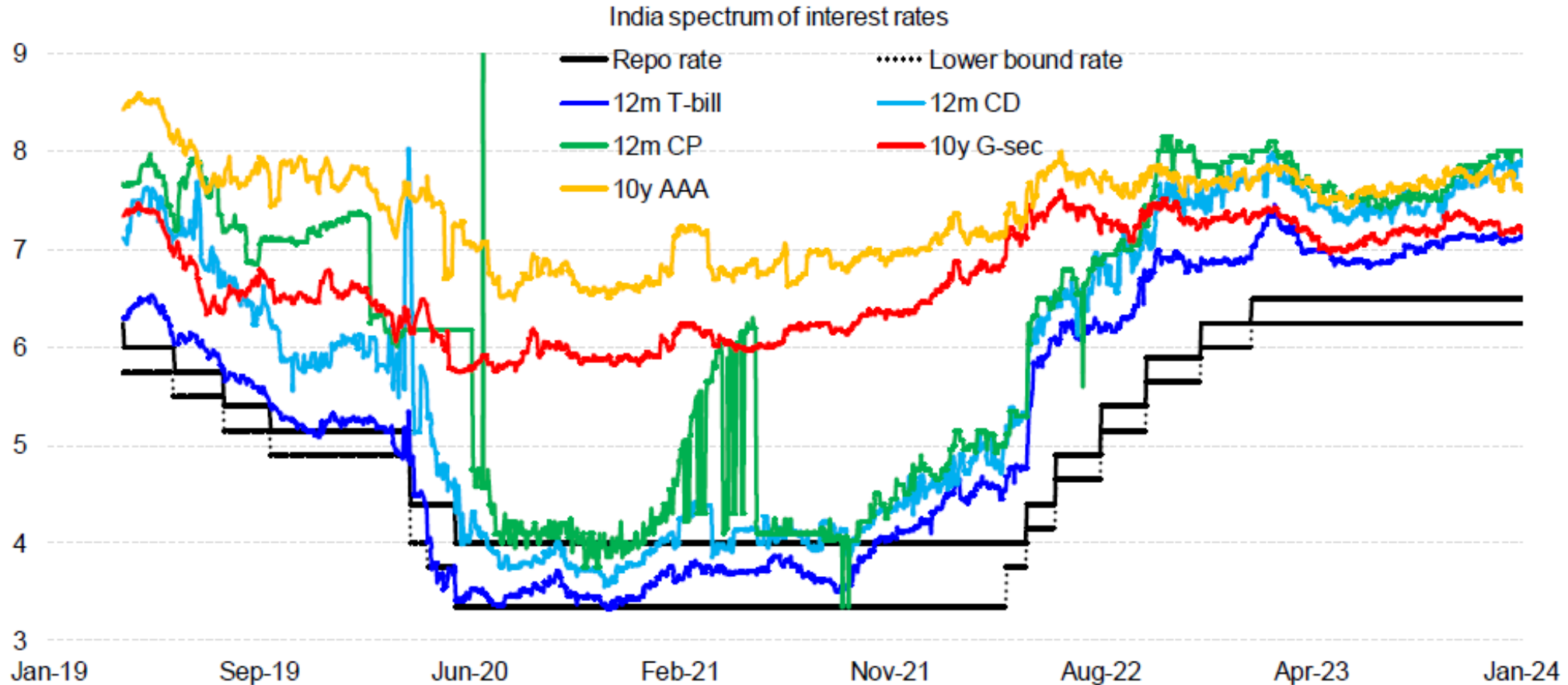


# Asset Allocation Framework



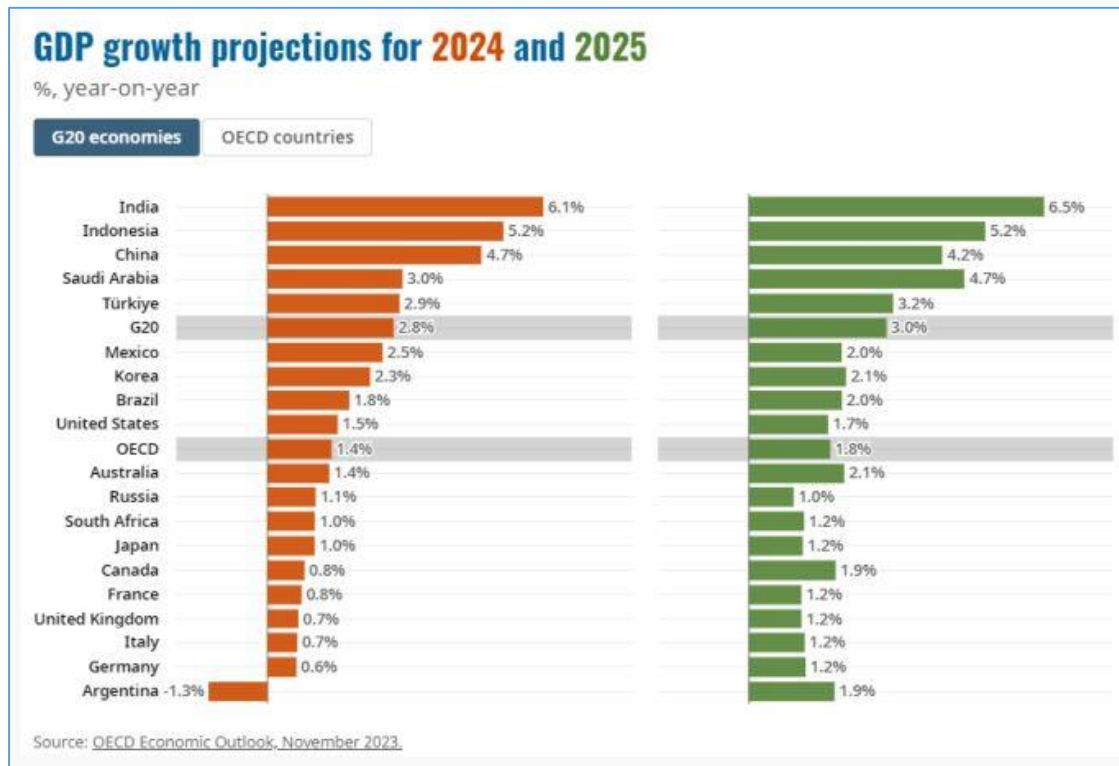
# Debt Market outlook

India rates have plateaued and are higher than pre-COVID levels, and chances for further rate hikes have diminished, hence opening the window for rate cuts in H2 2024.

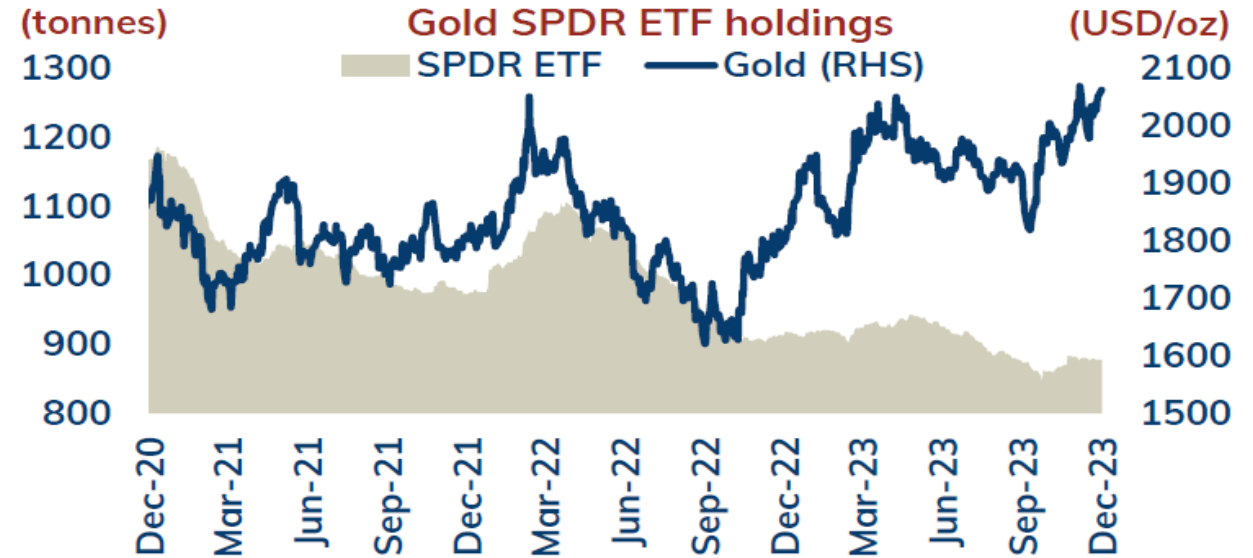
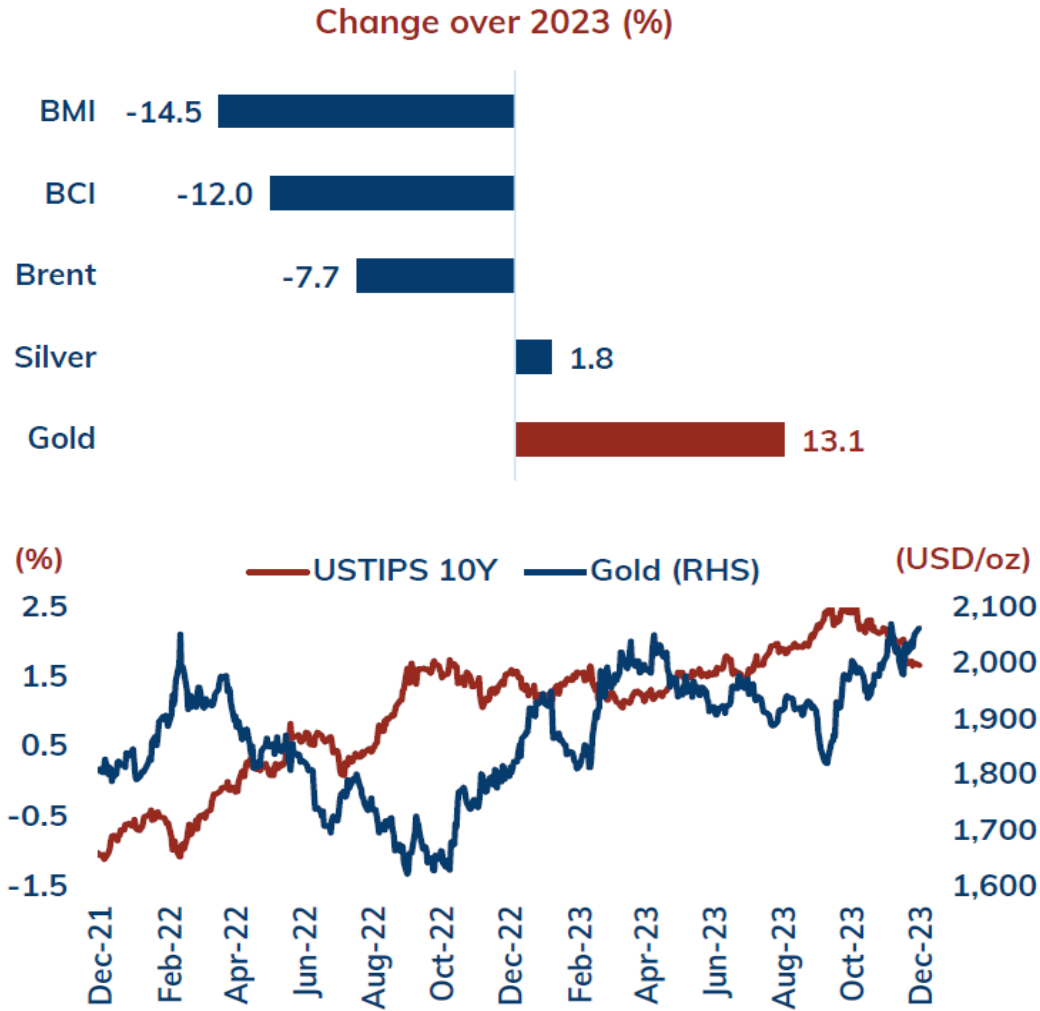


# Equity Market outlook

The macroeconomic data continue to suggest a positive economic environment. As the inflationary pressures appear to have abated, the central banks have entered a pause mode, indicating a stable economic environment in the near term. The strength of the Indian economy continues to be good and may remain as the fastest-growing large economy in the world, which in turn would continue to benefit the equity market.



# Gold Market outlook



Globally, GOLD ETF investment has been on the rise since October 2022, which may continue to support Gold as an asset class.

# Who can invest in this fund




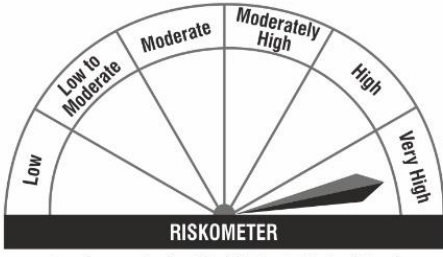
**Investors seeking low volatility and exposure to multiple asset classes along with better returns.**



**Investors may also consider this fund as part of their asset allocation for the allotment of emergency or contingency plans, due to the diverse nature of the fund.**



# Risk-o-meter

Bank of India Multi Asset Allocation Fund (An open ended scheme investing in Equity, Debt and Gold ETF)	Scheme Riskometer#	Benchmark Risk-o-meter:- 37.50% of Nifty 500 TRI + 50% of Nifty Composite Debt Index + 12.50% of Domestic Prices of Gold
This product is suitable for investors who are seeking*: <ul style="list-style-type: none"><li>• Wealth creation over medium to long term</li><li>• Investment in equity and equity related securities, debt and money market instruments and Gold ETF</li></ul>		
	Investors understand that their principal will be at very high risk.	Benchmark riskometer is at very high risk.

\*Investors should consult their financial advisor if they are not clear about the suitability of the product.  
#It may be noted that the scheme risk-o-meter specified above is based on the internal assessment of scheme characteristics and may vary post NFO, when the actual investments are made.

# Investment strategy: For Equity Investments:

Process	Step 1	Step 2	Step 3	Step 4	Step 5
Output	Screening the entire equity universe based on quantitative and qualitative criteria	A focus list of attractive stocks (approx. 150 stocks)  Stocks identified based on industry status, company	Asset Allocation in accordance with the MVPs framework	Portfolio construction in accordance with product positioning and the outcome of our Asset Allocation, Industry Research & Screening process	Risk Reports
Decision Process: Parameters	Quantitative + qualitative overlay	Industry + Company approach	Equities team	Fund Manager	Risk Committee

# Investment strategy: For Debt investments



# Investment strategy: For Gold ETFs

- Gold ETFs Investments in gold are considered to provide a diversification of risk away from equity and fixed income as well as a hedge against inflation for investors.
- The scheme may also invest in REITs and InVITs as another source of diversification of sources of potential capital appreciation and income generation.

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# Thank You