

# Difference between Dynamic Asset Allocation Funds & Aggressive Hybrid Funds

Dynamic Asset Allocation funds and Aggressive hybrid funds are both types of hybrid funds

Hybrid funds invest in a mix of equity and debt (fixed income securities)



## Dynamic Asset Allocation Fund

## Aggressive Hybrid Fund

### Asset Allocation

- Investment in equity/debt that is managed dynamically (0% to 100% allocation to equity and 0 to 100% allocation to debt in portfolio)
- Equity exposure can vary between 30 – 80% depending on the fund managers strategies

- Minimum of 65% to 80% investment in equity and equity related instruments
- 20 to 35% investment in Debt instruments

### Rebalancing

- Allocation is rebalanced automatically based on quantitative model based triggers
- No restriction on minimum allocation to equity or debt

- Allocation to be rebalanced by AMC's periodically
- Allocation to equity cannot go below 65%

### Suitable for which investors

Suitable for investors who are open to varying asset allocation based on fund manager's view

Suitable for investors who always want higher allocation to equity

### Volatility

Less volatile as compared to Aggressive Hybrid Funds

More volatile and risky as compared to Dynamic Asset Allocation funds