



# LIC MF Factor Advantage PMS

## ➔ Target Audience

- New investors aiming for a smoother ride of volatile equity markets.
- Existing investors aiming to differentiate and reduce risk.

## ➔ Product Specification



### Minimum Investment

50/- Lakhs (As per SEBI guidelines)



### Investment Horizon

3 to 5 years



### Management Fee

Fixed Regular: 2.50%, Direct: 2.25%



### Fee Structure & Incidental Expenses:

Upto 0.50% per annum of the client's daily AUM (Assets Under Management)



Variable Regular: 2.0%, Direct: 1.75%

**Exit Load** 1% in the first year

## ➔ Why do we believe the product to be 'Game Changer'?

### Market Linked Returns

Building block remains that of higher risk adjusted returns via a risk weighted portfolio

### Differentiated Strategy

Agnostic market cap approach including tenants of lower volatility and high quality

### Competitive Costing

Mix of passive and active structure

## ➔ Benefits:

01

### Unique Blend

Strategy has a mix of active & passive

02

### Flexicap Approach

Quality stocks are spread across market capitalization

03

### Superior Risk Management

Endeavours to limit the downside risk

04

### Rule Based Approach

Disciplined investing to reduce sudden shocks

## ➔ Key Highlights of the product:

- Concentrated portfolio of 18-25 stocks.
- Eligible Stock universe comprises of stocks from Large, Mid & Small cap segment.
- Stock selection strategy that is well diversified across sectors thereby reducing sudden shocks.
- With a threshold mechanism that lays down stringent criteria for inclusion and exclusion, the strategy seeks to minimize the degree of churning and thereby, trading costs.

## ➔ Steps Involved in Portfolio Creation:

01

Eligible stock universe is decided based upon market capitalization (liquidity) constraints & macro economic conditions.

Stock selection framework (factor based) is applied on stocks universe

02

03

Shortlisted stocks are analyzed based on fundamentals and market conditions to decide final portfolio.

Portfolio is rebalanced based on defined mechanism & fundamentals/market conditions.

04

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