

04:05 PM 26 APR CLOSED MARKET STATS ▾	सेन्सेक्स 34,713 ▲ 212.33	निफ्टी 50 10,617 ▲ 47.25	सोने (एमसीएक्स) (₹/१० ग्रॅम) 31,220.00 ▼ -186.00	यू एस डी/भारती... 66.75 ▼ -0.15	पोर्टफोलियो निर्माण करा	ई-टी मार्केट्स आप उतरवून घ्या	CHOOSE LANGUAGE MAR
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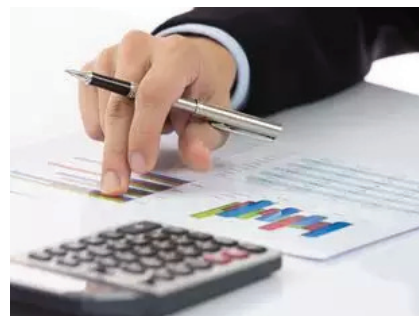
HDFC Balanced Fund merges with Premier Multi-Cap Fund to form Hybrid Equity Fund

BY ET ONLINE | APR 26, 2018, 04.17 PM IST

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HDFC Mutual Fund has announced the merger of two of its schemes, [HDFC Premier Multi-Cap Fund](#) and [HDFC Balanced Fund](#), to form a new scheme called [HDFC Hybrid Equity Fund](#). The new scheme will be a hybrid scheme, investing predominantly in equity and equity-related instruments. The changes to the schemes will be effective from June 1.

The new scheme, HDFC Hybrid Equity Fund, will be categorised under the aggressive hybrid basket of schemes. The fund house, in a communication sent to investors, said that on the effective date of merger of the schemes, the existing schemes shall cease to exist and the unit holders will be allotted units under the corresponding option of the new scheme at the last available applicable Net Asset Value.



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Mutual fund advisors say investors in HDFC Balanced Fund need not worry about the change, but Premier Multi-cap investors should re-look at their investment. "For the multicap investors, it is a clear fundamental attribute change. So, they should go through their portfolio again. You can't replace a multicap scheme with a balanced fund. But for the HDFC Balanced fund investors, there is no need to worry," says Vishal Dhawan, CFP, Plan Ahead Wealth Advisors.

Dhawan also points out that the expense ratio of HDFC Premier Multi-Cap Fund was high, but the new scheme will have a lower expense ratio.

According to Dhawan, there is a confusion about the NAV applicable to the new scheme. When a scheme merges with another scheme, typically the surviving scheme's NAV is applicable. However, since two scheme are merging to form a new scheme, there is confusion about the NAV. Dhawan says he is waiting to hear from the AMC.

Registrations for facilities like Flex SIP, capital appreciation systematic transfer plan (CASTP), flex systematic transfer plan (Flex STP), flex index plan, swing systematic transfer plan (Swing STP), etc, if any, registered under the merging schemes shall cease on effective date of the merger. Unit holders seeking to continue with their systematic facilities shall have to register afresh under the new scheme.



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No **exit load** will be charged from investors who move out from May 3 to June 1. "The existing Unit holders of all the above-mentioned Schemes whose valid applications have been received by the Fund till 3:00 p.m. on Thursday, April 26, 2018, are hereby provided an option to redeem their units held in the said Schemes at the prevailing NAV, without any exit load, for a period of 30 days from May 3, 2018 to June 1, 2018 (upto 3:00 p.m. on June 1, 2018) (both days inclusive) ("Exit Option Period"), if they do not wish to continue to hold their units in the said Schemes," the fund house said.

The Exit Option can be exercised during the exit option period by submitting redemption/switch-out request at the any official point of acceptance of the fund. The list of official points of acceptance, is available on the official website of the fund house. For unit holders who redeem their investments during the exit option period, the Securities Transaction Tax (STT) on redemption/switchout of units, shall be borne by HDFC AMC.

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