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Union KBC Asset Allocation Fund - Conservative Plan

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Union KBC Asset Allocation Fund - Conservative plan, is an open ended hybrid scheme which will build a portfolio by investing across [equities](#), [gold](#) and debt. Union KBC, a Joint Venture setup between [Union Bank of India](#) [BSE 3.61 %](#) and KBC Asset Management NV is a relatively new entrant to the mutual fund space and has been in existence only since 2011.

Union KBC Asset Allocation Fund- Conservative Plan will build a portfolio by investing in three asset classes namely equity, [debt](#) and gold. The fund opens for subscription on December 3 and closes on December 17. The minimum amount of investment is Rs 5,000 and in multiples of Rs 1 thereafter. There is no entry load, while there is an exit load of 0.5% if it is redeemed within six months of date of allotment.

How it works?

[Union KBC Asset Allocation Fund](#) - Conservative Plan will have a 15-25% allocation to equity, 55-95% allocation to debt and 0-20% allocation to gold. While the [equity](#) and debt component of the portfolio will be actively managed, the gold portion of the portfolio will be invested in Gold ETFs of other mutual funds. Axis Triple Advantage Fund has given a return of 16.33% over the last one year, while Kotak Multi Asset Allocation Fund has given a return of 11.80% over the last one year.

"Investors who do not have actively managed portfolios can use such multi asset allocation schemes. Since these funds invest in multiple assets there is automatic rebalancing which works in favour of the investor," says Vishal Dhawan, Chief Financial Planner, Plan Ahead Wealth Advisors.

Why to invest

This scheme takes care of your asset allocation. Instead of investing separating in equity, gold and debt, you can invest in such a fund.

Why not invest

These funds are taxed like debt funds and hence will give you lower post-tax returns. The fund house does not have a long track record.

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