

HDFC MF

Weekend Bytes

A weekly series from HDFC Mutual Fund

Diversify Like a Thali, not a Buffet
The right way to mix asset classes



Imagine walking into a buffet. There's everything pasta, chaat, sushi, biryani, and cake. Tempting? Sure. Balanced? Not quite.

Now think of a well-prepared Indian thali a curated mix of dal, sabzi, rice, roti, salad, maybe a sweet - each in the right portion, serving a purpose: nutrition, taste, balance. This represents a possible structure for your investment portfolio.



✗ The Buffet Mistake

Many investors confuse diversification with collecting a random mix of investments - multiple mutual funds, stocks, FDs, maybe some gold. More isn't always better. Over diversification can blur your financial goals and could reduce overall returns.

✓ The Thali Approach

True diversification is about having the right mix of asset classes, equity (for growth), debt (for stability), and gold (for hedge) in sensible proportions. Each plays a role, just like dal gives protein, while rice provides energy.

How do I get my Asset Allocation right?

Each asset class has a role, but it is the proportion that determines the balance. Too much of one and too little of another can tilt the portfolio, just like a buffet, taking too much of one item disturbs the balance.

To understand this better,
here are a few illustrative examples of asset allocation mixes

Investor Risk Appetite	Equity	Debt	Gold	Indicative Investor Profile
Aggressive	60%	20%	10%	Higher risk appetite, long term investment horizon
Balanced	50%	30%	20%	Moderate risk appetite, seeking both growth and stability
Conservative	30%	50%	20%	Lower risk appetite, Prioritising stability

Note: These asset allocation mixes are for illustrative purpose only. The right proportion depends on an Investor's risk appetite, Financial goals, and Investment horizon.



So, what's on your financial thali?



Equity: Potential for long-term wealth creation



Gold: Protection in uncertain times



Debt: Relative Stability with lower volatility



Cash/Liquid funds: For short-term needs or emergency needs

Asset Allocation is not about variety alone, it's about getting the proportions right!



To understand how different proportions of equity, debt and other asset classes could work together, you can read more about our Hybrid Funds that provide varying degrees of equity exposure, [Click here](#).

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READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**

Mission: To be the wealth creator for every Indian

Vision: To be the most respected asset manager in the world