

COMPARATIVE PERFORMANCE OF BALANCED MUTUAL FUND SCHEMES AT HDFC AMC

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ABSTRACT: This research aims to compare the performance of HDFC Asset Management Company's (HDFC AMC) balanced mutual fund schemes. Balanced mutual funds use a mix of debt and equity investments to achieve growth while limiting risk. This study examines the stability, risk, and returns of a number of schemes over different time periods. Among these schemes are the HDFC Hybrid Equity Fund and the HDFC Balanced Advantage Fund. For example, annualized returns, volatility, and risk-adjusted ratios are some markers used to measure performance. The results show that compared to category norms, HDFC balanced plans have consistently provided competitive returns. Market volatility can now be more effectively managed thanks to dynamic asset allocation. The balanced funds offered by HDFC AMC are an option for moderate-risk investors who are looking for a way to consistently build wealth over the long term.

Keywords: *Balanced Mutual Funds, HDFC Asset Management Company (HDFC AMC), HDFC Balanced Advantage Fund,*

1. INTRODUCTION

Debt and equity assets are combined in balanced funds to achieve a satisfactory equilibrium between yield and risk. You can diversify your portfolio by investing in stocks (equity) for future growth and stability, and bonds (or other debt instruments) for growth and stability.

Combining these two strategies lessens the impact of market fluctuations on investors' capital growth prospects. Since some funds choose debt as a safer investment and others prefer stocks, the actual equity-to-debt ratio may vary from one fund to the next.

The financial world is greatly impacted by balanced mutual funds, sometimes known as "hybrid funds," due to the fact that these funds carry a mix of debt and equity items in their portfolios. Reducing investment risk while maintaining a healthy profit-to-investment ratio is the overarching

objective of these schemes. Balanced funds aim to provide more stable returns than plain equity funds, particularly in times of market volatility, by diversifying their holdings among stocks, bonds, and occasionally money market instruments. In order to gauge the efficacy of balanced mutual fund schemes in satisfying investors' risk and return objectives, it is necessary to monitor their performance.

Several factors influence the likelihood of a balanced mutual fund plan's performance, including market conditions, interest rate fluctuations, asset allocation choices, and management quality. A portfolio that includes debt assets is better able to weather market downturns because of the security and regular income they provide. Equity exposure, on the other hand, allows these investments to benefit from rising stock prices. Thus, in comparison to equity-oriented schemes,

balanced funds are known for their reduced volatility and more consistent long-term performance. Investors can learn about the schemes' performance across multiple market cycles by looking at performance data such as cost ratios, returns, risk-adjusted measures, and consistency.

New investors, those looking to reduce their risk, and retirees are driving the growth of balanced mutual fund schemes. The reason behind this is that as people gain more knowledge about money, their investing demands are also changing. Analysis of these funds' performance reveals not only how well they manage risk and diversify their assets, but also how effectively they generate returns. You may learn a lot about long-term wealth development, fund selection, and investing tactics by studying the performance of balanced mutual funds. Researching the performance of balanced mutual fund plans can help investors achieve the optimal level of growth and stability for their portfolios.

2. LITERATURE SURVEY

Sharma, K. B. (2020) This research examines the performance of a limited number of mutual fund schemes that operate within the Indian financial sector. Secondary data came from publicly available sources, such as financial reports and fact sheets for mutual funds. Our performance indicator is based on return and risk metrics including Treynor ratio, Sharpe ratio, beta, and standard deviation. A great deal of variation in the selected schemes' performance is revealed by the analysis. Some funds offered better returns, but they also carried a greater degree of danger. To better understand the

fund's performance, risk-adjusted metrics were used. The importance of considering potential losses and gains when investing is emphasized in the study. Careful evaluation is emphasized for choosing effective funds. The findings guide investors towards strategies that typically yield positive outcomes. Smart strategies for mutual fund investment are supported by the analysis.

Kaur, G., & Singh, R. (2021) Examining the potential benefits and drawbacks of balanced mutual fund schemes in India is the primary objective of this research. Secondary data for the study was sourced from financial periodicals and mutual fund sources. Sharpe ratio, standard deviation, variance, average returns, and variance were among the statistical tools utilized. The data demonstrate that balanced funds offer a reasonable degree of return with a manageable amount of risk. Compared to balanced programs, stock funds are riskier. They remain constant regardless of market fluctuations, according to risk-adjusted success criteria. Good asset allocation is a key component of balanced funds, according to the study. The way they aid in dispersing risk is highlighted in particular. Clients with a longer time horizon benefit from balanced mutual funds. Investments in balanced funds are considered risk-free by the research.

Patel, R., & Shah, N. (2022) Using risk-adjusted performance metrics, the research examines the success of many hybrid mutual fund strategies. Secondary data was sourced from market sources, including records of mutual funds. We employed metrics like Treynor ratio, Sharpe ratio, and Jensen's alpha to measure performance. Several hybrid funds outperformed the benchmark index when risk was considered. By utilizing a range

of assets, hybrid schemes managed to strike a balance between risk and gain. Success should be measured in relation to risk, according to the study. The article explains why moderate and cautious investors could benefit from hybrid funds. Investors can choose solid fund plans with the aid of this study. More data regarding the performance of mutual funds is required, as stated in the report. The findings support educated investment choices.

Rao, K. S. (2023) Examining hybrid mutual fund plans in India's stock market and their risk-return relationship is the focus of this article. The research was based on secondary data collected from mutual fund accounts and financial databases. Standard deviation, average returns, Sharpe ratio, and standard deviation were among the statistical approaches utilized in the study. The evidence suggests that hybrid mutual funds provide an excellent combination of managed risk and high returns. A key component in sustaining gains was the allocation of assets between stock and debt. The analysis highlights the fact that various schemes do not all have the same risk-adjusted success rate. Hybrid funds proved their mettle during the market's ebb and flow.

Mishra, S. (2024) The research primarily examines balanced fund schemes among the many mutual fund options available in India. Secondary data was culled from previously published sources in order to conduct the evaluation. Return measures and risk indicators were utilized to assess success. Two instances were the standard deviation and the sharpe ratio. Research shows that balanced funds provide an appropriate level of risk with potential reward. Balanced plans had less volatility

than equity funds. They also generated more revenue than loan funds. Findings center on the diversification benefits of balanced mutual funds. What this means is that they are excellent long-term investors. Investors can use the outcomes as a guide to make informed investing decisions.

Raut, M. T. V. (2025) This research analyses the performance of various mutual fund plans in India, including those that invest in debt, hybrids, and equities. Secondary data collected over a predetermined time period form the basis of the analysis. The return measurements, standard deviation, beta, and Sharpe ratio were utilized to evaluate the success. Equity funds offered higher returns, but also carried a higher degree of risk, according to the statistics. Debt funds provide a reliable source of income with minimal risk. Hybrid funds provided an optimal mix of potential rewards and dangers. The importance of diversifying your assets is emphasized in the report.

3. TYPES OF MUTUAL FUNDS IN INDIA BASED ON FUND STRUCTURE



Open Ended Funds:

At the current NAVs, every owner can invest or withdraw these funds whenever they choose. Doing whatever makes you

happy is a major component of this fund. Any quantity of money can be bought or sold by the customer. The day-to-day operations of the fund will mostly be overseen by a fund manager. The fund also has monetary implications.

Close Ended Funds:

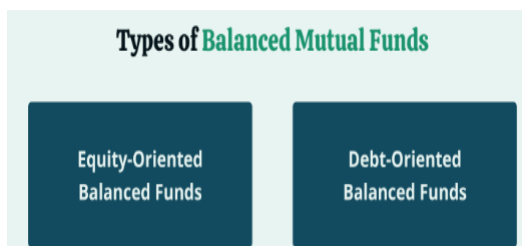
These closed-end mutual funds provide a definite window of opportunity for investors to purchase shares. This signifies that the purchase of units is contingent upon the investment's maturity. These funds are often sold at the current market rate after being listed on exchanges.

Interval Funds:

There are some similarities between open-ended and closed-ended funds, and interval funds are no exception. Multiple purchases of interval funds are possible over the term.

4. TYPES OF BALANCED FUNDS

Some broad approaches to classifying balanced or mixed funds are as follows:



Equity-oriented balanced funds

The majority of these mutual funds' assets—at least 65%—are invested in the stock market. The remainder of our capital is hedged against market fluctuations through various money market instruments and loans.

Debt-oriented balanced funds

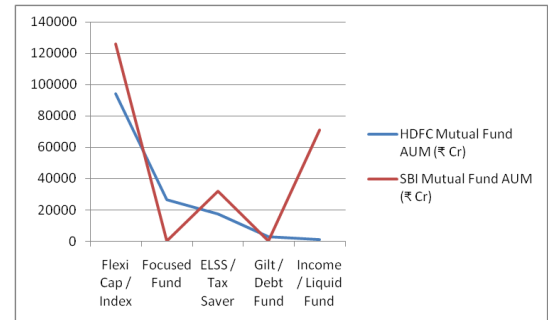
The majority of these funds' value—at least 65%—comes from debt market assets such as bonds, debentures, and government securities. To increase the amount of cash

available, the remaining funds are invested in stock funds, cash, or alternatives to cash.

5. RESULTS AND INTERPRETATION

5 RATING AUM OF HDFC AMS AND SBI MUTUALFUND

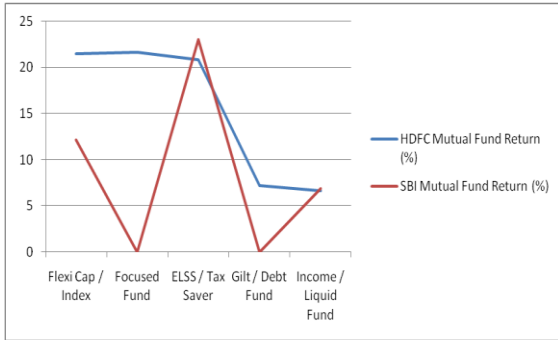
Scheme Category	HDFC Mutual Fund AUM (₹ Cr)	SBI Mutual Fund AUM (₹ Cr)
Flexi Cap / Index	94068.73	126146
Focused Fund	26229.6	0
ELSS / Tax Saver	17241.17	31782.8
Gilt / Debt Fund	2944.53	0
Income / Liquid Fund	914.6	71091.8



INTERPRETATION: The analysis found that Flexi Cap/Index funds have the greatest AUM of both AMCs. SBI Mutual Fund has a greater ₹1,26,146 crore than HDFC Mutual Fund's ₹94,068.73 crore. HDFC Mutual Fund excels in Focused Funds (₹26,229.6 crore) and Gilt/Debt Funds (₹2,944.53 crore), where SBI has no AUM. This indicates HDFC's niceness. SBI Mutual Fund has the most ELSS/Tax Saver (₹31,782.8 crore) and Income/Liquid Funds (₹71,091.8 crore), while HDFC has the lowest (₹17,241.17 crore and ₹914.6 crore).

5 RATING 3-Year Return (%) OF HDFC AMS AND SBI MUTUALFUND

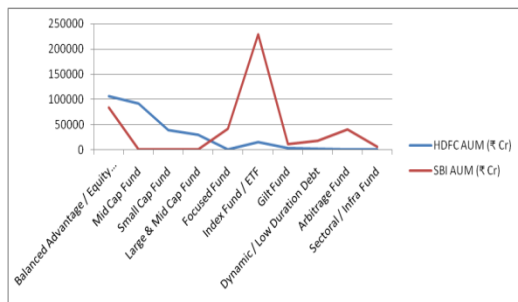
Scheme Category	HDFC Mutual Fund Return (%)	SBI Mutual Fund Return (%)
Flexi Cap / Index	21.44	12.18
Focused Fund	21.64	0
ELSS / Tax Saver	20.87	23.01
Gilt / Debt Fund	7.24	0
Income / Liquid Fund	6.67	6.89



INTERPRETATION: SBI and HDFC Mutual Fund show different returns for Flexi Cap/Index (21.44% vs 12.18%), Focused (21.64%), and Gilt/Debt funds (7.24%). SBI has no returns. SBI Mutual Fund outperforms HDFC in the ELSS/Tax Saver fund sector with 23.01% versus 20.87%. SBI's 6.89% income/liquid fund rate is slightly higher than HDFC's 6.67%. This indicates both funds perform similarly in low-risk locations.

4 RATING AUM OF HDFC AMS AND SBI MUTUALFUND

Scheme Category	HDFC AUM (₹ Cr)	SBI AUM (₹ Cr)
Balanced Advantage / Equity Hybrid	106493.55	82958.2
Mid Cap Fund	92168.85	0
Small Cap Fund	38020.31	0
Large & Mid Cap Fund	28892.1	0
Focused Fund	0	40823.8
Index Fund / ETF	14863.4	229221
Gilt Fund	2944.53	11033.4
Dynamic / Low Duration Debt	774.69	16746.2
Arbitrage Fund	0	39858.6
Sectoral / Infra Fund	0	4788.49

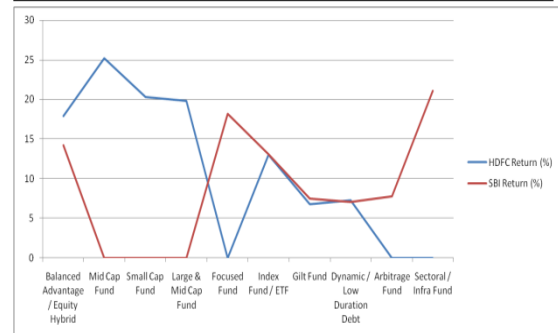


INTERPRETATION: HDFC Mutual Fund holds many holdings in equity-focused groups without SBI, according to its AUM allocation. Fund types include Balanced Advantage/Equity Hybrid (₹1,06,493.55 crore), Mid Cap

(₹92,168.85 crore), and Small Cap (₹38,020.31 crore). SBI Mutual Fund dominates passive, low-risk investments. This is particularly true for Index/ETF (₹2,29,221 crore), Focused Funds (₹40,823.8 crore), and Arbitrage Funds (₹39,858.6 crore). SBI dominates passive, debt, and risk-managed funds, while HDFC concentrates on active, broad equities strategies.

4 RATING 3-Year Return (%) OF HDFC AMS AND SBI MUTUALFUND

Scheme Category	HDFC Return (%)	SBI Return (%)
Balanced Advantage / Equity Hybrid	17.91	14.24
Mid Cap Fund	25.22	0
Small Cap Fund	20.33	0
Large & Mid Cap Fund	19.81	0
Focused Fund	0	18.16
Index Fund / ETF	13.07	13.06
Gilt Fund	6.78	7.47
Dynamic / Low Duration Debt	7.32	7.04
Arbitrage Fund	0	7.77
Sectoral / Infra Fund	0	21.07



INTERPRETATION: It outperforms SBI in equity-focused categories like Mid Cap (25.22%), Small Cap (20.33%), Large & Mid Cap (19.81%), and Balanced Advantage/Equity Hybrid funds (17.91%), which has little exposure to them. SBI Mutual Fund outperforms HDFC in Gilt (7.47%), Focused (18.16%), Arbitrage (6.77%), and Sectoral/Infrastructure Funds (21.07%). Both Dynamic/Low Duration Debt funds and Index Funds/ETFs perform similarly in the low-risk and passive categories.

6. CONCLUSION

To conclude, balanced mutual funds may benefit investors seeking safety and growth. These strategies invest in stock and bond securities, reducing risk and earning decent returns. Their research illustrates how crucial asset allocation, risk management, and fund manager comprehension are for long-term financial goals. Balanced mutual funds usually succeed because they can generate regular returns while minimizing volatility. A well-managed balanced fund may be a smart investment for moderate risk and long-term benefit. Balanced mutual fund schemes work best when you make wise investments and monitor them often.

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