



## RESEARCH ON HYBRID EQUITY ORIENTED FUND AND EQUITY DIVERSIFIED FUND AND THEIR RETURNS

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**ABSTRACT:** In this research we have make comparative analysis of different hybrid Equity Oriented Funds and Equity Diversified Fund and it is generally applied only to those collective investment vehicles which are regulated & sold to public. They are sometimes referred to as investment companies. Such companies are also known as registered investment companies.

**Keyword:** Investment, Registered, Capital, Fund, Market, Professionally



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### [1] Introduction

A **mutual fund** is known as investment fund managed professionally. It pools money from various investors within order to buy securities. While there is no legal definition of term mutual fund, it is generally applied only to those collective investment vehicles which are regulated & sold to public. They are sometimes referred to as investment companies. Such companies are also known as registered investment companies. A Mutual Fund is a trust that pools savings of a number of investors who share a common financial goal. It is essentially a diversified portfolio of financial instruments - these could be equities, debentures / bonds or money market instruments. The corpus of fund is then deployed within investment alternatives that help to meet predefined investment objectives. The income earned through these investments & capital appreciation realised are shared by its unit holders within proportion to number of units owned by them. Thus a Mutual Fund is a suitable investment for common man as it offers an opportunity to invest within a diversified, professionally managed basket of securities at a relatively low cost.

### [2] REVIEW OF LITERATURE

Saha, Tapas Rajan (2003) identified that Prudential ICICI Balanced Fund, Zurich Equity Fund were the best among the equity funds while Pioneer ITI Treasury scheme was the best among debt schemes. He concluded that, the efficiency of the fund managers was the key in the success of mutual funds.

Byrne (2005) shows that risk and investment experience tend to indicate a positive correlation. Past experience of successful investment increases investor tolerance of risk. Inversely, unsuccessful past experience leads to reduced tolerance to risk. Therefore past investment behavior affects future investment behavior.

Corter and Chen (2006) studied that investment experience is an important factor influencing behavior. Investors with more experience have relatively high risk tolerance and they construct portfolios of higher risk.

Mostafa Soleimanzadeh (June 2006) in his article, "Learn how to invest in Mutual Funds" discussed the risk and return in mutual funds. He stated that the risk and return depend on each other, the greater the risks, the higher the potential return; the lower the risk, the lower the expected return.



Muthappan P K and Damodharan E (2006) evaluated 40 schemes for the period April 1995 to March 2000. The study identified that majority of the schemes earned returns higher than the market but lower than 91 days Treasury bill rate. The average risk of the schemes was higher than the market.

### [3] RESEARCH METHODOLOGY

#### Scope of Study

The study has aimed at understanding and analyzing the types Mutual Fund. It analyze the funds depending on equity diversified and balanced mutual funds. Subject matter is related to the investors approach towards mutual funds and investment options in equity diversified and or balanced mutual funds India. The research has been conducted in the geographical area of Bhavnagar District.

#### Research Design

The research is primarily both exploratory as well as descriptive in nature. The sources of information are both primary & secondary. A well-structured questionnaire have been prepared and personal interviews to be conducted to collect the information of investor's investment pattern. Hence, in broader sense the present study has been defined as Exploratory & Descriptive Research.

#### Data Sources

For the data collection purpose the following two sources has been used

Secondary Sources: Secondary data that is to be utilized in the project has been collected through Internet, Magazines, Newspapers, Reference books and Journals.

Primary Sources: Primary data has been collected through questionnaires and informal interviews.

#### Sampling Size and Sample Unit

Based upon convenience sampling, the data has been collected as per statistical requirement of the study. The respondents has been approached to fill up questionnaires.

Different cities are having different mindset towards mutual funds namely saving mentality, risk cover mentality, return on investment mindset, etc. The sample unit has been the individual investors. And overall 200 sample responses, which has been collected from Bhavnagar District.

#### Statistical Tools

Measures of Central Tendency, Measures of Dispersion, Mean, Correlation, Regression analysis , Analysis of Time Series, Analysis of Variance, Chi-square Test, Index Numbers, Tabulation, Diagrammatic and Graphical Presentation of Data has been used as and when required has been used as statistical tools.

### [4] OBJECTIVES OF THE STUDY

The objectives of the study are as follows:

1. To know the purpose and performance of investment in equity diversified mutual funds
2. To study the purpose and performance of investment in balanced mutual funds
3. To examine the risk and return relationship with reference to equity diversified and balanced mutual funds



4. To make comparative study of lower risks and higher returns of equity diversified and balanced mutual funds
5. To make suggestion for the growth of the Mutual Funds in India

## [5] Result & Discussion

### Hybrid Equity Oriented Fund And Their Returns Since Launch

Fund	Rating	Category	Launch	Expense Ratio (%)	SinceLaunch Return (%)	Net Assets (Cr)
ICICI Prudential Child Care Plan - Gift Plan   Invest Now	★★★	HY-EQ	Aug-2001	2.67	17.32	315
Tata Retirement Savings Fund - Moderate Plan - Regular Plan	★★★★★	HY-EQ	Nov-2011	3.12	17.19	50
HDFC Childrens Gift Fund - Investment Plan   Invest Online	★★★★★	HY-EQ	Mar-2001	2.26	17.03	1,052
SBI Magnum Balanced Fund   Invest Online	★★★★★	HY-EQ	Dec-1995	2.36	16.61	4,745
HDFC Balanced Fund   Invest Online	★★★★★	HY-EQ	Sep-2000	1.99	16.46	5,903
UTI Balanced Fund	★★★	HY-EQ	Mar-1995	2.69	15.62	1,401
DSP BlackRock Balanced Fund	★★★★	HY-EQ	May-1999	2.72	15.18	1,129



**Annual Return (%)**

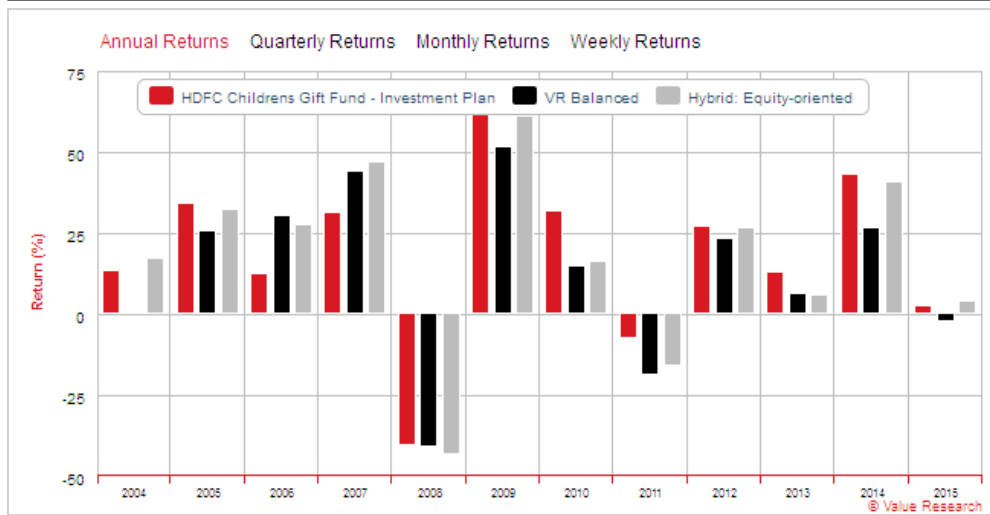


Fig 1 HDFC Children’s Gift Fund - Investment Plan

**Annual Return (%)**

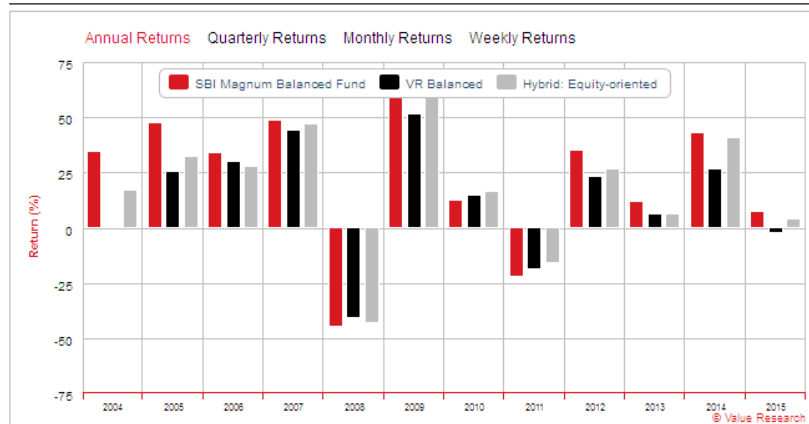


Fig 2 SBI Magnum Balanced Fund



Annual Return (%)

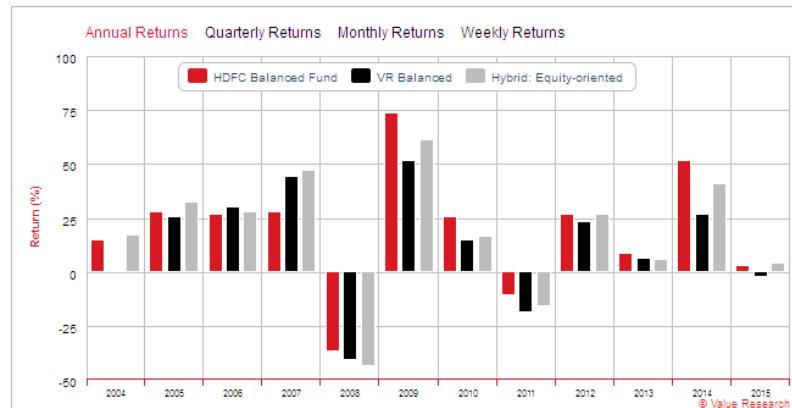


Fig 3 HDFC Balanced Fund

Annual Return (%)

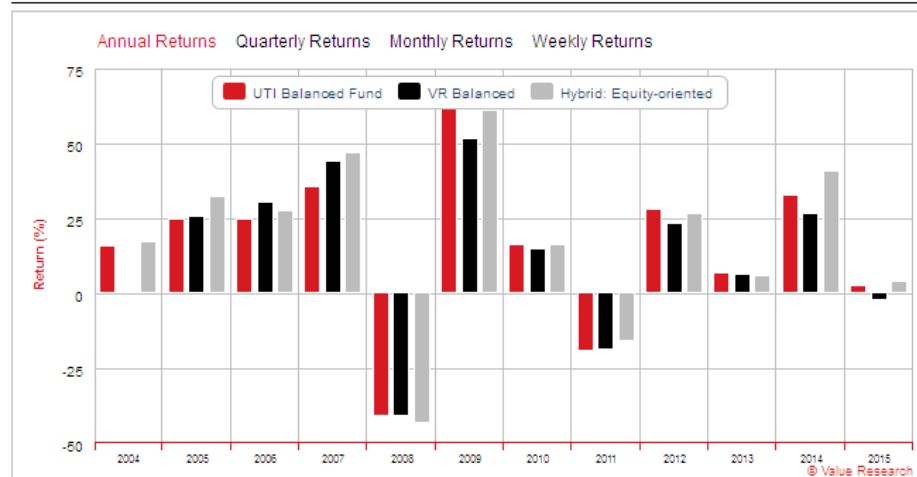
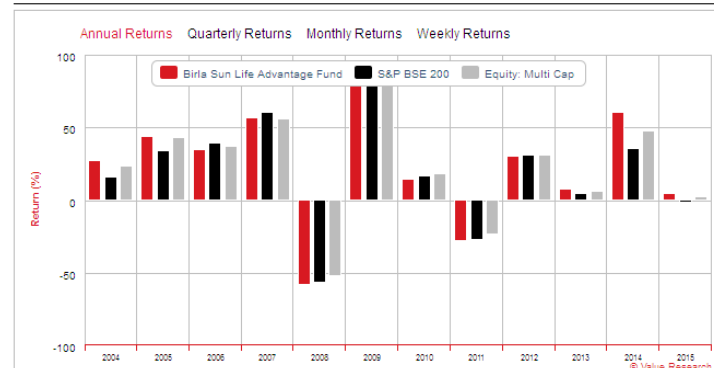


Fig 4 UTI Balance Fund

## Equity Diversified Fund

### 1. Birla Sun Life Advantage Fund

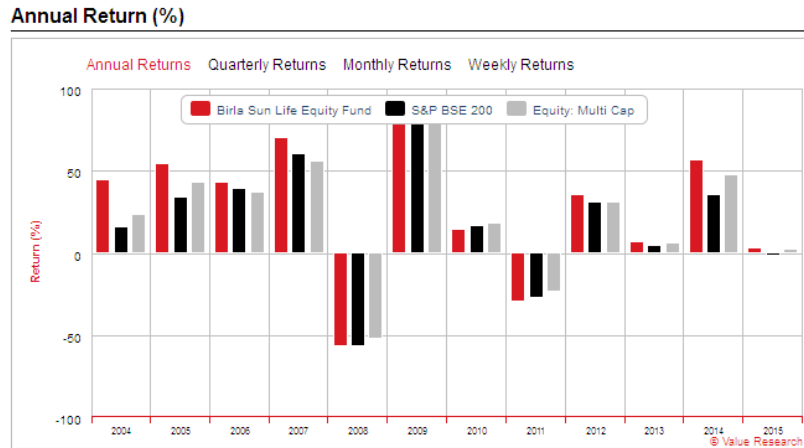
Annual Return (%)





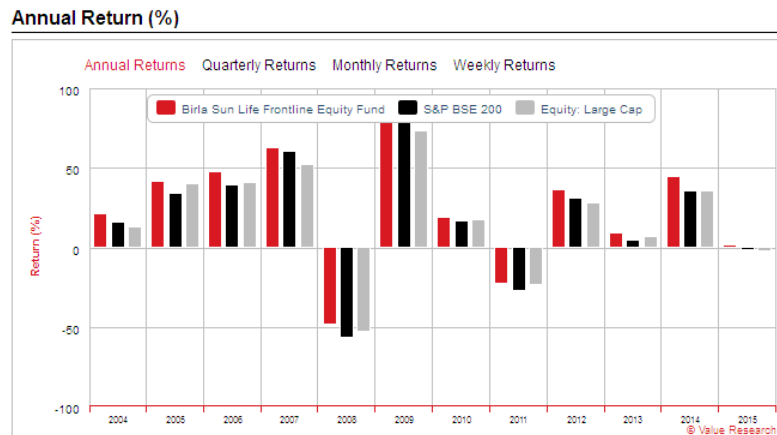
**Fig 5 Annual Return of Birla Sun Life**

## 2. Birla Sun Life Equity Fund



**Fig 6 Birla Sun Life Equity Fund**

## 3. Birla Sun Life Frontline Equity Fund



**Fig 7 Birla Sun Life Frontline Equity Fund**

### [8] FUTURE SCOPE AND CONCLUSION

Rule of investing for both large & small investors, is asset diversification. Diversification involves the mixing of investments within a portfolio & is used to manage risk. For example, by choosing to buy stocks in the retail sector & offsetting them with stocks in the industrial sector, we can reduce impact of the performance of any one security on your entire portfolio. In order to achieve a truly diversified portfolio we may have to buy stocks with different capitalizations from different industries & bonds with varying maturities from different issuers. For individual investor it can be costly.



By purchasing mutual funds we are provided with immediate benefit of instant diversification & asset allocation without the large amounts of cash needed to create individual portfolios. Simply purchasing one mutual fund might not give us adequate diversification, you should check to see if the fund is sector or industry specific. For example, investing in an oil & energy mutual fund might spread our money over fifty companies, but if infrastructure prices fall our portfolio will likely suffer.

Advantage of mutual funds is ability to get in & out with relative ease. In general, we are able to sell your mutual funds in a short period of time without there being much difference between the sale price and the most current market value. It is important to watch out for any fees associated with selling, including back-end load fees. Unlike stocks & exchange-traded funds that trade any time during market hours, mutual funds transact only once per day after the fund's net asset value (NAV) is calculated.

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