

# Comparative Study of Growth-Oriented Balance Funds of Various Companies

**Ms. Sofiya begum**

MBA Student (24881E0054), Department of Management studies,  
Vardhaman College of Engineering, Shamshabad, Hyderabad. Telangana  
[sadullakhan22@gmail.com](mailto:sadullakhan22@gmail.com)

**DR G Ramesh**

Associate Professor, Department of Management studies,  
Vardhaman College of Engineering, Shamshabad, Hyderabad. Telangana  
[ramesh.ghanathe@gmail.com](mailto:ramesh.ghanathe@gmail.com),  0000-0003-3842-3968

## Abstract

This study presents a comparative analysis of growth-oriented balanced funds offered by various asset management companies to evaluate their performance, risk profile, and suitability for long-term investors. Balanced funds, also known as hybrid funds, invest in a mix of equity and debt instruments to achieve both capital appreciation and income stability. The research focuses on key performance metrics such as return on investment, volatility, Sharpe ratio, expense ratio, and portfolio composition. Using historical data over a defined period, the study examines how these funds have responded to market fluctuations and economic cycles. The comparative framework also considers fund management strategies, asset allocation patterns, and benchmark performance to identify strengths and weaknesses across different fund houses. Findings indicate significant variation in returns and risk profiles, driven by differences in equity exposure, debt quality, and fund management practices. The study concludes by offering insights for investors seeking balanced growth potential with moderated risk, highlighting funds that demonstrate consistent performance and alignment with long-term financial goals.

## Key words:

- Growth-Oriented Balanced Funds
- Hybrid Mutual Funds
- Portfolio Diversification
- Risk-Return Analysis
- Asset Allocation
- Mutual Fund Performance

## JEL Codes:

- G11 – Portfolio Choice; Investment Decisions
- G23 – Non-Bank Financial Institutions; Mutual Funds
- G12 – Asset Pricing; Trading Volume; Bond and Equity Prices
- G14 – Information and Market Efficiency
- E44 – Financial Markets and the Macroeconomy

## INTRODUCTION:

This study attempts to conduct a comparative analysis of growth-oriented balanced funds offered by various companies by examining key performance indicators such as returns, risk measures, consistency, and portfolio structure. The findings of this research aim to provide valuable insights to investors, financial analysts, and policymakers in understanding the relative performance of balanced funds and assisting in informed investment decision-making. In recent years, mutual funds have emerged as one of the most preferred investment avenues for individual and institutional investors due to their ability to provide professional fund management, diversification, and liquidity. Among the various categories of mutual funds, growth-oriented balanced funds, also known as hybrid funds, have gained significant popularity. These funds combine investments in equity and debt instruments with the objective of achieving capital appreciation while maintaining a reasonable level of income stability and risk control. Growth-oriented balanced funds primarily allocate a higher proportion of their portfolio to equities to capture long-term growth opportunities, while the debt component helps in mitigating volatility and providing regular income. This dual investment approach makes such funds suitable for investors who seek moderate risk with consistent returns, especially in uncertain and fluctuating market

conditions. With changing economic environments, interest rate movements, and stock market volatility, the performance of balanced funds varies across different asset management companies based on their fund management strategies and asset allocation decisions. The Indian mutual fund industry has witnessed rapid expansion, offering a wide range of growth-oriented balanced funds tailored to diverse investor needs. However, the wide availability of such funds often creates confusion among investors in selecting the most appropriate option. Differences in fund performance, risk exposure, expense ratios, and portfolio composition necessitate a systematic comparison to evaluate their effectiveness and reliability.

## REVIEW OF LITERATURE:

- Empirical studies on Indian mutual funds using risk-adjusted measures such as Sharpe, Treynor, and Jensen's alpha show mixed performance. While several schemes generate positive returns, consistent risk-adjusted outperformance over benchmarks is limited. Most studies rely on AMFI, CRISIL, and NAV-based secondary data.
- Research on balanced and hybrid funds indicates that these schemes offer a moderate risk–return profile, lying between equity and debt funds. Dynamically managed Balanced Advantage funds sometimes deliver superior risk-adjusted returns, though results vary across market cycles and fund houses.
- Comparative studies confirm that equity funds provide higher returns with higher risk, debt funds offer stable but lower returns, and hybrid funds reduce volatility through diversification. Gilt-fund studies during the 2008–09 crisis show capital protection benefits but limited excess returns.
- Literature also highlights the impact of expense ratios and turnover, noting that higher costs can significantly reduce net investor returns.
- In e-commerce and fintech research, security, privacy, and consumer trust strongly influence online purchase intentions. Trust-building mechanisms and clear privacy policies are essential for adoption.
- Research gaps remain in long-term comparative analysis of legacy balanced funds, expense-adjusted investor outcomes, and the role of online platforms in shaping mutual-fund investor tru

## RESEARCH METHODOLOGY

### • **Statement of the Problem:**

Despite their popularity, investors often face difficulty in selecting the most suitable balanced fund because of **variations in performance, cost structure, fund size, and management approach** across different companies. Many investors rely solely on past returns without adequately considering associated risks, expense ratios, or consistency of performance, which may lead to suboptimal investment decisions. Moreover, there is limited comparative and systematic analysis available that evaluates the relative performance of growth-oriented balanced funds across various companies using standard financial indicators. This lack of comprehensive comparison creates an information gap for investors, financial advisors, and researchers.

### • **Research Gap:**

Growth-oriented balanced funds, also known as hybrid or balanced advantage funds, have become increasingly popular among investors due to their ability to offer capital appreciation along with risk diversification through a mix of equity and debt instruments. With the rapid expansion of the mutual fund industry, numerous asset management companies offer a wide range of growth-oriented balanced funds, each differing in terms of asset allocation strategy, risk exposure, expense ratio, and return performance. Therefore, this study seeks to bridge these gaps by providing a **systematic and up-to-date comparative analysis of growth-oriented balanced funds of various companies**, incorporating multiple performance indicators. The findings aim to contribute to academic literature and assist investors in making informed and rational investment choices.

## Objectives of the Study:

- To examine the concept and characteristics of growth-oriented balanced funds offered by various asset management companies.
- To analyze and compare the performance of selected growth-oriented balanced funds using indicators such as returns (CAGR), assets under management (AUM), and expense ratios.
- To evaluate the impact of fund size and cost structure on the growth and performance of balanced funds.
- To identify variations in investment strategies adopted by different fund houses and their influence on fund performance.

### Hypothesis of the Study:

- $H_{01}$ : There is no significant difference in the performance (returns) of growth-oriented balanced funds offered by various companies.
- $H_{02}$ : Assets Under Management (AUM) do not have a significant impact on the performance of growth-oriented balanced funds.
- $H_{11}$ : There is a significant difference in the performance (returns) of growth-oriented balanced funds offered by various companies.
- $H_{12}$ : Assets Under Management (AUM) have a significant impact on the performance of growth-oriented balanced funds

### RESULT & DISCUSSION:

A comparative study of growth-oriented balanced funds, which are generally known as Balanced Advantage Funds (BAFs) or Aggressive Hybrid Funds in India, reveals that top performers blend capital appreciation potential from equities with the relative stability of debt. Key players include HDFC, ICICI Prudential, and Axis Mutual Funds, with the HDFC Balanced Advantage Fund showing strong performance over a five-year period.

Comparative Overview of Top Funds (as of late 2025)

The data below presents a comparison of selected top-performing Balanced Advantage Funds based on their 3-year Compound Annual Growth Rate (CAGR) and Assets Under Management (AUM). Returns for "Direct - Growth" plans are generally highlighted as they offer lower expense ratios.

Fund Name	3-Year CAGR (approx.)	AUM (INR Crore, Sep 2025)	Expense Ratio
HDFC Balanced Advantage Fund	18.15%	~95,570	~0.65% (varies)
Axis Balanced Advantage Fund	15.43%	N/A	N/A
ICICI Prudential Balanced Advantage Fund	14.12%	~68,450	~0.76% (varies)
SBI Balanced Advantage Fund	15.04%	N/A	N/A
Quant Multi Asset Allocation Fund	22.46%	~3,818	~0.63%

Note: Past performance is not indicative of future results. AUM and expense ratios may vary based on the specific plan (Direct/Regular) and market conditions.

- The comparative analysis of selected growth-oriented balanced/advantage funds reveals notable differences in performance, asset size, and cost structure, reflecting variations in fund management strategies and market positioning.
- The Quant Multi Asset Allocation Fund recorded the highest 3-year CAGR of approximately 22.46%, indicating superior growth performance during the study period. Despite its relatively low AUM of around ₹3,818 crore, the fund appears to have benefited from aggressive asset allocation, active management, and dynamic exposure across asset classes. Its lower expense ratio (~0.63%) further enhanced net investor returns, making it an attractive option for growth-seeking investors willing to accept relatively higher volatility.
- The HDFC Balanced Advantage Fund demonstrated strong and consistent performance with a 3-year CAGR of about 18.15%, supported by a very large AUM of approximately ₹95,570 crore. The substantial asset base reflects high investor confidence and long-term stability. Its moderate expense ratio (~0.65%) suggests cost efficiency despite the fund's size, making it suitable for investors seeking a balance between growth and risk control.
- The Axis Balanced Advantage Fund and SBI Balanced Advantage Fund delivered moderate returns of 15.43% and 15.04% respectively over the three-year period. Although AUM and expense ratio details are not available, their returns indicate relatively conservative investment strategies compared to HDFC and Quant funds. These funds may appeal to risk-averse investors who prioritize stability over aggressive growth.
- The ICICI Prudential Balanced Advantage Fund reported a 3-year CAGR of 14.12%, the lowest among the selected funds, despite managing a large AUM of around ₹68,450 crore. The slightly higher expense ratio (~0.76%) could have impacted net returns. The fund's performance suggests a more defensive allocation approach, emphasizing capital protection during volatile market phases.

**Table Shown DS of HDFC Balanced Advantage Fund.**

	Opening	Highest	Lowest	Closing price
Mean	15126.895	15429.475	14980.185	15195.14
Standard Error	2615.368093	2658.206965	2588.305182	2611.54022
Median	16921.225	17080.9	16720.975	16812.45
Mode	#N/A	#N/A	#N/A	#N/A
Standard Deviation	8270.520093	8405.988501	8184.939656	8258.415295
Sample Variance	68401502.6	70660642.68	66993237.17	68201423.18
Kurtosis	-1.12761813	-1.204437351	-1.124006612	-1.164725251
Skewness	-0.13552122	-0.155301052	-0.139745923	-0.151273362
Range	24586.1	24550	24298.45	24250.5
Minimum	3298	3425	3240	3372.15
Maximum	27884.1	27975	27538.45	27622.65
Sum	151268.95	154294.75	149801.85	151951.4
Count	10	10	10	10

**Result and Discussion:**

From the above table we can see that for Ambuja Cements, the Mean value for Opening is 3394.9, Highest is 3470.915, Lowest is 3350.185 and closing is 3422.18 and the Standard deviation for Opening is 1450.330569, Highest is 1483.176617, Lowest is 1448.342266 and closing is 1487.189837 and the Kurtosis value for Opening is 1.100692924, Highest is 0.734192523, Lowest is 1.095037784 and closing is 0.678227491.

**Table Shown DS ICICI Prudential Balanced Advantage Fund.**

	Opening	Highest	Lowest	Closing price
Mean	398.38	404.7	389.165	396.805
Standard Error	218.9246084	223.3155242	215.0878288	218.777748
Median	0	0	0	0
Mode	0	0	0	0
Standard Deviation	692.3003985	706.1856932	680.1674361	691.8359851
Sample Variance	479279.8418	498698.2333	462627.7411	478637.0303
Kurtosis	1.660190195	1.829795525	1.937243922	1.823271768
Skewness	1.597477824	1.627777995	1.64447576	1.624973935
Range	1947.9	2000	1935.2	1959.75
Minimum	0	0	0	0
Maximum	1947.9	2000	1935.2	1959.75
Sum	3983.8	4047	3891.65	3968.05
Count	10	10	10	10

**Result and Discussion:**

From the above table we can see that for Dalmia Cements, the Mean value for Opening is 3394.9, Highest is 3470.915, Lowest is 3350.185 and closing is 3422.18 and the Standard deviation for Opening is 1450.330569, Highest is 1483.176617, Lowest is 1448.342266 and closing is 1487.189837 and the Kurtosis value for Opening is 1.100692924, Highest is 0.734192523, Lowest is 1.095037784 and closing is 0.678227491.

**Table Shown DS of SBI Balanced Advantage Fund**

	Opening	Highest	Lowest	Closing price
Mean	84.395	86.73	83.52	85.68
Standard Error	30.12289592	30.80309526	29.90642462	30.54186762
Median	61.275	66	60.95	64.8
Mode	0	0	0	0
Standard Deviation	95.25696081	97.40794001	94.57241846	96.58186568
Sample Variance	9073.888583	9488.306778	8943.942333	9328.056778
Kurtosis	-1.37558916	-1.41428908	-1.304703877	-1.344036928
Skewness	0.480494934	0.455744287	0.503769302	0.480623791
Range	248.45	254	248.1	253.3
Minimum	0	0	0	0
Maximum	248.45	254	248.1	253.3
Sum	843.95	867.3	835.2	856.8
Count	10	10	10	10

**Result and Discussion:**

From the above table we can see that for Ultra Tech Cements, the Mean value for Opening is 3394.9, Highest is 3470.915, Lowest is 3350.185 and closing is 3422.18 and the Standard deviation for Opening is 1450.330569, Highest is 1483.176617, Lowest is 1448.342266 and closing is 1487.189837 and the Kurtosis value for Opening is 1.100692924, Highest is 0.734192523, Lowest is 1.095037784 and closing is 0.678227491.

**Table Shown DS of Quant Multi Asset Allocation Fund**

	Opening	Highest	Lowest	Closing price
Mean	104.92	108.385	101.36	104.385
Standard Error	22.08505553	22.88751849	21.35128516	21.94750941
Median	104.25	104.875	99	103.45
Mode	0	94	0	0
Standard Deviation	69.83907773	72.37668843	67.51869206	69.40411871
Sample Variance	4877.496778	5238.385028	4558.773778	4816.931694
Kurtosis	-0.281163605	-0.294557994	-0.268784299	-0.270671954
Skewness	-0.122468286	-0.108401902	-0.116045564	-0.130102869
Range	205	212.8	202	209.35
Minimum	0	0	0	0
Maximum	205	212.8	202	209.35
Sum	1049.2	1083.85	1013.6	1043.85
Count	10	10	10	10

**Result and Discussion:**

From the above table we can see that for India Cements, the Mean value for Opening is 3394.9, Highest is 3470.915, Lowest is 3350.185 and closing is 3422.18 and the Standard deviation for Opening is 1450.330569, Highest is 1483.176617, Lowest is 1448.342266 and closing is 1487.189837 and the Kurtosis value for Opening is 1.100692924, Highest is 0.734192523, Lowest is 1.095037784 and closing is 0.678227491.

**Key Factors for Comparison and Investment Decisions**

- Investment Objective and Strategy: Understand the fund's primary goal (e.g., long-term growth for retirement or children's education) and whether it uses a static or dynamic asset allocation strategy. Dynamic funds automatically adjust the equity-debt mix based on market valuations, aiming to reduce risk during downturns and capture upside during rallies.
- Risk Profile: These funds carry a moderate risk profile, suitable for investors seeking a blend of growth and stability. They are less volatile than pure equity funds but carry more risk than pure debt funds.

- **Fund Manager Expertise:** The experience and track record of the fund manager in navigating different market cycles is a crucial qualitative factor.
- **Costs and Taxation:** Compare expense ratios across direct plans to minimize ongoing costs. The taxation of gains depends on the fund's average equity allocation (above or below 65%).
- **Investment Horizon:** A medium to long-term investment horizon (3 to 5 years or more) is generally recommended for balanced funds to smooth out market volatility and benefit from compounding.

### Analysis and Interpretation

- The analysis of the selected growth-oriented balanced/advantage funds highlights meaningful variations in performance, fund size, and cost efficiency, offering important insights into investor decision-making.
- From a return perspective, the Quant Multi Asset Allocation Fund outperformed all other funds with a 3-year CAGR of 22.46%, indicating an aggressive and dynamic investment approach. This suggests that active asset allocation across multiple asset classes and timely market positioning can significantly enhance returns, particularly during favorable market conditions. In contrast, funds such as ICICI Prudential Balanced Advantage Fund and SBI Balanced Advantage Fund delivered comparatively lower returns, reflecting a more conservative and risk-controlled strategy.
- In terms of Assets Under Management (AUM), HDFC Balanced Advantage Fund leads with approximately ₹95,570 crore, followed by ICICI Prudential Balanced Advantage Fund with around ₹68,450 crore. A higher AUM generally indicates strong investor trust, brand reputation, and long-term consistency. However, the results demonstrate that a large AUM does not automatically translate into superior returns. Smaller funds like Quant, with lower AUM, may benefit from greater flexibility in portfolio rebalancing and quicker response to market opportunities.
- Regarding expense ratios, funds with relatively lower costs, such as HDFC and Quant, show better net returns compared to funds with higher expenses. This reinforces the importance of cost efficiency in long-term investment performance, as even marginal differences in expense ratios can substantially impact compounded returns over time.

### CONCLUSION:

The present study provides a comparative evaluation of growth-oriented balanced funds offered by various asset management companies, focusing on key performance indicators such as returns, assets under management, and expense ratios. The analysis reveals that growth-oriented balanced funds differ significantly in their performance, reflecting variations in asset allocation strategies, fund management approaches, and cost structures. The findings indicate that funds with dynamic and flexible investment strategies are capable of generating higher returns, as observed in the case of funds with relatively smaller AUM but efficient cost management. At the same time, funds with large AUM demonstrate stability and strong investor confidence, though higher fund size does not necessarily ensure superior performance. Expense ratio emerges as an important determinant of net returns, emphasizing the need for investors to consider costs alongside returns.

### FURTHER SCOPE:

The present study offers scope for future research in several directions. Firstly, the analysis can be extended by including a larger number of growth-oriented balanced funds from different asset management companies to enhance the robustness and generalizability of the findings. Secondly, future studies may incorporate a longer time horizon to examine fund performance across different market cycles, including periods of economic slowdown and high volatility. Further research can also focus on risk-adjusted performance measures such as Sharpe ratio, Treynor ratio, Jensen's alpha, and beta to provide deeper insights into the risk–return efficiency of balanced funds. In addition, comparative studies may be conducted between balanced funds and other hybrid fund categories such as aggressive hybrid funds or conservative hybrid funds.

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