

Balanced mutual fund: time to invest

Mutual funds are important investment tools for the retail and institutional investors. For safe investors, it is better to go for debt mutual funds and the opposite is for equity investors. But in mutual fund domain we find another set of investors who are neither very conservative nor very aggressive. To get those kinds of investors on board, a new flavor comes into the market which is known as balanced mutual funds.

Balanced funds are also known as hybrid funds. They are a type of mutual funds that buys a combination of common stock, preferred stock, bonds, and short-term bonds, to provide both income and capital appreciation while avoiding excessive risk.

Lot of investor put money as per the climate. When equities will do well they will draw cheques for equity investments only and when they suffer a loss the money is diverted to bank FDs. And when the market roars they grump and get premature withdrawals on FDs. This happens when person does not understand the nature of these asset classes.

Investing in equity is a bumpy ride but for best return in long term you need to be friends with equity. But investing in equity needs a sound heart and patience. If you feel you cannot cope with the volatility still wish to have better returns than debt you can choose balanced funds.

Advantages of balanced funds:

- It provides diversity in true sense with portfolio containing top stocks and bonds for a blend of growth and safety.
- There is no trouble in managing an assortment of investments yourself. The one fund gives it all and reduces your overall problem of managing the investment.

Few balanced mutual funds:

1. HDFC Prudence Fund
2. HDFC Balanced Fund
3. Reliance Regular Savings Balanced Fund
4. Canara Robeco Balance Fund
5. Tata Balanced Fund
6. ICICI Prudential Balanced Fund
7. DSP BlackRock Balanced Fund
8. Franklin India Balanced Fund

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