A COMPATIVE STUDY ON MUTUAL FUNDS OF SBI AND HDFC

‘T. Anook, Student, Department of II MBA, St. Peter's Engineering College (Autonomous).
Kompally Road, Dullapally, Maisammaguda, Medchal, Hyderabad-500100 Telangana, India.
Email Id: thataanook2001@gmail.com
“G. Sravanthi, Professor, MBA Department, St. Peter's Engineering College (Autonomous)
Kompally Road, Dullapally, Maisammaguda, Medchal, Hyderabad-500100 Telangana, India.
ORCID: 0009-0005-0450-8164
Email Id: gsravanthi2022@gmail.com

ABSTRACT

Mutual funds have emerged as one of the most popular investment vehicles in India, offering investors professional management, diversification, liquidity, and the potential for attractive risk-adjusted returns. The present study, titled “A Comparative Study on Mutual Fund Performance of HDFC Mutual Fund and SBI Mutual Fund,” aims to analyze and compare the performance of selected schemes of HDFC Mutual Fund (sponsored by HDFC Bank) and SBI Mutual Fund (sponsored by State Bank of India) during the period from FY 2020–21 to FY 2024–25. The study is based on secondary data collected from fund factsheets, AMFI reports, SEBI publications, annual reports of the Asset Management Companies, and reliable financial portals. Parameters such as Assets Under Management (AUM), Net Asset Value (NAV) growth, annualised returns, Standard Deviation, Beta, and Sharpe Ratio have been used to compare scheme performance and overall growth of the two fund houses. This study aims to understand the concept, types, advantages, and performance of mutual funds as an investment option. It also examines the role of mutual funds in promoting financial inclusion and wealth creation. The study is based on secondary data collected from books, journals, websites, and reports published by financial institutions. The findings indicate that mutual funds offer a balanced approach to investment by reducing risk through diversification while providing opportunities for capital appreciation and regular income. The study concludes that mutual funds are an effective and convenient investment vehicle for investors seeking long-term financial growth and portfolio diversification.

Keywords:
Mutual Funds, HDFC Mutual Fund, SBI Mutual Fund, Assets Under Management (AUM), Net Asset Value (NAV), Systematic Investment Plan (SIP), Sharpe Ratio, Beta, Standard Deviation, AMFI, SEBI.

 ISSN: **3107-6513**

1.1 INTRODUCTION

A mutual fund is a professionally managed investment scheme that pools money from a large number of investors and invests it in a diversified portfolio of equity, debt, money market, or other securities. Each investor in the scheme owns units that represent a proportionate share of the holdings of the fund. Mutual funds are regulated in India by the Securities and Exchange Board of India (SEBI) and operate under the umbrella of the Association of Mutual Funds in India (AMFI). Over the past decade, the Indian mutual fund industry has witnessed extraordinary growth. The total Assets Under Management (AUM) of the industry rose from around Rs. 22 lakh crores in March 2020 to nearly Rs. 65 lakh crores by March 2025. This rapid expansion is driven by rising financial literacy, the popularity of Systematic Investment Plans (SIPs), digital onboarding, and the growing participation of retail and salaried investors. Among the leading Asset Management Companies in India, HDFC Mutual Fund and SBI Mutual Fund stand out as two of the largest fund houses by AUM. HDFC Mutual Fund, sponsored by HDFC Bank, is widely recognized for its strong equity research capabilities and consistent long-term performance. SBI Mutual Fund, sponsored by State Bank of India in collaboration with Amundi, is currently the largest fund house in India and is well known for its wide reach, diversified product portfolio, and strong performance in both equity and debt categories. A comparative analysis of these two fund houses provides meaningful insights into the performance, risk, and growth dynamics of private and public sector backed mutual funds in India. The present study focuses on the analysis of AUM, scheme returns, and risk-adjusted performance of HDFC Mutual Fund and SBI Mutual Fund over a five-year period from 2020–21 to 2024–25.

Mutual funds have emerged as one of the most popular investment options among investors due to their ability to provide professional management, diversification, and liquidity. A mutual fund is a financial instrument that pools money from many investors and invests it in a diversified portfolio of securities such as stocks, bonds, money market instruments, and other assets. These funds are managed by experienced fund managers who make investment decisions on behalf of investors with the objective of generating returns.

1.2 SCOPE OF THE STUDY

The scope of the present study is confined to the comparative analysis of two leading Indian mutual fund houses—HDFC Mutual Fund and SBI Mutual Fund—for a period of five financial years from FY 2020–21 to FY 2024–25. The study uses secondary data drawn from fund factsheets, AMFI monthly reports, SEBI bulletins, and the official websites of the two AMCs.

The analysis covers parameters such as Assets Under Management (AUM), Net Asset Value (NAV) growth, annualised returns of selected equity schemes, Standard Deviation, Beta, and Sharpe Ratio. The study does not cover all schemes offered by the two AMCs; instead, it focuses on representative flagship equity and hybrid schemes. The findings can be useful to investors, financial advisors, students, and researchers interested in understanding mutual fund performance in India.

1.3 NEED FOR THE STUDY

- Mutual funds have become a preferred investment avenue for salaried and retail investors due to their professional management and diversification benefits.
- With the rapid growth of the mutual fund industry, investors are often confused while selecting the right fund house and scheme.
- A comparative study between HDFC Mutual Fund (private sector backed) and SBI Mutual Fund (public sector backed) helps investors understand the differences in their performance, risk, and growth potential.
- The study highlights the importance of risk-adjusted return measures such as Sharpe Ratio and Beta in mutual fund selection.
- It serves as a useful reference for future researchers, students, and policy makers studying the Indian mutual fund industry.
- To assess investor awareness and preferences regarding mutual fund investments.
- To understand the importance of diversification in reducing investment risk.
- To compare mutual funds with other investment options such as fixed deposits, shares, and bonds.
- To identify factors influencing investors’ decisions to invest in mutual funds.
- To understand the concept and functioning of mutual funds as an investment avenue.
- To analyze the different types of mutual fund schemes available to investors.

 ISSN: 3107-6513

1.4 OBJECTIVES OF THE STUDY:

- To study the concept, structure, and growth of the mutual fund industry in India.
- To analyze the growth of Assets Under Management (AUM) of HDFC Mutual Fund and SBI Mutual Fund from FY 2020–21 to FY 2024–25.
- Comparing the performance of selected equity schemes of HDFC Mutual Fund and SBI Mutual Fund based on annualised returns.
- To evaluate the risk and risk-adjusted return of the selected schemes using Standard Deviation, Beta, and Sharpe Ratio.
- To suggest measures to investors for better selection of mutual fund schemes.
- To study the concept and structure of mutual funds.
- To understand the various types of mutual fund schemes available in the market.
- To analyze the benefits and risks associated with mutual fund investments.
- To evaluate the performance of mutual funds as an investment option.
- To examine the role of mutual funds in wealth creation and financial planning.
- To identify the factors influencing investors' investment decisions in mutual funds.

2.1 REVIEW OF LITERATURE:

Prafulla K. Swain & Manoranjan Dash (2017) in their article "A Literature Review on Investors' Perception Towards Mutual Funds with Reference to Performance, Risk-Return, and Awareness" examined prior research on how performance metrics, risk–return trade-offs, and investor awareness shape mutual fund acceptance. Their study concluded that awareness and knowledge significantly influence investor decisions.

Anupam Roy (2025) in "A Study on Investors' Behaviour Towards Mutual Funds with Reference to West Bengal" investigated how demographic factors, financial literacy, and previous investment experience influence mutual fund investment decisions among investors.

 ISSN: 3107-6513

Ch. Bhavana Sri & S. Narender (2025) in "Investor Awareness About Investment of Mutual Fund" assessed how investor awareness, scheme-type preferences, satisfaction with services, and access to information affect their inclination to invest in mutual funds.

R. Kumar & R. S. Arora (2013) in "Investors' Perception About Mutual Funds in India: An Empirical Study" analyzed investors' opinions on ease of investment, trust in fund management, and overall perceptions, showing that perception significantly affects scheme selection.

Jyoti Babulal Thakkar (2023) in "Investor Behaviour and Decision-Making in Mutual Fund Investments with Reference to Ahmedabad" studied investor attitudes, preferences, and decision-making processes, highlighting how perceived returns, risk tolerance, and past experiences drive fund investment.

3.1 RESEARCH METHODOLOGY

Research Design

The study uses a descriptive and analytical research design to compare the performance of HDFC Mutual Fund and SBI Mutual Fund over the period FY 2020–21 to FY 2024–25.The research design adopted for this study is descriptive in nature. It aims to provide a comprehensive understanding of mutual funds, their various types, benefits, risks, and performance as an investment option. The study is based on secondary data collected from reliable sources such as books, research journals, annual reports, websites of Asset Management Companies (AMCs), publications of the Securities and Exchange Board of India (SEBI), and the Association of Mutual Funds in India.

Sources of Data

The study is entirely based on secondary data collected from fund factsheets of HDFC Mutual Fund and SBI Mutual Fund, AMFI reports, SEBI publications, and reliable financial portals such as moneycontrol.com, valueresearchonline.com, and the official AMC websites.The present study is primarily based on secondary data. The required information has been collected from various reliable sources such as books, research journals, magazines, newspapers, annual reports of mutual fund companies, publications of the Securities and Exchange Board of India and the Association of Mutual Funds in India, as well as official websites and online databases. Data related to mutual

 ISSN: 3107-6513

fund performance, growth, investment patterns, and market trends has been gathered from these sources.

Period of Study

The study covers a period of five financial years from 2020–21 to 2024–25.

Tools Used

Simple statistical tools such as percentages, averages, growth rates, Standard Deviation, Beta, and Sharpe Ratio, along with comparative tables and graphical representations, have been used for analysis and interpretation.

4 DATA ANALYSIS AND INTERPRETATION:

This section presents the comparative analysis of HDFC Mutual Fund and SBI Mutual Fund for the period FY 2020–21 to FY 2024–25 based on AUM, returns of selected schemes, and risk-adjusted performance.

Table 4.1: Assets Under Management (AUM) (Rs. in Crores)

Financial Year	HDFC Mutual Fund	SBI Mutual Fund
2020-21	4,14,407	5,04,455
2021-22	4,32,084	6,46,667
2022-23	4,45,742	7,00,990
2023-24	6,13,439	9,14,261
2024-25	7,87,732	11,11,257

ANALYSIS:

- HDFC Mutual Fund's AUM grew from Rs. 4,14,407 crores in 2020-21 to Rs. 7,87,732 crores in 2024-25, registering nearly 90% growth.
- SBI Mutual Fund's AUM grew from Rs. 5,04,455 crores to Rs. 11,11,257 crores during the same period, more than doubling in five years.

INTERPRETATION:

Both fund houses have witnessed strong growth in AUM, reflecting the overall expansion of the Indian mutual fund industry. SBI Mutual Fund's faster growth is attributable to its extensive distribution network through SBI branches, while HDFC Mutual Fund's growth is supported by strong scheme performance and its association with HDFC Bank.

Table 4.2: Annualized Returns of Large-Cap Equity Schemes (%)

Financial Year	HDFC Top 100 Fund	SBI Bluechip Fund
2020-21	58.20	56.40
2021-22	20.10	19.50
2022-23	6.80	4.20
2023-24	32.50	30.10
2024-25	18.40	16.20

ANALYSIS:

- HDFC Top 100 Fund delivered annualised returns ranging from 6.80% to 58.20% during the study period.
- SBI Bluechip Fund delivered annualised returns ranging from 4.20% to 56.40% during the same period.
- HDFC Top 100 Fund slightly outperformed SBI Bluechip Fund in most of the years under study.

 ISSN: 3107-6513

INTERPRETATION:

Both schemes have given strong returns over the five-year period, benefiting from the post-COVID equity market rally. HDFC Top 100 Fund's marginally higher returns reflect superior stock selection in the large-cap segment, while SBI Bluechip Fund has also performed consistently, justifying its position as one of the most preferred large-cap funds in India.

Table 4.3: 5-Year CAGR of Selected Schemes (as on 31 March 2025)

Scheme	CAGR (%)	Category Average (%)
HDFC Top 100 Fund	24.20	21.50
HDFC Flexi Cap Fund	26.80	22.40
HDFC Mid-Cap Opportunities Fund	30.10	27.60
SBI Bluechip Fund	22.10	21.50
SBI Flexi Cap Fund	23.50	22.40
SBI Magnum Midcap Fund	28.40	27.60

ANALYSIS:

- All selected schemes of both HDFC Mutual Fund and SBI Mutual Fund have outperformed their respective category averages over the 5-year period.
- HDFC Mid-Cap Opportunities Fund has delivered the highest 5-year CAGR of 30.10%.
- SBI Flexi Cap Fund and HDFC Flexi Cap Fund show comparable performance in the flexi-cap category.

 ISSN: 3107-6513

INTERPRETATION:

The data indicates that both AMCs have schemes that consistently beat the category average. HDFC Mutual Fund schemes show a marginal edge in absolute CAGR, reflecting the strength of its equity research team, while SBI Mutual Fund offers competitive returns supported by experienced fund managers.

Table 4.4: Risk Measures of Selected Equity Schemes (5-Year)

Scheme	Std. Deviation (%)	Beta
HDFC Top 100 Fund	14.20	0.96
HDFC Flexi Cap Fund	13.80	0.94
SBI Bluechip Fund	13.50	0.92
SBI Flexi Cap Fund	14.10	0.95

ANALYSIS:

- Standard Deviation of all schemes falls within a narrow range of 13.50% to 14.20%.
- Beta values of all schemes are below 1, indicating that they are slightly less volatile than the benchmark index.
- SBI Bluechip Fund shows the lowest Standard Deviation (13.50%) and lowest Beta (0.92).

INTERPRETATION:

The risk profiles of the selected schemes are broadly similar. SBI Bluechip Fund is marginally less risky than the others, while HDFC Top 100 Fund carries slightly higher risk in line with its higher returns. Investors with a conservative risk appetite may slightly prefer SBI schemes, while those seeking higher returns may consider HDFC schemes.

ISSN: **3107-6513**

Table 4.5: Sharpe Ratio of Selected Equity Schemes (5-Year)

Scheme	Sharpe Ratio
HDFC Top 100 Fund	1.28
HDFC Flexi Cap Fund	1.42
HDFC Mid-Cap Opportunities Fund	1.55
SBI Bluechip Fund	1.20
SBI Flexi Cap Fund	1.32
SBI Magnum Midcap Fund	1.48

ANALYSIS:

- All selected schemes show Sharpe Ratios above 1, indicating good risk-adjusted returns.
- HDFC Mid-Cap Opportunities Fund has the highest Sharpe Ratio (1.55), followed by SBI Magnum Midcap Fund (1.48).

INTERPRETATION:

A higher Sharpe Ratio implies better return per unit of risk. The data shows that mid-cap schemes of both AMCs offer the best risk-adjusted performance. Overall, HDFC schemes provide slightly superior risk-adjusted returns, but SBI schemes are not far behind, making both fund houses suitable for longterm investors.

 ISSN: **3107-6513**

Table 4.6: Comparative Summary of HDFC Mutual Fund and SBI Mutual Fund

Parameter	**HDFC Mutual Fund**	**SBI Mutual Fund**
AUM (FY 2024-25, Rs. cr)	7,87,732	11,11,257
AUM Growth (2020-21 to 202425)	90.07%	120.29%
Avg. 1-Year Return (Large-Cap)	27.20%	25.28%
5-Year CAGR (Flagship Large-Cap)	24.20%	22.10%
Average Sharpe Ratio	1.42	1.33
Average Beta	0.95	0.94

ANALYSIS:

- SBI Mutual Fund leads in absolute AUM and AUM growth rate.
- HDFC Mutual Fund leads in average returns and risk-adjusted performance.
- Both AMCs have very similar risk profiles, with Beta close to 0.95.

INTERPRETATION:

The comparative summary indicates that while SBI Mutual Fund dominates in size and reach, HDFC Mutual Fund delivers slightly better returns and risk-adjusted performance. Investors may choose between the two based on their preference for scale and distribution (SBI) or performance and equity research strength (HDFC).

 ISSN: 3107-6513

5.1 FINDINGS AND SUGGESTIONS

- SBI Mutual Fund is the largest AMC in India with an AUM of Rs. 11.11 lakh crores in FY 2024-25, while HDFC Mutual Fund follows with Rs. 7.87 lakh crores.
- SBI Mutual Fund's AUM grew by about 120% during the study period, faster than HDFC Mutual Fund's growth of about 90%.
- HDFC Top 100 Fund consistently delivered marginally higher returns than SBI Bluechip Fund during the study period.
- All selected equity schemes of both AMCs have outperformed their respective category averages over the 5-year period.
- Mid-cap schemes of both AMCs delivered the highest CAGR and Sharpe Ratio, reflecting the strong performance of the mid-cap segment.
- Both HDFC and SBI mutual fund schemes have Beta values below 1, indicating slightly lower volatility than the benchmark.
- Sharpe Ratios of all selected schemes are above 1, indicating healthy risk-adjusted returns.
- SIP investments have become the dominant mode of mutual fund investment, particularly among salaried individuals.

SUGGESTIONS

- Investors should select mutual fund schemes based on their financial goals, investment horizon, and risk appetite rather than only past returns.
- Both HDFC Mutual Fund and SBI Mutual Fund offer strong schemes; investors may diversify across both AMCs to balance performance and stability.
- Investors should give due importance to risk-adjusted measures such as Sharpe Ratio and Beta while comparing schemes.
- Systematic Investment Plans (SIPs) should be preferred over lump-sum investments to average out market volatility, especially for salaried investors.
- AMCs should continue investor education initiatives to spread financial literacy in tier-2 and tier3 cities.

- HDFC Mutual Fund should expand its distribution network in semi-urban and rural areas to match SBI Mutual Fund's reach.
- SBI Mutual Fund should focus on strengthening its equity research and fund management practices to further improve scheme performance.
- Regulators such as SEBI and AMFI should continue to enforce transparency in disclosures, expense ratios, and risk classifications for the benefit of investors.
- Investors are advised to review their mutual fund portfolios at least once a year and rebalance based on changing market conditions and personal goals.

CONCLUSION

The comparative study of mutual fund performance of HDFC Mutual Fund and SBI Mutual Fund over the period 2020-21 to 2024-25 reveals significant insights into the dynamics of the Indian mutual fund industry. Both AMCs have demonstrated strong growth in Assets Under Management, reflecting the rising popularity of mutual funds among Indian investors. SBI Mutual Fund, with its vast distribution network through SBI branches, has emerged as the largest AMC in India, while HDFC Mutual Fund continues to attract investors with its consistent performance and strong equity research capabilities. In terms of scheme performance, HDFC Mutual Fund's flagship schemes such as HDFC Top 100 Fund, HDFC Flexi Cap Fund, and HDFC Mid-Cap Opportunities Fund have delivered marginally higher returns compared to their SBI counterparts. The risk analysis using Standard Deviation and Beta indicates that both fund houses maintain similar risk profiles, with SBI schemes being marginally less volatile. Sharpe Ratio analysis shows that HDFC schemes offer slightly better risk-adjusted returns, but the difference is not significant enough to declare one AMC clearly superior to the other. In conclusion, both HDFC Mutual Fund and SBI Mutual Fund represent the strength and maturity of the Indian mutual fund industry.

REFERENCES

Prafulla K. Swain & Manoranjan Dash (2017) A Literature Review on Investors' Perception Towards

Mutual Funds with Reference to Performance, Risk-Return, and Awareness. Indian Journal of Finance.

Anupam Roy (2025). A Study on Investors' Behaviour Towards Mutual Funds with Reference to West Bengal.

Ch. Bhavana Sri & S. Narender (2025) Investor Awareness About Investment of Mutual Funds.

R. Kumar & R. S. Arora (2013) Investors' Perception About Mutual Funds in India: An Empirical Study.

Jyoti Babulal Thakkar (2023) Investor Behaviour and Decision-Making in Mutual Fund Investments with Reference to Ahmedabad.

AMFI (Association of Mutual Funds in India) Monthly Reports, 2020-21 to 2024-25.

SEBI Annual Reports, 2020-21 to 2024-25.

Fund Factsheets of HDFC Mutual Fund (FY 2020-21 to FY 2024-25).

Fund Factsheets of SBI Mutual Fund (FY 2020-21 to FY 2024-25).

Official websites: www.hdfcfund.com, www.sbimf.com, www.amfiindia.com, www.sebi.gov.in, www.moneycontrol.com, www.valueresearchonline.com.