

### *Risk Return Hierarchy of hybrid funds*

Arbitrage fund –  
Equity savings fund –  
Conservative hybrid fund –  
Dynamic asset allocation fund –  
Multi asset allocation fund –  
Balanced hybrid fund –  
Aggressive hybrid fund

As we move from left to right, the risk levels in different categories of mutual fund schemes can be understood with the help of product labelling of Mutual Funds.

<b>Fund Type</b>	<b>Objective</b>	<b>Composition</b>
<b>Arbitrage Fund</b>	Generate low-risk returns by exploiting price differentials	Equity (hedged with derivatives) + Debt
<b>Equity Savings Fund</b>	Moderate returns with lower volatility	Equity (partially hedged) + Unhedged Equity + Debt
<b>Conservative Hybrid Fund</b>	Stable income with limited equity exposure	75–90% Debt + 10–25% Equity
<b>Dynamic Asset Allocation Fund</b>	Optimize returns by shifting equity-debt allocation dynamically	Equity + Debt (allocation based on market models)
<b>Multi Asset Allocation Fund</b>	Diversification across multiple asset classes	Minimum 3 asset classes (e.g., Equity + Debt + Gold)
<b>Balanced Hybrid Fund</b>	Balanced income and growth	40–60% Equity + 40–60% Debt
<b>Aggressive Hybrid Fund</b>	Capital appreciation with higher equity tilt	65–80% Equity + 20–35% Debt