

A STUDY ON PERFORMANCE OF MUTUAL FUNDS

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Abstract: *The mutual fund enterprise has come a long manner when you consider that its inception in 1963. The enterprise has witnessed sufficient increase on all parameters be it; number of fund houses, wide variety of schemes, funds mobilized, property below control etc. One of the essential dreams of the mutual fund industry is to attract and mobilize primary part of the House Hold Savings (HHS) with a purpose to enable the small savers to benefit from the economic increase by means of facilitating them to park their savings into the property which yield higher danger adjusted returns. Therefore, the question arises, has the Indian mutual industry succeeded in attaining this goal? The present have a look at will attempt to search for the answers. Though, the mutual fund industry has recorded big development on all fronts but it has not been able to make use of its potential fully. On almost on all parameters it is a ways behind the advanced economics and even maximum of the emerging economics of the world. The enterprise is faced with number of challenges like low penetration ratio, loss of product differentiation, loss of investor awareness and ability to speak cost to customers, loss of interest of retail investors toward mutual funds and evolving nature of the enterprise. Based on the analysis the take a look at suggests that if the enterprise has to make use of its ability fully, it has to deal with these challenges.*

Keywords

NAV, fund ownership, investment, financial instruments, risk return, Bonds, mutual funds , units, units holder.

I. INTRODUCTION

Mutual fund is a funding automobile made from a pool of coins accumulated from many buyers for endowing in securities like shares, bonds, market devices and different assets.

An open-quit fund is definitely the concerning bridge or a monetary intermediary that lets in assemblage of buyers to pool their money along a predetermined investment objective. The open-give up fund could have a fund supervisor who is chargeable for making an investment the assembled money into particular securities (stocks or bonds).

Once you invest all through an open-end fund, you are buying gadgets or portions of the open-stop reserve and as a consequence on making an investment will become a shareholder or unit holder of the fund.

Mutual finances are considered together of the handiest to be had investments as examine to others they're very fee successful and also smooth to invest in, for this reason through pooling cash collectively in the course of an open-end fund, buyers can accept shares or bonds with much lower trading expenses than if they attempted to stab to it on their own. But the most vital improvement to mutual price range is expansion, by using minimizing chance & maximizing returns

The origin of the Indian open-stop fund enterprise is regularly traced lower back to 1964 while the Indian Government, to be able to underpin small savings in the us of a and to channelize these financial savings to the capital markets, found out the unit investment accept as true with of India (UTI).

The UTI changed into setup under a selected statute, the unit investment trust of India Act, 1963. The unit funding trust of India launched its first open-ended equity scheme called Unit 64 within the yr 1964, which clothed to be one the various foremost famous open-cease fund schemes inside the u .S .. In 1987, the government permitted other public zone banks and insurance corporations to marketplace open-end fund schemes. Pursuant to the existing relaxation, six public area banks and two insurance companies' viz. Life warranty Corporation of India and General Insurance Corporation of India launched open-quit fund schemes within the United States of America.

Securities Exchange Board of India, better referred to as SEBI, formulated the open-give up fund (Regulation) 1993, which for the primary time established a complete regulatory framework aimed at the open-end fund industry. This demonstrated to be a boon for the open-end fund enterprise and given that then several mutual finances are located out via the personal region also because the joint zone. Kothari Pioneer open-quit fund have become the primary from the private zone to decide an open-quit fund in affiliation with a miles off fund. Since then numerous personal zone corporations have installed their personal finances inside the united states, making open-stop fund enterprise one a numeral of the foremost accompanied sector by way of critics and buyers alike. The share of private zone mutual funds too has gone up rapidly.

Need for the study:

The necessity for the study of doing this challenge turned into to understand approximately mutual budget and its functioning. The mutual price range are dynamic financial intuitions which play an principal role inside the family by way of mobilizing savings and making an investment them inside the capital market. The sports of mutual budget have both short and .long term impression on the savings inside the capital market and consequently the economy .Mutual funds, believe, assist the method of economic deepening & intermediation. To banking at an equivalent time additionally they compete with banks and other financial institutions. India is one some of the few nations to day maintain a examine fee of increase is home savings

Objectives of the Study:

1. To point out the wide selection of investment options obtainable in Mutual Funds via explaining various schemes offered with the aid of 4 unique Asset Management organizations.
2. To recognize the current trends within the Mutual Funds world.
3. To recognize the risk and return of the varied schemes.
4. To seek out the numerous problems faced by means of Indian mutual price range and viable solutions.

Hypothesis:

H0--There is no significant difference between the performances of selected mutual funds.

H1—there is significant difference among the performance of selected mutual funds.

In addition to the above, the researcher would like to frame more hypotheses during the course of the study.

RESEARCH METHODOLOGY:

Research Methodology is that the systematic, theoretical analysis of the techniques carried out to a subject of have a look at. It encompasses the theoretical evaluation of the frame of strategies and principles associated with a department of data.

Primary Data:

Primary facts are that the records it is composed with the aid of a researcher from first hand sources the use of methods like surveys, interviews, or experiments.

Secondary Data:

The secondary statistics composed from the various sites, brochures, newspapers, and corporation provide documents, one of kind books and thru hints from the project manual and from the school contributors of our college.

Tools & Techniques:

Beta, Alpha, coefficient of correlation,
Treyner's Ratio & Sharpe's Ratio.

II. DATA ANALYSIS & INTERPRETATION

- Total Group Net worth – Rs. 19,335 Cr
- Total Group PAT for FY 14-19 – Rs. 1,454 Cr.
- Total Group Capital Expenditure – Rs. 6,2 hundred Cr. (US \$ 1.2 bn.) capex in FY 10-11. planned capex of Rs.29000 Cr (US \$ 5.7 bn.) by FY 2014-19
 - Focus on Execution and on ground consequences translating into profits.
- For its ongoing tasks HDFC BANK consumes 385 MT of Steel, 550 MT of Cement & 1,seven-hundred CUM of RMC on each day basis.
- Creating Value for Shareholders – Dividend payout of Rs. 919 Cr. In FY 14-19.

Investors

1. Statement of unclaimed and unpaid amounts
2. HDFC BANK Presentation
3. Code of conduct for board members and senior management
4. Shareholding Pattern of HDFC BANK Power Limited. As on 30 th June 2014

QUERIES

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FUND: Performance of mutual fund of distinct companies in specific sectors

OBJECTIVE: The fund seems for steady returns from debt and growth from fairness by means of keeping 70:30 (fairness: debt) ratio.

PORTFOLIO OF THE FUND

Equity	Sector	JAN 2019	Mar 2019
India Bulls	Banking/Finance	17.39	16.86
ICICI Bank	Banking/Finance	19.86	19.42
HDFC Bank	Banking/Finance	19.72	19.20

HCL Tech	Technology	14.43	19.21
Strides Arcolab	Pharmaceuticals	19.25	14.83
Grasim	Conglomerates	19.26	9.23
Tata Motors (D)	Automotive	14.88	8.14
ITC	Tobacco	10.88	6.65
Sun Pharma	Pharmaceuticals	9.71	5.37
Amara Raja Batt	Automotive	8.78	4.14

Table 4(a)

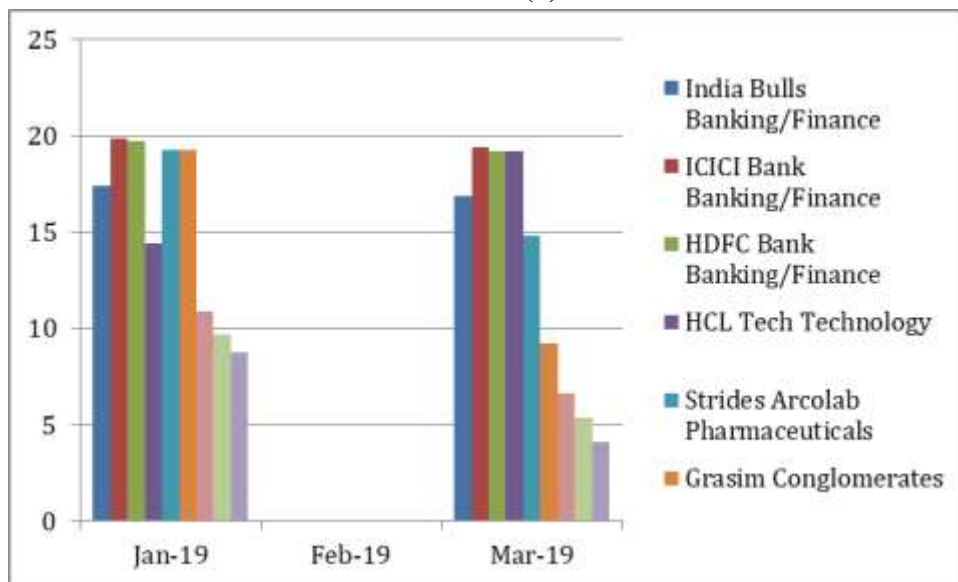
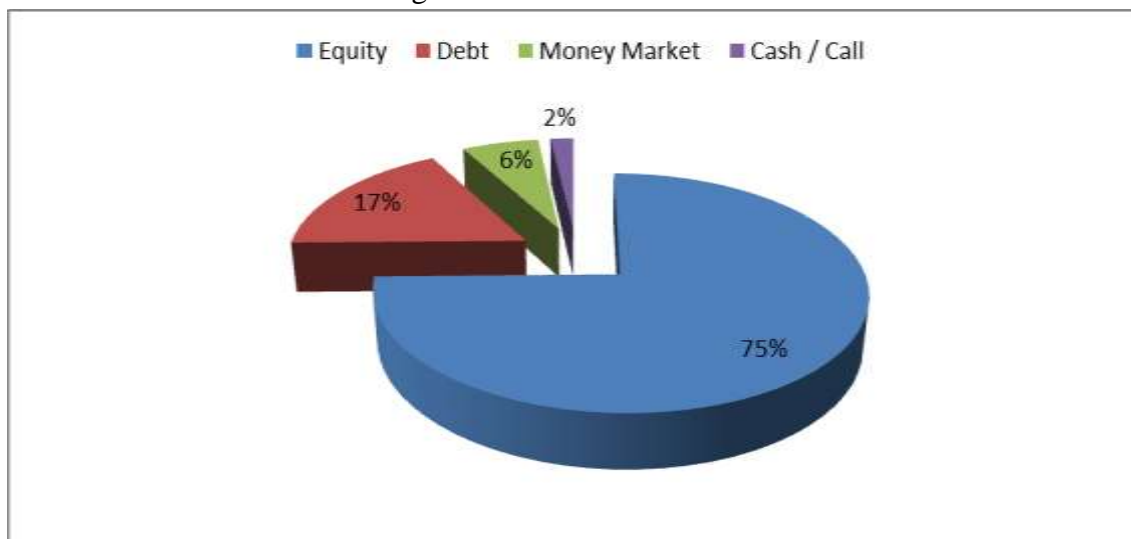


Chart showing asset allocation of tata balanced fund



PORTFOLIO OF THE FUND

INTERPRETATION

From the above analysis, TATA Balanced Fund Portfolio consists of 75.00% Equity holdings, 17.63% Debt, 6.00% Money Market & Cash/call 2%. It is evident from the data

that though the investors have risk taking ability, they balanced their investments by investing in Debt also.

FUND : **BIRLA OPEN-ENDED BALANCED growth**

OBJECTIVE : The Scheme aims to balance income requirements with growth of capital through balanced mix of investment in equity and debt

PORTFOLIO OF THE FUND

	Sector	JAN 2019	Mar 2019
a	Birla	19.14	16.86
B	Pharmaceuticals	11.95	11.23
C	Oil & Gas, Petroleum & Refinery	11.04	10.26
D	Banks	10.29	9.40
E	Auto & Auto ancillaries	7.59	7.43
F	Computers - Software & Education	4.93	5.19
G	Securities	2.25	4.97
H	Sugar	4.22	4.87
I	Tobacco & Pan Masala	4.46	4.81
J	Breweries & Distilleries	6.04	4.74
K	Debt	17.39	14.88
L	Money market	6.70	5.40

Table 4 (b)

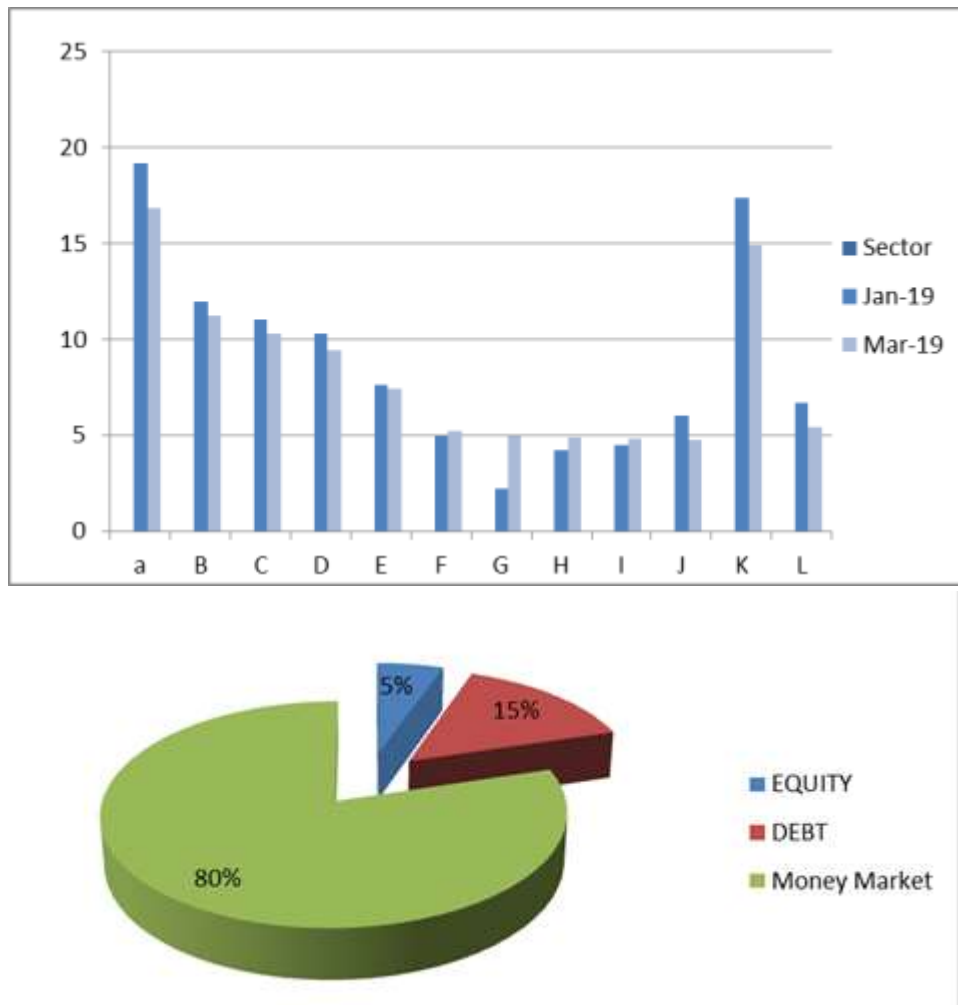


Figure 4.4

INTERPRETATION

From the above analysis **BIRLA** Balanced Fund Portfolio consists of 79.72% Equity holdings, 14.88% Debt, 5.40% Money Market. It is obvious from the data though the Investors have risk taking ability, they balanced their investments by investing in Debt also.

FUND : PRU ICICI OPEN-ENDED BALANCED GROWTH FUND

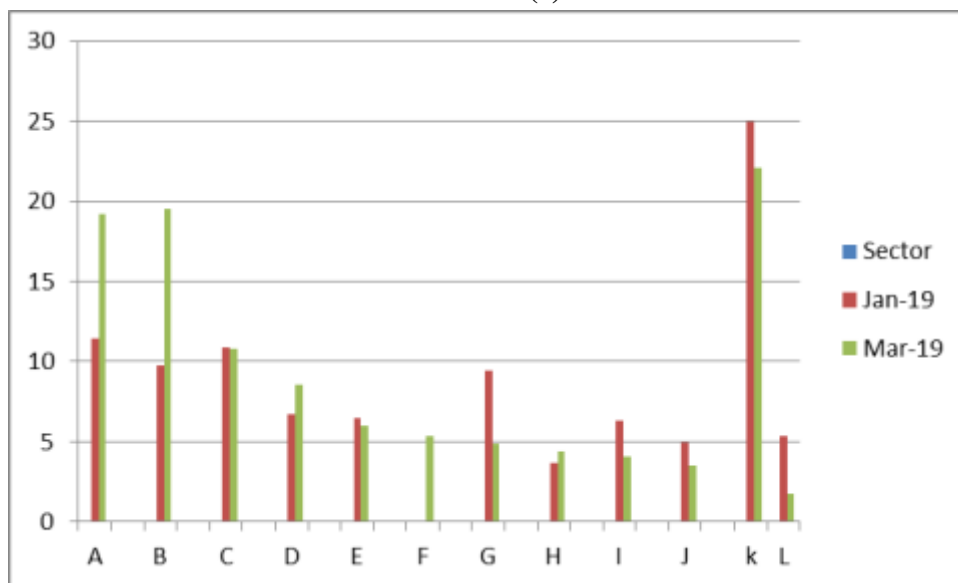
OBJECTIVE : Aims to invest in equity and debt oriented securities so as to give investor balanced returns.

PORTFOLIO OF THE FUND

	Sector	Jan 2019	Mar 2019
A	icici	11.47	19.17
B	Securities	9.75	19.52
C	Oil & Gas, Petroleum &	10.90	10.83

	Refinery		
D	Engineering & Industrial Machinery	6.74	8.58
E	Telecom	6.48	6.00
F	Miscellaneous	0.00	5.31
G	Finance	9.41	4.84
H	Electricals & Electrical Equipment's	3.64	4.36
I	Cement	6.35	4.09
J	Steel	4.97	3.49
k	Debt	24.98	22.08
L	Money market	5.31	1.73

Table 4 (c)
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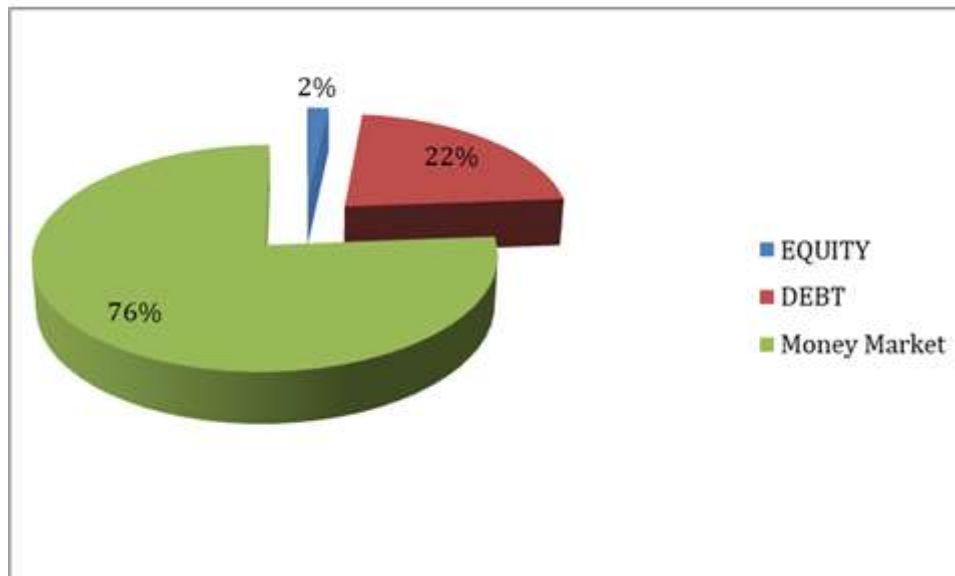


Figure 4.6

INTERPRETATION

From the above analysis **Pru ICICI** Balanced Fund Portfolio consists of 76.19% Equity holdings, 22.08% Debt, 1.73% Money market. It is evident from the data that though the Investors have risk taking ability, they balanced their investments by investing in Debt also.

FUND : **DSP MERRILL LYNCH OPEN-ENDED BALANCED GROWTH FUND**

OBJECTIVE : Seeks to generate long term capital appreciation and current income from a portfolio constituted of equity and equity related securities as well as fixed income securities.

PORTFOLIO OF THE FUND

	Sector	Jan 2019	Mar 2019
A	Dspmerrill lynch	19.10	2.48
B	Finance	14.03	14.88
C	Oil & Gas, Petroleum & Refinery	14.47	14.14
D	Engineering & Industrial Machinery	5.65	4.41
E	Fertilizers, Pesticides & Agrochemicals	6.05	4.38
F	Power Generation,	3.01	3.60

	Transmission & Equip		
G	Housing & Construction	2.88	3.59
H	Computers - Software & Education	5.87	3.40
I	Pharmaceuticals	3.20	2.44
J	Entertainment	2.59	2.44
K	Debt	20.92	37.84
L	Money market	6.23	10.40

Table 4 (d)

Figure 4.7

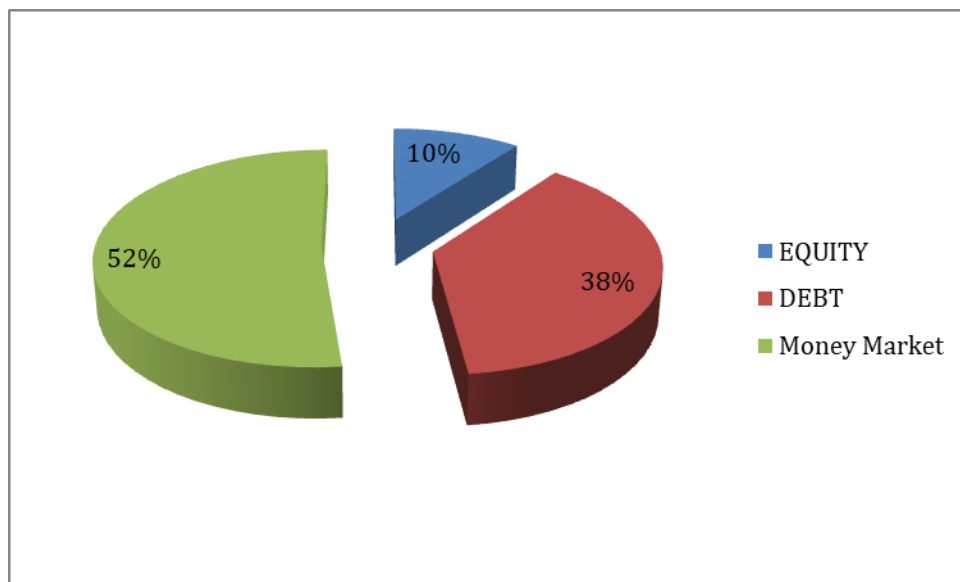
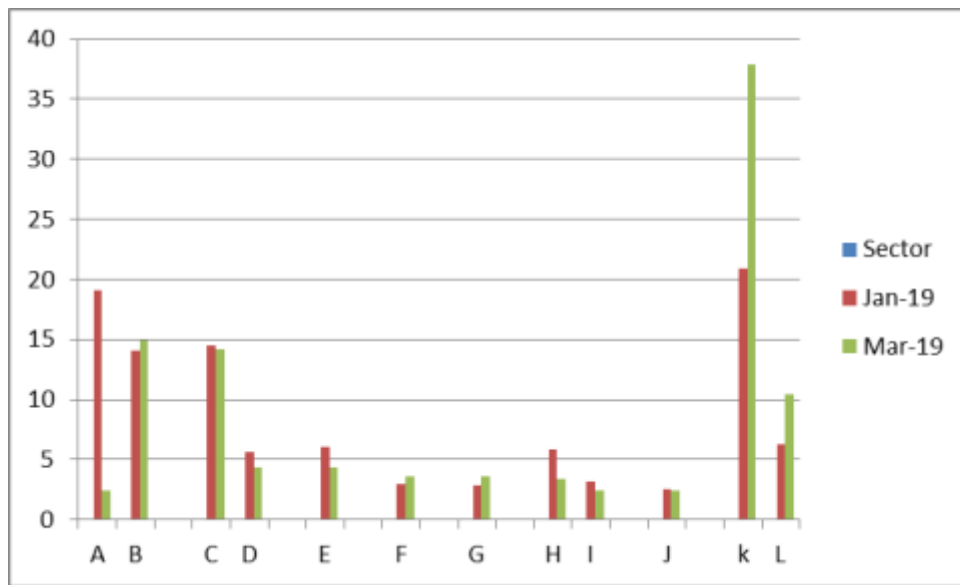


Figure 4.8

INTERPRETATION

From the above analysis, **DSP Merrill Lynch** Balanced Fund Portfolio consists of 51.76% Equity holdings, 37.84% Debt, 10.40% Money Market. It is evident from the data that though the Investors have risk taking ability, they balanced their investments by investing in Debt also.

FINDINGS, SUGGESTIONS, & CONCLUSIONS

FINDINGS

1. SHARPE'S

As in line with Sharpe performance measure, an excessive Sharpe ratio is closing as it shows a superior threat adjusted overall performance of fund. From the above desk Birla solar lifestyles and Reliance display a higher danger-adjusted overall performance out of top4 AMC'S.

2. TREYNOR'S

As in step with TREYNOR'S ratio the Treynor's praise to volatility - having excessive positive index is favorable. Therefore, as in step with this ratio moreover Reliance MUTUAL FUND is maximum desirable.

3. JENSEN

As in line with Jensen ratio the Jensen praise to instability ratio having excessive fine index is favorable. Therefore, as in step with this ratio additionally BIRLA SUNLIFE MUTUAL FUND is ultimate.

4. SHARPE'S

As in keeping with Sharpe overall performance measure, a high Sharpe ratio is most advantageous as it indicates a superior danger adjusted overall performance of a fund. From the above desk UTI MUTUAL FUNDS display the better risk-adjusted performance between pinnacle 6 AMC'S

5. JENSEN

As consistent with Jensen ratio the Jensen reward to volatility ratio having excessive high-quality index is favorable. Therefore, as according to this ratio also HDFC MUTUAL FUNDS are optimal.

SUGGESTIONS:

1. Financial goals & Time frame
2. In phrases of equity percentage and bond weightings, disadvantage chance
3. Protection, tax advantages offered, dividend payout policy, area focus
4. Performance of numerous budgets with similar goals for as a minimum 3-5 years
5. Think difficult about making an investment in area funds for relatively aggressive investors
6. Close contact with traits in area, assessment portfolio regularly – Look for 'load' costs
7. Look for size and credentials
8. Asset size much less than Rs. 25 Crores
9. Diversify, but now not too much
10. Invest regularly, choose

CONCLUSION:

From the look at analysis conducted it's far clear that during EQUITY FUNDS-BIRLA SUNLIFE MUTUAL FUND is performing very well. Investing within the RELIANCE MUTUAL FUND (GROWTH) will leads to profits. By seeing the overall performance RELIANCE MUTUAL FUND is acting very well. The prospective traders are had to be

made aware about the funding in mutual funds. The Industry should preserve consistency and transparency in its management and buyers goals. There is 100% boom of mutual fund as foreign AMCS are in queue to go into the Indian markets. Mutual funds can also penetrate in to rural regions the S-I-PMF- an integral a part of your financial savings and wealth building plans.

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