

PERFORMANCE OF TOP 10 MUTUAL FUNDS WITH THE VIEW POINT OF BROKERS AND FUND MANAGERS TOWARDS INDIAN MUTUAL FUND INDUSTRY

ABSTRACT

Today, India is one of the leading economies in the world. And one of the most important thing that plays an important role in this scenario are Mutual Funds (MF). The interest of Indian Investors have been considerably increased due to the Reforms of Financial Sector, Global Globalization and Liberalization. Mutual Funds are deliberately dominating the Global Capital Market and World Economy as well. When we talk about the developed and economically strong countries it has a leading position in that scenario. Today, MFs are the most preferred method for several medium and small businesses in case of investment and earning profits. The Research Study aims at analyzing the Performance of the 10 selected companies of MFs along with viewing the perceptions of the Fund Managers and Brokers towards the Indian MF Sector.

I. INTRODUCTION

India has gotten one of the world's quickest developing economies. The advancement of the MFs industry in India from all the parameters like number of plans, number of advantage the board organizations, measure of fund contributed and number of investors, in mutual funds, mutual funds assumed significant job in the improvement of the nation's mechanical and financial development and so forth. The Indian mutual fund industry history began in 1963. In spite of certain times of union, regularly because of the effect of market instability on investment returns, affecting notoriety in the utilization of MFs, the fund business today is presently flourishing, becoming unequivocally over a wide range of institutional and individual investors. In India about 25% of the total investment in the capital market has been made by the little individual investors who aggregate up to around 2 crores in numbers either legitimately or through mutual funds keeping in see the desperate requirement for taking this investigation was felt on the grounds that the cash that has been contributed out of valuable reserve funds by the investors is significant.

Any investor now huge or small, retail or non-retail would now be able to take an interest and play his wagers on for all intents and purposes any benefit using mutual funds.

Key Features of Mutual Funds:

- ❖ Cost-Effectiveness
- ❖ Transparency of Terms
- ❖ Rules and Regulations
- ❖ Investment Choices

- ❖ Cost Minimization
- ❖ Close-Ended and Open-Ended Funds
- ❖ SIP Investments
- ❖ Fixed Returns are not Guaranteed

Benefits of the Mutual Funds:

- ❖ Hassle-free Buying
- ❖ Easy to Understand
- ❖ Safe: Risk reduction
- ❖ Fair priced and Convenience
- ❖ Several Categories to choose from
- ❖ The Best Affordable Rates
- ❖ Professional Assistance
- ❖ Flexibility
- ❖ Tax Benefits
- ❖ Smart Investment Option

II. REVIEW OF LITERATURE

Agrawal (2007) in his examination paper talks about the method to research the Indian MF Industry valuation framework with experiential hypotheses on its evaluation. The exploration paper furthermore researches data the fund-director and fund-investor arranges together. The examination shows that the working is impacted by the saving and investment conduct of people and different parts of the confidence and faithfulness of the MF Manager and advantages include the working of the Indian mutual fund division.

Performance of MFs in Spain was examined by **Matallin-Saez (2006)** to decide the result of ignoring an applicable benchmark. Jensen's technique, multi-file models and Treynor and Mazuy's market timing were utilized and the report expresses that Spanish MFs performed with lesser effectiveness and don't have a positive market timing. This report isn't factually applicable. He expresses that disregarding the benchmark can bring about progressively awful market timing.

The examination by **Acharya and Sidana (2007)** attempts to sort hundred MFs utilizing bunch examination and utilizing a wide scope of standards like the annualized two year continues,

yearly absolute continues, beta, the annualized 5 year continues, R-squared, alpha, standard deviation and mean and Sharpe's ratio. The data is picked up from 'Value look into on the web'. There is confirmation of error among the arrangement of the reason for saving and the returns picked up by the mutual fund.

Chakraborty et al (2009) assessed the performance of development funds. Taking treasury charges as risk free resource and BSE 100 as benchmark file, they utilized returns and risk-balanced hypothetical parameters to show the funds' performance. They detailed good performance of funds and indefinable performing capabilities of Indian mutual fund managers.

Yamal Vyas (2010) analyzed the retail investors, he says that, the retail investors have taken extraordinary extravagant to the methodical Investment Plan and it appears that each middle class household has a SIP investment. He likewise encouraged the investment in MF can't be not the same as equity investments.

S.K. Miglani (2010) evaluated the performance of 98 schemes of MFs from 1999 to 2004. He tried the market timing capacity of the MF managers by applying some conventional procedures of performance evaluation. Aftereffect of study indicated that larger part of the schemes performed genuinely well be that as it may, the broadening was poor. Dependence Growth Bonus and Reliance Growth funds were discovered acceptable entertainers and Dhan Tax Saver 96, JM Equity G and Libra Tax Shield 97 as the poor entertainers. He found that the MF managers were poor market clocks in view of their exceptional association in the security determination rehearses.

III. OBJECTIVES OF THE STUDY

1. To overview the concept of Mutual Funds, its features and Advantages.
2. To review the previous literature studies done on Mutual Funds, its performance in Indian Market
3. To study the Indian MF Companies Performance.
4. To analyze perceptions of the Fund Managers and Brokers towards the Indian MF Industry

IV. RESEARCH METHODOLOGY

The Research Design used in the study is given below:

The growth of MFs from the year 2008 to 2019 were analyzed and tabulated.

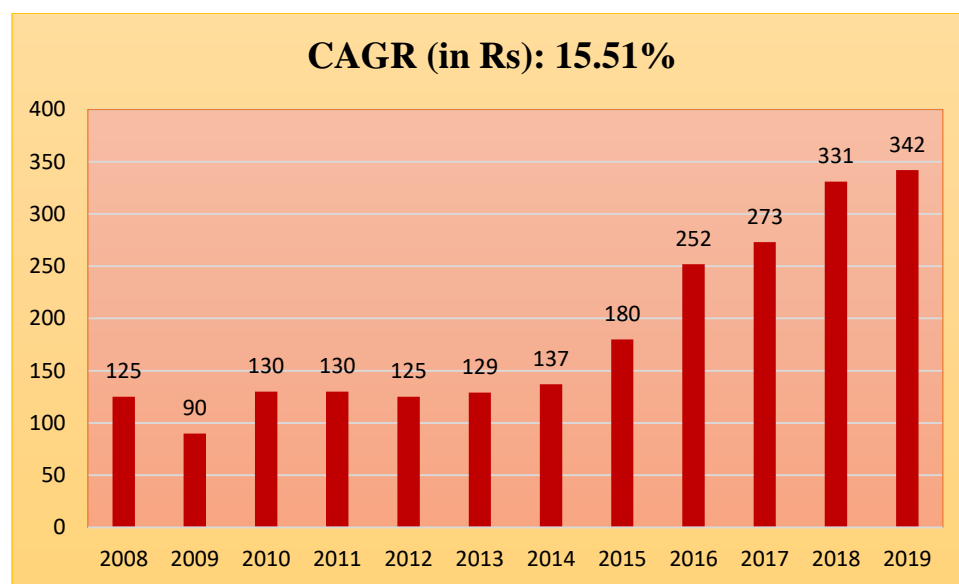
The primary Data was gathered through scheduled Survey Method from fund managers and brokers. An organized survey was formed and tried through a pilot concentrate among investors. Fund managers and Brokers were reached face to face. The survey was reconsidered and controlled to evoke the view of brokers and fund managers on their inclination for MFs. And then there responses were analyzed to study their perceptions towards Indian Mutual

Funds. The sample size we selected for the research study are in total 100 Fund managers and Brokers. And then they were analyzed through 5point Likert Scale and scoring was done to find out the results.

V. DATA ANALYSIS

Firstly, performance growth of mutual funds from the year 2008 to 2019 were analyzed:

CAGR (in Rs):	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
15.51%	125	90	130	130	125	129	137	180	252	273	331	342



5.1 Performance Growth of 10 Mutual Funds Firms

The growth of the 10 best MFs Firms in regards of their Increasing Performances (with respect to Financial Growth) are tabulated below:

List of Firms:

S. No.	FIRMS NAMES
1	ICICI Prudential Focused Bluechip Equity Fund
2	Aditya Birla Sun Life Small and Midcap Funds
3	Mirae Asset Hybrid Equity Fund
4	Axis Bluechip Fund
5	Kotak Standard Multicap Fund
6	HDFC Small Cap Fund
7	L&T Tax Advantage Fund
8	SBI Nifty Index Fund
9	Motilal Oswal Multicap Fund
10	Tata Equity PE Fund

Firms Sl. No.	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	22,863.40	27,812.89	30,028.93	37,324.52	48,893.84	62,989.49	81,809.37	94,648.42	108,646.22	117,966.01
2	5,056.11	5,311.13	7,092.67	9,189.80	10,523.46	14,075.70	19,331.88	20,059.71	24,374.95	26,357.01
3	16,693	21,694	22,743	27,502	33,735	40,353	50,134	53,320	62,442	68,485
4	4,659.01	5,988.01	6,266.01	6,835.01	8,332.01	9,429.01	10,656.01	12,373.01	13,681.01	14,383.01
5	19,979.61	25,699.51	27,212.91	31,038.51	37,187.81	37,430.01	43,423.81	46,951.01	51,247.81	55,040.21
6	3,252.01	3,873.61	4,593.21	5,265.31	5,677.81	6,182.31	7,990.91	8,714.01	9,008.91	8,517.91
7	3,766.11	4,464.71	4,625.41	5,140.21	5,489.71	6,873.11	18,831.41	22,621.31	26,494.21	29,140.81
8	760.7	1,002.71	687.9	745.9	542.2	742.8	3,062.41	2,658.61	3,156.71	2,853.21
9	1038.6	2060.24	2360.65	2592.82	2624.86	5161.30	10087.9	13119.76	14700.49	15,128.14
10	4594.9	4686.10	8335.3	10941.2	13413.9	13508.2	19047.2	23772	26643.5	30941.4

5.2 Demographic Profile of the Fund Managers and Brokers

Demographic profiles of the Respondents play an important role in changing perceptions from person to person, so analyzing that is quite important. Below are the demographic details of the chosen respondents.

Table 5.1: Age-wise Classification

No. of Respondents	Age of the Respondents
45	20-29
20	30-39
30	40-50
5	Above 50

Table 5.2: Gender wise Distribution of the Respondents

No. of Respondents	Gender of the Respondents
75	Male
25	Female

Table 5.3: Education wise Distribution of the Respondents

No. of Respondents	Education of the Respondents
50	Graduate
30	Post-Graduate
15	Doctorate
5	Post-Doctorate

Table 5.4: Occupation wise Distribution

No. of Respondents	Occupation of the Respondents
25	Agriculture
30	Business
15	Employed
30	Professional

Table 5.5: Monthly Income of the Respondents in the Firms

No. of Respondents	Income of the Respondents
30	5,000 -10,000
25	10,000 -15,000
15	15,000-20,000
30	Above 20,000

Table 5.6: Monthly Savings of the Respondents in the Firms

No. of Respondents	Monthly Savings of the Respondents
50	2,000
15	5,000
25	Above 5,000
10	10,000

5.3 Perceptions of Broker and Fund Managers towards Investment Value Volatility

Perceptions towards Investment Value Volatility	Percentage
Willing to take higher returns, compromising Volatility	15
Willing to take long run returns plans to ensure stability	30
Willing to accept Volatility for long term growth	15
Achieve maximum Appreciation for substantial Volatility	15
Willing to take average returns for average Volatility	25
Total	100.00

5.4 Brokers and Fund Managers Reason Analysis to Invest in Mutual Funds

Reasons to Invest	Aims	Percentage
Stability	Speculation	18.04
	Safety	52.78
	Both	29.18
Returns	Growth	29.70
	Income Regularly	45.29
	Both	25.01
Benefits of Tax	Non-Tax Savings	14.15
	Tax Savings	36.40
	Both	49.45
Marketability	High Profitability	35.54
	High Liquidity	31.12
	Both	33.34

5.5 Brokers and Fund Managers View Point towards Indian Mutual Fund Industry

Table 5.7: Responses of Brokers and Fund Managers towards Indian Mutual Fund Industry

S. No.	Statements
1	For small Investors, Mutual Funds is a great option, as they mostly hesitate to go with the long investments
2	Shares are more risky, as Mutual Funds are a better option.
3	Funds Characteristics: Risk and Returns divert sometimes from their original Aims
4	Fluctuations in the market can be evened through Mutual Funds
5	Income schemes are rather less chosen over growth schemes
6	Bank Deposits does not provide much returns when compared to Mutual Funds

Statements	Fund Managers						Brokers					
	Agree	Strongly Agree	Disagree	Strongly Disagree	Neutral	Avg. Score	Agree	Strongly Agree	Disagree	Strongly Disagree	Neutral	Avg. Score
1	5	2	0	0	0	4.3	9	8	0	0	3	4.3
2	4	1	0	0	2	3.9	12	3	2	0	3	3.8
3	3	0	1	0	3	3.3	11	1	4	1	3	3.4
4	3	0	1	0	3	3.9	9	4	5	0	2	3.6
5	4	1	0	0	2	2.7	8	2	5	1	4	3.3
6	3	4	0	0	0	4.6	8	5	1	1	5	3.8

VI. RESULTS AND DISCUSSIONS

The Results of the Analysis are given below:

- ✓ As we can see that performance growth of mutual funds from the year 2008 to 2019 has been increased drastically, in the base year 2008, it was 125 CAGR at 15.51% and in 2019 it hipped up to 342 CAGR at 15.51%.
- ✓ 45 Respondents were between 20-29 years, 20 were from 30-39 years, 30 from 40-50 years, and 5 were from Above 50 group. The largest group of the Respondents were from 20 to 29 years, while the smallest group was of Respondents of Age 50 and above.
- ✓ Gender wise Classification of the Respondents is very important. In the Analysis 25 of the Respondents were Females, 75 were Male Employees, and they were the major group of the Respondents.
- ✓ The Educational knowledge of an Employee definitely impacts the Organization, in our Research when we analyzed the Education Level of the Respondents the highest group of the Respondents that came out was 50 Respondents that were Graduated, following

that 30 Respondents were Post-Graduated, 15 were holding Doctorate Degree and the least were 5 Respondents who have completed their Post-Doctorate.

- ✓ The Employees occupation is an important factor. We found that 25 worked in Agriculture, following that 30 had their Business, 30 were employed and 15 were working as Professionals.
- ✓ The highest Income of the Respondents turned out to be 5,000 -10,000 in 30 Respondents, following those 30 Respondents had above 20,000, 25 Respondents earned 10,000 -15,000, and the least by 15 Respondents earned 15,000-20,000.
- ✓ The savings of the Respondents turned out to be highest in 50 Respondents for 2,000, following that 25 Respondents for Above 5,000, 15 Respondents for 5,000 and least in 10 Respondents for 10,000.
- ✓ The Perceptions analysis towards Investment Value Volatility resulted that 15% of the Respondents were Willing to take higher returns, compromising Volatility, while 30% of the Respondents were Willing to take long run returns plans to ensure stability, 15% were Willing to accept Volatility for long term growth, again 15% wanted to Achieve maximum Appreciation for substantial Volatility and lastly 25% were Willing to take average returns for average Volatility.
- ✓ From the Table we can conclude that in case of the stability as a goal the highest number of Respondents, i.e., 52.78% invested in mutual funds for safety. In case of the Returns they invested for regular income, as the highest in that column were 45.29% Respondents. When asked for Tax Benefits 49.45% Respondents responded that they invested for both reasons: Tax Savings and Non-Tax Savings. And lastly, from the market perspective, 35.54% invested for High profits earning.
- ✓ MF managers with the most elevated normal score of 3.9 saw that Fluctuations in the market can be evened through Mutual Funds.
- ✓ Fund managers Brokers and profoundly concurred that for small Investors, Mutual Funds is a great option, as they mostly hesitate to go with the long investments with a normal score of each 4.3.
- ✓ Fund managers concurred that, Shares are more risky, as Mutual Funds are a better option with a most noteworthy normal score of 3.9 each.
- ✓ MF managers with the most noteworthy score of 4.6 acknowledged that Bank Deposits does not provide much returns when compared to Mutual Funds.
- ✓ Brokers with the most noteworthy normal score of 3.4 opined that Funds Characteristics: Risk and Returns divert sometimes from their original Aims.

VII. CONCLUSION

MFs has a gigantic potential for development in the Indian condition. This Study serves to Brokers and Fund Managers for taking investment choice identifying with mutual fund schemes and it shows mutual fund is better stage for investment and it give great return generally safe. Accordingly by pooling cash together in a MFs, Brokers and MF Managers can buy stocks or securities with much lower exchanging costs than if they attempted to do it all alone. The mutual fund industry needs to ceaselessly convey better risk-balanced returns than the investors. This would require the MF managers from one perspective to display prevalent stock selectivity and market timing performance reliably and then again to keep the fund costs under check. Conveying prevalent risk-balanced returns reliably will consequently make a specialty for the MFs.

7.1 Future Scope

Investments in Mutual Funds are required to develop at the pace of 15%-25% in India in the coming years. Investments abroad, whenever done cautiously encourages investors to spread their risks over the globe. Abroad mutual funds schemes basically spread the risks over the arrangement of the protections. More endeavors should be made by MF organizations to improve mindfulness with respect to Indian Mutual Funds putting resources into abroad protections. In the time of globalization, the chance to put resources into abroad instruments should be completely and successfully used by the Indian MFs to support the Brokers and Fund Managers.

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