

## A STUDY ON PERFORMANCE ANALYSIS OF SELECTED MUTUAL FUND SCHEMES IN INDIA

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### ABSTRACT:

Mutual Fund industry in India has developed as the most dynamic sector of the Indian financial system. Schemes available for the investors to choose are many in number, so it becomes crucial for investor to know the performance of Mutual Funds in order to make better informed decision and make a choice. The present study comprises 10 Mutual Fund schemes taken from different Mutual Funds in equity diversified specific schemes. The performance of selected Mutual Fund schemes were evaluated and then compared with Benchmark of Market Indexes. Majority of the equity diversified schemes performed better than the benchmark index according to Sharpe, Treynor, Jensen and Fama. The HDFC Capital Builder Value Fund, SBI Magnum Multi Cap –Regular Growth that have emerged as best schemes among all selected Mutual Fund schemes.

**Keywords: Mutual Fund, Equity, Schemes, Benchmark & Performance.**

### INTRODUCTION:

Mutual Funds play an essential role in Indian economy. A Mutual Fund is an Investment that collects the money from investors and collectively invests in stocks, bonds, or money market instruments. Fund Manager, who manages each mutual fund by using his investment management skills and applies essential research work which ensures much better returns than what an investor can manage on his/her own. Schemes available for the investors to choose are many in number, so it becomes crucial for investor to know the performance of Mutual Funds in order to make better informed decision and make a choice.

### 2. Review of Literature:

**Dr. J. Murthy et.al. (2022)** in their study assessed performance evaluation of selected equity mutual funds in India. The performance of mutual funds is conceded out through different schemes Daily closing NAV have been used to analyse the returns from the fund schemes. NSE - Nifty has been used for

market portfolio. The performance of mutual funds is conceded out through risk and return analysis, Standard Deviation, Sharpe Index, Treynor Index and ANOVA. The source of data is AMFI. The time of study is April 2019 to March 2022. The result imply that most of the mutual fund given positive return during the study period. Mutual fund is finest avenue for investment in capital market.

**Geeta Rani & Dr. Vijay Singh Hooda (2017)** This paper examined the execution of selected funds schemes, mean returns and their standard deviation, and afterward fundamental measures in such manner Sharpe's Ratio, Jensen's Ratio and Treynor's Ratio were ascertained and interpreted accordingly. Finally, Tata equity P/E fund was noticed as best among the selected list of schemes during April 2016 to March 2017.

### 3. Statement of the Problem:

Some of the researches focused only on particular fund and studied that fund's advantages and disadvantages. But no detailed study has been undertaken to assess the performance of Equity Diversified specific schemes. Hence the present research has been taken to fill the gap to analyse the performance of Indian Mutual Funds with reference to equity diversified specific Mutual Fund

schemes comparing with Benchmark of Market Indices.

#### 4. Need for the Study:

1. Mutual Fund investment is quite popular among small and household investors, who mobilize their savings for investment in the capital market. India has a majority of middle class families who want to get the maximum returns on their investment by taking less risk. The need for the present study of Mutual Funds is to reduce the past research gap and also to update the performance of Mutual Funds in the current scenario.

#### 5. Scope of the study:

The present study comprises 10 Mutual Fund schemes taken from different Mutual Funds in equity diversified specific schemes. For the analysis of selected Mutual Fund schemes, monthly returns are compiled based on the NAV. The performance of selected Mutual Fund schemes were evaluated and then compared with Benchmark of Market Indexes.

#### 6. Objectives of the study:

The following are the objectives of present research,

1. To evaluate the Performance of selected Equity Diversified Schemes of Indian Mutual Funds.
2. To compare the Performance of selected Equity Diversified Schemes of Indian Mutual Funds With Benchmark of Market Indices;

#### 7. Data collection:

The required data for this research is collected the sources of data viz. secondary source. The secondary required data relating to Net Asset Value (NAV) of Different selected Equity Diversified specific Mutual Funds schemes has been collected through AMC websites. Market Indices has to be taken as benchmark for comparison of selected Mutual Fund schemes performance.

#### 7.2 Tools used for the study:

For the return analysis of selected Mutual Fund schemes the researcher has used Average Return, Standard Deviation, Beta Variance, Co- variance, Sharpe Ratio, Treynor Ratio, Jensen Ratio, and Fama measures.

#### 7.1 Sampling design:

The schemes were selected based on their performance during the period of study.

Sl. No.	Name of the selected Schemes	Option	Launch Date
1.	Principal Emerging Bluechip Fund	Growth	20-10-2008
2.	SBI Magnum Multi Cap –Regular Plan	Growth	09-06-2005
3.	Tata Equity P/E Fund Regular Plan	Growth	06-05-2004
4.	Tata Ethical Fund Regular Plan	Growth	05-04-1996
5.	DSP Blackrock Equity Fund - Regular Plan	Growth	07-06-2007
6.	HDFC Capital Builder Value Fund		
	Growth		01-02-1994
7.	HDFC Focused 30 Fund	Growth	17-09-2004
8.	SBI Large & Midcap Fund- Regular Plan	Growth	03-01-1993
9.	Sundaram Large And Midcap	Growth	01-01-2007
10.	Canara Robeco (CR) Equity		
		Diversified Fund - Regular Plan	
		Growth	12-09-2003

## **8. Data Analysis and Interpretation:**

## SENSEX

S.No .	SCHEMES	Rp	Rm	B e t a	SDp	SDm	Sp	Sm	T	J	Fam a
1	Principal Emerging Bluechip Fund - Growth	0.277	0.403	0.916	5.577	5.344	0.15	0.133	0.195	0.579	9.146
2	SBI Magnum Multi Cap –Regular Growth	1.86	0.40	0.89	5.41	5.34	0.32	0.13	1.88	2.82	9.35
3	Tata Equity P/E Fund Regular Plan	0.822	0.403	0.884	5.914	5.344	0.181	0.133	0.927	1.106	9.3
4	Tata Ethical Fund Regular Plan - Growth	0.639	0.403	0.637	4.805	5.344	0.259	0.133	1.532	0.697	8.884
5	DSP Blackrock Equity Fund - Regular Plan - Growth	0.639	0.403	0.911	5.657	5.344	0.145	0.133	0.621	0.987	7.665
6	HDFC Capital Builder Value Fund - Growth	0.811	0.403	0.843	5.168	5.344	0.243	0.133	0.952	1.073	7.564
7	HDFC Focused 30 Fund - Growth	0.632	0.403	0.809	5.076	5.344	0.235	0.133	0.822	0.831	7.148
8	SBI Large & Midcap Fund- Regular Plan - Growth	0.632	0.403	0.809	5.076	5.344	0.235	0.133	0.822	0.831	7.148
9	Sundaram Large And Midcap Growth	0.79	0.40	0.84	5.33	5.34	0.22	0.13	0.97	1.12	8.28
10	Canara Robeco(CR) Equity Diversified Fund - Regular Plan – Growth	0.684	0.403	0.867	5.377	5.344	0.181	0.133	0.721	1.04	7.725

## NIFTY

S.No .	SCHEMES	Rp	Rm	Beta	SDp	SDm	Sp	Sm	T	J	Fam a
1	Principal Emerging Bluechip Fund - Growth	0.277	0.44	0.892	5.577	5.514	0.15	0.133	0.213	0.591	8.742
2	SBI Magnum Multi Cap –Regular Growth	0.28	0.44	0.89	5.58	5.51	0.15	0.13	0.21	0.59	8.74
3	Tata Equity P/E Fund Regular Plan	0.822	0.44	0.878	5.914	5.514	0.181	0.133	0.846	1.149	8.945
4	Tata Ethical Fund Regular Plan - Growth	0.639	0.44	0.627	4.805	5.514	0.259	0.133	1.532	0.725	8.431
5	DSP Blackrock Equity Fund - Regular Plan - Growth	0.639	0.44	0.899	5.657	5.514	0.145	0.133	0.589	1.015	7.397
6	HDFC Capital Builder Value Fund - Growth	0.811	0.44	0.818	5.168	5.514	0.243	0.133	0.989	1.078	7.246
7	HDFC Focused 30 Fund - Growth	0.632	0.44	0.784	5.076	5.514	0.235	0.133	0.834	0.854	6.83
8	SBI Large & Midcap Fund- Regular Plan - Growth	0.632	0.44	0.784	5.076	5.514	0.235	0.133	0.834	0.854	6.83
9	Sundaram Large And Midcap Growth	0.24	0.44	0.76	5.50	5.51	0.10	0.13	0.13	0.64	7.44
10	Canara Robeco(CR) Equity Diversified Fund - Regular Plan – Growth	0.684	0.44	0.849	5.377	5.514	0.181	0.133	0.704	1.06	7.393

## 9. Findings

1. From the return point of view, in the category of equity diversified schemes, SBI Magnum Multi Cap –Regular Growth, Tata Equity P/E Fund Regular Plan, and HDFC Capital Builder Value Fund that have emerged as best schemes among all selected Mutual Fund schemes.
2. The equity diversified schemes namely, Sundaram Large and Midcap Growth, and Principal Emerging Bluechip Fund have not been able to outperform the benchmark of Market Indices.
3. Most of the selected schemes gained high returns during the years 2009, 2012, 2014 and 2017 during these years the funds mostly gained high returns than the benchmark indices.
4. As per Sharpe ratio, among selected schemes of equity diversified schemes, HDFC Capital Builder Value Fund, SBI Magnum Multi Cap –Regular Growth, Tata Equity P/E Fund Regular Plan, Principal Emerging Bluechip Fund, Tata Ethical Fund Regular Plan and SBI Large & Midcap Fund- Regular Plan have shown better performance by reducing the loss per unit of risk compared with benchmark indices.
5. As per Treynor ratio the selected equity diversified schemes, are SBI Magnum Multi Cap –Regular Growth, Tata Ethical Fund Regular Plan, HDFC Capital Builder Value Fund, HDFC Focused 30 Fund, and SBI Large & Midcap Fund- Regular Plan, have posted good performance by containing loss per unit of beta (systematic risk).
6. With regard to the Jensen ratio equity diversified schemes have posted positive values i.e. SBI Magnum Multi Cap –Regular Growth, Tata Equity P/E Fund Regular Plan, Tata Ethical Fund Regular Plan, HDFC Capital Builder Value Fund, HDFC Focused 30 Fund, and SBI Large & Midcap Fund- Regular Plan, so it indicates that the schemes performed much better than the benchmark.

## 10. Suggestions:

1. Mutual fund companies ought to give required transparency and furthermore offer efficient after sales services to the investors, in order to draw in an ever increasing number of investors to the mutual fund industry. It is additionally proposed that these companies should market their products and services in a superior manner to draw in more investors.
2. Indian financial investors will make investment into a mutual fund scheme by completing an application form given by the AMC and sending the finished application to the AMC. An offer document is a document by which the AMC welcomes public in general to buy in for units of a scheme. The offer document must reveal that are adequate to empower an investor to make an informed investment decision. It is recommended that an AMC must disclose certain disclosures to the imminent investors before the sale of fund units really happens.
3. In the unpredictable investment environment, there is a need to instruct the intermediaries just as financial consultants, agents or brokers, who sell the mutual funds to investors, by giving adequate training and knowledge about the mutual fund products and furthermore about the dynamic investment environment, so they should guide the investors the correct way. Thusly, it is recommended that AMFIs with the relationship of colleges and the management institutes should find a way to prepare the present and prospective persons to proficiently deal with the mutual funds.
4. From time to time Mutual Fund companies should provide/update complete information about the schemes on their respective AMC websites. This information should be provided in a simple language, then only a layman is also able to understand the information about the Mutual Funds. And also, campaigns can be

carried out to popularize systematic investment plans (SIP) to encourage the investors to make investment in Mutual Funds.

5. Complete information relating to Mutual Funds schemes must be displayed. Among the investors who are making investment in Mutual Funds there are some who still don't have clear idea about how it functions and how to manage then. So the funds proper information must be provided to the investors in order to increase the faithfulness among the investors regarding Mutual Fund investment.

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### 11. Future Scope of Research:

Government policies, changes in the financial environment, income status have significant influence on the size of savings, preference for investment avenues and pattern of holding investments. Thus, there are several other important issues relating to mutual funds increasing the scope of this study. Technological and environmental changes have many social implications. Further work involving multi-periods study is advised in order to provide more robust results that overcome any probable limitation due to the scope of study. However, as the number of females in the workplace and who are heads of household's increases so, clearly more research needs to be done in understanding the expectations of female investors.

### 12. Conclusion:

The performance analysis of Indian Mutual Funds with reference to equity diversified schemes reveals that, majority of the equity diversified schemes performed better than the benchmark index according to Sharpe, Treynor, Jensen and Fama. The HDFC Capital Builder Value Fund, SBI Magnum Multi Cap – Regular Growth that have emerged as best schemes among all selected Mutual Fund schemes. The equity diversified schemes, namely, Sundaram Large and Midcap Growth, HDFC Focused 30 Fund, and SBI Large & Midcap Fund- Regular Plan have not been able to outperform the benchmark of Market Indexes. Most of the selected schemes gained

high returns during the years 2009, 2014 and 2017 during these years the funds mostly gained high returns than the benchmark index.

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