

# PERFORMANCE OF TYPES OF MUTUAL FUND SCHEMES

T.Vignesh<sup>1</sup>, CS.Nivedha<sup>2</sup>, S.Rathika<sup>3</sup>

*PG Scholar, Department of Master of Business Administration, Prince Shri Venkateshwara  
Padmavathy Engineering College, Tamilnadu, India*

*Assistant Professor, Department of Master of Business Administration, Prince Shri  
Venkateshwara Padmavathy Engineering college, Tamilnadu, India*

## ABSTRACT

*Mutual fund may be a professionally-managed trust that pools in money from various individuals to take a position in securities like stocks, bonds, short-term market instruments and commodities. The open-end fund is managed by professional fund managers, who buy and sell securities supported thorough market study and understanding. Every scheme launched by the open-end fund has an investment objective comprising: long-term capital growth, regular monthly income or steady returns and more. For instance, an equity fund will invest in shares for long-term capital growth, while a debt open-end fund will invest in government securities and company bonds with an aim to deliver steady returns or less volatile returns. Today the Investor is confused about where to invest, which fund to invest, whether his capital is safe or not.*

**Keyword :** - *Fund manager , Steady return, Investment, Government securities*

## 1. INTRODUCTION

Mutual fund may be a professionally-managed trust that pools in money from various individuals to take a position in securities like stocks, bonds, short-term market instruments and commodities. The open-end fund is managed by professional fund managers, who buy and sell securities supported thorough market study and understanding. Every scheme launched by the open-end fund has an investment objective comprising: long-term capital growth, regular monthly income or steady returns and more as an example , an equity fund will invest in shares for long-term capital growth, while a debt openend fund will invest in government securities and company bonds with In India, a open-end fund is about up within the sort of a trust that features a Sponsor, Trustees, Asset Management Company (AMC) as per the stipulated legal structure under SEBI (Mutual Funds) Regulations, 1996. Under this structure, an Asset Management Company (AMC) is responsible of managing the investments and other day-to-day activities of the open-end fund .

## SELECTION OF FUND

### Objective of the fund

The Fund whether income oriented or growth oriented. Consistency of performance a mutual fund is always intended to give steady long term returns hence the investors should measure the performance of a fund over a period of at least three years.

### Historical background

The success of any fund depends upon the competence of the management, its integrity, periodicity and knowledge .

### **Cost of Operation**

Mutual funds seek to try to a far better job of the investible funds at a lower cost than the investible fund at lower cost. The investors compare with their funds with others.

### **ADVANTAGES OF MUTUAL FUND**

- Professional management
- Reduction / Diversification of Risk
- Liquidity
- Flexibility & Convenience
- Safety of regulated environment
- Choice of schemes
- Transparency

### **DISADVANTAGE OF MUTUAL FUND**

- No control over Cost within the Hands of an Investor
- No tailor-made Portfolios
- Managing a Portfolio Funds
- Difficulty in selecting a Suitable Fund scheme

## **2. NEED FOR THE STUDY**

It is also needed to know about the type of schemes yields more return. It is to study and make comparative risk and return analysis of mutual fund schemes and identify the best one. It is also helpful to categorize the risky, moderate risky and less risky which paves way for different investors to choose it accordingly. It is also needed to know the preference of the customers in Banking or IT sector schemes. The study helps to give remedial measures to improve the scheme which yield less return. To boost the performance in the competitive market.

## **3.OBJECTIVES OF THE STUDY**

- To compare the selected schemes to know the performance of each scheme.
- To analyse the risk and return in the mutual fund schemes.
- To provide remedial measures and suggestions for the schemes which yield less return.

## **4.SCOPE OF THE STUDY**

The study is helpful to know the investor preferences either in Banking or IT sector schemes which helps to develop the sector which yields less return paves the way for development of an economy. This study is made to compare different schemes and helps to know the best one so that the company can steps to improve the schemes which yields less return. This project report may help the company to make further planning and strategy to flourish in the most competitive world.

## **5.REVIEW OF LITERATURE**

1.Goyal (2015) "Performance Evaluation of Top 10 Mutual Funds in India", Indian Journal of Commerce & Management Studies, Vol. 6, No.1, pp. 51-55. examined top 10 equity diversified mutual funds in India as per Crisil September 2014. The funds chosen were Birla Sun Life Top 100 Fund, BNP Paribas Equity Fund, SBI Blue Chip Fund, UTI Equity Fund, Birla Sun Life Frontline Equity Fund, BOI AXA Equity Fund, Canara Robeco Large Cap+ Fund, Franklin India Opportunities Fund, Kotak Opportunities, L&T Equity Fund. Performance of these funds was also compared with S&P CNX Nifty.2.Tarak Paul, (2012), An Assessment of Gap between Expectations and Experiences of Mutual Fund Investors. International Journal of Marketing, Financial Services & Management

Research. 2012; 1 (7):10-21. assesses the Gap between Expectations and Experiences of Mutual Fund of around 260 Investors in Guwahati city and has found out that there is a significant gap between the mutual fund investors' expectations and experiences.3. Sarish, (2012) A Study of Opportunities and Challenges for Mutual Fund in India: Vision 2020. VSRD-IJBM. 2012; 2 (4): 167-178. studied mutual funds and the benefits of investing in mutual fund, its drawbacks and have done detailed study on various aspects of mutual fund. This paper aims at exploring the potential of mutual funds in India with all problems, complexities and variables, and suggesting the means and ways of meeting the challenges for developing the mutual funds in tandem with its potential of economic growth. This study relied on secondary data in order to identify and analyze the challenges and opportunities for mutual funds.4. Alekhya, (2012), A Study on Performance Evaluation of Public & Private Sector Mutual Funds in India. Asia Pacific Journal of Marketing & Management Review. 2012; 1 (2):147-168. studied performance evaluation of Public & Private Sector Mutual Funds in India and comparative performance of public and private sector mutual fund schemes the Indian Mutual fund Industry has witnessed a structural transformation during the past few years. This paper has evaluated the performance of Indian Mutual fund equity scheme of 3 years past data from 2009 to 2011.5. Palanisamy, Sengottaiyan, and Palaniappan, (2012) Investment Pattern in Debt Scheme of Mutual Funds – An Analytical Study. IJMIE .2012; 2(3):285-301. studied Investment Pattern in Debt Scheme of Mutual Funds. Data collected through interview schedule and statistical tools used such as percentage analysis, weighted ranking analysis and Chi-square analysis.

## 6. RESEARCH DESIGN

Research methodology is a way to systematically solve the problem. In it we are study the various steps that are generally adopted by a researcher in studying the research problem along with the logic behind them. Research Methodology is the outer cover of the research design. A research is the systematic enquiry and or examination in seeking facts in order to gain knowledge and find solutions to problems. The research design is followed for the study is analytical research design. Analytical research is the specific type of research that involves critical thinking skills and evaluation of facts and information relative to the research being conducted. For any problem to be analyzed and solved data is of absolute need. Data should be collected and interpreted for gaining a better understanding of the problem. The first step of any research design is the collection of data.

## 7. RESULTS AND DISCUSSION

**Table no.1** Table showing calculation of return of ICICI PRUDENTIAL BANKING AND FINANCE FUND For the year 2015 to 2019

DURATION	PRICE(NAV)	RETURN IN (%)
1 DAY	10374.90	
1 MONTH	11771.20	13.45844297
3 MONTH	6212.50	47.22288297
6 MONTH	6839.20	10.08772636
1 YEARS	6743.30	1.402210785
2 YEARS	7459.90	10.62684442
3 YEARS	8305.80	11.33929409
5 YEARS	12066.80	45.28161044
TOTAL		139.41901220

From the above table it is interpreted that the return of ICICI prudential banking and finance fund for the year 2015 from the 3 month return of 10.08772636% 2017 it was increased to 11.33929409% 2016 and 2019 10.62684442% and 45.28161044%.

**Table no.2** Table showing calculation of return of SBI TECHNOLOGY OPPORTUNITIES FUND For the year 2015 to 2019

DURATION	PRICE(NAV)	RETURN IN (%)
1 DAY	10429.60	
1 MONTH	11769.80	12.84996548
3 MONTH	8369.90	19.74860014
6 MONTH	9605.90	14.76720152
1 YEARS	9071.70	5.56116553
2 YEARS	10069.80	11.00234796
3 YEARS	13883.40	37.87165584
5 YEARS	12791.90	7.86190703
TOTAL		109.66284350

From the above table it is interpreted that the total return of SBI technology opportunities fund for the year 2015 from the 3 month return of 19.74860014% 2016 it was increased to 11.00234796% but in 2017 it has given the higher return of 37.87165584%.

**Table no.3** Table showing calculation of risk of ICICI PRUDENTIAL BANKING AND FINANCE FUND For the year 2015 to 2019

DURATION	PRICE(NAV)	RETURN IN(%)	R-R1	R-R1 <sup>2</sup>
1 DAY	10374.90			
1 MONTH	11771.20	13.45844297	-6.45855877	41.71298139
3 MONTH	6212.50	47.22288297	27.30588123	745.6111497
6 MONTH	6839.20	10.08772636	-9.82927538	96.6146545
1 YEARS	6743.30	1.402210785	-18.51479096	342.7974841
2 YEARS	7459.90	10.62684442	-9.29015732	86.30702303
3 YEARS	8305.80	11.33929409	-8.57770765	73.57706853
5 YEARS	12066.80	45.28161044	25.3646087	643.3633745
TOTAL		139.41901220		2029.983736

From the above table it is interpreted that the risk of ICICI prudential banking and finance fund for the last 5 year is 17.02931815.

**Table no.4** Table showing calculation of risk of SBI TECHNOLOGY OPPORTUNITIES FUND For the year 2015 to 2019

DURATION	PRICE(NAV)	RETURN IN(%)	R-R1	R-R1 <sup>2</sup>
1 DAY	10429.60			
1 MONTH	11769.80	12.84996548	-2.81615502	7.930729097
3 MONTH	8369.90	19.74860014	4.08739514	16.70679903
6 MONTH	9605.90	14.76720152	0.89891898	0.808055332

<b>1 YEARS</b>	9071.70	5.56116553	-10.10495497	102.1101149
<b>2 YEARS</b>	10069.80	11.00234796	-4.66377254	21.7507743
<b>3 YEARS</b>	13883.40	37.87165584	22.20553534	493.0857997
<b>5 YEARS</b>	12791.90	7.86190703	-7.80421347	60.90574789
<b>TOTAL</b>		109.66284350		703.2980202

From the above table it is interpreted that the risk of SBI technology opportunities fund for the last 5 year is 10.02352961.

**Table no.5** Table showing calculation of return of ICICI PRUDENTIAL TECHNOLOGY FUND For the year 2015 to 2019

<b>DURATION</b>	<b>PRICE(NAV)</b>	<b>RETURN IN(%)</b>
<b>1 DAY</b>	10402.80	
<b>1 MONTH</b>	11958.40	14.95366632
<b>3 MONTH</b>	7874.10	34.15423468
<b>6 MONTH</b>	8772.20	11.40574796
<b>1 YEARS</b>	8139.50	7.212557853
<b>2 YEARS</b>	8783.40	7.910805332
<b>3 YEARS</b>	12458.10	41.8368741
<b>5 YEARS</b>	12246.50	1.69849335
<b>TOTAL</b>		119.1723812

From the above table it is interpreted that the return of ICICI prudential technology fund for the year 2014 from the 3 month return of 34.15423468% . In 2016 it was increased to 7.910805332% but in 2017 it has given the higher return of 41.8368741%.

## 8.FINDINGS

- It is interpreted that the return of ICICI prudential banking and finance fund for the year 2015 from the 3 month it has given the higher return of 47.22288297%.
- It is interpreted that the total return of SBI technology opportunities fund for the year 2017 it has given the higher return of 37.87165584%.
- It is interpreted that the risk of ICICI prudential banking and finance fund for the last 5 year is 17.02931815
- It is interpreted that the risk of SBI technology opportunities fund for the last 5 year is 10.02352961.
- It is interpreted that the return of ICICI prudential technology fund for the year 2017 it has given the higher return of 41.8368741%.

## 9.SUGGESTIONS

Know the risks associated with Mutual Funds Know your risk appetite/tolerance level.Determine your asset allocation Learn how to choose the best funds in any Mutual Fund category Know the basics on tax considerations on Mutual Funds Tax on capital gain from Mutual Funds. Tax on dividend from Mutual Funds.Regular monitoring on your fund and rebalance.

Keep a watch on latest trends/news in financial market specially Mutual Funds.

## 10.LIMITATIONS

- The study has been restricted to only a few schemes.
- The data is analyzed for a limited period of 3 years.
- The time constraint is the main factor the study.
- The quantitative aspects have been taken into account for the study whereas Qualitative data is not given.

## 11. CONCLUSIONS

Mutual Fund is good concept of investment which collects the savings and invests in different sector and different market in such a way that investment get highest return. This return will be paid back to Unit holder.

Today Advisors are keeping full of knowledge of all investment instruments. And their researches allow them to suggest Mutual Fund as Investment Avenue. Still some advisers have not suggested the Mutual funds as investment instrument. The basic reason behind that is, lack of knowledge about mutual funds, which is followed by high risk and unasserted returns.

Safety is at the peak of all attributes list of investment products in the mindset of Advisors, which is followed by tax benefit, returns, maturity and liquidity. Advisors are highly providing pre-investment advisory services and doorstep collection services. Some of the Advisors follow their clients and provide post-investment advisory services too. Sharing of brokerage and online valuation report providing is very less in a practice.

## REFERENCES

- [1]. Reference 1 <https://in.investing.com/>
- [2]. Reference 2 <https://www.amfiindia.com/>
- [3]. Reference 3 <https://www.icicipruamc.com/>
- [4]. Reference 4 <https://www.sbimf.com/>