

# Assesment the Performance of some Selected Mutual Fund schemes in India

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## Abstract

Mutual Funds traces it's origins far into the 1770s of the Dutch Republic. From then, the vague concept has become more refined. Now, mutual funds serve as a medium which provides small investors the opportunity to diversify their avenues of investment. The importance of mutual funds in stock market has grown dramatically in last decades in India. In this research paper an attempt is made to Evaluate the performance of some Selected Mutual Fund schemes in India. Now, mutual funds serve as a medium which provides small investors the opportunity to diversify their avenues of investment. The deployment of savings from a large group of investors into shares and other securities is their primary function. In this given circumstance, this study aims to analyze and appraise the performance of mutual funds in different categories and also to ascertain which fund's performance exceeds the rest in that particular category.

## Article History

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This paper presents a vast comparative study of various different techniques used for banana yield. The data mining algorithm that is used for the banana yield is K-Means.

**Keywords:** Mutual fund, standard deviation, investments.

## I. INTRODUCTION

Mutual Funds traces it's origins far into the 1770s of the Dutch Republic. From then, the vague concept has become more refined. Now, mutual funds serve as a medium which provides small investors the opportunity to diversify their avenues of investment. The deployment of savings from a large group of investors into shares and other securities is their primary function. Permutated portfolios and also professional management of funds accumulated, are offered to the investors by mutual funds.

Through the decade, mutual funds have progressively evolved to be the prime choice of

investment. Also, taking into account its evident financial nature, it is no exception to the ever-changing market tides of the Indian economy which often results in volatile exchange prices, hike in oil and petroleum prices, etc. In this given circumstance, this study aims to analyze and appraise the performance of mutual funds in different categories and also to ascertain which fund's performance exceeds the rest in that particular category.

## II. REVIEW OF LITERATURE

The collection of reviews has been taken from various studies undertaken by academicians,

scholars that are found in journals, publications and the like

**AlkaSolanki (2016)** in her study appraised Reliance's performance of open ended equity schemes which offer growth option. From the period 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2016, the performance of nominated mutual funds schemes, monthly returns were evaluated and compared with Benchmark SENSEX and BSE National 100 returns.

**Satheesh Kumar Rangasamy(2016)** in his indagatory article titled on the performance of selected mutual funds in the context of Indian context, the prime objective of the study assessed the performance of mutual funds in the and the convenience of retail investors. NSE, BSE, Money Control and Price Research Online data are the sources that provided the data for the study. The data were evaluated by the instrument simple average method, standard deviation, ranking method, and simple comparative analysis. Their findings from the study showed that TATA Balanced Fund gave the highest average returns compared to other categories of funds.

**Mrs.O.V.A.M.Sridevi(2018)**, performed a research in which she determined that the vehicle which pools the investment of those investors who have a common financial ambition is a mutual fund. Investors who lack awareness about capital markets rarely consider this as an investment avenue. This explains why mutual funds is considered as a boon among those investors. Their investments being unitary in nature, the perceived risk is also less and brings only less returns compared to the stock market.

### III. OBJECTIVES

1. To Evaluate the Performance of some Selected Mutual Fund schemes.
2. To study the measurement of risk and return and market volatility.
3. Helping investors in making decisions in selected schemes.

### IV. RESEARCH METHODOLOGY:

#### DATA COLLECTION

For this study, data are taken from the NSE, BSE, money control and various online resources.

#### SAMPLE DURATION

Duration of these mutual funds are from 2015 to 2019 in all these selected mutual fund schemes.

#### STATISTICAL TOOLS

Analysis was achieved by assessing numerous tools like Simple Average , SD, Ranking Method and Simple Comparative Analysis.

#### STANDARD DEVIATION:

Standard deviation evaluates the risk by measure the degree to that the fund fluctuates in relation to its average return over a period.SD is used to measure the volatility of the fund.

### V. ANALYSIS OF MUTUAL FUND PERFORMANCE

Mutual fund performance is analysed through numerous performance measuring ratios such as average return, standard deviation which are used in portfolio analysis.

**TABLE NO. 1: PERFORMANCE ANALYSIS OF EQUITY FUNDS**

FUNDS	YEAR					AVERAGE RETURN	STD. DVTN	RANK	
	2015	2016	2017	2018	2019			AVG. RTN	STD. DVTN
SBI MAGNUM BLUE CHIP FUND	7.86	4.48	30.23	-3.58	0.56	7.91	13.19	1	3
BIRLA SUN LIFE FRONTLINE EQUITY FUND	0.92	6.97	30.58	-2.28	-1.61	6.92	13.72	2	2
HDFC TOP 100 FUND	-6.21	7.82	31.97	0.75	0.28	6.92	14.86	2	1

(RETURN IN %)Source: secondary data

#### INTERPRETATION:

Equity Fund Performance of Magnum Blue Chip Fund; SBI, Birla Sun Life Frontline Equity Fund and HDFC Top 100 Fund for the period 2015 to 2019 have appeared in the table above. Over the past year, SBI Magnum Blue Chip Fund has topped the other two funds. SBI Magnum Fund performs better than other funds when compared to average returns for five years. The

standard deviation of the scheme is between 13.9 to 14.86. The highest volatility rate among the three has been attributed to the HDFC Top 100 Fund.

**TABLE NO. 2: PERFORMANCE ANALYSIS OF INDEX FUNDS (RETURNS IN %)**

FUNDS	YEAR					AVERAGE RETURN	STD. DVTN	RANK	
	2015	2016	2017	2018	2019			AVG. RTN	STD. DVTN
HDFC INDEX FUND	-3.10	3.60	29.47	5.27	1.80	7.41	12.72	1	2
ICICI PRUDENTIAL NIFTY INDEX LIC NOMURA MF INDEX FUND	-3.65	3.33	28.73	4.32	1.65	6.87	12.60	2	3
LIC NOMURA MF INDEX FUND	-4.11	2.47	28.57	3.52	0.52	6.19	12.85	3	1

Source: secondary data

**INTERPRETATION:**

The performance of index funds of ICICI prudential nifty fund, HDFC Index Fund, and LIC nomura MF index fund from the period 2015 to 2019 has been recorded in the above table. HDFC index fund gives a noticeable return than ICICI prudential nifty fund and LIC nomura MF index fund. On comparing the return for five years, HDFC index fund has indeed ranked better than the other two. ICICI prudential nifty fund has been attributed to having the lowest fluctuations with LIC nomura MF index fund having the highest.

**TABLE NO. 3: PERFORMANCE ANALYSIS OF INCOME FUNDS (RETURNS IN %)**

FUNDS	YEAR					AVERAGE RETURN	STD. DVTN	RANK	
	2015	2016	2017	2018	2019			AVG. RTN	STD. DVTN
BIRLA SUN LIFE INCOME PLUS FUND	4.67	14.24	2.77	5.03	8.6	7.06	4.53	2	2
HDFC INCOME FUND	5.40	14.37	1.30	3.50	6.76	6.27	4.97	3	1
ICICI PRUDENTIAL INCOME FUND	9.07	9.78	6.93	7.40	5.47	7.73	1.72	1	3

Source: secondary data

**INTERPRETATION:**

HDFC income fund, ICICI prudential income fund and Birla sun life income plus fund mentioned above shows the performance of income funds from 2015 to 2019. On comparison of the average returns for the past five years ICICI prudential income fund in comparison to the other

two has performed better. The standard deviation shows that HDFC income fund has comparatively the highest amount of fluctuation with ICICI prudential income fund the lowest.

**TABLE NO. 4: PERFORMANCE ANALYSIS OF BALANCED FUNDS (RETURNS IN %)**

FUNDS	YEAR					AVERAGE RETURN	STD. DVTN	RANK	
	2015	2016	2017	2018	2019			AVG. RTN	STD. DVTN
TATA BALANCED FUND	6.76	3.7	19.41	-2.07	-1.03	5.35	8.63	3	3
HDFC PRUDENCE FUND	0.29	5.88	35.46	-1.13	-4.05	7.29	16.15	1	1
RELIANCE RSF BALANCED FUND	8.26	3.89	29.53	-4.36	-6.75	6.11	14.43	2	2

Source: secondary data

**INTERPRETATION:**

TATA balanced fund, HDFC prudence N fund and reliance RSF balanced fund mentioned above shows the performance of balanced funds of from 2015 to 2019. In The previous years none of the balanced funds gave a appreciable returns due to high drop down in market value. HDFC prudence fund has given a good upshot than the other two funds comparing the average return of the five years. The reliance RSF balanced fund comparatively show less fluctuation so best suited for an investor who is in risk-averse.

**TABLE NO. 5: PERFORMANCE ANALYSIS OF LIQUID FUNDS (RETURNS IN %)**

FUNDS	YEAR					AVERAGE RETURN	STD. DVTN	RANK	
	2015	2016	2017	2018	2019			AVG. RTN	STD. DVTN
BIRLA SUN LIFE CASH PLUS FUND	8.38	7.76	6.73	7.49	4.68	7.01	1.43	1	1
BNP PARIBAS OVERNIGHT FUND	8.13	7.49	6.54	7.28	4.55	6.79	1.38	2	2
RELIANCE LIQUID FUND-CASH PLAN	7.64	7.63	6.65	7.42	4.64	6.79	1.27	2	3

Source: secondary data

**INTERPRETATION:**

The above table shows the Birla sun life cash plus fund, BNP Paribas overnight fund and reliance liquid fund cash plan for a period of 2015 to 2019. Birla sun life cash plus fund has high rate of return than the other two funds. All the three funds in this category has low

fluctuations comparatively and projected to be a good option for the investors.

**TABLE NO. 6: PERFORMANCE ANALYSIS OF GILT FUNDS (RETURN IN %)**

FUNDS	YEAR					AVERAGE RETURN	STD. DVTN	RANK	
	2015	2016	2017	2018	2019			AVG. RTN	STD. DVTN
IDFC G-SEC FUND	5.99	13.65	3.12	7.73	11.21	8.34	4.17	1	3
SBI MAGNUM GILT LTP FUND	7.51	16.12	3.87	5.07	11.15	8.74	4.97	2	1
BIRLA SUN LIFE G-SEC FUND	5.93	16.64	4.45	6.84	9.85	8.74	4.84	2	2

source: secondary data

**INTERPRETATION:**

IDFC G-sec fund, SBI magnum gilt LTP fund and Birla sun life G-sec fund mentioned above shows the performance of gilt funds of from 2015 to 2019. Birla sun life G-sec fund has a better performance than the other funds and a standard deviation of 4.83.

**TABLE NO. 7 : RANKING OF FUNDS BASED ON AVERAGE RETURN AND ITS STANDARD DEVIATION**

SERIAL NO.	CATEGORY	FUNDS	AVERAGE RETURN (INPERCENT)	STD DVTN	OVER ALL RANK	OVER ALL RANK
1	EQUITY FUNDS	SBI MAGNUM BLUE CHIP FUND	7.91	13.19	4	14
2	EQUITY FUNDS	BIRLA SUN LIFE FRONTLINE FUND	6.92	13.72	10.5	15
3	EQUITY FUNDS	HDPC TOP 100 FUND	6.92	14.86	10.5	17
4	INDEX FUNDS	HDPC INDEX FUND	7.41	12.72	6	12
5	INDEX FUNDS	ICICI PRUDENTIAL NIFTY INDEX	6.87	12.60	12	11
6	INDEX FUNDS	LIC NOMICRA MF INDEX FUND	6.19	12.85	16	13
7	INCOME FUNDS	BIRLA SUN LIFE INCOME PLUSFUND	7.06	4.53	8	6
8	INCOME FUNDS	HDPC INCOME FUND	6.27	4.97	15	8
9	INCOME FUNDS	ICICI PRUDENTIAL FUND	7.73	1.72	5	4
10	BALANCED FUNDS	TATA BALANCED FUND	5.53	8.63	18	10
11	BALANCED FUNDS	HDPC PRUDENCE FUND	7.29	16.15	7	18
12	BALANCED FUNDS	RELIANCE KRF BALANCED FUND	6.11	14.43	17	16
13	LIQUID FUNDS	BIRLA SUN LIFE CASH PLUSFUND	7.01	1.43	9	3
14	LIQUID FUNDS	BNF PARIBAS OVERNIGHTFUND	6.79	1.38	13.5	2
15	LIQUID FUNDS	RELIANCE LIQUID FUND CASH PLAN	6.79	1.27	14.5	1
16	GILT FUNDS	IDFC G-SEC FUND	8.34	4.17	3	5
17	GILT FUNDS	SBI MAGNUM GILT LTP FUND	8.74	4.97	1.5	8
18	GILT FUNDS	BIRLA SUN LIFE G-SEC FUND	8.74	4.84	1.5	7

**INTERPRETATION:**

From the above table where ranking method is used, it is originated that SBI magnum gilt LTP fund and Birla sun life g-sec fund has the highest

average return of 8.74 and TATA balanced fund has held the last place with a return of 5.53. it is also established from the above table that reliance liquid fund cash plan holds first with the lowest

fluctuation rate of 1.27 whereas HDFC prudence fund has the highest of 16.15

## VI. RESULTS

From the ranking method in the table 7 it is inferred that both the SBI magnum gilt LTP fund as well as the Birla sun life G-sec fund has secured first rank with 8.74 percent of average return and TATA balanced fund has held the last rank with a return of 5.53.

From the ranking method it is also pointed out that reliance liquid fund cash plan ranked first with the lowest standard deviation of 1.27 followed by BNP Paribas overnight fund with 1.38 percentage and HDFC prudence fund has the highest standard deviation of 16.15.

## VII. CONCLUSION

This study has compared an collection of diversified mutual funds. In India, there are immaculate mutual funds schemes are on the investors for them to choose out of the simplest. This research highlights some ideas on the performance of the mutual funds to assist the investors in taking logical decisions on investments in correct mutual funds scheme. This study will also outline as a basis for the evaluation of the mutual funds within the later years. The mutual funds are examined by various performance evaluation like average return, standard deviation, the result from this study will assist the investor in investing in right mutual fund schemes.

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