

Project Dissertation

COMPARATIVE ANALYSIS OF EQUITY AND DEBT FUND FOR TOP FIVE MUTUAL FUND COMPANY

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DECLARATION

I Manish Kumar Goyal, student of MBA 2013-2015 of Delhi School Of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that Project Dissertation on comparative analysis of equity and debt fund for top five mutual fund company submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge. This report is not being submitted to any other university for award of any other Degree, diploma and Fellowship

Place:

Manish Kumar Goyal

Date:

ACKNOWLEDGEMENT

I would like to express my sincerest gratitude to my guides, Dr.Archana Singh (Asst. Professor, Delhi School of Management) for constant support and valuable guidance throughout the duration of this project.

I thank you for your constant encouragement and support at every stage. I also laud you for your patience, keen research insights and scrutinizing eye for detail towards the successful completion of this project that has served as a tremendous value addition to our curriculum.

I also wish to thank the rest of the faculties of DSM without whose help and support this project could not have been completed.

Place:

Manish Kumar Goyal

Date:

EXECUTIVE SUMMARY

A mutual fund is a form of collective investment. It is a pool of money collected from various investors which is invested according to the stated investment objective. The fund manager is the person who invests the money in different types of securities according to the predetermined objectives. The portfolio of a mutual fund is decided taking into consideration this investment objective. Mutual fund investors are like shareholders and they own the fund. The income earned through these investments and the capital appreciation realized by the scheme is shared by its unit holders in proportion to the number of units owned by them. The value of the investments can go up or down, changing the value of the investors holding. Mutual funds are one of the best investments ever created because they are very cost efficient and very easy to invest in.

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CHAPTER 1 INTRODUCTION

1.1 Introduction of the Project

A mutual fund is a form of collective investment. It is a pool of money collected from various investors which is invested according to the stated investment objective. The fund manager is the person who invests the money in different types of securities according to the predetermined objectives. The portfolio of a mutual fund is decided taking into consideration this investment objective. Mutual fund investors are like shareholders and they own the fund. The income earned through these investments and the capital appreciation realized by the scheme is shared by its unit holders in proportion to the number of units owned by them. The value of the investments can go up or down, changing the value of the investors holding. Mutual funds are one of the best investments ever created because they are very cost efficient and very easy to invest in.



1.1 Working of Mutual Funds

The investment in securities through mutual funds is spread across wide range of industries and sectors and thus the risk is reduced. Diversification reduces the risk because all stocks may not move in the same direction at the same time. Various fund houses issue units to the

investors in accordance with the quantum of money invested by them. Investors of mutual funds are known as unit holders.

Mutual fund is the pool of the money, based on the trust who invests the savings of a number of investors who shares a common financial goal, like the capital appreciation and dividend earning. The money thus collect is then invested in capital market instruments such as shares, debenture, and foreign market. Investors invest money and get the units as per the unit value which we called as NAV (net assets value). Mutual fund is the most suitable investment for the common man as it offers an opportunity to invest in diversified portfolio management, good research team, professionally managed Indian stock as well as the foreign market, the main aim of the fund manager is to taking the scrip that have under value and future will rising, then fund manager sell out the stock. Fund manager concentration on risk – return trade off, where minimize the risk and maximize the return through diversification of the portfolio. The most common features of the mutual fund unit are low cost. The below I mention the how the transactions will done or working with mutual fund.

According to Invest India Economic Foundation, a **Mutual Fund** is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments such as shares, debentures and other securities. The income earned through these investments and the capital appreciation realised are shared by its unit holders in proportion to the number of units owned by them. Thus a Mutual Fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost.

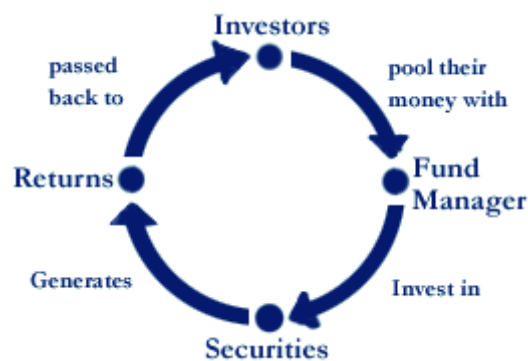
According to AMFI It is a fund operated by a professional investment firm that raises money from shareholders and invests it in a variety of stocks, bonds, money market instruments, futures or commodities that meet the investment objectives of the fund. Mutual funds allow investors to benefit from professional management and asset diversification, for which a fee is charged.

A Mutual Fund is the ideal investment vehicle for today's complex and modern financial scenario. Markets for equity shares, bonds and other fixed income instruments, real estate, derivatives and other assets have become mature and information driven. Price changes in these assets are driven by global events occurring in faraway places. A typical individual is unlikely to have the knowledge, skills, inclination and time to keep track of events,

understand their implications and act speedily. An individual also finds it difficult to keep track of ownership of his assets, investments, brokerage dues and bank transactions etc.

A Mutual Fund is the answer to all these situations. It appoints professionally qualified and experienced staff that manages each of these functions on a full time basis. The large pool of money collected in the fund allows it to hire such staff at a very low cost to each investor. In effect, the mutual fund vehicle exploits economies of scale in all three areas - research, investments and transaction processing.

The flow chart below describes broadly the working of a mutual fund:



1.2 Mutual Fund Operation Flow Chart

Source: www.amfiindia.com

Present Scenario:

The Indian mutual funds industry is booming as the number of players is on the rise and products are being rolled out by the dozen. Indian mutual funds (MFs) have rewarded their investors better than any other funds in world. According to a report by Lipper, a leading market research agency, Indian funds have grabbed eight of the top 10 ranks over a 10-year period. If one takes the last five years, they account for seven of the top 10 and over a 3-year period, six of the 10 best performing mutual funds are from India.

However this is in the medium and long term segments. If one takes a short-term view, there is no Indian fund among the top 10 global performers over last year (November 1, 2009 to October 31, 2013) under preview.

As of today the size of the asset under management (AUM) in India is \$150 billion against the country's GDP of \$ 1.842 trillion. In some developed economies AUM size is close to the GDP figure. This clearly shows the further scope for growth.

The MF sector has around 44 active players and they have mopped up nearly \$8 billion through equity mutual fund schemes. Market pundits expect that this will further grow to \$ 22-27 billion. Thirty-eight new equity schemes were launched in 2012 and garnered around \$13.9 billion. New categories of funds, like capital protection-oriented funds and equity derivative funds were launched.

In calendar year 2013, the total AUM of mutual funds grew 3.2 percent to cross the \$150 billion.

The MF industry had achieved this landmark first in August 2006 according to the data released by Association of Mutual Funds in India (AMFI).

While, the Securities and Exchange Board of India (SEBI) has already made few amendments for launch of gold exchange-traded funds, whereby investors can trade in gold as any other instrument, it is likely to take a final call on realty funds as well.

1.2 Objectives of Study

- The objective of the research is to do an Comparative Analysis on Mutual Fund Schemes.
- To get insight knowledge about mutual funds, to know the Mutual fund is one of the investment criteria, how its work, benefit of investing in mutual fund to both as a investor and company.
- To understand the tools that can be used to measure the performance of various mutual funds.
- To know the mutual funds' performance levels in the present market. It is one of the investing activities of marketable asset.

CHAPTER 2 LITERATURE REVIEW

- (Lamba, 2012) in his paper “A study of Opportunities and Challenges for Mutual Fund in India” has focused on mutual funds and its impact on Indian economy. This paper focuses on the analysis of mutual funds, its benefits and drawbacks. Study finds out the why it is better to invest in mutual funds, keeping in mind the rise and fall in the money market. The 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.
- Sahil Jain (IIT Roorkee) in his paper “Analysis of equity based mutual funds in India” has studied a total of 45 schemes offered by 2 private sector companies and 2 public sector companies and analyzed their performance using the risk return relationship and capital asset pricing mode(CAPM). The overall analysis finds that HDFC and ICICI have been the best performers, UTI an average performer and LIC the worst performer which gave below expected returns on the risk return relationship. (Jain, 2012)
- Dr. Shantanu Mehta and Charmi Shah in their paper “Preference of Investors for Indian Mutual Funds and its Performance Evaluation” have an objective to know the preference of mutual funds investors and performance evaluation of preferred schemes by the investors. They concluded that diversification is quite important so that portfolio is not dependent on the performance of one single fund. They found out that NAV cannot be used single handedly for judging a fund. Beta, standard deviation, treynor ratio, sharpe ratio are equally important and used alongside to measure the performance.
- T. S. Somashekar in his paper “Performance and Regulation of Mutual Funds in India: An Economic Analysis” has studied fund performance using standard deviation of returns i.e. the risk element, sharpe ratio and treynor index. In this paper, comparison has been made on the basis of sortino ratio which uses semi variance as a measure of risk. It also clarifies the undermined benefits of regulatory constraints and their accompanying costs.
- Dr. Ravi Vyas in his paper “Mutual Fund Investor’s Behaviour and Perception in Indore City” aims on number of factors that highlights investors’ perception about mutual funds. It was found that mutual funds were not that much known to investors, still investors rely upon bank and post office deposits, most of the investor used to invest in

mutual fund for not more than 3 years and they used to quit from the fund which were not giving desired results. This paper also states that maximum number of investors did not analyse the risk in their investment and they are dependent on the broker and agent for their work. (Vyas, 2012)

- Theodore Prince and Frank Bacon in their paper “Analyzing Mutual Fund Performance Against Established Performance Benchmarks: A Test of Market Efficiency” analyzed the small cap growth stock sector of the mutual fund industry against risk free and market over the ten years 1997-2006. They tested the results against a toolkit of performance benchmarks to see if expected performance closely corresponds to the actual results. Results indicated that some excess returns have been generated but it is impossible to rely upon a single benchmarks as a reliable indication of even past performance.
- R. M. Kamble in his paper “Mutual Funds and SEBI Regulations” discussed the meaning, nature of mutual funds, procedure, importance of SEBI and its mechanism in India and also examined the growth of mutual funds and analyzed the operations of mutual funds and suggested some measures to make it a successful scheme in India. (Kamble, 2013)

CHAPTER 3 METHODOLOGY

The data required for the study may be collected either from primary sources or from secondary sources. A major portion of the data in this study has been collected through secondary sources of data.

- The information is mostly taken from websites, books, news paper etc.
- Published material and annual reports of mutual fund companies
- Other published material of mutual funds.
- Research based online portals.

3.1 Mutual Fund Return Calculation Tools & Methods

Beta

It describes the sensitivity between the stock's return and the index returns. If beta of a stock is 1 it means that stock will move same as the market.

$$\beta = \text{cov}(\text{security}, \text{market}) / (\sigma(\text{market}) * \sigma(\text{Stock}))$$

Correlation Co-Efficient

It measures the nature and the extent of relationship between the stock market index returns and a fund's return in a particular period.

$$r = \frac{n\sum xy - (\sum x)(\sum y)}{\sqrt{n\sum x^2 - (\sum x)^2} \sqrt{n\sum y^2 - (\sum y)^2}}$$

Co-Efficient Of Determination

The square of correlation coefficient is the co-efficient of determination. It gives the percentage variation in the stock's return explained by the variation in the market return.

Treynor's Ratio

The Treynor Ratio, named after Jack L. Treynor, one of the fathers of modern portfolio theory, helps analyze returns in relation to the market risk of the fund. The Ratio, also known as the reward-to-volatility ratio, provides a measure of performance adjusted for market risk. Higher the Treynor Ratio, the better the performance under analysis.

$$T = \frac{R - RFR}{\beta}$$

Where,

R – Return on investment.

RFR – Risk Free Return

Sharpe's Ratio

Sharpe's ratio is similar to treynor's ratio the difference being, instead of beta here we take standard deviation. As standard deviation represents the total risk experienced by the fund, it reflects the returns generated by undertaking all possible risks. A higher Sharpe's ratio is better as it represents a higher return generated per unit of risk.

$$S = \frac{R - RFR}{\sigma}$$

Return

A return is a measurement of how much an investment has increased or decreased in value over any given time period. In particular, an annual return is the percentage by which it increased or decreased over any twelve-month period.

Formula: $\frac{(P1-p0)}{P0}$

Mean

The mean average is a quick mathematical measure of a number of data points as a unit. It will tell you important information about a group of data in your business. It is almost a summary of all the data in your dataset.

Mean: Mean = Sum of X values / N (Number of values)

Standard Deviation

The degree that a single value in a group of values varies from the mean (average) of the distribution. Standard deviation is a statistical measure that uses past performance of an investment or portfolio to determine the potential range of future performance and assess the probability of that performance. Standard deviations can be calculated for an individual security or for the entire portfolio

$$S = \sqrt{\frac{\sum(X-M)^2}{n-1}}$$

Variance

Variance = s^2

Jensen Ratio (Jr)

A risk-adjusted performance measure that represents the average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. This is the portfolio's alpha. In fact, the concept is sometimes referred to as "Jensen's alpha."

$$\text{Jensen Ratio (JR)} = \frac{\alpha}{\beta}$$

CHAPTER 4 DATA ANALYSIS

4.1 Introduction to Mutual Fund Companies

HDFC Asset Management Company Limited (AMC)

HDFC Asset Management Company Ltd (AMC) was incorporated under the Companies Act, 1956, on December 10, 1999, and was approved to act as an Asset Management Company for the HDFC Mutual Fund by SEBI vide its letter dated July 3, 2000.

The registered office of the AMC is situated at “HUL House”, 2nd Floor, H. T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020.

In terms of the Investment Management Agreement, the Trustee has appointed the HDFC Asset Management Company Limited to manage the Mutual Fund. The paid up capital of the AMC is Rs. 25.241 crore as on September 30, 2013.

Products and Schemes of HDFC mutual fund

- ❖ Equity funds.
- ❖ Debt funds.
- ❖ Hybrid funds.

Reliance Mutual Fund

Reliance Mutual Fund, a part of the Reliance Group, is one of the fastest growing mutual funds in India. RMF offers investors a well-rounded portfolio of products to meet varying investor requirements and has presence in 179 cities across the country. Reliance Mutual Fund constantly endeavors to launch innovative products and customer service initiatives to increase value to investors. Reliance Capital Asset Management Limited (‘RCAM’) is the asset manager of Reliance Mutual Fund. RCAM is a subsidiary of Reliance Capital Limited (RCL). Presently, RCL holds 65.23% of its total issued and paid-up equity share capital and the balance of its issued and paid up equity share capital is held by other shareholders which includes Nippon Life Insurance Company (“NLI”), holding 26% of RCAM’s total issued and

paid up equity share capital. NLI acquired the said 26% share holding in RCAM on August 17, 2012.

Products and Schemes of RELIANCE mutual fund

- ❖ Equity funds.
- ❖ Debt funds.
- ❖ Hybrid funds.

SBI Mutual fund

With 25 years of rich experience in fund management, we at SBI Funds Management Pvt. Ltd. bring forward our expertise by consistently delivering value to our investors. We have a strong and proud lineage that traces back to the State Bank of India (SBI) - India's largest bank. We are a Joint Venture between SBI and AMUNDI (France), one of the world's leading fund management companies.

With our network of over 222 points of acceptance across India, we deliver value and nurture the trust of our vast and varied family of investors.

Excellence has no substitute. And to ensure excellence right from the first stage of product development to the post-investment stage, we are ably guided by our philosophy of 'growth through innovation' and our stable investment policies. This dedication is what helps our customers achieve their financial objectives.

Products and Schemes of SBI mutual fund

- ❖ Equity funds.
- ❖ Debt funds.
- ❖ Hybrid funds.

UTI Mutual Fund

our product portfolio is managed by dedicated management teams to create optimum balance and results. Our key people help us serve you better and grow your money.

aims to deliver consistent and stable returns in the medium to long term. With a fairly lower volatility of fund returns, compared to the broad market, we offer a balanced and well - diversified portfolio based on rigorous in-house research.

Products and Schemes of UTI mutual fund

- ❖ Equity funds.
- ❖ Debt funds.
- ❖ Hybrid funds.

IDFC Asset Management Company Ltd.

IDFC was established in 2000 and is already one of the largest Mutual Fund houses in India. In a relatively short span of time, it has developed a robust network to deliver consistent value to its investors across India.

This partnership will give IDFC AMC the ability to offer domestic investors access to international investment opportunities through investment products managed by NGAM. Natixis Global Asset Management is one of the largest asset managers in the world based on assets under management.

Products and Schemes of IDFC mutual fund

- ❖ Equity funds.
- ❖ Debt funds.
- ❖ Hybrid funds.

4.2 Comparative analysis of Equity Funds

HDFC Mutual Fund

Capital appreciation over long term. Investment predominantly in equity and equity related instruments of medium to large sized companies High risk.

Investment Information	
Fund Name	HDFC Equity Fund
Fund Type	Open-ended Growth Scheme
Fund Manager	Prashant Jain
Inception Date	January 1, 1995
Average AUM (Rs.)	1,024,948.77
Min .Investment -Lumpsum / SIP	5000 // 1000
Asset Allocation -Equity / Debt	95% // 05%

Table 1 HDFC Equity Fund Info

Performance	
Beta	10572
R Square	===
Standard Deviation	5.94%
Sharp	-0.0070
Portfolio Turnover	39.09%
Benchmark	CNX 500 Index
Net Asset Value (31/12/2013)	235.40

Table 2HDFC Equity Fund Performance

Period	NAV per Unit (Rs.)	Benchmark Returns (%)	Schemes Returns (%)
January 1, 1995	10.000	8.89	19.69
Dec 31,2012 To Dec 31,2013	293.424	3.67	3.82
Dec 30,2011 To Dec 31,2012	218.737	16.83	17.96
Dec 31,2010 To Dec 31,2011	298.501	-0.18	0.68

Table 3 HDFC Equity Fund Returns

Reliance Mutual Fund

The primary investment objective of the scheme is to seek to generate long term capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity & equity related securities and Derivatives and the secondary objective is to generate consistent returns by investing in debt and money market securities.

Investment Information	
Fund Name	Reliance Long Term Equity Fund
Fund Type	Open-Ended
Fund Manager	Samir Singhanian
Inception Date	27,Dec,2006
Average AUM	754.62 Cr.
Min .Investment -Lumpsum / SIP	5000 // 1000
Asset Allocation -Equity / Debt	98.72% // 1.28%

Table 4 Reliance Equity Fund Info

Performance	
Beta	0.84
R Square	0.89
Standard Deviation	2.49%
Sharp	-0.0022
Portfolio Turnover	0.15
Benchmark	S & P BSC 200 Index
Net Asset Value (31/01/2014)	17.66

Table 5 Reliance Equity Fund Performance

Period	NAV per Unit (Rs.)	Benchmark Returns (%)	Schemes Returns (%)
27,Dec,2006	10.15	4.76	6.75
Dec 31,2012 To Dec 31,2013	14.93	-7.70	-2.58
Dec 30,2011 To Dec 31,2012	15.00	3.19	-0.45
Dec 31,2010 To Dec 31,2011	10.80	23.06	38.84

Table 6 Reliance Equity Fund Returns

SBI Mutual Fund

To provide the investor long-term capital appreciation by investing in high growth companies along with the liquidity of an open-ended scheme through investments primarily in equities and the balance in debt and money market instruments.

Investment Information	
Fund Name	SBI Magnam Equity Fund
Fund Type	Open-Ended
Fund Manager	R.Srinivasan
Inception Date	1,Jan,1991
Average AUM	1052.84 Cr.
Min .Investment -Lumpsum / SIP	5000 // 1000
Asset Allocation -Equity / Debt	94.81% // 5.19%

Table 7 SBI Equity Fund Info

Performance	
Beta	0.86
R Square	0.96
Standard Deviation	16.18%
Sharp	-0.17
Portfolio Turnover	0.73
Benchmark	CNX NIFTY Index
Net Asset Value (31/01/2014)	49.50

Table 8SBI Equity Fund performance

Period	NAV per Unit (Rs.)	Benchmark Returns (%)	Schemes Returns (%)
1,Jan,1991	10.00	--	14.33
Dec 31,2012 To Dec 31,2013	32.22	--	5.54
Dec 30,2011 To Dec 31,2012	28.44	--	29.89
Dec 31,2010 To Dec 31,2011	29.27	--	-19.71

Table 9 SBI Equity Fund Returns

UTI Mutual Fund

This Scheme primarily aims at securing for the unitholders capital appreciation by investing the funds of the scheme in equity shares and convertible and non-convertible bonds/debentures of companies with good growth prospects and money market instruments.

Investment Information	
Fund Name	UTI Equity Fund
Fund Type	Open – Ended
Fund Manager	Anoop Bhaskar
Inception Date	18,May,1992
Average AUM	2386 Cr.
Min .Investment -Lumpsum / SIP	5000 // 1000
Asset Allocation -Equity / Debt	80% // 20%

Table 10 UTI Equity Fund Info

Performance	
Beta	0.84
R Square	--
Standard Deviation	15.2%
Sharp	--
Portfolio Turnover	0.23
Benchmark	S & P BSC 100
Net Asset Value (31/01/2014)	11.38

Table 11 UTI Equity Fund Performance

Period	NAV per Unit (Rs.)	Benchmark Returns (%)	Schemes Returns (%)
18,May,1992	11.38	9.56	9.14
Dec 31,2012 To Dec 31,2013	7.56	5.87	6.76
Dec 30,2011 To Dec 31,2012	32.15	29.96	27.70
Dec 31,2010 To Dec 31,2011	-19.09	-25.73	-24.62

Table 12 UTI Equity Fund Returns

IDFC Mutual Fund

IDFC Premier Equity Fund is an unrestricted diversified equity fund that invests across market caps. The fund follows a buy and hold strategy, invests in companies that are at an early stage in their economic cycle. Attempts to capture shifts in the business environment, looks for growth in companies and polarise towards an idea or theme.

Investment Information	
Fund Name	IDFC Premier Equity Fund
Fund Type	Open – Ended
Fund Manager	Kenneth Andrade
Inception Date	28,Sept,2005
Average AUM	3449.39 Cr.
Min .Investment -Lumpsum / SIP	5000 // 2000
Asset Allocation -Equity / Debt	89.89% // 10.11%

Table 13 IDFC Equity Fund Info

Performance	
Beta	0.82
R Square	0.82
Standard Deviation	4.92%
Sharp	1.44
Portfolio Turnover	0.31
Benchmark	S & P BSC 500 Index
Net Asset Value (31/01/2014)	42.44

Table 14 IDFC Equity Fund Performance

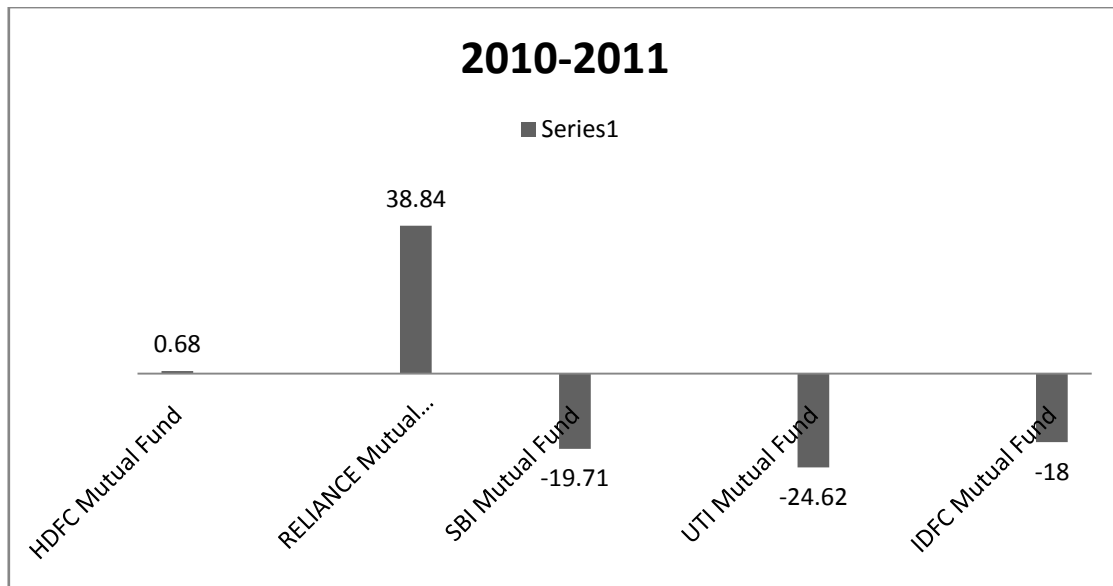
Period	NAV per Unit (Rs.)	Benchmark Returns (%)	Schemes Returns (%)
28,Sept,2005	10.00	10.14	19.12
Dec 31,2012 To Dec 31,2013	40.18	3.25	5.62
Dec 30,2011 To Dec 31,2012	28.53	31.20	40.84
Dec 31,2010 To Dec 31,2011	34.79	-27.41	-18.00

Table 15 IDFC Equity Fund Returns

Data Interpretation

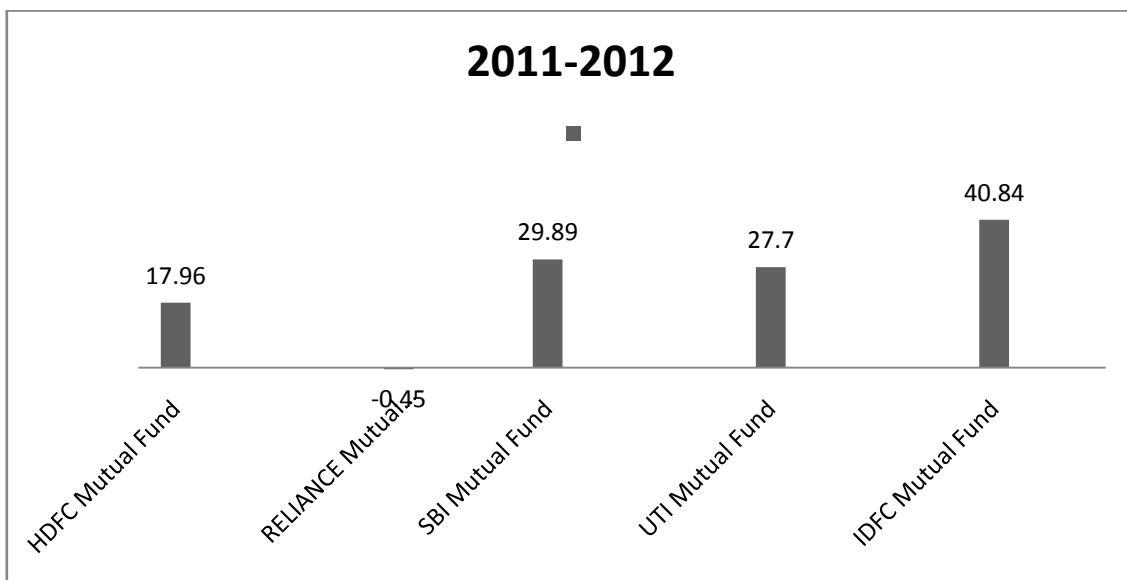
Particular	2010-2011 Returns (%)	2011-2012 Returns (%)	2012-2013 Returns (%)
HDFC Mutual Fund	0.68	17.96	3.82
RELIANCE Mutual Fund	38.84	-0.45	-2.58
SBI Mutual Fund	-19.71	29.89	5.54
UTI Mutual Fund	-24.62	27.70	6.76
IDFC Mutual Fund	-18.00	40.84	5.62

Table 16 Comparative Returns Analysis Result Of Equity Schemes For Top Five Company



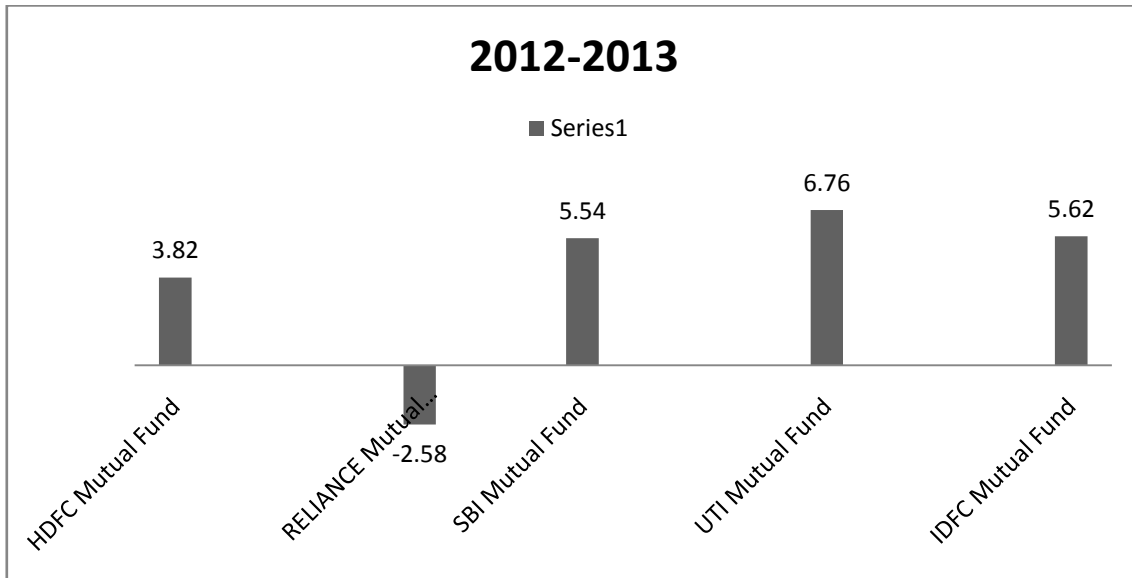
4.1 Returns of Equity Funds for year 2010-11

Above the chart defines as in 2010-2011 during the Reliance MF company gives more than other companies return or we can say, the Reliance MF gives positive returns as 38.84% and other companies are gives in negative returns.



4.2 Returns of Equity Funds for year 2011-12

Above the chart define as in 2011-2012 during the Reliance MF company gives negative returns as -0.45% other than company,so in this year the IDFC MF company gives highest returns as 40.84%.



4.3 Returns of Equity Funds for year 2012-13

Above the chart defines as in 2012-2013 during the Reliance MF company gave negative returns as -2.58% other than company, so in this year the UTI MF company gives highest return as 6.76%.

4.3 Comparative analysis of Debt Funds

HDFC Mutual Fund

Regular income over short to medium term. Investment in debt and money market instruments and government securities with maturities not exceeding 36 months, Low risk.

Investment Information	
Fund Name	HDFC Short Term Opportunity Fund
Fund Type	Open – Ended
Fund Manager	Anil Bomboli
Inception Date	25,June,2010

Average AUM	230,352.95 Rs.
Min .Investment -Lumpsum / SIP	5000 // 1000
Benchmark	CRISIL Short Term Bond Fund
Dividend	10.0940 (11,Nov,2013)
Net Asset Value	13.48

Table 17 HDFC Debt Fund Info

Period	Return In (%)
1 Month	0.4
6 Months	6.7
1 Year	8.3
3 Year	30.2
5 Year	37

Table 18 HDFC Debt Fund Returns

Reliance Mutual Fund

The primary investment objective of the scheme is to generate optimal returns consistent with moderate levels of risk. This income may be complemented by capital appreciation of the portfolio. Accordingly, investments shall predominantly be made in Debt and Money Market Instruments.

Investment Information	
Fund Name	Reliance Dynamic Bond Fund
Fund Type	Open – Ended
Fund Manager	Prashant Pimple
Inception Date	16,Nov,2004
Average AUM	6904.11 Cr.
Min .Investment -Lumpsum / SIP	5000 // 1000
Benchmark	CRISIL Composite Bond Fund Index
Dividend	10.4023 (20,June,2013)
Net Asset Value	16.30

Table 19 Reliance Debt Fund Info

Period	Return In (%)
1 Month	-1.1
6 Months	6.8
1 Year	3.1
3 Year	28.4
5 Year	36.7

Table 20 HDFC Debt Fund Returns

SBI Mutual Fund

To actively manage a portfolio of good quality debt as well as Money Market Instruments so as to provide reasonable returns and liquidity to the Unit holders.

Investment Information	
Fund Name	SBI Dynamic Bond Fund
Fund Type	Open – Ended
Fund Manager	Dinesh Ahuja
Inception Date	09, Feb, 2004
Average AUM	5711.34 Cr.
Min .Investment -Lumpsum / SIP	5000 // 1000
Benchmark	CRISIL Composite Bond Fund Index
Dividend	11.75 (3, Jan, 2014)
Net Asset Value	15.30

Table 21 SBI Debt Fund Info

Period	Return In (%)
1 Month	-0.9
6 Months	5.4
1 Year	1.6
3 Year	28.4
5 Year	41.08

Table 22 SBI Debt Fund Returns

UTI Mutual Fund

The Scheme will retain the flexibility to invest in the entire range of debt and money market instruments. The flexibility is being retained to adjust the portfolio in response to a change in the risk to return equation for asset classes under investment, with a view to maintain risks within manageable limits.

Investment Information	
Fund Name	UTI Bond Fond
Fund Type	Open – Ended
Fund Manager	Amandeep S. Chopra
Inception Date	4,May,1998
Average AUM	3204.99 Cr.
Min .Investment -Lumpsum / SIP	5000 // 1000
Benchmark	CRISIL Composite Bond Fund Index
Dividend	12.09 (23,Dec,2013)
Net Asset Value	17.32

Table 23 UTI Debt Fund Info

Period	Return In (%)
1 Month	-1.1
6 Months	3.6
1 Year	1.7
3 Year	28.1
5 Year	38.9

Table 24 UTI Debt Fund Returns

IDFC Mutual Fund

The fund is positioned in the income fund category to take exposure across the curve depending upon the fund manager's underlying interest rate view where we employ the majority of the portfolio. It is a wide structure and conceptually can go anywhere on the curve. The fund plays the trade of the season which we think will sustain for a longer period of time. However, a part of the fund can be used to opportunistically play trading opportunities.

Investment Information	
Fund Name	IDFC Dynamic Bond Fund
Fund Type	Open – Ended
Fund Manager	Suyash Choudhry
Inception Date	25,June,2002
Average AUM	6455.91 Cr.
Min .Investment -Lumpsum / SIP	5000 // 1000
Benchmark	CRISIL Composite Bond Fund Index
Dividend	11.97 (28,May,2013)
Net Asset Value	14.21

Table 25 IDFC Debt Fund Info

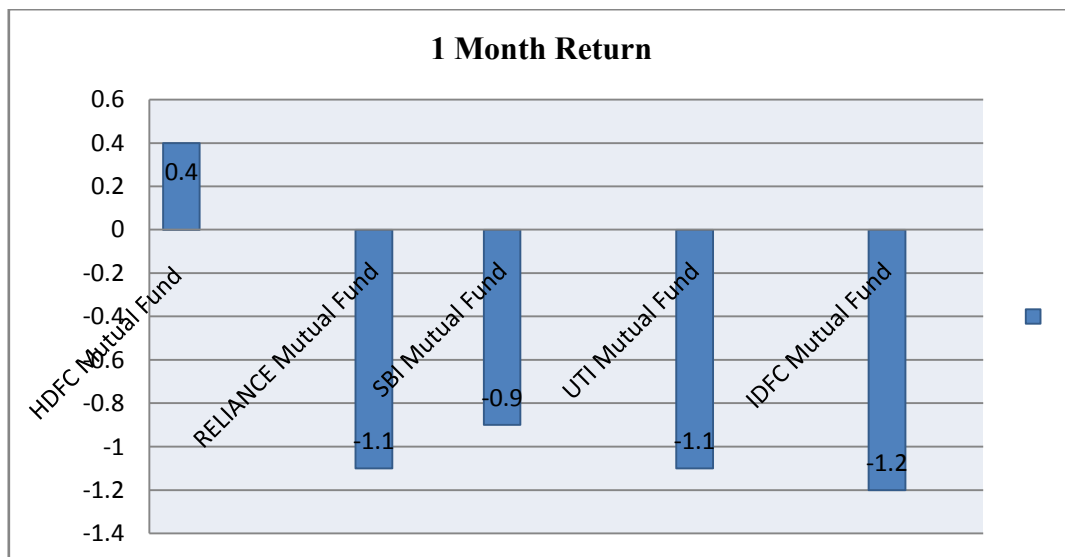
Period	Return In (%)
1 Month	-1.2
6 Months	5.7
1 Year	2.8
3 Year	29.3
5 Year	37.5

Table 26 IDFC Debt Fund Returns

Comparative Returns Analysis Result Of Debt Schemes For Top Five Company

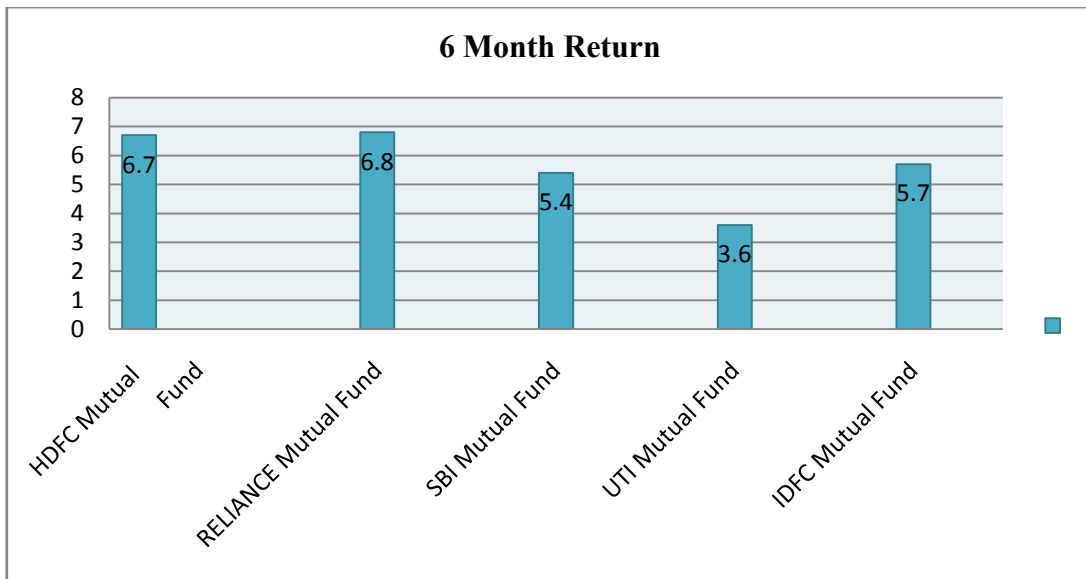
Particular	1 Month Return (%)	6 Month Return (%)	1 Year Return (%)	3 Year Return (%)	5 Year Return (%)
HDFC Mutual Fund	0.4	6.7	8.3	30.2	37
RELIANCE Mutual Fund	-1.1	6.8	3.1	28.4	36.7

SBI Mutual Fund	-0.9	5.4	1.6	28.4	41.8
UTI Mutual Fund	-1.1	3.6	1.7	28.1	38.9
IDFC Mutual Fund	-1.2	5.7	2.8	29.3	37.5



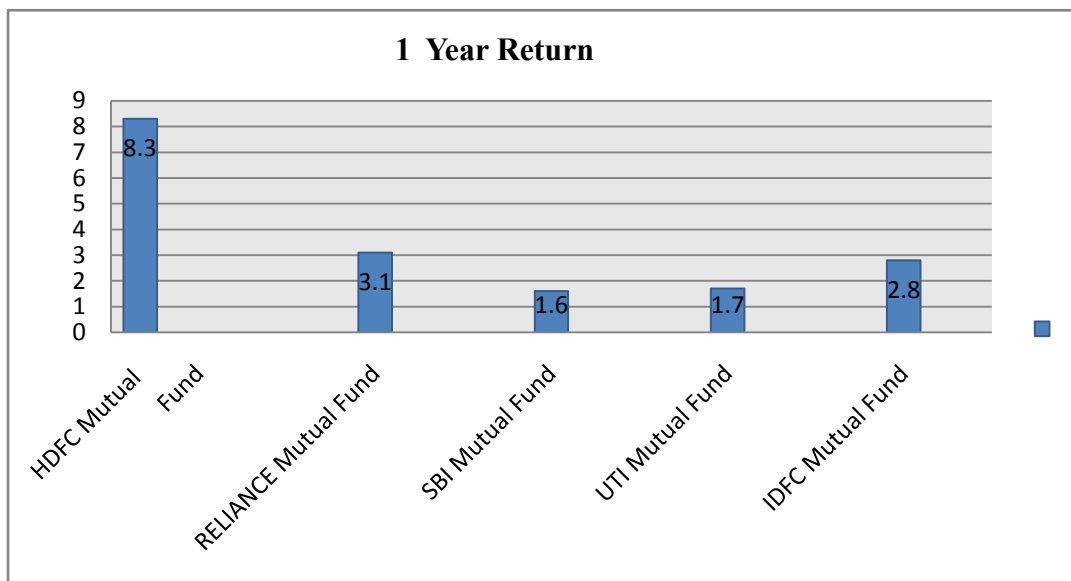
4.4 One Month Returns of Debt Funds

Above the chart defines 1 month return of debt schemes of top five mutual fund company, in this chart define HDFC MF companies shows positive result as 0.4% and other companies are negative.



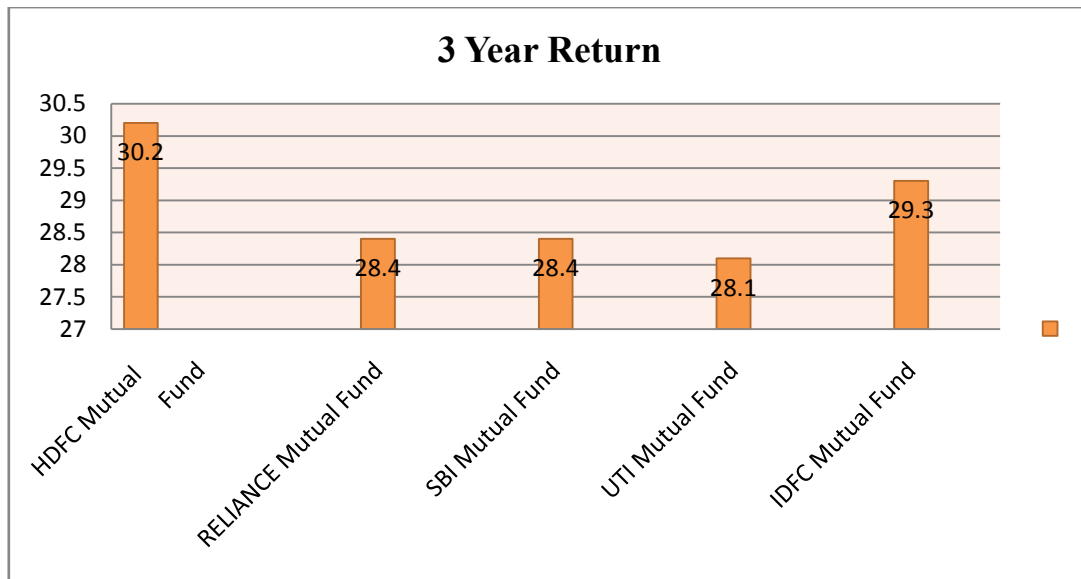
4.5 Six Month Returns of Debt Funds

Above the chart defines 6 month return of debt schemes of top five mutual fund company, during this chart the RELIANCE MF company gives highest return as 6.8% than other MF companies.



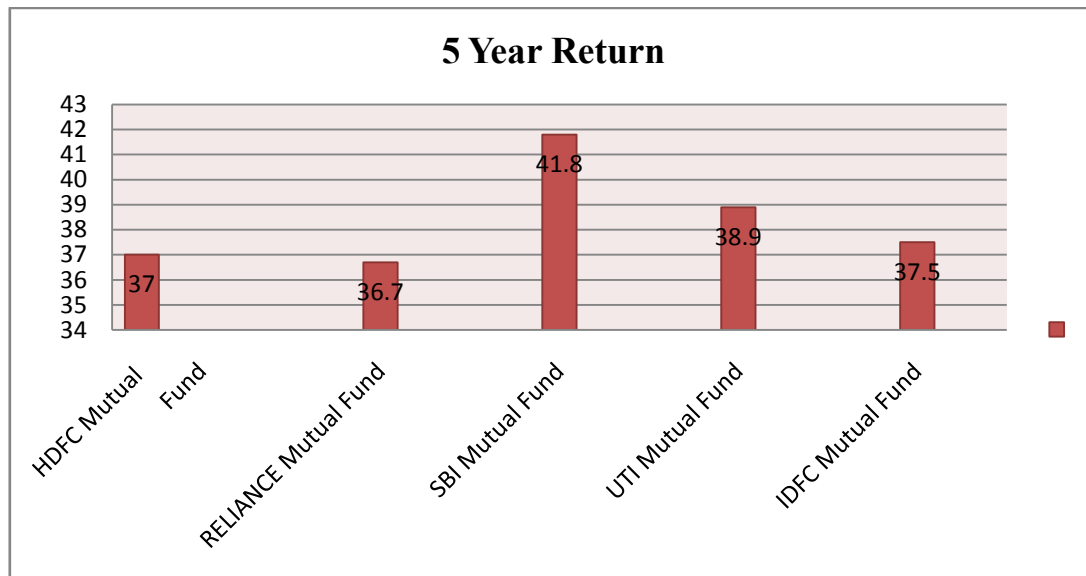
4.6 One Year Returns of Debt Funds

Above the chart defines 1 year return of debt schemes of top five mutual fund company, during this chart the HDFC MF company gives highest return as 8.3% than other MF companies.



4.7 Three Year Returns of Debt Funds

Above the chart defines 3 year return of debt schemes of top five mutual fund company, during this chart the HDFC MF company gives highest return as 30.2% than other MF companies.



4.8 Five Year Returns of Debt Funds

Above the chart defines 5 year return of debt schemes of top five mutual fund company, during this chart the SBI MF company gives highest return as 41.8% than other MF companies.

4.4 Comparative analysis of Hybrid funds

HDFC Mutual Fund

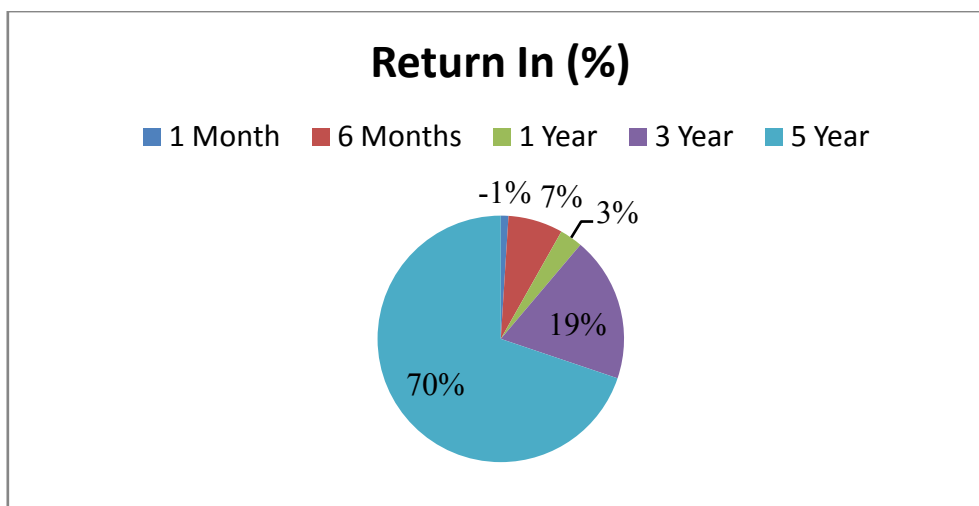
Regular income over medium to long term, Investment in debt and money market instruments as well as equity and equity related instruments, Medium risk.

Investment Information	
Fund Name	HDFC Monthly Income Plan
Fund Type	Open - Ended
Fund Manager	Prashant Jain & Shobit Mehrotra
Inception Date	26,Dec,2003
Average AUM	3940.83Cr
Min .Investment -Lumpsum / SIP	5000
Benchmark	Crisil MIP Blended Index
Dividend	11.62 (27,Jan,2014)

Table 27 HDFC Hybrid Fund Info

Period	Return In (%)
1 Month	-1.1
6 Months	7.9
1 Year	3.3
3 Year	20.9
5 Year	76.8

Table 28 HDFC Hybrid Fund Returns



4.9 Returns of HDFC

Reliance Mutual Fund

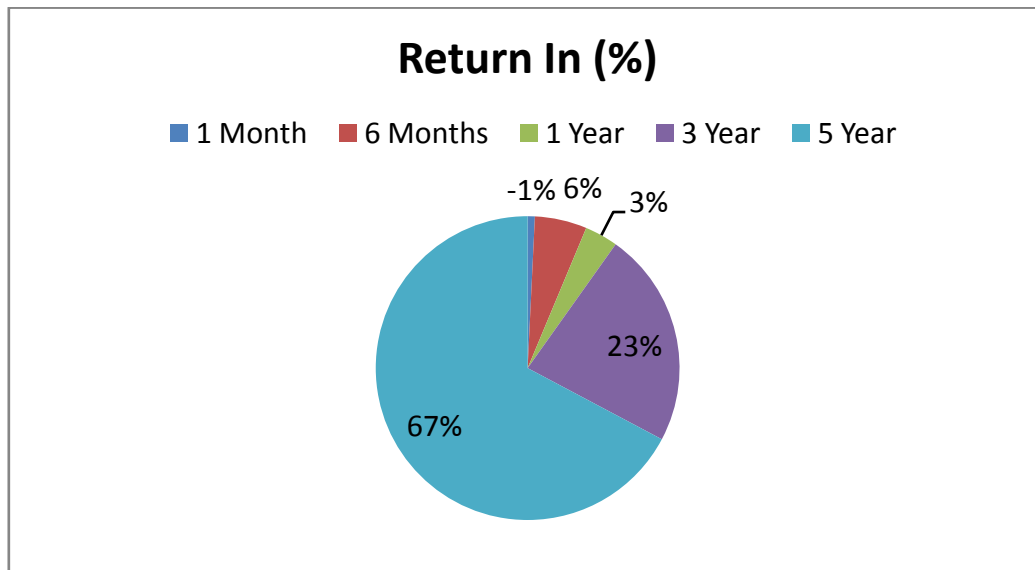
The primary investment objective of the scheme is to generate regular income in order to make regular dividend payments to unitholders and the secondary objective is growth of capital.

Investment Information	
Fund Name	Reliance Monthly Income Plan
Fund Type	Open - Ended
Fund Manager	Amit Tripathi & Sanjay Parekh
Inception Date	13,Jan,2004
Average AUM	2864.84Cr.
Min .Investment -Lumpsum / SIP	5000
Benchmark	Crisil MIP Blended Index
Dividend	10.80

Table 29 Reliance Hybrid Fund Info

Period	Return In (%)
1 Month	-0.8
6 Months	5.8
1 Year	3.7
3 Year	24.0
5 Year	70.4

Table 30 Reliance Hybrid Fund Returns



4.10 Returns of Reliance MF

SBI Mutual Fund

To provide regular income, liquidity and attractive returns to the investors through an actively managed portfolio of debt, equity and money market instruments.

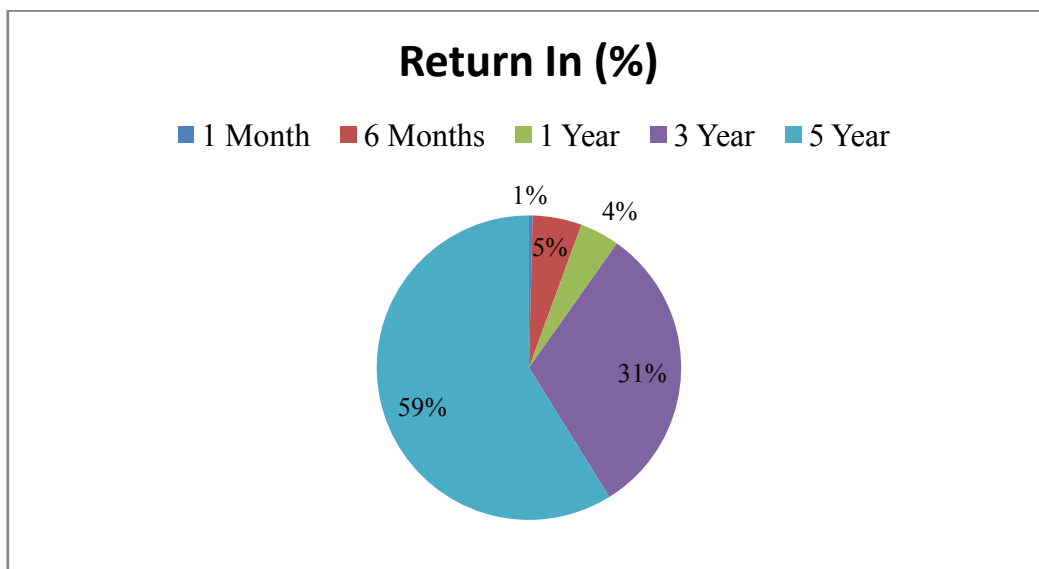
Investment Information	
Fund Name	SBI Magnam Monthly Incom Plan
Fund Type	Open - Ended
Fund Manager	Ruchit Mehta & Dinesh Ahuja
Inception Date	9, April, 2001
Average AUM	346.10Cr.

Min .Investment -Lumpsum / SIP	5000
Benchmark	Crisil MIP Blended Index
Dividend	11.11 (31,Dec,2013)

Table 31 SBI Hybrid Fund Info

Period	Return In (%)
1 Month	-0.3
6 Months	4.1
1 Year	3.3
3 Year	24.6
5 Year	46.2

Table 32 SBI Hybrid Fund Returns



4.11 Returns of SBI MF

UTI Mutual Fund

The scheme aims at distributing income, if any, periodically.

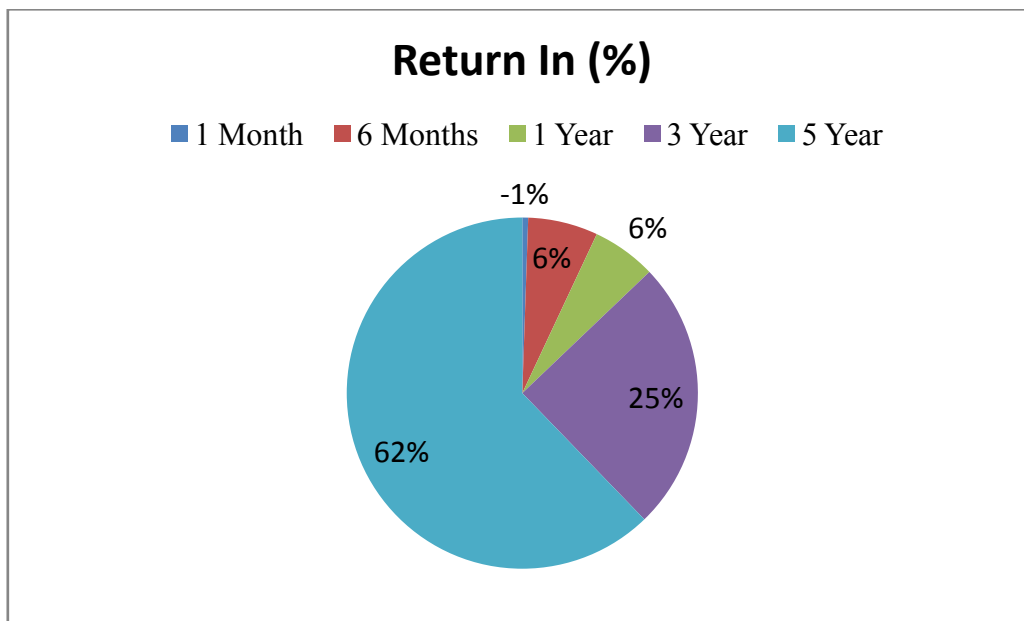
Investment Information	
Fund Name	UTI Monthly Income Fund
Fund Type	Open - Ended
Fund Manager	V. Srivatsa

Inception Date	12,Sept,2012
Average AUM	285.17Cr.
Min .Investment -Lumpsum / SIP	5000
Benchmark	Crisil MIP Blended Index
Dividend	11.45 (31,Dec,2013)

Table 33 UTI Hybrid Fund Info

Period	Return In (%)
1 Month	-0.5
6 Months	6.0
1 Year	5.5
3 Year	23.2
5 Year	58.0

Table 34 UTI Hybrid Fund Returns



4.12 Returns of UTI MF

IDFC Mutual Fund

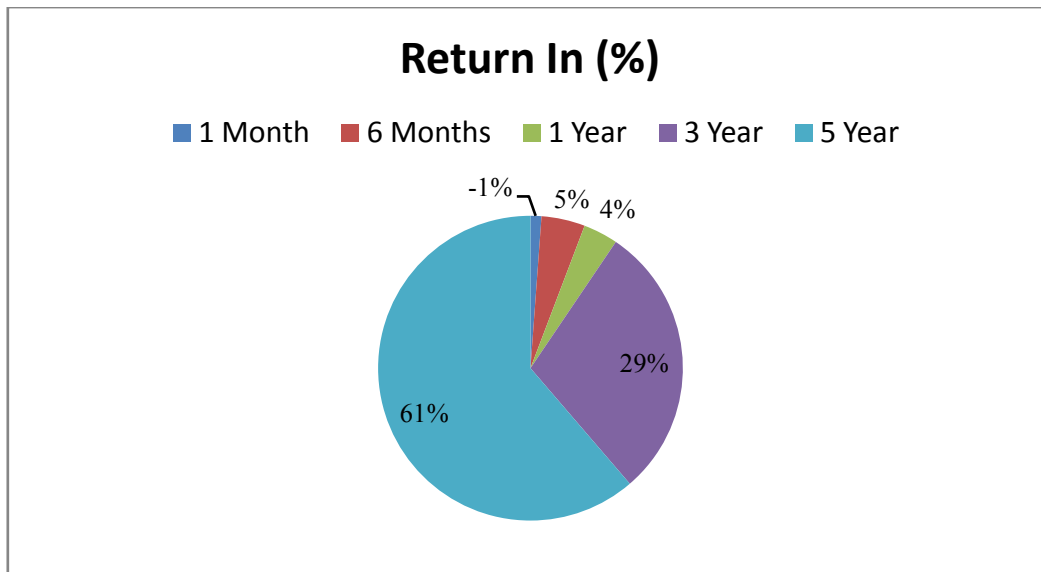
MIP is an actively managed fund which endeavors to deliver consistent performance and limit downside risk. It is a blend of high quality fixed income assets and equity assets.

Investment Information	
Fund Name	IDFC Monthly Income Plan
Fund Type	Open -Ended
Fund Manager	Punam Sharma
Inception Date	25, Feb, 2010
Average AUM	307.04
Min .Investment -Lumpsum / SIP	5000
Benchmark	Crisil MIP Blended Index
Dividend	11.43 (28, Jan, 2014)

Table 35 IDFC Hybrid Fund Info

Period	Return In (%)
1 Month	-1.1
6 Months	4.4
1 Year	3.5
3 Year	27.8
5 Year	58.3

Table 36 IDFC Hybrid Fund Returns

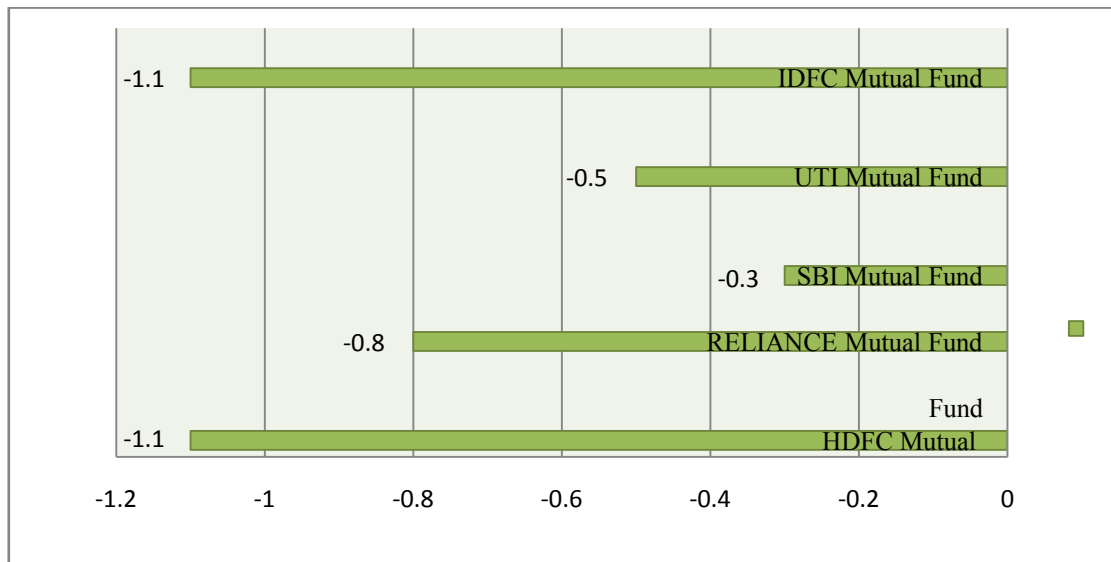


4.13 Returns of IDFC MF

Comparative Returns Analysis Result Of Hybrid Schemes For Top Five Company

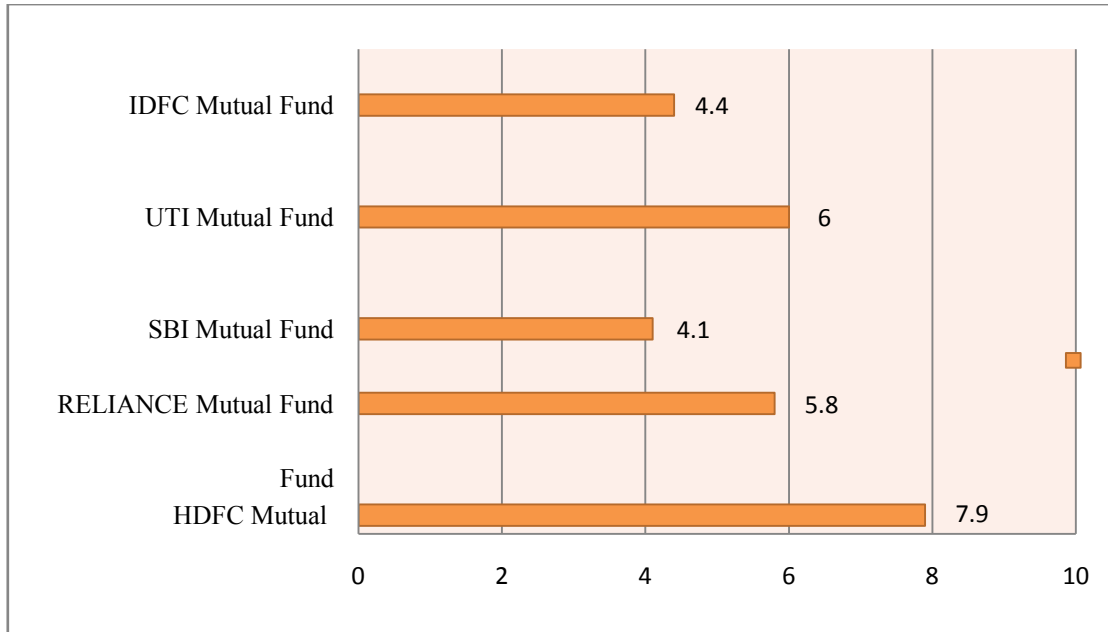
Particular	1 Month Return (%)	6 Month Return (%)	1 Year Return (%)	3 Year Return (%)	5 Year Return (%)
HDFC Mutual Fund	-1.1	7.9	3.3	20.9	76.8
RELIANCE Mutual Fund	-0.8	5.8	3.7	24.0	70.4
SBI Mutual Fund	-0.3	4.1	3.3	24.6	46.2
UTI Mutual Fund	-0.5	6.0	5.5	23.2	58.0

IDFC Mutual Fund	-1.1	4.4	3.5	27.8	58.3



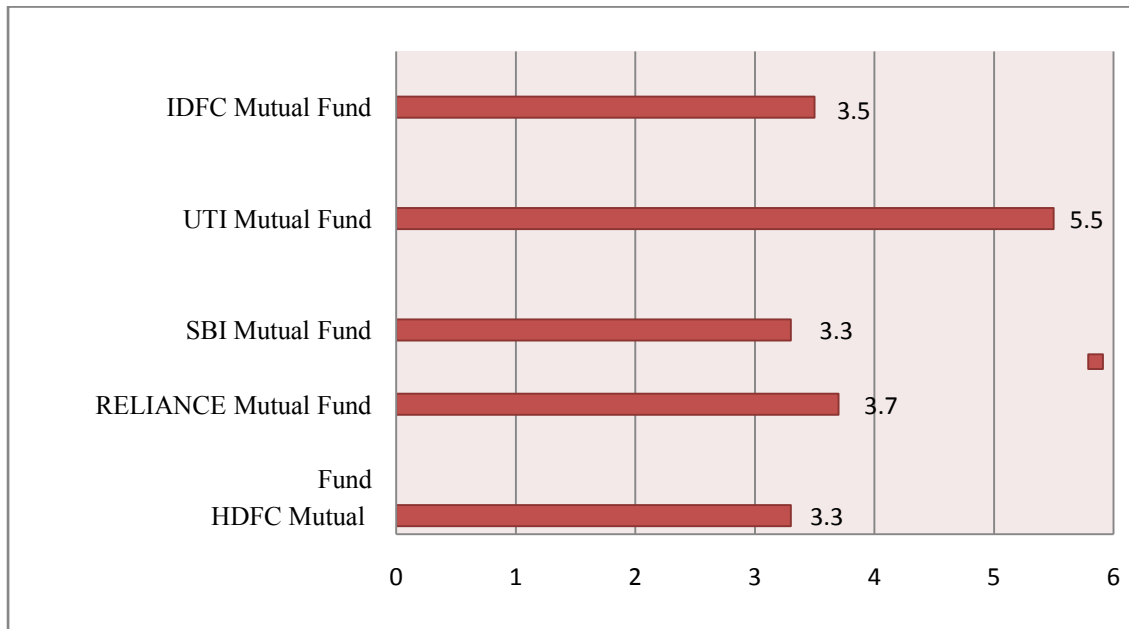
4.14 One Month Returns

Above the chart defines 1 month return of Hybrid schemes of top five mutual fund company, in this chart define all companies shows negative return.



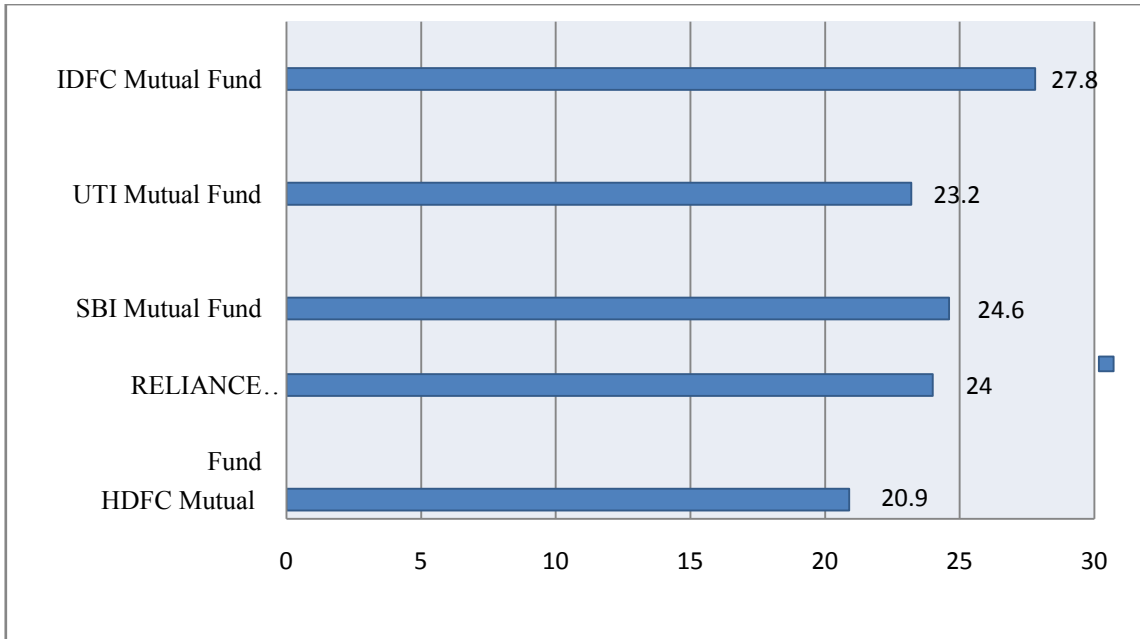
4.15 Six Month Returns

Above the chart defines 6 month return of hybrid schemes of top five mutual fund company, during this chart the HDFC MF company gave highest return as 7.9% than other MF companies.



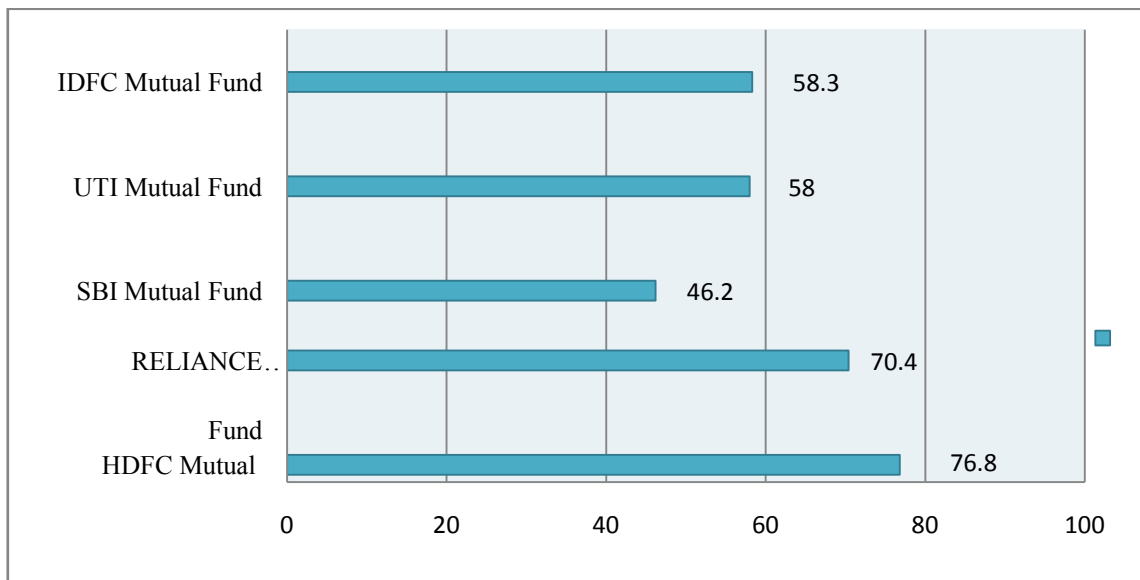
4.16 One Year Returns

Above the chart defines 1 Year return of hybrid schemes of top five mutual fund company, during this chart the UTI MF company gave highest return as 5.5% than other MF companies.



4.17 Three Year Returns

Above the chart defines 3 Year return of hybrid schemes of top five mutual fund company, during this chart the IDFC MF company gave highest return as 27.8% than other MF companies.



4.18 Five Year Returns

Above the chart defines 5 Year return of hybrid schemes of top five mutual fund company, during this chart the HDFC MF company gave highest return as 76.8% than other MF companies.

4.5 Conclusion

As per my analysis of mutual fund, I have done the analysis of investment in five different mutual fund companies.

Indians save around 30% of their income and are very good in saving ratio. Our saving ratio is one of the best across world, but when it comes to investment, most of the people fail and make major mistakes which hit them at later part of life. Investors today are confused and undecided about the investment decisions. Most of the investors invest without knowing the features of the products and also the risk attached to that. Ours is agents driven market, agent's recommends clients without knowing their financial goals and future needs. They are more interested in closing the sale rather than advising and educating clients. On the other hand, clients are not ready to pay the fees for the advice and have no time to put their efforts to study and compare the products recommended. At the end, most of decisions are taken on the advice given by agent or distributors of product. It is seen that in most cases agents pushes the product, which gives them higher commissions.

It is a tradition that almost around 85% people in India invest their surplus funds in so called safe products like Bank Fixed Deposits, Postal Schemes and contractual insurance products. Looking at inflation nos., 85% of investment done in traditional forms is unlikely to beat inflation post tax in the long run. There is lack of investor's education and awareness. The quality of advice, which is available in the market, is also poor. We are shifting from miselling to wrong buying as 50% of agents have stopped canvassing mutual fund business because of low commissions in mutual funds. The data shows that even there is decline in life insurance agent's force due to lower commissions in ULIP product.

So as per top companies the mostly people invest in brand name of the company and the performance of return.

4.6 Recommendations

Mutual Fund is best option

Investors always look for good investment opportunity, which gives good returns, but at times people also want their investment to be safe and secure. Looking at present financial distribution system and quality of advice available in the market, I strongly believe that Mutual Fund Investment can help a lot to investors. Mutual Fund is a mechanism of pooling resources from general public and investing collected funds in debt or equity instruments in accordance with the objectives as disclosed in the offer document.

Most of the people think that mutual fund means equity investment. This is not true. Mutual Funds offer both 100% debt to 100% equity and also hybrid products with combination of equity and debt. Mutual Funds also came out with Gold ETFs and Gold Funds, which are much better option compared to physical gold. The past performance of the schemes is also available since inception of the fund. The past performance may not sustain in future but it tells the quality of the fund's performance in different cycles of the market, which can help investors before taking any investment decision. Mutual Funds schemes are market related and does not offer any guarantee of returns, which keeps away most of the investors from investing in mutual fund schemes. One has to understand how this schemes works & performs over a period of time and what are risks attached to this. Even debt schemes had given good returns at around 12% p.a. in last one year. Equity schemes always outperform the other asset class in the longer run and beat inflation with a big margin.

4.7 Limitations

- The time constraint was one of the major problems.
- The study is limited to the five schemes available under the mutual funds selected.
- The lack of information sources for the analysis part.

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