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PERFORMANCE OF MUTUAL FUNDS

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ABSTRACT:

In India Mutual Fund Industry started with the setting up of UTI in 1964. Public Sector Banks and Financial Institutions began to establish Mutual Funds in 1987. The Private Sector and Foreign Institutions were allowed to set up Mutual Funds in 1993. Today, there are over 29 Mutual Funds and over 300 Schemes with total assets of approximately Rs.10,000 Crores. This fast growing industry is regulated by the SEBI.

The mutual fund industry in India started in 1963 with the formation of Unit Trust of India, at the initiative of the Government of India and Reserve Bank .The objective then is to attract the small investors and introduce them to market investments. Since then, the history of mutual funds in India can be broadly divided into four distinct phases.

To understand the performance and benefits of Mutual Funds. To conduct a Market study & find the fund preference and awareness of full schemes of AMC & dividend option opted.This Study has been conducted within specific and limited time period. The Project has been conducted in limited geographical area in Hyderabad. In collection of data from the investors, personal bias may be present.

There is comprehensive knowledge and understanding of Mutual Funds amongst all individuals instrumental in selling the Mutual Fund schemes to investors including employees of intermediaries, individual agents and financial planners.

I. INTRODUCTION:

An Overview

The mutual fund industry in India began with the setting up of the Unit Trust of India (UTI) in 1964 by the Government of India. Till the year 2000, UTI has grown to be a dominant player in the industry with the assets of over Rs. 76,547 crores as of March 31, 2000. the UTI is governed by a special legislation, the Unit Trust of India Act, 1963. in 1987 public sector banks and insurance companies were permitted to set up mutual funds. Also the two insurance companies LIC and GIC established mutual funds. Securities Exchange Board of India (SEBI) formulated the Mutual Fund (Regulation) 1993, which for the first time established a comprehensive regulatory framework for the mutual fund industry. Since then several mutual funds have been set up by the private and the joint sector.

Growth of Mutual Funds

The Indian Mutual Fund has passed through three phases. The first phase was between 1964 and 1987 and the only player was the Unit Trust of India, which had a total assets of Rs. 6700 crores at the end of 1988. The second phase is between 1987 and 1993 in which period 8 funds were established (6 by banks and one each by LIC and GIC). The total assets under management had grown to rs. 61928 crores at the end of 1994 and the number of schemes were 197.

The third phase began with the entry of private and foreign sectors in the Mutual Fund industry in 1993. Kothari Pioneer Mutual Fund was the first fund to be established the private sector in association with a foreign fund. At the end of financial year 2000 (31^{st} March) funds were functioning with Rs. 116011 crores as total assets under management. As on August end 2000 there were 33 funds with 391 schemes and assets under management with Rs. 192849 crores.

As you probably know, mutual funds have become extremely popular over the last 20 years. What was once just another obscure financial instrument is now a part of our daily lives.

NEED OF THE STUDY

Fund management in very important from the point of view of both investors and mutual funds returns and risks involved in the mutual funds schemes will divide their ability to survive and grow.

ICICI mutual funds being the large of MF in India is constantly string to provide better opportunities to in its endeavour to create better managed Portfolios the present study attempts to "Analyse the Portfolio performance in order to bring out the efficiency of fund managers". Investors with innovative practices.

OBJECTIVES OF THE STUDY

- To know the various funds offered by ICICI prudential in SIP.
- To compare the results of the three different funds offered by the ICICI Prudential.
- To know the various port folio allocations of these three investment plan

SCOPE OF THE STUDY

The study on mutual funds is not limited to only the brokers of the stock market or mutual firm industry. It has been applicable to the retail investors too. It provides information regarding the risk and return and performance of the funds

II. REVIEW OF LITERATURE

ANALYSIS OF MUTUAL FUND

Broadly the analysis categories in 3 types:

- Fundamental analysis
- Technical analysis
- Beta/Modern portfolio theory (MPT)

FUNDAMENTAL ANALYSIS:

The analysis of such fundamental factor general business conditions, industry outlook, earnings, dividends, quality of management etc.,

In this take consideration on the some following factors:-

1. Company net asset value.
2. Estimation of "True".
3. Value of profit earning ratio.

4. Estimating the market value of current and forecasting.
5. Compare with various ratios like US, UK.
6. Estimate the future yield dividends.

- **Stock rating:**

The rating for common stock depends over the certain of dividend in take the consideration followings….

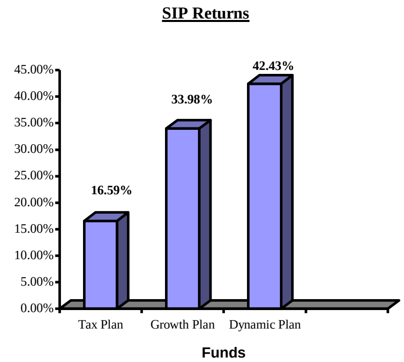
1. Ingredients of security analysis.
2. It include historical data, sales, capital etc.,

- **Economic analysis:**
    1. Cyclic effect
    2. Economic analysis (fashions)
- **Financial analysis:**
    1. EPS
    2. EBIT
    3. ROI
    4. PAT

III. DATA ANALYSIS
AND
INTERPRETATION
ATA ANALYSIS AND INTERPRETATION

Systematic Investment Plan Returns 2018-2019

Period	Tax plan	Grpwth plan	Dynamicplan
1Year	19.59%	33.98%	42.43%



Interpretation:-

The above graph shows the analyzed returns of the three funds for the first year. While comparing the returns, ICICI dynamic plan as given better returns(42.43%). The other funds why because in dynamic plan the funds are invested in three type of category companies i.e., (large cap, midcap, smallcap).

But in tax plan they invested only in midcap and in growth plan invested only in largecap. So, dybnamic cap is well diversifed than the other funds. So, obviously it gives better returns than other funds**.**

Systematic Investment Plan Returns 2017-2018

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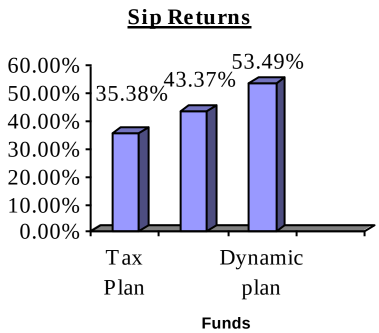
Period	Tax plan	Growth plan	Dynamicplan
3Year	35.38%	43.37%	53.49%



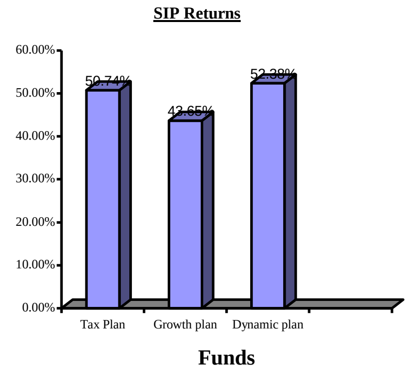
Interpretation:-

The above graph shows the analyzed returns of the three funds for the third year. While comparing the returns, ICICI dynamic plan as given better returns(53.49%). The other funds why because in dynamic planthe funds are invested in three type of category companies i.e., (largecap,midcap,smallcap).

But in tax plan they invested only in midcap and in growth plan they invested only in largecap. So. Dynamic cap is well diversified than the other funds. So, obviously it gives better returns than other funds.

Systematic Investment Plan Returns 2016-2017

Period	Tax plan	Growth plan	Dynamic plan
5Year	50.74%	43.65%	52.38%



Interpretation:-

The above graph shows the analyzed returns of the three funds for the Fifth year. While comparing the returns, ICICI dynamic plan as given better returns(52.38%). The other funds why because in dynamic plan the funds are invested in three type of category companies i.e., (largecap,midcap,smallcap).

But in tax plan they invested only in midcap and in growth plan they invested only in largecap. So. Dynamic cap is well diversified than the other funds. So, obviously it gives better returns than other funds.

IV. FINDINGS AND SUGGESTIONS

FINDINGS

- In first year the dynamic plan returns is higher than the other plans.

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- Three years the dynamic plan gets 53.49% of returns when compare to tax plan.
- Dynamic plan gives 19.13% more returns when compare to growth plan.
- When compare to these three plans the S.D of growth plan is low it shows the low risk.
- When compare of these three plans the dynamic plan sharp ratios is high it is good sign for sign for that plan.
- When comparison of these funds tax plan gives the high yield as a dividend**.**

SUGGESTIONS:

- When compare the standard deviation of the three plans tax plan having highest standard deviation 7.38. It's not safe for the conservative investor. So they have to reduce the S.D.

- Sharpe ratio is highest for dynamic plan 0.46 and growth plan 0.50 by increasing the risk adjusted performance.

- In tax plan the fund management invested in mid-cap category. Its risk because it's having more dependency on the market. So they have to invest large cap companies and small cap also.

V. CONCLUSION

- As most of the investors in the market have less risk taking capabilities, the Balanced fund investments are suitable one.

- Liquidity, transparency, well regulated and flexibility, are some of the features of Mutual funds which is very advantageous to investors.

- The entry load and exit load in Mutual Funds is very low which does not affect the ultimate yields.

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