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STATEMENT OF THE PROBLEM

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RESULTS & DISCUSSION

FINDINGS

RECOMMENDATIONS/SUGGESTIONS

CONCLUSIONS

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The manuscript should preferably be in ***2000 to 5000 WORDS***, But the limits can vary depending on the nature of the manuscript.

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BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
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UNPUBLISHED DISSERTATIONS

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

PERFORMANCE EVALUATION OF SELECTED EQUITY MUTUAL FUND SCHEMES

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ABSTRACT

Based on objectives and risk bearing capacities, investors go for different investment alternatives. Among the various investment possibilities, mutual fund seems to be viable for all kind of investors as it is considered to be a safer mode of investment. There are around 35 mutual fund companies and 500 equity schemes. It is difficult for the investors to select the appropriate scheme. This paper will give an idea for the investors on the various indicators used to evaluate a mutual fund. NAV details of the selected schemes are collected to calculate the values. Mutual funds are ranked based on the calculated values. The major indicators used for analysis are Sharpe ratio, Treynor ratio and beta. Moving average and trend line were used to analyze the mutual funds.

KEYWORDS

benchmark index, equity mutual fund schemes, sharpe and treynor ratio, technical analysis.

JEL CLASSIFICATION

G11, G24, G32

INTRODUCTION

Among the many investments like bonds, debentures, fixed deposits, mutual funds have gained importance due to the reduced risk rate and acceptable return. In India, the first mutual fund company was the government sponsored Unit Trust of India, which was established in 1963 and was the only mutual fund available to investors until public sector banks became eligible to offer mutual funds in the 1980s. But it wasn't until the mid 1990s when the private sector was also allowed to compete that the industry saw a real growth in assets (Jayant R. Kale, Venkatesh Panchapagesan, 2012). 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. This leverage is achieved by a team of experts called fund management team who distribute the investor's money among various corporate so that the loss in one corporate is compensated by the gain in another market. This reduces the burden of investors and attracts small investors who have very little knowledge in investments. The emergence of private mutual fund companies and stricter rules by SEBI has not only increased the product varieties for mutual funds but also has protected the investor's interest.

PROFILE OF THE MUTUAL FUND COMPANIES

L&T MUTUAL FUNDS

L&T Mutual Fund is a mutual fund company in India started in the year 2010.The Asset Management Company (AMC) for all L&T Mutual Fund schemes is L&T Investment Management Limited. The sponsor for the AMC is L&T Finance Holdings Limited (LTFH) which is a listed company and registered with RBI as an NBFC. The company has sound investment management practices and a knowledgeable fund management team.

TATA MUTUAL FUND

Tata mutual fund, set up in 1995, is one of the leading private sector funds in the country and is promoted by the Tata group. The sponsors of the fund are Tata Sons Limited and Tata Investment Corporation Limited. Tata Asset Management Limited is the investment manager of the mutual fund. Tata Sons holds a majority stake in the AMC with the balance being held by Tata Investment Corporation.

BIRLA SUN LIFE MUTUAL FUNDS

Birla Sun Life Asset Management Company Ltd. (BSLAMC), the investment manager of Birla Sun Life Mutual Fund, is a joint venture between the Aditya Birla Group and the Sun Life Financial Inc. of Canada. The joint venture brings together the Aditya Birla Group's experience in the Indian market and Sun Life's global experience. Established in 1994, Birla Sun Life Mutual fund has emerged as one of India's leading flagships of Mutual Funds business managing assets of a large investor base

HDFC MUTUAL FUNDS

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. AMC is a joint venture between housing finance giant HDFC and British investment firm Standard Life Investments Limited. It conducts the operations of the mutual fund and manages assets of the schemes, including the schemes launched from time to time.

ICICI MUTUAL FUND

ICICI Prudential Asset Management Company Ltd (IPAMC) is the joint venture between ICICI Bank a well-known and trusted name in financial services in India. Instituted in the year 1998, the company has forged a position in the Indian Mutual Fund industry as the third largest asset management company in the country contributing significantly to the growth of the Indian mutual fund industry.

UTI MUTUAL FUND

The Unit Trust of India largely deals with the mutual fund schemes and thereby popularly known as UTI Mutual Fund all over India. It is managed by UTI Asset Management Company Private Limited which was established on January 14, 2003.

SBI MUTUAL FUND

SBI Mutual Fund was set up in 1987, originally under the aegis of SBI Capital Markets Ltd. SBI Funds Management (P) Ltd as the Asset Management Company (AMC) was set up in 1993. SBI Mutual Fund is a joint venture between the State Bank of India and SGAM, the eighth largest Mutual Fund in the world. SBIMF is among top 50 service brands and third best brand among Mutual Funds in ET Brand Equity Survey, of 2010.

OBJECTIVES OF THE STUDY

1. To know the risk return relationship of the selected equity mutual fund schemes.
2. To compare the performance of the selected equity mutual fund schemes with benchmark index.
3. To rank the selected equity mutual fund schemes using performance evaluation method.
4. To suggest appropriate selection criteria for investors while making investment in mutual fund.

SCOPE OF THE STUDY
This study covers eight mutual fund companies. The scheme taken for analysis is midcap equity scheme. The period taken for analysis is august 2013 to august 2015.

REVIEW OF LITERATURE
Tomer and Khan (2003): Mutual funds have already succeeded financial institutions and banks in USA. With reforms in financial sector and the developments in the Indian financial markets, mutual funds have emerged to be an important investment avenue for retail (small) investors. Investors select the funds/schemes based on the past performance of the funds. Investors look for safety of Principal, Liquidity and Capital appreciation in the order of importance.

Wagner Hans (2007) Volatility is a measure of dispersion around the mean or average return of a security. One way to measure volatility is by using the standard deviation, which tells you how tightly the price of a stock is grouped around the mean or moving average (MA). When the prices are tightly bunched together, the standard deviation is small. When the price is spread apart, you have a relatively large standard deviation.

Shailesh Menon (2011) states that the interest on equity funds from big corporate has increased to a greater extend. Companies like ITC, Asian paints, Hindustan Zinc, Reliance industries, Larsen and Toubro and Emami invest their surplus in equity funds. Generally, companies invest in short term investments but the growing trend of equity markets have made many corporate to invest in equity funds.

Bhardwaj Sameer (2012) discussed the ratios for evaluating the mutual funds. Generally historical price values are used for evaluating mutual funds. But this method does not take into account the risks to which the funds are exposed. The two quantitative ratios Sharpe and Treynor are the measures of risk-adjusted returns. The two ratios measure how much a fund has earned over the risk-free rate (also known as excess returns) relative to the risk it is exposed to.

Pryor, Austin (2013) has indentified the major advantages of mutual funds over other investments. The investors do not require deep knowledge as it is managed by expertise. It does not require huge amounts. It reduces the risk through diversification. It is heavily regulated by federal bank.

Sharma, Kavitha (2014) has evaluated the challenges and opportunities of mutual funds in India. Poor awareness and conservative attitude of the investors are the main hurdles for the growth of mutual funds. The developments in communication and information technology have paved way for the rural market to participate in financial investments.

Picardo Elvis (2015) discussed on ways to apply technical indicators to mutual funds. Since technical analysis is suited to shorter term trading investors neglect the necessity of technical analysis on mutual funds since they are likely to long term and buy-and-hold investments.

RESEARCH METHODOLOGY
Data is collected from secondary sources. The net asset value of the equity fund schemes was collected on monthly basis from the company websites. The bench-mark index for the corresponding funds is collected from the scheme documents. Benchmark index values were collected from BSE. The collected values were used to calculate different indicators. The mutual fund schemes were evaluated based on the calculated value of these indicators. Excel was used for calculating and analyzing the values.

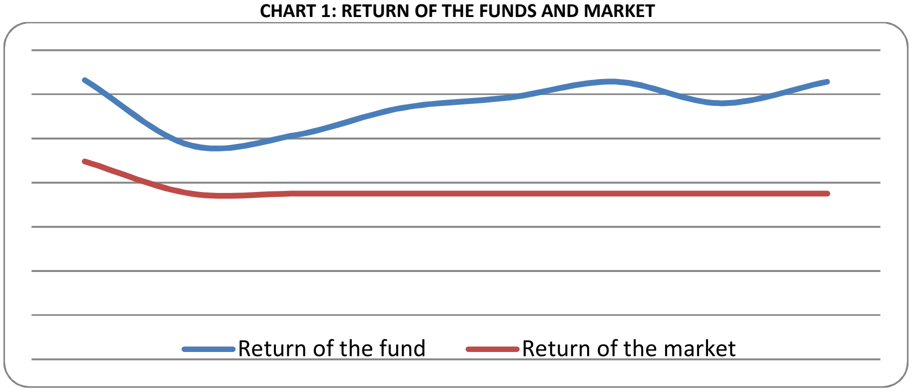
LIMITATIONS OF THE STUDY
The study has the following limitations:
1. The study covers only the period from August 2013 to August 2015.
2. The study is useful for long term investors.
3. The study covers only midcap equity scheme.

DATA ANALYSIS AND INTERPRETATION
This section contains the data of various mutual fund companies. The data includes the fund return, market return, risk adjusted return, standard deviation of fund, standard deviation of the market, ratios (sharpe and treynor). The data are analysed and interpreted.

TABLE 1: RETURN OF THE FUNDS

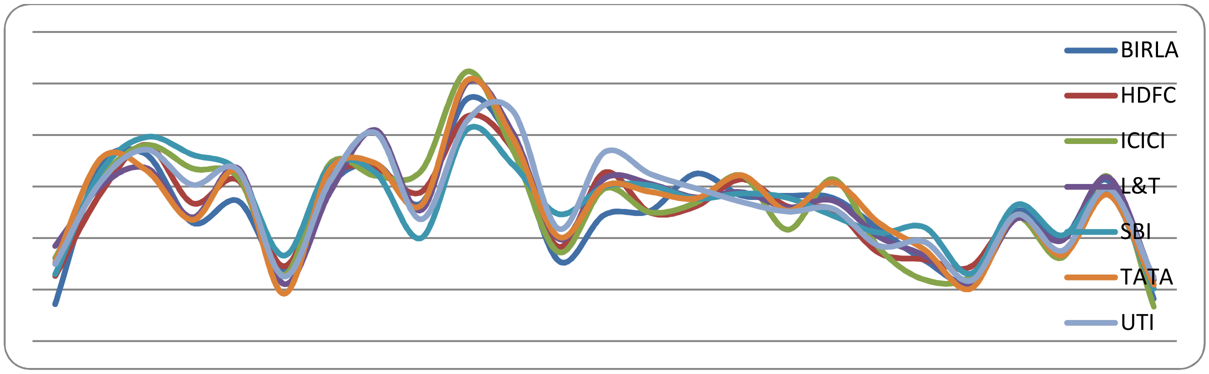
COMPANY	RETURN OF THE FUND (%)	RETURN OF THE MARKET (%)	RANK
SBI	3.141	1.875	1
UTI	3.141	1.875	2
L&T	2.962	1.875	3
TATA	2.897	1.875	4
ICICI	2.846	1.875	5
AXIS	3.158	1.875	6
HDFC	2.540	1.875	7
BIRLA	2.419	1.875	8

CHART 1: RETURN OF THE FUNDS AND MARKET



The table shows the return of the particular fund and its corresponding market. It seems that SBI fund gives higher return than other mutual funds. The mutual funds are ranked according their return by taking their corresponding market return as benchmark. The figure shows the average return of the mutual funds and the market. The returns of the mutual funds are higher than the market returns. Hence the mutual funds have outperformed the market.

CHART 2: RETURN OF THE FUND FOR THREE YEARS



The fund has faced negative returns rarely than the positive returns. The funds have performed extraordinarily well during June 2014. During august 2013, February 2014, April 2015 and august 2015 the funds have faced negative returns.

TABLE 2: SHARPE RATIO OF THE MUTUAL FUNDS

Fund	Sharpe Ratio	Rank
SBI	0.812	1
UTI	0.732	2
L&T	0.687	3
TATA	0.658	4
HDFC	0.650	5
ICICI	0.607	6
BIRLA	0.559	7
AXIS	0.400	8

The table shows the sharpe ratio of the funds. The Sharpe ratio examines whether the returns generated from an investment are due to excessive risk taken by fund manager or due to the right choice of funds. Higher the ratio, better would the fund performance and vice versa. According to sharpe ratio SBI mutual funds perform better than all the other funds.

TABLE 3: TREYNOR RATIO OF THE MUTUAL FUNDS

Fund	Treynor Ratio	Rank
ICICI	5.572	1
AXIS	4.389	2
L&T	3.641	3
HDFC	3.601	4
BIRLA	3.542	5
TATA	3.497	6
UTI	3.086	7
SBI	2.029	8

This table shows the treynor ratios of the mutual funds. It measures excess return over risk free return per unit of systematic risk. ICICI has performed better when compared to other funds.

TABLE 4: STANDARD DEVIATION OF THE MUTUAL FUNDS

Fund	Standard Deviation	Rank
SBI	4.099	1
HDFC	4.269	2
UTI	4.688	3
L&T	4.704	4
BIRLA	4.734	5
TATA	4.814	6
ICICI	5.180	7
AXIS	5.481	8

The table shows the standard deviation of the mutual funds. The standard deviation is a measure of how much the return of a scheme deviates from its average return. It seems that SBI is less volatile with a standard deviation of 4 while Axis is highly volatile with a standard deviation of 5.4.

TABLE 5: R-SQUARE VALUE OF MUTUAL FUNDS

Fund	R-Square	Rank
AXIS	0.958	1
L&T	0.926	2
TATA	0.901	3
BIRLA	0.879	4
HDFC	0.866	5
ICICI	0.842	6
UTI	0.809	7
SBI	0.708	8

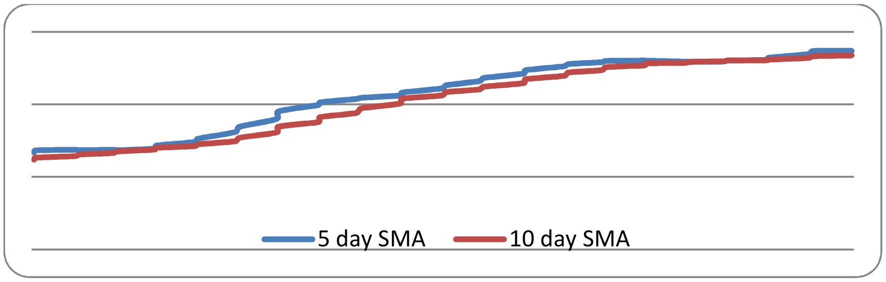
R-Square (Coefficient of determination) measures the extent of variation in the mutual fund scheme returns that can be explained with the benchmark index. Low R-square indicates lesser proportion of variation in the scheme return being explained by the market and hence, indicates poor diversification of the scheme and vice-versa. Axis has the highest R-square value while SBI has the lowest R-square value.

TABLE 6: BETA VALUE OF THE MUTUAL FUNDS

Fund	Beta	Rank
SBI	0.597	1
HDFC	0.762	2
UTI	0.781	3
BIRLA	0.857	4
TATA	0.894	5
L&T	0.898	6
ICICI	0.899	7
AXIS	1.081	8

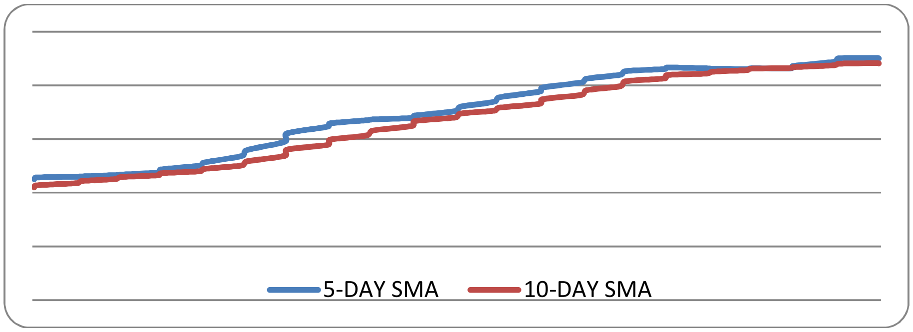
Beta is used for measuring the level of systematic risk of funds. A beta value less than one relatively measures lower amount of risk when compared to Beta value of more than one. SBI has the lowest risk while axis has the highest risk among other mutual funds.

CHART 3: MOVING AVERAGE OF AXIS MUTUAL FUNDS



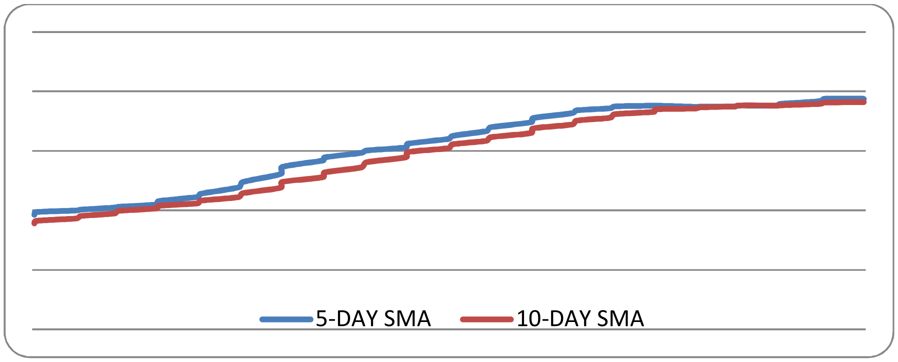
The simple moving average (SMA) is drawn using NAV values. The 5-day SMA line is above the 10 day SMA line which indicates a bullish situation.

CHART 4: MOVING AVERAGE OF BIRLA MUTUAL FUNDS



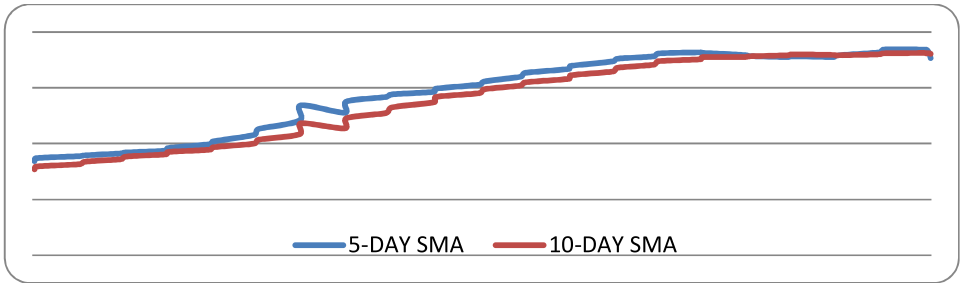
The simple moving average (SMA) is drawn using NAV values. The 5-day SMA line is above the 10 day SMA line which indicates a bullish situation.

CHART 5: MOVING AVERAGE OF HDFC MUTUAL FUNDS



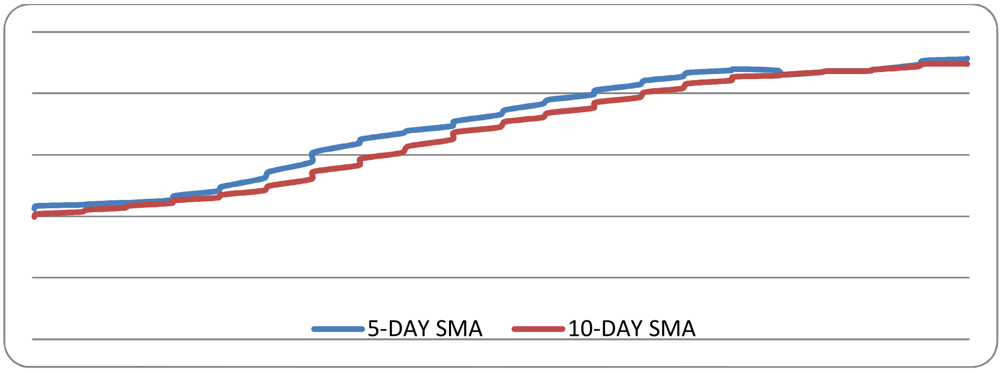
The simple moving average (SMA) is drawn using NAV values. The 5-day SMA line is above the 10 day SMA line which indicates a bullish situation.

CHART 6: MOVING AVERAGE OF ICICI MUTUAL FUNDS



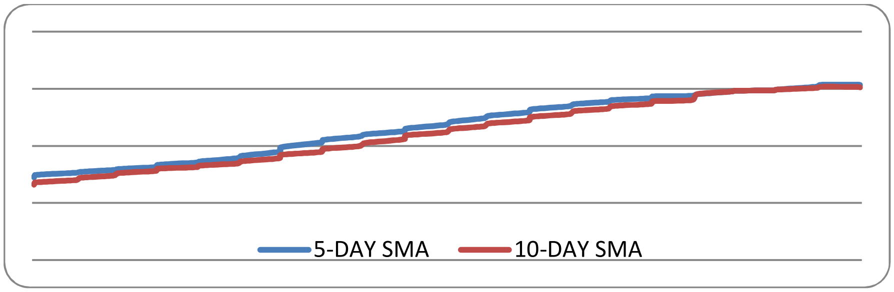
The simple moving average (SMA) is drawn using NAV values. The 5-day SMA line is above the 10 day SMA line which indicates a bullish situation.

CHART 7: MOVING AVERAGE OF L&T MUTUAL FUNDS



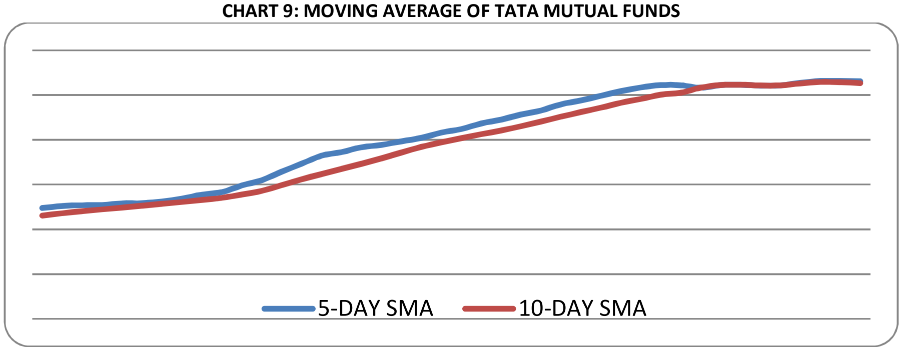
The simple moving average (SMA) is drawn using NAV values. The 5-day SMA line is above the 10 day SMA line which indicates a bullish situation.

CHART 8: MOVING AVERAGE OF SBI MUTUAL FUNDS



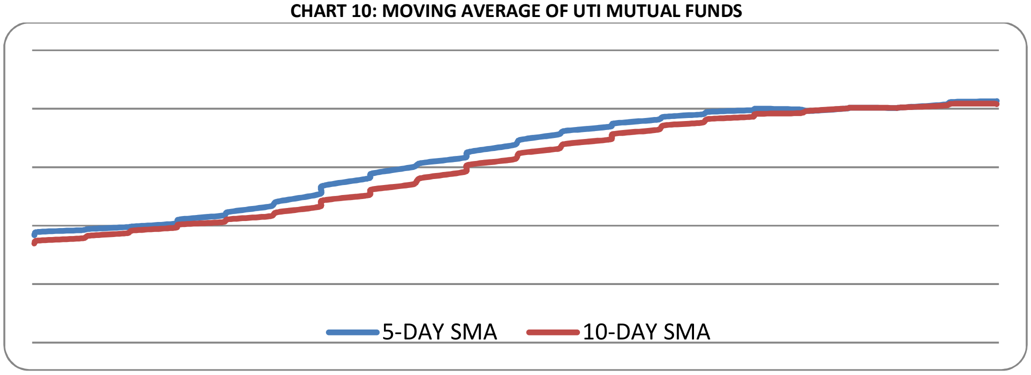
The simple moving average (SMA) is drawn using NAV values. The 5-day SMA line is above the 10 day SMA line which indicates a bullish situation

CHART 9: MOVING AVERAGE OF TATA MUTUAL FUNDS



The simple moving average (SMA) is drawn using NAV values. The 5-day SMA line is above the 10 day SMA line which indicates a bullish situation.

CHART 10: MOVING AVERAGE OF UTI MUTUAL FUNDS



The simple moving average (SMA) is drawn using NAV values. The 5-day SMA line is above the 10 day SMA line which indicates a bullish situation.

FINDINGS AND SUGGESTIONS

1. NAV value, Beta, Sharpe index, Treynor's index, fund return and market return clearly indicate the performance of the mutual funds. The mutual funds industry on the whole has outperformed the market. The return is higher than the benchmark. Hence an investment in mutual funds gives appreciable returns. SBI gives the highest return of all the mutual funds while Birla gives the lowest return. SBI has given the highest return in 2013 and 2015. This shows the consistent performance of the SBI mutual fund. ICICI has performed badly in 2015 with negative returns.
2. The mutual fund industry performed well in 2014 while in 2013 and 2015 it has faced negative returns. On the account of beta values, SBI has the lowest beta value which means the NAV value will be less volatile than the benchmark while Axis has the highest value which shows the NAV vale will move in the same direction as the bench mark.

3. The 5-day simple moving average is higher than the 10-day simple moving average which indicates a bullish situation. But when the trend line is drawn all the mutual funds exhibit a decreasing trend. Hence deeper analysis is required before investing.
4. A higher sharpe ratio indicates higher return per unit of total risk. Based on the sharpe index it is advisable to invest in SBI as it exhibits the highest sharpe ratio when compared to other funds while Axis exhibits the lowest ratio.
5. A fund with a higher Treynor ratio implies that the fund has a better risk adjusted return than that of another fund with a lower Treynor ratio. ICICI has the highest treynor ratio while SBI has the lowest treynor ratio. This ratio qualifies a mutual fund in terms of market risk.
6. R-square is a measure of the percentage of an asset or fund's performance as a result of a benchmark. Axis has the highest R-square value which shows it highly correlates with the benchmark while SBI less correlates with the benchmark.
7. Standard deviation tells how much the funds return deviate from its historical values. SBI has the lowest standard deviation which denotes that the fund is less risky than other mutual funds while Axis has the highest standard deviation value thus is highly riskier.

CONCLUSION AND RECOMMENDATIONS

Mutual funds have become a new investment avenue for the retail investors. The mutual fund is proved to be a safer mode of investment and has been giving good returns compared to other investments and it is highly cost efficient and very easy to invest in, however it has got same kind of risk like direct capital market. Therefore, investors have to think and choose the appropriate fund. This research helps the investors to have an idea on the performance top mutual funds. This helps the investors in selecting the right mutual funds for investing.

SCOPE FOR FURTHER RESEARCH

Future studies can investigate the comparative performance analysis of public sector mutual funds and private sector mutual funds.

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