



INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT AND MANAGEMENT

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PERFORMANCE EVALUATION OF PRIVATE AND PUBLIC SPONSORED MUTUAL FUNDS IN INDIA

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ABSTRACT

In the current complex financial scenario, mutual funds are an ideal investment vehicle to the small investors. Mutual funds which have been operating for greater than five years and performing during the period of study (i.e. 2003 – 2007) are selected for the present research. The sample for the study consists of 340 mutual funds belonging to four categories - Money market category funds, Debt Category Funds, Equity category funds and Balanced category funds. These are further classified into private and public mutual funds. The performance of selected funds is evaluated using average rate of return of fund, standard deviation, Risk/Return, Sharpe Ratio, Treynor ratio and Jensen ratio. Benchmark comparison is also made as it indicates to what extent the fund managers were able to produce better performance of managed portfolio compared to the market or index portfolios.

KEYWORDS

Benchmark comparison, Jensen ratio, Sharpe ratio, Treynor ratio.

INTRODUCTION

In the current complex financial scenario, mutual funds are an ideal investment vehicle to the small investors. The mutual funds industry in India has gained substantial momentum. Of many reasons that can be attributed to the growth of mutual fund industry, the fundamental one is the increasing complexity of modern investment. It is difficult for a man of small means and limited knowledge to make sound and profitable investment decisions. Mutual funds provide a viable alternative for the small investors. Mutual funds industry blossomed as they are able to cater to the needs of small investors who cannot actively take part in the share market for lack of information and professional expertise. With many players in the industry, Mutual fund investors have come to receive an unparalleled array of products and wide range of services.

The mutual funds industry scaled new heights in terms of assets under management, number of players as well as in terms of product choices and investor services. The significant impetus of mutual funds in India has drawn the attention of Indian researchers, individuals and institutional investors during the last decade. It is an undisputed fact that the industry is growing and simultaneously the competition is also intensifying. In this context it is very relevant to focus on how the Indian mutual industry would emerge in the near future to determine what kind of products would be able to gain investors' confidence. In this competitive environment with many players in the industry, one cannot afford to perform poorly as it cannot survive in the market place. The present research study focuses on performance evaluation of private and public mutual funds

LITERATURE REVIEW

Literature review not only highlights the historically significant studies, but also suggests the trends in theoretical progress as well as in methodology and techniques used in these studies.

Barua and Verma (1991) provided empirical evidence of equity mutual fund performance in India. They studied the investment performance of India's first 7-year close-end equity mutual fund, Master share. They found that the fund performed satisfactory for large investor in terms of rate of return. **Ippolito (1992)** expressed that fund/scheme selection by investors is based on past performance of the funds and money flows into winning funds more rapidly than they flow out of losing funds. **Sarkar and Majumdar (1995)** evaluated financial performance of five close-ended growth funds for the period February 1991 to August 1993, concluded that the performance was below average in terms of alpha values (all negative and statistically not significant) and funds possessed high risk. **Jaydev (1996)** evaluated performance of two schemes during the period, June 1992 to March 1994 in terms of returns / benchmark comparison, diversification, selectivity and market timing skills. He concluded that the schemes failed to perform better than the market portfolio (ET's ordinary share price index). **Gupta and Sehgal (1997)** evaluated mutual fund performance over a four year period, 1992-96. The sample consisted of 80 mutual fund schemes. They concluded that mutual fund industry performed well during the period of study. The performance was evaluated in terms of benchmark comparison, performance from one period to the next and their risk-return characteristics. **Mishra (2001)** evaluated performance over a period, April 1992 to December 1996. The sample size was 24 public sector sponsored mutual funds. The performance was evaluated in terms of rate of return, Treynor, Sharpe and Jensen measures of performance. The study concluded dismal performance of PSU mutual funds in India, in general, during the period, 1992-96. **Mayank V. Bhatt and Chetan C. Patel (2008)** studied the performance comparison of different mutual funds schemes in India through Sharpe index model and concluded that mutual funds are the most popular and safe parameter for an investor to invest. **Kavita Chavali and Shefali Jain (2009)** evaluated the performance of equity linked savings schemes and concluded that the fund chosen by the investor should match the risk appetite of the investor. **Narayan Rao and M. Ravindran** evaluated performance of Indian mutual funds in a bear market through relative performance index, risk-return analysis, Treynor ratio, Sharpe ratio, Jensen measure, and Fama's measure. The results of performance measures suggested that most of mutual fund schemes in the sample of 58 were able to satisfy investor's expectations by giving excess returns over expected returns based on both premium for systematic risk and total risk.

Mutual Fund as an investment vehicle is capturing the attention of various segments of the society, like academicians, industrialists, financial intermediaries, investors and regulators.

OBJECTIVES OF THE STUDY

The following objectives are formulated for the present study:

1. To classify the mutual fund schemes into different categories and analyze the performance of different private and public mutual funds.

2. To evaluate performance of different mutual funds schemes on the basis of risk- return parameters and benchmark indices.
3. To appraise performance of private and public mutual funds using risk adjusted measures as suggested by Sharpe, Treynor, and Jensen.
4. To find out if there is a significant difference in the performance of private and public mutual funds.

HYPOTHESES

1. There is no significant difference between the returns of different mutual fund schemes of respective mutual fund category
2. There is no significant difference between the returns of private mutual funds and public mutual funds.

METHODOLOGY

FUNDS SELECTED FOR THE STUDY

Mutual funds which have been operating for greater than five years and performing during the period of study (i.e. 2003 – 2007) were selected for the present research. There were 340 such mutual funds belonging to four categories - Money market category funds, Debt Category Funds, Equity category funds and balanced category funds. These are further classified into private and public funds. The reasons for studying the performance of mutual fund for a period of five years (2003-2007) are:

- A large number of mutual funds have been instigated during 2003 - 2007.
- The mutual fund industry in India registered notable growth during 2003 – 2007 Period.
- The Indian stock market has done exceptionally well during 2003 – 2007.

DATA COLLECTION

To gain an overview of the current performance trends of the Indian mutual fund industry, secondary data has been an important source and was collected from the fact sheets, newspapers, journals, books, periodicals, websites, etc. The data was collected from various websites of AMCs, AMFI, value research online, moneycontrol.com, etc. Bombay Stock Exchange Sensex annualized returns have been drawn from website to compute market returns for Equity diversified, equity tax savings, equity banking, equity MNC, Equity other and Equity index, balanced and hybrid funds. Bombay Stock Exchange FMCG Index values have been taken for computing market returns for equity FMCG funds, Bombay Stock Exchange Information Technology Index values have been used for computing market returns for equity Technology funds, Bombay Stock Exchange Health Care index values have been taken for computing market return for Equity Pharmacy and 364 Days Treasury bill values were taken for computing market returns for money market institutional, debt institutional, debt short term, debt speciality, debt long term, debt floating rate, money income plan and money market funds.

Annualized Rate of return on Treasury Bills (364 days) is taken as surrogate measure of risk free return in this research. The information regarding annual rate of return has been collected from the Directory of Statistics of Reserve Bank of India. Risk and return are calculated using monthly data.

PERFORMANCE MEASURES USED IN THE STUDY

The performance of selected funds is evaluated using average rate of return of fund, standard deviation, Risk/Return, Sharpe Ratio, Treynor ratio and Jensen ratio. Return alone should not be considered as the basis of measurement of the performance of a mutual fund scheme, it should also include the risk taken by the fund manager because different funds will have different levels of risk attached to them. Risk associated with a fund, in a general, can be defined as variability or fluctuations in the returns generated by it. The higher the fluctuations in the returns of a fund during a given period, higher will be the risk associated with it. Standard deviation is a statistical measure of the range of a fund's performance, and is reported as an annual number. When a fund has a high standard deviation, its range of performance has been very wide, indicating that there is a greater potential for volatility. The most common measures that combine both risk and reward are Treynor ratio, Sharpe Ratio and Jensen ratio.

Treynor's index = $(R_p - R_f) \div \beta_p$

Where,

R_p = Portfolio return over a period

R_f = Risk-free return over a period

β_p = Market-risk, beta coefficient

Higher value of Treynor's index indicates better performance of portfolio and vice versa. The Treynor's measure of portfolio performance is relative measure that ranks the funds in terms of risk (market risk) and return. The index is also termed as reward to volatility ratio.

Sharpe's index = $(R_p - R_f) \div \sigma_p$

Where,

R_p = Portfolio return over a period

R_f = Risk-free return over a period

σ_p = Total risk, standard deviation of portfolio return

Higher value of Sharpe's index indicates better performance of portfolio and vice versa. The Sharpe's measure of portfolio performance is also relative measure that ranks the funds in terms of risk (total risk) and return. The ratio is also termed as reward to variability ratio.

Jensen's Measure is 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."

Jensen's Measure is calculated as:

$$\alpha_p = \bar{r}_p - [r_f + \beta_p (\bar{r}_m - r_f)]$$

Where,

\bar{r}_p = Expected total portfolio return

r_f = Risk free rate

β_p = Beta of the portfolio

\bar{r}_m = Expected market return

Jensen's measure is one of the ways to help determine if a portfolio is earning the proper return for its level of risk. If the value is positive, then the portfolio is earning excess returns. In other words, a positive value for Jensen's alpha means a fund manager has "beat the market" with his or her stock picking skills. The Jensen ratio measures how much of the portfolio's rate of return is attributable to the manager's ability to deliver above-average returns, adjusted for market risk. The higher the ratio, the better the risk-adjusted returns. A portfolio with a consistently positive excess return will have a positive alpha, while a portfolio with a consistently negative excess return will have a negative alpha.

Mutual funds are broadly classified into private sector and public sector mutual funds. The present study deals with a comparative study of performance of private sector mutual funds and public sector mutual funds. Whether private mutual funds are performing better than public funds or vice-versa or both are performing more or less equally, will provide an insight to the investors in the selection of funds.

COMPARISON BETWEEN PRIVATE AND PUBLIC MUTUAL FUNDS ON THE BASIS OF SHARPE, TREYNOR AND JENSEN RATIOS

It is observed from **Table 1** that, Risk adjusted performance measure i.e. Sharpe ratio has been computed for 280 Private funds and 60 Public funds. The range of excess returns over risk-free return per unit of total risk is wide for both Private and Public funds ranging from -2.68 to 2.83 and -1.91 to 3.26 respectively. This

signifies that there is wide variation in the risk-return profile of both Private funds and Public funds. A comparison of Sharpe ratios between Private and Public funds reveals that 57% of the Private funds and 65% of the Public funds have positive ratio.

It is also observed that 58% of the Private Mutual Funds and 65% of the Public Mutual Funds have positive Treynor ratio. The range of excess returns over risk free return per unit of systematic risk is wide for both Private and Public Funds ranging from -1770.87 to 130.16 and -13.83 to 148.74 respectively. But the range is more for Private Funds when compared to public funds.

Jensen ratio was also computed and it is found that 31% of the Private Mutual Funds and 48% of the Public Mutual Funds have positive Jensen ratio indicating superior performance.

Based on all performance measures, it is evident that the Public Mutual Funds which have performed better are more than the Private Mutual Funds.

TABLE 1: COMPARISON BETWEEN PRIVATE AND PUBLIC MUTUAL FUNDS ON THE BASIS OF SHARPE, TREYNOR AND JENSEN RATIOS

Sharpe	Treynor	Jensen	Private Mutual Funds	S. No	Public Mutual Funds	Sharpe	Treynor	Jensen
1.62	36.12	-1.53	Benchmark Nifty BeEs	1	BOB Balance Fund	1.13	86.64	12.74
1.02	28.75	-17.18	Benchmark Nifty Junior BeEs	2	BOB ELSS 96	1.13	30.62	-9.72
-0.11	-0.13	-0.15	Birla Cash Plus - Retail (Plan B)	3	BOB Gilt Fund	-0.91	-2.04	-3.15
-0.20	-0.26	-0.41	Birla Floating Rate Fund - Long Term Plan	4	BOB Growth Fund	1.57	78.52	16.20
-0.31	-0.40	-0.57	Birla Floating Rate Fund - Short Term Plan	5	BOB Income Fund	-1.91	6.22	-1.53
1.45	32.61	-5.53	Birla Index Fund	6	BOB Liquid Fund	-0.29	-0.36	-0.27
1.15	32.09	-6.17	Birla MNC Fund	7	Canara Robeco CIGO	1.33	1.92	9.13
1.71	44.72	5.46	Birla Sun Life 95 Fund	8	Canara Robeco Equity Diversified	1.87	64.20	13.08
1.40	35.20	-3.32	Birla Sun Life Advantage Fund	9	Canara Robeco Equity Tax Saver	1.60	39.60	2.05
1.30	32.23	-4.54	Birla Sun Life Balance	10	Canara Robeco Gilt PGS	-0.52	-1.18	-1.79
1.12	29.95	-15.48	Birla Sun Life Basic Industries Fund	11	Canara Robeco Income	-0.08	-0.37	-0.21
1.91	84.77	25.42	Birla Sun Life Buy India Fund	12	Canara Robeco Liquid	0.09	0.11	0.11
-0.13	-0.15	-0.21	Birla Sun Life Cash Manager - Inst. Plan	13	Canara Robeco Liquid Plus - Retail Plan	-0.06	-0.10	-0.21
-0.09	-0.11	-0.11	Birla Sun Life Cash Manager	14	LIC MF Balanced Fund - C	1.32	48.79	6.08
-0.21	-0.25	-0.35	Birla Sun Life Cash Plus - Institutional Plan (Plan C)	15	LIC MF Bond Fund	-0.32	-0.63	-0.91
0.95	28.75	-13.26	Birla Sun Life Dividend Yield Plus	16	LIC MF Childrens Fund	0.49	0.66	9.75
1.84	49.24	13.71	Birla Sun Life Equity Fund	17	LIC MF Equity Fund	1.09	27.37	-13.92
1.72	39.12	1.65	Birla Sun Life Frontline Equity Fund	18	LIC MF Govt. Sec. Fund	-0.59	-2.18	-1.81
0.07	-1.06	0.13	Birla Sun Life Gilt Plus (Liquid Plan)	19	LIC MF Growth Fund	1.11	29.91	-10.75
-0.15	-1.52	-0.75	Birla Sun Life Gilt Plus (PF Plan)	20	LIC MF Index Fund - Nifty Plan	1.12	25.49	-12.77
0.06	0.22	0.31	Birla Sun Life Gilt Plus (Regular Plan)	21	LIC MF Index Fund - Sensex Advantage Plan	1.66	37.70	0.01
-0.27	5.68	-1.33	Birla Sun Life G-Sec. Fund - Long Term	22	LIC MF Index Fund - Sensex Plan	1.47	33.14	-3.92
-0.59	-1.20	-1.87	Birla Sun Life G-Sec. Fund - Short Term	23	LIC MF Liquid Fund	0.32	0.42	0.37
0.12	0.19	0.57	Birla Sun Life Income Fund	24	LIC MF Monthly Income Plan	1.18	1.42	5.31
-0.05	-0.09	-0.27	Birla Sun Life Income Plus - Retail (Plan B)	25	LIC MF Short Term Plan	-1.35	-1.58	-1.35
1.60	43.75	3.99	Birla Sun Life India Opportunities Fund - Plan B	26	LIC MF Tax Plan	1.03	25.05	-17.38
-0.01	-0.01	-0.01	Birla Sun Life Liquid Plus Fund - Institutional (Plan C)	27	LIC MF Unit Linked Insurance Scheme	1.88	55.85	7.53
0.05	0.07	0.07	Birla Sun Life Liquid Plus Fund - Retail (Plan B)	28	Principal Balanced Fund	1.50	40.51	2.06

1.65	43.85	7.78	Birla Sun Life Midcap Fund	29	Principal Cash Mgmt - Liquid - Inst. Plan	-0.28	-0.35	-0.51
1.00	4.54	6.21	Birla Sun Life Monthly Income	30	Principal Cash Mgmt - Liquid Fund	-0.20	-0.25	-0.25
0.95	2.79	4.69	Birla Sun Life Monthly Income Plan	31	Principal Child Benefit Fund - Career Builder Plan	1.89	57.46	11.64
1.72	52.96	19.21	Birla Sun Life New Millennium	32	Principal Child Benefit Fund - Future Guard Plan	1.90	57.64	11.72
0.13	0.17	0.29	Birla Sun Life Short Term Fund	33	Principal Govt Sec. Fund - Investment Plan	-0.08	-0.51	-0.33
-0.74	-1.60	-2.11	Birla Sun Life Short Term Opportunities Fund - Retail Plan	34	Principal Govt Sec. Fund - Savings Plan	-1.05	-13.83	-1.53
1.07	27.58	-21.53	Birla Sun Life Tax Plan	35	Principal Growth Fund	1.85	56.92	14.75
1.42	36.20	-2.04	Birla Sun Life Tax Relief 96	36	Principal Income Fund	-0.07	-0.15	-0.23
1.04	27.42	-21.79	Birla Tax Plan 98	37	Principal Income Fund - Institutional Plan	-0.12	-0.16	-0.33
-0.11	-0.19	-0.19	DBS Chola Freedom Income - Short Term Fund	38	Principal Income Fund - Short Term Plan	0.17	0.21	0.19
-0.45	-0.90	-9.61	DBS Chola Freedom Income - STF Institutional Plan	39	Principal Income STP - Institutional Plan	-0.10	-0.12	-0.17
-0.26	1.33	-1.33	DBS Chola Gilt - Investment Plan	40	Principal Index Fund	1.39	31.28	-6.75
1.54	37.72	0.04	DBS Chola Growth Fund	41	Principal Monthly Income Plan	0.67	1.38	4.25
-0.24	-0.29	-0.35	DBS Chola Liquid Fund - Institutional Plus	42	Principal Personal Tax Savings Fund	1.50	42.40	5.25
-0.18	-0.21	-0.19	DBS Chola Liquid Fund - Regular	43	Principal Resurgent India Equity Fund	1.08	27.43	-19.78
0.71	1.02	2.81	DBS Chola Monthly Income Plan - Regular	44	Principal Tax Savings Fund	2.02	54.67	16.58
-1.03	10.87	-2.85	DBS Chola Triple Ace	45	SBI Magnum Balanced Fund	2.18	57.73	14.58
1.60	38.94	1.16	DSP-ML Balanced Fund	46	SBI Magnum Childrens Benefit Plan	0.92	-6.42	5.79
-0.60	-2.92	-1.65	DSP-ML Bond Fund - Retail Plan	47	SBI Magnum Contra Fund	2.67	85.81	36.52
1.52	36.74	-1.53	DSP-ML Equity Fund - Regular Plan	48	SBI Magnum FMCG Fund	1.10	42.33	14.61
-0.93	-2.04	-1.03	DSP-ML Floating Rate Fund - Regular Plan A	49	SBI Magnum Gilt - Long Term Plan	-0.39	-1.37	-1.53
-0.25	-8.10	-0.89	DSP-ML Govt. Sec. Fund - Plan A	50	SBI Magnum Gilt - Short Term Plan	-0.13	-0.26	-0.43
-0.73	-2.51	-0.87	DSP-ML Govt. Sec. Fund - Plan B	51	SBI Magnum Global Fund	3.26	148.74	47.73
-0.28	-0.34	-0.25	DSP-ML Liquidity Fund	52	SBI Magnum Income Fund	-0.55	-1.65	-1.79
1.33	33.34	-7.40	DSP-ML Opportunities Fund - Regular Plan	53	SBI Magnum Index Fund	1.46	32.31	-5.77
1.31	-11.04	4.83	DSP-ML Saving Plus Fund - Moderate	54	SBI Magnum Insta Cash Fund - Liquid Floater Plan	-0.02	-0.03	-0.03
-0.18	-0.37	-0.21	DSP-ML Short Term Fund	55	SBI Magnum Insta Cash Fund (Cash)	-0.12	-0.15	-0.15
2.83	-304.40	46.42	DSP-ML Technology.Com - Regular Plan	56	SBI Magnum IT Fund	1.27	18.35	-8.45
1.33	31.96	-9.82	DSP-ML Top 100 Equity Fund - Regular Plan	57	SBI Magnum Monthly Income Plan	0.73	12.21	3.05
1.39	33.69	-5.92	DWS Alpha Equity Fund	58	SBI Magnum Multiplier Plus	1.81	43.31	7.71
-0.09	-0.11	-0.13	DWS Insta Cash Plus Fund	59	SBI Magnum Pharma Fund	0.89	38.63	13.81
-0.12	0.60	-0.49	DWS Premier Bond Fund - Regular Plan	60	SBI Magnum Tax Gain Scheme	1.83	59.40	25.41
0.06	0.09	0.09	DWS Short Maturity Fund	61				
1.51	39.65	1.86	Escorts Balanced Fund	62				

-0.63	-5.81	-1.77	Escorts Gilt Fund	63
1.72	49.70	10.93	Escorts Growth Plan	64
0.22	-2.08	0.65	Escorts Income Plan	65
1.16	33.71	-2.09	Escorts Opportunities Fund	66
1.38	33.14	-5.93	Escorts Tax Plan	67
1.15	22.01	0.96	Franklin FMCG Fund	68
1.31	31.96	-8.67	Franklin India Blue chip Fund	69
1.82	39.66	1.72	Franklin India Index Fund - BSE Sensex	70
1.68	37.58	-0.11	Franklin India Index Fund - NSE Nifty Plan	71
1.54	34.28	-3.50	Franklin India Index Tax Fund	72
2.12	46.19	8.40	Franklin India Opportunities Fund	73
0.99	28.91	-18.56	Franklin India Prima Fund	74
1.68	39.20	1.91	Franklin India Prima Plus Fund	75
1.55	42.43	5.11	Franklin India Tax Shield	76
-1.53	8.89	-6.49	Franklin Indian International Fund	77
0.82	12.76	-17.11	Franklin Infotech Fund	78
0.71	27.07	1.87	Franklin Pharma Fund	79
1.51	34.80	-2.66	FT India Balanced Fund	80
1.48	7.58	6.41	FT India Monthly Income Plan	81
1.43	33.59	-3.00	HDFC Balanced Fund	82
1.45	47.94	11.50	HDFC Capital Builder Fund	83
-0.42	-0.49	-0.63	HDFC Cash Management Fund - Call Plan	84
0.07	0.08	0.09	HDFC Cash Management Fund - Saving Plan	85
-0.08	-0.10	-0.13	HDFC Cash Management Savings Plus - Retail Plan	86
1.26	35.52	-1.34	HDFC Childrens Gift Fund - Investment Plan	87
0.73	-5.10	5.47	HDFC Childrens Gift Fund - Savings Plan	88
1.38	35.40	-3.50	HDFC Equity Fund	89
-0.33	-0.38	-0.45	HDFC Floating Rate Income Fund - LTP	90
-0.02	-0.02	-0.03	HDFC Floating Rate Income Fund - STP - Retail Plan	91
-0.43	-4.66	-2.05	HDFC Gilt Fund - Long Term Plan	92
-0.92	-3.24	-1.41	HDFC Gilt Fund - Short Term Plan	93
1.37	33.53	-6.46	HDFC Growth Fund	94
-0.53	-2.35	-1.77	HDFC High Interest Fund	95
0.09	0.12	0.21	HDFC High Interest Fund - Short Term Plan	96

-0.38	-1.67	-1.37	HDFC Income Fund	97
1.38	30.47	-7.94	HDFC Index Fund - Nifty Plan	98
1.80	39.19	1.29	HDFC Index Fund - Sensex Plan	99
1.79	39.09	1.38	HDFC Index Fund - Sensex Plus Plan	100
-0.11	-0.13	-0.17	HDFC Liquid Fund - Premium Plan	101
-0.10	-0.11	-0.15	HDFC Liquid Fund - Premium Plus	102
-0.10	-0.12	-0.15	HDFC Liquid Fund	103
1.20	39.57	2.53	HDFC Long Term Advantage Fund	104
1.60	39.88	2.28	HDFC Prudence Fund	105
-0.05	-0.06	-0.09	HDFC Short Term Plan	106
1.60	55.30	18.01	HDFC Tax Saver	107
1.29	32.78	-8.15	HDFC Top 200 Fund	108
-0.36	-0.49	-0.89	HSBC Cash Fund - Institutional Plan	109
-0.14	-0.17	-0.17	HSBC Cash Fund	110
1.16	32.11	-10.38	HSBC Equity Fund	111
-0.16	-0.51	-0.57	HSBC Income Fund - Investment Plan	112
-0.40	-0.48	-1.23	HSBC Income Fund - Investment Plan - Inst. Plan	113
-0.16	-0.24	-0.23	HSBC Income Fund - Short Term Plan	114
-0.60	1.07	-5.83	HSBC Income Fund - STP - Institutional Plan	115
1.57	37.11	-0.48	ICICI Pru Balanced Fund	116
1.56	41.30	3.28	ICICI Pru Child Care Plan - Gift Plan	117
1.46	12.21	8.73	ICICI Pru Child Care Plan - Study Plan	118
1.55	35.28	-3.22	ICICI Pru Dynamic Plan	119
0.05	0.13	0.15	ICICI Pru Flexible Income Plan	120
-0.10	-0.11	-0.17	ICICI Pru Floating Rate Plan B	121
1.54	30.17	12.76	ICICI Pru FMCG Fund	122
-0.01	-0.02	-0.03	ICICI Pru Gilt - Investment Plan	123
0.04	0.17	0.07	ICICI Pru Gilt - Treasury Plan	124
1.41	31.97	-7.50	ICICI Pru Growth Plan	125
-0.16	-0.31	-0.57	ICICI Pru Income Plan	126
0.10	0.25	0.39	ICICI Pru Income Plan - Institutional Plan	127
1.54	34.30	-3.66	ICICI Pru Index Fund - Nifty Plan	128
-0.08	-0.10	-0.13	ICICI Pru Liquid - Institutional Plan	129
-0.37	-0.45	-0.71	ICICI Pru Liquid (Sweep Plan)	130

-0.27	-0.37	-0.73	ICICI Pru Liquid Plan - Institutional Plus	131
-0.15	-0.18	-0.21	ICICI Pru Liquid Plan	132
2.03	-44.77	1.75	ICICI Pru Long Term Plan	133
1.33	3.46	4.93	ICICI Pru Monthly Income Plan	134
1.30	31.14	-10.87	ICICI Pru Power	135
0.33	0.43	0.55	ICICI Pru Short Term Plan	136
0.48	0.62	0.83	ICICI Pru Short Term Plan - Institutional Plan	137
1.68	36.51	-1.25	ICICI Pru SPICe Plan	138
1.12	34.00	-6.22	ICICI Pru Tax Plan	139
1.34	28.53	5.95	ICICI Pru Technology Fund	140
-0.86	-1.01	-0.71	IDFC Cash Fund - Institutional Plan B	141
-0.83	-1.02	-0.63	IDFC Cash Fund	142
-0.01	-0.03	-0.05	IDFC Dynamic Bond Fund	143
-0.25	-0.79	-1.05	IDFC G-Sec. Fund - Investment Plan	144
-0.50	-2.28	-1.61	IDFC G-Sec. Fund - Short Term Plan	145
-0.72	-1.10	-1.11	IDFC Liquid Plus Fund - Treasury Plan - Institutional Plan B	146
-0.18	-0.23	-0.17	IDFC Liquid Plus Fund - Treasury Plan A	147
-0.29	-0.63	-1.15	IDFC Super Saver Income Fund	148
-0.55	-0.69	-1.35	IDFC Super Saver Income Fund - Medium Term Plan - A	149
0.02	0.02	0.03	IDFC Super Saver Income Fund - STP	150
1.78	49.85	6.21	ING Balanced Portfolio	151
2.45	129.27	24.75	ING Core Equity Fund	152
-2.68	-78.17	-2.19	ING Gilt Fund - Regular Plan	153
-0.46	-0.90	-1.47	ING Income Fund	154
-0.25	-0.38	-0.77	ING Income Fund - Institutional Option	155
-0.15	-0.18	-0.17	ING Liquid Fund	156
0.44	0.62	0.79	ING Short Term Income Fund	157
1.88	45.62	4.80	JM Balanced Fund	158
1.49	34.61	-4.08	JM Equity Fund	159
-0.32	-0.45	-0.59	JM Floater Fund - Short Term Plan	160
-0.36	1.74	-1.35	JM G-Sec Fund - PF Plan	161
-0.55	7.30	-1.81	JM G-Sec Fund (RP)	162
-0.37	-0.45	-0.55	JM High Liquidity Fund - Institutional Plan	163
-0.31	-0.39	-0.37	JM High Liquidity Fund	164

-0.58	-5.05	-1.65	JM Income Fund	165
-0.56	-0.72	-1.15	JM Liquid Plus Fund - Regular Plan	166
0.49	0.60	1.71	JM Monthly Income Plan	167
0.24	0.36	0.39	JM Short Term Plan	168
-0.50	0.81	-5.19	JM Short Term Plan - Institutional Plan	169
2.19	54.63	15.63	Kotak 30	170
2.23	57.06	11.92	Kotak Balance	171
0.28	0.37	0.49	Kotak Bond - Short Term Plan	172
-0.28	-0.67	-0.73	Kotak Bond (Deposit Plan)	173
0.08	0.15	0.23	Kotak Bond (Regular Plan)	174
-0.25	-0.32	-0.53	Kotak Floater Short Term Plan	175
-0.21	1.33	-0.83	Kotak Gilt Investment Plan Regular	176
-2.64	-3.31	-0.77	Kotak Gilt Savings Plan	177
-0.26	-0.30	-0.35	Kotak Liquid - Institutional Plan	178
-0.41	-0.51	-0.47	Kotak Liquid Regular	179
1.20	38.46	0.77	Kotak MNC	180
1.20	19.40	-4.12	Kotak Tech	181
1.42	32.18	-6.60	Morgan Stanley Growth Fund	182
1.78	-1770.87	41.13	Reliance Banking Fund	183
0.73	1.44	0.53	Reliance Gilt Securities Fund - Long Term Plan	184
-1.07	-1.57	-2.07	Reliance Gilt Securities Fund- Short Term Plan	185
1.45	39.12	2.58	Reliance Growth Fund - Retail Plan	186
0.02	0.04	0.05	Reliance Income Fund	187
-1.10	-1.57	-0.89	Reliance Liquid Fund - Cash Plan	188
-0.24	-0.30	-0.29	Reliance Liquid Fund - Treasury Plan	189
-0.55	-1.09	-1.37	Reliance Medium Term Fund	190
0.60	0.89	1.03	Reliance Short Term Plan	191
1.12	27.36	-22.55	Reliance Vision Fund - Retail Plan	192
-1.00	-1.56	-2.89	Sahara Gilt Fund	193
1.46	34.33	-4.43	Sahara Growth Fund	194
-0.34	-0.64	-1.03	Sahara Income Fund	195
1.39	36.15	-1.88	Sahara Tax Gain	196
1.46	35.93	-1.41	Sundaram BNP Paribas Balanced Fund	197
-0.60	-1.77	-1.97	Sundaram BNP Paribas Bond Saver	198

1.56	38.50	1.08	Sundaram BNP Paribas Growth Fund	199
-0.16	-0.19	-0.17	Sundaram BNP Paribas Money Fund	200
1.64	39.17	2.01	Sundaram BNP Paribas Select Focus - Retail Plan	201
1.42	35.31	-4.55	Sundaram BNP Paribas Select Midcap	202
1.87	56.49	17.96	Sundaram BNP Paribas Tax Saver	203
1.52	36.70	-1.02	Tata Balanced Fund	204
-0.37	-0.52	-0.93	Tata Dynamic Bond Fund - Plan A	205
-0.40	-0.55	-0.95	Tata Dynamic Bond Fund - Plan B	206
1.09	28.48	-21.82	Tata Equity Opportunities Fund - Plan B	207
-0.78	-1.52	-2.87	Tata Gilt High Fund	208
-1.00	-1.40	-3.57	Tata Gilt Retirement Plan (28/02/09 Maturity)	209
-1.01	-1.38	-3.67	Tata Gilt Retirement Plan (28/02/10 Maturity)	210
-1.00	-1.39	-3.61	Tata Gilt Retirement Plan (28/02/11 Maturity)	211
-0.96	-1.37	-3.47	Tata Gilt Retirement Plan (28/02/13 Maturity)	212
-1.04	-1.36	-3.91	Tata Gilt Retirement Plan (28/02/25 Maturity)	213
-0.58	-1.32	-1.01	Tata Gilt Securities - Short Maturity Fund	214
-0.30	-2.32	-1.57	Tata Gilt Securities Fund B (App)	215
-0.02	-0.09	-0.07	Tata Income Fund	216
-0.33	-3.49	-1.07	Tata Income Plus Fund - Plan A	217
-0.30	-4.04	-1.01	Tata Income Plus Fund - Plan B	218
1.54	33.70	-4.53	Tata Index Fund - Nifty Plan – A	219
1.58	34.77	-3.14	Tata Index Fund - Sensex Plan – A	220
1.06	29.78	-11.47	Tata Life Sciences & Technology Fund	221
-0.16	-0.19	-0.31	Tata Liquid - Super High Investment Plan	222
-0.12	-0.15	-0.19	Tata Liquid Fund - High Investment Plan	223
-0.11	-0.13	-0.15	Tata Liquid Fund	224
0.52	-5.25	3.03	Tata Monthly Income Fund	225
1.27	32.02	-9.94	Tata Pure Equity Fund	226
1.35	31.59	-10.87	Tata Select Equity Fund	227
0.32	0.44	0.59	Tata Short Term Bond Fund	228
1.11	30.80	-11.09	Tata Tax Saving Fund	229
1.20	28.20	-7.07	Tata Young Citizens Fund	230
1.18	42.53	5.47	Taurus Discovery Fund	231
-0.34	2.87	-1.63	Taurus Libra Bond	232

-0.66	1.79	-2.91	Taurus Libra Gilt	233
2.02	48.99	14.27	Taurus Star Share	234
0.88	130.16	8.73	Templeton (I) Childrens Asset Plan - Gift Plan	235
0.04	0.05	0.05	Templeton Floating Rate Income Fund - LTP	236
0.08	0.10	0.11	Templeton Floating Rate Income Fund - STP	237
-0.21	14.59	-0.87	Templeton India Govt Sec - Composite Plan	238
-0.38	-9.74	-0.57	Templeton India Govt Sec - Treasury Plan	239
0.15	-0.84	0.73	Templeton India Govt. Sec. - Long Term Plan	240
1.04	26.62	-20.87	Templeton India Growth Fund	241
-0.45	-1.39	-1.55	Templeton India Income Builder Account	242
-0.21	-0.47	-0.83	Templeton India Income Fund	243
1.45	35.35	-1.11	Templeton India Pension Plan	244
0.22	0.29	0.47	Templeton India Short Term Income Plan	245
-0.13	-0.16	-0.15	Templeton India Treasury Mgmt Account	246
1.13	5.29	5.23	Templeton Monthly Income Plan	247
-1.20	-2.70	-1.87	Templeton Monthly Income Plan (Q Div)	248
1.47	35.59	-1.50	UTI Balanced Fund	249
-0.05	-0.12	-0.17	UTI Bond Fund	250
1.39	32.24	-2.17	UTI Childrens Career Balanced Plan	251
1.26	59.75	4.08	UTI CRTS 81	252
0.74	19.68	-33.07	UTI Energy Fund	253
1.22	31.90	-7.13	UTI Equity Fund	254
1.49	43.94	5.47	UTI Equity Tax Savings Plan	255
-0.49	-0.81	-1.03	UTI Floating Rate Fund - STP	256
0.00	-0.03	0.01	UTI Gilt Advantage Fund - Long Term Plan	257
-0.89	-1.23	-2.85	UTI Gilt Advantage Fund - LTP - PF (PDAR)	258
-0.88	-1.23	-2.87	UTI Gilt Advantage Fund - LTP- PF	259
-0.34	-2.38	-1.47	UTI G-Sec Fund	260
1.29	29.90	-10.99	UTI Index Select Equity Fund	261
-0.36	-0.46	-0.69	UTI Liquid Fund - Cash Plan - Growth	262
-0.22	-0.27	-0.47	UTI Liquid Fund - Short Term Plan – Growth	263
-0.55	-2.29	-1.65	UTI Liquid Plus Fund - Retail Plan	264
1.55	37.51	-0.08	UTI Mahila Unit Scheme	265
1.22	30.04	-11.35	UTI Master Equity Plan Unit Scheme	266

1.72	37.40	-0.30	UTI Master Index Fund	267
1.18	26.18	-17.42	UTI Master Plus Unit Scheme	268
1.01	29.46	-12.57	UTI Master Value Fund	269
1.22	31.28	-9.05	UTI Master growth 93	270
1.89	71.28	14.58	UTI Master share	271
1.10	28.76	-9.32	UTI MNC Fund	272
-0.11	-0.13	-0.15	UTI Money Market Fund	273
0.66	1.03	2.49	UTI Monthly Income Scheme	274
1.53	34.06	-3.87	UTI Nifty Index Fund	275
0.72	27.21	1.75	UTI Pharma & Healthcare Fund	276
1.37	32.30	-6.67	UTI Services Industries Fund	277
0.87	12.98	-17.37	UTI Software Fund	278
1.73	39.69	1.75	UTI SUNDER	279
1.21	29.54	-3.29	UTI Variable Investment Scheme - Index Linked	280

CATEGORIES OF PRIVATE SECTOR AND PUBLIC SECTOR MUTUAL FUNDS

Private and Public sector mutual funds are further classified into different categories -

1. Private Balanced Category funds
2. Public Balanced Category funds
3. Private Debt Category funds
4. Public Debt Category funds
5. Private Equity Category funds
6. Public Equity Category funds
7. Private Money Market Category funds
8. Public Money Market Category funds

COMPARISON OF PRIVATE SECTOR AND PUBLIC SECTOR FUNDS BASED ON RETURN AND RISK PARAMETERS:

Table 2 shows that the returns of Private sector and Public sector mutual funds range from 5.13% to 50.8%. The returns are highest for Private Equity category followed by Public Equity category whereas Private Debt category has the lowest returns.

TABLE 2: RETURN AND RISK PARAMETERS FOR PRIVATE SECTOR AND PUBLIC SECTOR FUNDS

S. No	Type of Fund	Return (%)	Risk	Coefficient of Variation
1	Private Balanced	32.56	9.14	0.28
2	Public Balanced	36.23	6.91	0.19
3	Private Debt	5.13	2.01	0.39
4	Public Debt	6.35	3.55	0.56
5	Private Equity	50.80	10.92	0.22
6	Public Equity	47.97	12.96	0.27
7	Private Money Market	6.43	1.99	0.31
8	Public Money Market	7.16	2.16	0.30

The risk ranges from 1.99 to 12.96. The risk is highest for Public Equity category and lowest for Private Money market. The risk per unit returns ranges from 0.19 to 0.56. The risk per unit return ratio is highest for Public Debt Category and lowest for Public Balanced category.

HYPOTHESIS TESTING

There is no significant difference between returns of various mutual fund schemes of respective Private mutual funds category.

It is evident from Table 3 that for Private Balanced and Private Debt mutual funds, the F value is insignificant. Therefore the null hypothesis that there is no significant difference between the returns of mutual fund schemes within the respective Private Sector Categories is accepted. It implies that the returns of mutual fund schemes do not significantly differ from one other within the respective Private Sector Mutual Fund Categories.

TABLE 3: ANOVA FOR PRIVATE SECTOR CATEGORIES

S. No	Category	F Value	Table Value
1	Private Balanced	1.24 ^{NS}	1.65
2	Private Debt	1.3 ^{NS}	1.30
3	Private Equity	2.04**	1.48
4	Private Money Market	3.38**	1.65

Note: ** P < 0.01 NS – Not Significant

For Private Equity and Private Money Market categories, the F value is significant. Therefore the alternative hypothesis that there is significant difference between the returns of mutual funds schemes within the respective Private Sector Categories is accepted. It implies that the returns of mutual fund schemes significantly differ from one another within the respective Private Sector Mutual Fund Categories.

HYPOTHESIS TESTING

There is no significant difference between returns of various mutual fund schemes of respective public mutual funds category.

From **Table 4** it can be concluded that for Public Debt and Public Money Market mutual funds, the F value is significant at 5% level. Therefore the null hypothesis that there is no significant difference between the return of mutual funds schemes within the Public Sector Categories is rejected and alternative hypothesis that there is significant difference between the returns of mutual fund schemes within the respective Public Sector Categories is accepted. It implies that the returns of mutual fund schemes significantly differ from one another.

TABLE 4: ANOVA BETWEEN RETURNS OF VARIOUS MUTUAL FUND SCHEMES OF PUBLIC MUTUAL FUNDS CATEGORY

S. No	Name	F Value	Table Value
1	Public Balanced	1.41 ^{NS}	3.81
2	Public Debt	2.02*	1.72
3	Public Equity	1.05 ^{NS}	1.84
4	Public Money Market	5.87**	2.64

Note: * P < 0.05 ** P < 0.01 NS – Not Significant

For Public Balanced and Public Equity Categories, the F value is not significant. It implies that the returns of mutual fund schemes do not significantly differ from one another.

HYPOTHESIS TESTING

There is no significant difference between the returns of private mutual funds and public mutual funds.

From **Table 5**, it can be understood that the F value is not significant. This means the null hypothesis that there is no significant difference between returns of private and public mutual funds is accepted. It implies that the returns of Private mutual funds do not significantly differ from returns of Public mutual funds.

TABLE 5: ANOVA BETWEEN RETURNS OF PRIVATE AND PUBLIC SECTOR MUTUAL FUNDS

S. No	Name	F Value	Table Value
1	Private Public	6.39 ^{NS}	239

Note: NS – Not Significant

CONCLUSION

Looking at the past developments and combining it with the current trends it can be concluded that the future of Mutual Funds in India has lot of positive things to offer to its investors. The competition among the private and public players has increased the choice of mutual funds schemes to the investors. The tremendous success the fund industry has enjoyed is due to the fact that, it has done more than any other financial services industry to offer investors solid products tailored to meet real financial needs, and marketed those products responsibly. If the long-term health and investor protection is maintained, the record of success can be maintained in the future irrespective of private or public mutual funds.

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