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A COMPARATIVE STUDY ON PERFORMANCE ANALYSIS OF DEBT AND EQUITY SCHEMES AT SBI MUTUAL FUNDS AND KOTAK MUTUAL FUNDS

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ABSTRACT

Mutual fund creates numerous opportunities for the development and growth of the Indian economy. This paper brings out the difference in the performance of both the equity and debt schemes which influence the investor's behavior towards the fund category available in the market. It is comparative study done on the SBI mutual fund and Kotak Mahindra mutual fund to know its impact on the standard deviation, average returns and Sharpe ratio which helps in measuring the performance and ranking the funds accordingly on the following criteria. Data has been collected from secondary sources. The data has been collected from the past 5 years i;e.. From 2013-2017.Different tools is used to evaluate both the debt and equity schemes of SBI and Kotak Mutual funds.

keywords: Mutual fund, Risk, Return, Debt and equity schemes, Sharpe ratio.

1. INTRODUCTION

Indian financial system comprises of financial instruments, financial markets, financial services, financial intermediaries for the development and growth of Indian markets for both the investors and business organizations. Mutual Fund started its existence in the year 1963 which is unit trust of India where it began its journey to function in the Indian financial system. Mutual Fund was regulated and controlled by securities and exchange board of India and initiative was taken by the government of India and administrative control by the RBI. It is required to be registered with the SEBI. Mutual fund is an investment avenue which provides the investor to invest their small amount of money into different investment schemes which are available in the form of equity, debt, bond, and government securities etc. Fund manager identifies the financial return and risks of an investment avenue which is available in the market. He should know how

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decision should be taken on the basis of market analysis, industry analysis, past performance or historical records of the company, Quality of the stock. It can also be measured in both qualitative and quantitative for the effective standard measurement. Fund manager should carefully select the schemes based on the market conditions. Two parameters in the mutual funds can identify the goals and objectives for the investment that is return and risk.

(Simran saini, May 2011): Mutual fund companies provide opportunity to all the investors to invest in different schemes of mutual fund. It shows that the investors are more interested in those schemes which provide liquidity. There is positive approach for the investors to invest in the mutual fund. Fund manager should also invest those investors money which provide them with liquidity and ensures secure income related schemes. Investors Behavior is influenced by the mutual fund schemes, role of financial advisor, brokers, online trading, and time and cost. (Maheshwari, July-2015): Mutual fund companies with larger asset base perform better than lower based asset company. Companies with low expenses ratio are better than those companies with high expenses ratio. It also depends on the past performance of the company and one can expect positive or negative performance in the future.

2. REVIEW OF LITERATURE

(Sweta Goel, 2012): Mutual fund has showed positive effect on those companies which has a good past performance. Investors and portfolio manager should analyze the performance of the company on the basis of past records. There is negative effect on those companies which have high expense ratio will decrease risk adjusted returns and the company with less expense ratio perform well and increase their risk adjusted returns, so mutual fund manager should be consistent in this performance. Performance of the mutual fund scheme is positively related with their asset size. (Himanshu Puri, Dec-10): Balanced fund scheme gives option for both debt and equity so it makes investor in measuring their reasonable risk and good returns on his investment. Systematic performance evaluation can enable him with investment objectives with good decision making. HDFC have maximum returns, Sharpe and Trenyors. Balanced growth scheme have positive returns of approximately 42%. (Arora, 2015): Mutual fund can be evaluated on the basis of Sharpe ratio and Treynor ratio which indicates that 52% of Sharpe ratios schemes were better than benchmark indices and It was also found that 42 per cent of growth schemes, 40 per cent of tax planning schemes, 75 per cent of income schemes and 91 per cent of balanced schemes, respectively, had performed better than their respective indices in terms of Sharpe ratio. (Bilal Ahmad, Sep-17): Private sector funds have recorded a compound growth rate of 48 percent as against the growth rate of 6 percent by the public sector funds, indicating thereby that the dominating place of private sector funds which at one point of time accounted for only 5.93 percent of AUMs which as on 2010-11 account for 77.9 percent. Stock selectivity and market timing performance should be used effectively. ELSS is the only scheme

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which has recorded negative growth. (Mohamed.zaheeruddin, Feb-13): Mutual fund is a financial intermediary in which it ensures liquidity for the financial system of the country. To analyze the performance of two companies in which one indicates high return among the selected funds with company risk and market risk ,ICICI has low risk and BIRLA sun life has high risk. (Mr.Surender Gade, 2 jan 2012) : ICICI prudential has shown positive effect on the income schemes fund of 30.40 % from 23.56% which also there is low expense ratio of 1.73 from 2.06%, but ICICI prudential short term NAV and AUM has increased in 2010, but there was high expense ratio, Sharpe ratio is 1.00 in 2010.Reliance Parma fund has higher performance than ICICI and Birla sun life mutual fund. Birla sun life mutual fund performance based on tax planning has greater impact than ICICI and Reliance mutual fund. (P. Sathish, May 2016): ICICI prudential mid cap fund growth has a highest return in which investors should invest in these mutual fund schemes depending on risk and return. All the schemes in this mutual fund has shown positive return, but standard deviation for all the funds has low risk than market value. Beta value for all selected funds scheme is less than 1 which is less volatile than the market. Jensen Alpha is positive in mutual fund schemes .Franklin India savings plus fund, Kotak equity arbitrage fund and IDFC money manager fund did not perform well. (N. Lakshmi, September 2008): Market performance has a positive influence on the entire sample scheme performance. NAV of all sample schemes are positively and significantly correlated with past NAV for all time lags with consistent in periodic returns. There was difference in sample schemes which are not well diversified in Jensen Alpha and Sharpe differential returns due to stock selectivity. Market return has impact on all sample schemes returns. (DR.Shantanu mehta, September 2012) : In mutual fund the long-term investment is preferred than short term investment which has negative returns to the investors. Growth schemes of 3 years investment is higher than growth in 5 years investment and growth scheme has shown the highest growth in return analysis to the investor, Investors should not judge a fund based on net asset value, it should be looked at standard deviation, Sharpe ratio, Treynor ratio, Beta correlation etc. Reliance pharma fund has shown high returns in growth scheme. (Sung C. Bae, Winter, 1994): There is positive relationship between the equity risk bond covenants and stock holder wealth. It also indicates any increase in shareholder wealth will be attributed to significant reduction in the agency cost of debt by issuance of protected Bonds. Firm with relatively greater agency cost of debt to benefit from issuing protected bonds. Protected Bonds has positive impact on the stockholder returns than issue of non protected bonds. (Soumya Guha Deb, June 2007): Market timing and stock selectivity will help in analyzing the superior performance of mutual funds in India. There is little evidence of market timing using monthly data frequency of TM and HM models. There was significant positive market timing at 10%. Fund managers should be more inclined towards the market selectivity and timing .It was found that Indian fund manager show a weak performance of stock selectivity and market timing. There was a considerable reduction in the negative market

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timing than unconditional models. (Jayadev, March 1996): Growth oriented schemes of mutual fund are not well diversified and did not perform well with benchmark indicators. There is no diversity of portfolios since it has high risk, there is poor performance related to the market selectivity and market timing. Growth oriented schemes were poor in terms of market selectivity and timing. Master gain has positive influence on the benchmark of systematic risk, but with total risk the fund did not perform well. (Selvavinayagam, Oct-12): Reliance banking fund, UTI dividend yield fund have shown moderate risk. HDFC equity fund and HDFC top 200 funds has shown highest rate of return. There is negative effect on most of the schemes which is equity and debt category which are not well diversified, so investor should analyze best investment option. There is significant in performance of equity fund. (Satheesh Kumar Rangasamy & Athika, may 2016): Debt and liquid funds offered decent returns than the equity and indexed funds. There is a positive influence on the debt or income schemes which give a good and fair return than the equity schemes which is highly risky with fluctuations in the market. It was found that there was high ranking in terms of average returns of 16.53% in TATA balanced fund.

3. OBJECTIVES

- The objective of the study is to compare and evaluate the performance based on the equity and debt of SBI mutual funds and Kotak Mutual funds.
- To study the importance of debt and equity schemes.
- To compare risk and return by using Sharpe measure.

4. NEED FOR THE STUDY

- This study will help in evaluating the performance of SBI mutual funds and Kotak Mahindra mutual funds based on the equity and debt schemes.
- It will help investors to decide which funds would give a better returns and it provides investor to choose a category of funds depending on the safety and the risk factor.

5. RESEARCH METHODOLOGY

For the study about the mutual fund companies based on equity and debt schemes, the data instrument used for the secondary research is various data available on websites like Association of mutual fund India, Government websites, value research online, articles, journals, websites of respective mutual funds, data base on Indian economy etc. It comprises of Equity and Debt schemes of SBI mutual fund and Kotak Mahindra mutual fund with different plans such as SBI Magnum midcap fund (Direct Plan), SBI Short term debt fund (Direct plan), SBI magnum midcap fund (Regular plan), SBI short term debt fund (Regular plan), Kotak emerging equity scheme (Direct plan), Kotak emerging equity scheme (Regular plan).Kotak Bond short term (Direct plan) and Kotak bond short term (Regular Plan). Five years data is collected for the study

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from January 31st 2013 to 31st December 2017.Nav will be calculated on the monthly basis. 91 days Treasury bill is taken as risk free rate. This study does not take into consideration of close ended schemes, dividends, commission.

6. SCOPE OF THE STUDY

- The study emphasis on the equity and debt schemes and to know their importance and implications of mutual fund schemes in the present world.
- The Study is done for the period of 5 years.
- This paper analyzes the performance of debt and equity of SBI mutual fund and kotak Mahindra mutual fund, so that it will help investors to evaluate risk and return by comparing two funds together and to choose a better investment option.

7. EVALUATION PARAMETERS

1. Net asset value

2. Assets under management

3. Sharpe ratio

4. Standard deviation

1. Net asset value (NAV)

NAV of mutual fund is affected by changes in instrument performance .NAV can be invested in the stocks or bonds. NAV can be calculated on daily basis, weekly basis, or monthly basis. NAV can influence the prices of the portfolios. Performance Evaluation of mutual fund can be ascertained through NAV value.

2. Asset under Management

AUM is the total value of investment maintained and managed by mutual fund, portfolio manager and financial services. AUM helps to distinguish the size of their mutual fund with competitors in terms of success, performance of an asset.

3. Standard Deviation

Standard deviation is measured in terms of risk. Standard deviation of a fund tells how returns deviates from its mean value, returns will go and down when we correlate with its mean value.

4. Sharpe Ratio

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Sharpe ratio will tell how return is generated with the amount of risk taken. It evaluates both risk and return together for the investors to choose a better fund with optimal risk. Higher Sharpe ratio indicates the better performance of the company with respect to low level of risk or standard deviation. It helps in comparing Risk by correlating two funds together and to choose better proceeds of the funds.

8. LIMITATIONS OF THE STUDY

- Insufficient time to cover all the schemes of SBI mutual funds and Kotak Mahindra mutual funds.
- It is restricted only to equity and debt schemes of the midsize companies.
- Period of study can be done for 6-10 years.
- Tools such as Treynor ratio and Jensen ratio can be used for the further understanding of the schemes with different interpretations.

8.1 Equity funds

Equities are commonly referred to as stocks. It refers to buying and holding of shares by the investors for the longer period of time. Investors can be individuals or firms. They are primarily invested in the assets of the company. Among various investment option, equities are highly rewarded and to be consider more risky than the other debt instruments and money market instruments. Risk is diversified among various common stocks held by the investors. Fund managers are well qualified professionals and trained in the stock markets than the average investors, they buy and sell the shares on behalf of the investors depending on the market movements.

Different types of equity are available for the investors are:

1. Sector funds

2. Small cap equity funds

3. Index funds

5. Aggressive growth funds

8.2 Debt Funds

Debt is commonly referred to as loans which are borrowed to meet the short term requirements which ranges less than one year. Debt funds will ensure liquidity, decent returns with fixed income bearing securities on the investment option. It is less risky with moderate return and the Capital is protected and the interest is earned on the investment. Fund manager will analyze the

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company's performance and obligation to pay principal and interest on the maturity date. Risk free rate are usually treasury bills with no risk.

Types of debt funds are:

1. Dynamic bond funds

2. Gilt funds

3. Income funds

4. Liquid funds

9. DATA ANALYSIS: In mutual fund, the performance of both the equity and debt can be analyzed in the form of average return, standard deviation and Sharpe ratio which helps in interpreting the data to bring meaningful information.

9.1 SBI MAGNUM MIDCAP FUND-DIRECT PLAN

Year	NAV	TOTAL RETURNS	MEAN	STANDARD DEVIATION	SHARPE RATIO
2013	31.45	16.082	1.4623	6.2229	0.120
2014	54.36	58.022	5.2748	3.1328	1.462
2015	63.12	12.755	1.1596	3.0433	0.187
2016	67.07	13.549	1.2318	5.7763	0.123
2017	90.56	25.047	2.2770	2.3532	0.751

INTERPRETATION: In the above figure 9.1, SBI magnum midcap fund (direct plan) NAV was increased from 31.45 to 90.56, total returns (16.082 to 25.047), whereas average returns has increased from 1.4623 to 2.2770, standard deviation was decreased from 6.2229 to 2.3532, however Sharpe ratio has moved from 0.120 to 0.751.

9.2 SBI MAGNUM MIDCAP FUND-REGULAR PLAN

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YEAR	NAV	TOTAL RETURNS	MEAN	STANDARD DEVIATION	SHARPE RATIO
2013	31.24	15.554	1.4141	6.2791	0.112
2014	53.72	57.363	5.2149	3.1345	1.442
2015	61.74	11.773	1.0703	3.0488	0.157
2016	64.81	12.439	1.1309	5.7716	0.106
2017	86.52	23.9789	2.1799	2.3536	0.710

INTERPRETATION: In the above fig 9.2, SBI magnum midcap fund (regular plan) NAV was increased from 31.24 to 86.52, total returns (15.554 to 23.9789), whereas average returns increased from (1.4141 to 2.1799), but standard deviation has decreased from 6.2791 to 2.3536, however Sharpe ratio has increased from 0.112 to 0.710.

9.3 SBI SHORT TERM DEBT FUND-DIRECT PLAN

YEAR	NAV	TOTAL RETURNS	MEAN	STANDARD DEVIATION	SHARPE RATIO
2013	14.24	8.697	0.7907	0.9542	0.084
2014	15.77	9.729	0.8845	0.2839	0.668
2015	17.13	7.155	0.6505	0.2299	0.254
2016	18.93	9.456	0.8597	0.5255	0.646
2017	20.13	5.284	0.4804	0.3306	-0.818

INTERPRETATION: In the above fig 9.3, SBI short term debt fund(direct), NAV was increased from 14.24 to 20.13, total returns (8.697 to 5.284), whereas average returns was decreased from 0.7907 to 0.4804 and standard deviation has decreased from 0.9542 to 0.3306, however Sharpe ratio has also decreased from 0.084 to 0.818.

9.4 SBI SHORT TERM DEBT FUND –REGULAR PLAN

YEAR	NAV	TOTAL RETURNS	MEAN	STANDARD DEVIATION	SHARPE RATIO
2013	14.20	6.611	0.6019	0.8307	-0.130
2014	15.67	9.375	0.8523	0.2847	0.552
2015	16.95	6.747	0.6134	0.2275	0.094
2016	18.63	8.925	0.8114	0.5234	0.557
2017	19.69	4.753	0.4321	0.5833	-0.134

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INTERPRETATION:

In the above fig 9.4, NAV was increased from 14.20 to 19.69, total returns (6.611 to 4.753), whereas average returns have decreased from 0.6019 to 0.4321 and standard deviation has decreased from 0.8307 to 0.5833. Sharpe ratio has decreased from -0.130 to -0.134.

9.5 KOTAK EMERGING EQUITY SCHEME-DIRECT PLAN

YEAR	NAV	TOTAL RETURNS	MEAN	STANDARD DEVIATION	SHARPE RATIO
2013	23.30	6.603	0.6003	1.1662	-0.094
2014	24.93	71.53	6.503	3.4469	1.683
2015	27.43	5.795	0.5269	2.7614	-0.024
2016	30.72	20.883	1.8985	5.7469	0.240
2017	44.54	30.407	2.7643	2.4885	0.906

INTERPRETATION: In the above fig 9.5, in Kotak emerging equity scheme (direct plan) NAV was increased from 23.30 to 44.54, where total returns (6.603 to 30.407) and average returns has increased from 0.6003 to 2.7643, but standard deviation has increased from 1.1662 to 2.4885, however Sharpe ratio has gone from-0.094 to 0.906.

9.6 KOTAK EMERGING EQUITY SCHEME –REGULAR PLAN

YEAR	NAV	TOTAL RETURNS	MEAN	STANDARD DEVIATION	SHARPE RATIO
2013	23.18	6.127	0.5576	1.0813	-0.141
2014	24.60	70.86	6.4269	3.4354	1.668
2015	26.67	4.430	0.4028	2.7632	-0.068
2016	29.45	19.613	1.7832	5.6548	0.223
2017	42.10	29.139	2.6492	2.4929	0.858

INTERPRETATION: In the above fig 9.6, NAV was increased from 23.18 to 42.10, total returns (6.127to 29.139), whereas the average returns has increased from 0.5576 to 5.6492 and standard deviation has increased from 1.0813 to 2.4929; however, Sharpe ratio has increased from -0.141 to 0.858.

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9.7 KOTAK BOND SHORT TERM PLAN-DIRECT PLAN

YEAR	NAV	TOTAL RETURNS	MEAN	STANDARD DEVIATION	SHARPE RATIO
2013	13.20	0.385	0.0348	6.8168	-0.099
2014	25.81	9.667	0.8798	0.2653	0.697
2015	28.08	7.444	0.6768	0.2542	0.334
2016	31.11	9.711	0.8829	0.5939	0.611
2017	33.07	5.003	0.4549	0.3075	-0.179

INTERPRETATION:

In the above fig 9.7, NAV was increased from 13.20 to 33.07, total returns (0.385 to 5.003) whereas average returns have increased from 0.0348 to 0.4549, but standard deviation was decreased from 6.8168 to 0.3075, however Sharpe ratio has decreased from -0.099 to -0.179.

9.8 KOTAK BOND SHORT TERM PLAN –REGULAR PLAN

YEAR	NAV	TOTAL RETURNS	MEAN	STANDARD DEVIATION	SHARPE RATIO
2013	13.13	-1.474	-0.1341	6.7123	-0.125
2014	25.55	9.215	0.8378	0.2653	0.538
2015	27.60	6.765	0.6150	0.2508	0.092
2016	30.29	8.813	0.8012	0.5935	0.474
2017	31.93	4.227	0.3843	0.3051	-0.412

INTERPRETATION

In the above fig 9.8, NAV was increased from 13.13 to 31.93, total returns (-1.474 to 4.227) whereas average returns has increased from-0.1341 to 0.3843,but standard deviation has decreased from 6.7123 to 0.3051,however Sharpe ratio has decreased from -0.125 to -0.412.

RANKING OF FUNDS BASED ON THE AVERAGE RETURN AND STANDARD DEVIATION FOR 5 YEARS 2013-2017

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CATEGORY	FUNDS NAME	MEAN	RANK	STANDARD DEVIATION	RANK
EQUITY FUND	SBI MAGNUM MIDCAP FUND-DIRECT PLAN	25.091	3	19.046	5
EQUITY FUND	SBI MAGNUM MIDCAP FUND-REGULAR PLAN	24.221	4	19.152	6
EQUITY FUND	KOTAK EMERGING EQUITY SCHEME-DIRECT PLAN	27.043	1	24.073	7
EQUITY FUND	KOTAK EMERGING EQUITY SCHEME-REGULAR PLAN	26.003	2	27.033	8
DEBT FUND	SBI SHORT TERM DEBT FUND-DIRECT PLAN	8.063	5	1.848	1
DEBT FUND	SBI SHORT TERM DEBT FUND-REGULAR PLAN	7.282	6	1.884	2
DEBT FUND	KOTAK BOND SHORT TERM PLAN-DIRECT PLAN	6.442	7	3.900	3
DEBT FUND	KOTAK BOND SHORT TERM PLAN-REGULAR	5.509	8	4.337	4

INTERPRETATION

By ranking the funds on the average returns and standard deviation it will help in measuring the risk and return of SBI mutual fund and Kotak mutual fund, hence It was found that Kotak emerging equity scheme (direct plan) stood at 1st rank with 27.043 which was followed by Kotak emerging equity scheme (regular plan) which stood at 2nd rank with 26.003, whereas the average return of debt funds is low when compared to the equity funds. Kotak bond short term plan (regular) stood at last rank with 5.509, followed by Kotak bond short term plan (direct) of 6.442 and which includes both the SBI short term debt funds with direct and regular plan of 7.282 and 8.063. Standard deviation is low in all the debt funds of SBI mutual funds and Kotak mutual funds and standard deviation is high in all the equity funds. SBI short term debt fund (direct plan) stood at 1st rank with 1.848 of less standard deviation and SBI short term debt fund – regular plan stood at 2nd rank with 1.884,whereas the standard deviation in Kotak emerging

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equity scheme with direct plan has 24.073 and regular plan 27.003 which has the highest standard deviation when compared to the other funds.

YEAR 2017: RANKING OF FUNDS BASED ON THE SHARPE RATIO

SERIAL NO	CATEGORY	FUNDS NAME	SHARPE RATIO	RANK
1	EQUITY FUND	SBIMAGNUM MIDCAP FUND-DIRECT PLAN	0.751	3
2	EQUITY FUND	SBI MAGNUM MIDCAP FUND –REGULAR PLAN	0.710	4
3	EQUITY FUND	KOTAKEMERGINGEQUITY SCHEME –DIRECT PLAN	0.906	1
4	EQUITY FUND	KOTAK EMERGING EQUITY SCHEME –REGULAR PLAN	0.858	2
5	DEBT FUND	SBI SHORT TERM DEBT FUND-DIRECT PLAN	-0.818	8
6	DEBT FUND	SBI SHORT TERM DEBT FUND-REGULAR PLAN	-0.134	5
7	DEBT FUND	KOTAK BOND SHORT TERM PLAN –DIRECT PLAN	-0.719	7
8	DEBT FUND	KOTAK BOND SHORT TERM PLAN-REGULAR	-0.412	6

INTERPRETATIONS

- By ranking the funds on the Sharpe ratio, it was found that Kotak emerging equity scheme (direct plan) stood at 1st rank with 0.906 which was followed by the Kotak emerging equity scheme (regular plan) of 0.858, while SBI magnum midcap fund (direct plan) stood at 3rd rank with 0.751 and SBI magnum midcap fund (regular plan) with 4th rank of 0.710.
- All the debt funds of SBI mutual fund and Kotak Mahindra mutual fund has a negative Sharpe ratio of -0.818, -0.134, -0.179, -0.412.

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- An equity fund of both the SBI and Kotak mutual fund has positive Sharpe ratios which show there is positive influence on the investor's behaviour towards the performance of the stock. Hence it is advisable for the investors to be considered as favourable investment opportunity for the investors.

FINDINDS AND DISCUSSIONS

- By ranking the funds based on the five years average return and standard deviation, it was found that average returns of the Kotak emerging equity scheme (direct plan) stood at 1st rank with 27.043 and followed by Kotak emerging equity scheme (regular plan) stood at 2nd rank with 26.003. Kotak had performed well in terms of average return for the 5 years.
- Kotak short term debt fund (regular) and Kotak short term debt fund (direct plan) stood at last rank with 5.509 and 6.644, whereas average return is low when compared to all the other funds.
- Kotak standard deviation is high in case of both the equity schemes which stood at 27.033 and 24.0733.
- SBI short term debt fund (direct plan) stood at 1st rank with less standard deviation of 1.848 and SBI short term debt fund (regular plan) which stood at 2nd rank with 1.884.
- By ranking the funds on the Sharpe ratio it was found that all the debt funds of SBI and Kotak mutual funds has negative Sharpe ratios, whereas the equity funds of both the SBI and Kotak had positive Sharpe ratios.
- Kotak emerging equity scheme (direct plan) stood at 1st rank with 0.906 and Kotak emerging equity scheme (regular plan) stood at 2nd rank with 0.858.
- In comparative study, the average returns of Kotak emerging equity scheme perform better than SBI magnum midcap fund, it is also observed that standard deviation in case of Kotak Mahindra mutual fund is higher than the equity funds of SBI.
- Average returns of the debt funds made by the SBI with direct and regular plan is greater than the debt funds of Kotak mutual funds.
- Kotak emerging equity scheme is better option when compared to the SBI magnum midcap fund with both direct and regular plan.
- Investors are advised to invest in those schemes which provides with good return and the amount of risk taken and to choose a fund category on the basis of standard deviation and positive Sharpe ratios. Equity funds are to be considered as better investment options when compared with returns that a fund makes with the debt of other funds that generates for a period of time, it also depends on the duration of the fund that increases the value of fund for the investors, though equities are highly risky and volatile which keeps fluctuating on the market movements, but they give higher returns than the debt funds. In

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Debt funds the risk is less and the capital and money are protected for the shorter time period and also is suitable for the small investors.

CONCLUSION

Mutual fund has diversified across various sectors with all the necessary funds available in the form of income fund, growth, balanced, taxation, specialized fund etc. Advancement in technology has made investors to be aware about the investment pattern, size, time ,fund availability, online payment, websites etc. Investors should invest either directly or with the consult of the brokers. Direct plan and regular plan in the mutual funds can vary in terms of NAV. Regular plan can affect changes in NAV due to expenses or commission paid to brokers, however direct plan can make more NAV due to excluding of expenses or commission. This study will help the investors to decide which different categories of fund would be suitable and thus performance of portfolios can be evaluated, However, government should bring more changes in the structure to further reduce complexity and to bring transparency and flexibility.

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