How to Cite:
Chakravarty, K., Dukhande, P., Shah, R., & Gosrani, K. K. (2022). A study on impact of performance analysis of HDFC mutual funds. *International Journal of Health Sciences*, *6*(S2), 11618–11633. https://doi.org/10.53730/ijhs.v6nS2.8145

A study on impact of performance analysis of HDFC mutual funds

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***Abstract*---**Mutual Fund is professionally managed investment fund, it is also known for pooling of savings or money, based on the trust who invests the savings of a number of investors who shares a common financial goal, like the capital appreciation and dividend earning. The most important thing is you can diversify your portfolio as per your risk appetite and switch money from debt to equities. In this study the researcher has done performance evaluation of selected midcap mutual funds of HDFC. For the study purpose 5 topmost mutual funds has been selected & the whole study is been done on secondary data. The analysis is done using various statistical tools like average return, standard deviation, beta, Sharpe's ratio, Treynor's ratio & Treynor's ratio. The findings of the study depicts that investors with the age group of 36 to 40 years have more experience and prefer investing in Mutual Funds & investors mostly prefer in investing in Equity based Mutual Funds though it is a risky investment. As per Sharpe's Formula HDFC Hybrid Equity Fund is the best performer and is ranked 1st position amongst the top 5 selected funds. As per Treynor's Index HDFC Money Market Fund is less risk and ranked 1st position & as per Jensen's Ratio HDFC Hybrid Equity Fund provides more return to its investor as compared to other HDFC mutual funds.

International Journal of Health Sciences ISSN 2550-6978 E-ISSN 2550-696X © 2022.
Manuscript submitted: 27 March 2022, Manuscript revised: 09 April 2022, Accepted for publication: 18 May 2022

***Keywords*---**MIDCAP (medium cap funds), HDFC, average return, standard deviation, Sharpe's ratio, Treynor's ratio & Treynor's ratio.

Introduction

Mutual Funds a professionally managed investment funds which was introduced in the Indian Financial System with a view to provide comparatively safer investments at the doorstep of the common man. Comparatively amongst the various investment alternatives which are available in the financial market the Mutual Fund is the most suitable investment for the common man as it offers an opportunity to invest in diversified portfolio management. There are lot of investment opportunities which are readily available in financial markets like bonds, stocks, precious metals, mutual funds or SIP, fixed deposits or company deposits, debentures or bonds, etc. Out of the investment alternatives available in the Indian market the most popular & viable investment options are mutual funds as the retail investors or beginners can invest their hard-earned money without having much time and expertise to analyse the funds.

The money or saving amount thus collected from various people are further invested in capital market instruments such as shares, debentures, foreign market. The Investors who invest their money in such instruments get the units as per the unit value which is also known as NAV (Net Asset Value). The Unit Trust of India was setup in 1964, which as an Indian mutual fund industry by the Indian Government, with a view to inculcate the habit of small savings and channelising these savings to the capital markets. The Unit Trust of India (UTI) was setup under the specific statute, the Unit Trust of India Act, 1963. The Unit Trust of India launched its first open-ended equity scheme called Unit 64 in the year 1964, which turned out to be one of the most popular mutual fund schemes in the country. In 1987, the government permitted other public sector banks and insurance companies to promote mutual fund schemes.

The Mutual fund schemes earlier were classified under:

- Structured fund which includes open-ended funds, close-ended funds, interval funds.
- Management portfolio fund includes actively managed funds & passive funds
- Investment funds type like equity funds, fixed income funds, gold funds, money market funds, international funds, etc.

Later, with a view to bring standardization in the classification of mutual funds and also to ensure the schemes are clearly differentiated from one another, SEBI came into existence & issued a circular on Categorization and Rationalization of Mutual Fund Schemes in 2017.

- Equity Schemes
- Debt Schemes
- Hybrid Schemes
- Other Schemes

Housing Development Finance Corporation Limited Mutual Funds (HDFC Mutual Funds)

HDFC Mutual Funds are one of India's largest mutual fund managers with ₹4.4 trillion in assets under management. Started in 1999, HDFC Mutual Fund were set up as a joint venture between Housing Development Finance Corporation Limited ("HDFC") and abrdn Investment Management Limited (erstwhile known as Standard Life Investments Limited). There principal shareholders are HDFC and abrdn Investment Management Limited which own 52.6% and 16.2% stake, respectively. HDFC Asset Management Company ("HDFC AMC") is the investment manager to the schemes of HDFC Mutual Fund ("HDFC MF"). Their principal shareholders include Housing Development Finance Corporation Limited (HDFC) and abrdn Investment Management Limited (AIML) who own 52.6% and 16.2% stake respectively. HDFC was incorporated in 1977 as a specialised mortgage finance company and is today a financial conglomerate having a dominant presence in housing finance, banking, life and non-life insurance, asset management, real estate funds and education finance.

The Board of Directors of HDFC Trustee Company Limited consist of the following eminent persons.

1. Mr. Vimal Bhandari – Chairman
2. Mr. V. Srinivasa Rangan -Director
3. Mr. Mehernosh Kapadia – Independent Director
4. Mr. Dindayal Jalan – Independent Director

There are lot of schemes given by HDFC Mutual Funds, few of them are: HDFC Arbitrage Fund, HDFC Banking & Financial Services Fund, HDFC Banking & PSU Debt Fund, HDFC Children's Gift Fund, HDFC Corporate Bond Fund, HDFC Credit Risk Debt Fund, HDFC Dynamic Debt Fund, HDFC Equity Savings Fund, HDFC Flexi Cap Fund, HDFC Floating Rate Debt Fund, HDFC Guilt Fund, HDFC Gold Exchange Traded Fund, HDFC Nifty50 Exchange Traded Fund, HDFC Sensex Exchange Traded Fund, HDFC Banking Exchange Traded Fund, HDFC Gold Fund, HDFC Hybrid Debt Fund, HDFC Hybrid Equity Fund, HDFC Nifty100 Equal Weight Index Fund, HDFC Nifty100 Index Fund, HDFC Index Fund Nifty50 Plan, HDFC Index Fund Sensex Plan, HDFC Infrastructure Fund, HDFC Nifty Next 50 Index Fund, HDFC Large & Mid Cap Fund, HDFC Mid-Cap Opportunities Fund, HDFC Money Market Fund, HDFC Multi-Asset Fund, HDFC Multi Cap Fund, HDFC Retirement Savings Fund – Hybrid Equity Plan, HDFC Retirement Savings Fund Equity Plan, HDFC Retirement Savings Fund – Hybrid Debt Plan, HDFC Short Term Debt Fund, HDFC Small Cap Fund, HDFC Tax Saver, HDFC Top 100 Fund, etc.

The one advantage of mutual fund schemes is you can diversify your portfolio as per your risk appetite and also switch money from debt to equities. At the moment the Sensex and the Nifty have closed at record highs and hence investors can look at debt and equity to diversify. We have chosen the 5-best mutual fund schemes from the HDFC Mutual stable that investors can invest in, based on their rankings and also 1-year returns. We wish to emphasize that we are in no way recommending these funds, as markets have hit record highs. From the above list, we have selected top 5 mutual funds of HDFC for my study, they are:

NAV, Return and Risk data of 5 HDFC Mutual Funds Schemes for the 3 Years

HDFC Mutual Funds Schemes	NAV	Mean Annual Return	Risk
HDFC Floating Rate Debt Fund - Growth	10.21	0.45	Below Average
HDFC Hybrid Equity Fund	78.75	1.19	Above Average
HDFC Money Market Fund	4602.05	0.47	Average
HDFC Guilt Fund	44.70	0.53	Low
HDFC Top 100 Fund	728.32	1.17	Above Average

The above table compute the NAV and Return of the 5 HDFC Mutual Fund Schemes along with its risk measures. The above schemes are compared with respect to the NAV, Return and Risk measures and further research is done on the above Schemes only

Objective of Study

- To create awareness of various mutual funds schemes available with HDFC.
- To know the potential risk involved in each mutual fund scheme.
- To find out the best top 5 mutual fund scheme among the selected schemes in terms of risk and return.
- To measure and evaluate the performance of the top 5 mutual funds in terms of returns (Net Asset value).

Research Methodology

Area of Study

The study is based on HDFC mutual fund and its top selling 5 schemes and all the data is collected from secondary sources.

Sample Design

In sample design, open ended scheme is one that is available for subscription and repurchase on a continuous basis. These schemes do not have a fixed maturity period. Investors can continuously buy and sell unit at Net Asset Value (NAV) related price which are declared on daily basis.

Scope & Limitations of the Study

- In the present study, only the Growth and Balanced Schemes of Mutual Funds have been taken into consideration. A similar study could be done by including other types of schemes as well viz., Debt Funds, Sector-Specific Funds, etc.

- Only Return and Risk factors are considered for the next 3 years for analysing and comparing the performances of Mutual Funds schemes. This time period could be extended so as to view the overall performance of the Mutual Fund Schemes.
- Limited no. of statistical tools have been used to analyse the performance of Mutual Funds. It could be increased so as to come down at a conclusion with precision.
- The returns and hence the performance of the mutual fund schemes has been compared only to the risk & returns and performance of the topmost of 5 HDFC Mutual Funds. Same can be done with various other benchmarks and different risk-free return to be calculated & evaluated.

Review Of Literature

Ms. Dhana Lakshmi K (2013), carried out research on the topic, "A Comparative Analysis on Performance of SBI And HDFC Equity, Balanced and Gilt Mutual Fund" with a view to compare and analyse the performances of SBI and HDFC Mutual Funds which special reference to Equity, Gilt and Balanced Mutual Funds using Sharpe Ratio, Treynor Ratio and Jensen Ratio. The study covers only three years' performance of the funds, i.e., from January 2010 to December 2012. She concluded that the funds fluctuated in their performance according to the market conditions i.e., the volatility in the market affected the returns of the schemes in the year 2010 and 2011, but the performance of the schemes revived better in the year 2012. Overall, the study conducted revealed that investment in HDFC (Equity, Balanced, Gilt) Mutual Fund is better when compared to the SBI Mutual funds over the specified time period.

Dr. Rajesh Manikraoji Naik and M R Senapathy (2013), conducted research on the topic," A Comparative Study on The Performance of Mutual Funds SBI Mutual Funds V/S Others" wherein they compared the 1-year performance (from 2011-2012) of SBI Magnum Equity Mutual Fund with HDFC top 100 Mutual Fund on the basis of Standard Deviation, Sharpe ratio and Beta. Conclusively the authors said that, both HDFC Mutual Fund and SBI Mutual fund are good funds to invest in and there is only a marginal difference between them.

Dr. Vinay Kandpal and Prof. P. C. Kavidayal (2014), carried out a research on the topic, "A Comparative Study of Selected Public & Private Sector Equity Diversified Mutual Fund Schemes in India" wherein they also took HDFC Premier Multi Cap, HDFC Growth and HDFC Core and Satellite Mutual Funds under the category of Private Sector Mutual Funds, to compare with the 5 year (2008-2013) performances of selected Public Sector Mutual Funds on the basis of Standard Deviation, Beta, Jensen ratio, Sharpe ratio, R Squared and P/E ratio. The authors found that HDF Premier Multi Cap and HDFC Core and Satellite Mutual Funds have a beta greater than 1 indicating higher risk and hence can be considered by the investors while investing. It was also found that HDFC Growth Fund is the best scheme among its peers as it has the maximum Sharpe ratio and it also ranked second as per Treynor Ratio. On the basis of this, the authors concluded that the Private sector mutual fund schemes performed better than the public sector mutual fund schemes in the specified time period.

Babasab Patil (2012), undertook research on the topic," The Analysis and Comparative Study of SBI and HDFC Mutual funds" wherein he applied various statistical techniques like Standard Deviation, Variance, Covariance and Correlation to evaluate the risks and returns of SBI Magnum Equity Fund-Growth and HDFC Equity Fund-Growth over the time period of 1 year (from 2nd Apr. 2007 to 31st Mar. 2008). He concluded that SBI Magnum Equity fund had higher risk and higher return when compared to HDFC Equity fund but when investor's expectations are considered, the author believed that both the funds underperformed.

Sahil Jain (2012), analysis of Equity Based Mutual Funds in India attempted to analyze the performance of equity based mutual funds. The analysis has been made using the risk-return relationship and Capital Asset Pricing Model (CAPM). The overall analysis finds that HDFC and ICICI have been the best performers, UTI an average performer and LIC the worst performer which gave below-expected returns on the risk-return relationship.

Jatinder Loomba (2011), Evaluates the performance and growth of Indian mutual funds vis-à-vis the Indian equity market. The overall analysis finds that Nifty returns outperformed Franklin Templeton Large Cap Equity Scheme returns. Kruskal Wallis H-test was applied to know whether the returns significantly differ or not and the results indicated that the returns of schemes don't differ significantly.

Agarwal Shivangi and Mirza Nawazish (2017), The paper has done an examination on 100 mutual funds for a period of time of a long time from 2013-2016. The 100 funds incorporate a mix of broadened value plans, charge saving plans, enormous cap funds, long haul blame funds, long haul pay funds, momentary pay funds, little mid-cap funds and super transient funds. Their examination uncovers the outperformance of 90% plans, particularly long, short and super short obligation funds, ELSS and mid/little cap funds. It has additionally been discovered that Valued at Risk for value based mutual funds is higher than obligation funds. Additionally, value funds draw in more cost proportion than obligation funds because of greater management exercises. Nonetheless, it is additionally redundant that low-cost proportion funds will give a low return. The examination likewise announced that the fund's return may differ inside a similar classification. It might fluctuate as per an arrangement of various plans

Gandhi R. Kumar and Perumal R (2016), The investigation discovered Canara Robeco Equity Tax saver development plans as safer, among other duty saving plans. The tax reductions offered by various plans draw in numerous investors towards mutual fund industry. Annuity conspires likewise pull in as it offers charge concessions to more established individuals. The above plans are additionally found to have high data Ratio which shows the high productivity of those fund administrators.

Dr. Shantanu Mehta, (2012), made a household investor survey with the objective to provide data on the investor preferences on MFs and other financial assets. The findings of the study were more appropriate, at that time, to the policy makers and mutual funds to design the financial products for the future.

Dr. Sarita Bahl, Debasish (2012), studied the performance of selected schemes of mutual funds based on risk and return models and measures. The study covered the period from April 1996 to March 2005. The study revealed that Franklin Templeton and UTI were the best performers and Birla Sun life, HDFC and LIC mutual funds showed poor performance.

Results and Discussion

Methods

- NAV- "Net asset value," or "NAV," of an investment company is the company's total assets minus its total liabilities. Mutual funds and Unit Investment Trusts (UITs) generally must calculate their NAV at least once every business day. The unit price of mutual funds and traditional UITs is based on their NAV. That is, the price that investors pay to purchase mutual fund and most UIT shares is the approximate per unit NAV, plus any fees that the fund imposes at purchase.
  NAV = Total Market Value of the Fund
  No. of Units Outstanding
- Return- A return is the change in price of an asset, investment, or project over time, which may be represented in terms of price change or percentage change. A positive return represents a profit while a negative return marks a loss.
  RETURNS = NAV CURRENT CLOSE – NAV PREVIOUS CLOSE
- Standard Deviation- Standard deviation is a statistical measurement in finance that, when applied to the annual rate of return of an investment, sheds light on that investment's historical volatility. The smaller an investment's standard deviation, the less volatile it is. The larger the standard deviation, the more dispersed those returns are and thus the riskier the investment is.

$$\mathrm{SD} = \sqrt{\frac{\sum |x - \bar{x}|^2}{n}}$$

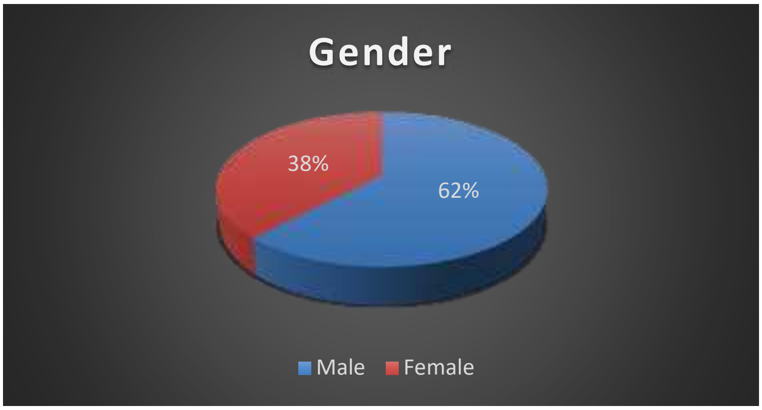
- Co-efficient Correlation- It shows linear dependency between fund returns and returns of the benchmark index.
  If $0.5<r<1$, then there is high positive correlation between the fund returns and the benchmark returns.
  If $0<r<0.5$, then there is low positive correlation between the fund returns and the benchmark returns.

- Beta- Beta, also known as the "beta coefficient," is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.
- Alpha- Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk. A fund's alpha is often considered to represent the value that a portfolio manager adds to or subtracts from a fund's return above and beyond a relevant index's risk/reward profile.
- SHARPE'S RATIO: The ratio describes how much excess return you receive for the extra volatility you endure for holding a riskier asset. Remember, you need compensation for the additional risk you take for not holding a risk-free asset.
- TREYNOR'S RATIO: The Treynor ratio is a measurement of the returns earned in excess of that which could have been earned on an investment that has no diversifiable risk, per each unit of market risk assumed. The higher the Treynor ratio, the better the performance of the portfolio under analysis.
- JENSEN'S RATIO: The Jensen's ratio is also known as CAPM Model. The Capital Asset Pricing Model (CAPM) describes the relationship between systematic risk and expected return for assets, particularly stocks.1 CAPM is widely used throughout finance for pricing risky securities and generating expected returns for assets given the risk of those assets and cost of capital.

Data Interpretation

1) Gender wise Bifurcation of Mutual Fund Investments

Chart 1.1



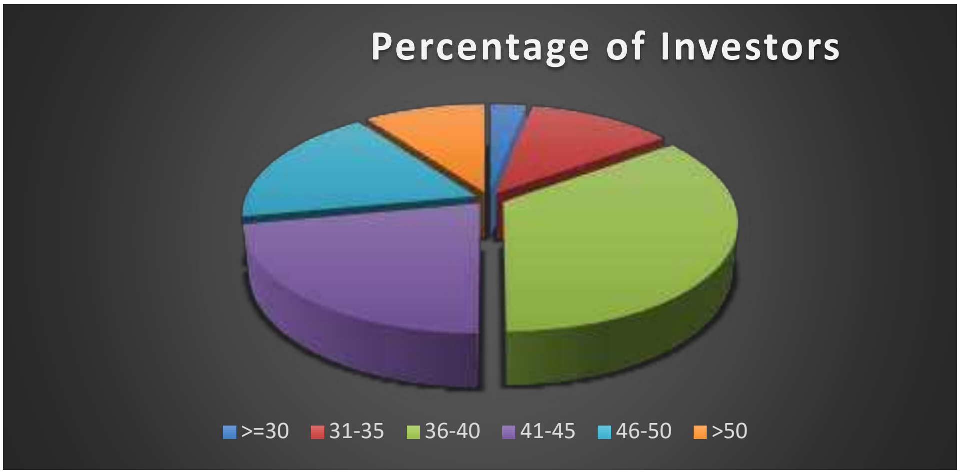
Here, it is been found that most of the investors i.e,62% of the investors who invest in Mutual Fund lies are males, they are more reluctant as well as experienced in this field of Mutual Fund. Then the females are of 38%, they are also aware of the benefits in investing in mutual fund.

2) Age wise Percentage of Investors in the Mutual Funds

Table 2.1

Age Group of Investors	% of investors
>=30 years	3%
31-35 years	12%
36-40 years	35%
41-45 years	22%
46-50 years	18%
>50 years	10%

Chart 2.1



Here, it is been found that most of the investors i.e,35% of the investors who invest in Mutual Fund lies in between the age group of 36-40, they are more reluctant as well as experienced in this field of Mutual Fund. Then the Second highest age group lies in between the age group of 41-45 (22%), they are also aware of the benefits in investing in mutual fund. The least interested group is the Youth Generations.

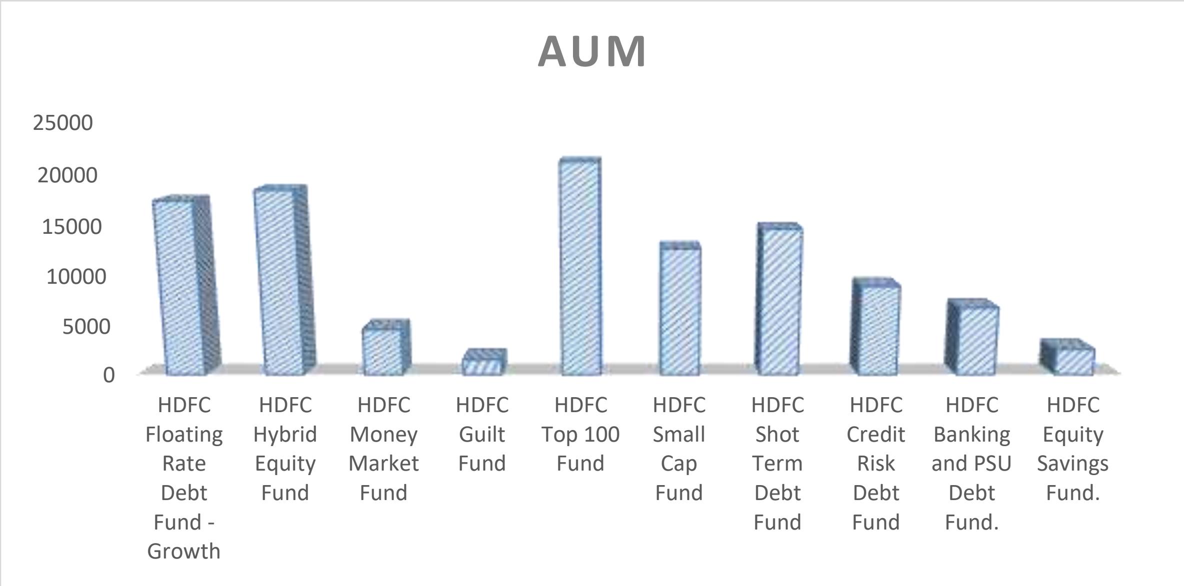
3) Asset Under Management (AUM) Classification

Table 3.1

HDFC Mutual Funds Schemes	AUM
HDFC Floating Rate Debt Fund - Growth	17379
HDFC Hybrid Equity Fund	18442
HDFC Money Market Fund	4602
HDFC Guilt Fund	1533
HDFC Top 100 Fund	21178
HDFC Small Cap Fund	12677
HDFC Shot Term Debt Fund	14636
HDFC Credit Risk Debt Fund	8967
HDFC Banking and PSU Debt Fund.	6793

HDFC Equity Savings Fund.	2565

Chart 3.1



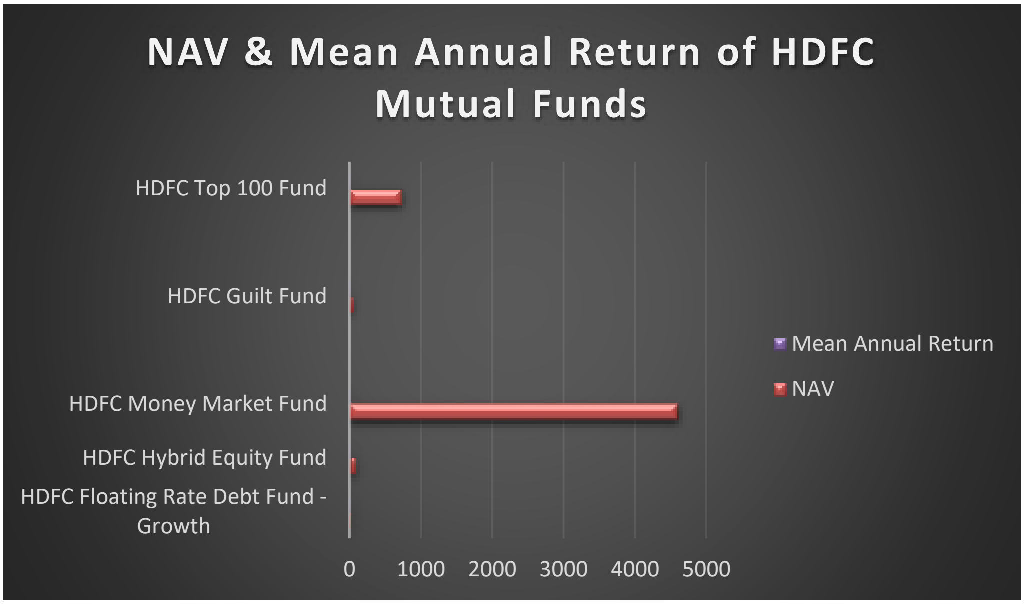
The mutual funds are ranked on the basis of AUM i.e., Assets Under Management. Assets Under Management refers to the total market value of the assets that a mutual fund manager at a given point in time. AUM includes the returns a mutual fund has made on its investment as well as the capital a manager has at disposal to make new investments. On the basis of the above chart there are various HDFC Mutual Fund Schemes and their AUM. The rank of the schemes is determined on the basis of the AUM.

4) Graphical Representation of NAV and Mean Annual Return under various categories of HDFC Mutual Funds Schemes.

Table 4.1

HDFC Mutual Funds Schemes	NAV	Mean Annual Return
HDFC Floating Rate Debt Fund -Growth	10.21	0.45
HDFC Hybrid Equity Fund	78.75	1.19
HDFC Money Market Fund	4602.05	0.47
HDFC Guilt Fund	44.7	0.53
HDFC Top 100 Fund	728.32	1.17

Chart 4.1



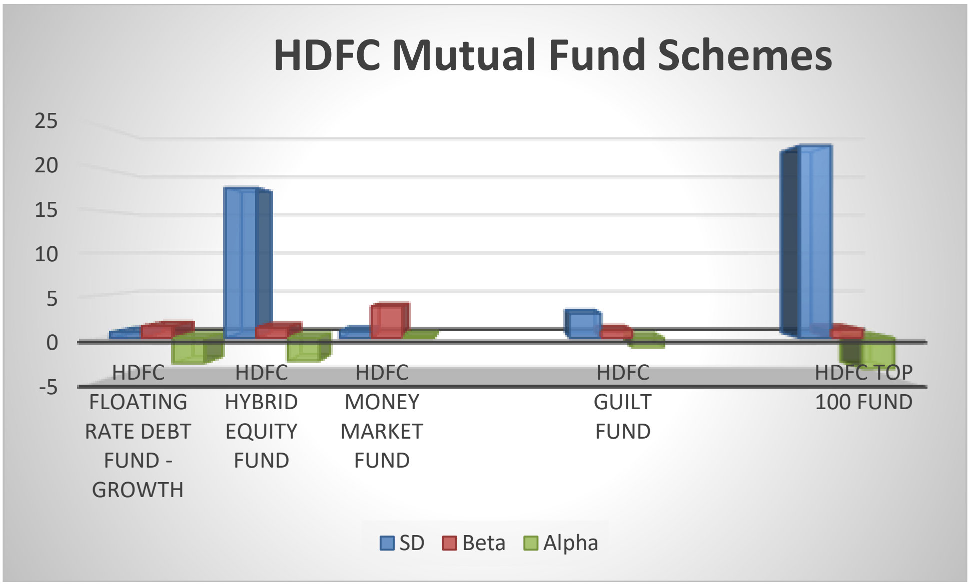
The above graphical representation shows various NAV and mean annual return from various HDFC Mutual Funds Schemes for the current year as on 22nd April 2022. The following are the schemes mentioned in the graphical representation are HDFC Floating Rate Debt Fund – Growth, HDFC Hybrid Equity Fund, HDFC Money Market Fund, HDFC Guilt Fund and HDFC Top 100 Fund. The representation helps to understand the position of NAV and Return of various schemes. HDFC Money Market Fund has highest NAV but the return is low as compared to the others schemes. But as we from return point of view the HDFC Hybrid Equity Fund provide more return as compared to the other funds. But from one investor invest in the schemes which provide higher return with lower NAV so, the from the point of view of the investor the investment in the HDFC Hybrid Equity Fund is more beneficial.

5) Graphical Representation of Standard Deviation, Beta & Alpha under various categories of HDFC Mutual Funds Schemes.

Table 5.1

HDFC Mutual Funds Schemes	SD	Beta	Alpha
HDFC Floating Rate Debt Fund -Growth	0.66	1.38	-2.98
HDFC Hybrid Equity Fund	17.69	1.23	-2.72
HDFC Money Market Fund	0.78	3.68	0.17
HDFC Guilt Fund	2.86	0.91	-1.1
HDFC Top 100 Fund	22.66	1.03	-3.63

Chart 5.1



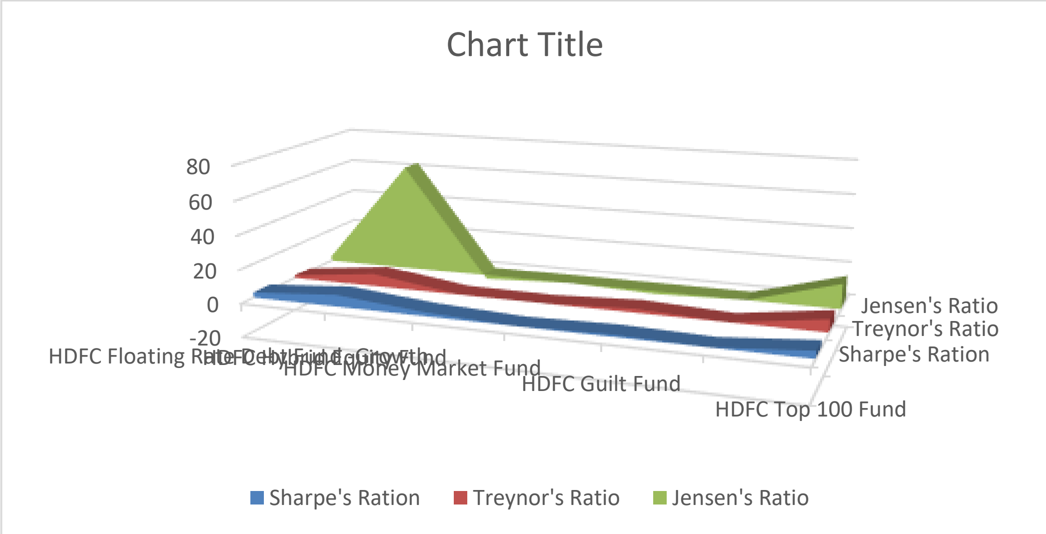
The above graphical representation shows the Standard Deviation, Beta, Alpha values of top 5 HDFC Mutual Funds Schemes for the current year as on 22nd April 2022. The following are the schemes mentioned in the graphical representation are HDFC Floating Rate Debt Fund – Growth, HDFC Hybrid Equity Fund, HDFC Money Market Fund, HDFC Guilt Fund and HDFC Top 100 Fund. The representation helps to understand the calculation of Standard Deviation, Beta & Alpha Values of above HDFC Mutual Funds.

6) Graphical Representation of Top 5 Mutual Funds as per Sharpe's, Treynor's & Jensen's Ratio model.

Table 6.1

HDFC Mutual Funds Schemes	Sharpe's Ration	Treynor's Ratio	Jensen's Ratio
HDFC Floating Rate Debt Fund -Growth	3.01	1.54	2.67
HDFC Hybrid Equity Fund	6.84	7.36	63.87
HDFC Money Market Fund	2.34	0.36	-2.38
HDFC Guilt Fund	1.2	2.27	-1.67
HDFC Top 100 Fund	4.31	7.36	14.77

Chart 6.1



- SHARPE'S RATIO: The ratio describes how much excess return you receive for the extra volatility you endure for holding a riskier asset. Remember, you need compensation for the additional risk you take for not holding a risk-free asset.

  $$S(x) = \frac{(rx - Rf)}{SD\ (rx)}$$

  1. HDFC Floating Rate Debt Fund -Growth = 3.01
  2. HDFC Hybrid Equity Fund = 6.84
  3. HDFC Money Market Fund = 2.34
  4. HDFC Guilt Fund = 1.20
  5. HDFC Top 100 Fund = 4.31

  As per the Sharpe Index method, HDFC Hybrid Equity Fund is the best performer and can be ranked 1st position after that the HDFC Top 100 Fund and HDFC Floating Rate Debt Fund – Growth can be termed as the 2nd and 3rd position.
- TREYNOR'S RATIO: The Treynor ratio is a measurement of the returns earned in excess of that which could have been earned on an investment that has no diversifiable risk, per each unit of market risk assumed. The higher the Treynor ratio, the better the performance of the portfolio under analysis.

  $$T = \frac{Ri - Rf}{\beta}$$

  Where, T= Treynor ratio
  Ri= Portfolio I's return
  Rf = Risk Free Rate
  β= Portfolio I's Beta

  1. HDFC Floating Rate Debt Fund -Growth = 1.54
  2. HDFC Hybrid Equity Fund = 7.36

3. HDFC Money Market Fund = 0.36
4. HDFC Guilt Fund = 2.27
5. HDFC Top 100 Fund = 7.36

As per the Treynor Index method, calculation is done based on systematic risk. HDFC Money Market Fund is the less risky and can be ranked 1st position after that the HDFC Floating Rate Debt Fund - Growth and HDFC Guilt Fund can be termed as the 2nd and 3rd position.

- JENSEN'S RATIO: The Jensen's ratio is also known as CAPM Model. The Capital Asset Pricing Model (CAPM) describes the relationship between systematic risk and expected return for assets, particularly stocks.1 CAPM is widely used throughout finance for pricing risky securities and generating expected returns for assets given the risk of those assets and cost of capital.
  $ER_i = R_f + \beta_i (ER_m - R_f)$
  where: ER_i =expected return of investment
  R_f =risk-free rate
  β_i =beta of the investment
  $(E_{rm} - R_f)$ =market risk premium
  1. HDFC Floating Rate Debt Fund -Growth = 2.67%
  2. HDFC Hybrid Equity Fund = 63.87%
  3. HDFC Money Market Fund = -2.38%
  4. HDFC Guilt Fund = -1.6%
  5. HDFC Top 100 Fund = 14.77%

  As 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. HDFC Hybrid Equity Fund provide more return and can be ranked 1st position after that the HDFC Top 100 Fund and HDFC Floating Rate Debt Fund – Growth can be termed as the 2nd and 3rd position.

Findings

- The investors lie under the age group of 36-40 have more experience and are more interested in investing in Mutual Funds.
- From the study it is very significant that still there was a lack of awareness or ignorance & that's why out of 200 investors,120 investors invest in Mutual Fund and the rest 80 investors are unaware of Mutual Funds Scheme.
- Generally, investors whose monthly income is above Rs.20001-30000 are more likely to invest their income in Mutual Fund, to preserve their savings of at least more than 20%.
- People generally like to save their savings in Mutual Fund, Fixed Deposits and Savings Account.
- Many people came to know about Mutual Fund from Financial Advisors, Advertisement as well as from their Peer group, and they generally invest in the Mutual Fund by taking advices from their Legal Advisors.
- Investors generally like to invest in Large Cap Companies like Reliance, SBI, etc.to minimize their risk.
- The most popular medium of investing in Mutual Fund is through SIP and moreover people like to invest in Equity Fund though it is a risky game.

- The main Objective of most of the Investors is to preserve their Income

Suggestions

- The mutual fund industry is still in a nascent stage in India. Presently it focuses on urban areas, the rural area is still untapped.
- Government should do various efforts and take various steps to promote the mutual funds in India. In nutshell there is a need to create the awareness among the people regarding the importance of mutual funds.
- The HDFC Company has to concentrate more for the floating rate income fund- long term growth scheme because this scheme has no any highest value from the year 2010 to 2015.
- HDFC has to concentrate on those funds which are performing less than their benchmark returns and take action and analyse the market condition and take correct step.
- Planning is important while making any investments. The investors can't expect hundred percent of return from their investment instead 50-60 percent of return will be preferable and highly profitable. During the last few months, the mutual fund performance is not at all good.
- Portfolio investment will reduce the risk of investors and also helps to make up the loss in the time of recession.
- The investor can survive in the market only if he has able to manage money.
- Most of the investors only learn how to trade in a rising market. But trading at a multi direction is a good strategy in a falling market.
- "Don't put all your eggs in one basket" as it indicates the investors have to diversify the investment in order to avoid the minimizing the risk.
- Never invest in a business you cannot understand.

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