Comparative Analysis of Birla Sun Life Mutual Fund Schemes with other Asset Management Company’s Schemes

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ABSTRACT
The present paper investigates the performance of funds of each Asset Management Company in a different category of schemes. The analysis is based on particular date of last 5 years returns and performance. The funds are taken are only of Open Ended Schemes, Regular Plan and Growth Option. Yearly NAV of different schemes have been used to calculate the returns from the fund schemes. The risk measurement tools used to analyse the performance of the selected schemes were evaluated on the basis of Alpha, Beta, Standard Deviation, Sharpe Ratio and R-Squared. The study revealed that Birla Sun Life Mutual Fund & SBI Mutual Fund have overall outperformed in the terms of returns as well as growth in the Net Asset Value (NAV). The results also showed that some of the schemes had underperformed these schemes were facing the diversification problem. In the study, the Value of Beta which was found that only Birla Sun Life 95 Fund, HDFC Top 200 Fund and HDFC Tax Saver is more than 1.0 which indicates the fund is more volatile than the benchmark index and other funds have found out that the value of beta is less than 1.0 which is less volatile than benchmark index.

Keywords--- NAV, Mutual fund, Balance Fund

I. INTRODUCTION

OBJECTIVE OF THE STUDY
1. To study the growth and decline of Net Asset Value (NAV) of the schemes.
2. To study the risk measurement tools of mutual fund.
3. To study the types of risk associated with mutual fund.
4. To analyse the portfolio of mutual fund schemes.
5. To calculate the returns of various mutual fund schemes.

II. LIMITATIONS OF THE STUDY
1. The risk and return of mutual fund schemes can change according to the market conditions.
2. The analysis is based on particular date of last 5 years returns and performance.
3. The Funds are taken only of Open Ended Schemes, Regular Plan & Growth Option.

III. RESEARCH METHODOLOGY
The research analysis has been carried out on the basis of secondary data where the facts were already available and analyse to make evaluation of the information obtained.

Sampling data used for the research project is Five Asset Management Company, Five Categories of Funds, Five funds of each Asset Management Company of all categories, NAV & Portfolio of each Fund of all Asset Management Company.

The Data is collected from books, journals and internet. And tools for analysing data are percentage analysis, clustered diagram and researcher has used MS Excel to plot graphs and for calculations of NAV for Returns.

IV. ANALYSIS RISK MEASURES OF MUTUAL FUND SCHEMES

<table>
<thead>
<tr>
<th>Schemes</th>
<th>Benchmark</th>
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<th>Beta</th>
<th>Std. Dev.</th>
<th>Sharpe</th>
<th>R-Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birla Sun Life Top 100 Fund</td>
<td>-1.7</td>
<td>7.99</td>
<td>0.95</td>
<td>2.14</td>
<td>0.14</td>
<td>0.92</td>
</tr>
<tr>
<td>HDFC Top 200 Fund</td>
<td>1.7</td>
<td>-2.52</td>
<td>1.12</td>
<td>2.48</td>
<td>0.09</td>
<td>0.95</td>
</tr>
</tbody>
</table>
Interpretation –

- The Benchmark Return of all the schemes showed negative performance except HDFC Top 200 Fund.
- Alpha of HDFC Top 200 Fund & ICICI Pru Top 100 Fund has underperformed because it indicates the negative value against its benchmark index. Birla Sun Life, SBI & Franklin Fund has positively outperformed its benchmark index and it is healthier for an investor.
- Birla Sun Life, ICICI, SBI & Franklin shows the Beta value less than 1.0 which indicates the fund NAV will be less volatile than the benchmark index & HDFC is more volatile than the benchmark index.
- R - Squared risk measure indicates that if it is lower, than the beta is less relevant to the fund performance and if R – Squared is higher will indicate a more useful beta.
- Here higher the Sharpe Ratio, the better the funds historical risk adjusted performance. SBI Bluechip Fund is the first position which indicates that the funds historical risk performance is adjusted and generated a high returns and thereafter of Birla Sun Life Top 100 Fund.

**SMALL & MID CAP**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Birla Sun Life MNC Fund</td>
<td>11.2</td>
<td>30.15</td>
<td>0.67</td>
<td>1.96</td>
<td>0.23</td>
<td>0.63</td>
</tr>
<tr>
<td>HDFC Mid Cap Opportunities</td>
<td>12</td>
<td>5.49</td>
<td>0.75</td>
<td>2.1</td>
<td>0.19</td>
<td>0.9</td>
</tr>
<tr>
<td>ICICI Pru Mid Cap Fund</td>
<td>12</td>
<td>4.2</td>
<td>0.82</td>
<td>2.41</td>
<td>0.16</td>
<td>0.81</td>
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<tr>
<td>SBI Magnum Mid Cap Fund</td>
<td>N.A</td>
<td>20.76</td>
<td>0.74</td>
<td>2.11</td>
<td>0.24</td>
<td>0.76</td>
</tr>
<tr>
<td>Franklin India Prima Fund</td>
<td>2.1</td>
<td>14.31</td>
<td>0.85</td>
<td>2.07</td>
<td>0.21</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Source: [www.mutualfundindia.com](http://www.mutualfundindia.com)

Interpretation –

- The Benchmark Return of all the schemes showed high return except Franklin India Prima Fund which is 2.1% and SBI Magnum Mid Cap Fund is Not Applicable.
- Alpha of Birla Sun Life MNC Fund is the highest value which has positively outperformed its benchmark index and it is healthier for an investor and SBI Magnum Mid Cap Fund and Franklin India Prima Fund is also performing against its benchmark index which is good of investors. HDFC & ICICI Schemes have performed good but has low value of Alpha.
- Birla Sun Life, HDFC, ICICI, SBI & Franklin shows the Beta value less than 1.0 which indicates the fund NAV will be less volatile than the benchmark index.
- Here the ICICI Pru Mid Cap Fund has a low sharpe ratio indicates that the fund risk has not been adjusted up to the mark and thus it results that it has not outperformed in this category.

**DIVERSIFIED EQUITY**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Birla Sun Life India GenNext Fund</td>
<td>-1.7</td>
<td>16.94</td>
<td>0.82</td>
<td>2.05</td>
<td>0.17</td>
<td>0.74</td>
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<tr>
<td>HDFC Capital Builder Fund</td>
<td>2.1</td>
<td>3.6</td>
<td>0.89</td>
<td>2.01</td>
<td>0.14</td>
<td>0.94</td>
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<tr>
<td>ICICI Pru Dynamic Plan</td>
<td>-1.7</td>
<td>-3.3</td>
<td>0.71</td>
<td>1.71</td>
<td>0.14</td>
<td>0.8</td>
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<tr>
<td>SBI Magnum Multicap Fund</td>
<td>1.7</td>
<td>13.38</td>
<td>0.94</td>
<td>2.09</td>
<td>0.15</td>
<td>0.93</td>
</tr>
<tr>
<td>Franklin India Prima Plus Fund</td>
<td>2.1</td>
<td>11.13</td>
<td>0.83</td>
<td>1.9</td>
<td>0.17</td>
<td>0.91</td>
</tr>
</tbody>
</table>

Source: [www.mutualfundindia.com](http://www.mutualfundindia.com)

Interpretation –

- The Benchmark Return of Birla Sun Life GenNext Fund, ICICI Pru Dynamic Plan showed negative returns except the funds of HDFC, SBI and Franklin which is having a positive value of benchmark returns.
• Alpha of Birla Sun Life India GenNext Fund is the highest value which has positively outperformed its benchmark index, SBI and Franklin Funds also indicated the high Alpha Value which is healthier for an investor and HDFC Capital Builder is low in positive value and ICICI Pru Dynamic Plan showed the negative value of Alpha which has underperformed against its benchmark index. Birla Sun Life, HDFC, ICICI, SBI & Franklin shows the Beta value less than 1.0 which indicates the fund NAV will be less volatile than the benchmark index.

• Birla Sun Life, HDFC, ICICI, SBI & Franklin shows the Beta value less than 1.0 which indicates the fund NAV will be less volatile than the benchmark index.

• The Birla Sun Life India GenNext Fund and Franklin India Prima Plus Fund has is showing similar sharpe ratio which indicates that the fund risk has been adjusted up to the mark and thus it results that it has outperformed towards other funds.

### EQUITY LINKED SAVING SCHEMES

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Birla Sun Life Tax Relief 96</td>
<td>1.7</td>
<td>16.45</td>
<td>0.92</td>
<td>2.08</td>
<td>0.17</td>
<td>0.91</td>
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<tr>
<td>HDFC Tax Saver</td>
<td>2.1</td>
<td>-2.18</td>
<td>1.03</td>
<td>2.36</td>
<td>0.1</td>
<td>0.9</td>
</tr>
<tr>
<td>ICICI Pru Long Term Equity</td>
<td>2.1</td>
<td>1.86</td>
<td>0.88</td>
<td>2.04</td>
<td>0.15</td>
<td>0.89</td>
</tr>
<tr>
<td>SBI Magnum Tax Gain</td>
<td>-0.8</td>
<td>9.92</td>
<td>0.92</td>
<td>2.08</td>
<td>0.14</td>
<td>0.92</td>
</tr>
<tr>
<td>Franklin India Tax Shield</td>
<td>2.1</td>
<td>10.42</td>
<td>0.83</td>
<td>1.88</td>
<td>0.17</td>
<td>0.91</td>
</tr>
</tbody>
</table>

Source: [www.mutualfundindia.com](http://www.mutualfundindia.com)

**Interpretation –**
- The Benchmark Return of all the schemes except SBI Magnum Tax Gain showed good positive benchmark return.
- Alpha of Birla Sun Life India Tax Relief 96 Fund is the highest value which has positively outperformed its benchmark index. Franklin India Tax Shield also has high Alpha Value which is healthier for an investor. HDFC Tax Saver showed negative Alpha Value which is -2.18%. ICICI Pru Long Term Equity indicates the Alpha Value of 1.86% which is low in comparative to other performers.
- Birla Sun Life, ICICI, SBI & Franklin Schemes shows the Beta value less than 1.0 which indicates the fund NAV will be less volatile than the benchmark index and HDFC Tax Saver showed the Beta Value of 1.03 which is more volatile than the benchmark index.
- The least sharpe ratio shown is of HDFC Tax Saver indicates that the fund risk has not been adjusted and resulted into poor performance.

### BALANCED FUND

<table>
<thead>
<tr>
<th>Schemes</th>
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<th>R-Squared</th>
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</thead>
<tbody>
<tr>
<td>Birla Sun Life 95 Fund</td>
<td>1.02</td>
<td>1.62</td>
<td>0.15</td>
<td>0.86</td>
</tr>
<tr>
<td>HDFC Balanced Fund</td>
<td>0.91</td>
<td>1.55</td>
<td>0.16</td>
<td>0.73</td>
</tr>
<tr>
<td>ICICI Pru Balanced Fund</td>
<td>0.92</td>
<td>1.47</td>
<td>0.18</td>
<td>0.83</td>
</tr>
<tr>
<td>SBI Magnum Balanced Fund</td>
<td>0.84</td>
<td>1.44</td>
<td>0.21</td>
<td>0.73</td>
</tr>
<tr>
<td>Franklin India Balanced Fund</td>
<td>0.96</td>
<td>1.5</td>
<td>0.17</td>
<td>0.89</td>
</tr>
</tbody>
</table>

Source: [www.mutualfundindia.com](http://www.mutualfundindia.com)

**Interpretation –**
- HDFC, ICICI, SBI & Franklin Schemes shows the Beta value less than 1.0 which indicates the fund NAV will be less volatile than the benchmark index and Birla Sun Life 95 Fund showed the Beta Value of 1.03 which is more volatile than the benchmark index.
- The SBI Magnum Balanced Fund has high sharpe ratio of 0.21 indicates that the fund risk has been adjusted and resulted into good historical performance and where the Birla Sun Life 95 Fund has the low sharpe ratio.

### V. FINDINGS

1. The Funds are in category of Large Cap, Small & Mid Cap, Diversified Equity, Equity Linked Saving Schemes and Balanced Schemes which has invested maximum in equities and small proportion in money market instruments, cash/call and others/unlisted.
2. The asset allocation of balanced fund has a major percentage in Debt which lies between 20 – 32% of total net assets.
3. Birla Sun Life Asset Management Company stands second position in category of Large Cap Funds after SBI Asset Management Company.
4. ICICI Asset Management Company has the last position in terms of returns in Large Cap, Diversified Equity and Balanced Fund category.
5. The sector wise allocation in equities has a high percentage of net assets is of Banking & Financial Services, Information Technology, Automotive, Pharmaceuticals and Engineering & Capital Goods.
6. On the average calculations of five years Birla Sun Life Mutual Fund has given the highest returns in category Small & Mid Cap, Diversified and ELSS Fund as its portfolio is well managed by Fund Manager.
7. From the year 2010 to 2015 in last five year Birla Sun Life MNC Fund has the highest growth in Net Asset Value (NAV) which is about 62.58% in change.
8. In last one year return HDFC Top 200 Fund by (-1.49%), ICICI Pru Top 100 by (-4.10%) Fund, ICICI Pru Dynamic Plan by (-2.53%) and HDFC Tax Saver by (-0.23%) has suffered loss and its NAV decreases below its initial price which was in 2014.
9. The Alpha of HDFC Top 200 Fund is (-2.52), ICICI Pru Top 100 is (-3.42), ICICI Pru Dynamic Plan is (-3.3) and HDFC Tax Saver is (-2.18) which represents that fund has underperformed because it indicates the negative value against its benchmark index and other funds have positively outperformed its benchmark index which signifies a good signal for an investor.
10. The Value of Beta which was found that only HDFC Top 200 Fund and HDFC Tax Saver is more than 1.0 which indicates the fund is more volatile than the benchmark index and other funds have found out that the value of beta is less than 1.0 which is less volatile than benchmark index.

VI. CONCLUSION

1. Overall, all selected asset management company fund have given positive returns from the year 2010 – 2015 except few funds like HDFC Top 200, HDFC Tax Saver, ICICI Pru Top 100 and ICICI Dynamic Plan which underperformed in generating good returns on investments.
2. Birla Sun Life Mutual Fund & SBI Mutual Fund have overall outperformed in the terms of returns as well as growth in the Net Asset Value (NAV).
3. The highest and maximum percentage of net asset allocation in equities is of Banking & Financial Services which had a steady growth in all the ways of managing the portfolio for better returns.
4. From the CRISIL Ranking point of view Birla Sun Life Mutual Fund is a better option of gaining high returns with a capital appreciation of the expected returns by the investors.
5. Even in the month of August 2015 due to the market crash the NAV of the funds rapidly fall down which affected the investment done by the people but again the funds has managed to make a growth in NAV.
6. The past performance may or may not sustained in future as they are subject to market risk so even after that it assures the investors to provide a high returns on his investment for the long term tenure.

By comparing above mentioned schemes all the companies are doing considerable achievement in mutual fund industry. Therefore investing in a mutual fund the investor must study about the NAV growth and market condition and the companies should disclose the funds detail to investor as per their objectives and solutions.

Also there was a global meltdown before so many mutual funds was given negative or low return. Now, market is recovering from it though there is a volatile in stock but it’s a right time to invest in equity funds which are Birla Sun Life MNC Fund, SBI Magnum Mid Cap Fund for the high capital appreciation and for a long term investments.

REFERENCES

JOURNALS