

# A STUDY ON MUTUAL FUNDS SCHEMES AT VENTURA SECURITIES LTD.

*T.Suchitra*<sup>[1]</sup>

*MBA Student*

*Dr K MADHU BABU*<sup>[2]</sup>

*ASSOCIATE PROFESSOR*

*<sup>[1,2]</sup>MASTER OF BUSINESS ADMINISTRATION*

*<sup>[1,2]</sup>Megha Institute of Engineering and Technology for Women, Sy. No. 7,  
Edulabad Road, Edulabad, Ghatkesar, Telangana.*

## ABSTRACT

From balanced hybrids to aggressive growth and arbitrage funds, this study covers it all in terms of performance measures. To shed light on their respective merits and shortcomings, the analysis takes into account metrics including average returns, variation, risk, and the Sharpe performance ratio. Some suggestions include spreading assets out over different kinds of funds, taking costs into account, keeping tabs on performance on a frequent basis, and tailoring investments to risk tolerance and objectives. The final section stresses the significance of thinking things through and being flexible when making investing decisions, and it recommends talking to a financial advisor for tailored advice.

## 1.1 INTRODUCTION TO THE STUDY

Financial experts can pool their resources and invest them in appealing investments through a mutual fund, which is a type of trust. In this way, the capital appreciation is distributed among the unit holders according to the number of units they own. Mutual funds offer a number of benefits to financial experts, including growth, efficient management of capital, beneficial organisation, low effort required, and more. The Net Asset Value (NAV) of the mutual fund is a good indicator of its performance. The absolute resource less all expenses, divided by the number of units held, is the net asset value of the fund. New information suggests that several fund execution metrics, such as turnover, cost proportion, load status, etc., impact the NAV. To help financial experts make informed decisions about mutual funds, it is helpful to understand the relationship between execution markers and presentation. For mutual fund organisations, these are also useful when making investments.

Furthermore, mutual fund administrative bodies can benefit from encircling strategies by learning how execution markers impact the presentation of mutual funds. Researchers and professionals have focused on these links. The purpose of this review is to check for logical errors within the context of checking these presentation markers and to audit the text in order to identify the mutual fund exhibition pointers.

The impact of the mutual fund's presentation markers on their presentation is also investigated in the examination. Execution determination, turnover, cost proportion, resource size, load charge, investment style, mutual fund leaders, and possession style are the presentation markers of the mutual funds based on past writing.

## 1.2 NEED FOR THE STUDY

In recent years, India's mutual fund business has experienced remarkable growth, providing investors with a diverse range of investment possibilities. But, in order to make sense of all these options, careful consideration and assessment are required. Unfortunately, not all investors have the knowledge or means to properly evaluate the potential gains or losses of mutual fund schemes. This study intends to fill that void by conducting an exhaustive evaluation of a subset of India's mutual fund schemes. Investors can be better equipped to make smart investment choices with the help of this study's analysis of critical performance indicators and risk indicators.

## 1.3 SCOPE OF THE STUDY

A number of mutual fund schemes in India are the subject of this study's analysis of their performance. Class of assets, investing approach, and size of the fund are some of the selecting criteria. The study takes into account a number of performance characteristics, such as average

returns, volatility, risk-adjusted returns, and others, over a given time frame. The effect of regulatory shifts and market circumstances on fund returns might also be investigated.

### **1.5 OBJECTIVES OF THE STUDY**

- To use critical performance indicators to assess the efficiency of a subset of India's mutual fund schemes.
- To evaluate the chosen funds' risk profiles and examine their returns after adjusting for risk.
- To find patterns and trends in the performance of the funds during the research period.
- To use the analysis's findings to provide investors advice and insights

### **1.6 RESEARCH METHODOLOGY:**

Combining quantitative and qualitative methodologies, the study takes a mixed-methods approach. In order to conduct the quantitative study, we gathered information on the chosen mutual fund schemes from reputable sources including financial magazines and mutual fund databases. In order to evaluate the funds' relative performance, performance metrics are computed using statistical methods and compared. Expert interviews, literature reviews, and industry reports can also yield qualitative insights that can help put the quantitative results in context and offer interpretation.

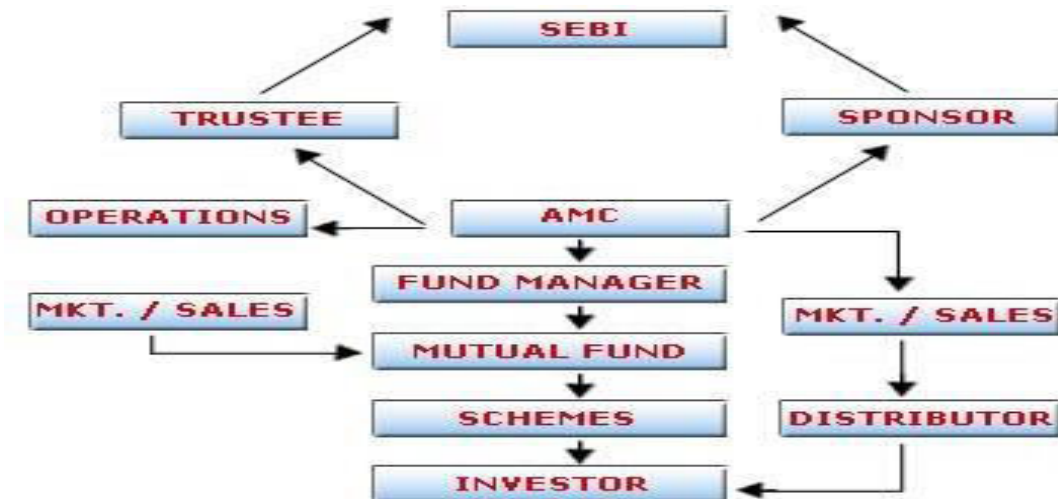
### **1.7 LIMITATIONS OF THE STUDY**

- Historical data is used in the study, which might not be representative of how mutual fund schemes will perform in the future.
- Subjectivity in choosing mutual fund schemes for examination raises the possibility of bias in the results.
- Market changes might affect the performance of mutual fund schemes, which could affect the study's results.
- The analysis might not take into consideration the impact of regulatory or tax policy changes on the efficiency of mutual fund schemes.

### **REVIEW OF LITERATURE**

Only the rules set out by SEBI may be used to establish and run mutual funds in India.

Prior to launching any programme, all mutual funds must register with SEBI. In a mutual fund, the sponsor, trustees, asset management company (AMC), and custodian all work together as a trust. A sponsor, or sponsors, are similar to a company's promoters in that they help develop the trust. All unit holders in a mutual fund stand to gain from the assets held by the fund's trustees. The money is invested in a variety of securities by an Asset Management Company (AMC) that has been approved by SEBI. The securities of the fund's several schemes are held in custody by the custodian, who is registered with SEBI. The trustees have the authority to oversee and guide AMC in general. They make that the mutual fund is following SEBI regulations and is doing well. According to SEBI regulations, a minimum of two-thirds of the directors of the trustee firm or board of trustees must be completely independent, meaning they have no connection to the sponsors. Fifty percent of AMC's boardmembers also need to be unaffiliated.



### 3.1 INDUSTRY PROFILE

When UTI first proposed the idea of a mutual fund in 1963, it was the beginning of what would become India's mutual fund sector. Even while expansion was gradual, it picked up speed in 1987 when companies other than UTIs joined the market.

There have been tremendous improvements in the quantity and quality of the Indian mutual fund business during the last decade. Assets under management (AUM) were Rs.67 billion when the market monopoly was at its peak. The amount of money in the fund family increased from Rs.470 billion in March 1993 to 1,540 billion in April 2004 as a result of the private sector's involvement.

When compared to the deposits held by SBI alone—which account for less than 11% of the total deposits held by the Indian banking industry—the AUM of the Indian mutual funds industry is lower.

The mutual fund business is still very young in India, which is the fundamental reason for its slow growth. Many Indian investors still lack understanding of the topic. Therefore, keeping up with the latest sales trends and properly marketing the product is the primary duty of all mutual companies.

#### Important Mutual Fund Firms

##### ABN AMRO Mutual Fund:

On April 15, 2004, ABN AMRO Trustee (India) Pvt. Ltd. was appointed as the Trustee Company for the ABN AMRO Mutual Fund. Nov 4, 2003 was the incorporation date of the AMC, ABN AMRO Asset Management (India) Ltd. Deutsche Bank AG acts as the ABN AMRO Mutual Fund's custodian.

**Birla Sun Life Mutual Fund:**

Sun Life Financial and the Aditya Birla Group formed the Birla Sun Life Mutual Fund. Sun Life Financial is an international organisation that has been around since 1871 and has branches in India, Canada, the United States, the Philippines, Japan, Indonesia, and Bermuda. When investing, Birla Sun Life Mutual Fund takes a cautious, long-term view. Up until recently, its AUM was less than 10,000 crores.

**Bank of Baroda Mutual Fund (BOB Mutual Fund):**

On October 30, 1992, the Bank of Baroda sponsored the establishment of the Bank of Baroda Mutual Fund, also known as BOB Mutual Fund. The BOB Mutual Fund's AMC, BOB Asset Management Company Limited, was established on November 5, 1992. The keeper is Deutsche Bank AG.

**HDFC Mutual Fund:**

Housing Development Finance Corporation Limited and Standard Life Investments Limited were the two sponsors of the June 30, 2000, establishment of HDFC Mutual Fund. **HSBC Mutual Fund:**

Sponsored by HSBC Securities and Capital Markets (India) Private Limited, the HSBC Mutual Fund was established on May 27, 2002. In its capacity as trustee, HSBC Mutual Fund is run by the Board of Trustees.

**Prudential ICICI Mutual Fund:**

In a partnership with Prudential Plc. of America, a major player in the American life insurance market, ICICI's mutual fund was established. On October 13, 1993, Prudential Plc and ICICI

**3.2 COMPANY PROFILE**

In 1994, the stockbroking house Ventura Securities Ltd. (Ventura) began operations. Our company has expanded over the last 20 years to become a full-service provider of financial goods and services.

Our extensive sub-broker network allows us to provide our clients with a wide range of investment and trading opportunities in commodities, mutual funds, currency futures, fixed income products, and equities and equity derivatives.

Additionally, we help clients directly who want to trade stocks online by providing them with our in-house, fully-functional software, Pointer, which allows for streamlined procedures and perfect execution. Our operations are completely compliant since we follow a clearly defined method for managing risks and a process for settling them.

Beyond investing opportunities, the Ventura Group is devoted to making sure investors have access to data and analysis that is both relevant and up-to-date so they can make educated decisions.

**Directors:**

Director and co-promoter of Ventura, Sajid Malik Sajid Malik is a chartered accountant by profession and the Managing Director and Promoter of Genesys International, a firm that offers engineering design and GIS mapping services and is listed on the NSE and BSE.

Amanat Majethia, Ventura's co-promoter, CEO, and director Hemant Majethia has been a capital market intermediary and equity researcher for over 20 years, and his technocratic approach to stock broking has earned him a lot of respect and connections in the industry. He has a background in accounting and played a key role in creating the "POINTER" platform for the web.

Director Juzer Gabajiwala Oversees Ventura's human resources and operations as a member of the Institute of Company Secretaries of India and the Institute of Chartered Accountants of India. He spearheaded the establishment of alternative product distribution and insurance platforms for mutual funds. The NRI cell and wealth management were both headed by him. Belonged to the IIT and TATA groups before joining Ventura.

**Our Mission**

Constant innovation built on a solid foundation of committed and skilled resources will allow us to develop genuine relationships and aim towards client delight.

**DATA ANALYSIS AND INTERPRETATION****4.1 360 One Balanced Hybrid Fund Risk and Return Statement**

NAV DATE	Net Asset Value	Returns	Avg returns	Differences	D*D
01-Jan-24	10.7038			0	0
02-Jan-24	10.6786	-0.23543	0.050611	-0.286041029	0.08181947
03-Jan-24	10.6668	-0.1105	0.050611	-0.161111998	0.02595708
04-Jan-24	10.7224	0.521243	0.050611	0.470632863	0.22149529
05-Jan-24	10.7407	0.170671	0.050611	0.120060124	0.01441443
08-Jan-24	10.7072	-0.3119	0.050611	-0.362508356	0.13141231
09-Jan-24	10.7261	0.176517	0.050611	0.125906115	0.01585235
10-Jan-24	10.7354	0.086704	0.050611	0.036093773	0.00130276
11-Jan-24	10.7742	0.361421	0.050611	0.310810472	0.09660315

12-Jan-24	10.8281	0.500269	0.050611	0.44965854	0.2021928
15-Jan-24	10.8597	0.291833	0.050611	0.241222664	0.05818837
16-Jan-24	10.8422	-0.16115	0.050611	-0.211756877	0.04484098
17-Jan-24	10.7565	-0.79043	0.050611	-0.841040608	0.7073493
18-Jan-24	10.7327	-0.22126	0.050611	-0.271872184	0.07391448
19-Jan-24	10.7711	0.357785	0.050611	0.307174466	0.09435615
23-Jan-24	10.6849	-0.80029	0.050611	-0.850900285	0.7240313
24-Jan-24	10.7265	0.389334	0.050611	0.33872386	0.11473385
25-Jan-24	10.7324	0.055004	0.050611	0.004393341	1.9301E-05
29-Jan-24	10.7834	0.475197	0.050611	0.42458598	0.18027325

30-Jan-24	10.7567	-0.2476	0.050611	-0.298213418	0.08893124
31-Jan-24	10.7989	0.392314	0.050611	0.341703007	0.11676094
01-Feb-24	10.7993	0.003704	0.050611	-0.04690654	0.00220022
02-Feb-24	10.8189	0.181493	0.050611	0.130882624	0.01713026
05-Feb-24	10.8359	0.157132	0.050611	0.106521805	0.01134689
06-Feb-24	10.8867	0.468812	0.050611	0.418201383	0.1748924
07-Feb-24	10.8714	-0.14054	0.050611	-0.191149076	0.03653797
08-Feb-24	10.851	-0.18765	0.050611	-0.238258946	0.05676733
09-Feb-24	10.8208	-0.27832	0.050611	-0.328925984	0.1081923
12-Feb-24	10.7477	-0.67555	0.050611	-0.726161412	0.5273104
13-Feb-24	10.7776	0.278199	0.050611	0.227588435	0.0517965
14-Feb-24	10.817	0.365573	0.050611	0.314962419	0.09920133
15-Feb-24	10.8664	0.456689	0.050611	0.406077925	0.16489928
16-Feb-24	10.8989	0.299087	0.050611	0.248476473	0.06174056
20-Feb-24	10.9446	0.419308	0.050611	0.368697749	0.13593803
21-Feb-24	10.896	-0.44405	0.050611	-0.494665223	0.24469368
22-Feb-24	10.9303	0.314794	0.050611	0.264183799	0.06979308
23-Feb-24	10.9759	0.417189	0.050611	0.366578294	0.13437965
26-Feb-24	10.9825	0.060132	0.050611	0.009521122	9.0652E-05
27-Feb-24	10.9743	-0.07466	0.050611	-0.12527486	0.01569379
28-Feb-24	10.9268	-0.43283	0.050611	-0.48344005	0.23371428
29-Feb-24	10.943	0.148259	0.050611	0.097648705	0.00953527
01-Mar-24	11.0097	0.609522	0.050611	0.558911448	0.31238201
04-Mar-24	11.0321	0.203457	0.050611	0.15284633	0.023362

05-Mar-24	11.0132	-0.17132	0.050611	-0.221928865	0.04925242
06-Mar-24	11.0001	-0.11895	0.050611	-0.169558792	0.02875018
07-Mar-24	11.0265	0.239998	0.050611	0.189387197	0.03586751
11-Mar-24	10.9887	-0.34281	0.050611	-0.393421123	0.15478018
12-Mar-24	10.9448	-0.3995	0.050611	-0.450111927	0.20260075
13-Mar-24	10.7972	-1.34859	0.050611	-1.399196251	1.95775015
14-Mar-24	10.8723	0.695551	0.050611	0.644940077	0.4159477
15-Mar-24	10.848	-0.2235	0.050611	-0.274114388	0.0751387
18-Mar-24	10.862	0.129056	0.050611	0.078445426	0.00615368
19-Mar-24	10.8174	-0.41061	0.050611	-0.461216403	0.21272057
20-Mar-24	10.8212	0.035129	0.050611	-0.015482032	0.00023969
21-Mar-24	10.9068	0.79104	0.050611	0.74042919	0.54823538
22-Mar-24	10.9514	0.408919	0.050611	0.358308585	0.12838504
26-Mar-24	10.9527	0.011871	0.050611	-0.038739993	0.00150079
27-Mar-24	10.9641	0.104084	0.050611	0.053473303	0.00285939
28-Mar-24	11.0202	0.51167	0.050611	0.461059283	0.21257566
31-Mar-24	11.0229	0.0245	0.050611	-0.026110158	0.00068174
		0.050611			9.51948625

Average returns(n)= 0.050611

$$\text{Variance} = \frac{\sum d^2}{n-1}$$

=0.158658

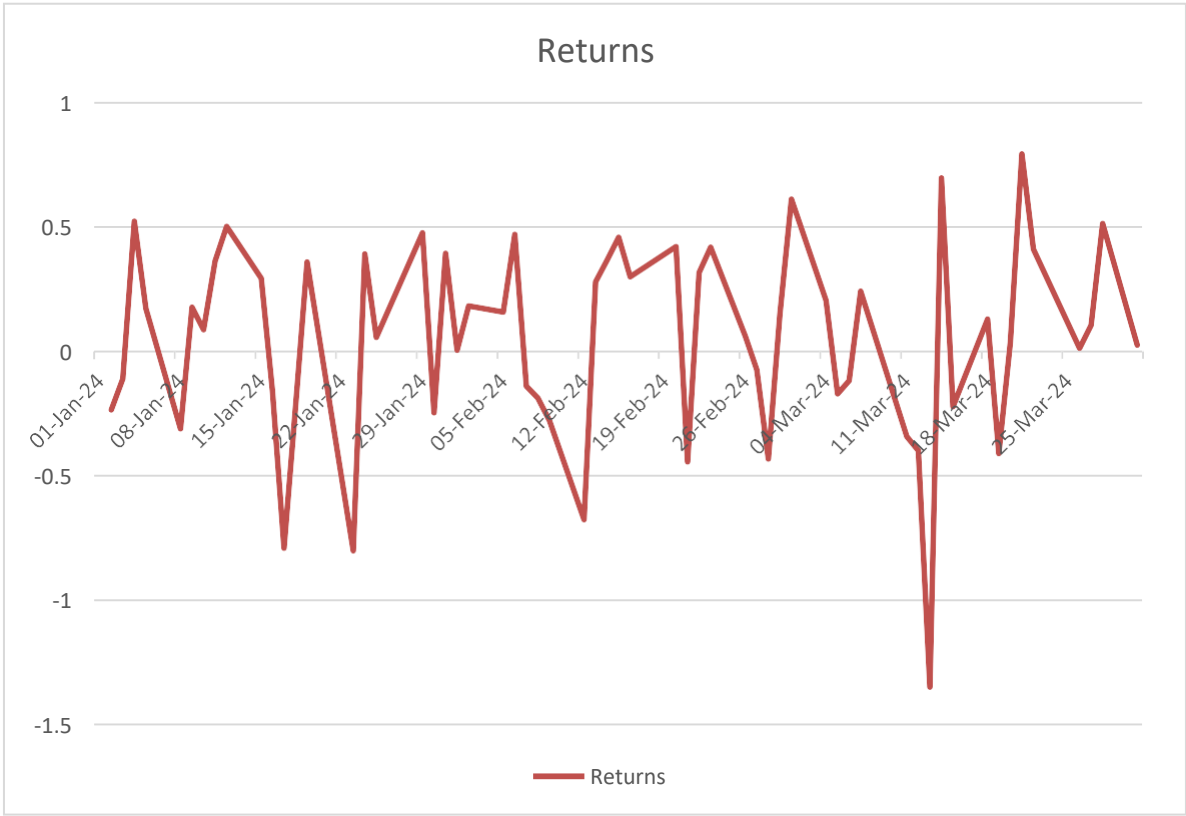


$$\text{Risk}(\sigma) = \sqrt[2]{\text{variance}}$$
  
$$=0.398319$$

$$\text{Sharpe performance ratio} = (\text{ri} - \text{rf}) / \sigma$$
  
$$\text{Risk free rate of interest}$$
  
$$=0.625$$

$$\text{Sharpe performance ratio} = (\text{ri} - \text{rf}) / \sigma$$
  
$$=0.050611 - 0.625 / 0.398319$$
  
$$=-1.518483118$$

4.1 GRAPHICAL REPRESENTATION OF 360 BALANCED ONE



5.1 FINDINGS

- A Sharpe performance ratio of -1.518483118, an average return of 0.050611, a variance of 0.158658, and a risk of 0.398319 characterise the 360 ONE Balanced Hybrid Fund.
- Expected returns for the Bank of India Arbitrage Fund are 0.03 with a standard deviation of 0.004807, risk is 0.625, and the Sharpe ratio is -129.989.
- A Sharpe performance ratio of -0.96436, an average return of 0.100298, a variance of 0.344617, a risk of 0.587041, and the fund is known as the Grow Aggressive Hybrid Fund.
- A Sharpe performance ratio of -0.26995, an average return of 0.171078, a variance of 2.008252, and a risk of 1.417128 are all indicators of the BHARAT 22 ETF.

- A Sharpe performance ratio of -0.6418, an average return of 0.0020, a variance of 0.94256, and a risk of 0.970855 are all indicators of the Mahindra Manulife Aggressive Fund.

## 5.2 SUGGESTIONS

These recommendations are based on the performance indicators that were supplied:

- To reduce your overall portfolio risk, think about spreading your investments among various kinds of funds. Investing in equities, debt, and arbitrage funds are all viable options.
- Evaluate how much risk you are willing to take and make sure it matches the risk levels of the funds. For investors who prefer a more low-key approach, there are funds like the Bank of India Arbitrage Fund. On the other hand, for those who are more at ease with greater volatility, there are funds like the BHARAT 22 ETF.
- Prioritise funds that are in line with your investing objectives and the amount of time you have to invest. For instance, investors with long-term objectives may do well with a balanced fund like 360 ONE Balanced Hybrid Fund, rather than an aggressive growth fund like Grow Aggressive Hybrid Fund.
- Think about the costs and fees linked to every fund. Long-term investments, in particular, may benefit from lower-cost funds' potential for higher net returns.
- If necessary, rebalance your portfolio after frequently monitoring the performance of your investments. By doing so, you may better adapt to shifting market conditions while remaining committed to your investment goals.

## 5.3 CONCLUSION

To sum up, there are a lot of things to think about when assessing investment possibilities, including risk profiles, diversification, alignment with investment objectives, and measurements for past success. In light of the facts submitted:

Returns on average, volatility, risk, and the Sharpe performance ratio are all different across the funds. To reduce exposure to risk and maximise potential return, it is wise to invest in a variety of funds. Before deciding on a fund, investors should take stock of their comfort level with risk and make sure it fits in with their long-term goals. To stay on track with investment objectives, it's crucial to monitor performance frequently and make adjustments to the portfolio as necessary. A financial counsellor can assess one's unique situation and make tailored recommendations. In the end, investors should weigh all important elements before making an investment decision. They should also stay alert and flexible to deal with changing market situations.

## BIBLIOGRAPHY

### Text Books

**Agarwal Vinod B, Prather Larry J, 2297**, Journal of Economics and Finance, Volume 23, Number 2, pages 67-73, examines the relationship between economic rent and the performance of mutual funds empirically.

**Anand, Shefali, 2316**, India, the Mutual Fund Mecca Volume 247, Issue 57, pages C1–C3 of the Wall Street Journal's Easter Edition

**Stanley B, French Dan W, 2302**, Essay in the Journal of Economics and Finance, Volume 26, Issue 1, "The Effect of Portfolio Weighting on Investment Performance

Evaluation: The case of Actively Managed Mutual Funds"

**WEBSITES**

<http://www.amfiindia.com>

<http://www.nseindia.com>

<http://www.valueresearch.com>

<http://www.mutualfundsindia.com>

<http://www.bluechipindia.co.in>

<http://www.ventura1.com>