# PROJECT DISSERTATION

# ON

**“Comparative study of ICICI Prudential Mutual Fund and HDFC Mutual Fund”**

SUBMITTED IN PARTIAL FULFILLMENT FOR THE AWARD OF THE DEGREE

OF

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**UNDER THE GUIDANCE OF**  **SUBMITTED BY:**

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**STUDENT UNDERTAKING**

This is to certify that I have completed the Project Dissertation **“Comparative study of ICICI Prudential Mutual Fund and HDFC Mutual Fund”** under the guidance of **“Ass. Prof. Ankur Ahuja”** in partial fulfillment of the requirement for the award of degree of Masters of Business Administration at Maharaja Agrasen Institute of Technology, Delhi. This is an original piece of work & I have not submitted it earlier elsewhere.

Neha Sharma

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**CERTIFICATE FROM FACULTY GUIDE**

This is to certify that the Project dissertation titled “Comparative study of ICICI Prudential Mutual Fund and HDFC Mutual Fund” is an academic work done by Neha Sharma submitted in the partial fulfillment of the requirement for the award of the degree of Masters of Business Administration from Maharaja Agrasen Institute of Technology, Delhi, under my guidance & direction. To the best of my knowledge and belief the data & information presented by her in the report has not been submitted earlier.

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**Executive Summary**

A mutual fund is a scheme in which several people invest their money for a common financial cause. The mutual fund industry started in India in a small way with the UTI Act creating what was effectively a small savings division within the RBI. Over a period of 25 years this grew fairly successfully and gave investors a good return, and therefore in 1989, as the next logical step, public sector banks and financial institutions were allowed to float mutual funds and this success emboldened the government to allow the private sector to foray into this area. The advantages of mutual fund are professional management, diversification, economies of scale, simplicity, and liquidity. The disadvantages of mutual fund are high costs, over-diversification, possible tax consequences, and the inability of management to guarantee a superior return. The biggest problems with mutual funds are their costs and fees it includes Purchase fee, Redemption fee, Exchange fee, Management fee, Account fee & Transaction Costs. There are some loads which add to the cost of mutual fund. Load is a type of commission depending on the type of funds. Mutual funds are easy to buy and sell. You can either buy them directly from the fund company or through a third party. Before investing in any funds, one should consider some factor like objective, risk, Fund Manager’s and scheme track record, Cost factor etc. There are many, many types of mutual funds. You can classify funds-based Structure (open-ended & close-ended), Nature (equity, debt, balanced), Investment objective (growth, income, money market) etc.

In the following report, a broader analysis has been done on the basis of product category of ICICI Prudential Mutual Fund and HDFC Mutual Fund. The sub categories under which such bifurcation is done are Equity Fund, Debt fund, Hybrid Fund and Fund of Funds.

The two fund houses have also been classified on the basis of their Profitability for the financial year ended March 2022, dividend history and Average Asset Under Management for the first three quarters of FY 2021-22.

**Chapter-1: Introduction**

ICICI Prudential Asset Management Company Ltd. is a leading asset management company (AMC) in the country focused on bridging the gap between savings & investments and creating long term wealth for investors through a range of simple and relevant investment solutions.

The AMC is a joint venture between ICICI Bank, a well-known and trusted name in financial services in India and Prudential Plc, one of UK’s largest players in the financial services sectors. Throughout these years of the joint venture, the company has forged a position of pre-eminence in the Indian Mutual Fund industry.

The AMC manages significant Assets under Management (AUM) in the mutual fund segment. The AMC also caters to Portfolio Management Services for investors, spread across the country, along with International Advisory Mandates for clients across international markets in asset classes like Debt, Equity and Real Estate.

The AMC has witnessed substantial growth in scale; from 2 locations and 6 employees at the inception of the joint venture in 1998, to a current strength of 1476 employees with a reach across over 215 locations reaching out to an investor base of more than 2.5 million investors (As on March 31, 2021). The company’s growth momentum has been exponential and it has always focused on increasing accessibility for its investors.

Driven by an entirely investor centric approach, the organization today is a suitable mix of investment expertise, resource bandwidth and process orientation. The AMC endeavors to simplify its investor’s journey to meet their financial goals, and give a good investor experience through innovation, consistency and sustained risk adjusted performance.

ICICI Prudential Mutual Fund (the Fund) offers a wide range of retail and corporate investment solutions across various asset classes - Equity, Fixed Income and Gold.

The Fund House has continuously aimed to provide investors with financial solutions to aid them in achieving their lifecycle objectives. It has constantly been on the forefront of innovation and has introduced various products aligned to meet customer needs, leading to a well-diversified portfolio of around 47 mutual fund products, across equity and debt. The success of the various endeavors is evident in the mutual fund investor base which has witnessed tremendous growth over the years. As of March 31, 2021, the investor base for the AMC stood at 2.5 million customers.

ICICI Prudential Mutual Fund gained investor trust by managing funds as per its investment objectives and have been able to deliver superior risk adjusted returns. The consistent long-term performance was achieved on the strength of fundamentals, process driven investment approach with enough flexibility for the fund managers to manage their funds in their respective unique style and insight.The fund house over the last 19 years has emerged as a leading investment solution provider in India and has always aimed to fulfill its fiduciary responsibility of managing investor's wealth with prudence and due diligence.

**SPONSORS**

**ICICI**

ICICI Bank is India's largest private sector bank with total assets of Rs. 7,206.95 billion (US$ 109 billion) at March 31, 2016 and profit after tax Rs. 97.26 billion (US$ 1,468 million) for the year ended March 31, 2016. ICICI Bank currently has a network of 4,608 Branches and 14,052 ATMs across India.

**PRUDENTIAL**

Prudential plc is an international financial services group with significant operations in Asia, US and the UK. The company serves more than 24 million insurance customers and has £599 billion of assets under management (as at 31 December 2016).

**Prudential Corporation Asia (PCA)**

Prudential is a leading life insurer that spans 13 markets in Asia, covering Cambodia, China, Hong Kong, India, Indonesia, Korea, Laos, Malaysia, the Philippines, Singapore, Taiwan, Thailand and Vietnam. Prudential has a robust multi-channel distribution platform providing a comprehensive range of savings, investment and protection products.

East spring Investments manages investments across Asia on behalf of a wide range of retail and institutional investors, with about half of its assets sourced from life and pension products sold by Prudential plc. It is one of the region’s largest asset managers with a presence in 10 major Asian markets as well as distribution offices in the US and Europe. It has £104.9 billion in assets under management (as at 30 June 2016), managing funds across a range of asset classes including equities and fixed income.

**Jackson National Life Insurance Company**

Jackson is one of the largest life insurance companies in the US, providing retirement savings and income solutions with more than 2.9 million policies and contracts in force. Jackson is also one of the top three providers of variable annuities in the US. Founded 50 years ago, Jackson has a long and successful record of providing advisers with the products, tools and support to design effective retirement solutions for their clients.

**Prudential UK & Europe (PUE)**

Prudential UK is a leading life and pensions provider to approximately 6 million customers in the United Kingdom. Their expertise in areas such as longevity, risk management and multi-asset investment, together with our financial strength and highly respected brand, means that the business is strongly positioned to continue pursuing a value-driven strategy built around our core strengths in with-profits and annuities.

**M&G**

M&G is Prudential's UK and European fund management business with total assets under management in excess of £255.4 bn (as at 30 June 2016). M&G has been investing money for individual and institutional clients for over 80 years. Today it is one of Europe's largest active investment managers as well as being a powerhouse in fixed income.

HDFC Mutual Fund has been constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882, as per the terms of the trust deed dated June 8, 2000 with Housing Development Finance Corporation Limited (HDFC) and Standard Life Investments Limited as the Sponsors / Settlors and HDFC Trustee Company Limited, as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund has been registered with SEBI, under registration code MF/044/00/6 on June 30, 2000.

HDFC Asset Management Company Ltd (AMC) was incorporated under the Companies Act, 1956, on December 10, 1999, and was approved to act as an Asset Management Company for the HDFC Mutual Fund by SEBI vide its letter dated July 3, 2000.

The registered office of the AMC is situated at “HDFC House”, 2nd Floor, H. T. Parekh Marg, 165-166, Backbay Reclamation, Church gate, Mumbai - 400 020. The Company Identification Number (CIN) is U65991MH1999PLC123027.

In terms of the Investment Management Agreement, the Trustee has appointed the HDFC Asset Management Company Limited to manage the Mutual Fund.

**SPONSORS**

**HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED (HDFC Ltd.)**

HDFC was incorporated in 1977 as the first specialized mortgage company in India. HDFC provides financial assistance to individuals, corporates and developers for the purchase or construction of residential housing. It also provides property related services (e.g., property identification, sales services and valuation), training and consultancy. Of these activities, housing finance remains the dominant activity. HDFC has a client base of over 1.50 million borrowers, over 1.91 million depositors, over 0.21 million shareholders and over 21,000 deposit agents, as at March 31, 2021.

As at March 31, 2021, HDFC had mortgage loan assets of Rs. 2965 billion. Since inception, HDFC has financed over 5.8 million housing units. Over 77 % of shareholders in HDFC are foreign investors. HDFC’s market capitalization as at March 31, 2021 stood at around Rs 2400 billion

HDFC ‘s borrowings consist of, domestic term loans from banks and insurance companies, bonds and retail deposits. HDFC has received the highest rating for its bonds and deposits program for Twenty-two year in succession.

As part of HDFC’s diversification initiatives, the company has set up institutions in various fields including Banking, Insurance; life and General, Asset Management, Real Estate Venture Fund, Real Estate and Education Finance. It had also set up companies for Credit Rating, Consumer Finance, Securities Trading and IT-enabled services which it has existed.

Over the years, the HDFC group has emerged as a strong financial conglomerate in the Indian capital markets with a presence in banking, life and general insurance, asset management and venture capital. HDFC’s key associate and subsidiary companies include HDFC Bank Limited, HDFC Standard Life Insurance Company Limited, HDFC Ergo General Insurance Company Limited, HDFC Asset Management Company Limited, GRUH Finance Limited, HDFC Venture Capital Limited, HDFC Realty, HDFC sales and HDFC Credila Financial Services Limited.

**STANDARD LIFE INVESTMENTS LIMITED**

The Standard Life Assurance Company was established in 1825 and has considerable experience in global financial markets. The company was present in the Indian life insurance market from 1847 to 1938 when agencies were set up in Kolkata and Mumbai. The company re-entered the Indian market in 1995, when an agreement was signed with HDFC to launch an insurance joint venture.

On April 2006, the Board of The Standard Life Assurance Company recommended that it should demutualize and Standard Life plc float on the London Stock Exchange. At a Special General Meeting held in May 2006 voting members overwhelmingly voted in favor of this. The Court of Session in Scotland approved this in June 2006 and Standard Life plc floated on the London Stock Exchange on 10 July 2006.

Standard Life Investments was launched as an investment management company in 1998. It is the dedicated investment management company of the Standard Life group and is a wholly owned subsidiary of Standard Life Investments (Holdings) Limited, which in turn is a wholly owned subsidiary of Standard Life plc.

With global assets under management of approximately US$347.7 billion (£278.1 billion) as at March 31, 2022 Standard Life Investments Limited is a leading asset manager with an expanding global reach operating in the UK, USA, Hong Kong, China, Korea, Ireland, France and Australia, and is responsible for investing money on behalf of around four million retail and institutional clients worldwide.

**Chapter-2: LITERATURE REVIEW**

Jack Treynor (1965) developed a methodology for performance evaluation of a mutual fund that is referred to as reward to volatility measure, which is defined as average excess return on the portfolio. This is followed by Sharpe (1966) reward to variability measure, which is average excess return on the portfolio divided by the standard deviation of the portfolio. Sharpe (1966) developed a composite measure of performance evaluation and imported superior performance of 11 funds out of 34 during the period 1944-63. Michael C. Jensen (1967) conducted an empirical study of mutual funds in the period of 1954-64 for 115 mutual funds. The results indicate that these funds are not able to predict security prices well enough to 30 outperform a buy the market and hold policy. The study ignored the gross management expenses to be free. There was very little evidence that any individual fund was able to do significantly better than which investors expected from mere random chance. Jensen (1968) developed a classic study; an absolute measure of performance based upon the Capital Asset Pricing Model and reported that mutual funds did not appear to achieve abnormal performance when transaction costs were taken into account.

Sadhak’s book (1997) “Mutual funds in India, Marketing strategies and investment practices” is highly analytical & thought provoking. Much research has gone into writing of this book and hence highly useful to researchers. An attempt is made of the first time in presenting Marketing strategies of Mutual funds.

National Council of Applied Economic Research (NCAER) “Urban Saving survey” noticed that irrespective of occupation followed and educational level and age attained, households in each group thought saving for the future was desirable.

S. Narayan Rao (2003) et. al., evaluated performance of Indian mutual funds in a bear market through relative performance index, risk return analysis, Treynor’s ratio, Sharpe’s ratio, Jensen’s measure, and Fama’s measure. The study used 269 open-ended schemes (out of total schemes of 433) for computing relative performance index. Then after excluding funds whose returns are less than risk-free returns, 58 schemes are finally used for further analysis. The results of performance measures suggest that most of mutual fund schemes in the sample of 58 were able to satisfy investor’s expectations by giving excess returns over expected returns based on both premium for systematic risk and total risk.

Dr. Hitesh S. Viramgami (2009) in his article “Resource mobilization by Indian mutual fund industry” has made an attempt to analyze total resource mobilization by the mutual funds industry for eight-year period (2001-2007). The study entitled “Resource mobilization by Indian Mutual Fund Industry” shows that 70 percent of the resources mobilized are from liquid / MM Schemes, growth schemes, ELSS and income funds offered by private sector mutual funds share of public sector has decreased to 8.81 percent over the study period.

Deepak Agrawal (2011) in the study “Measuring Performance of Indian Mutual Funds” touched the development of Indian capital market and deregulations of the economy in 1992. Since the development of the Indian Capital Market and deregulations of the economy in 1992 there have been structural changes in both primary and secondary markets. Mutual funds are key contributors to the globalization of financial markets and one of the main sources of capital flows to emerging economies.

**Chapter-3:**

**RESEARCH METHODOLOGY**

**Objectives of the study:**

1. To Study & understand the concept of Mutual Funds in India
2. To take a detailed view into the quantitative evaluation of mutual fund schemes.
3. To conduct broader study of difference between ICICI Prudential Mutual Fund and HDFC Mutual Fund on the basis of its product category.
4. To conduct analysis of ICICI Prudential Mutual Fund and HDFC Mutual Fund on the basis of Profitability, Dividend history and Average Asset Under Management (AAUM) of the first three quarters of FY 21-22.

**Research Methodology:**

**Rationale of the study:**

Mutual Funds have contributed significantly when it comes to shaping our economy. The Indian financial market has seen great rise in the early years of eighties and nineties and Mutual Fund investments have primarily acted as a bridge to connect the void between the supply and demand of the funds in the financial markets. Our mutual fund industry has been developing at great speed of nearly 20% per year over a last decade. Naturally it has significantly contributed to the development of the financial sector of India. Mutual fund investments pool resources from investors – small or big – and thus increase the participation in the market. Also, with good return generation attracts new investors to invest and for old ones to reinvest. Thus, overall development of the financial sector. Investing in mutual funds have become hugely popular since 2003. To add to it and bring awareness among investors and non-investors alike, AMFI (Association of Mutual Funds in India) has started ‘Mutual Funds Sahi Hai’ campaign. It is interesting to see that majority of the salaried population of India tends to invest in Mutual Funds. One of the major reasons behind it is the diversification of the fund schemes that allows more investors to come in and invest.

**Research Design:**

In this report, the research method used is exploratory research. Exploratory research is done to gain a further insight of the existing problem as the researcher lacks the information about a particular subject.

**Sample Data:**

The data used in the report is collected from secondary sources. Data pertaining to the performance of the funds were drawn from secondary sources through data published by AMFI, ICICI Prudential Mutual Fund, HDFC Mutual Fund, mutualfundsindia.com, moneycontrol.com and BSE.com, valueresearch.com, ici.org, mutual funds books, journals and websites of other mutual funds.

**Variables Used:**

Variables used for comparative analysis are Profitability, Dividend and Average Asset Under Management of ICICI Prudential Mutual Fund and HDFC Mutual Fund.

For analysis of the AAUM, MS Excel 2007 has been used.

**Limitations:**

1. The quantitative evaluation is covered only theoretically.
2. Only limited variables are used for comparison.
3. Data pertaining to only first three quarters of FY 21-22 is used.

**Chapter-4: Data Presentation & Analysis**

A mutual fund is a scheme in which several people invest their money for a common financial cause. The collected money invests in the capital market and the money, which they earned, is divided based on the number of units, which they hold.

A mutual fund is a trust made up of money collected from public or investors through the sale of units for investment in securities such as stocks, bonds, and money market instruments. Mutual Funds in India are governed by the Securities Exchange Board of India (Mutual Fund) Regulations 1996 with the exception of Unit Trust of India (UTI) as it was created by the UTI Act passed by the Parliament of India. All mutual funds must be registered with SEBI.

A mutual fund is a professionally managed type of collective investment scheme that pools money from many investors and invests it in stocks, bonds, short-term money market instruments and other securities. Mutual funds have a fund manager who invests the money on behalf of the investors by buying / selling stocks, bonds etc.

**Structure of mutual fund in India**

Mutual Funds in India primarily have a 3-tier structure i.e., Sponsor (1st tier), Public Trust (2nd tier) and Asset Management Company (3rd tier). Sponsor is any person who himself or in association with another corporate, establishes a mutual fund. The Sponsor seeks approval from the Securities & Exchange Board of India (SEBI). Once SEBI approves it, the sponsor creates the Public Trust as per the Indian Trusts Act, 1882. Since Trusts have no legal identity in India, the Trust itself cannot enter into contracts. Thus, Trustees are appointed who are authorized to act on behalf of the Trust. The instrument of trust must be in the form of a deed between the Sponsor and the trustees of the mutual fund registered under the provisions of the Indian Registration Act. The Trust is then registered with SEBI leading to formation of mutual fund. Henceforth, the Trust is known as mutual fund. Sponsor and the Trust are two separate entities.

The Trustee’s role is only to act as internal regulators of mutual fund where they see, whether the money is being managed as per the objectives. Trustees appoint the Asset Management Company (AMC), to manage money collected through sale of mutual fund’s units. The AMC’s Board of Directors have at least 50% of independent directors. The AMC is also approved by SEBI. The AMC functions under the supervision of its Board of Directors, the direction of the Trustees and SEBI. AMC in the name of the Trust floats new schemes and manage these schemes by buying and selling securities. In order to do this, the AMC needs to follow all rules and regulations prescribed by SEBI and as per the Investment Management Agreement it signs with the Trustees.

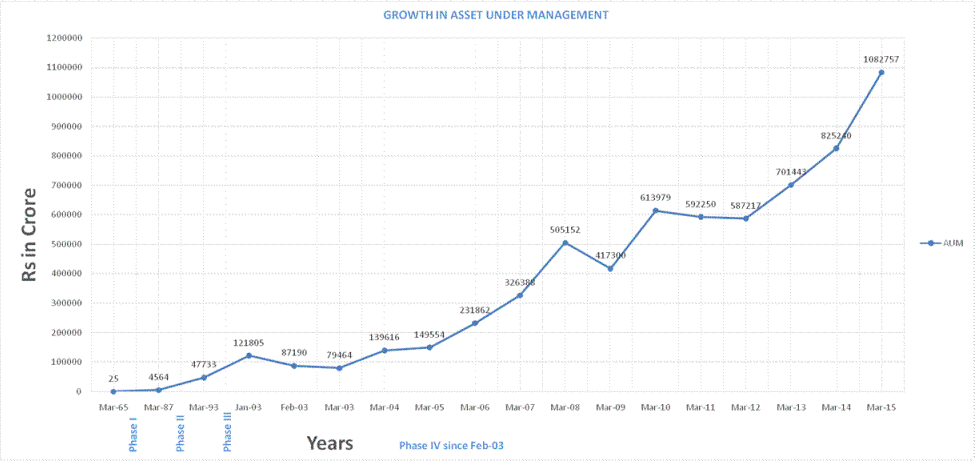
**Regulatory Framework of Mutual Funds in India**

Mutual funds are regulated primarily by Securities and Exchange Board of India (SEBI). In 1996, SEBI formulated the Mutual Fund Regulation. SEBI is also the apex regulator of capital markets and its intermediaries. Issuance and trading of capital market instruments also comes under the purview of SEBI. Along with SEBI, mutual funds are regulated by RBI, Companies Act, Stock exchange, Indian Trust Act and Ministry of Finance. RBI acts as a regulator of Sponsors of bank-sponsored mutual funds, especially in case of funds offering guaranteed returns. In order to provide a guaranteed returns scheme, mutual fund needs to take approval from RBI. The Ministry of Finance acts as supervisor of RBI and SEBI and appellate authority under SEBI regulations. Mutual funds can appeal to Ministry of finance on the SEBI rulings.

The Association of Mutual Funds in India (AMFI) is dedicated to developing the Indian Mutual Fund Industry on professional, healthy and ethical lines and to enhance and maintain standards in all areas with a view to protecting and promoting the interests of mutual funds and their unit holders.

AMFI, the association of SEBI registered mutual funds in India of all the registered Asset Management Companies, was incorporated on August 22, 1995, as a non-profit organization. As of now, all the 42 Asset Management Companies that are registered with SEBI, are its members.

**The graph indicates the growth of assets over the years.**



**Source: AMFI**

**Investment in Fund house vs Stocks**

**No need to pick and track stocks**

When you invest in a mutual fund, you get the benefit of a fund manager’s expertise. Picking stocks, tracking them, making sector and asset allocation, booking profits when required— everything is done by a professional fund manager.

Many stock portfolios are decades old, and could be holding stocks that are defunct today. Such junk stocks drag overall portfolio returns. A professional fund manager ensures that the portfolio holds good stocks with potential for long-term returns.

**Lower cost of investing**

Fund houses negotiate with intermediaries, and therefore have lower costs. If you buy and sell shares, you will probably pay 0.5-1% as brokerage. You also have to pay demat charges.

However, due to their scale, mutual funds pay only a fraction of the brokerage charged to individual investors. This benefit gets indirectly passed to you as a mutual fund investor. You also don’t need a demat account.

**Instant diversification**

A well-diversified portfolio should have about 25-30 stocks. But such a portfolio can be created only with a large corpus. An individual might not have sufficient funds or mental bandwidth for a diversified portfolio. Mutual funds provide instant diversification.

Since you buy units of the fund that invests across several stocks, you receive diversification benefit without investing a huge corpus.

**Investment in Mutual funds Vs Fixed Deposits**

**Rate of Returns**

When it comes to rate of returns, FD rates are pre-specified and do not change for the entire tenure. On the other hand, MF rates are affected by market conditions, hence during positive market conditions; MFs have the potential to earn high returns whereas FD rates are unaffected.

**Risk**

In terms of risk, FDs are generally known for minimal risk, whereas equity mutual funds carry high market risk, and debt mutual funds carry lower market risk than equity. But risks can be mitigated to a certain extent as MFs are managed by professionals. Yet, MFS are prone to market risk. But as it is said, big risks give big returns.

**Liquidity**

FDs have a fixed time period as the name suggests, and generally have low liquidity till the tenure of the deposit ends. In case of MFs, most of them offer high liquidity on the condition that the minimum holding period has passed and subject to lock-in period as applicable. In case of premature withdrawals, FD holders have to pay a penalty, and miss out on a portion of the expected returns. MFs only charge an exit load if investments are withdrawn, in a very short period, normally under a year. Some MF Schemes offer high liquidity. Funds can be withdrawn at any given point of time, without any exit load or extra charges.

**Taxation**

A crucial factor to be considered before choosing between FDs and MFs should be the tax status. When it comes to FDs, tax levied depends on your current tax slab, irrespective of the tenure of the fixed deposit. Instead, the tax status of MFs depends on its category. Equity funds held for long term (more than a year) are taxable at 10%.

Short term equity funds are taxable at 15%. Long term debt fund gains are taxable at 20% with indexation and short-term capital gains are taxable according to investor’s tax slab. Hence, we can say that MFs are tax friendly compared to FDs. Especially gains on long term equity funds, which are not taxable at all. Fixed deposits of FDs may give attractive returns on paper, but with the tax payable at the current tax slab, the more one invests in FDs, the more tax one has to pay. Taking in consideration the rate of inflation over the years, it is possible that one may actually be facing a loss by investing in FDs. In the case of Mutual Funds or MFs, the scenario is a wee bit different. Although MFs are affected by market volatility and do have a level of risk, they are managed by professional fund managers, who do their best not only to protect investments but also to grow it.

Statistical analysis of mutual funds is just what it sounds like--a means of studying the quantitative aspects of a fund to help the investor gain an understanding of past performance for a clue about future results.

Yes, there is no "guarantee" of future results but investing is not about guarantees--it's about taking a calculated risk.

Returns:

**1. XIRR**

Dividend payments in a scheme depend on profits. Some debt schemes do declare dividend daily or weekly. These are exceptions to the general rule that unlike debt, mutual funds cannot work with pre-specified dividend payment dates.

Calculating returns with irregular dividend payment dates becomes easier using the XIRR function in Spreadsheet (in MS Excel, Open Office etc.).

**2. Dividend Re-investment (CAGR)**

XIRR is an easy approach to calculating returns. Indeed, it is widely used in the market. A weakness of the XIRR function is that it assumes that the dividend receipts would have been re-invested at the same XIRR rate. This is a questionable assumption.

SEBI has therefore stipulated those returns should be calculated assuming that the dividends have been re-invested in the same scheme at the Ex-dividend NAV i.e., the NAV after every dividend payment. As will be appreciated, after every dividend payment, the NAV goes down.

**Risk:**

**1. Standard Deviation**

Standard deviation measures the extent to which the scheme returns deviate from its own past standards. This is to be compared with other schemes of the same type e.g., diversified equity funds, liquid funds etc.

A high standard deviation would mean that the scheme deviates more from its past standard i.e., it is riskier.

**2. Beta**

An alternate approach to measure equity risk is based on Capital Assets Pricing Model (CAPM). there are two risks in investing in equity:

* Systematic risk (β) is inherent to equity investments e.g., the risk arising out of political turbulence, inflation etc. It would affect all equities, and therefore cannot be avoided.
* Non-systematic risk is unique to a company e.g., risk that a key pharma compound

Will not be approved, or the risk that a high performing CEO leaves the company. Nonsystematic risk can be minimized by holding a diversified portfolio of investments.

Since investors can diversify away their non-systematic risks, they have to be compensated only for systematic risk.

Calculation of beta calls for information on the value of the market index on each of the days for which the NAV information is used. A diversified index like S&P CNX Nifty has to be used.

Based on the value of Nifty on each of those days, the periodic returns can be calculated, as was done for the scheme returns. Thereafter, the ‘slope’ function can be used in Spreadsheet. If the beta is more than 1, it means that the scheme is riskier than the market.

A value of beta that is less than 1 would mean that the scheme is less risky than the market.

Since index schemes mirror the portfolio of their benchmark index, their risks are expected to be similar. Therefore, beta of an index scheme would be close to 1.

**3. Weighted Average Maturity**

Fixed rate debt instruments have a price risk. When interest rates in the market go up, the debt instruments already issued, based on the erstwhile lower interest rates, lose value. Similarly, when interest rates in the market go down fixed rate debt instruments gain value.

The extent of such depreciation or appreciation of fixed rate debt instruments in response to changes in yields in the market, is influenced by the tenor of the instruments. Instruments that have a longer maturity are more volatile than those with shorter maturity.

Therefore, the weighted average maturity of the portfolio of a mutual fund scheme becomes an indicator of the scheme’s price risk. Higher the weighted average maturity, more the scheme’s NAV is likely to fluctuate in response to changes in market yields.

**4. Modified Duration**

While maturity influences the price risk in a debt security, a more scientific approach would be to consider its modified duration. The modified duration can be calculated using the MDURATION function in Spreadsheet. If Modified Duration is 1.68, the implication is that if the yields in the market were to change by 1%, this debt security is likely to change in value by 1.68%. Higher the modified duration, more sensitive the NAV of a scheme is, to changes in yields in the market.

**Risk Adjusted Returns:**

Having determined the risk and return, there are various frameworks through which a combined view of the two can be taken for better investment decisions. Some of these are:

**1. Sharpe Ratio**

An investor can invest with the government and earn a risk-free rate of return (Rf). T-Bill index is a good measure of this risk-free return. Through investment in a scheme, a risk is taken, and a return earned (Rs). The difference between the two returns i.e., Rs– Rf is called risk premium. It is like a premium that the investor has earned for the risk taken, as compared to government’s risk-free return. Sharpe Ratio can be used for debt schemes as well as equity schemes. This risk premium is to be compared with the risk taken. Sharpe Ratio uses Standard Deviation as a measure of risk. It is calculated as

**(Rs-Rf) ÷ Standard Deviation.**

Sharpe Ratio is effectively the risk premium per unit of risk. Higher the Sharpe Ratio, better the scheme is considered to be. Care should be taken to do Sharpe Ratio comparisons between comparable schemes. For example, Sharpe Ratio of an equity scheme is not to be compared with the Sharpe Ratio of a debt scheme.

**2. Treynor Ratio**

Like Sharpe Ratio, Treynor Ratio too is a risk premium per unit of risk.

Computation of risk premium is the same as was done for the Sharpe Ratio. However, for risk, Treynor Ratio uses Beta. Treynor Ratio is thus calculated as:

**(Rs minus Rf) ÷ Beta**

Higher the Treynor Ratio, better the scheme is considered to be. Since the concept of Beta is more relevant for diversified equity schemes, Treynor Ratio comparisons should ideally be restricted to such schemes.

**3. Alpha**

Non-index schemes too would have a level of return, which is in line with its higher or lower beta as compared to the market. Let us call this the optimal return.

The difference between a scheme’s actual return and its optimal return is its Alpha – a measure of the fund manager’s performance. Positive alpha is indicative of out- performance by the fund manager; negative alpha might indicate under-performance.

Since the concept of Beta is more relevant for diversified equity schemes, Alpha should ideally be evaluated only for such schemes.

These quantitative measures are based on historical performance, which may or may not be replicated.

Such quantitative measures are useful pointers. However, blind belief in these measures, without an understanding of the underlying factors, is dangerous. While the calculations are arithmetic – they can be done by a novice; scheme evaluation is an art- the job of an expert.

**Comparative study of ICICI Prudential Mutual Fund and HDFC Mutual Fund on the basis of Financial Performance, Dividend of last three years and AAUM of first three Quarters of FY 21-22**

**Financial Performance**

Financial analysis involves the use of financial statements. A financial statement is a collection of data that is organized according to logical and consistent accounting procedures. Its purpose is to convey an understanding of some financial aspects of a business firm. It may show a position of a period of time as in the case of a Balance Sheet, or may reveal a series of activities over a given period of time, as in the case of an Income Statement. Thus, the term ‘financial statements’ generally refers to two basic statements: the Balance Sheet and the Income Statement.

The Balance Sheet shows the financial position (condition) of the firm at a given point of time. It provides a snapshot that may be regarded as a static picture. “Balance sheet is a summary of a firm’s financial position on a given date that shows Total assets = Total liabilities + Owner’s equity.”

The Income Statement (referred to in India as the profit and loss statement) reflects the performance of the firm over a period of time. “Income statement is a summary of a firm’s business revenues and expenses over a specified period, ending with net income or loss for the period.”

However, financial statements do not reveal all the information related to the financial operations of a firm, but they furnish some extremely useful information, which highlights two important factors profitability and financial soundness

The financial performance of the Company for the financial year ended March 31, 2021 is summarized as below:

### **Financial Results of ICICI Prudential Mutual Fund**

A summary of the Company’s financial results for fiscal 2021 are as follows:

(in million)

|  |
| --- |
| Fiscal 2021 Fiscal 2016 |
| Gross Income 13,497.3 10,123.6  Profit before tax 7,346.9 4,999.4  Provision for taxation 2,542.2 1,742.5  Profit after tax 4,804.7 3,256.9 Profit brought forward from previous year 5,027.4 3,045.2 Profit available for appropriation 9,832.1 6,302.1 Appropriations  Transfer to General Reserve -  -  Interim Dividend 3195.0 1059.1  Dividend Distribution Tax 650.5 215.6 |
| Leaving balance to be carried forward to 5986.6 5027.4  the new year |

Source: ICICI Prudential Mutual Fund

### **Financial Results of HDFC Mutual Fund**

A summary of the Company’s financial results for fiscal 2021 are as follows:

|  |  |  |
| --- | --- | --- |
| Particulars For the year ended March 31, 2022  (1 in Crore) | | For the year ended March 31, 2021  (1 in Crore) |
| Profit before Tax | 799.80 | 708.25 |
| Provision for Tax (Net of Deferred Tax) | 249.55 | 230.37 |
| Profit after Tax | 550.25 | 477.88 |
| Balance brought forward from previous  year | 1,023.26 | 937.12 |
| Profit available for appropriation | 1,573.51 | 1,415.00 |
| General Reserve | 55.02 | 47.79 |
| Capital Redemption Reserve | — | 0.79 |
| Buy-back of Equity Shares | — | 63.21 |
| Tax on Buyback of Equity Shares | — | 37.65 |
| Interim Equity Dividend Paid | 231.54 | 201.31 |
| Tax on Interim Equity Dividend Paid | 47.14 | 40.98 |
| Proposed Equity Dividend | — |  |
| Tax on Proposed Equity Dividend | — |  |
| Balance carried to Balance Sheet | 1,239.81 | 1,023.26 |

Source: HDFC Mutual Fund

## **Dividend**

Mutual funds give investors different pay-out options at the time of investment. There are mainly two pay-out options: -

**Growth Option:**

In growth option, the pay-out is made only at the time of redemption of units. The pay- out to the investor at the time of redemption is based on the Net Asset Value (NAV) and the number of units purchased by the investor. The profits made by the scheme from time to time, due to buying and selling securities or dividends from stocks (in equity schemes) or interest from bonds (in debt schemes), are re-invested in the scheme. Over a long investment horizon growth option investors get higher returns due to the power of compounding.

**Dividend Option:**

In dividend option, the pay-out to the investors is made from time to time, in addition to pay-out at the time of redemption. The interim payments made by the scheme are known as dividends. Dividends are declared on a per unit basis.

As per SEBI regulation, mutual funds may pay dividends only from the profits made by the scheme. Since dividends are paid from the NAV, the ex-dividend NAV of a scheme falls by the dividend amount. Since profits are paid out to investors instead of being re- invested, the returns of dividend options are lower.

Investors should know that; dividends are paid entirely at the discretion of the fund managers of the scheme; there is no assurance either with respect to the amount or the timing of dividends. You will notice that, in severe bear market years, most equity funds usually do not pay dividends. Dividends paid by equity schemes are totally tax free. Dividends paid by debt schemes are tax free in the hands of the investor, but the fund house has to pay dividend distribution tax (DDT) at the rate of around 30%; so, to that extent dividends received by debt fund investors are lower.

Dividend history of ICICI Prudential Mutual Fund and HDFC Mutual Fund:

### **EQUITY FUNDS:**

|  |  |  |  |
| --- | --- | --- | --- |
| **ICICI Prudential Infrastructure Fund – Regular Plan-Dividend Option** | | | |
| Record Date | Face Value (Rs) | NAV(Rs) | Dividend (Rs/ Unit) |
| 31-Aug-18 | 10.00 | 15.11 | 1.60 |
| 05-Aug-19 | 10.00 | 13.90 | 1.13 |
| 18-Aug-20 | 10.00 | 15.27 | 1.80 |

|  |  |  |  |
| --- | --- | --- | --- |
| **HDFC Infrastructure Fund** | | | |
| Record Date | Face Value (Rs) | NAV(Rs) | Dividend (Rs/ Unit) |
| Mar 05, 19 | 10.00 | 17.557 | 1.500 |
| Mar 17, 20 | 10.00 | 12.129 | 1.000 |
| Mar 23, 21 | 10.00 | 14.388 | 1.500 |

|  |  |  |  |
| --- | --- | --- | --- |
| **ICICI Prudential Select Large Cap Fund - Regular Plan-Dividend Option** | | | |
| Record Date | Face Value (Rs) | NAV(Rs) | Dividend (Rs/ Unit) |
| 25-Jun-19 | 10.00 | 19.13 | 1.50 |
| 17-Jun-20 | 10.00 | 17.76 | 1.35 |
| 23-Jun-21 | 10.00 | 19.04 | 2.30 |

|  |  |  |  |
| --- | --- | --- | --- |
| **HDFC Large Cap Fund** | | | |
| Record Date | Face Value (Rs) | NAV(Rs) | Dividend (Rs/ Unit) |
| Feb 26, 19 | 10.00 | 25.817 | 2.500 |
| Feb 18, 20 | - | - | - |
| Feb 23, 21 | 10.00 | 14.388 | 1.500 |

|  |  |  |  |
| --- | --- | --- | --- |
| **ICICI Prudential Multicap Fund – Regular Plan- Dividend Option** | | | |
| Record Date | Face Value (Rs) | NAV(Rs) | Dividend (Rs/ Unit) |
| 27-Nov-19 | 10.00 | 23.56 | 1.85 |
| 29-Nov-20 | 10.00 | 23.68 | 2.10 |
| 15-Dec-21 | 10.00 | 26.73 | 3.00 |

|  |  |  |  |
| --- | --- | --- | --- |
| **HDFC Top 200 Fund** | | | |
| Record Date | Face Value (Rs) | NAV(Rs) | Dividend (Rs/ Unit) |
| Mar 05, 19 | 10.00 | 58.076 | 5.00 |
| Mar 03, 20 | 10.00 | 43.228 | 3.50 |
| Mar 09, 21 | 10.00 | 52.759 | 4.50 |

Under Equity Funds, the first product is compared on the basis of the investment objective of infrastructure. The Dividend of ICICI Prudential Infrastructure Fund is higher than that of HDFC Infrastructure Fund for the last three years.

The second category of fund is the Large Cap Fund. The dividend of HDFC Large Cap Fund is higher than that of ICICI Prudential Select Large Cap Fund in the period of study.

The third category of Fund is the Top 200 Fund. ICICI Prudential Multicap Fund (Erstwhile known as ICICI Prudential Top 200 Fund). Dividend of HDFC Top 200 Fund is consistently greater than that declared by ICICI Prudential Multicap Fund.

### **DEBT FUNDS:**

|  |  |  |  |
| --- | --- | --- | --- |
| **ICICI Prudential Liquid Plan – Regular Plan- Monthly Dividend** | | | |
| Record Date | Face Value (Rs) | NAV(Rs) | Dividend (Rs/ Unit) |
| 24-Nov-21 | 100.00 | 100.5558 | 0.4990 |
| 27-Dec-21 | 100.00 | 100.6208 | 0.5640 |

|  |  |  |  |
| --- | --- | --- | --- |
| **HDFC Liquid Fund – Regular Plan- Monthly Dividend** | | | |
| Record Date | Face Value (Rs) | NAV(Rs) | Dividend (Rs/ Unit) |
| Nov 27,21 | - | 1031.1386 | 3.4948 |
| Dec 26,21 | - | 1031.3051 | 3.6150 |

**Source: ICICI Prudential Mutual**

**Fund Source: HDFC Mutual Fund**

Under the Debt funds, comparison of Dividend for the last two months of 2021, Liquid Funds is undertaken. The Dividend of HDFC Liquid Fund is more than three times the dividend declared by ICICI Prudential Liquid Plan in the period of study.

## **Assets under management (AUM)**

Assets under management (AUM) is the total market value of assets that an investment company or financial institution manages on behalf of investors. Assets under management definitions and formulas vary by company.

AUM is hardly an important factor to consider while choosing a fund. What is more important is the consistent performance of the fund across market cycles and the ability of the fund manager to deliver good returns despite varying AUMs.

Investors should stay away from funds that deviate heavily from the mandate and churn aggressively in the garb of active fund management. You should also stay away from funds where the asset base is shrinking persistently.

Alarm bells should also ring if your fund is holding too much. Disproportionate cash in an equity-oriented fund disturbs the asset allocation for the investor. Holding too much cash can be a risky strategy for the fund. It may marginally protect it in a falling market but can be disadvantageous when markets recover quickly, not giving the fund manager the time to re-strategies and invest profitably.

## **Average AUM for the quarter ending December 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category** | **AUM as on the last**  **day of the Quarter (ICICI)** | **AUM as on the last**  **day of the Quarter (HDFC)** | **Average AUM for the Quarter (ICICI)** | **Average AUM for the Quarter (HDFC)** |
| Income | 10,573,256.8 | 10,307,850.8 | 11,232,972.0 | 10,609,336.19 |
| Equity (other than ELSS) | 10,781,958.1 | 8,678,335.53 | 10,243,784.1 | 7,941,241.79 |
| Balanced | 2,595,636.00 | 5,946,507.88 | 2,299,357.18 | 5,514,132.22 |
| Liquid | 2,806,244.51 | 3,158,897.78 | 4,369,044.28 | 3,675,761.23 |
| Gilt | 205,150.93 | 255,352.17 | 232,157.56 | 266,354.73 |
| Equity ELSS | 508,256.29 | 903,320.57 | 483,237.91 | 858,124.54 |
| GOLD ETF | 10,103.63 | 45,449.84 | 10,434.14 | 46,686.46 |
| Other ETF | 717,114.85 | 5,423.69 | 453,387.54 | 5,141.81 |
| Fund of Funds investing overseas | 9,053.59 | - | 9,380.18 | - |
| **Total** | **28,206,774.7** | **29,301,138.2** | **29,333,754.9** | **28,916,778.9** |
|  |  |  |  |  |
| Fund of Funds investing Domestic | 44,394.49 | 24,270.53 | 44,839.86 | 25,271.69 |

289,16,778.96

Average AUM for the Quarter

293,33,754.96

HDFC Mutual Fund

ICICI Prudential Mutual Fund

AUM as on the last day of the

Quarter

293,01,138.29

282,06,774.79

275,00,000.00 285,00,000.00 295,00,000.00

**Interpretation:**

For the Quarter ending December 2021, the total AAUM of ICICI Prudential Mutual Fund stands at Rs. 29,333,754.96 while the total AAUM for the same period for HDFC Mutual Fund stands at Rs. 28,916,778.96.

On the last day of the quarter, the AUM of ICICI Prudential Mutual Fund stands at Rs. 28,206,774.79 while the AUM on the last day of the quarter for HDFC Mutual Fund stands at Rs. 29,301,138.29.

The AAUM for this quarter for Balance Funds and Equity ELSS of HDFC Mutual Fund is more than twice than that of ICICI Prudential Mutual Fund for the same category in the same period.

AAUM for this quarter for Income Funds is more than that of AAUM of ICICI Prudential Mutual Fund for the same category in the same period.

## **Average AUM for the quarter ending September 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category** | **AUM as on the last day of the Quarter (ICICI)** | **AUM as on the last day of the Quarter (HDFC)** | **Average AUM for the Quarter (ICICI)** | **Average AUM for the Quarter (HDFC)** |
| Income | 10,962,226.9 | 1,01,84,366.3 | 11,460,674.83 | 1,04,45,302.0 |
| Equity (other than ELSS) | 9,590,025.12 | 71,65,696.43 | 9,360,032.23 | 70,41,346.35 |
| Balanced | 1,960,051.18 | 49,22,344.05 | 1,722,241.35 | 45,67,924.77 |
| Liquid | 3,691,859.14 | 33,87,637.49 | 4,498,581.76 | 37,74,455.79 |
| Gilt | 264011.99 | 2,72,693.63 | 273346.42 | 2,91,714.62 |
| Equity ELSS | 451,445.69 | 7,92,785.69 | 450,923.42 | 8,04,322.77 |
| GOLD ETF | 10,529.53 | 48,875.48 | 10,404.37 | 48,416.21 |
| Other ETF | 124,358.82 | 4,625.42 | 120,852.10 | 4,606.45 |
| Fund of Funds investing overseas | 9,692.61 | - | 9,550.78 | - |
| **Total** | **27,064,201** | **26,779,024.5** | **27,906,607.26** | **26,978,089.0** |
|  |  |  |  |  |
| Fund of Funds investing Domestic | 43,218.57 | 26,617.82 | 30,332.99 | 26,530.07 |

Average AUM for the

Quarter

269,78,089.01

279,06,607.26

HDFC Mutual Fund

ICICI Prudential Mutual Fund

AUM as on the last day of

the Quarter

267,79,024.52

270,64,201.00

260,00,000.00 270,00,000.00 280,00,000.00

**Interpretation:**

For the Quarter ending September 2021, the total AAUM of ICICI Prudential Mutual Fund stands at Rs. 27,906,607.26 while the total AAUM for the same period for HDFC Mutual Fund stands at Rs. 26,978,089.01.

On the last day of the quarter, the AUM of ICICI Prudential Mutual Fund stands at Rs. 27,064,201 while the AUM on the last day of the quarter for HDFC Mutual Fund stands at Rs. 26,779,024.52.

The AAUM for this quarter for Balance Funds and Equity ELSS of HDFC Mutual Fund is more than twice than that of ICICI Prudential Mutual Fund for the same category in the same period.

AAUM for this quarter for Income Funds is more than that of AAUM of ICICI Prudential Mutual Fund for the same category in the same period.

AAUM for this quarter for Fund of Funds-Domestic of ICICI Prudential Mutual Fund is more than that of AAUM of HDFC Mutual Fund for the same category in the same period.

## **Average AUM for the quarter ending June 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category** | **AUM as on the last day of the**  **Quarter (ICICI)** | **AUM as on the last day of the**  **Quarter (HDFC)** | **Average AUM for the Quarter (ICICI)** | **Average AUM for the Quarter (HDFC)** |
| Income | 10,540,242.7 | 9,905,145.05 | 10,608,692.81 | 10,020,952.27 |
| Equity (other than ELSS) | 8,826,938.65 | 6,627,969.38 | 8,568,223.75 | 6,423,176.14 |
| Balanced | 1,432,284.70 | 4,042,694.60 | 1,173,440.75 | 3,634,120.81 |
| Liquid | 4,261,598.13 | 3,072,932.43 | 4,861,117.43 | 4,113,328.30 |
| Gilt | 251,290.73 | 277,224.28 | 240,537.81 | 284,961.24 |
| Equity ELSS | 439,988.16 | 777,097.57 | 441,348.38 | 773,879.66 |
| GOLD ETF | 10,447.61 | 48,042.79 | 10,739.89 | 49,592.1 |
| Other ETF | 113,803.42 | 3,958.43 | 108,814.98 | 4,423.29 |
| Fund of Funds investing overseas | 9,707.92 | - | 9,608.38 | - |
| **Total** | **25,886,302.0** | **24,755,064.5** | **26,022,524.18** | **25,304,433.88** |
|  |  |  |  |  |
| Fund of Funds investing Domestic | 20,236.16 | 26,324.26 | 18,844.90 | 27,480.1 |

253,04,433.88

Average AUM for the Quarter

260,22,524.18

HDFC Mutual Fund

ICICI Prudential Mutual Fund

AUM as on the last day of the

Quarter

247,55,064.54

258,86,302.07

240,00,000.00 250,00,000.00 260,00,000.00

**Interpretation:**

For the Quarter ending September 2021, the total AAUM of ICICI Prudential Mutual Fund stands at Rs. **26,022,524.18** while the total AAUM for the same period for HDFC Mutual Fund stands at Rs. **25,304,433.88**.

On the last day of the quarter, the AUM of ICICI Prudential Mutual Fund stands at Rs. **25,886,302.07**while the AUM on the last day of the quarter for HDFC Mutual Fund stands at Rs. **24,755,064.54**.

The AAUM for this quarter for Balance Funds of HDFC Mutual Fund is more than twice than that of ICICI Prudential Mutual Fund for the same category in the same period.

AAUM for this quarter for Income Funds is more than that of AAUM of ICICI Prudential Mutual Fund for the same category in the same period.

AAUM for this quarter for Fund of Funds-Domestic of ICICI Prudential Mutual Fund is less than that of AAUM of HDFC Mutual Fund for the same category in the same period.

### **Consolidated statement showing AAUM of ICICI Prudential Mutual Fund and HDFC Mutual Fund for first three quarters of FY 2021-22**

300,00,000.00

290,00,000.00

280,00,000.00

270,00,000.00

260,00,000.00

ICICI Prudential Mutual Fund

HDFC Mutual Fund

250,00,000.00

240,00,000.00

230,00,000.00

AAUM Quarter AAUM Quarter AAUM Quarter

ending June 2021 ending September ending December

2021 2021

**Source: ICICI Prudential Mutual Fund Source: HDFC Mutual Fund**

**Chapter-5: Finding**

**and**

**Conclusion**

**FINDINGS**

1. Mutual Funds registered growth both in terms of number of schemes and resources mobilized.
2. The AAUM of ICICI Prudential Mutual Fund is higher than that of HDFC Mutual Fund.
3. AAUM of Balance Funds of HDFC Mutual Fund is consistently higher than that of ICICI Prudential Mutual Fund.
4. AAUM of Gold ETFs of HDFC Mutual Fund is consistently nearly 4 times the AAUM in the same category of ICICI Prudential Mutual Fund in the undertaken period of study.
5. AAUM of Income Funds for the period of study in ICICI Prudential Mutual Fund increased faster than that of HDFC Mutual Fund in the same category

**CONCLUSION**

In accordance with the above study, it can be concluded that Mutual funds in India are gaining huge momentum in India. Earlier, only 4% of the population was investing by this medium but after the shift from conservative approach of savings, the numbers are increasing not only in the form of Average Asset Under Management but also in the number of schemes that Fund Houses are offering to investors.

A mutual fund brings together a large group of people and invests their aggregated money in stocks, bonds, and other securities.

The advantages of mutual funds are professional management, diversification, economies of scale, and wide range of offerings. The disadvantages of mutuals are high costs, over-diversification, possible tax consequences, liquidity concerns, and the inability of management to guarantee a superior return.

There are many, many types of mutual funds. You can classify funds based on asset class, investing strategy, region, etc. Mutual funds have expenses that can be broken down generally into ongoing fees (represented by the expense ratio) and transaction fees (loads). Some funds carry no broker fee, known as no-load mutual funds. One of the biggest problems with mutual funds are their costs and fees. Mutual funds are easy to buy and sell. You can either buy them directly from the fund company or through a third party. Comparing fund returns across a number of metrics is important, such as over time, compared to its benchmark, and compared to other funds in its peer group. Today, as per the rankings by AMFI, ICICI Prudential Mutual Fund is the leader in the industry followed by HDFC Mutual Fund.

**Chapter-6: Suggestions & Limitations**

**Limitations:**

1. The quantitative evaluation is covered only theoretically.
2. Only limited variables are used for comparison.
3. Data pertaining to only first three quarters of FY 21-22 is used.

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