



# MUTUAL FUND PERFORMANCE: A STUDY WITH SELECT SCHEMES OF HDFC AND ICICI PRUDENTIAL

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## ABSTRACT

*This article presents a comprehensive analysis of mutual fund scheme performance of HDFC and ICICI Prudential. The study evaluates the returns and risk profiles of various mutual fund schemes, focusing on their growth-oriented characteristics. Using monthly closing Net Asset Values (NAV) data, the study calculates the returns of different schemes during the specified period. The performance of the schemes is benchmarked against relevant market indices to assess their relative success. The evaluation employs widely recognized metrics, including Mean, Standard Deviation and ANOVA to provide a holistic view of each scheme's performance. The results shed light on the schemes that outperformed the market, those that faced diversification challenges, and the overall ability of mutual funds to generate positive returns. This analysis is of significant interest to investors, financial professionals and industry stakeholders as it offers insight that can inform better investment decisions and strategy development for navigating the complex financial landscape from 2016-2017 to 2022-2023.*

**KEY WORD:** Closing Price, Performance, Mean, Standard Deviation, ANOVA.

**JEL Classification:**C12, G11, G12, G15

## INTRODUCTION

In recent years, Mutual Funds have emerged as a highly favoured and efficient avenue for investors to participate in the financial markets. This investment vehicle offers an easy and cost-effective way to engage in various securities, mitigation risk through diversification. As a key component of individual investment strategies, mutual funds provide the potential for both capital growth and income, delivered through investment performance, dividends, and distributions, all expertly managed by portfolio managers on behalf of unit holders. Over the past decade, mutual funds have witnessed a significant surge in popularity, becoming the preferred choice for long-term investments. With this increasing prominence, it becomes crucial to analyse and evaluate the performance of mutual funds. The interplay between risk and return serves as the foundation for measuring a mutual fund's performance. As risk is inherently connected to potential returns, identifying funds that deliver maximum returns within acceptable risk level is essential to distinguish top-performing funds from underperformance. In India, numerous asset management companies operate, making it imperative to assess their performance. Such analyses not only benefit investors but also empower them to make informed decisions in selecting the right mutual funds for their financial goals and risk tolerance. In this context, studying the performance of mutual funds assumes great significance, providing valuable insights and aiding investors in navigating the complex world of investments.

## REVIEW OF LITERATURE

**Chellasamy P, Bala Nimoshini Supraja and Deepakarunya (2023)** focuses on evaluating the optimization of risk and return for companies listed in thematic indices of National Stock Exchange (NSE). The article utilized the single index model to assess the optimization and return. The study of risk and return analyse financial markets interest for investors, economists, and financial analysts.

**Tripathi and Japee (2020)** conducted an in-depth "Analysis of mutual fund performance in India" with a specific focus on determining whether these funds can yield rewards in times of changeability and unpredictability in the market. The study employed various statistical tools such as standard deviation, beta, Sharpe ratio, Jensen's alpha. After examining 15 selected schemes, the study found that the majority of funds performed well in high-volatile market conditions, with the exception of SBI blue chip fund, Nippon India large cap fund, Nippon Indian growth fund, Nippon Indian small cap fund, DSP small cap fund.

**Suneetha and Latha (2020)** conducted a comprehensive investigation on the "Performance of selected balanced funds in India". Their study aimed to assess the risk-return relationship and market volatility of these mutual funds, while also comparing their performance with BSE index. The researchers utilized various financial tests, including rate of return, standard deviation, beta, Sharpe ratio, and Treynor ratio. Data for the analysis was collected from multiple websites of mutual fund schemes and AMFI India. The findings indicated that a significant proportion of the funds selected for the study



demonstrated superior performance, particularly under the Sharpe ratio metric.

**Sridevi.O.V.A.M. (2018)** “Performance of mutual fund-A study on selected mid cap and small cap fund” In order to research the current state of mutual funds in India, to assess the risk-reward relationship and market volatility of the mutual funds chosen. To assess the performance of various strategies. To quantify performance, samples of mid cap and small cap funds were collected, and several methods like as Sharpe, Treynor, and Jensen were employed. The study’s findings revealed that both schemes of mid cap and small cap funds outperformed the benchmark return. Not all of the funds showed positive values. The performance of the Axis balanced fund in the mid cap fund in negligible, however it is significant in the small cap fund.

**Saranya and Parthibanthangavel (2018)** “Performance evaluation of Indian equity mutual fund schemes.” To investigate the performance of chosen mutual fund schemes across five areas. To compare the returns achieved by the sample mutual fund schemes to the benchmark market returns. To investigate the degree of correlation between fund and market return. To determine whether mutual funds can give a reward for variety and volatility. Various statistical tools, such as the standard deviation, beta, Treynor ration were used. According to the findings of the study, mutual funds are a risk-free investing vehicle. Many investors only option for intelligently diversified investing is through mutual funds.

**Yashasvi and Rajpara. R (2017)** “A study on the performance evaluation of selected debt mutual funds in India.” To learn which programmes in India provide the maximum return. To investigate the risk and return components of these mutual funds. To assess and compare the performance of chosen companies’ debt mutual fund schemes. Secondary data from the top five asset management firms was analysed. To compare various schemes, NAVs, ranking, and returns were employed. The researcher discovered which scheme performed better. He also came to the conclusion that consumers are becoming more interested in investing in debt mutual funds. He also determined that reasonable investors prefer debt funds to other types of funds.

## ANALYSIS AND RESULTS

**TABLE 1**  
**DESCRIPTIVE STATISTICS FOR HDFC SCHEMES**

Scheme Name	Mean (NAV)	Standard Deviation
<b>HDFC</b>		
HDFC Flexi Cap Fund -direct Plan Payout Inc Dist Cum Cap Wdrl Option	56.29	8.51
HDFC Small Cap Fud	48.16	16.68
HDFC Balanced Advantage Fund Growth	210.55	55.52
HDFC Hybrid Debt Fund	48.84	7.76
HDFC Corporate Bond Fund -Direct Plan - Growth Option	23.26	2.93

**Poonam Devi (2017)** “Performance and analytical study of various mutual funds.” Understanding investor perceptions of mutual funds, as well as people’s expectations for mutual fund returns. Several data interpretation and presentation strategies were used. The researcher mostly relied on primary data. The majority of investors prefer to invest in mutual funds. Most people prefer to invest their money for one to three years in order to maximize their returns. People invest in mutual funds to maximize their returns and reduce their tax liability.

## STATEMENT OF THE PROBLEM

In the Indian financial market, the market fund sector is one that is expanding quickly. Despite the fact that there are several investment possibilities, diversifying one’s money through mutual fund investing allows investors to participate in the capital market with little risk and a high rate of return. Investors have a variety of investment options at their disposal. The investors must be well-versed in the risks and potential returns of the money they are investing. As a result, this study aids in the analysis of the investment performance of the chosen mutual fund scheme.

## OBJECTIVE OF THE STUDY

To evaluate the performance of mutual fund schemes of select companies HDFC and ICICI Prudential.

## RESEARCH METHODOLOGY

This research article adopts a quantitative approach, utilizing secondary data as the basis of analysis. The sample includes the top two asset management companies based on AUM as of June 30<sup>th</sup> 2023, namely HDFC and ICICI Prudential. From each of these selected AMCs, seven mutual fund schemes are randomly chosen for evaluation. To assess the performance of the selected schemes, monthly data on their closing Net Asset Values (NAV) is collected from reputable websites such as www. Investing.com. The reference period for the data collection spans from April 2016 to March 2023, enabling a seven-year analysis of the selected mutual fund schemes performance. All calculations and data analysis are performed using SPSS, providing a robust and reliable framework for evaluating the performance and investment strategies of the chosen mutual fund schemes during the specified period.



Table 1 shows the highest NAV value is of HDFC balanced advantage fund growth is 210.55, and the standard deviation is 55.52 and the lowest value is HDFC corporate bond fund-direct

plan-growth option, NAV value is 23.26 and the standard deviation is 2.93 during 2016-2017 to 2022-2023.

**TABLE 2**  
**DESCRIPTIVE STATISTICS FOR ICICI PRUDENTIAL SCHEMES**

Scheme Name	Mean (NAV)	Standard Deviation
<b>ICICI PRUDENTIAL</b>		
ICICI Prudential Liquid Fund Growth	281.51	31.08
ICICI Prudential Bluechip Fund Direct Plan Growth	49.36	14.02
ICICI Prudential Equity & Debt Fund Direct Plan Monthly Payout Inc Dist Cum Cap Wdrl	33.24	6.77
ICICI Prudential Banking and Financial Services Fund Payout of Inc Dist Cum Cap Wdrl	33.04	4.61
ICICI prudential balanced advantage fund direct plan growth	41.40	9.30

Table 2 shows the highest NAV value is of ICICI Prudential Liquid Fund Growth is 281.51 and the standard deviation is 31.08 and the lowest value is ICICI Prudential Banking and

Financial Services Fund Payout Of Inc Dist Cum Cap Wdrl, NAV value is 33.04 and the standard deviation is 4.61 during 2016-2017 to 2022-2023.

**TABLE 3**  
**ANALYSIS OF VARIANCE FOR HDFC**

Scheme Name		Sum of Squares	df	Mean Square	F	Sig.
<b>Hdfc Flexi Cap Fund -direct Plan Payout Inc Dist Cum Cap Wdrl Opt</b>	<b>Between Groups</b>	279.411	6	46.569		0.02
	<b>Within Groups</b>	.000	0			
	<b>Total</b>	279.411	6			
<b>Hdfc Small Cap Fund Growth</b>	<b>Between Groups</b>	1755.460	6	292.577		0.03
	<b>Within Groups</b>	.000	0			
	<b>Total</b>	1755.460	6			
<b>Hdfc Balanced Advantage Fund Growth</b>	<b>Between Groups</b>	20436.475	6	3406.079		0.04
	<b>Within Groups</b>	.000	0			
	<b>Total</b>	20436.475	6			
<b>Hdfc Hybrid Debt Fund Growth</b>	<b>Between Groups</b>	396.275	6	66.046		0.03
	<b>Within Groups</b>	.000	0			
	<b>Total</b>	396.275	6			
<b>Hdfc Corporate Bond Fund -direct Plan - Growth Option</b>	<b>Between Groups</b>	73.010	6	12.168		0.00
	<b>Within Groups</b>	.000	0			
	<b>Total</b>	73.010	6			

Table 3 shows, p-value is less than 0.05 based on the analysis. Hence the null hypothesis that the group means are rejected. In this analysis, the fund groupings differ in a statistically meaningful way.

**H0:** There would be no significant difference in performance of selected mutual fund scheme.



**TABLE 4**  
**ANALYSIS OF VARIANCE FOR ICICI PRUDENTIAL**

Scheme Name		Sum of Squares	df	Mean Square	F	Sig.
Icici Prudential Liquid Fund Growth	Between Groups	6278.812	6	1046.469		0.04
	Within Groups	.000	0			
	Total	6278.812	6			
Icici Prudential Bluechip Fund Direct Plan Growth	Between Groups	1262.598	6	210.433		0.03
	Within Groups	.000	0			
	Total	1262.598	6			
Icici Prudential Equity & Debt Fund Direct Plan Monthly Payout Inc Dist Cum Cap Wdrl	Between Groups	285.938	6	47.656		0.01
	Within Groups	.000	0			
	Total	285.938	6			
Icici Prudential Banking and Financial Services Fund Payout of Inc Dist Cum Cap Wdrl	Between Groups	78.817	6	13.136		0.00
	Within Groups	.000	0			
	Total	78.817	6			
icici prudential balanced advantage fund direct plan growth	Between Groups	567.530	6	94.588		0.02
	Within Groups	.000	0			
	Total	567.530	6			

Table 4 shows p-value is less than 0.05 based on the analysis. Hence the null hypothesis that the group means are rejected. In this analysis, the fund groupings differ in a statistically meaningful way.

**H<sub>1</sub>:** There would be no significant difference in performance of selected mutual fund scheme.

### FINDINGS

- The HDFC balanced advantage fund growth has a relatively high mean value, indicating a generally positive performance during the analysing period. The restively high standard deviation suggests some degree of in its return.
- HDFC corporate bond fund-direct plan-growth option has relatively low mean indicating more stable returns. The low standard deviation further supports the fund's stability, suggesting it may be less than some other funds.
- The ICICI Prudential banking and financial services fund payout of Inc dist cum cap wdrl has high mean indicating a stable and consistent performance with relatively.
- The ICICI Prudential banking financial services fund has moderate mean value. The low standard deviation suggests that the fund's returns have been relatively stable, with ower compared to other fund.

### SUGGESTION

- For investors looking for stability, HDFC corporate bond find-direct plan-growth option, might be a suitable choice due to its low mean, median and standard deviation values.
- ICICI Prudential liquid fund growth could be a good option fund, those who prioritized liquidity and want to minimize risk. Its consistent performance and low volatility make it suitable for short-term investment or an emergency fund.
- While ICICI Prudential banking and financial services fund payout of Inc dist cum cap wdrl has moderate return, investors should consider its sectoral exposure. Their dependence on the performance of a specific industry, in this case, banking and financial services.
- Before making any investment decision, it's recommended to consult with a financial advisor. They can provide personalized guidance based on individual financial situation and goals.

### CONCLUSION

The analysis highlights the diverse nature of mutual fund schemes offered by HDFC and ICICI Prudential. Each fund category has its own set of characteristics and return profiles. The choice of funds should be guided by a comprehensive understanding of financial goal, risk tolerance and investment horizon. While some funds demonstrated strong performance, it's essential to remember the past performance is guarantee of future results. Through careful consideration, diversification



and professional guidance, investors can make informed decision to achieve their financial aspiration.

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