

A Study of Impact on Mutual Funds Due to National Economic Event in India

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ABSTRACT - The study is designed to find the alliance between the two factors; Mutual fund and a National Economic Event held on 8th November 2016 when Prime Minister Narendra Modi announced the scrapping of high-value banknotes (Rs. 500 and 1000 notes). The Demonetization was announced as a surprise in the night on November 8, 2016. The paper explains the concept of Mutual fund and the importance of their existence according to SEBI. Covering Importance of saving in the form of mutual funds, which benefits to small investors, who cannot easily invest in the capital market in reference to Organization Structure of Mutual Funds of Private Sector Banks and Mutual fund Companies. The Research lays platform to explore if there would be a significant difference between average performance of various five star mutual funds NAV before and after the occurrence of the event or NOT and to find the relationship between mutual fund Asset Under Management and NAV Using various tools for the secondary data obtained by Mutual fund fact sheets and Mutual funds magazines which is carried out to help Investors in taking decision where and what to invest in and formulate their strategies to make the best use of their savings in Mutual funds

Keywords Mutual Fund Companies, Mutual Funds, Public and Private Sector Banks Mutual Funds.

I. INTRODUCTION

A mutual fund is an investment company or trust that pools the resources from thousands of its shareholders or unit holders who share the common investment goal and then diversifies its investments into different types of securities in order to provide potential returns and reasonable safety. In the period of globalization rapid price fluctuations are occurring for the assets like equity shares, bonds, real estate, derivatives, etc., Secondly, an individual also finds it difficult to keep track of ownership of his assets, investments, brokerage dues and bank transactions, etc. In this context, a mutual fund is the solution to all these situations. Mutual funds will help the small and medium size investors to participate in today's complex and modern financial state. Investors can take part in the mutual fund by buying the units of the fund. The income received through these investments and the capital appreciation realized by the schemes is shared by its unit holders in proportion to the number of units owned by them. Mutual funds play a vital role in mobilizing of resources and their useful allocation. These funds play a significant role in financial intermediation, growth of capital markets and development of the financial sector as a whole. The active participation of

mutual funds in economic development can be seen by their dominant presence in the money and capital market.

Organization Structure of Mutual Fund Company: The mutual funds can be organized in two ways. One, the Trust structure and the other, the Company structure. In each these structures, there is an entity, that undertakes the designing and selling of schemes, raises cash from the general public under the schemes and manages the money on behalf of its owners. This entity is that the fund manager or an Asset Management Company (AMC) to segregate the collected funds from this entity's own funds, the corpus is situated in a legal vehicle. It is the nature of this legal vehicle that determines the character of the Fund itself.

Organization Structure of Indian Mutual Funds There are four constituents of a mutual fund in India 1. The Sponsor 2. The Board of Trustees or Trustee Company 3. The Asset Management Company 4. The Custodian The sponsor is the Settler of the Trust, which holds Trust property on behalf of investors who are the beneficiaries of the Trust. The sponsor is additionally needed to contribute at least 40% of the capital of the asset management company, which is to make for managing the assets of the trust. The assets of the Trust comprise of the properties of the schemes, which are floated by the asset management

company with the approval of the Trustees. Schemes may have different uniqueness - they may be open, closed ended, or may have a particular investment focus or portfolio structure. Finally, the safe custody of assets of the Trust is entrusted to one or more additional custodians.

Organization Structure of Mutual Funds for Public and Private Sector Banks:

When the public sector banks were allowed to set up mutual funds, the first mutual fund was set up by the State Bank of India in 1987 prior to the establishment of SEBI. State Bank of India preferred to take the Trust route and fix up the mutual fund as a Trust under the Indian Trust Act 1882. Public Sector banks and financial institutions began to establish Mutual Funds in 1987, the private sector and foreign institution were allowed to set up Mutual Funds in 1993. Other mutual funds followed suit and thus Trusts set up under the Indian Trusts Act came to be the adopted legal form of mutual funds in India. The author or Settler of the Trust came to be Principal Trustee and functioned as the fund manager. These mutual funds combined the role of Trustee, fund manager and custodian in the sponsoring bank. Other mutual funds that were set up later adopted the same pattern and thus, over time, Trusts set up under the Indian Trusts Act became the accepted legal form for establishment of Mutual Funds in India. The author or Settler of the Trust became the principal Trustee and functioned as the fund manager. With the establishment of SEBI under the SEBI Act, 1992, mutual funds other than the UTI, were for the first time brought under the regulatory purview of SEBI. SEBI, while framing the Mutual Fund Regulations, gave plenty of thoughts to two major factors, one, that mutual funds collect large amounts of money from the public for investment in a dynamic market place which require specialization on the part of persons performing these functions. Secondly, there could arise potential conflicts of interest, which were to be avoided by ensuring the arm's length relationship between various functionaries

II. LITERATURE REVIEW

The capital asset pricing model has been used to compare risk-adjusted returns of funds with that of a benchmark market portfolio. Hence, savings are the important part of life & due care should be taken whenever we are thinking of investment. Therefore, proper analysis should be done whenever a person is investing in a market. (1). It is further emphasized that the proper evaluation of various essential factors, that puts impact on the operation of mutual fund industry, should be done. Mutual fund analysis has become a thrust area of research for various researchers and academicians. Many researchers have contributed towards exploration of this area of research. Still, many questions arise in the mind of an analyst or researcher as to why do different mutual funds under the same asset management company has varying NAV? (2) The focus should be on proper evaluation techniques for evaluating various

schemes to obtain the best possible return with less risk. Only through full and complete evaluation techniques can unit holders feel confident that the mutual fund in which they have invested their hard-earned money is being operated with their best interests in mind. (3) The investment performance of India's first seven years closed equity mutual fund master share reveals the same impact with reference to the evaluation of performance of mutual fund industry in India. There are significant changes in the economic environment, political environment, rapid technological innovation, changes in the business economics of audit firms and financial analysts, and the globalization of capital markets. These changes have the potential to alter the performance of mutual fund, creating new opportunities for research (4) Financial performance of five close-ended growth funds for the period February 1991 to August 1993 concluded that the performance was below average. Day by day the concept of investment in mutual fund and its performance are also changing. Now, emphasis is laid on the qualitative aspect of event base performance of mutual fund, which is relevant to capital market volatility and mutual fund asset under management. (5) The performance of two schemes during the period, June 1992 to March 1994 in terms of returns/benchmark comparison, diversification, selection and market timing skills. Researcher founded that the schemes failed to perform better than the market portfolio. Event wise performance analysis allows a mutual fund to demonstrate how it meets the challenge of sustainability and to show the improvement it has made on specific events. (6). The mutual fund industry performed well during the period 1992-1996. The performance was evaluated in terms of benchmark comparison, performance from one period to the next and their risk-return characteristics. (7). The mutual fund performance evaluated over a period, April 1992 to December 1996. The sample size was 24 public sector sponsored mutual funds. The performance was evaluated in terms of rate of return, Treynor, Sharpe and Jensen measures of performance. The study concluded dismal performance of PSU mutual funds in India, in general, during the period, 1992-96. (8). The performance comparison of different mutual fund schemes in India through the Sharpe index model and concluded that mutual funds are the most popular and safe parameter for an investor to invest. (9). The performance of equity linked savings schemes and concluded that the fund chosen by the investor should match the risk appetite of the investor. (10). The performance of Indian mutual funds in a bear market through relative performance index, risk-return analysis, Treynor ratio, Sharpe ratio, Jensen measure, and Fama's measure. The results of performance measures suggested that most mutual fund schemes in the sample of 58 were able to satisfy the investor's expectations by giving excess returns over expected returns based on both premiums for systematic risk and total risk. (11). The performance of mutual fund schemes of SBI and UTI, and found that SBI

schemes have performed better than the UTI in the year 2007-2008. Compared to a private company, public company scheme is better to invest.(12).In this study, the authors concluded that all the funds except one outperformed the Benchmark in terms of compounded annual growth rate.(13).The performance of Public & Private Sector Mutual Funds in India and comparative performance of public and private sector mutual fund schemes the Indian Mutual fund Industry. This paper evaluates the performance of Indian Mutual fund equity scheme of 3 years past data from 2009 to 2011. To appraise investment performance of mutual funds with risk adjustment the theoretical parameters as suggested by Sharpe, Treynor and Jensen.(14).Till date, no study has been seen in the event wise evaluation and performance of mutual fund in relation to Asset under Management and NAV.

Objectives of the Research

The objectives associated with the research study are as follows:

- 1) To find the relationship between the occurrence of events with Mutual fund NAV
- 2) To find the relationship between mutual fund, Asset Under Management and NAV

III. RESEARCH DESIGN & METHODOLOGY

This research is aimed on the evaluation of growth and performance of mutual funds through evaluating Net Asset Value and Asset under Management

Hypothesis: H0-There would be no significant difference between average performance of various five star mutual funds NAV before and after the occurrence of the event

H1-There would be a significant difference between average performance of various five star mutual funds NAV before and after the occurrence of the event.

Research Problem The general intend of this study is to investigate the effect of an event that interns influences the Mutual Fund and also to correlate between average asset under management (AAUM) and the average net asset value (ANAV).

Approaches The study is based on the empirical investigation on the performance of Mutual Fund schemes as the research is data based and the researcher has investigated the pre-defined hypothesis and thereafter has drawn conclusion and predictions. Data for such analyses is collected through Mutual Fund Fact sheets and magazines related to Mutual Funds (Mutual Fund Insight). Further, the data were analyzed and evaluated through tools mentioned in Research Methodology.

Type of Research The study is based on the empirical investigation on the performance of Mutual Fund schemes.

Types of data: - As per the purpose and scope of evaluation, availability of time and statistical tools required the type of data selected for the research is Secondary type

Source List:- The data are collected based on secondary sources. It includes the mutual fund fact sheets and magazine the —Mutual Fund Insight. In addition to these, others journals, magazines, articles, books and the published and unpublished documents related to the mutual funds is considered in the research.

Significance of Research:- Mutual funds offer tailor-made solutions like systematic investment plans and systematic withdrawal plans to investors, which is very convenient for investors. Investors also do not have to worry about investment decisions; they do not have to deal with brokerage or depository, etc. for buying or selling of securities. Mutual funds also offer specialized schemes like retirement plans, children's plans, industry specific schemes, etc. to suit personal preference of investors. These schemes also help small investors with an asset allocation of their corpus. This study has tried to shed some light on how economic factors contribute to the Mutual Fund NAV dynamics in national markets. We propose the hypothesis. There would be a significant difference between average performance of various five star mutual funds NAV before and after the occurrence of the economic national event.

IV. FINANCIAL AND STATISTICAL TOOLS FOR MEASUREMENT

To evaluate the different important parameters (such as performance of Mutual Funds, etc.) related to a research study, the following financial and statistical tools will be used.

- Paired T- Test for the purpose of the first objective
- Karl Pearson's coefficient correlation method for the purpose of the second objective

Schemes to be selected for analysis

- 1) HDFC Top 200 Fund (Growth)
- 2) HDFC Growth Fund (Growth)
- 3) HDFC Gilt Fund -Long Term Plan (Growth)
- 4) HDFC High Interest Fund - Short Term Plan (Growth)
- 5) ICICI Prudential Select Large Cap Fund (Growth)
- 6) ICICI Prudential Focused Blue chip Equity Fund (Growth)

Analysis of the MF Schemes through SPSS

- 1) **HDFC Top 200 Fund (Growth)**

T-TEST PAIRS=HDFCTOP200beforeevent WITH
HDFCTOP200afterevent (PAIRED)
/CRITERIA=CI(.9500) /MISSING=ANALYSIS.

T-Test

Table-1

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	HDFCTOP200beforeevent	370.68045	20	5.131641	1.147470
	HDFCTOP200afterevent	354.26225	20	6.015862	1.345188

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	HDFCTOP200beforeevent & HDFCTOP200afterevent	20	-.780	.000

Paired Samples Test

		Paired Differences		
		Mean	Std. Deviation	Std. Error Mean
Pair 1	HDFCTOP200beforeevent - HDFCTOP200afterevent	16.418200	10.519782	2.352295

Paired Samples Test

		Paired Differences	
		95% Confidence Interval of the Difference	
		Lower	Upper
Pair 1	HDFCTOP200beforeevent - HDFCTOP200afterevent	11.494790	21.341610

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	HDFCTOP200beforeevent - HDFCTOP200afterevent	6.980	19	.000

2) HDFC Growth Fund (Growth)

T-TEST PAIRS=HDFCGROWTHbeforeevent WITH HDFCGROWTHafterevent (PAIRED) /CRITERIA=CI(.9500) /MISSING=ANALYSIS.

T-Test

Table-2

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	HDFCGROWTHbeforeevent	148.40050	20	1.888230	.422221
	HDFCGROWTHafterevent	141.26950	20	2.576271	.576072

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	HDFCGROWTHbeforeevent & HDFCGROWTHafterevent	20	-.793	.000

Paired Samples Test

		Paired Differences		
		Mean	Std. Deviation	Std. Error Mean

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	HDFCGROWTHbeforeevent	148.40050	20	1.888230	.422221
Pair 1	HDFCGROWTHbeforeevent - HDFCGROWTHafterevent	7.131000	4.232994	.946526	

Paired Samples Test

		Paired Differences	
		95% Confidence Interval of the Difference	
		Lower	Upper
Pair 1	HDFCGROWTHbeforeevent - HDFCGROWTHafterevent	5.149898	9.112102

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	HDFCGROWTHbeforeevent - HDFCGROWTHafterevent	7.534	19	.000

3) HDFC Gilt Fund -Long Term Plan (Growth)

T-TEST PAIRS=HDFCgiltfundbeforeevent WITH HDFCgiltfundafterevent (PAIRED) /CRITERIA=CI(.9500) /MISSING=ANALYSIS.

T-Test

Table-3

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	HDFCgiltfundbeforeevent	33.60143	20	.041213	.009215
	HDFCgiltfundafterevent	34.81391	20	.525842	.117582

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	HDFCgiltfundbeforeevent & HDFCgiltfundafterevent	20	.620	.004

Paired Samples Test

		Paired Differences		
		Mean	Std. Deviation	Std. Error Mean
Pair 1	HDFCgiltfundbeforeevent - HDFCgiltfundafterevent	-1.212470	.501329	.112101

Paired Samples Test

		Paired Differences	
		95% Confidence Interval of the Difference	
		Lower	Upper
Pair 1	HDFCgiltfundbeforeevent - HDFCgiltfundafterevent	-1.447099	-.977841

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	HDFCgiltfundbeforeevent - HDFCgiltfundafterevent	-10.816	19	.000

4) HDFC High Interest Fund - Short Term Plan (Growth)

T-TEST PAIRS=HDFCHighinterestfundbeforeevent WITH HDFChighinterestfundafterevent (PAIRED)

/CRITERIA=CI(.9500) /MISSING=ANALYSIS.

T-Test

Table-4

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	HDFCHighinterestfundbeforeevent	31.82623	20	.021864	.004889
	HDFChighinterestfundafterevent	32.36333	20	.198022	.044279

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	HDFCHighinterestfundbeforeevent & HDFChighinterestfundafterevent	20	-.577	.008

Paired Samples Test

		Paired Differences		
		Mean	Std. Deviation	Std. Error Mean
Pair 1	HDFCHighinterestfundbeforeevent - HDFChighinterestfundafterevent	-.537105	.211395	.047269

Paired Samples Test

		Paired Differences	
		95% Confidence Interval of the Difference	
		Lower	Upper
Pair 1	HDFCHighinterestfundbeforeevent - HDFChighinterestfundafterevent	-.636041	-.438169

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	HDFCHighinterestfundbeforeevent - HDFChighinterestfundafterevent	-11.363	19	.000

5) ICICI Prudential Select Large Cap Fund (Growth)

T-TEST PAIRS=Iciciselectlargecapfundbeforeevent WITH Iciciselectlargecapfundafterevent (PAIRED)

/CRITERIA=CI(.9500) /MISSING=ANALYSIS.

T-Test

Table-5

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Iciciselectlargecapfundbeforeevent	25.25400	20	.356155	.079639
	Iciciselectlargecapfundafterevent	23.95400	20	.319348	.071408

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Iciciselectlargecapfundbeforeevent & Iciciselectlargecapfundafterevent	20	-.570	.009

Paired Samples Test

		Paired Differences		
		Mean	Std. Deviation	Std. Error Mean
Pair 1	Iciciselectlargecapfundbeforeevent - Iciciselectlargecapfundafterevent	1.300000	.598736	.133881

Paired Samples Test

		Paired Differences	
		95% Confidence Interval of the Difference	
		Lower	Upper
Pair 1	Iciciselectlargecapfundbeforeevent - Iciciselectlargecapfundafterevent	1.019783	1.580217

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	Iciciselectlargecapfundbeforeevent - Iciciselectlargecapfundafterevent	9.710	19	.000

6) ICICI Prudential Focused Blue chip Equity Fund (Growth)

T-TEST PAIRS=ICICIBLUECHIPBeforeevent WITH ICICIPRUDENTIALafterevent (PAIRED) /CRITERIA=CI(.9500)
/MISSING=ANALYSIS.

T-Test

Table-6

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	ICICIBLUECHIPBeforeevent	32.14700	20	.322671	.072152
	ICICIPRUDENTIALafterevent	30.75200	20	.486444	.108772

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	ICICIBLUECHIPBeforeevent & ICICIPRUDENTIALafterevent	20	-.782	.000

Paired Samples Test

		Paired Differences		
		Mean	Std. Deviation	Std. Error Mean
Pair 1	ICICIBLUECHIPBeforeevent - ICICIPRUDENTIALafterevent	1.395000	.765668	.171209

Paired Samples Test

		Paired Differences	
		95% Confidence Interval of the Difference	
		Lower	Upper
Pair 1	ICICIBLUECHIPBeforeevent - ICICIPRUDENTIALafterevent	1.036656	1.753344

Paired Samples Test

		t	df	Sig. (2-tailed)
Pair 1	ICICIBLUECHIPBeforeevent - ICICIPRUDENTIALafterevent	8.148	19	.000

Findings

In the table-1, the P value (.000) is less than the level of significance, so Null Hypothesis is rejected, an alternative hypothesis is accepted, and we can conclude that the impact on the NAV is affected by the economic event of demonetization.

In the table-2, the P value (.000) is less than the level of significance, so Null Hypothesis is rejected, an alternative hypothesis is accepted, and we can conclude that the impact on the NAV is affected by the economic event of demonetization.

In the table-3, the P value (.000) is less than the level of significance, so Null Hypothesis is rejected, an alternative hypothesis is accepted, and we can conclude that the impact on the NAV is affected by the economic event of demonetization.

In the table-4, the P value (.000) is less than the level of significance, so Null Hypothesis is rejected, an alternative hypothesis is accepted, and we can conclude that the impact on the NAV is affected by the economic event of demonetization.

In the table-5, the P value (.000) is less than the level of significance, so Null Hypothesis is rejected, an alternative hypothesis is accepted, and we can conclude that the impact on the NAV is affected by the economic event of demonetization.

In the table-6, the P value (.000) is less than the level of significance, so Null Hypothesis is rejected, an alternative hypothesis is accepted, and we can conclude that the impact on the NAV is affected by the economic event of demonetization.

Relation between the NAV and Asset under management

Tool used for finding the relationship between the above two stated variables is Karl Pearson's coefficient correlation that has been performed through SPSS.

1)HDFC Top 200 - Jan2016-Dec 2016

Table-7 Correlations

		AAUM HDFC200	ANAV HDFC200
AAUMHDFC200	Pearson Correlation	1	.975
	Sig. (2-tailed)		.000
	N	12	12
ANAVHDFC200	Pearson Correlation	.975	1
	Sig. (2-tailed)	.000	
	N	12	12

2)HDFC Top 200 – Jan2017-Dec 2017

Table-8 Correlations

		AAUM HDFC200	ANAV HDFC200
AAUMHDFC200	Pearson Correlation	1	.999
	Sig. (2-tailed)		.000
	N	12	12
ANAVHDFC200	Pearson Correlation	.999	1
	Sig. (2-tailed)	.000	
	N	12	12

3)HDFC Gilt Fund Long Term Plan (Govt Bonds) Jan2016-Dec 2016

Table-9 Correlations

		AAUM HDFCGILTFUND	ANAV HDFCGILTFUND
AAUMHDFCGILTFUND	Pearson Correlation	1	.621
	Sig. (2-tailed)		.031
	N	12	12
ANAVHDFCGILTFUND	Pearson Correlation	.621	1
	Sig. (2-tailed)	.031	
	N	12	12

4)HDFC Gilt Fund Long Term Plan (Govt Bonds) Jan2017-Dec 2017

Table-10 Correlations

		AAUMHDFCGILTFUND	ANAVHDFCGILTFUND
AAUMHDFCGILTFUND	Pearson Correlation	1	-.148
	Sig. (2-tailed)		.647
	N	12	12
ANAVHDFCGILTFUND	Pearson Correlation	-.148	1
	Sig. (2-tailed)	.647	
	N	12	12

5)HDFC High Interest Fund (short term plan) Jan2016-Dec 2016

Table-11 Correlations

		AAUM HDFCHIGHINTERESTFUN D	ANAV HIGHINTERESTFUND
AAUMHDFCHIGHINTERES TFUND	Pearson Correlation	1	.635
	Sig. (2-tailed)		.027
	N	12	12
ANAVHIGHINTERESTFUN D	Pearson Correlation	.635	1
	Sig. (2-tailed)	.027	
	N	12	12

6)HDFC High Interest Fund (short term plan) Jan2017-Dec 2017

Table-12 Correlations

		AAUM HDFHIGHINTEREST	ANAV HDFCHIGHINTEREST
AAUMHDFHIGHINTEREST	Pearson Correlation	1	-.696
	Sig. (2-tailed)		.008
	N	13	13
ANAVHDFCHIGHINTEREST	Pearson Correlation	-.696	1
	Sig. (2-tailed)	.008	
	N	13	13

7)HDFC Growth Fund – Jan2016-Dec 2016

Table-13 Correlations

		AAUM HDFCgrowth	ANAV HDFCGROWTH
AAUMHDFCgrowth	Pearson Correlation	1	.974
	Sig. (2-tailed)		.000
	N	12	12
ANAVHDFCGROWTH	Pearson Correlation	.974	1
	Sig. (2-tailed)	.000	
	N	12	12

8)HDFC Growth Fund – 2017 Jan2016-Dec 2016

Table-14 Correlations

		AAUMHDFCGR OWTH17	ANAVHDFCGR WTH17
AAUMHDFCGROWTH17	Pearson Correlation	1	.977
	Sig. (2-tailed)		.000
	N	12	12
ANAVHDFCGROWTH17	Pearson Correlation	.977	1
	Sig. (2-tailed)	.000	
	N	12	12

9)ICICI PRUDENTIAL BLUECHIP Jan2016-Dec 2016

Table-15 Correlations

		AAUMICICIPRU DENTIALBLUEC HIP	ANAVICICIPRU DENTIALBLUEC HIP
AAUMICICIPRUDENTIALBL UECHIP	Pearson Correlation	1	.990
	Sig. (2-tailed)		.000
	N	12	12
ANAVICICIPRUDENTIALBL UECHIP	Pearson Correlation	.990	1
	Sig. (2-tailed)	.000	
	N	12	12

10)ICICI PRUDENTIAL BLUECHIP Jan2017-Dec 2017

Table-16 Correlations

		AAUMICICIPRU DENTIALBLUEC HIP	ANAVICICIPRU DENTIALBLUEC HIP
AAUMICICIPRUDENTIALBL UECHIP	Pearson Correlation	1	.985
	Sig. (2-tailed)		.000
	N	12	12
ANAVICICIPRUDENTIALBL UECHIP	Pearson Correlation	.985	1
	Sig. (2-tailed)	.000	
	N	12	12

11)ICICI PRUDENTIAL LARGE CAP Jan2016-Dec 2016

Table-17 Correlations

	AAUMICICIPRUDENTIALLARGECAP	ANAVICICIPRUDENTIALLARGECAP
AAUMICICIPRUDENTIALLARGECAP Pearson Correlation	1	.954
Sig. (2-tailed)		.000
N	12	12
ANAVICICIPRUDENTIALLARGECAP Pearson Correlation	.954	1
Sig. (2-tailed)	.000	
N	12	12

12)ICICI PRUDENTIAL LARGE CAP Jan2017-Dec 2017

Table-18 Correlations

	AAUMICICIPRUDENTIALLARGECAP	ANAVICICIPRUDENTIALLARGECAP
AAUMICICIPRUDENTIALLARGECAP Pearson Correlation	1	-.685
Sig. (2-tailed)		.014
N	12	12
ANAVICICIPRUDENTIALLARGECAP Pearson Correlation	-.685	1
Sig. (2-tailed)	.014	
N	12	12

V. FINDINGS

1) In table 7 the value of Karl Pearson's coefficient correlation between AAUM and ANAV is 0.975. This is the clear indication that there exists a highly positive correlation between the above stated two variables, hence by increase or decrease in one variable (AAUM) will lead to the increase or decrease in the other variable (ANAV).

2) In table 8 the value of Karl Pearson's coefficient correlation between AAUM and ANAV is 0.999. This is the clear indication that there exists a highly positive correlation between the above stated two variables, hence by increase or decrease in one variable (AAUM) will lead to the increase or decrease in the other variable (ANAV).

3) In table 9 the value of Karl Pearson's coefficient correlation between AAUM and ANAV is 0.621. This is the clear indication that there exists a positive correlation between the above stated two variables, hence by increase or decrease in one variable (AAUM) will lead to the increase or decrease in the other variable (ANAV).

4) In table 10 the value of Karl Pearson's coefficient correlation between AAUM and ANAV is -0.148. This is the clear indication that there exists a negative correlation between the above stated two variables, hence by increase

or decrease in one variable (AAUM) will lead to the decrease or increase in the other variable (ANAV).

5) In table 11 the value of Karl Pearson's coefficient correlation between AAUM and ANAV is 0.635. This is the clear indication that there exists a positive correlation between the above stated two variables, hence by increase or decrease in one variable (AAUM) will lead to the increase or decrease in the other variable (ANAV).

6) In table 12 the value of Karl Pearson's coefficient correlation between AAUM and ANAV is -0.696. This is the clear indication that there exists a negative correlation between the above stated two variables, hence by increase or decrease in one variable (AAUM) will lead to the decrease or increase in the other variable (ANAV).

7) In table 13 the value of Karl Pearson's coefficient correlation between AAUM and ANAV is 0.974. This is the clear indication that there exists a highly positive correlation between the above stated two variables, hence by increase or decrease in one variable (AAUM) will lead to the increase or decrease in the other variable (ANAV).

8) In table 14 the value of Karl Pearson's coefficient correlation between AAUM and ANAV is 0.977. This is the clear indication that there exists a highly positive

correlation between the above stated two variables, hence by increase or decrease in one variable (AAUM) will lead to the increase or decrease in the other variable (ANAV)

9) In table 15 the value of Karl Pearson's coefficient correlation between AAUM and ANAV is 0.990. This is the clear indication that there exists a highly positive correlation between the above stated two variables, hence by increase or decrease in one variable (AAUM) will lead to the increase or decrease in the other variable (ANAV)

10) In table 16 the value of Karl Pearson's coefficient correlation between AAUM and ANAV is 0.985. This is the clear indication that there exists a highly positive correlation between the above stated two variables, hence by increase or decrease in one variable (AAUM) will lead to the increase or decrease in the other variable (ANAV)

11) In table 17 the value of Karl Pearson's coefficient correlation between AAUM and ANAV is 0.954. This is the clear indication that there exists a highly positive correlation between the above stated two variables, hence by increase or decrease in one variable (AAUM) will lead to the increase or decrease in the other variable (ANAV)

12) In table 18 the value of Karl Pearson's coefficient correlation between AAUM and ANAV is -0.685 This is the clear indication that there exists a negative correlation between the above stated two variables, hence by increase or decrease in one variable (AAUM) will lead to the decrease or increase in the other variable (ANAV).

The above event wise analysis shows that there is an impact on the performance of mutual fund in relation to Asset under Management and NAV.

The correlation also reveals that there is a relationship between mutual fund, Asset Under Management and NAV.

VI. CONCLUSION

The study will definitely help the investors in deciding the various schemes of mutual funds with regard to investors and it will help in knowing the various important factors affecting the performance of mutual fund industry. The biggest advantage of investing in mutual funds versus stocks is risk diversification. Investors require a large capital outlay to build a diversified portfolio of stocks. Investing in the stock market requires a lot of experience and expertise. In our view understanding the risk, return tradeoffs in stock market investments is the most important part of equity investing. Many retail investors have lost money in share trading because they make poor risk return trade-offs. Since mutual funds buy and sell securities in large volumes, transaction costs on a per unit basis is much lower than what retail investors may incur if they buy or sell shares through stock brokers. Investors can opt for different investment modes like lump sum (or one time), systematic investment plans, systematic transfer plans (from other mutual fund schemes), systematic withdrawal plans, switches from one scheme to another, etc. Share prices are highly volatile and can induce the investor to buy

or sell in short time periods due to fear or greed. Frequent trading often leads the investor to incur losses. Mutual funds encourage investors to invest over a long time horizon, which is essential to creating wealth.

Hence, the study shows a significant difference between average performance of the mutual fund NAV before and after occurring of the event and there is also a correlation between the asset under management and net asset value of a fund.

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