A Systematic Study on Mutual Funds

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Abstract
The origin of mutual funds lies far back to a little more than 1 and a half century ago. "Société Générale de Belique" was formed during the year 1822 by King William of Netherlands at the Brussells, which is most likely the first most mutual fund.
The primary intention behind its creation was to facilitate minute investments in foreign government loans and which was supposed in offering more returns and security than the home country or industry.
Upon its enormous uniqueness and implied various advantages, on a similar note or idea and another company was initiated to encourage co-operative investments and to cater and protect investments with wide laws and policies pertaining to it, by huge undertakings and with a goal to incentivize higher returns through investing in the various industries.
Although mutual funds have their origin in Belgium, its roots are not deep rooted in continental soil but flourished in USA and UK global environment.

Keywords: Portfolio Management, Fund, AMC.

1. Introduction

A mutual fund is typically a financial inter-media-arie, i.e., which regulates the passing of different messages between different peoples who are unable to meet just like we have in the housing and real-estate sector as brokers. For instance, a commercial bank. Nevertheless, a claim made by an investor at the time of investment through a mutual fund is much different from what he gets by depositing money into the bank. Mutual fund is a sub-set of a bank, as mutual fund is a kind of financial intermediary whereas, Bank is the largest intermediary. Hence, both the terms can't be used interchangeably.

Although they might look the same, they are quite averse to the fact. An investor can directly invest in securities or can indirectly through intermediaries. It pools the funds of various investors who abide by the similar investment motive and then further, invests them in various financial claims like the shares, convertible bonds, redeemable equity shares, forfeited shares, and rest money market instruments. This comes under SAPM i.e., Security Analysis and Portfolio Management and regarded as Fixed Income Securities and Mutual Funds.

Savers are indicated a-priori in the securities in which their funds will be invested. Daily, the value of the fund unit is transacted by the value of securities held. Contrary to this, a bank is not a perfect pass-through nature. There is a systematic and secure passing of money between savers and the securities in which the fund is investing. The unit holders are privileged with priority-based treatment on how they really would want to invest in.

1.1 What Mutual Funds are not:

To successfully understand what a mutual fund is, we also need to know and understand what mutual funds are not:

- Risk free, yet monitored and proctored,
- Assured or guaranteed returns,
- A fundamental answer to all the basic or comprehensive investment decisions,
- Get rich quick investments.

1.2 Mutual Fund Industry In India

UTI, 1964 marked the advent of MFI's and was cordially set up by the Parliament, otherwise which, it couldn't see the light of the day.

Now, let's just understand and see what discussions took place in the Parliament and Evolution of M.F. in India gradually but long-lasting impact:

Why there should be a mutual fund?

There have been several motives for establishing unit trusts, but the main intent is to mobilize and channelize savings of various kinds of investors.

A person, who is not aware of the industry might hesitate to invest, esp. the middle-class people. It's like for 1 thing, the person who knows something has not received the money and for another, the person who knows nothing about this is scared to invest unknowing what will ultimately happen to their money. So, in both the scenarios it is sheer uncertainty and is more luck based. The share market plays a pre-vital role in investing and procuring and saving one's assets and money, yet here comes into picture the bulls and the bears.

In the various crisis or faults in the economy as we say, like the Harshad Mehta scam, 1992, 12th March 1993 bomb blast (regarded as Black Friday, as this happened on Friday) in Zaveri Bazar, Air India, Sher Bazaar, the never-forgetting COVID-19 Crisis, which left the entire world upside-down and the recent Adani-Hindenburg issue. It gives support to faltering or defective exchanges.

Why it should be in the Public Sector?

An instrument which is not financially acceptable, viable and accepted to public at a large (public- general) cannot uplift the economy or make significant changes or a major contribution in the world outlook. A need on the part of people that the savings of the institution should be managed by the state and not an individual.

In a socialist economy that we are currently aiming at, it is important to have such a trust in the state and not an individual unit of trust. There possibly may be many reasons to debate over the working of the state sector units like misadministration, corruption, but on the other side of the coin, people don't have much knowledge or trust on the private sector enterprise like privately owned banks and other financial institutions and intermediaries. People have more faith and assurance in banking and other FII's, if they persist in public sector.

This collaborates a sense of felling of trust, momentum and confidence and pavs way for the justification of the initiative to start PSU or public sector trusts or partially, some in private sector and some in public sector to diversify their portfolio and savings.

About UTI:

UTI was established as a corporate body and gave fillip to equity market. All the chores, handling of all the corporate affairs, daily tasking and management of utilities and funds was solely vested in the hands of the trustees. An exclusive executive committee was formed to supervise asset management and controlling and functioning effectively and efficiently. Members of ex.com drawn from BOT (Board of Trustees) and reported to the board. The RBI (apex governing body) and The Central Govt. has the sole powers to enforce laws and build policies and give directions for matters of public interest. The daily functioning was left to the chairman and the operating managerial personnel reported to him.

The household income/ investment was to be channelized into primary + secondary share markets through units. Initially, UTI was bound to be for income related products. In 1986, Master Share paved way for equity related schemes in India. To fulfil and complete the life cycle of varied investors, UTI launched a cater of innovative products to attract various and for the long-term goal.

Evolution:

The Association of Mutual Funds In India has officially has systematically categorized 4 decades M.F.'s in India into 4 different phases, which as shown in the table below:

Phases (in years)	Events
1963-1987	UTI consolidating its position
1987-93	Arrival of mutual funds BY PSB's and FII's
1993	PSU's (Indian + Foreign)
1996	SEBI (Mutual Fund) Regulations Act

SBI established the 1st Mutual Fund. SBI chose to go ahead with the footprints of the trust route and organized itself as in the Indian Trusts Act, 1882. Seeing to this other mutual fund blindly followed SBI's route. The most legal form of mutual fund which was accepted nationally was the trust formed under the Indian Trust Act. With the permission of arrival of the PSF's,1993, a novelle era ushered in the mutual fund sector. During 1992, there were in totality 9 mutual funds, al in public sector and in the year 2003, there were 33 asset mgmt. companies covering Indian (public + private sectors) and foreign companies (For an instance- Joint Venture)

As per the data for as on 31st May,2010 to 30th June,2010 (For the month ended, 30th June,2010),
Funds are sponsored by PSU's, JV's (Indian plus Foreign- Asset Management Companies) and the Indian Private Sector. The foreign public has come from Canada, UK, USA, Europe, and countries from the East.

These all showed AMCs for all Mutual Fund Schemes/Varieties/Houses, etc., net sales, redemption of redeemable quarterly/ yearly shares (preference/equity), and increase/decrease in corpus gained or earned.

Active AMCs	Covering
39	Indian public-private units, and foreign joint venture foreigners.

Current Developments:
Technology has abrupted the use of mutual funds and evolved the sector in the past decade. Three has been a wave of acquisitions and merger.

Consolidation:
Acquisition, mergers, and takeovers in the mutual fund industry in India happened both at individual level and AMCs. Schemes of Indian Bank Mutual Fund were transferred to Tata Mutual Fund. Anagram Wellington Mutual Fund, which was launched only a single scheme, winding up its operations and redeemable shares were being transferred to the holders. Credit Capital AMCs took over 2 Bank of India AMC Scheme. Cazenove Fund Management Company of UK sold its stake in Cholamandalam Cazenove AMC and took an exit. Dundee Asset Manager exited the IMF industry. The stake of Newton Investment Manager was acquired by the Sundaram Finance Company. HDFC acquired Zurich fund and recently Templeton acquired Kothari-Pioneer.

Unitholding Pattern:
Total of 3.08 crores investors were holding accounts worth Rs. 100,594 crore for the year ended 31st March,2002.

	Individuals	Corporates and institutions
Accounted to	98%	1.46%
Contributed	56%	44%

Status of UTI:
As on 31st August 2002, government decided to split UTI as UTI-I and UTI-II. UTI-I had US-64 and assured returns which were further managed by govt. appointed personnel/administrator and a group of advisors/officials being appointed by the govt. UTI-II manages NAV schemes. It is the compliance of SEBI and a professional team mentoring it.

Practices:
Players have voluntarily come together and have unitedly established the AMFI. The Association of Mutual Funds in India increasingly interacts with the legislator, regulator, concerned, etc. The ultimate mission is to arrive at multiple matrix, concerns for an underlying decision and have proved to be significantly important and beneficial and can legally take into account acclaimed superior practices and functioning. Also, within AMFI there are various sub-areas, each focusing on deriving best, allocative, efficient, impactful, aligned, networks and are well-defined in their specific or particular areas/parts.

AMFI Certification:
Around July 2000, AMFI launched for testing basis for kinds of certification programmes, suppliers, distributors, retailers i.e., the channel partners, local authorities, municipal bodies, investors, employees,

govt officials and a many more to name. Recognized certification committee was appointed to prepare necessary promulges initiating from first things first, i.e., the registration, maintaining workbooks, eligibility criteria, subject matter, educational exchanges, curriculum creation and administration, test handouts, examination capsules and a vivid test process.

AMFI has addressed various issues pertaining to valuation models, financial modelling, financial analysis, creating a cutting edge or cutthroat competition, fiscal, monetary, legal policies, analyzing of Internal – Strengths and Weaknesses, and External Environment- Opportunities and Threats. Fixing of selling and re-order prices, professional trustee framework, ad code, operational formalities specifically for unclaimed redeemable s, vide amendments and disclosures under various Acts and Sections, not claimed dividend, pension utilities, launching of top-notch branded products in a collaborative market, etc.

AMFIs role as a self-regulating or governing body, NPA’s, asset trading by several employees is vast and unavoidable. Agents should not entice investors by sharing part commission with them, which is again treated as under a criminal indulgence and various laws may be imposed based on the nature of crime or activity inspected.

Influence of technology on the IMF:

Almost all the mutual funds have their own, separate, certified website wherein, all the necessary and important communications are being reflected and notice is being iterated in the notice ballot section. This probably enhances directing of guidelines to the stakeholders or the unitholders, as one may regard it as. The website includes common information like the offer letters, NAV returns of end number of schemes provided, investor education bulletins and fancy novel-books, information pertaining to key employees who are holding the asset, portfolio diversification and enhancement through effective and efficient means.

This also has an advanced-extended technological advancements like purchasing and selling of units online, which is viable for clients sitting in different locations of the country. EFTs have been significantly essential in recent times for remitting dividend and redemption of units. The most several influences and affluences is being seen in servicing of debt. Renowned agencies naming Datamatics which truly provides Computer Age Management Services, have made a huge investment to cope with thew volume of investor servicing transactions at acceptable norms service quality and timely speed. I know this as my own elder brother (Pratik Shashikant Kothari) used to work in Datamatics Financial Ltd., as a customer service associate from December 3rd, 2014, to June 6th, 2015.

Apart, from technological investments, these processing units claim to have supernormal quality control for investor needs and services duly. There have been many such cases of bizarre system failures leading to massive data loss, which can badly and highly affect the working cycle or the system. So, to defeat this issue, various environmental disaster management backup systems are being made available in several locations for many mutual funds service providers. As, we do have in WhatsApp daily backups, in the same fashion in DMS, i.e., the disaster management system, the whole data gets backed-up which is quite secure, safe, affordable and multi-purpose task doer!

1.3 Mutual Fund as an investment

Equity Funds are basically concentration of investments in the equity shares. They are then further sub-classified into broad categories namely:

- Mid-cap funds,
- Growth funds,
- Value funds,
- Equity-income funds,
- Sector funds,
- Index funds and EFTs,
- Equity linked saving schemes (Overseas securities funds)

AGGRESSIVE INVESTING:

Growth Funds investments is in equity stocks of companies, which are meant to perform better or best than the prevailing market. These companies feature above average increases in net assets and earnings. Typically, the stock payout little/no dividends since each company exercises to reinvest in earnings for further expansion. This covers companies of different ages, sizes and growth rates of various categories. High growth rate and according to risk go hand in hand. The higher the expected rate, the riskier the company. This is being served under Derivatives and Risk Management. The primary intention/goal of such funds is to seek long-term capital appreciation, i.e., the growth of capital and are best suited for the investors, who are waiting for their capital to grow eventually, and are thereby, considered as long-term investments held for at least time frame of between 3 to 5 years and subsequently belong to the moderate to high-risk category on the nature of categorization. Hence, fairly aggressive.

Mid-cap Funds are growth oriented and share similarly as aggressive growth funds and also get lumped together. Some mid-cap funds are conversely managed, so it can be distinctively managed. It invests in mid-sized companies, which grow at a faster rate than the large companies do, as their expansion is based on the quite smaller pool of assets and revenues (net).

Value Fund leads to value investing and investment is mainly in equity stocks whose current valuation do not reflect the underlying value proposition, and widely regarded as value investing and it seeks to gaining securities with the upmost high regarded potential for future long-term goals and profits.

Equity-Income Funds focus on dividend yield with an intention to give access a major portion of net return by the way of income and primarily investing into stocks that yield well above average.

Index Funds are portfolio of mutual funds, which have been primarily designed to ascertain the features and attributes of a chosen targeted index and can be constructed in numerous ways. Portfolio comprising of all the available stocks is regarded as fully replicated funds. It comprises the index in the same proportion.

Conversely, a sampled index fund makes investment only into stocks, which is ultimately part of the index. An index fund closely replicates the composition of index plus the return of the index. It is for the investor wanting to have a fund that follows the swings of the stock market, viz., BSE, NSE, etc. Various advantages include Low costs incurred like the management fees, trade execution, research are passively managed, Transparency as indices is pre-defined, investors know securities and proportion in which their money will be invested. Diversification helps various segments and sectors as index schemes replicate to a large extent of the market index.

Also, the year 1998 marked the launch of 1st index fund in India and by the end of 2009, i.e., the era of 2000-2009, there were about a dozen of index funds available.

Exchange Traded Funds widely recognized as ETFs provide cutting-edge to a selected index (either equity or may be debt). It carries numerous advantages over the traditional open-ended as they are restricted on confined to buying and selling on the exchange at prices that are usually close to the actual intra-day NAV of the scheme.

Exchange Traded Funds provide an innovative solution to the traditional mutual fund schemes and provides a fund that eventually closely monitors the performance of an index with the ability of buying or selling on an intra-day basis.

Exchange Traded Funds are structured in manner which allows for creating new units and redemption of outstanding units directly with the fund, which further ensures that Exchange Traded Funds trade close to the actual Net Asset Value, i.e., the NAV, which is contrary to the listed close ended funds that trade at substantial premiums or rather frequently at discounts to the NAV. Exchange Traded Funds came into existence in the USA in 1993.

Exchange Traded Funds have all the advantages of indexing like as discussed as above. As Exchange Traded Funds are listed on an exchange, reach is wider. The savings in the form of cost is passed on to the investors in the form of lower expenses.

Further, exchange traded mechanisms help in reducing collection and disbursement and other processing charges. The structure of Exchange Traded Funds is such that it protects the long-term investors from the inflows and the outflows of the short-term investors. This is primarily as the fund doesn't bear extra transaction cost while sale or buy due to constant subscriptions and redemptions. Tracking the error of the Exchange Traded Funds is likely to be lower than a normal index fund, as, creating or redeeming of the units through the in-kind mechanism the fund can state lesser amount of funds in cash and the time lag between the sale/ buy of unit(s) and the underlying asset is much lower.

Exchange Traded Funds are highly flexible which can be used as a medium to gain quick exposure to the equity markets and equalizing cash or for arbitrage strategies between the cash and futures markets.

Sector and Segment Specific Funds, as the name suggests, invests mainly in specific stock sector and they generally concentrate in a specific firm or an industry such as healthcare, startups and new enterprises, venture funding, telecommunications, technology sectors viz., Fintech, Martech, Edtech, Media and Entertainment, FMCG, petroleum, automobile sector, etc. Investors most likely enter into such a sector who are those willing to accept higher levels of riskiness as they are restricted to only some diversification within their relative narrow range. Such kind of funds are bound to be more volatile (risk seeker) than the varied broad classified portfolio streams. Along with this, their returns also constantly don't move in sync with the market averages.

Another variation to this is the specific funds making investments within a particular segment of the market. These comprise of the large cap, the mid cap and the small cap funds. If we go by the names, large cap typically invests in a blue-chip fund, which yields higher returns and substantial profit, mid cap fund makes an investment in the shares of the firms with market capitalization in the medium range and finally the small cap fund, makes an investment in the shares of the firms with a lower market capitalization. And that's what exactly is the truth and reality of the real physical world!

The investments are only made during the primary market offering and in equity shares and are therefore known as primary market funds.

Equity linked saving schemes ensure tax benefits and the primary intention is to generate long-term capital appreciation. It also has a three-year lock-in, which is been imposed by the CBDT viz. the Central Board of Direct Taxes. and provides tax-saving products like public provident fund (PPF), insurance and infrastructure bonds and National Saving Certificate (NSC). Equity oriented investors best suite this scheme as this scheme helps in gaining capital appreciation from both- an equity portfolio plus the tax benefits (if applicable) u/s 88 of the IT Act,1961. (Income Tax Act,1961).

Debt Funds, also called as **Income Funds** show or tell us that NAV of bond funds and interest rates are conversely inter-related. Income funds concentrate their investments in the debt securities. It consists of income producing securities and the debt securities often pay periodic interest and thus the portfolio leans towards the FI (Fixed Income) securities. These funds produce lower returns than equity funds. The principal source of their return is the interest earned on the security analysis held in the form of a portfolio. Capital gains include estimated profits. The Net Asset Value of a debt fund is proportionally influenced by a change in the interest rates. When the market price of a bond goes up due to an upward movement in the NAV of the fund, the interest rates decline and vice-versa. As they garner low returns, simultaneously, debt funds are much safer than the equity funds. This is the perception in research scholar minds due to the fact that issuers of bonds must necessarily pay principal amount plus interest when it deemed to be due and also, lower availability in the prices of the bond than the equity prices.

VARIETIES OF DEBT FUNDS INCLUDE THE FOLLOWING:

Corporate Bond Fund denote bond issuance by the companies' investments making. This is basically to generate higher income level and status. They are essentially categorized into high-grade and high yield funds. The high-grade bonds typically make an investment in a particular known investment rating. As in India, we know that funds are being advertised as AAA bond funds. Usually, such funds make investment in papers, which are rate AAA and above. On the contrary yield bonds don't have such limitations pertaining to investments. Accordingly, they make investment in papers as per yielding of the risk tolerance (risk appetite/ risk averse). So, studying and accessing both the funds, former seems a high level of riskiness than the latter.

Gilt Scheme defines Government Securities fund (Gilt fund) which is being issued by the Govt. of India and or the State Government. A portfolio of G-sec/ kind is credit risk free, i.e. the risk of default by the issuer and the only existing risk is the interest rate risk (IRR).
Income can be easily generated by having the receipt of coupon payments and the amortization of discount on debt related instruments or by the way of selling and buying of varied securities in the existing portfolio.

There are widely two plans available for a client, i.e., Long-term, and Short-term plans prevailing under this category. They by nature represent held and made investments in two different investments portfolios. Accordingly, based on the nature of the plan, the duration will differ and the related indicative durations and the specified goals for the plan and course of action and outcome will be well-stated in the offer document.

Floating Rate Scheme are well-renowned in foreign countries. In the very recent times, they made an entry into the Indian M.F. industry. They formally provide a hedge to the investors against the risky volatile interest rates and typically make investments in floating rate debt instruments, widely called as floaters, i.e. securities whose interest rates gets reset at timely intervals. This will eventually help in reducing investors' capital losses thereby.

Liquid Funds invest in ultra short-term instruments and investment horizon which accounts for maturity below ninety-one days. Now, we might think, that why would a corporate invest in such a form of a fund? The probable answer could be meeting fund holder's treasury requirements and it's management. These funds can serve as a special purpose investment vehicle by individual investors deemed as a substitute to saving bank deposits and these could be further utilized to park short term surplus pending investment in other long form assets.

Combination of Debt and Equity= Hybrid Funds:
Hybrid funds include a dual stock or bond focus as described below:

Balanced Funds is as name fairly suggests, a mix of equity and debt and pertains the objective of moderate capital appreciation, payment of con-current income, and most importantly, the preservation of capital without which the capital couldn't even survive! Investors with less or low risk appetite who seek some current income and moderate growth rate may go for investing into balanced funds. The Net Asset Value of these funds move in a narrower range and is not as much volatile when compared with the equity funds. These satisficing and maximizing approach tend to outperform equity funds in a bearish situation but again, do less well as to the bearish phase.

An instance could be the specialty funds which has characteristics of the hybrid funds, serve the needs of varied children, senior citizens, women, etc. Like the Mutual Fund offers Children Career Plans which helps them in financial planning which will help in achieving desired defined long term basic and overall goals and a sustainable future of a student or a person. This will broadly cover child's career, insurance plans and policies, retirement planning, estate and town planning, and succession planning, etc.

Asset Allocation Fund invests in a varied securities in in varieties of groups. The ultimate aim here, is to gather and provide diversified offering holdings and with simultaneous returns on it, while sparing the trouble for the investor of accomplishing asset allocation at several market-demand forces. Certain allocated assets funds have a systematic (symmetric) breakdown of asset groups that they are trying to safeguard over time and again, also known as stable-allocation portfolio. On the other hand, others vary the structure as circumstances, situations and opportunities change, also called as flexible allocation portfolio. In Asset Allocation, fund managers safekeep their funds and that's what exactly makes it smoother, easier, comfortable for the investors to buy low and high sell (again a strategy!) to resist the temptation of buying stocks when the equity market is soaring or loading up onto the bonds (when overpriced). For the determination of how many stocks to buy or how many bonds to buy? – It uses the quantitative models to define and describe and state that. The plans may range from very conservative, i.e., less proportion of equity to a very aggressive, i.e., more proportion derived to the equity. To those investors, who only want to own a single headed fund, an asset allocation fund would be the best suitable option plan.

OPEN-ENDED VS. CLOSE-ENDED FUNDS: The major difference between the two is, an open-ended fund scheme offers units on a constant basis for selling or re-purchasing of the fund whereas, on the contrary, close-ended schemes are not obligated for redemption of units, only if: at the time of maturity period of the scheme. Close-ended scheme units necessarily need to be listed on a stock exchange, like the National Stock Exchange or the Bombay Stock Exchange, where the unit holders can trade to provide liquidity to the investors. Liquidity is lifeblood of an esteemed organization. One cannot survive without liquidity, one will die without liquidity, who so ever be, a firm or an organization or a business or a company. Liquidity is the capability to trade larger lot at the prevailing market price/ ongoing price. In lay man terms, liquidity is easy and quick conversion of assets into cash or in the form of cash. In an open-ended fund scheme, the sale and re-purchase price of the units must be published for at least once a week in an English daily newspaper or equivalent newspaper of all India circulation. The Net Asset Value must also be published don the AMFI website by 8:00 PM as on that particular day.

The **formula** for **calculation of the NAV** is derived as under: Market value of investments + Receivables + Other income accrued) + Remaining assets less accrued expenses less payables less outstanding and other liabilities/ NAV date outstanding units (in numbers), which further goes for drafting of the balance sheet (Actual).

DIVIDEND OPTION VS. DIVIDEND REINVESTMENT OPTION:

Varieties in services, options, and plans:

Growth Plan is for the one who opt for capital appreciation (capital gains), but it won't declare dividend and shall not be entitled to any income or it's sources. Instead, the net income earned will remain invested on the specific number of units and will be reflected in the NAV. Because of this, the no. of units held by the investor will remain stable while, the value of unit fluctuates with the investment portfolio value thereby.

Dividend Plan investors will definitely receive daily dividends, as contradicted to the growth plan. Also, unit holders can decide upon re-investing dividend in additional investment avenues and units of the scheme at Net Asset Value or Amount prevalent at that specific period of time. This option is popularly familiarized as dividend re-investment option. Here, the number of units held by the investor increases at a additional purchase of a unit. Almost all the schemes provide this re-investment option, which further allows the investors to re-invest any distribution of income into additional units at the Net Asset Amount without any entry and exit load fees.

Systematic Investment Plan abbreviated as **SIP**, an investor invests a fixed amount every month or of any time frequency or period for a pre-decided time, may be, quarterly, half-yearly, monthly, semi-annually or annually or semi-quarterly by the way of post-dated cheques at relevant Net Asset Value or relative prices. This eventually aids to average out their investment cost in a time frame from six months to a year, summarizing and defeating the short-term changes and effects in the industry. It includes the following:

Dollar Cost of Averaging, as not all investors can time the market, getting in and out at the bottom or top for just an exclusive fat profit! This facility eliminates the market timing decision. With the help of this, the investor will be fully capable to invest in a fluctuating marketplace. The units eventually become more worth than what actually the investor had paid for it. This is long run strategy.

Value Averaging is an aggressive type of dollar form of cost averaging. This is specifically for those who are risk averse and can sustain a greater price volatility, which is much risky aspect. The investor needs to specify an investment value increase by a particular time horizon, rather than investing in an fixed amount at regular intervals. When the investment declines, investor will invest much in certain months and less when investment surpasses expectations and benefits. Again, this strategy is to serve long-term achievements and goals for serving into volatile sector markets. There are two conditions or situations, wherein, in short run, dollar cost averaging outperforms value cost averaging and on the other side, in the long run, dollar cost averaging underperforms the value cost averaging.

Systematic Withdrawal Plan (SWP) is the mirror image of the above SIP, wherein, a fixed amount of money is invested at regular time frame.

Switch Facility assures unit keepers opting to switch between various plans and options like the dividend and growth plan, within a plan under a scheme, at applicable Net Asset Value based prices and also, exchanging of units for units of an altogether another scheme(s).

Gift Facility, where the uniters can formally write to the Registrar office or the AMC for a gift form to gift the units, by transferring the units to the done, to the extent in the Regulations.

2. Tips for safe Investment

Research knowledge: A systematic research study must be curated and conducted to enhance and evolve, before virtually purchasing any form of a mutual fund. A detailed study enables one to mitigate risks and find a proper research methodology based on which we can put forth our knowledge and understanding and apply them in the practical life.

Find where-how to store a transaction: As by now, we have known that there are two major ways to securely store our transactions, from which we must select the most suitable an appropriate method, which suits our risk appetite and functioning of our mutual fund.

Diversify your investments and analyse it: One must keep on changing his/her investment profiles from time to time to get the exposure and experience and can make further strategies and increase his portfolio value. Diversification not only provides exposure but also gives us an equal opportunity to fulfil our sky-high dreams, but the only area of concern here is, Risk. Since, you are investing in a varied crypto, you mustn't be aware of the nature of the particular mutual fund, which where one can or has to bear huge number of losses. One must learn in any conditions or situation, to mitigate risk and fighting against risks, and always be prepared for any kind of risk, even if things seem to be good!

One must prepare oneself for volatility and risks: Promulgation and violation of mutual funds may lead to many risks. Everyone must be able tom provide for such risks and be volatile. As its rightly said, "Risk and return come together", they go hand-in-hand, one must just concentrate on the amazing returns or rewards and then, automatically risks could be adjusted and taken care of. As it is also said and mentioned numerous times in accounting, in the going and concern and the conservative based principle, that one must be prepared and provide for losses, and when higher is the risk, the more the higher is the return, but this may not be necessarily true as, in some converse cases. Here, the most crucial factor is fate or destiny of one's.

3. Literature Review

LITERATURE REVIEW

This comes under SAPM i.e., Security Analysis and Portfolio Management and regarded as Fixed Income Securities and Mutual Funds. Savers are indicated a-priori in the securities in which their funds will be invested. Daily, the value of the fund unit is transacted by the value of securities held. Contrary to this, a bank is not a perfect pass-through nature.

An investor can directly invest in securities or can indirectly through intermediaries. It pools the funds of various investors who abide by the similar investment motive and then further, invests them in various financial claims like the shares, convertible bonds, redeemable equity shares, forfeited shares, and rest money market instruments.

2.1 CITATION:

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2) [THE NEW COMMENSENSE GUIDE TO MUTUAL FUNDS (By Mary Rowaland).
Looking at the practicality of the aspects, consult the publications that on a daily basis supply performance number.

It's like for one thing, the person who knows something has not received the money and for another, the person who knows nothing about this is scared to invest unknowing what will ultimately happen to their money. So, in both the scenarios it is sheer uncertainties and is more of luck based. Share market plays a pre-vital role in investing and procuring and saving one's assets and money, yet here comes into picture the bulls and the bears.

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4. Hypothesis

H0: There is no significant difference in performance of a particular mutual fund scheme by calculating using Sharpe's measure scheme and,

H1: There is no significant difference in performance of a particular mutual fund scheme by calculating using Treynor's measure scheme.

(A) **ANALYSIS:**
As per the tested hypothesis, we analyze that, as per a thorough analysis and deep understanding we state that, both used individually can assure individual or single benefit for a financial economic result with no much high impact. And the same is derived below with the formulas iterated and proved with the derivations.

As, the methods and the techniques implied may be necessary different and unique of their styles and nature of operations, its motive must be the same, i.e., to benefit and fit everyone as a whole. But the same is not largely dis-similar but gain same number of profits or losses. So, the question here arises, why there is a need for two formula or the effort or the pain to create a new formula when existing or previous one is the one and the same with no major difference? This is a vital thing to think and look at and ponder upon. If we analyse, understand and peep in the matter and solution carefully, we understand that both derive significant, i.e., no massive change in performance or growth rate. We will see below different types of ways to calculate both the methods.

Treynor's Measure = R-Rf ÷ beta and,

Sharpe's Measure= R-Rf ÷ S.D.

Here, S.D.is the Standard deviation., Rf is the risk-free rate, and R is the average return.

If we know, by seeing the formula and after thinking, both the formulas are almost same i.e., identical, or similar and in the case of beta and standard deviation, both are highly co and inter-related., hence concluding that both cannot bring a significant impact and change in the mutual fund scheme performance.

DISCLAIMER: As, this a hypothesis, it's a hypothetical scenario, as suggested by the name itself, in actual, the real may or may not be like this. This is just my own analysis and interpretation as per mine research knowledge and study till date.

5. Conclusion

Looking at the practicality of the aspects, consult the publications that on a daily basis supply performance number. A suitable example could be, "Mutual Funds Insights", which is basically a publication ranking of various diverse schemes of Value Research which appears on a monthly basis and is based on the risk measures and total returns for a variety of mutual funds. Another notable publication is the ICICI bank's mutual fund review, which states unfiltered ratings and feedback. Also, various agencies like Cris-Risk (a subsidiary of CRISIL Ltd.), also publishes rankings in newspapers on a periodic basis and the same are being provide don the website, which is www.crisil.com and www.valueresearchindia.com and so on.

This is done to compare past performance with other-related funds. However, there is no such assurance or guarantee of it continuing the same for the near future. But unfortunately, several unknown investors often tend to interpret such rankings as recommendations, which they are clearly not1 Investors need to well do their homework before taking any further steps in investing and making prevital decisions. They must critically identify, evaluate, access, and forecast their investment goals and needs on a continuous basis and within the stipulated or required time period. The comparison of estimated and actual is very crucial and in a need here!

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