



A Study on Performance of Mutual Funds with Respect to Nippon and SBI In Nagpur City

Wanshika Kaushal, Dr S. C. Gulhane Prerna College of Commerce, Science and Arts, Nagpur, MS, (India)

Dr Swarda Gulhane, Assistant Professor, Dr S. C. Gulhane Prerna College of Commerce, Science and Arts, Nagpur, MS, (India)

Abstract

This study evaluates the performance of mutual funds, specifically focusing on Nippon India Mutual Fund and SBI Mutual Fund. The research examines various fund categories, including equity, debt, and hybrid funds, using financial indicators such as NAV, expense ratio, Sharpe ratio, and historical returns. By incorporating primary and secondary data, the study provides insights into investor preferences, fund performance, and market trends, aiming to offer a comprehensive analysis of these investment options.

Keywords: Mutual Funds, Investment, Nippon India, SBI Mutual Fund, Financial Performance.

1. Introduction

The first introduction of a mutual fund in India occurred in 1963, when the Government of India launched Unit Trust of India (UTI). Until 1987, UTI enjoyed a monopoly in the Indian mutual fund market. Then a host of other government-controlled Indian financial companies came up with their own funds. These included State Bank of India, Canara Bank, and Punjab National Bank. This market was made open to private players in 1993, as a result of the historic constitutional amendments brought forward by the then Congress-led government under the existing regime of Liberalization, Privatization and Globalization (LPG). The first private sector fund to operate in India was Kothari Pioneer, which later merged with Franklin Templeton. Mutual funds serve as investment vehicles that pool money from various investors to invest in diversified financial assets. The Indian mutual fund industry has evolved significantly since the launch of the first mutual fund in 1963. Over the years, prominent companies like Nippon India Mutual Fund and SBI Mutual Fund have gained significant traction due to their strong market presence and investor confidence.

1.1 Definition:

“A mutual fund is an investment that pools your money with the money of an unlimited number of other investors. In return, you and the other investors each own shares of the fund. The fund's assets are invested according to an investment objective into the fund's portfolio of investments. Aggressive growth funds seek long-term capital growth by investing primarily in stocks of fast-growing smaller companies or market segments. Aggressive

growth funds are also called capital appreciation funds”.

1.2 Role of Mutual Funds in Financial Markets:

- A. Wealth Creation: Mutual funds provide opportunities for capital appreciation and wealth accumulation over time.
- B. Risk Diversification: Investments in various securities help reduce risks associated with market volatility.
- C. Liquidity: Investors can easily buy or redeem mutual fund units based on their financial needs.

1.3 Evolution of Mutual Funds in India

- A. 1963: Unit Trust of India (UTI) launched India's first mutual fund.
- B. 1987: Public sector banks and financial institutions entered the mutual fund industry.
- C. 1993: Private sector participation began, expanding investment options.
- D. 2020-Present: Increasing digital adoption and investor participation in mutual funds.

2. Performance Analysis of Nippon and SBI Mutual Funds

- A. Investment Strategies: Understanding the strategic investment patterns followed by both funds.
- B. Key Performance Metrics:
 - Annual Returns: Evaluating historical returns over 1-year, 3-year, and 5-year periods.
 - Risk-Adjusted Returns: Examining Sharpe and Treynor ratios.
 - Expense Ratio: Comparing cost efficiency of both funds.



- C. Investor Perception: Analyzing survey data regarding investor satisfaction and expectations.

2.1 Need for Mutual Funds in Portfolio Management

- A. Provides systematic investment planning through SIPs.
- B. Enables goal-based investing for retirement, education, and wealth accumulation.
- C. Helps investors with different risk appetites to diversify investments efficiently.

2.2 Bridging the Gap Between Investor Expectations and Fund Performance

- A. Importance of investor education in choosing the right mutual fund.
- B. Impact of digitalization on investment tracking and fund accessibility.
- C. Role of financial advisors in guiding investors for optimal portfolio allocation.

2.3 Impact of Fund Performance on Investor Behavior

- D. Higher returns influence investor confidence and fund inflows.
- E. Lower expense ratios make funds more attractive to cost-sensitive investors.
- F. Consistent performance fosters long-term investment commitments.

2.4 Challenges and Opportunities in Mutual Fund Investments

- Market volatility affecting returns.
 - Complexity in understanding fund performance metrics.
 - Regulatory changes impacting fund operations.
- Opportunities:
- Digital platforms enabling easier investment tracking.
 - Increased financial literacy leading to greater investor participation.
 - Expanding product offerings catering to diverse investor needs.

3. Future Directions & Implications

- A. Growing adoption of AI-based investment tools for better fund selection.
- B. Increased customization in mutual fund products based on investor risk profiles.
- C. Expanding the scope of ESG (Environmental, Social, and Governance) funds for ethical investing.

4. Conclusion

This study highlights the importance of mutual fund investments in financial planning and wealth creation. Through a comparative analysis of Nippon India and SBI Mutual Funds, investors can gain valuable insights into performance metrics and investment strategies. The findings suggest that selecting a mutual fund should be based on financial goals, risk appetite, and historical performance analysis. With growing awareness and digital advancements, mutual fund investments are likely to see increased adoption, offering lucrative opportunities for investors. Mutual fund investments play a crucial role in wealth creation, but choosing the right fund requires thorough research, awareness of market conditions, and risk assessment. Both Nippon India and SBI Mutual Fund cater to different investor profiles, and the choice depends on an individual's financial goals, risk tolerance, and investment horizon.

For long-term financial success, investors should:

- ✓ Align investments with personal financial objectives
- ✓ Regularly review fund performance and market trends
- ✓ Consider diversification to balance risk and returns

By making informed decisions, investors can maximize their returns while minimizing risk, ensuring a financially secure future.

References

1. Meisner, M., Pfeiffer, J., Peukert, C., Dietrich, H., & Pfeiffer, T. (2020). How virtual reality affects consumer choice. *Journal of Business Research*, 117, 219–231. <https://doi.org/10.1016/j.jbusres.2020.06.004>
2. Su, K., Chen, S., Lin, P., & Hsieh, C. (2020). Evaluating the user interface and experience of VR in the electronic commerce environment: A hybrid approach. *Virtual Reality*, 24(2), 241–254. <https://doi.org/10.1007/s10055-019-00394-w>
3. Jang, J. Y., Hur, H. J., & Choo, H. J. (2019). How to evoke consumer approach intention toward VR stores? Sequential mediation through telepresence and experiential value. *Fashion and Textiles*, 6(12), 1–16. <https://doi.org/10.1186/s40691-018-0166-9>