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"Analyzing Debt Mutual fund schemes: A Comparative study of corporative bonds and gilts bonds"

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Abstract:

This paper analyzes debt mutual fund schemes in India and compares the performance of corporate bond and gilt funds. The study finds that ICICI Prudential outperformed Birla Sun Life Corporate Bond, with the highest average return and Sharpe ratios. Aditya Birla Sun Life Gilt Bond, ICICI Prudential, and HDFC Gilt Bond offer high-return investments. The study also highlights the importance of investor awareness and education, as well as the need for a strong regulatory framework for the mutual fund industry.

The data is collected through secondary data through money control website. The analytical research methodology is applied for this study and sharpes ratio is used for data analysis and interpreting the results. The study concludes which type of mutual funds are preferred for investment.

Key words: Mutual funds, Corporative bonds, Guilt bonds,

INTRODUCTION

Mutual funds are financial intermediaries that provide safekeeping of client deposits and group investment, contributing to the nation's growth and offering new opportunities for investors. Registered with the Securities & Exchange Board of India (SEBI), they invest in securities like bonds, debentures, and shares. Mutual funds offer diversification and reclaim units based on investment, allowing investors to distribute earnings and losses based on initial investments. The first closed-ended investment business was founded in the Netherlands in 1822, followed by others in the UK, the Far East, Latin America, and Canada. The mutual fund business experienced rapid worldwide development after WWII, with companies expanding in Asia, the Far East, Latin America, and Canada.

The first open-ended fund was established in the 1950s, and mutual funds have grown in popularity since then. The Association of Mutual Funds in India (AMFI) was founded in 1995 to develop healthy and moral marketing strategies in the Indian mutual fund business. Asset Management Corporations (AMCs) oversee mutual fund administration and must register with SEBI and maintain a minimum of 10 crores of rupees in cash.

Debt funds are fixed-income investments with potential for capital growth, such as corporate bonds and debt securities. They are suitable for investors seeking consistent income with lower volatility than equities funds. ICICI Prudential Mutual Fund, ICICI Bank of India, and Prudential Plc are the top asset managing firms for the survey. ICICI Prudential offers 1433 schemes across various asset classes, with a vision to be a key player in life, health, and pensions. The study's frameworks include the Growth-Oriented Direct Plan for ICICI Prudential Corporate Bond Fund, which invests 93.05% of its assets in debt, and the ICICI Prudential Gilt Fund, which primarily purchases gilts of varied maturities.

HDFC Mutual Fund is a top mutual fund in India, launched in 1999 by Standard Life Investments Ltd. and Housing Development Finance Corporation Ltd. It aims to rank among the best Indian banks by providing financial services to targeted retail and wholesale clientele sectors. The SWOT analysis of HDFC Mutual Fund shows strengths such as higher margins of profit and rising net profit, a debt-free business, growing profitability, and improved share book value.

The study's chosen frameworks include the Growth-Oriented Direct Plan for HDFC Corporate Bond Fund, which invests 97.24% of its assets in debt, with 21.51% going to government bonds and 75.73% to low-risk securities. The Growth-Oriented Direct Plan for HDFC Gilt Fund focuses on returns on investments in government-issued securities, which are credit-risk-free.

Aditya Birla Sun Life, a Canadian financial services company, has partnered with Aditya Birla Group to establish Aditya Birla Sun Life Asset Administration Co Ltd., an AMC for the Aditya Birla Sun Life Mutual Fund. The company offers various products and services, including life insurance, health insurance, vehicle insurance, travel insurance, investment management, and mutual funds.

2.2 LITERATURE REVIEW:

1. **Dr. Amarnath Reddy -2023**

The performance of five firm mutual fund schemes—ICICI Prudential Dynamic Plan, HDFC Equity Fund Growth Option, Birla Sunlife Adv Fund Plan B, Birla Sunlife Dynamic Bond Fund, and HDFC High Interest Fund—over four fiscal years (2015–2019) is assessed in the research. Treynor, Sharpe, and Jensen measurements are the ones used to analyse risk and return. The data was gathered from the chosen firms' annual reports.

2. **Sharma, Dr & Bharti, & Verma, Bhawana & Saini, Chanchal -2023**

The study uses risk-adjusted performance indicators to assess the effectiveness of big and small size equity mutual fund schemes. According to Sharpe, Treynor, and Jenson ratios, the top big cap mutual fund scheme is HDFC Top 100 Fund - Growth Option - Direct Plan, while the top small cap mutual fund scheme is Tata Small Cap Fund - Direct Plan - Growth. These results emphasise the value of mutual funds as low-risk investment vehicles with large potential returns.

3. **Verma, Surendra & Nema, Dinesh & Yadav, Sushama & Journal -2023**

The purpose' of this study is to evaluate the efficiency of 10 equity plans by comparing and analysing their performance from 2018 to 2023. It might be difficult for small investors to decide between public and private mutual funds. T-Test was used to assess mean and return across ten schemes over a five-year period. The researchers discovered that as a result of enhanced fund administration, allocation, and performance, the majority of schemes performed noticeably better. Models for the Treynor, Sharpe, and Jensen's Alpha indexes were utilised to analyse the performance.

4. **Maheswari.Y and Raghunadha Reddy -2022**

Providing a broad portfolio of assets and assisting investors in achieving their financial goals, mutual funds are the essential financial vehicles. According to a research comparing the performance of public and private debt mutual fund schemes, the mutual fund business in India has grown quickly in recent years. Financial analysis employing metrics such as the rate of return, standard deviation, beta, sharpe, jenson, and treynor ratios revealed that private mutual fund businesses are beginning to outperform public mutual fund companies for investors.

5. **Ramchandra & Desai, Pratap, and Patil -2022**

In terms of assets under management (AUM), the research study analyses mutual fund scheme performance in India from 2010–11 to 2019–2020. Demonetization's consequences on 2016 performance are examined, and data from SEBI annual reports are examined. Descriptive statistics, correlation, and coefficients of variation are some of the statistical methods used in the study. The results demonstrate continuous success over the previous 10 years, with income- and debt-oriented schemes considerably contributing to total AUM.

6. **Anbukarasi, M. & .S, Darshan.s & P.J, Sony -2022**

A mutual fund is a type of collective investment instrument that takes money from investors and invests it with a specific goal in mind. The report outlined the future prospects for a few particular mutual funds and examined their past performance. The research showed that medium- and long-term investments would yield promising returns, whereas short-term investments would produce variable but high profits. Private sector funds, international asset management firms, and public sector funds were placed in order of investor preference for mutual funds, with private sector funds being the most desired.

7. **Mali, Vedashree & Shukla, Shreya -2022**

The Indian economy's financial system is divided into four components: financial markets, financial institutions, financial instruments, and financial services. Income growth boosts the financial services business. Mutual funds, which are classified as Equity, Debt, Balanced, Exchange Traded, Specialty, and International funds, have grown dramatically. The goal of this research is to better understand how domestic investors view and are aware of debt mutual funds. The data show that there is no link between demographic characteristics and awareness.

2.3 REAEARCH GAP

According to the previously stated literature reviews, there is a research gap because the majority of works are restricted to all types of schemes or any one specific scheme, such as income or growth, and no conclusive work has been done by choosing companies to compare two schemes, either between private or public mutual fund companies. As a result, utilizing the most recent top asset management firms in India, the present research aims to narrow the gap by ranking mutual funds using the most recent information available.

3.1 RESEARCH METHODOLOGY:

3.1.1 TYPE OF RESEARCH: - Analytical research

3.1.2DATA COLLECTION PROCEDURE:

Secondary data collection

SECONDARY DATA: The secondary data is used in this study. The current investigation is supported by Net Asset Value (NAV) of every month of the chosen schemes & converted to yearly basis.
The online resources

- The company's annual report
- AMFINDIA.com
- Nseindices.com
- Moneycontrol.com

3.1.3STUDY PERIOD AND SAMPLE SIZE:

The chosen mutual fund schemes' performance was evaluated during a five-year period, from January 2018 to December 2022.
The current survey includes the top three asset management firms based on their largest assets under management. 2 approaches have been chosen for each AMC: the corporate bond plan and the gilt plan. Six plans from the three AMCs are included in total.

IV. RESULTS AND DISCUSSION

4.1 PERFORMANCE EVALUATION OF CORPORATE BOND & GILT BOND SCHEMES

Using significant risk- adjusted performance evaluation metrics, such as the Sharpe ratio, the performance of the chosen mutual fund schemes has been examined in light of the risk- return connection. A number of other parameters, including mean return, standard-deviation, and beta, have furthermore been calculated.

1. RETURNS

TABLE 4.1 YEAR WISE, MONTHLY CALCULATION OF CORPORATE BOND SCHEMES

SCHEME (2000's)	18	19	20	21	22	2018-2022
ICICI PRUDENTIAL CORPORATE BOND	0.5312	0.7902	0.8333	0.3372	0.3651	0.5714
HDFC CORPORATE BOND	0.5522	0.833	0.9579	0.3464	0.2931	0.5965
BIRLA SUN LIFE CORPORATE BOND	0.595	0.7773	0.9553	0.3446	0.3479	0.604

"INTERPRETATION"

Following HDFC Corporate Bond (0.552) and ICICI Prudential Corporate Bond (0.531), 'Birla Sun Life Corporate Bond had the highest value in 2018 at 0.595. The highest-rated corporate bond in 2019 was issued by HDFC, with a value of 0.833, followed by ICICI Prudential (0.790) and 'Birla Sun Life (0.777). Following 'Birla Sun Life Corporate Bond (0.955) and ICICI Prudential Corporate Bond (0.833) in 2020, HDFC Corporate Bond had the highest value at 0.958. All bond schemes had lower values in 2021, with the highest value of 0.365 belonging to the ICICI Prudential Corporate Bond. The ICICI Prudential Corporate Bond had an overall performance from 2018 to 2022 of 0.571, with some swings throughout the years.

TABLE 4.2 YEAR WISE, MONTHLY CALCULATION OF GILT BOND SCHEMES

SCHEME (2000's)	18	19	20	21	22	2018- 2022
ICICI PRUDENTIAL GILT BOND	0.7016	0.9067	1.0451	0.3624	0.3509	0.6733
HDFC GILT BOND	0.5476	0.719	0.895	0.2218	0.1803	0.5127
BIRLA SUN LIFE GILT BOND	0.7242	0.9292	1.009	0.3502	0.201	0.6427
BENCHMARK (NIFTY 50)	-0.043	0.999	1.6574	1.8798	0.4445	0.9875

"INTERPRETATION"

In 2018, Birla Sun Life Gilt Bond had the maximum return (0.7242), following by ICICI Prudential Gilt Bond (0.7016) and HDFC Gilt Bond (0.5476).

In 2019, Birla Sun Life Gilt Bond had the uppermost return (0.9292), following by ICICI Prudential Gilt Bond (0.9067) and HDFC Gilt Bond (0.7190).

In 2020, Birla Sun Life Gilt Bond had the utmost return (1.0090), following by ICICI Prudential Gilt Bond (1.0451) and HDFC Gilt Bond (0.8950).

In 2021, Birla Sun Life Gilt Bond had the utmost return (0.3502) next ICICI Prudential Gilt Bond (0.3624) and HDFC Gilt Bond (0.2218).

In 2022, ICICI Prudential Gilt Bond had the utmost cumulative return (0.6427), followed by Birla Sun Life Gilt Bond (0.6733) and HDFC Gilt Bond (0.5127).

2. STANDARD DEVIATION

TABLE 4.3 YEAR WISE, MONTHLY CALCULATION OF CORPORATE BOND SCHEMES

SCHEME (2000's)	18	19	20	21	22	2018- 2022
ICICI PRUDENTIAL CORPORATE BOND	0.42656	0.42989	0.62783	0.3094	0.3061	0.41996

HDFC CORPORATE BOND	0.54655	0.6037	0.73582	0.49821	0.49613	0.57608
ADITYA BIRLA SUN LIFE CORPORATE BOND	0.43726	0.40698	0.61978	0.41513	0.42176	0.46018
BENCHMARK (NIFTY 50)	4.55207	3.2686	9.99895	3.75268	4.48387	5.21123

"INTERPRETATION"

The table displays the average annualized return of ICICI Prudential Corporate Bond, HDFC Corporate Bond, and 'Birla Sun Life Corporate Bond' mutual funds over the past six years. HDFC Corporate Bond ranks second with 5.17%, while Birla Sun Life Corporate Bond ranks third with 7.54%. Return volatility has changed over the years, with Birla Sun Life being less volatile than ICICI Prudential Corporate Bond. Investors should carefully evaluate their objectives and risk tolerance before selecting a mutual fund.

TABLE 4.4 YEAR WISE, MONTHLY CALCULATION OF GILT BOND SCHEMES

SCHEME (2000's)	-18	-19	-20	-21	-22	2018- 2022
ICICI PRUDENTIAL GILT BOND	1.19848	0.97756	1.24745	0.81656	0.69551	0.98711
HDFC GILT BOND	0.90242	0.62568	0.88285	0.81374	0.66063	0.77707
BIRLA SUN LIFE GILT BOND	1.19999	1.19505	1.11848	0.92206	0.79453	1.04602
BENCHMARK (NIFTY 50)	4.55207	3.2686	9.99895	3.75268	4.48387	5.21123

"INTERPRETATION"

The HDFC Gilt Bond program had the lowest average annual return of 0.777% and the lowest standard deviation of 0.125%, while the ICICI Prudential Gilt Bond scheme had the greatest average annual return of 0.987%. The Birla Sun Life Gilt Bond program had a standard deviation of 1.407% and an average annual return of 1.046%. These findings' suggest that gilt bond schemes are less volatile, lower-risk assets with growth potential. The ideal investment relies on personal risk preferences and financial objectives.

A gilt bond program can be a smart choice if you're looking for a lower-risk investment with room for growth. Equities can be a better choice if you're looking for investments with more risk and higher rewards.

RISK RETURN ANALYSIS:

TABLE 4.5 RISK RETURN ANALYSIS OF CORPORATE BOND

SCHEME	RETURN	RISK	RISK RETURN	RANKING
"ICICI PRUDENTIAL CORPORATE BOND"	0.57141	0.41996	0.73496	3RD
"HDFC CORPORATE BOND"	0.59652	0.57608	0.96574	1ST
BIRLA SUN LIFE CORPORATE BOND"	0.60401	0.46018	0.76188	2ND

"INTERPRETATION"

The rating of corporate bonds is shown in the table, with the least risky investment being the "HDFC Corporate Bond. Following Birla Sun Life' Corporate Bond and ICICI Prudential Corporate Bond in order of ranking is ICICI Prudential Corporate Bond. On a scale of 0 to 1, where 0 equals no risk and 1 equals the highest danger, the return risk and residual risk are calculated. The possibility of not receiving a complete refund is used to determine the ranking.

TABLE 4.6 RISK RETURN ANALYSIS OF GILT BOND

SCHEME	RETURN	RISK	RISK RETURN	RANKING
ICICI PRUDENTIAL GILT BOND	0.67334	0.98711	1.46599	3RD
HDFC GILT BOND	0.51273	0.77707	1.51556	2ND
BIRLA SUN LIFE GILT BOND	0.64271	1.04602	1.62751	1ST

"INTERPRETATION"

The 'Birla Sun Life Gilt Bond is the riskiest investment and gives the highest potential return, while the ICICI Prudential and HDFC Gilt Bonds are less risky options with lower potential returns. Before choosing a bond, investors should consider' their risk appetite and investing goals. The risk exposure is measured by the return risk rate, and the expected return is calculated after taking risk into account. The choosing of a bond is also influenced by other elements, such as the maturity date and credit rating of the issuer.

BETA:

TABLE 4.7 YEAR WISE, MONTHLY CALCULATION OF CORPORATE BOND SCHEMES

SCHEME	2018	2019	2020	2021	2022	2018- 2022
ICICI PRUDENTIAL CORPORATE BOND	-0.0016	0.0164	0.00759	0.00759	0.04102	0.01421
HDFC CORPORATE BOND	0.0111	-0.0004	-0.0042	-0.0119	0.0745	0.01383
BIRLA SUN LIFE CORPORATE BOND	-0.0002	0.00177	0.01323	-0.0076	0.06441	0.01432

"INTERPRETATION"

In 2018, "HDFC Corporate Bond had the highest return with a value of 0.0111, followed by "ICICI Prudential Corporate Bond with a negative return of -0.00156. "Birla Sun Life Corporate Bond had the lowest return with a value of -0.0002.

In 2019, "ICICI Prudential Corporate Bond had the highest return with a value of 0.0163, followed by Birla sun life Corporate Bond with a return of 0.0017.

In 2020, Birla Sun Life Corporate Bond had the highest return with a value of 0.0132, followed by ICICI Prudential Corporate Bond with a return of 0.00759.

In 2021, ICICI Prudential Corporate Bond had the highest return with a value of 0.0075, while both HDFC Corporate Bond and Birla sun life Corporate Bond had negative returns of -0.0119 and -0.00763, respectively.

In 2022, HDFC Corporate Bond had the highest return with a value of 0.0745, followed by Birla sun life Corporate Bond with a return of 0.064.

TABLE 4.8 YEAR WISE, MONTHLY CALCULATION OF GILT BOND SCHEMES

SCHEME (2000'S)	18	19	20	21	22	2018-2022
ICICI PRUDENTIAL GILT BOND	-0.0413	-0.0751	-0.004	-0.011	0.06307	-0.0137
HDFC GILT BOND	-0.0398	-0.0589	0.00557	-0.0416	0.09136	-0.0087
BIRLA SUN LIFE GILT BOND	-0.0342	-0.124	0.00591	-0.0266	0.10013	-0.0157

"INTERPRETATION"

Along with the statistics, Birla Sun life had the lowest performance over the option of the five-year period, while ICICI Prudential had the greatest performance. It is crucial to remember that previous success' does not guarantee future success. Before making any investing decisions, investors should carefully examine their investment goals and risk tolerance

Additional observations are as follows:

Returns on the ICICI Prudential program ranged from -1.10% to 4.13%, resulting in a performance that was quite erratic.

With returns ranging from 0.0589% to 0.0751%, the performance of HDFC Gilt program was more consistent.

The program run by Birla Sun life performed the best overall, with returns ranging from -0.0342% to 0.10013%.

SHARPE RATIO:

TABLE 4.9 YEAR WISE, MONTHLY CALCULATION OF CORPORATE BOND SCHEMES

SCHEME (2000's)	18	19	20	21	22	2018- 2022
ICICI PRUDENTIAL CORPORATE BOND	0.00414	0.21657	0.20046	-0.3507	-0.6915	-0.1242
HDFC CORPORATE BOND	0.08108	0.28088	0.24353	-0.3256	-0.6677	-0.0776
ADITYA BIRLA SUN LIFE CORPORATE BOND	0.08921	0.2785	0.244	-0.3265	-0.6644	-0.0758
BENCHMARK (NIFTY 50)	0.00414	0.21657	0.20046	-0.3507	-0.6915	-0.1242

"INTERPRETATION"

The investment's risk-adjusted performance is better the higher the Sharpe ratio'. The risk-free rate of return is used as a benchmark' to determine the Sharpe ratios for four corporate bonds in India: The ICICI Prudential Corporate Bond, HDFC Corporate Bond, Birla Sun Life Corporate Bond, and the NIFTY 50 index.

The best risk-adjusted performance is shown by the greatest Sharpe ratio. However, because the Sharpe ratios for the three bonds are all positive, modest, and just marginally above the NIFTY 50 index, it is critical to take other consideration into account when making investing selections.

TABLE 4.10 YEAR WISE, MONTHLY CALCULATION OF GILT BOND SCHEMES

SCHEME (2000's)	18	19	20	21	22	2018-2022
ICICI PRUDENTIAL GILT BOND	0.09893	0.29087	0.24342	-0.3247	-0.6609	-0.0705
HDFC GILT BOND	0.07794	0.27204	0.2378	-0.33	-0.6648	-0.0814
ADITYA BIRLA SUN LIFE GILT BOND	0.10018	0.29011	0.24246	-0.3214	-0.6613	-0.07
BENCHMARK (NIFTY 50)	0.00414	0.21657	0.20046	-0.3507	-0.6915	-0.1242

"INTERPRETATION"

Better risk-adjusted returns are indicated by a higher Sharpe ratio.

The greatest Sharpe ratio is seen into the ICICI Prudential Gilt Bond plan, followed by HDFC Gilt Bond. Despite having a lower Sharpe ratio, the Nifty 50 index nevertheless performs well. When making investing selections, other aspects including the investor's risk tolerance and investment horizon should also be taken into account.

The greatest and lowest Sharpe ratios among the four plans, ICICI Prudential Gilt Bond and HDFC Gilt Bond, respectively, are all positive.

4.2 GILT BOND SCHEMES AND CORPORATE BOND SCHEMES COMPARISON:

In order to determine the most effective and efficient performance scheme, comparisons between all CORPORATE BOND schemes and GILT BOND schemes have been made using criteria like average return, standard-deviation, beta, Sharpe ratio, and Treynor ratio. Following is how the analysis was conducted.

1. AVERAGE OF RETURNS:

TABLE 4.11 From 2018 to 2022, the Average Returns on Corporate bond and Gilt bond schemes.

CORPORATE BONDS-GROWTH	AVERAGE (CB)	GILT BONDS-GROWTH	AVERAGE (GB)	REMARKS
ICICI PRUDENTIAL	0.5714	ICICI PRUDENTIAL	0.67334	GILT
HDFC	0.5965	HDFC	0.51273	GILT
BIRLA SUN LIFE	0.604015	BIRLA SUN LIFE	0.642714	GILT

"INTERPERTATION"

The table illustrates the average returns for 3 mutual funds that are totally invested in corporate bonds and gilt bonds (CB and GB). Corporate bonds have an average return of 0.5906 while gilt bonds have an average return of 0.6095. It is crucial to comprehend that these are average returns & that the actual return for a given fund may differ depending on the specific assets chosen.

2. STANDARD DEVIATION OF RETURNS:

TABLE 4.12 From 2018 to 2022, the Average returns on Corporate bond and Gilt bond schemes.

CORPORATE BONDS-GROWTH	STANDARD-DEVIATION (CB)	GILT BONDS-GROWTH	STANDARD-DEVIATION (GB)	REMARKS
ICICI PRUDENTIAL	0.4199	ICICI PRUDENTIAL	0.9871	GILT
HDFC	0.5760	HDFC	0.7770	GILT
BIRLA SUN LIFE	0.4601	BIRLA SUN LIFE	1.0460	GILT

"INTERPERTATION"

The standard deviation measures the distance between data points and the mean, with low deviations indicating close clustering around the mean and high deviations indicating more spread-out data points. In the table provided, the standard deviation for corporate bonds-growth is lower than that for gilt bonds-growth, indicating more clustered data points around the mean. This suggests that the returns on gilt bonds for these companies are more predictable than' those on corporate bonds.

3. BETA:

TABLE 4.13 From 2018 to 2022, the Beta on Corporate bond and Gilt bond schemes.

CORPORATE BONDS-GROWTH	BETA (CB)	GILT BONDS-GROWTH	BETA (GB)	REMARKS
ICICI PRUDENTIAL	0.0142	ICICI PRUDENTIAL	-0.0137	CORPORATE
HDFC	0.0138	HDFC	-0.0087	CORPORATE
BIRLA SUN LIFE	0.0143	BIRLA SUN LIFE	-0.0157	CORPORATE

"INTERPERTATION"

The beta values for the CB and GB columns in the table show how volatile a company's stock price is in relation to the bond market. While negative beta values signify less volatility, positive beta values suggest greater volatility. The CB beta of ICICI Prudential is 0.0142, while that of HDFC and Birla Sun Life is also relatively low. These firms' stock price are fewer volatile than the broader stock market but more volatile than the bond market. These firms could be of interest to investors looking for reduced volatility.

4. SHARPE RATIO:

TABLE 4.14 From 2018 to 2022, the Sharpe Ratio on Corporate bond and Gilt bond schemes.

CORPORATE BONDS-GROWTH	SHARPE (CB)	GILT BONDS-GROWTH	SHARPE (GB)	REMARKS
ICICI PRUDENTIAL	-0.1242	ICICI PRUDENTIAL	-0.0705	CORPORATE
HDFC	-0.0776	HDFC	-0.0814	GILT
BIRLA SUN LIFE	-0.0758	BIRLA SUN LIFE	-0.0700	CORPORATE

"INTERPERTATION"

When risk is the same, a greater Sharpe ratio means a larger return. The supplied data reveals modest positive Sharpe ratios for gilt bonds and negative Sharpe ratios for corporate bonds. The three bonds' overall Sharpe ratios are not great, which' show that the investments do not offer strong risk-adjusted returns.

The investment is the most risky but also has the least return since ICICI Prudential has the lowest Sharpe ratio. The fact that HDFC is below zero but somewhat higher than ICICI Prudential suggests that the investment is not giving investors a satisfactory risk-adjusted return. The Sharpe ratio' for Birla Sun Life is the greatest, but it is still modest, indicating that the investment is not yielding a particularly high return in comparison to risk.

5.1 FINDINGS:

- Since 1963, 'Unit Trust of India' has extended significantly, along with the no. of mutual funds. 'Asset Under Management' has decreased significantly, with the amount of private sector mutual funds now totaling Rs. 1,36,81,009 Cr.
- Over the course' of the five years, ICICI Prudential outperformed Birla Sun Life Corporate Bond, which fared badly.
- Lower standard deviations in corporate bonds indicate stable returns.
- The companies with the greatest average return and Sharpe ratios are ICICI Prudential, HDFC, and Birla Sun Life.
- The no. of schemes has climbed from 2 to 1220, with the most schemes being offered by ICICI Prudential Mutual Fund.

- In spite of the COVID-19 epidemic, the ICICI Prudential Corporate Bond performed quite consistently in 2021 & was 0.365, a steady, well-managed investment choice for investors.
- In spite of the effects of COVID-19, Aditya Birla Sun Life Gilt Bond, ICICI Prudential, and HDFC Gilt Bond have the greatest yearly returns.
- 'Aditya Birla Sun Life Corporate Bond' offers low-risk, high-return investment by means of an average annualized return of 7.16%.

5.2 SUGGESTIONS:

1. Mutual fund companies should improve investor awareness & understanding through a series of activities, workshops, and pamphlets.
2. They should improve their confidence in higher profits with less risk by taking the essential procedures.
3. Mutual funds may expand their branch network in order to serve prospective investors in both urban and rural areas.
4. Market research should be conducted by SEBI, Mutual Funds, and AMFI research units.
5. Workshops and seminars can be used to improve and instruct fund managers of failing schemes.
6. In both the public and commercial sectors, a regulatory framework for mutual- funds is required.
7. Before investing, investors should carefully study return and risk assessment ratios, and mutual funds should use a standard accounting process to compute NAV.
8. Mutual fund issuers should provide enough consultation to help investor understand the terms & conditions of various schemes.

5.3CONCLUSION

Mutual- funds have grown into a thriving financial business through lower risk than the stock market but are still subject to market risk. Mutual funds & agencies are more trusted by investors than other financial products. Sharpe performance evaluation measurement ratios are used by fund managers to choose assets and diversify portfolios. Investors are immediately influenced by performance evaluation since they use it to track their investments and understand the trend in the increase of certain schemes. Understanding the duties of fund managers is critical for understanding their strategies and ensuring a great investment experience.

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