

# A Study On Equity Fund Evaluation Special Reference To Aditya Birla Sun Life Frontline Equity

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*Abstract: The mutual fund is such investment it will help the investors to invest with the small fund and it will collect or pool the money from the various small and big investors according to the investment objectives of the investors. They intern issues units based on the current NAV and it will run based on the market interacting and always hopes on the market that it will rise in the future. The benefits for the investors are that it will give the equal opportunities in investing various scheme of the mutual fund. There are different kinds of mutual fund available in the market it will be open ended and close ended schemes. These mutual funds are regulated by SEBI and managed by the asset management company for healthy growth in the market and within the scheme. They will collect certain amount has the fee for managing the fund of the investors. This study has been taken on the equity scheme one of the beset and popular scheme in the market at the same time it will has much fluctuation in the units. Therefore there is a small attempt has been made to research on the performance of the fund over the past five years.*

## I. BACK GROUND OF THE STUDY

The Aditya Birla Sunlife Frontline Equity generates the long term growth of capital through a portfolio with a target allocation of 100% equity by aiming at being as diversified across various industries. The fund manager always plays a vital role to up keep fund when it break down through different types of strategies.

The policy is flexibility to invest and buy and hold strategies and a buy and hold strategy well for the investors who stay invest in this fund for the long run. A well diversified fund with holdings of about 70 stocks, along with a stable management team backed by performance makes it a good choice to invest in.

## II. REVIEW OF LITERATURE

*Friend, et al., (1962)* made a broad and methodical investigation of 152 common assets found that shared reserve plans earned a normal yearly return of 12.4 percent, while their composite benchmark earned an arrival of 12.6 percent. Their alpha was negative with 20 premise focuses. General

outcomes did not propose boundless wastefulness in the business. Examination of store comes back with turnover and cost classifications did not uncover a solid relationship.

*Williamson (1972)* thought about positions of 180 supports between 1961-65 and 1966-70. There was no relationship between's the rankings of the two periods. The speculation capacities of a large portion of the reserve chiefs were indistinguishable. He highlighted the developing unmistakable quality of instability in the estimation of venture hazard.

*Klemosky (1973)* examined speculation execution of 40 assets in light of quarterly returns amid the period 1966-71. He recognized that, predispositions in Sharpe, Treynor, and Jensen's measures, could be expelled by utilizing mean supreme deviation and semi-standard deviation as hazard surrogates contrasted with the composite measures got from the CAPM (Capital Asset Pricing Modal).

## OBJECTIVES

- ✓ To study the fund invested by the company.
- ✓ To study the benchmark fixed for the fund invested.
- ✓ To study the sector investment made by the company.

✓ To study the holdings of the company.

### III. METHODOLOGY

This study has been conducted based on the secondary data collected from various reports of the companies.

### ANALYSIS

Year	Fund invested (Rs in Lakh)	Percentage
1	16.14	21.29
3	13.30	17.54
5	19.07	25.15
7	13.10	17.28
10	14.20	18.73
	75.81	100

Table 1: Showing the investment made by the company in mutual fund schemes

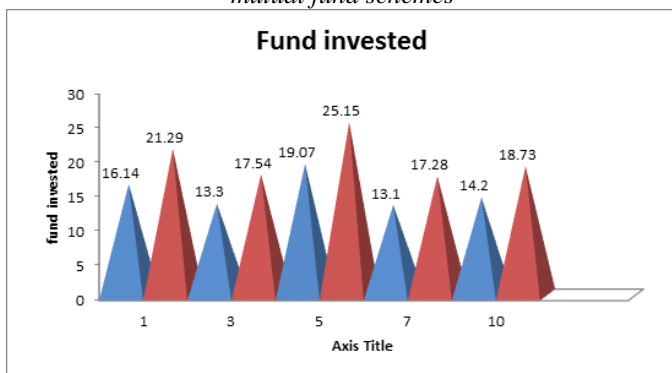


Chart 1

INTERPRETATION: The investment made by the Aditya Birla Sun Life Frontline Equity varies from one year to ten years. Initial years it is more and during 3 year and 7 years it was declined and then it was increased.

Year	Bench mark (%)
1	15.79
3	9.90
5	14.48
7	8.85
10	9.60

Table 2: Showing the Bench Mark fixed for the return

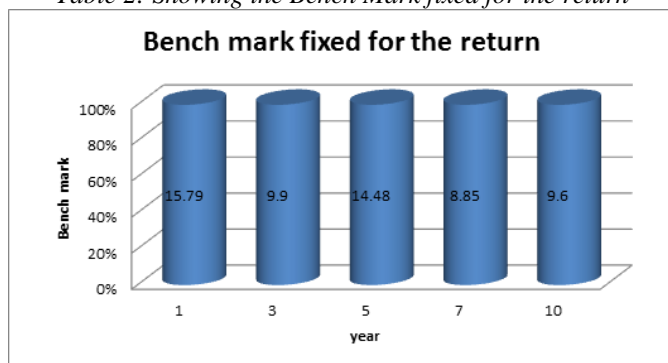
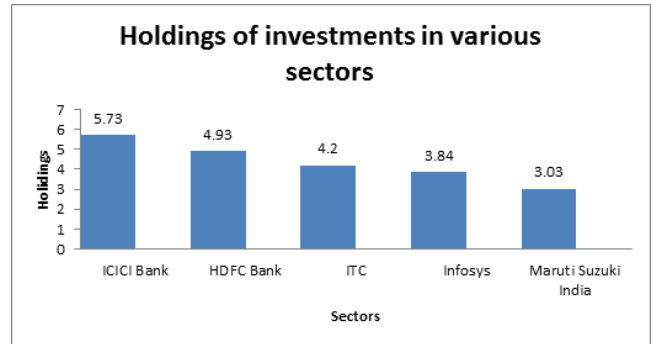


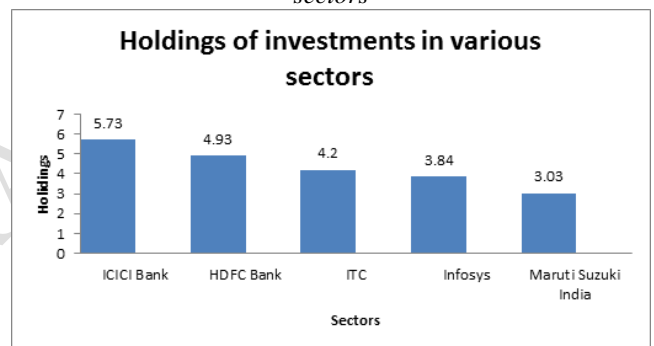
Chart 2: Showing the Bench Mark fixed for the return



INTERPRETATION: The Company has the expectation from the diversification which company has made. It was varying from the year to year and the fund invested. The expected return is more from year to years.

Company	% of Holdings of the various sectors
ICICI Bank	5.73
HDFC Bank	4.93
ITC	4.20
Infosys	3.84
Maruti Suzuki India	3.03

Table 3: Showing the holdings of the company in various sectors



Charts 3: Showing the 5 sector of investment

INTRODUCTION: The fund has five sectors and the company hold more of its investment in Banking, IT and Automobile. Out this three banking sectors shows the more investment among five sectors.

Sector	% of Investment
Finance	34.99
Automobile	10.61
FMGC	10.13
Energy	9.05
Technology	7.44

Table 4: Showing the 5 sector investment

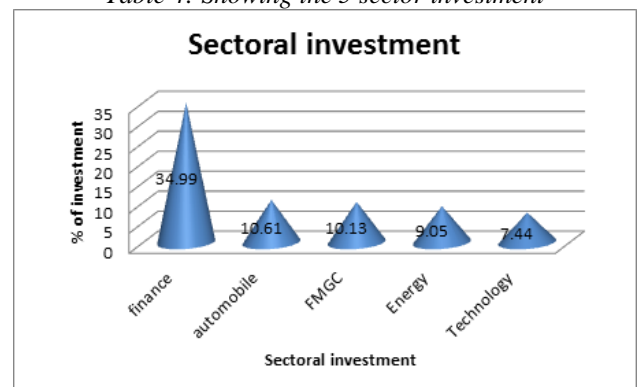


Chart 4: Showing the 5 sector investment

*INTERPRETATION:* The company invest its fund in 5 different sectors and out of the different sectors automobile and FMGS are invested more when compare to other sectors.

and it will help investor to get the capital appreciation. This fund has given good return to the investors over the period of the time. Therefore the investor can invest in this type of fund.

#### FINDINGS

- ✓ The company invested in the various sector from one to 10 years therefore there is no constant investment.
- ✓ The bench mark fixed by the company was not constant.
- ✓ The company invest fund in five sectors and it was found that there was no equal investment.
- ✓ The fund has allocated there fund in FMGC and Automobile sectors.

#### SUGGESTION

- ✓ The company has to maintain constant investment in various sectors.
- ✓ The bench mark should be increased by year to year.
- ✓ Diversification should be made in different sectors.
- ✓ The scrotal rotation should happen in the sector.

#### REFERENCES

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#### IV. CONCLUSION

The Aditya Birla Sunlife Frontline Equity gives the growth of investment by investing 100% in the equity fund