

# Mutual Funds in SBI Bank

K. Sowjanya

*MBA 2<sup>nd</sup> Year, Sridevi Women's Engineering College*

**Abstract** - Investments goals is different from person to person. While somebody want future security, or other might want to leave alone. Somebody wants to plan from their kids or other might want to plan after retirement. With objectives defying any range, in Indian Mutual Funds industry offers a large of schemes and serves broadly all types of investors. The range of products includes equity funds, debt, liquids, gilt and balanced funds. There are also funds meant for young and old, small and large investors. Investors of all categories could choose to invest on their own multiple options but for Mutual Funds for the reason that all benefits come in one package. In view of growing competition in Mutual Funds industry, it was necessary to study the investors orientation towards Mutual Funds i.e., their pattern of risk and in various schemes, plans and options in order to provide a better service. The mutual fund industry is a lot like the firm star of the finance business. Though it is perhaps the smallest segment of the industry, it is also the most glamorous – in that it is young industry where there are changes in the rules of the game every day, and there are constant shifts and upheavals.

**Index Terms** – Equity funds, debt, balanced funds, retirement plans, future security, bonds, tulips.

## INTRODUCTION

A Mutual funds is a type of financial vehicle made up of a pool of money collected from many investors to invest in securities like stocks, bonds, money, market instruments and other assets.

A Mutual funds portfolio is structured and maintained to match the investment objective stated in its prospectus.

Mutual funds give small and individual investors access to professionally managed portfolios of equities, bond and securities.

Each shareholder, therefore, participates proportionally in the gains or losses of the fund.

## OBJECTIVES OF MUTUAL FUNDS

- To study about the mutual funds industry.
- To study the approach of investors towards mutual funds or tulips.
- To understand risk and returns of the various schemes.

## RESEARCH METHODOLOGY

1. Primary data: Research is totally based on primary data. Research is done using primary data collection, and primary data collected by Questionnaires and interacting with various people. Because of short time period, I had done minor research on mutual fund.
2. Secondary data: The secondary data has been collected through various journals and websites and some special publications of SBI.

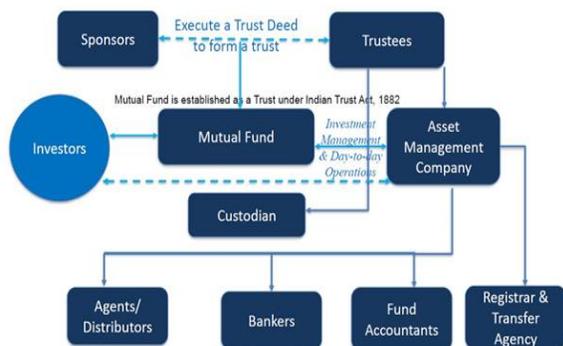
## REVIEW OF LITERATURE

According to Franklin Templeton Investment, 2007 A mutual fund is an actively managed investment company that pools money from individuals and institutions that share a common financial goal. Professional money managers build a portfolio of securities that they believe will help investors achieve their objectives. Portfolio typically consist of stock, bonds and money market instruments, or a combination of the three.

(Samsul,2015) A mutual fund is a pool used to compile investor funds and then the funds are invested in securities portfolio by the investment manager.

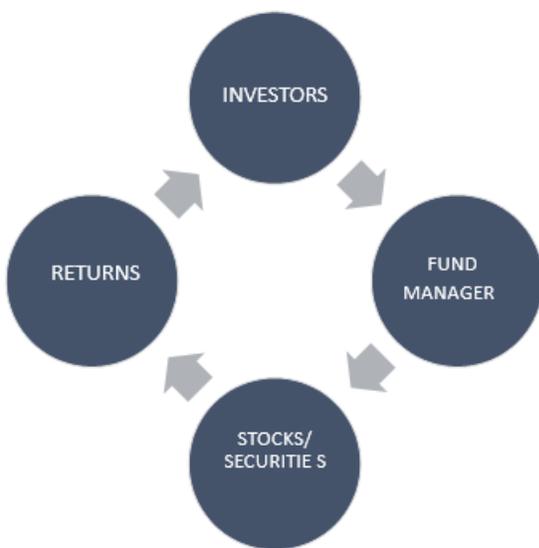
According to Mane, P. (2016) “A study of investors perception towards Mutual funds in the city of Aurangabad”. To know investor view towards Mutual fund. To know the awareness of Mutual fund in Aurangabad. To know the preference of people for investment.

## STRUCTURE OF MUTUAL FUNDS



From the above diagram we can understand the structure of mutual funds. Now let's understand how mutual funds works and ways to invest in Mutual Funds.

### HOW DOES MUTUAL FUND WORK?



- Pool of investor money.
- Invested according to pre-specified.
- Benefits accrue to those that contribute to this pool.
- There is thus mutuality in the contribution and the benefit.
- Hence the name 'mutual' fund.

### COLLECTION OF SBI MUTUAL FUNDS SCHEMES

- 1987- Establishment of SBI Mutual Fund.
- 1991- Launch of SBI Magnum Equity Fund.
- 1999- Launch of sector funds, India's first contra fund: SBI Contra Fund.
- 2004- Joint Venture with society General Asset Management.
- 2006- Became the first bank-sponsored fund to launch an offshore fund.
- 2011- Stake Transfer from SGAM to Amundi Asset Management.
- 2013- Acquisition of Daiwa Mutual Fund, part of the Tokyo based.
- 2013- Launch of SBI Fund guru, an investor education initiative.
- 2015- Employees' provident Fund organization.
- 2018- First AMC in India to launch an Environment, Social and Governance
  - (ESG)fund.
- 2018- Signatory to the United Nation Principles for Responsible Investment. REASONS FOR SBI

### MUTUAL FUNDS

- Mutual funds offer easy diversification for any investor -buy one fund and instantly access many individual stocks and bonds.
- They are also professionally managed and have low entry requirements, making it easier for any investor to jump in.
- There are many other benefits of mutual funds, including their transparency, liquidity, and audited track records.
- Mutual funds come in many varieties.
- Mutual funds are accessible.
- Many offers systematic investing and withdrawals.
- Mutual funds offer automatic reinvestment.
- Mutual funds offer transparency.
- Mutual funds are liquid.
- Mutual funds have audited track records.
- Mutual funds build wealth.
- You can invest a small amount.
- It is cost efficient.
- Reduce your tax liability.

DATA ANALYSIS 2018:

FUNDS NAME	RISK	3YR RETURNS	RATING
SBI Technology Opportunities Fund	Very high risk	38.61%	NA
SBI Small Cap Fund	Very high risk	29.83%	5
SBI Magnum Comma Fund	Very high risk	27.98%	3
SBI Magnum Midcap Fund	Very high risk	27.61%	3
SBI Focused Equity Fund	Very high risk	27.32%	4
SBI Contra Fund	Very high risk	25.86%	2
SBI Long Term Advantage Fund	Very high risk	25.67%	NA
SBI Infrastructure Fund	Very high risk	23.67%	3
SBI Healthcare Opportunities Fund	Very high risk	23.05%	NA
SBI Large and Midcap Fund	Very high risk	22.37%	4
SBI Magnum Global Fund	Very high risk	22.09%	2
SBI Magnum Equity ESG Fund	Very high risk	22.08%	NA
SBI Flexi cap Fund	Very high risk	21.04%	4
SBI Blue chip Fund	Very high risk	20.52%	4
SBI Long Term Equity Fund	Very high risk	20.35%	3
SBI ETF BSE100 ETF	Very high risk	20.24%	NA
SBI NIFTY Index Fund	Very high risk	19.72%	2

From the above table we can judge that every fund has very high risk and it will get returns

after 3years. Here we can see the rating of each, and every fund and the investors can invest their money according to the rating of the funds.

SBI Mutual Funds to invest in 2019

<b>Best SIP Plans from SBI Mutual Funds to invest in 2019</b>									
Mutual Fund Scheme	Category	Crisil Rank	Value Research Rating (Out of 5)	Assets under Management (AUM) (Rs Crores)	3mth	1yr	3yr	5yr	10 Yr
SBI Small Cap Fund	Smallcap	Rank-2	4 Star	1,141	-13%	-16%	15%	31%	-
SBI Magnum Multicap Fund	Multicap	Rank-3	4 Star	5,743	-9%	-4%	11%	19%	17%
SBI Focused Equity Fund	Multicap	Rank-2	4 Star	3,068	-9%	-3%	12%	19%	25%
SBI Magnum Midcap Fund	Midcap	Rank-5	2 Star	3,299	-11%	-17%	5%	19%	22%
SBI Magnum Global Fund	MNC	NA	NA	3,345	-9%	-8%	7%	18%	23%
SBI Large & Midcap Fund	Large-Midcap	Rank-3	4 Star	2,217	-6%	-3%	10%	18%	19%
SBI Equity Hybrid Fund	Balanced	Rank-3	4 Star	27,082	-4%	1%	10%	16%	17%
SBI Bluechip Fund	Largecap	Rank-4	5 Star	19,096	-7%	-2%	10%	16%	18%
SBI Consumption Opportunities Fund	Thematic-Consumption	NA	NA	650	-10%	-1%	14%	16%	25%
SBI Technology Opp. Fund	Technology	NA	NA	137	-7%	26%	10%	13%	21%

*Data source: Moneycontrol.com and Value Research Online as on 2-Dec-2018. Returns rounded off to nearest %age*

**myinvestmentideas.com**  
(your friend in investment advice)

From the above data we can be able to see the SBI Mutual Fund to invest in 2019. Here we can see that AUM (Assets under Management) and year wise invest increasing.

#### FINDINGS

The findings of the study revealed that product quality and brand name were the primary factors influencing the investment decision of the mutual fund investor. Still so many investors are not fully aware of the modes of investment in mutual funds even they are not aware of their rights, features, past performance records, involvement of risk in the schemes, profile of fund managers, investment objectives, portfolio compositions of the schemes etc.

#### CONCLUSION

- The study concludes that the modern investors is a mature and adequately groomed person. In spite of the phenomenal growth in the security market and quality initial public offerings in the market the individual investors prefer investment according to their risk preference.
- Finally, it can be concluded that the SBI Mutual Funds, Equity and Debt schemes have performed reasonable, by well in spite of reduction in the NAVs, value addition and increase in the expense and management ratios of some of the selected schemes SBI magnum global fund, SBI midcap fund, SBI tax advantage fund, SBI magnum income fund and SBI magnum monthly income plan schemes are in the forefront and are giving strong competition to the similar schemes floated by other mutual funds.
- SBI infrastructure fund, SBI magnum children benefit, land SBI Insta cash fund Schemes are lagging due to their low NAV, Value addition and deviation of their portfolio from their offer documents. The high volatility in the stock market during the period of study also has exerted great influence on the performance of these selected schemes.

#### REFERENCE

- [1] SBI MF appoints Vinay Tones as MD and CEO- Economic Times.
- [2] Management Team.

- [3] Asset under Management Team.
- [4] Mampatta Sachin P (23 May 2011) "Amundi SA to acquire 37% stake in SBI Funds.
- [5] MF History. Association of mutual fund in India.
- [6] SBI divests 37 pc in MF arm-Signs MOU with Soc Gen Asset Management" Business line 14 July 2014.
- [7] BSE India Annual Report.
- [8] SBI mutual fund-Disclosure.
- [9] Average AUM by AMC.
- [10] SBI Magnum Equity Fund- Regular plan - Dividend.
- [11] Are contra fund for you? The Economic Times (4 March 2006).
- [12] SBI MF forms joint venture with SAGM of France Deccan Herald (7 November 2004).
- [13] Daiwa mutual fund calls it quits, to sell assets to SBI mutual fund The Economic Times (5 June 2013)
- [14] SBI mutual fund is 1st to launch unique Investor education campaign (7 August 2013).
- [15] PF body to invest 5000cr in equity market via SBI MF The Business Times (6 August 2015).
- [16] Equity Funds – SBI mutual funds (9 December 2019).
- [17] Debt Funds -SBI mutual funds (9 December 2019).
- [18] Hybrid Funds- SBI mutual funds Retrieved (18 December 2019).
- [19] Top Fund Houses (16 December 2015).