

# Mutual Funds

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**Abstract-** *Mutual funds have emerged as one of the most popular investment options for retail investors in India, offering diversification, professional management, and liquidity. Among various financial institutions, the State Bank of India (SBI), through its subsidiary SBI Mutual Fund, has played a significant role in promoting mutual fund investments across the country. This study explores the structure, performance, and investor perception of SBI mutual fund schemes, focusing on their accessibility, returns, and risk factors. It highlights various categories of mutual funds offered by SBI, such as equity, debt, hybrid, and ELSS, and compares their historical performance with industry benchmarks. The research also examines the strategies SBI employs to attract different investor segments, especially in semi-urban and rural areas. Through data analysis and investor surveys, the paper aims to assess the overall impact of SBI Mutual Funds on retail investment behavior. The findings suggest that SBI's strong brand trust, extensive branch network, and digital platforms have contributed significantly to the growth of its mutual fund business. The study concludes by offering suggestions to enhance investor awareness and improve fund performance.*

**Indexed Terms-** *SBI Mutual Fund, Investment, Retail Investors, Equity Funds, Debt Funds, Fund Performance, ELSS, Risk Analysis, Investor Behavior, Financial Services.*

## I. INTRODUCTION

Mutual funds are an essential investment vehicle for individuals and institutions alike. These funds pool money from investors and invest in a diversified portfolio of stocks, bonds, or other securities, based on the fund's investment objective. The primary goal of mutual funds is to provide a means for individual investors to diversify their investments and access professional fund management, even with limited capital.

In the context of State Bank of India (SBI), mutual funds play a significant role in offering a variety of investment options tailored to meet the diverse needs of investors in Kurnool, as well as in other regions. SBI, being one of the largest financial institutions in India, provides a wide range of mutual fund products under its SBI Mutual Fund arm. These funds are designed to offer attractive returns while managing risks, making them a popular choice for both new and seasoned investors.

This study focuses on understanding the dynamics of mutual fund investments at SBI, Kurnool, evaluating the various types of funds available, their performance, and the factors that influence investor decisions in the region. Mutual funds are considered one of the most popular and accessible investment options for individual investors. They offer a convenient way for investors to gain exposure to a diverse range of asset classes, including equities, bonds, money market instruments, and other securities. Since mutual funds pool capital from multiple investors, they allow individuals to invest in a broader and more varied portfolio than they might be able to achieve on their own with smaller amounts of money. This diversification helps reduce risk, as the performance of a single asset or sector does not significantly affect the overall portfolio.

## II. RESEARCH METHODOLOGY

The research methodology for this study will include both qualitative and quantitative approaches:

### 1) DATA COLLECTION:

**Primary Data:** Primary data will be collected through surveys and interviews with individual investors, SBI branch managers, and financial advisors in Kurnool.

**Secondary Data:** Secondary data will be gathered from SBI's annual reports, brochures, financial

statements, and market reports to evaluate the performance of mutual funds.

## 2) DATA ANALYSIS:

a) Quantitative data (e.g., investor preferences, fund performance) will be analyzed using statistical tools to draw meaningful conclusions.

b) Qualitative data (e.g., interview responses) will be analyzed to identify themes and patterns in investor behavior and decision-making processes.

### III. DATA ANALYSIS

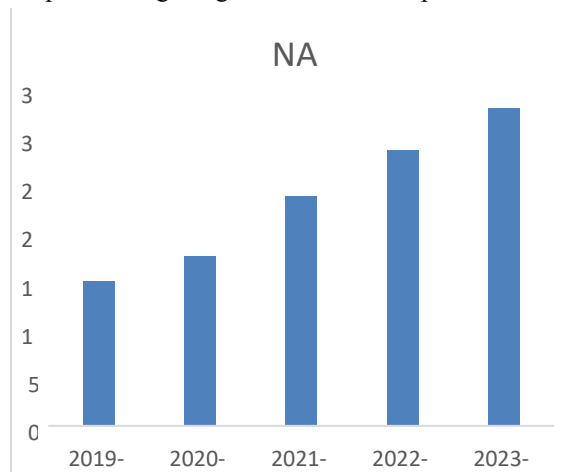
#### SBI BLUE CHIP FUND

An open ended growth scheme

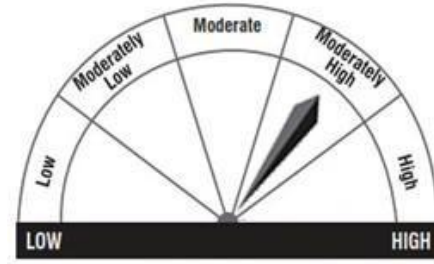
Bluechip companies are typically large businesses, with substantial market share & leadership in their respective industries. They historically have shown successful growth, high visibility and reach, good credit ratings and greater brand equity amongst the public. Investing in such companies brings relative consistency to a portfolio.

YEARS	NAV (Rupees per share)
2019-2020	14.984
2020-2021	17.622
2021-2022	23.75
2022-2023	28.58
2023-2024	32.92

Graph showing the growth of Blue Chip Fund



#### Riskometer



Investors should understand that their principal will be at moderately high risk.

#### Interpretation

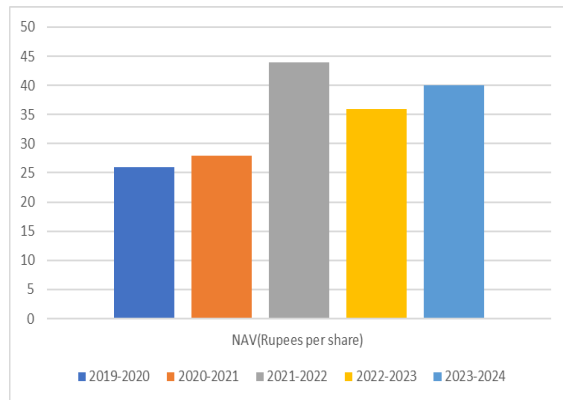
- SBI Blue Chip Fund is suitable for investors who are seeking Long-term capital appreciation.
- Very Good performance in the category
- The scheme is ranked 1 in large cap category by Crisil(for quarter ended dec
- 2019) rank remained same in this quarter
- In blue chip fund returns are high and risk is also high.

#### SBI Magnum Balanced Fund

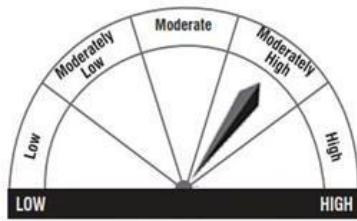
SBI Magnum Balanced Fund aims to provide investors long term capital appreciation, along with the liquidity of an open-ended scheme by investing in a mix of debt and equity. The scheme will invest in a diversified portfolio of equities of high growth companies and balance the risk through investing the rest in a relatively safe portfolio of debt.

YEARS	NAV(Rupees per share)
2019-2020	26
2020-2021	28
2021-2022	44
2022-2023	36
2023-2024	40

Graph showing the growth of Magnum Balanced Fund



#### Riskometer



Investors should understand that their principal will be at moderately high risk.

#### Interpretation

- SBI Magnum Equity Fund is given 3 / 5 rating compared to its peers on the basis of 2 years returns. Returns are depicted for 5 years only.
- Below average performance in the category
- The scheme is ranked 4 in balanced category by CRISIL

#### CONCLUSION

The analysis of SBI mutual funds indicates that different funds cater to varying investor risk profiles and objectives. While funds like SBI Blue Chip Fund and SBI Pharma Fund have demonstrated strong and consistent growth, others like SBI Magnum Balanced Fund have shown volatility. Sectoral funds such as SBI Pharma Fund and SBI IT Fund have performed well in specific market conditions, making them attractive for informed investors. Diversification and periodic portfolio review are key to optimizing investment returns while managing risk effectively.

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