IC Value 2016 : 61.33| SJIF Impact Factor(2018) : 8.003| ISI Impact Factor (2017):1.365 (Dubai)

Research Paper | Volume - 6, Issue- 9, September 2018 |e-ISSN : 2347 - 9671| p- ISSN : 2349 - 0187

EPRA International Journal of Economic and Business Review - Peer Reviewed Journal

A COMPARATIVE PERFORMANCE EVALUATION OF SELECTED MUTUAL FUND DIVIDEND SCHEMES IN INDIA

Dr. Rashmi Chaudhary

Assistant Professor, Department of Commerce, Kurukshetra University, Kurukshetra, Haryana, India

KEYWORDS:

Systematic Risk, Sharpe's Ratio, Treynor Ratio, Jensen's Ratio, Market Index

ABSTRACT

Mutual fund continue to be an efficient vehicle offering varied investment products at a reasonable cost to household to participate in the long term growth prospects of our economy. An attempt has been made through this article to evaluate and compare the performance of selected mutual fund Sectoral Schemes in India for the study period 2003 to 2016. The risk-free rate of return is assumed to be 8 per cent p.a. The risk return analysis reveals that all selected schemes performed better than the benchmark return during the study period. The average performance of sample schemes was also outstanding throughout the study period.

INTRODUCTION

India is undoubtedly emerging as the next big investment destination, riding on a high savings and investment rate, as compared to other Asian economies. Sector funds, as the name suggests, are those mutual funds which invest in the stocks of companies that operate in a particular industry or sector of the economy like the fund can invest in energy, utilities, tourism, transportation, etc. As these funds invest in a particular sector of the economy, there is no diversification of investment and as a result, a greater risk is associated with these funds. The performance of these funds depends on how well the industry is doing, that is, if there is a considerable demand for the products or services offered by various businesses operating in the industry, the fund's performance is good.

Sector funds vary in their nature in terms of their market capitalization and investment objective i.e., their objective can be high growth or steady income without much risk. The portfolio of these funds can contain investments in equity, bonds, commodities, mutual fund, etc.

A variety of schemes catering to various needs of the investors are available and coming in the market to cater to their needs. One of the popular schemes now a day is sector-specific mutual funds. These are the funds which invest in the securities of only those sectors or industries as specified in the offer documents e.g. Pharmaceuticals, FMCG, and IT etc. The return of these funds is dependent on the performance of the respective sectors/industries. While these funds may give higher returns, they are riskier as compared to diversified funds. Investors need to keep a watch on the performance of those sectors/industries and must exit at an appropriate time. This paper is specifically evaluating and comparing the performance of sectoral schemes of mutual funds on the basis of risk and return analysis performance measures.

REVIEW OF LITERATURE

Review of literature is a brief description about mutual funds research work conducted in India as well as in abroad. Some of these studies have been reviewed to identify the research gap and justification for the present study. **Treynor (1965)** developed a methodology for evaluating the performance of mutual fund that is reward to volatility ratio. **Sharpe (1966)** gave a comprehensive measure of performance evaluation in the form of reward to variability ratio. **Jensen (1968)** gave a risk adjusted performance measure named as Jensen Ratio. This ratio measures the differential between actual return earned on a portfolio and the return expected from the portfolio given its level of risk. **Rao (2006)** classified the open-ended equity mutual fund schemes into different investment style to ascertain whether the differences in their performance are statistically significant or not. The study was conducted during 1st April 2005–31st March 2006 by taking the sample of 21 open ended equity growth plans and 21 open-ended equity dividend plans. BSE 100 National Index Value was chosen as the proxy for market return & 364-day T-Bill as surrogate measures of risk-free return. The study indicated that most of the growth plans (80% approximate) were better than dividend plans in terms of superior returns and less risk as compared to dividend plans. It was also found that only 4 growth plans and one dividend plan were able to generate higher returns than that of the market which was contrary to general opinion prevailing in the Indian market and put a question mark on the stock selection and timing abilities of the Indian fund managers. When exposed to the bullish stock market, the Sharpe ratio indicated that growth plans are more likely to reward the investors for the extra risk they assume. Further, the study also found the significant difference in the performance of growth and dividend plans.

Babar, Nawaz and Ashraf (2013) compared and evaluated Pakistani Mutual funds performance with each other, with benchmark (NIT) and with market (KSE 100 index) and also analyzed the outperforming funds during the period 2005 to 2011. The returns were not in direct co-relation to market as they have shown negative return and the market outperformed all the mutual funds. It was also traced out that the mutual funds with higher risk did not validate higher returns and concluded that due to overall economic and liquidity crisis in the market, the mutual fund industry was experiencing a declining trend in returns.

Taneja and Bansal (2014) compared the performance of large cap equity debt mutual fund schemes for the 3 years (2010-2013) using standard deviation, Sharpe's Ratio, Beta, Alpha, R-squared and Treynor Ratio. For computing volatility ratio monthly return for three years of equity funds and the weekly return of 1.5 years of debt fund was taken. It was found that out of all sample equity mutual fund schemes, UTI opportunities fund was the best having the lowest standard deviation, lowest beta, the highest value of alpha, highest Sharpe and Treynor ratio. In case of debt mutual fund scheme UTI short term income fund was not performing well because of highest beta and lowest Sharpe Ratio.

Nagesh (2014) analyzed in his study the risk and return mutual funds schemes pertaining to three sectors i.e. Pharmaceutical, IT and Banking. The study period was from April 2010 to February 2013. He concluded that banking sector funds such as reliance banking fund and ICICI banking fund showed the best performance. UTI banking sector fund was having the highest risk and second was ICICI banking fund. As per Sharpe's Index, Treynor and Jensen's ratio the Reliance Banking Fund performed Best and the Birla Sun Life New Millennium fund was the worst performer.

Pal (2014) studied 14 equity based mutual fund schemes covering study period from 3rd January 2011 to 1st October 2013. The analysis was based on average return, risk, beta, Sharpe Ratio, Treynor Ratio and Jensen Alpha. The overall results revealed that all selected mutual funds had positive return except Kotak Nifty ETF and ICICI prudential infrastructure fund. The funds were also found less volatile than the index.

Kaur (2014) evaluated the performance of open-ended debt mutual funds with a sample of 23 schemes on the basis of weekly returns in comparison to benchmark return and found out that most of the schemes could not perform better as compared to benchmark and the variability of the schemes were less as compared to the market in case of returns. Schemes were found defensive in nature and were not well diversified.

Karan and Jacob (2014) attempted to identify the best mutual fund scheme by comparing to various mutual fund schemes of Reliance and unit trust of India and evaluated their performance in terms of risk and return. The financial performance was measured by the statistical parameter such as (alpha, beta, standard derivation, r-squared, Sharpe ratio). For the purpose of this study 15 schemes were selected covering 5 years (2009-2013) period. It was found that Reliance equity opportunities fund and UTI transportation and logistics fund had the highest average return. Lowest beta and SD for Reliance liquid Cash fund and UTI floating rate fund ST (Reg.) showed lowest systematic as well as unsystematic risk. Sharpe Ratio was highest for Reliance Liquid cash fund and UTI floating rate **Short Term -** Retail Plangenerated highest return for each unit of risk taken, thus, these two schemes were recorded as the best in the sample schemes where the investor could invest.

Sudheer (2015) evaluated the performance of sectoral mutual funds using statistical tool moving averages on respective returns of asset management companies. It was revealed that there was a magnificent opportunity for investors to make investments in various categories of large cap (or) sector funds. In India, there are various companies offering diversified schemes to investors for making viable investments with stupendous returns in long run.

RESEARCH METHODOLOGY

Research methodology throws light on the path to be followed to peruse the research proposal to accomplish the stated objectives of the study. An attempt to compare and evaluate the performance of sectoral mutual fund schemes in India with the help of published data has been made in the present study.

NEED OF THE STUDY

As sector funds have high risk associated with them, investment in sector funds should never be part of the core strategy of the investor. These should be viewed from a purely tactical viewpoint, that is, they can be used to complement the existing portfolio. At the same time, the investors should not be influenced by past trends of a particular sector and take due diligence while investing. One should proceed with investment only when he/she is absolutely certain about the sector growth prospects. The sector funds performance is also very dependent on the AUM Company. A careful and well managed sector fund of an industry with average performance can outperform a sector fund of a booming industry.

The literature review indicates that there is a need for undertaking a comprehensive study to evaluate and compare the performance of mutual funds through certain performance measurement models in respect of Sectoral schemes launched by various mutual fund agencies. Hence the present study entitled "**A COMPARATIVE PERFORMANCE EVALUATION OF SELECTED MUTUAL FUND DIVIDEND SCHEMES IN INDIA"** is going to target the sectoral mutual fund schemes to fill the gap between past studies and the present economic conditions and will provide a comparable advantage among the available selected schemes with regard to choice of investment.

OBJECTIVES OF THE STUDY

For the present article the following are the main objectives of the present study:

- To evaluate the risk return performance of selected sectoral dividend schemes of mutual funds.
- To make a comparative analysis of returns on selected mutual fund schemes as per Sharpe's, Treynor's and Jensen's models to bring out the comparable advantage.

DATA SOURCES AND ANALYSIS

Published data for the study variables (mutual funds, stock prices) is obtained from SEBI Data Base, NSE, RBI, BSE Publications and Reports of SEBI. Sharpe's Portfolio Performance Measure, Treynor's Performance Measure and Jensen Portfolio Performance Measure are used for evaluation and comparison. BSE SENSEX has been taken as the benchmark index. The risk-free rate of return is assumed to be 8 per cent p.a.

SCOPE OF THE STUDY

The present study comprises of Seven Sectoral mutual fund dividend schemes managed by different Asset Management Companies in India. The sample is selected for thirteen years from April 2003 to March 2016 based on daily data. The basis for this selection is the availability and consistency of the data during the study period. This is done for bringing out meaningful and comparable results.

TECHNIQUES OF ANALYSIS

SHARPE RATIO: The performance measure developed by William Sharpe is referred to as the Sharpe ratio or reward to variability ratio. It is the ratio of reward or risk premium to the variability of return or risk as measured by the standard deviation of return. The formula for calculating Sharpe ratio may be stated as:

$$\text{Sharpe ratio (SR)} = \frac{rp - rf}{\sigma p}$$

Where

rp = Realized return on the portfolio

rf = Risk free rate of return

σp = Standard deviation of portfolio return.

TREYNOR RATIO: This performance measure developed by Jack Treynor is referred to as Treynor ratio or reward to volatility ratio. It is the ratio of the reward or risk premium to the volatility of return as measured by the portfolio beta. The formula for calculating Treynor ratio may be stated as:

$$\text{Treynor ratio (TR)} = \frac{rp - rf}{\beta p}$$

Where

rp = realized return on the portfolio

rf = Risk free rate of return

βp = Portfolio beta.

JENSEN RATIO: This ratio attempts to measure the differential between the actual return earned on a portfolio and the return expected from the portfolio given its level of risk. It helps in evaluating the ability of the fund manager in identifying the undervalued securities and thereby generating excess returns than the benchmark. Hence, the ability of stock selection can be known with the help of Jensen's Alpha.

Using the CAPM model, the expected return of the portfolio can be calculated as follows:

$$E(Rp) = rf + \beta p\,(rm - rf)$$

E (Rp) = Expected Portfolio Return

rf = Risk Free rate of return

rm = Return on market index.

βp = Systematic risk of portfolio

The differential return is calculated as follows:

$$\alpha p = Rp - E(Rp)$$

Where

αp = Differential return earned.

Rp = Actual return earned on the portfolio

E (Rp) = Expected Portfolio Return

The following abbreviations are used in the analysis tables:

(SRi) = Sharpe's performance measure of security

M (SRm) = Sharpe's performance measure of market index

(TRi) = Treyner's performance measure of security

M (TRm) = Treyner's performance measure of market index

αi = Jensen's differential return of security

P = Performance of security on the basis of performance measure results

O = Outperformed Security

U = Underperformed Security

PERFORMANCE EVALUATION OF SCHEMES

BIRLA NEW MILLENNIUM DIVIDEND SCHEME

The table given below shows the performance of Birla New Millennium Dividend Scheme in comparison to BSE SENSEX Index Return.

Table 1
Performance of Birla New Millennium Dividend Scheme

Year	(SRi)	M(SRm)	P	(TRi)	M(TRm)	P	αi	P
2003-04	0.214	0.034	O	0.202	0.026	O	0.177	0
2004-05	0.174	-0.059	O	0.162	-0.069	O	0.221	0
2005-06	0.153	0.059	O	0.144	0.060	O	0.084	0
2006-07	0.117	-0.102	O	0.106	-0.110	O	0.216	0
2007-08	**-0.045**	-0.127	O	**-0.064**	-0.145	O	0.040	0
2008-09	**-0.323**	-0.216	U	**-0.347**	-0.240	U	**-0.187**	U
2009-10	0.267	0.060	O	0.248	0.043	O	0.221	O
2010-11	**-0.012**	-0.082	O	**-0.022**	-0.091	O	0.046	O
2011-12	**-0.036**	-0.219	O	**-0.048**	-0.227	O	0.133	O
2012-13	0.037	-0.073	O	0.017	-0.075	O	0.072	O
2013-14	0.091	-0.093	O	0.072	-0.105	O	0.142	O
2014-15	0.085	-0.112	O	0.053	-0.133	O	0.128	O
2015-16	**-0.046**	-0.211	O	**-0.058**	-0.215	O	0.114	O
Average	0.054	-0.083	O	0.039	-0.096	O	0.113	O

Source: Compiled from BSE data and scheme data

As per the above table the performance of the scheme has been negative during 5 years. The benchmark returns were negative for ten years out of total thirteen years of the study period indicating poor performance of stock market. Application of Sharpe and Treynor's ratio for measuring the performance of Birla New Millennium Dividend Scheme as compared to benchmark return depicts that the scheme has offered higher returns throughout the study period except 2008-09. In terms of Jensen's ratio, the differential return of security shows positive value over the years except in 2008-

09. It can be concluded that the performance of security was outstanding during the study period except 2008-2009.

FRANKLIN INFOTECH DIVIDEND SCHEME

The following table highlights the performance of Franklin InfoTech dividend Scheme in comparison to BSE SENSEX Index Return.

Table 2
Performance of Franklin InfoTech Dividend Scheme

Year	(SRi)	M(SRm)	P	(TRi)	M(TRm)	P	αi	P
2003-04	0.094	0.034	O	0.082	0.026	O	0.050	O
2004-05	0.188	-0.059	O	0.177	-0.069	O	0.235	O
2005-06	0.108	0.059	O	0.098	0.060	O	0.045	O
2006-07	0.070	-0.102	O	0.059	-0.110	O	0.168	O
2007-08	**-0.190**	-0.127	U	**-0.213**	-0.145	U	**-0.112**	U
2008-09	**-0.232**	-0.216	U	**-0.261**	-0.240	U	**-0.110**	U
2009-10	0.372	0.060	O	0.354	0.043	O	0.325	O
2010-11	0.039	-0.082	O	0.026	-0.091	O	0.095	O
2011-12	**-0.055**	-0.219	O	**-0.070**	-0.227	O	0.106	O
2012-13	0.009	-0.073	O	**-0.022**	-0.075	O	0.033	O
2013-14	0.062	-0.093	O	0.032	-0.105	O	0.100	O
2014-15	0.078	-0.112	O	0.039	-0.133	O	0.115	O
2015-16	**-0.056**	-0.211	O	**-0.070**	-0.215	O	0.080	O
Average	0.039	-0.083	O	0.022	-0.096	O	0.095	O

Source: Compiled from BSE data and scheme data

Table 2 reveals that the benchmark market index return was quite poor during the study period. By administering Jensen's ratio, positive values over eleven year period out of thirteen years indicate that the performance of security was superior. As per Sharpe's ratio and Treynor's ratio the Franklin InfoTech Dividend Fund performed better as compared to the market returns during the study period. The performance of scheme was outstanding as compared to market return except 2007-08 and 2008-09. The low performance may be because of the impact of global recession in these years.

ICICI FMCG DIVIDEND SCHEME

The table 3 exhibits the performance of ICICI FMCG Dividend Scheme in comparison to BSE SENSEX Index Return.

Table 3
Performance of ICICI FMCG Dividend Scheme

Year	(SRi)	M(SRm)	P	(TRi)	M(TRm)	P	αi	P
2003-04	0.169	0.034	O	0.153	0.026	O	0.147	O
2004-05	0.191	-0.059	O	0.174	-0.069	O	0.227	O
2005-06	0.276	0.059	O	0.254	0.060	O	0.242	O
2006-07	**-0.030**	-0.102	O	**-0.051**	-0.110	O	0.031	O
2007-08	0.026	-0.127	O	0.002	-0.145	O	0.098	O
2008-09	**-0.242**	-0.216	U	**-0.286**	-0.240	U	**-0.164**	U
2009-10	0.190	0.060	O	0.159	0.043	O	0.161	O
2010-11	0.038	-0.082	O	0.023	-0.091	O	0.086	O
2011-12	0.104	-0.219	O	0.078	-0.227	O	0.201	O
2012-13	0.036	-0.073	O	0.013	-0.075	O	0.068	O
2013-14	0.032	-0.093	O	0.020	-0.105	O	0.094	O
2014-15	0.056	-0.112	O	0.035	-0.133	O	0.110	O
2015-16	**-0.057**	-0.211	O	**-0.064**	-0.215	O	0.126	O
Average	0.064	-0.083	O	0.041	-0.096	O	0.107	O

Source: Compiled from BSE data and scheme data

The above table highlights that as per Sharpe and Treynor's ratio the fund yielded highest return i.e. 0.276 and 0.254 respectively in the year 2005-06. Years 2006-07, 2008-09 and 2015-16 showed negative returns. During the study period the benchmark return was negative for ten years. By examining the performance of security by using Sharpe, Treynor and Jensen's performance measures, the ICICI FMCG Dividend Fund performed better than market index throughout the study period except 2008-09. Underperformance of the security may be due to the unfavorable economic conditions prevailing in the market at that time.

ICICI TECH DIVIDEND SCHEME

The table 4 reveals the performance of ICICI Tech Dividend Scheme in comparison to BSE SENSEX Index Return.

TABLE 4
Performance of ICICI Tech Dividend Scheme

Year	(SRi)	M(SRm)	P	(TRi)	M(TRm)	P	αi	P
2003-04	0.230	0.034	O	0.220	0.026	O	0.189	O
2004-05	0.151	-0.059	O	0.138	-0.069	O	0.194	O
2005-06	0.202	0.059	O	0.194	0.060	O	0.143	O
2006-07	0.134	-0.102	O	0.121	-0.110	O	0.222	O
2007-08	**-0.071**	-0.127	O	**-0.093**	-0.145	O	0.004	O
2008-09	**-0.333**	-0.216	U	**-0.363**	-0.240	U	**-0.222**	U
2009-10	0.399	0.060	O	0.378	0.043	O	0.358	O
2010-11	0.096	-0.082	O	0.085	-0.091	O	0.154	O
2011-12	**-0.011**	-0.219	O	**-0.029**	-0.227	O	0.128	O
2012-13	0.006	-0.073	O	**-0.009**	-0.075	O	0.045	O
2013-14	0.122	-0.093	O	0.067	-0.105	O	0.146	O
2014-15	0.084	-0.112	O	0.054	-0.133	O	0.128	O
2015-16	**-0.023**	-0.211	O	**-0.035**	-0.215	O	0.124	O
Average	0.078	-0.083	O	0.061	-0.096	O	0.132	O

Source: Compiled from BSE data and scheme data

Table showed that as per Sharpe's ratio the fund achieved negative returns for the years 2007-08, 2008-09, 2011-12 and 2015-2016. Treynor's ratio also showed the same result adding one more year 2012-13for negative returns. The performance of security was outstanding during the study period except 2008-09. Application of Jensen's ratio also shows the positive differential return of security over the years except 2008-09 where the negative value of alpha indicates that the performance of security is inferior. In nutshell the performance of security was outstanding except 2008-09 as per all the measures.

SBI IT DIVIDEND SCHEME

The table 5 highlights the performance of SBI IT Dividend Scheme in comparison to BSE SENSEX Index Return.

Table 5
Performance of SBI IT Dividend Scheme

Year	(SRi)	M(SRm)	P	(TRi)	M(TRm)	P	αi	P
2003-04	0.149	0.034	O	0.140	0.026	O	0.102	O
2004-05	0.182	-0.059	O	0.171	-0.069	O	0.231	O
2005-06	0.223	0.059	O	0.215	0.060	O	0.163	O
2006-07	0.158	-0.102	O	0.143	-0.110	O	0.238	O
2007-08	**-0.162**	-0.127	U	**-0.188**	-0.145	U	**-0.093**	U
2008-09	**-0.358**	-0.216	U	**-0.384**	-0.240	U	**-0.232**	U
2009-10	0.413	0.060	O	0.397	0.043	O	0.363	O
2010-11	0.064	-0.082	O	0.053	-0.091	O	0.123	O
2011-12	**-0.009**	-0.219	O	**-0.025**	-0.227	O	0.143	O
2012-13	0.048	-0.073	O	0.029	-0.075	O	0.082	O
2013-14	0.042	-0.093	O	0.004	-0.105	O	0.073	O
2014-15	0.151	-0.112	O	0.112	-0.133	O	0.188	O
2015-16	**-0.097**	-0.211	O	**-0.113**	-0.215	O	0.048	O
Average	0.064	-0.083	O	0.047	-0.096	O	0.121	O

Source: Compiled from BSE data and scheme data

The above table depicts that though the fund showed fluctuating pattern of return during the study period; but the matter of relief for the investors was that the returns from the fund was positive for nine years as compared to benchmark returns, which was negative for ten years during the study period. Application of Sharpe and Treynor's ratio on SBI ITDividend Fund also shows that the fund performed better than market index. The performance of security was outstanding during the study period except 2007-08 and 2008-09. Same results have been obtained after conducting Jensen's ratio.

SBI FMCG DIVIDEND SCHEME

The table 6 highlights the performance of SBI FMCG Dividend Scheme in comparison to BSE SENSEX Index Return.

Table 6
Performance of SBI FMCG Dividend Scheme

Year	(SRi)	M(SRm)	P	(TRi)	M(TRm)	P	αi	P
2003-04	0.224	0.034	O	0.206	0.026	O	0.204	O
2004-05	0.138	-0.059	O	0.115	-0.069	O	0.169	O
2005-06	0.076	0.059	O	0.050	0.060	O	0.029	O
2006-07	**-0.076**	-0.102	O	**-0.087**	-0.110	O	0.017	O
2007-08	0.054	-0.127	O	0.028	-0.145	O	0.121	O
2008-09	**-0.083**	-0.216	O	**-0.152**	-0.240	O	**-0.030**	U
2009-10	0.245	0.060	O	0.180	0.043	O	0.230	O
2010-11	0.085	-0.082	O	0.072	-0.091	O	0.137	O
2011-12	0.089	-0.219	O	0.067	-0.227	O	0.193	O
2012-13	0.104	-0.073	O	0.090	-0.075	O	0.144	O
2013-14	**-0.011**	-0.093	O	**-0.028**	-0.105	O	0.044	O
2014-15	0.090	-0.112	O	0.070	-0.133	O	0.146	O
2015-16	**-0.071**	-0.211	O	**-0.091**	-0.215	O	0.056	O
Average	0.070	-0.083	O	0.042	-0.096	O	0.109	O

Source: Compiled from BSE data and scheme data

Table 6 depicts that as per Sharpe's ratio the fund offered highest return i.e. 0.245 in the year 2009-10 and as per Treynor's ratio the highest return (0.206) was marked in the year 2003-04. The performance of the scheme has been negative during 4 years. The benchmark returns were negative for ten years out of total thirteen years indicating poor performance of stock market. As per Jensen's ratio also the differential return of security shows positive value except 2008-09 where the negative value of alpha reveals the underperformance of security in that year. Overall the performance of security was outstanding during the study period as per Sharpe and Treynor's ratio.

SBI PHARMA DIVIDEND SCHEME

The table 7 exhibits the performance of SBI Pharma Dividend Scheme in comparison to BSE SENSEX Index Return.

Table 7
Performance of SBI Pharma Dividend Scheme

Year	(SRi)	M(SRm)	P	(TRi)	M(TRm)	P	αi	P
2003-04	0.309	0.034	O	0.294	0.026	O	0.277	O
2004-05	0.017	-0.059	O	**-0.007**	-0.069	O	0.046	O
2005-06	0.218	0.059	O	0.199	0.060	O	0.181	O
2006-07	**-0.021**	-0.102	O	**-0.037**	-0.110	O	0.054	O
2007-08	**-0.063**	-0.127	O	**-0.086**	-0.145	O	0.012	O
2008-09	**-0.219**	-0.216	U	**-0.257**	-0.240	U	**-0.127**	U
2009-10	0.344	0.060	O	0.315	0.043	O	0.312	O
2010-11	0.040	-0.082	O	0.014	-0.091	O	0.079	O
2011-12	0.014	-0.219	O	**-0.023**	-0.227	O	0.094	O
2012-13	0.059	-0.073	O	0.034	-0.075	O	0.094	O
2013-14	0.121	-0.093	O	0.092	-0.105	O	0.161	O
2014-15	0.214	-0.112	O	0.191	-0.133	O	0.268	O
2015-16	**-0.021**	-0.211	O	**-0.029**	-0.215	O	0.185	O
Average	0.081	-0.083	O	0.057	-0.096	O	0.124	O

Source: Compiled from BSE data and scheme data

The analysis reveals that as per Sharpe and Treynor's ratio the fund yielded positive returns for nine years and negative returns for four years. The benchmark market index return was quite poor during the study period. By administering Jensen ratio it is observed that SBI Pharma Dividend fund offered positive return for twelve years. Overall as per Sharpe, Treynor and Jensen's Ratio the performance of security was outstanding during the study period except 2008-09 when the fund underperformed as compared to market benchmark.

COMPARATIVE STATUS OF SELECTED SECTORAL MUTUAL FUND DIVIDEND SCHEMES

The table 8 depicts the performance of Sectoral mutual fund Dividend Schemes in comparison to BSE SENSEX Index Return.

Table 8
Comparative Performance of Sectoral Dividend Schemes

Sr. No	Scheme name	(SRi)	M(SRm)	P	(TRi)	M(TRm)	P	αi	P
1	Birla New Millennium Dividend Scheme	0.054	-0.083	O	0.039	-0.096	O	0.113	O
2	Franklin InfoTech Dividend Scheme	0.039	-0.083	O	0.022	-0.096	O	0.095	O
3	ICICI FMCG Dividend Scheme	0.064	-0.083	O	0.041	-0.096	O	0.107	O
4	ICICI Tech Dividend Scheme	0.078	-0.083	O	0.061	-0.096	O	0.132	O
5	SBI IT Dividend Scheme	0.064	-0.083	O	0.047	-0.096	O	0.121	O
6	SBI FMCG Dividend Scheme	0.070	-0.083	O	0.042	-0.096	O	0.109	O
7	SBI Pharma Dividend Scheme	0.081	-0.083	O	0.057	-0.096	O	0.124	O

Source: Compiled from BSE data and scheme data

The table 8 reveals a comparative performance analysis of sectoral dividend schemes. The result indicates that during the study period all schemes outperformed the market index. As per Sharpe's ratio SBI Pharma Sector Specific Dividend Scheme ranked first among the seven schemes under study. While as per Treynor and Jensen's performance evaluation ratio ICICI Tech Sector Specific Dividend Scheme is the best scheme among all. However, Franklin InfoTech Sector Specific Dividend Scheme was the lowest performer during the study period. In nutshell it is evident that dividend schemes were performing much better than market. The market benchmark was yielding negative returns throughout the study period showing poor performance of the market.

FINDINGS AND CONCLUSIONS

From the above analysis, it can be identified that as per the Sharpe, Treynor and Jensen's Ratio the performance of Birla new millennium, ICICI FMCG, ICICI Tech, SBI FMCG and SBI Pharma schemes were outstanding except 2008-2009. However, Franklin InfoTech and SBI IT scheme outperformed the market during the study period except 2007-08 and 2008-09. Further the result indicates that overall all schemes outperformed the market index during the study period. The market benchmark was yielding negative returns throughout the study period showing poor performance of the market under sectoral mutual fund dividend Schemes**.** In nutshell it is evident that dividend schemes were performing much better than market. Out of the total schemes under study the SBI Pharma ranked first as per Sharpe's ratio, whereas as per Treynor and Jensen's performance evaluation ratio ICICI Tech is the best scheme among all. However, Franklin InfoTech scheme was the lowest performer during the study period.

The result reveals that the investors should look at dividend schemes as compared to other type of mutual funds. The main advantage sector funds offer is that some sectors are always favored more by the market at any given point. The best-performing sector also keeps changing from one year to another. "Any investor who can get his sector calls right can substantially boost returns," says Kaustubh Belapurkar, director of manager research, Morningstar India.

Sector funds are most suitable for aggressive investors willing to take risks in order to maximize their profits. Over exposure to a given sector of the market should be avoided as this leads to undue risk and greater volatility. Sector funds, if carefully invested in can help an investor to get good returns on investment. The investor thus needs to keep a close eye on the sector in which he is investing, and in case of any downturn, exit the sector.

In India, Governments campaigns such as Made in India, Digital India, Housing for all, IBC code etc. has strengthened the growth outlook of various sectors of the economy. This is a good opportunity for the investors to invest in sector funds, but at the same time due diligence is necessary and one should clearly assess the risks before investing.

REFERENCES

1. ***Babar, Nawaz and Ashraf (2013),*** *"A Comparative Study on Performance Evaluation of Pakistani Mutual Funds", International Journal of Business and Management Review, Vol. 1, No. 1, PP. 151-165.*
2. ***Chandra, Prasanna (2002),*** *"Investment Analysis and Portfolio Management," Tata McGraw-Hill, New Delhi.*
3. ***Jensen, Michal, C.(1968),*** *"The Performance of Mutual Funds in the period 1954-1964", Journal of Finance, Vol. 23, PP. 389-416.*
4. ***Jacob, T., & Kattoo karan, T.P. (2014)****. A comparative study of the mutual fund schemes of reliance and unit trust of India. IRC's international journal of multidisciplinary research in social and management sciences, 2(3). 31-38.*
5. ***Khan, M.Y. (2006), "****The Indian Financial System", Tata McGraw Hill Education.*
6. ***Kaur, R. (2014)****. Performance evaluation of debt mutual fund schemes in India. Galaxy international interdisciplinary research journal,2(2), 193-200.*
7. ***Kevin, S. (2015)****, "Security Analysis and Portfolio Management", PHI Learning Pvt. Ltd.*
8. ***Nagesh (2014),*** *"Performance Evaluation of Mutual Funds – A Study of Selected Mutual Funds in India", Contemporary Research in India, Vol. 4, Issue 1.*
9. ***Pal, B. (2014)****, "Performance evaluation of selected equity based mutual fund schemes in India: An analysis of quarterly returns", International journal of business and administration research review, 1(7), 235-237.*
10. ***Qamruzzaman Md. (2014),*** *"Comparative Study on Performance Evaluation of Mutual Fund Schemes in Bangladesh: An Analysis of Monthly Returns", Journal of Business Studies Quarterly 2014, Vol. 5, No. 4.*
11. ***Sharpe, William F (1966) , "*** *Mutual Fund Performance", Journal of Business, Vol. 39, Supplement, pp. 119-138.*
12. ***Sahadevan, K.G., Thiripalraju, M. (1997),*** *"Mutual Funds: Data, Interpretation and Analysis", Prentice Hall of India Private Limited, New Delhi.*
13. ***Sadhak, H. (2003), "****Mutual Funds in India: Marketing Strategy and Investment Practices", Second Edition.*
14. ***Sudheer V. (2015), "****Performance Evaluation of Sectorial Mutual Funds In India", International .Journal of Engineering and management sciences, Volume 6 (3), pp.164 – 166.*
15. ***Treynor, J.*** *(1965), "How to rate Management of Investment Fund", Harvard Business Review, Volume 43, pp. 63-75.*
16. ***Taneja, Yash Pal and Bansal, Shipra (2014),*** *"Comparative Study on Performance Evaluation of Large Cap Equity and Debt Mutual Fund Schemes," Open Journal of Finance, Vol. 1, No. 1, PP. 1-14, 2014.*