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## “A STUDY ON INVESTMENT PATTERN AND PREFERENCE OF RETAIL INVESTORS IN MOTILAL OSWAL MUTUAL FUND AND SUNDARAM MUTUAL FUND”

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### Abstract

The study examines the investment habits and preferences of retail investors in Motilal Oswal Mutual Fund and Sundaram Mutual Fund. Understanding investor behavior is crucial for fund companies to effectively tailor their products and services. The study uses a quantitative approach using survey data from a sample of investors who invested in both funds. The survey includes demographic information, investment objectives, risk tolerance, investment horizon and selection criteria. Data analysis techniques, including descriptive and inferential statistics, are used to study investment behavior. A comparative analysis is done to identify the similarities and differences between the two management companies. The results are expected to provide valuable information to investment management firms, financial advisors and policy makers, helping them develop marketing strategies, product innovations and customer-centric initiatives to attract and retain retail investors.

### 1. Introduction

What is a mutual fund?

A mutual fund is an investment vehicle that pools the money of several investors to invest in a diversified portfolio of stocks, bonds, money market instruments or other securities. It is managed by professional money managers who make investment decisions on behalf of investors. The value of shares varies according to the development of the portfolio.

## Motilal oswal and sundaram financial ltd offering product

- Motilal oswal offer and services
  1. Mutual fund
  2. Equity or share
  3. Ipo
  4. Currency
  5. Tempodeponoj
  6. EFT(Electronic Fund Transfer)
  
- Sundram offer and services
  1. Mutual Funds,, General Insurance, IT, Business Process Outsourcing, and Retail DistributionAccount Services
  2. General Insurance
  3. IT
  4. Retail DistributionAccount Services

## 2. Problem statement of the study

The challenge of this comparative study is the need to thoroughly examine and compare the investment strategies, performance indicators and operating frameworks of Motilal Mutual Fund and Sundaram Mutual Fund. The study specifically aims to answer the following important questions:

What are the differences in the investment philosophies, asset allocation plans and portfolio development techniques of Motilal and Sundaram funds?

What are the past performance patterns of Motilal Mutual Fund and Sundaram Mutual Fund across various mutual funds and market cycles?

Investment risks How do Motilal and Sundram manage investment risks, including market, credit and liquidity risks, in their separate portfolios? of.

## 3. Objectives of the study

1. Analysis of risk and performance using statistical methods, especially for small, medium and large funds.
2. Compare system performance and risk with a benchmark ie. SandP BSE 250

### 1. Hypothesis

1. Hypothes isThe null hypothesis ( $H_0$ ) states that the total profits of the investment fund A and B are not significantly different from each other.

Alternative hypothesis  $H_1$  states that mutual funds A and B have significantly different total returns

### 2. Research Methodology

Research Design: Quantitative Survey and Type is Comparative Survey

Data Sources: Company Websites, Research Reports, Other Financial Website

3. Data Collection: Both finance 8-year net worth data collected through websites. For the annual net worth, I took the difference 12/31. and 31.12. between each year.

Historical Performance Data: Obtain historical performance data directly from official sources such as investment fund company websites, financial news websites or financial management. databases. Focus on metrics or annual returns over a period of time.

## CALCULATION METHOD

1. RETURNS = NAVVIRTA CLOSED - PREVIOUS CLOSED

2. portfolio performance; N = number of months

3. COEFFICIENT OF CORRELATION

It shows the linear relationship between the performance of the fund and the performance of the reference index. Here the correlation coefficient is calculated using MS Excel.

## 5. Literature review

- The article examines the relationship between financial analysis and accounting. In addition, the company's business environment, strategies, financial condition and performance are looked at. This study examines how financial ratios are used in financial performance analysis and accounting to help management understand a company's profitability, financial position and operating efficiency
- The article describes the financial performance of Cadila Healthcare and Sunpharma through ratio analysis. Different ratios like dividend rate, quick ratio, return on assets etc. were used to analyze the data. The study shows that Sunphama outperformed Cadila Healthcare in most aspects of ratio analysis.
- The article discussed the financial stability of two companies, Go Digit and Acko, using the CAMEL model. The term CAMEL stands for solvency, reinsurance and actuarial matters, management stability, income and profitability. The study found that Go Digit outperformed Acco in most measures.
- The article describes the importance, different types, techniques and tools of financial analysis. In addition, the study evaluates the financial performance of Bambino Agro Industries Limited. The results suggest that the company's current and other liabilities increased during the study period
- In this study, a study was conducted on two BSE listed drug and pharmaceutical companies KAPL and RDPL. The work examines the solvency, solvency, profitability and stability of the company. As a result of the study, it is revealed that the ratio of RDPL's debt to net worth decreased and as a result the financial stability of the company weakened
- The financial results of Erbil Bank were studied in the paper. Performance indicators such as return on assets, return on equity and return on deposits were studied. According to the results, bank size negatively affected bank ROA.
- A comparative analysis was conducted on three listed companies in the Philippines, CEU, Malyan and FEU, related to the education segment. Liquidity, activity, debt and profitability ratios were calculated. After an extensive study on financial ratio, FEU was rated as the most financially sound, followed by Malai and finally CEU.
- An extensive study was conducted on the financial performance of the cement industry. Profitability ratios, asset utilization ratios and cash conversion cycles were the financial ratios used to evaluate the performance of the cement industry.

- In this paper, the researcher developed a model that uses financial ratios to predict business failure. logistic regression technique. The result showed that, compared to failed companies, bankrupt companies were highly leveraged, inefficient in using assets to generate cash flows, and could not generate sufficient liquidity.
- The paper tries to identify and evaluate the elements affecting the value of the company . . . Companies listed in the Indonesian Food and Beverage Unit. The results show that return on equity, firm size; plant property requirements, property management requirements, debt-equity ratio and growth of the company affect the value of the company
- Detailed analysis was done to find out the relationship between current ratio and profitability, correlation between acid test ratio and profitability as well to assess the relationship between ROI and profitability. The result revealed that half of the surveyed companies showed a negative correlation between the current ratio and the acid test ratio.
- The article discusses the framework for developing a company-based case study analysis. The article explains the procedure for conducting a case study analysis, which is valuable for beginning and emerging management researchers.
- Regression techniques have often been used to estimate the financial performance of stockbroking firms. The result suggests that all other companies in the study, except for some listed firms, showed a positive relationship between various financial ratios and net profit..

## 6. Data collection & analysis

<b>Motilal Small Cap Fund</b>		<b>Sundaram Small Cap Fund</b>	
Year( 1 Jan to 30 dec)	nav	year	NAV
2014	28.37	2014	25.13
2015	33.72	2015	27.02
2016	35.33	2016	28.56
2017	64.2	2017	47.63
2018	52.83	2018	45.07
2019	59.8	2019	40.30
2020	77.16	2020	47.43
2021	115.11	2021	82.13

Table 1 calculation

	S.D	Beta	Alpha	Sharp ratio	Treasur y ratio
Motilal Small Cap Fund	12.26	0.000082	0.1067	1.4180	21870.44
Sundaram Small Cap Fund	10.69	0.000082	0.0910	1.1175	19920.50
S&P BSE 250	1367.03				

Correlation coefficient	Motilal small cap fund	Sundram small cap fund
	0.00961686	0.008542636

### mid & large cap fund of Sundaram and motilal oswal

MID & Large Cap Fund Of Motilal		MID & Large Cap Fund Of Sundaram	
year	NAV	year	NAV
2013	95.05	2013	68.94
2014	141.96	2014	89.03
2015	160.98	2015	83.86
2016	159.80	2016	86.79
2017	228.86	2017	115.96
2018	216.66	2018	109.92
2019	233.96	2019	116.99
2020	270.90	2020	130.97
2021	383.03	2021	186.91
2022	417.94	2022	205.24

**Table 2 calculation**

Funds	S.d	Beta	alpha	Sharp ratio	Treynors ratio
MOTILAL MID AND SMALL CAP FUND	34.925	0.000568851	0.550555556	16.55989324	417.0806442
SUNDAR AM MID AND SMALL CAP FUND	18.01	0.000145605	-2.223333333	12.90091993	499.4360865

R(co-relation coefficient)	Motilal mid and large cap	sundaram mid and large cap
	0.035668101	0.022868762

## Findings & result

### SMALL-CAP FUND

- Sundaram's S.D is lower than motilal oswal so it means sundaram small caps fund is more stable than motilal oswal fund.
- Beta of both funds is close to zero, so both funds have very low sensitivity to market movements. The performance of both funds is minimally affected by general market volatility.
- Alpha measures an investment's expected return compared to its expected return based on beta and the overall market. Alpha Fund's value is positive, so both funds are outperforming expectations.
- In this comparison, Motilali Oswal Mid Cap Fund has a Sharpe Ratio of 1.5280, while Sundaram Mid Cap Fund has a Sharpe Ratio of 1.2375.
- Motilal Oswal Mid Cap Fund has a higher Sharpe ratio which indicates that it has delivered better risk weighted returns compared to Sundaram Mid Cap Fund. Investors may consider moving Oswal's mid-cap and large-cap fund as it has shown better risk-weighted returns in this context.
- .treynor ratio measures risk-adjusted return compared to systematic risk. treynor ratio of sundaram small cap fund is 19940.55 and motilal oswal is 2189.43 so comparing both funds sundaram small cap fund has higher risk adjusted return.
- Conclusion:

Overall sundaram small cap fund shows more stable performance and higher risk. adjusted return versus systematic risk, as evidenced by its lower standard deviation and higher Treynor ratio. On the other hand, motilal Oswal Small Cap Fund has stable returns and low market sensitivity, but offers a higher risk-adjusted return than Sharpe, which means a better balance between risk and return. Investors looking for stability may prefer Sundaram Small Cap fund, while investors looking for balance between risk and return may find motilal Oswal Small Cap fund more attractive.

## MIDANDLARGE CAP FUND

- Sundaram S.D is lower than motilal oswal. so it means that the performance of Sundaram Small Cap fund is more stable than the performance of dynamic Oswal small cap fund
- Beta coefficient measures the sensitivity of the stock price movement to the general movement of the market A beta less than 1 means the stock is less volatile relative to the market, while a beta greater than 1 means more volatility relative to the market. In this case, motilal Oswal MID and LARGE CAP with a beta of 0.000658851 is less sensitive to market movements compared to Sundaram MID and LARGE CAP with a beta of 0.000155605. Both betas are well below 1, indicating that both funds are relatively stable and have low volatility relative to the overall market. However, Motilal Oswal MID and LARGE CAP are slightly more sensitive to market movements than Sundaram MID and LARGE CAP.
- Alpha measures the fund manager's ability to outperform the benchmark index after adjusting for the risk taken. In this case, the positive alpha (0.58055556) of the Oswal Mid-Cap motive indicates that it has outperformed its benchmark, while the negative alpha (-2.543333333) of the Sundaram Mid-Cap suggests that it has underperformed its benchmark. Therefore, the leveraged Oswal Mid-Cap fund outperformed the Sundaram Mid-Cap fund in terms of alpha.
- The Sharpe ratio measures the risk-adjusted return on an investment. Higher Sharpe ratio means better risk adjusted return.
- In this comparison, Oswal Mid Cap Fund has a Motive Sharpe Ratio of 17.04989324 while Sundaram Mid Cap Fund has a Motive Sharpe Ratio of 11.00091993.\n
- Motial Oswal Mid. Cap Fund has a higher Sharpe ratio which suggests that it has delivered better risk weighted returns compared to Sundaram Mid Cap Fund.

### Limitation of the Study

1. Only small, medium and large mutual schemes were considered in this study. A comparative analysis can be done by including additional scheme types such as debt funds, sector specific funds.
2. A number of statistical approaches have been used to study mutual fund performance. It can be increased to get an accurate result.
3. The performance and performance of mutual funds were compared with the performance and performance of SandP BSE 100 only. The same can be done with various alternative benchmarks and risk-free returns, represented in this case by the Indian 10-year government bond yield.

### Conclusion

While both funds have low volatility and offer stable returns, Motilal is bottom of medium and large cap. showed superior returns in terms of alpha and Sharpe, which indicates superior risk-adjusted performance. On the other hand, Sundaram Mid-Cap Fund outperformed Alpha and Sharpe despite lower standard deviation and higher Treynor ratio. Investors looking for stability and relatively better risk-adjusted returns can consider floating mid and large caps. However, it is important that investors consider their individual risk tolerance and investment objectives before making a decision.