TEACHING CASE LETS AND CASE-STUDY

Case Developer	**:**	**Dr. Janvi Joshi**
Designation	**:**	**Associate Professor**
E-Mail	**:**	**janvijoshi1982@gmail.com**

Case Title	**:**	**Navigating Confusion: A Case Study on Mutual fund Selection Dilemma for Portfolio Management**
Case in the Subject	**:**	**Security Analysis and Portfolio Management**
Accession Number	**:**	**10**

Navigating Confusion: A Case Study on Mutual fund Selection Dilemma for Portfolio Management

Introduction:

Aman, a seasoned investor with a successful track record in the stock market, is venturing into the realm of mutual funds in India. Having conducted thorough research and engaged in discussions with peers, he has narrowed down his choices to four prominent mutual funds: HDFC TOP 200, Sundaram Growth Fund, and SBI Magnum Fund. He was confused to select one of the mutual funds for portfolio management. He had little knowledge about investment strategies and investment models for performance management. Aman went to through some performance measurement model like Treynor measure, Sharpe measure, Jensen measure and M2 measure for mutual find selection.

Treasury Bills (T-Bills) are short-term debt instruments issued by the government to raise funds. They are considered one of the safest forms of investment because they are backed by the government and have a fixed maturity date. Sensex, short for the Sensitive Index, is the benchmark stock index of the Bombay Stock Exchange (BSE) in India. It represents the performance of the 30 largest and most actively traded stocks on the BSE. Aman considered T-Bills and Sensex as benchmark for measuring performance of selected three mutual funds. He went for data collection of selected three mutual fund, T-bills, and Sensex from period of 2015-2023 for performance measurement.

This case study aims to provide Aman with insights and advice on making an informed decision based on the characteristics and performance of these mutual funds.

Utilizing historical performance data, fund prospectuses, and expert opinions, this study delves into a comprehensive analysis of the shortlisted mutual funds. Parameters such as past returns, Beta for risk management, and portfolio diversification are considered.

Average Monthly return of selected Mutual fund, T-bills, and Sensex

(2015-2023)

Period	**HDFC TOP 200**	**Sundaram Growth Fund**	**SBI Magnum Fund**	**Sensex**	**Treasury bill**
2015	-38.7	-16	-33	-26	7.9
2016	39.6	39.4	30	36.9	5.8
2017	11.1	34.3	18.2	23.6	5
2018	12.7	-6.9	-7.3	-7.2	5.3
2019	20.9	3.2	4.9	6.4	7.2

2020	35.5	28.9	30.9	18.2	10
2021	57.6	24.1	34.7	34.5	11.5
2022	-7.8	0	6	-4.8	14.1
2023	22.8	23.4	33	20.4	10.7
SD	28.1	19.7	22.8	20.5	
Beta	1.20	0.92	1.04	1	

Questions:

- Assess the historical performance of each shortlisted mutual fund.
- Provide recommendations for Aman's investment based on the comparative analysis of the three mutual funds using Treynor measure, Sharpe measure, Jensen measure and M2 measure for mutual find selection.