

# A study to find the best alternative for maximum returns on Mutual Funds using Systematic Investment Plan, Lump-sum & Value Averaging Investment method

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## Abstract

The major aim of this paper is to understand which of various available investment options in mutual funds yield maximum results. Mutual Fund Investment had gained huge momentum in the past few years. Investors have been having doubts regarding the investment methodology while investing in mutual funds. There are various ways to invest in mutual funds like Systematic Investment plan where an investor invest monthly, Lump-sum investment where a huge amount is invested at any time and Value averaging where a value average is considered and respective amount is invested. In this due course of paper we have compared the returns of Mutual Funds using above stated methodology over 3 years and calculated the returns on it. The results will help investors in planning their investment. SIP seems to be the most promising one as maximum times it has yielded the maximum return.

**Index Terms:** Systematic Investment Plan, Lump-sum investment, Value Averaging, Mutual funds, Maximum returns, SIP, Investment Decision

## Introduction

Systematic Investment Plan (SIP) is an investment scheme which is offered by many mutual funds. It enables investors to invest fixed amount of money in periodic intervals in the scheme of their choice. SIP has multiple benefits for investors over other schemes:

- By investing periodically, investors need not worry about the market fluctuations.
- The barrier to entry is low, investors can start investing with as low as Rs. 500 per month.
- Average costing helps compensate for purchases during bullish market.
- Interest earned is reinvested in the scheme itself which generates higher returns.

Value Averaging is an investment scheme similar to SIP but the amount invested every month is flexible within a pre-determined limit. If the fund performs better than expected value in the previous month, amount invested in the next month is lower and if the fund performs worse than the expected value, amount invested in the next month is higher.

Lump sum investment is a method of investing the entire amount in one go instead of periodic instalments. They are usually done by big players and experienced investors.

Net Asset Value (NAV) of a Mutual Fund is the total value of its assets minus the total value of its

liabilities per unit. It is calculated in the end of every market day.

Daily changes in NAV should be a non-factor when selecting mutual funds for investments. NAV and should be looked over a timeframe to assess the returns of fund and determine its performance.

Direct Mutual Funds are the ones which are directly offered by the Mutual Fund houses. They do not involve any agents or third-party entities. As there are no commissions and brokerage fees involved, expense ratio is lower of Direct Mutual Funds. This leads to higher returns.

Regular Mutual Funds are the ones which are invested through a third party. Involvement of third party leads to commissions and brokerage so, the expense ratio is higher. Hence, the returns are a bit lower than Direct Mutual Funds.

Regular schemes are intended for investors who do not have extensive knowledge about the market nor have the intention of monitoring their portfolio. They can keep investing their money without investing their time by paying a nominal fee to the third party.

Data for the study was collected from the Association of Mutual Funds in India (AMFI) website. AMFI is an industry standards organisation for the mutual funds sector. Most of the Indian mutual funds are members of AMFI. It aims to develop the Indian Mutual Funds market by improving ethical and professional standards.

## Literature Review

The study conducted by David, Purswani & Jojo examined the performance of Mutual Fund schemes invested in Systematic Investment Plan, Value Averaging and Lumpsum to help investors get better returns on their investment.

According to the study conducted by Aruna & Selvi wherein primary research of the preferences and awareness of investors in the Vellore District on India was done, it was found out that 92.7% of the respondents were aware of SIP. But majority of the investing respondents were in the age group of 41-50 years. This sheds light on the possibility that most of the investment schemes are not tailored for the younger citizens.

Another similar study of investor preference was conducted by Roy & Ghosh in 2011 found out that young investors were gravitating towards SIPs more than aged investors. Another interesting finding was that investors weren't very cautious of the risks which would affect their returns

Hussein A Hassan Al -Tamimi (2005) examined the UAE markets to understand the motivations of retail investors. Findings indicated that quick expected return, past experience, marketability and government holding were few of the factors which played a huge part in decision making.

SEBI- National Council of Applied Economics Research (NCAER) (2011) studied the market participation of investors with respect to their investor profile. The study indicated that 54% of all households had insurance schemes and commercial banks as primary mode of investment due to the risk averse nature of Indian Households. The study also indicated that majority of the investors of mutual funds depended on the advice of intermediaries and friends.

Another similar study of investor's preference of investment options in Dehradun district of India was conducted by Pandian 2013. The study concluded that most of the investors preferred Bank Deposits as their primary investment choice followed by gold.

Tahseen,A.A and Narayana,S.(2012) discusses how the low risk appetite of the consumer and their attitude has been a challenge for the financial companies.

As per Edelen (1999). Sindhu, K.P. & Kumar, S.R(2008) they have rightly said that the stock market has a potential for higher returns over any other investment options available in financial market. The higher returns of the stock markets are attached with higher risk. Lack of knowledge could convert this potential of higher return into higher loss especially in securities. To decrease this risk Mutual Funds come into picture making it most suitable for commoners and individual having less amount of knowledge about the stock market can use to invest in stock market and

receive more returns. Mutual Funds are managed by professionals who have in-depth knowledge of market and using this knowledge they invest the money which they take from common man. For this management of funds the mutual fund manager takes a management fee. At present a lot of importance is being given to mutual funds as they have been yielding good results for the customers having low risk appetite.

Singhal,s.& Goel,M.(July, 2011) in their empirical research reported that the SIP Plans have been performing better than the other investment options. They also stated that SIP has been one of the most successful financial innovation which is growing at a rapid pace in the Indian markets. Hence in this paper we are discussing the ways in which an individual can invest in mutual funds to get maximum return while many researchers have stated SIP has been the most promising one we are checking in this paper if that stands true or not.

Joseph,G., Telma,M.&Romeo,A. (Feb 2015) in their paper have discussed their observation regarding SIP and its risk reducing capacity for a volatile market. They also discuss how lump-sum investment outperforms SIP in a bullish market. So, we have considered a period of 3 years in the current paper to see if the returns are affected by the nature of market.

Anich Udin(2016) in his paper discusses how the SIP method of investment hedged the condition of market and yielded better returns in the volatile market. It also discusses the disadvantages SIP can have various people belonging for various backgrounds and the long-time investment requirement for SIP

### **Objective**

To understand and evaluate the effect of investing money into Mutual funds via various medium and to check if there is any significant difference in them. The various means of investing into mutual funds considered in this paper are Systematic Investment Plan, Value Averaging and Lump-sum investment.

### **Methodology**

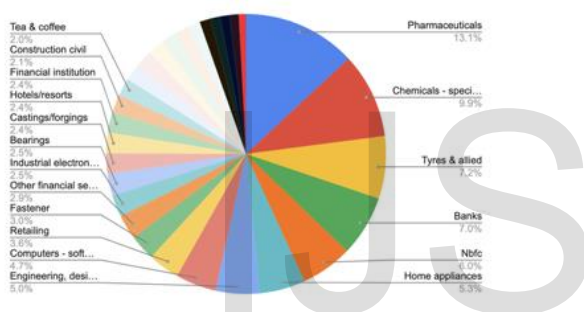
Throughout the course of this paper we have used secondary historical data available from the Association of Mutual Funds in India (AMFI). The data from these funds are then evaluated on Systematic Investment Plan, Value Averaging and then on Lump Sum Investment. In Systematic Investment Plan, we have considered a hypothetical condition of investing Rs. 20,000 for one year. The funds are considered to be bought on 10th or 11th of every-month and

if there is a public holiday then the next working day is considered. The total units bought and total amount invested are then further calculated. We are considering to hold these funds for the span of 3 years. Their values are calculated on the date of maturity as well as the cumulative value is also calculated at the end of the year. Percentage change is calculated using the below stated formula.

For Value averaging the cumulative holding is calculated for every month on the basis of the total investment made every month and then the NAV is divided out of it to find the total number of units to be bought. The amount to be invested is then found out by multiplying the NAV with the total number of units to be bought.

Along with the above method in lump-sum method the amount is invested thrice a year and their value is check after 3 years. The values are then average to find out the average return throughout the year.

### About the Mutual Funds



### Axis Blue chip Fund - Regular Plan - Growth

Axis Blue chip Fund - Regular Plan - Growth started in the year 2010 currently being managed by Shreyash Devalkar and has given a return on around 10.94% since the start. Fund invests around 86.76 % in Indian Stocks out of which around 76.84 % falls under Large Cap Stocks, and around 1.34% under the Mid Cap Stocks while a 0.18% of the funds is invested in very low risk debt securities. The fund size is of ₹ 14,522.34 Cr.

The Objective of this scheme is “To achieve long term capital appreciation by investing in a diversified portfolio predominantly consisting of equity and equity related securities of Large Cap companies including derivatives.”. However, there can be no assurance that the investment objective of the Scheme will be achieved.

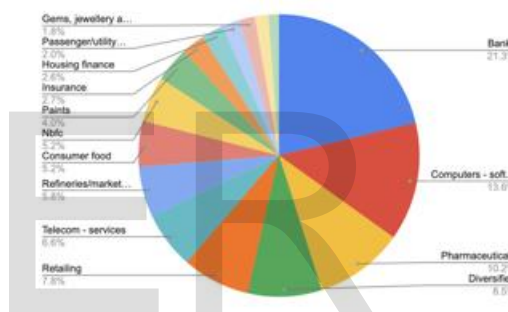
The portfolio of the scheme is as shown in the figure below.

### HDFC Mid-Cap Opportunities Fund - Growth Option

HDFC Mid-Cap Opportunities Fund started in the year 2007 currently being managed by Chirag Setalvad and has given a return on around 12.99% since the start. Fund invests around 94.04% in Indian Stocks out of which around 4.8% falls under Large Cap Stocks, 20.19% under Small Cap Funds and around 64.88% under the Mid Cap Stocks while a 0.5% of the funds is invested in very low risk securities. The fund size is of ₹ 19,938.83 Cr.

The Objective of this scheme is “To generate long-term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities of small and mid-cap companies”.

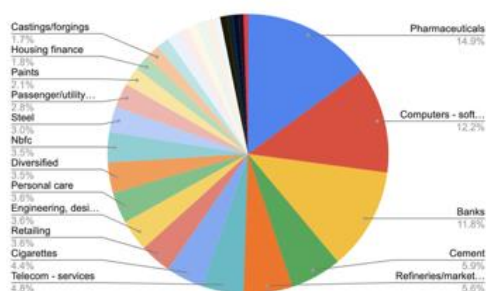
The portfolio of the scheme is as shown in the figure below.



### L&T Equity Fund-Regular Plan-Growth

L&T Equity Fund - Regular Growth started in the year 2005 currently being managed by Venugopal M, Vihang Naik and has given a return on around 14.74% since the start. Fund invests around 97.68% in Indian Stocks out of which around 64.01% falls under Large Cap Stocks, 9.09% under Small Cap Funds and around 17.33% under the Mid Cap Stocks. The fund size is of ₹ 2189 Cr.

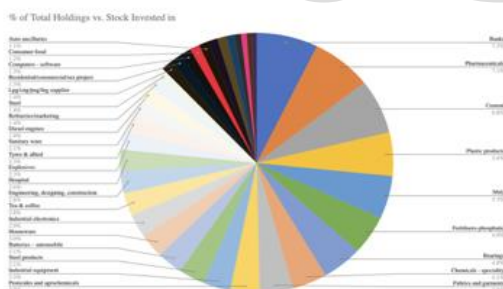
The Objective of this scheme is “To generate long term capital growth from a diversified portfolio of predominantly equity and equity related securities.”



### Kotak Emerging Equity Scheme - Growth - Direct

Kotak Emerging Equity Scheme - Growth - Direct started in the year 2013 currently being managed by Pankaj Tibrewal and has given a return on around 16.66% since the start. Fund invests around 97.48 % in Indian Stocks out of which around 8.87 % falls under Large Cap Stocks, and around 63.24% under the Mid Cap Stocks while a 25.14% in Small Cap Stocks. The fund size is of ₹ 6449.34 Cr.

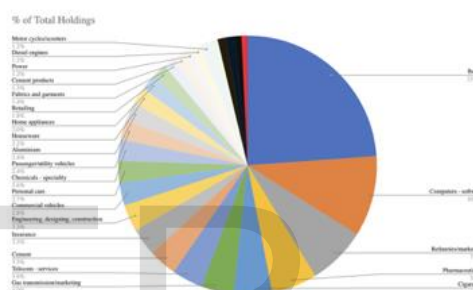
The Objective of this scheme is “To generate long-term capital appreciation from a portfolio of equity and equity related securities, by investing predominantly in mid companies. The scheme may also invest in Debt and Money Market Instruments, as per the asset allocation table.” There is no assurance that the investment objective of the Scheme will be achieved.



### SBI Magnum Multicap Fund - Direct Plan - Growth Option

SBI Magnum Multicap Fund - Direct Plan - Growth Option started in the year 2013 currently being managed by Anup Upadhyay and has given a return on around 13.83% since the start. Fund invests around 97.62 % in Indian Stocks out of which around 67.26 % falls under Large Cap Stocks, and around 9.9% under the Mid Cap Stocks while a 11.34% of the funds is invested in Small Cap Stock. The fund size is of ₹ 8290.45 Cr.

The Objective of this scheme is “To provide investors with opportunities for long-term growth in capital along with the liquidity of an open-ended scheme through an active management of investments in a diversified basket of equity stocks spanning the entire market capitalisation spectrum and in debt and money market instruments”.



### Interpretation

### HDFC Mid-Cap Opportunities Fund - Growth Option

If twenty thousand rupees are invested on a monthly basis and sold exactly after three years on the date of buying or the next working day the returns in this funds are found out to be 32.08 % while if the amount is invested every month but sold on the last day of the maturity of the last amount invested i.e. in the last month of the third year the calculated return is of 31.79%

Systematic Investment Plan						
Date	NAV	Amount Invested	No. Of Units Bought	Date	NAV	Value on Maturity
11/1/16	37.055	20000	539.738227	11/1/19	52.862	28531.64215
11/2/16	33.233	20000	601.811452	11/2/19	50.016	30100.20161
11/3/16	34.483	20000	579.99594	11/3/19	53.819	31214.8015
11/4/16	36.436	20000	548.907673	11/4/19	55.597	30517.61994

11/5/16	37.715	20000	530.292986 9	10/5/19	52.959	28083.78629
10/6/16	38.864	20000	514.615067 9	11/6/19	54.908	28256.48415
11/7/16	41.148	20000	486.050354 8	11/7/19	52.662	25596.38379
11/8/16	42.948	20000	465.679426 3	13/8/19	49.297	22956.59868
12/9/16	44.76	20000	446.827524 6	11/9/19	50.027	22353.44057
10/10/16	46.393	20000	431.099519 3	11/11/19	49.956	21536.00759
11/11/16	44.146	20000	453.042178 2	11/11/19	52.361	23721.74149
12/12/16	43.264	20000	462.278106 5	11/12/19	52.195	24128.60577
<b>Total</b>		<b>240000</b>	<b>6060.33845 8</b>		<b>Full SIP</b>	<b>316997.3135</b>
					<b>EI</b>	<b>316319.3658</b>
					<b>Full SIP %</b>	<b>32.08221397</b>
					<b>EI %</b>	<b>31.79973575</b>

When a lump-sum amount of 2,40,000 is invested thrice a year to find out the average return over the years the returns on the funds is found out to be 34.86% of the total invested. In this

the amount is divested on the day of maturity unlike the second option available in SIP.

Lump Sum						
Date	NAV	Amount	No. Of Units	Date	NAV	Amount
11/01/16	37.055	240000	6476.8587 24	11/1/19	52.862	342379.7058
10/6/16	38.864	240000	6175.3808 15	11/6/19	54.908	339077.8098
<b>Average</b>		<b>240000</b>	<b>6066.5256 06</b>		<b>Total</b>	<b>323666.9283</b>
					<b>% Growth</b>	<b>34.86122012</b>

For value averaging also the amount is invested and divested on the monthly basis and the returns are found to be at 32.686% while if

divested at the end of the period the return is 21.01%.

Value Averaging								
Date	NAV	Amount Invested	Units Bought	Total	Total Amount	Date	NAV	Amount on Maturity
11/1/16	37.05 5	20000	539.738 227	539.73 8227	20000	11/1/19	52.862	28531.64215

11/2/16	33.23 3	22062.879 5	663.884 678	1203.6 22905	40000	11/2/1 9	50.016	33204.85605
11/3/16	34.48 3	18495.471 37	536.364 9151	1739.9 8782	60000	11/3/1 9	53.819	28866.62337
11/4/16	36.43 6	16601.803 79	455.642 8748	2195.6 30695	80000	11/4/1 9	55.597	25332.37691
11/5/16	37.71 5	17191.788 34	455.834 2395	2651.4 64934	100000	10/5/1 9	52.959	24140.52549
10/6/16	38.86 4	16953.466 79	436.225 4732	3087.6 90408	120000	11/6/1 9	54.908	23952.26828
11/7/16	41.14 8	12947.715 11	314.662 0761	3402.3 52484	140000	11/7/1 9	52.662	16570.73425
11/8/16	42.94 8	13875.765 53	323.082 9265	3725.4 3541	160000	13/8/1 9	49.297	15927.01903
12/9/16	44.76	13249.511 04	296.012 3109	4021.4 47721	180000	11/9/1 9	50.027	14808.60788
10/10/16	46.39 3	13432.975 87	289.547 4721	4310.9 95193	200000	11/11/ 19	49.956	14464.63351
11/11/16	44.14 6	29686.806 2	672.468 7673	4983.4 6396	220000	11/11/ 19	52.361	35211.13712
12/12/16	43.26 4	24395.415 21	563.873 3176	5547.3 37278	240000	11/12/ 19	52.195	29431.36781
<b>Total</b>		<b>218893.59 87</b>	<b>5007.59 9051</b>				<b>Total</b>	<b>290441.7919</b>
							<b>Percent age</b>	<b>32.68628846</b>

Axis Blue chip Fund - Regular Plan - Growth

If twenty thousand rupees are invested on a monthly basis and sold exactly after three years on the date of buying or the next working day

the returns in this funds are found out to be 52.92 % while if the amount is invested every month but sold on the last day of the maturity of the last amount invested i.e. in the last month of the third year the calculated return is of 66.585%

SIP						
Date	NAV	Amount Invested	No. Of Units Bought	Date	NAV	Value on Maturity
11/1/16	18.4	20000	1086.95652 2	11/1/19	26.71	29032.6087
11/2/16	16.69	20000	1198.32234 9	11/2/19	27.27	32678.25045
11/3/16	17.67	20000	1131.86191 3	11/3/19	27.29	30888.5116
11/4/16	18.16	20000	1101.32158 6	11/4/19	28.3	31167.40088
11/5/16	18.96	20000	1054.85232 1	10/5/19	27.86	29388.18565
10/6/16	19.38	20000	1031.99174 4	11/6/19	29.93	30887.5129

11/7/16	19.93	20000	1003.512293	11/7/19	29.21	29312.59408
11/8/16	19.92	20000	1004.016064	13/8/19	28.77	28885.54217
12/9/16	20.53	20000	974.1841208	11/9/19	28.98	28231.85582
10/10/16	20.65	20000	968.5230024	11/10/19	30.85	29878.93462
11/11/16	19.27	20000	1037.882719	11/11/19	31.55	32745.19979
12/12/16	18.61	20000	1074.691026	11/12/19	31.56	33917.24879
<b>Total</b>		<b>240000</b>	<b>12668.11566</b>		<b>Full SIP</b>	<b>367013.8455</b>
					<b>EI</b>	<b>399805.7302</b>
					<b>Full SIP %</b>	<b>52.92243561</b>
					<b>EI %</b>	<b>66.58572093</b>

When a lump-sum amount of 2,40,000 is invested thrice a year to find out the average return over the years the returns on the funds is found out to

be 56.3956% of the total amount invested. In this the amount is divested on the day of maturity unlike the second option available in SIP.

Lump Sum						
Date	NAV	Amount	No. Of Units	Date	NAV	Amount
11/01/16	18.4	240000	13043.47826	11/1/19	26.71	348391.3043
10/6/16	19.38	240000	12383.90093	11/6/19	29.93	370650.1548
12/12/16	18.61	240000	12896.29232	11/12/19	31.56	407006.9855
<b>Average</b>		<b>240000</b>	<b>12774.55717</b>			<b>375349.4815</b>
					<b>% Growth</b>	<b>56.3956</b>

For value averaging also the amount is invested and divested on the monthly basis and the returns are found to be at 54.4862% while if

divested at the end of the period the return is 56.88%.

Value Averaging								
Date	NAV	Amount Invested	Units Bought	Total	Total Amount	Date	NAV	Amount on Maturity
11/1/16	18.4	20000	1086.956522	1086.956522	20000	11/1/19	26.71	29032.6087

11/2/16	16.69	21858.6 9565	1309.68 8176	2396.64 4697	40000	11/2/1 9	27.27	35715.19655
11/3/16	17.67	17651.2 882	998.941 0411	3395.58 5739	60000	11/3/1 9	27.29	27261.10101
11/4/16	18.16	18336.1 6299	1009.70 0605	4405.28 6344	80000	11/4/1 9	28.3	28574.52712
11/5/16	18.96	16475.7 7093	868.975 2598	5274.26 1603	100000	10/5/1 9	27.86	24209.65074
10/6/16	19.38	17784.8 1013	917.688 861	6191.95 0464	120000	11/6/1 9	29.93	27466.42761
11/7/16	19.93	16594.4 2724	832.635 5868	7024.58 6051	140000	11/7/1 9	29.21	24321.28549
11/8/16	19.92	20070.2 4586	1007.54 2463	8032.12 8514	160000	13/8/1 9	28.77	28986.99666
12/9/16	20.53	15100.4 0161	735.528 5731	8767.65 7087	180000	11/9/1 9	28.98	21315.61805
10/10/16	20.65	18947.8 8115	917.572 937	9685.23 0024	200000	11/11/ 19	30.85	28307.12511
11/11/16	19.27	33365.6 1743	1731.47 9888	11416.7 0991	220000	11/11/ 19	31.55	54628.19045
12/12/16	18.61	27535.0 2854	1479.58 2404	12896.2 9232	240000	11/12/ 19	31.56	46695.62068
<b>Total</b>		<b>243720. 3297</b>	<b>11809.3 3579</b>				<b>Total</b>	<b>376514.3482</b>
							<b>Percent age %</b>	<b>54.4862</b>

#### L&T Equity Fund-Regular Plan-Growth

If twenty thousand rupees are invested on a monthly basis and sold exactly after three years on the date of buying or the next working day

the returns in this funds are found out to be 31.411 % while if the amount is invested every month but sold on the last day of the maturity of the last amount invested i.e. in the last month of the third year the calculated return is of 35.367%

SIP						
Date	NAV	Amount Invested	No. Of Units Bought	Date	NAV	Value on Maturity
11/1/16	58.301	20000	343.047289 1	11/1/19	78.743	27012.57268
11/2/16	52.799	20000	378.795052 9	11/2/19	76.771	29080.47501
11/3/16	55.508	20000	360.308424	11/3/19	79.868	28777.11321
11/4/16	57.464	20000	348.043992 8	11/4/19	81.72	28442.15509
11/5/16	58.59	20000	341.355180 1	10/5/19	79.286	27064.68681
10/6/16	60.662	20000	329.695690 9	11/6/19	83.607	27564.86763
11/7/16	64.157	20000	311.735274 4	11/7/19	81.311	25347.5069



11/8/16	65.052	20000	307.4463506	13/8/19	77.246	23749.0008
12/9/16	66.462	20000	300.9238362	11/9/19	77.486	23317.38437
10/10/16	67.501	20000	296.2919068	11/11/19	78.58	23282.61804
11/11/16	64.692	20000	309.1572374	11/11/19	82.6	25536.38781
12/12/16	62.835	20000	318.2939445	11/12/19	82.351	26211.82462
<b>Total</b>		<b>240000</b>	<b>3945.09418</b>		<b>Full SIP</b>	<b>315386.593</b>
					<b>EI</b>	<b>324882.4508</b>
					<b>Full SIP %</b>	<b>31.4110804</b>
					<b>EI %</b>	<b>35.36768782</b>

When a lump-sum amount of 2,40,000 is invested thrice a year to find out the average return over the years the returns on the funds is found out to

be 34.648% of the total amount invested. In this the amount is divested on the day of maturity unlike the second option available in SIP.

LUMPSUM						
Date	NAV	Amount	No. Of Units	Date	NAV	Amount
11/01/16	58.301	240000	4116.567469	11/1/19	78.743	324150.8722
10/6/16	60.662	240000	3956.348291	11/6/19	83.607	330778.4115
12/12/16	62.835	240000	3819.527333	11/12/19	82.351	314541.8954
<b>Average</b>		<b>240000</b>	<b>3964.147698</b>		<b>Individual</b>	<b>323157.0597</b>
					<b>Individual %</b>	<b>34.64877488</b>

For value averaging also the amount is invested and divested on the monthly basis and the returns are found to be at

31.697% while if divested at the end of the period the return is 27.36%.

Value Averaging								
Date	NAV	Amount Invested	Units Bought	Total	Total Amount	Date	NAV	Amount on Maturity
11/1/16	58.301	20000	343.0472891	343.0472891	20000	11/1/19	78.743	27012.57268
11/2/16	52.799	21887.44618	414.5428168	757.5901059	40000	11/2/19	76.771	31824.86659
11/3/16	55.508	17947.6884	323.3351662	1080.925272	60000	11/3/19	79.868	25824.13305

11/4/16	57.464	17885.71 017	311.2506 99	1392.175 971	80000	11/4/19	81.72	25435.40712
11/5/16	58.59	18432.40 986	314.5999 293	1706.775 9	100000	10/5/19	79.286	24943.36999
10/6/16	60.662	16463.56 033	271.3982 449	1978.174 145	120000	11/6/19	83.607	22690.79306
11/7/16	64.157	13086.28 136	203.9727 756	2182.146 921	140000	11/7/19	81.311	16585.23035
11/8/16	65.052	18046.97 851	277.4238 841	2459.570 805	160000	13/8/19	77.246	21429.88535
12/9/16	66.462	16532.00 517	248.7437 207	2708.314 526	180000	11/9/19	77.486	19274.15594
10/10/16	67.501	17186.06 121	254.6045 423	2962.919 068	200000	11/11/1 9	78.58	20006.82493
11/11/16	64.692	28322.83 966	437.8105 432	3400.729 611	220000	11/11/1 9	82.6	36163.15087
12/12/16	62.835	26315.15 489	418.7977 224	3819.527 333	240000	11/12/1 9	82.351	34488.41124
<b>Total</b>		<b>232106.1 357</b>	<b>3476.480 044</b>				<b>Total</b>	<b>305678.8012</b>
							<b>Percent age %</b>	<b>31.69785461</b>

#### Kotak Emerging Equity Scheme - Growth - Direct

If twenty thousand rupees are invested on a monthly basis and sold exactly after three years on the date of buying or the next working day

the returns in this funds are found out to be 40.35 % while if the amount is invested every month but sold on the last day of the maturity of the last amount invested i.e. in the last month of the third year the calculated return is of 48.282%

Systematic Investment Plan						
Date	NAV	Amount Invested	No. Of Units Bought	Date	NAV	Value on Maturity
11/1/16	26.716	20000	748.615062 1	11/1/19	39.46	29540.35035
11/2/16	23.675	20000	844.772967 3	11/2/19	37.358	31559.02851
11/3/16	24.784	20000	806.972240 2	11/3/19	40.797	32922.04648
11/4/16	26.438	20000	756.486875	11/4/19	41.361	31289.05363
11/5/16	27.827	20000	718.726416 8	10/5/19	39.526	28408.38035
10/6/16	29.069	20000	688.018163 7	11/6/19	42.374	29154.08167
11/7/16	30.325	20000	659.521846 7	11/7/19	40.921	26988.29349
11/8/16	31.425	20000	636.435958 6	13/8/19	39.046	24850.27844
12/9/16	32.166	20000	621.774544 6	11/9/19	39.444	24525.27514

<b>10/10/16</b>	33.623	20000	594.830919 3	11/11/19	40.14	23876.5131
<b>11/11/16</b>	32.113	20000	622.800734 9	11/11/19	42.461	26444.742
<b>12/12/16</b>	31.283	20000	639.324872 9	11/12/19	42.68	27286.38558
<b>Total</b>		<b>240000</b>	<b>8338.28060 2</b>		<b>Full SIP</b>	<b>336844.4287</b>
					<b>EI</b>	<b>355877.8161</b>
					<b>Full SIP %</b>	<b>40.35184531</b>
					<b>EI %</b>	<b>48.28242337</b>

When a lump-sum amount of 2,40,000 is invested thrice a year to find out the average return over the years the returns on the funds is found out to be 39.691% of the total amount invested. In this

the amount is divested on the day of maturity unlike the second option available in SIP.

Lump Sum						
Date	NAV	Amount	No. Of Units	Date	NAV	Amount
<b>11/01/16</b>	26.716	240000	8983.38074 6	11/1/19	39.46	354484.2042
<b>10/6/16</b>	30.325	240000	7914.26216	11/6/19	40.921	323859.5218
<b>12/12/16</b>	31.283	240000	7671.89847 5	11/12/19	42.68	327436.6269
<b>Average</b>		<b>240000</b>	<b>24569.5413 8</b>		<b>Total</b>	<b>335260.1177</b>
					<b>Percentage</b>	<b>39.69171569</b>

For value averaging also the amount is invested and divested on the monthly basis and the returns are found to be at 41.037% while if

divested at the end of the period the return is 29.4%.

Value Averaging								
Date	NAV	Amount Invested	Units Bought	Total	Total Amount	Date	NAV	Amount on Maturity
<b>11/1/16</b>	26.716	20000	748.6150 621	748.6150 621	20000	11/1/19	39.46	29540.35035
<b>11/2/16</b>	23.675	22276.53 84	940.9308 724	1689.545 935	40000	11/2/19	37.358	35151.29553
<b>11/3/16</b>	24.784	18126.29 356	731.3707 859	2420.916 72	60000	11/3/19	40.797	29837.73395
<b>11/4/16</b>	26.438	15995.80 374	605.0307 793	3025.947 5	80000	11/4/19	41.361	25024.67806
<b>11/5/16</b>	27.827	15796.95 892	567.6845 841	3593.632 084	100000	10/5/19	39.526	22438.30087

10/6/16	29.069	15536.70 895	534.4768 981	4128.108 982	120000	11/6/19	42.374	22647.92408
11/7/16	30.325	14815.09 512	488.5439 446	4616.652 927	140000	11/7/19	40.921	19991.70675
11/8/16	31.425	14921.68 178	474.8347 424	5091.487 669	160000	13/8/19	39.046	18540.39735
12/9/16	32.166	16227.20 764	504.4832 319	5595.970 901	180000	11/9/19	39.444	19898.8366
10/10/16	33.623	11846.67 04	352.3382 922	5948.309 193	200000	11/11/19	40.14	14142.85905
11/11/16	32.113	28981.94 688	902.4988 908	6850.808 084	220000	11/11/19	42.461	38321.0054
12/12/16	31.283	25686.17 071	821.0903 913	7671.898 475	240000	11/12/19	42.68	35044.1379
<b>Total</b>		<b>220211.0 761</b>					<b>Total</b>	<b>310579.2259</b>
							<b>Percent age</b>	<b>41.03705926</b>

**SBI Magnum Multicap Fund - DIRECT PLAN - Growth Option**

If twenty thousand rupees are invested on a monthly basis and sold exactly after three years on the date of buying or the next working day

the returns in this funds are found out to be 43.097% while if the amount is invested every month but sold on the last day of the maturity of the last amount invested i.e. in the last month of the third year the calculated return is of 48.868%

Systematic Investment Plan						
Date	NAV	Amount Invested	No. Of Units Bought	Date	NAV	Value on Maturity
11/1/16	33.4152	20000	598.5300103	11/1/19	48.3403	28933.12026
11/2/16	30.8931	20000	647.3937546	11/2/19	47.4188	30698.63497
11/3/16	31.5192	20000	634.5338714	11/3/19	49.7114	31543.5671
11/4/16	33.419	20000	598.4619528	11/4/19	51.023	30535.32422
11/5/16	34.1089	20000	586.3572264	10/5/19	50.0343	29337.97337
10/6/16	35.4959	20000	563.4453557	11/6/19	53.0933	29915.1733
11/7/16	36.9692	20000	540.9908789	11/7/19	51.4147	27814.88374
11/8/16	37.9209	20000	527.4136426	13/8/19	50.5834	26678.37525
12/9/16	39.1038	20000	511.4592444	11/9/19	50.4507	25803.4769
10/10/16	39.5983	20000	505.0721874	11/11/19	51.5999	26061.67436

<b>11/11/16</b>	38.6451	20000	517.53003 61	11/11/19	53.7935	27839.752
<b>12/12/16</b>	37.3523	20000	535.44226 19	11/12/19	52.801	28271.88687
<b>Total</b>		<b>240000</b>	<b>6766.6304 23</b>		<b>Full SIP</b>	<b>343433.8423</b>
					<b>EI</b>	<b>357284.8529</b>
					<b>Full SIP %</b>	<b>43.09743431</b>
					<b>EI %</b>	<b>48.86868873</b>

When a lump-sum amount of 2,40,000 is invested thrice a year to find out the average return over the years the returns on the funds is found out to

be 41.699% of the total amount invested. In this the amount is divested on the day of maturity unlike the second option available in SIP.

Lump Sum						
Date	NAV	Amount	No. Of Units	Date	NAV	Amount
<b>11/01/16</b>	33.4152	240000	7182.36012 4	11/1/19	48.3403	347197.4431
<b>10/6/16</b>	36.9692	240000	6491.89054 7	11/6/19	51.4147	333778.6049
<b>12/12/16</b>	37.3523	240000	6425.30714 3	11/12/19	52.801	339262.6425
<b>Average</b>		<b>240000</b>	<b>20099.5578 1</b>		<b>Total</b>	<b>340079.5635</b>
					<b>Percentage</b>	<b>41.69981812</b>

For value averaging also the amount is invested and divested on the monthly basis and the returns are found to be at 34.359% while if

divested at the end of the period the return is 36%

Value Averaging								
Date	NAV	Amount Invested	Units Bought	Total	Total Amount	Date	NAV	Amount on Maturity
<b>11/1/16</b>	33.4152	20000	598.53 00103	598.53 0103	20000	11/1/19	48.3403	28933.12026
<b>11/2/16</b>	30.8931	21509.55 254	696.25 74989	1294.78 7509	40000	11/2/19	47.4188	33015.69509
<b>11/3/16</b>	31.5192	19189.33 354	608.81 41051	1903.60 1614	60000	11/3/19	49.7114	30265.0015
<b>11/4/16</b>	33.419	16383.53 765	490.24 61969	2393.84 7811	80000	11/4/19	51.023	25013.8317
<b>11/5/16</b>	34.1089	18348.48 44	537.93 83209	2931.78 6132	100000	10/5/19	50.0343	26915.36733
<b>10/6/16</b>	35.4959	15933.61 263	448.88 60019	3380.67 2134	120000	11/6/19	53.0933	23832.83916
<b>11/7/16</b>	36.9692	15019.25 575	406.26 40183	3786.93 6152	140000	11/7/19	51.4147	20887.94262

11/8/16	37.9209	16395.97 286	432.37 29886	4219.30 9141	160000	13/8/19	50.5834	21870.89583
12/9/16	39.1038	15008.97 922	383.82 40585	4603.13 3199	180000	11/9/19	50.4507	19364.19243
10/10/16	39.5983	17723.75 063	447.58 86751	5050.72 1874	200000	11/11/19	51.5999	23095.53088
11/11/16	38.6451	24814.34 809	642.10 85232	5692.83 0398	220000	11/11/19	53.7935	34541.26484
12/12/16	37.3523	27359.69 114	732.47 67454	6425.30 7143	240000	11/12/19	52.801	38675.50464
<b>Total</b>		<b>227686.5 185</b>					<b>Total</b>	<b>326411.1863</b>
							<b>Percentage</b>	<b>43.35990927</b>

## Conclusion

Name of the Plan	Systematic Investment Plan		Value Averaging		Lump Sum	Best Alternative
	Full SIP	End Installment	Actual Money	Total Value		
HDFC Mid-Cap Opportunities Fund - Growth Option	32.08	31.79	32.68	21.01	34.86	Lump Sum
Axis Bluechip Fund - Regular Plan - Growth	52.92	66.58	54.48	56.88	56.39	SIP EI
L&T Equity Fund-Regular Plan-Growth	31.41	35.37	31.69	27.36	34.65	SIP EI
Kotak Emerging Equity Scheme - Growth - Direct	40.35	48.28	41.03	29.4	39.69	SIP EI
SBI Magnum Multicap Fund - DIRECT PLAN - Growth Option	43.09	48.86	43.46	36	41.7	SIP EI

On comparing the various results received on each and every fund as shown in the table above we can conclude that Systematic Investment Plan is one of the best alternative for investment as 4 out of 5 times it has yielded more results than the alternative options with around 5-6 % more returns with respect to the other Investment options.

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