
MUTUAL FUNDS IS A BETTER INVESTMENT OPTION

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ABSTRACT

A mutual fund is a collective investment vehicle that pools money from various investors to invest in a diversified portfolio of stocks, bonds, or other securities. This structure allows individuals with relatively small amounts of money to access a professionally managed and diversified investment portfolio. Mutual funds are managed by professional fund managers, who make investment decisions based on the fund's objectives and investment strategy.

One key advantage of mutual funds is diversification. By investing in a variety of assets, mutual funds aim to spread risk and reduce the impact of poor-performing individual investments on the overall portfolio. This diversification helps enhance the potential for returns while mitigating the impact of market volatility.

Mutual funds come in different types, each with its own investment goals and risk profiles. Equity funds invest primarily in stocks, aiming for capital appreciation. Bond funds focus on fixed-income securities, providing income through interest payments. Balanced funds combine both stocks and bonds to achieve a balance between growth and income. Additionally, there are specialty funds that target specific sectors or themes.

Investors can choose between actively managed and passively managed (index) mutual funds. Active funds involve fund managers making decisions to outperform the market, while index funds aim to replicate the performance of a specific market index. The choice between active and passive management often depends on an investor's risk tolerance, investment goals, and beliefs about market efficiency.

Mutual funds are subject to fees and expenses, including management fees, which compensate fund managers for their expertise. It's crucial for investors to be aware of these costs, as they can impact overall returns. Investors typically buy and sell mutual fund shares at the net asset value (NAV), calculated at the end of each trading day based on the fund's total assets and liabilities.

In summary, mutual funds offer a convenient and diversified investment option for individuals seeking professional management of their portfolios. With various types and management styles available, investors can choose funds that align with their financial goals and risk tolerance, making mutual funds a versatile investment vehicle in the financial landscape.

I. INTRODUCTION

Mutual funds serve as a popular and accessible investment vehicle, enabling individuals to pool their resources and collectively invest in a diversified portfolio of securities. These funds are managed by professional portfolio managers or investment firms, tasked with making strategic decisions to optimize returns for the fund's investors. Mutual funds provide an avenue for individuals with varying levels of capital to access a diverse range of financial instruments, such as stocks, bonds, and money market instruments, without the need for significant upfront investments.

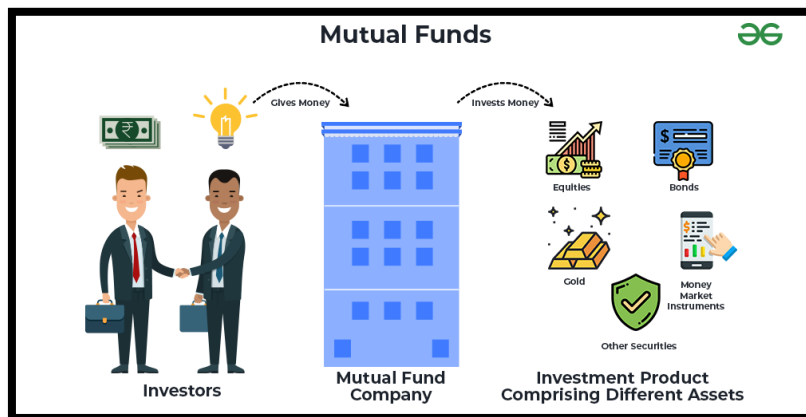
One of the primary advantages of mutual funds is their ability to offer diversification. By spreading investments across a broad range of assets, these funds aim to reduce risk and minimize the impact of poor-performing individual securities on the overall portfolio. Diversification helps to mitigate the effects of market volatility, enhancing the potential for stable and consistent returns over the long term.

Mutual funds come in different categories to cater to the diverse investment objectives and risk appetites of investors. Equity funds focus on stocks, seeking capital appreciation, while bond funds concentrate on fixed-income securities, providing regular interest income. Balanced funds strike a middle ground, investing in both stocks and bonds to achieve a balance between growth and income. Specialty or sector funds may target specific industries or themes, allowing investors to align their portfolios with specific market trends.

Investors can choose between actively managed and passively managed mutual funds. Actively managed funds involve professional managers making strategic decisions to outperform the market, while index funds aim to

replicate the performance of a specific market index. This choice allows investors to align their investment strategy with their risk tolerance and beliefs about market efficiency.

When considering mutual funds, investors should be mindful of fees and expenses associated with fund management. These costs, such as management fees and other operational expenses, can impact overall returns. Investors typically buy and sell mutual fund shares at the net asset value (NAV), calculated based on the fund's total assets and liabilities at the end of each trading day.



In conclusion, mutual funds provide a convenient and well-managed investment solution for a broad spectrum of investors. With their emphasis on diversification and professional management, mutual funds offer a practical way for individuals to participate in the financial markets and work towards their financial goals.

II. OBJECTIVES OF MUTUAL FUNDS

Mutual funds are structured to achieve specific objectives that align with the financial goals and preferences of investors. The primary objectives of mutual funds include:

- 1. Capital Appreciation:** Many mutual funds aim for capital appreciation by investing in a diversified portfolio of stocks or equity-related instruments. The goal is to generate returns through the appreciation in the market value of the securities held in the fund. Investors seeking long-term growth and higher returns often choose equity-focused mutual funds.
- 2. Income Generation:** Bond funds and income-oriented mutual funds focus on generating a steady stream of income for investors. These funds invest primarily in fixed-income securities such as government or corporate bonds, aiming to provide regular interest payments. Income-oriented funds are popular among investors seeking a reliable income source while preserving their capital.
- 3. Preservation of Capital:** Some mutual funds, such as money market funds or certain types of bond funds, prioritize the preservation of capital. These funds invest in low-risk and highly liquid instruments, aiming to protect the invested capital while providing a modest return. Investors with a conservative risk tolerance often opt for capital preservation-oriented funds.
- 4. Risk Diversification:** Diversification is a key objective for many mutual funds. By investing in a variety of asset classes, sectors, and geographic regions, funds aim to spread risk and reduce the impact of poor-performing securities on the overall portfolio. This helps enhance stability and manage volatility.
- 5. Liquidity:** Mutual funds offer liquidity as investors can generally buy or sell fund shares on any business day at the net asset value (NAV). This liquidity provides flexibility for investors to access their funds when needed, making mutual funds a convenient investment option.
- 6. Tax Efficiency:** Certain mutual funds, such as index funds, are designed with tax efficiency in mind. These funds often have lower turnover rates, resulting in fewer capital gains distributions. This can be advantageous for investors looking to minimize tax implications.
- 7. Professional Management:** One of the primary objectives of mutual funds is to provide investors with access to professional portfolio management. Fund managers conduct research, make investment decisions, and adjust the portfolio to align with the fund's objectives. This expertise can be valuable for investors who may not have the time or expertise to manage their investments actively.

8. **Long-Term Growth:** Some mutual funds focus on long-term growth by investing in companies with high growth potential. These funds typically have a higher allocation to equities and may be suitable for investors with a longer investment horizon who are willing to tolerate market volatility in pursuit of higher returns.
9. **Wealth Preservation:** Certain funds aim to preserve and protect the wealth of investors. These funds often adopt a conservative approach, emphasizing stability and capital preservation. They may allocate investments across a mix of low-risk assets, such as cash and short-term securities, to safeguard principal.
10. **Regular Savings Plan:** Mutual funds can be part of a systematic investment plan (SIP) where investors contribute a fixed amount regularly. The objective is to encourage disciplined saving and investing over time. SIPs are popular among individuals looking to build wealth gradually and benefit from rupee-cost averaging.

In summary, mutual funds cater to a diverse range of investor objectives, offering a flexible and professionally managed investment solution to help individuals achieve their financial goals. Investors can choose funds that best align with their specific objectives, risk tolerance, and investment time horizon.

III. METHODOLOGY

- **Pooling of Funds:** Mutual funds gather money from numerous investors, creating a larger pool of capital. This allows even small investors to participate in diversified portfolios that might be inaccessible with limited individual resources.
- **Professional Management:** The pooled funds are managed by experienced professionals (fund managers) who research, select, and manage a portfolio of securities (stocks, bonds, etc.) aligned with the fund's stated investment objectives. This expertise can be invaluable for navigating complex financial markets.
- **Diversification:** Mutual funds typically invest in a variety of different assets, spreading risk across various sectors and companies. This diversification aims to minimize the impact of any single security underperforming and potentially enhance portfolio stability.
- **Liquidity:** Most mutual funds offer relatively high liquidity, allowing investors to redeem their shares (sell their units) on demand, unlike some investments like real estate that may be less liquid.
- **Variety of Choices:** Investors can choose from a vast array of mutual funds with diverse investment objectives, risk profiles, and sector focuses, enabling them to tailor their investment strategy to their specific needs.

SBI BLUECHIP MUTUAL FUND



The SBI Bluechip Fund is an equity mutual fund managed by SBI Funds Management Private Limited, which is a subsidiary of the State Bank of India (SBI). Keep in mind that details about mutual funds can change, and it's advisable to check the latest information from official sources or consult with a financial advisor for the most up-to-date details. Here's a general introduction to the SBI Bluechip Fund:

SBI Bluechip Fund:

- **Objective:** The SBI Bluechip Fund primarily aims to generate long-term capital appreciation by investing in a diversified portfolio of large-cap stocks. Large-cap stocks are shares of well-established and financially stable companies with a proven track record.

- **Fund Category:** It falls under the category of Large Cap Funds, which means it predominantly invests in the stocks of large-cap companies.
- **Fund Manager:** The fund is managed by experienced fund managers who make investment decisions based on thorough research and analysis. The fund manager's strategy is to identify high-quality large-cap stocks with growth potential.
- **Investment Approach:** The fund may follow a growth-oriented investment approach, seeking companies with the potential for earnings growth over the long term. Large-cap stocks are often considered more stable compared to mid and small-cap stocks.
- **Risk Profile:** While large-cap funds are generally considered less risky than mid and small-cap funds, there are inherent market risks associated with equity investments. Investors should assess their risk tolerance and investment horizon.
- **Portfolio Diversification:** The fund's portfolio is likely to be diversified across various sectors and industries to mitigate risks associated with specific market movements.
- **Performance History:** Past performance is a key indicator for investors. Historical performance data, along with benchmark comparisons, helps in evaluating how the fund has performed in different market conditions.
- **Expense Ratio:** Consider the expense ratio, which represents the annual costs of managing the fund. Lower expense ratios are generally favorable for investors.
- **Liquidity:** Investors can generally buy and sell units of the fund on any business day at the prevailing Net Asset Value (NAV), providing liquidity.
- **Dividends and Exit Load:** Check whether the fund pays dividends and if there are any exit loads (fees for selling units within a certain period).

FINANCIAL STATEMENT

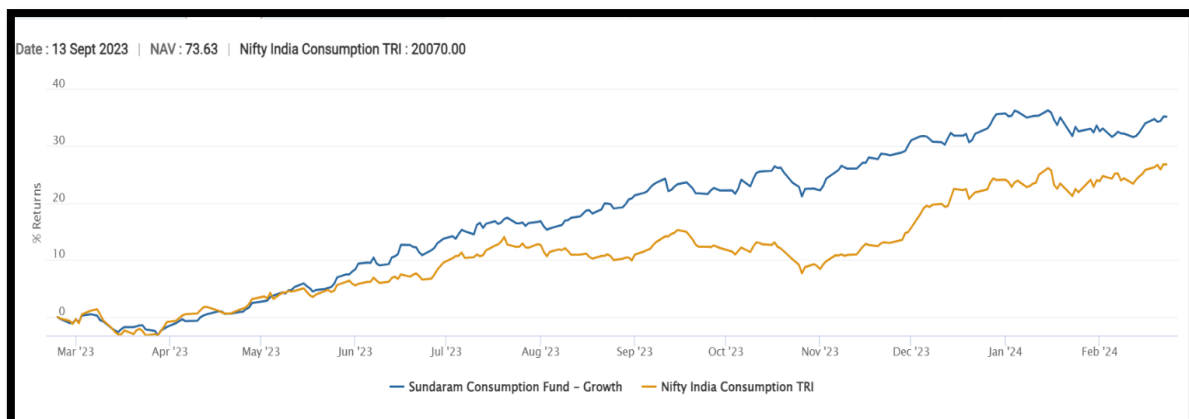
ABRIDGED BALANCE SHEET			
AS AT MARCH 31, 2023			
		As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
LIABILITIES			
1	Unit Capital	5,51,853.85	5,36,071.50
2	Reserves and Surplus		
2.1	Unit Premium Reserve	6,70,767.39	6,12,542.38
2.2	Unrealized Appreciation Reserve	11,32,917.10	12,12,998.05
2.3	Other Reserves	10,49,638.48	8,35,027.35
3	Loans & Borrowings	-	-
4	Current Liabilities and Provisions		
4.1	Provision for doubtful Income/Deposits	-	-
4.2	Other Current Liabilities & Provisions	7,247.74	16,769.30
TOTAL		34,12,424.56	32,13,408.58
ASSETS			
1	Investments		
1.1	Listed Securities:		
1.1.1	Equity Shares	32,03,271.98	30,64,380.66
1.1.2	Preference Shares	-	-
1.1.3	Equity Linked Debentures	8,435.90	8,195.66
1.1.4	Other Debentures & Bonds	-	-
1.1.5	Securitized Debt Securities	-	-
1.2	Securities Awaited Listing:		
1.2.1	Equity Shares	-	-
1.2.2	Preference Shares	-	-
1.2.3	Equity Linked Debentures	-	-
1.2.4	Other Debentures & Bonds	-	-
1.2.5	Securitized Debt Securities	-	-
1.3	Unlisted Securities		
1.3.1	Equity Shares	-	-
1.3.2	Preference Shares	-	-
1.3.3	Equity Linked Debentures	-	-
1.3.4	Other Debentures & Bonds	-	-
1.3.5	Securitized Debt Securities	-	-
1.4	Government Securities	-	-
1.5	Treasury Bills	4,982.70	-
1.6	Commercial Paper	-	-
1.7	Certificate of Deposits	-	-
1.8	Bill Rediscounting	-	-
1.9	Units of Domestic Mutual Fund / Units of Overseas Mutual Fund	-	-
1.10	Foreign Securities	-	-
1.11	Gold	-	-
1.12	REIT / InvITs	-	-
	Total Investments	32,16,690.58	30,72,576.32
2	Deposits	0.50	0.50
3	Other Current Assets		
3.1	Cash & Bank Balance	1,003.30	2,475.69
3.2	CBLO/ Triparty Repo / Reverse Repo Lending	1,88,024.08	1,29,538.73
3.3	Others	6,205.60	8,817.34
TOTAL		34,12,424.56	32,13,408.58

Note : 0.00 Indicate amount less than ₹ 500
Notes to Accounts - Annexure I

Abridged Annual Report 2022-23 32

SBI MUTUAL FUND A PARTNER FOR LIFE		SBI BLUE CHIP FUND	
ABRIDGED REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023			
		For the Year ended March 31, 2023 (₹ in Lakhs)	For the Year ended March 31, 2022 (₹ in Lakhs)
1	INCOME		
1.1	Dividend	37,138.88	39,098.08
1.2	Interest	9,764.90	2,377.81
1.3	Realised Gains / (Losses) on Foreign Exchange Transactions	-	-
1.4	Realised Gains / (Losses) on Interscheme sale of Investments	-	-
1.5	Realised Gains / (Losses) on External sale / redemption of Investments	1,78,748.39	1,05,069.71
1.6	Realised Gains / (Losses) on Derivative Transactions	278.80	-
1.7	Other Income	753.00	900.64
	Total Income	(A) 2,26,683.97	1,47,946.74
2	EXPENSES		
2.1	Management Fees	22,635.19	20,932.62
2.2	GST on Management Fees	4,074.33	3,767.87
2.3	Transfer Agents Fees and Expenses	2,348.04	2,778.38
2.4	Custodian Fees	165.06	226.41
2.5	Trusteeship Fees	15.64	14.30
2.6	Commission to Agents	17,002.68	17,136.16
2.7	Marketing & Distribution Expenses	5.86	4.56
2.8	Audit Fees	3.65	3.08
2.9	Investor Education Fund	662.74	605.89
2.10	Other Operating Expenses	660.99	619.51
2.11	Interest on Borrowings	-	-
2.12	Less: Recovered/ Recoverable from AMC	-	-
	Total Expenses	(B) 47,624.18	46,089.28
3	NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD	(C=A-B) 1,79,059.79	1,01,857.46
4	Change in Unrealised Depreciation in the value of Investments	(D) (0.83)	-
5	NET GAINS / (LOSSES) FOR THE YEAR / PERIOD	(E=C+D) 1,79,058.94	1,01,857.46
6	Change in Unrealised Appreciation in the value of Investments	(F) (80,080.95)	3,38,746.53
7	NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD	(G=E+F) 98,977.99	4,40,603.99
7.1	Add: Balance transfer from Unrealised Appreciation Reserve	80,080.95	-
7.2	Less: Balance transfer to Unrealised Appreciation Reserve	-	(3,38,746.53)
7.3	Add / (Less): Equalisation	35,502.22	23,302.51
7.4	Less: Amount transferred to Investor Education Fund	-	-
7.5	Add / (Less): Amount transferred from / to Unit Premium Reserve	-	-
8	Total	2,14,611.16	1,25,159.97
9	Dividend / IDCW Appropriation		
9.1	Income distributed during the year / period	-	-
9.2	Tax on income distributed during the year / period	-	-
10	Retained Surplus / (Deficit) carried forward to Balance sheet	2,14,611.16	1,25,159.97

SUNDARAM CONSUMPTION FUND



The Sundaram Consumption Fund is a mutual fund with a sector-specific focus on the Indian consumption theme. It seeks to generate long-term capital growth primarily by investing in companies directly benefitting from India's growing consumption demand.

Investment Strategy:

- **Sector Concentration:** The fund targets a range of companies operating under the consumption umbrella, including sectors like fast-moving consumer goods (FMCG), consumer durables, discretionary spending, and

staples. Its concentrated investment approach aims to tap into the growth potential of companies serving the burgeoning middle-class and rising disposable income in India.

- **Mix of Stocks:** The portfolio consists of a blend of established leaders and smaller, high-growth companies within the consumption space, aiming to balance stability with the potential for exceptional returns.
- **Focus on Consumption-Driven Growth:** The fund's rationale is that as the Indian economy develops, a larger proportion of income will be directed toward discretionary spending and consumer goods, creating sustainable growth prospects for companies in these sectors.

Risk-Return Considerations:

- **Higher Risk-Higher Return Profile:** Due to its sector-specific strategy, the fund carries higher risk than broadly diversified equity funds. Its success is closely tied to the performance of the consumption sector, leaving it vulnerable to downturns or changing consumer behaviour. However, successful execution offers the potential for outsized returns compared to the broader market.
- **Suitable for High-Risk Investors:** This fund is ideal for investors with a higher risk appetite and the ability to withstand fluctuations in pursuit of potentially superior returns.
- **Long-Term Horizon:** A long-term investment horizon (5 years or more) is ideal to allow consumption themes to play out and mitigate short-term volatility.
- **Expense Ratio:** Consider the fund's expense ratio, as it directly impacts the returns to the investor.
- **Past Performance:** While past performance does not guarantee future returns, it's valuable to examine the historical track record of the fund, especially its performance during different market cycles.

ANALYSIS OF SBI BLUECHIP FUND and SUNDARAM CONSUMPTION FUND

While both SBI Blue Chip Fund and Sundaram Consumption Fund fall under the equity mutual fund category, their investment philosophies and target asset classes diverge significantly, impacting their risk-return profiles and suitability for different investor types.

SBI Blue Chip Fund:

- **Large-Cap Focus:** This fund invests primarily in stocks of well-established companies with a large market capitalization. These companies are typically industry leaders with strong track records of financial stability and profitability. By holding a diversified basket of large-cap stocks across various sectors like financials, IT, energy, and consumer goods, the fund aims to achieve long-term capital appreciation through consistent growth and stable dividends.
- **Moderate Risk-Return Profile:** Due to its diversification across various sectors, the fund offers a moderate risk-return profile. While it may not deliver the spectacular returns possible with sector-specific or thematic funds, it provides greater stability and mitigates the risk associated with any single sector underperforming. This characteristic makes it suitable for investors seeking capital appreciation with a balanced risk profile, particularly those with a longer investment horizon to ride out market fluctuations.

Sundaram Consumption Fund:

- **Sectoral Focus:** This fund takes a concentrated approach, specifically targeting companies belonging to the consumption sector. This encompasses companies in the fast-moving consumer goods (FMCG), durables, discretionary, and staples categories. The fund aims to capitalize on the growth potential of the Indian consumption story, betting on the increasing demand for these products and services as the economy and disposable incomes rise.
- **Higher Risk-Higher Return Potential:** By focusing on a single sector, the fund inherently carries higher risk compared to a diversified fund like SBI Blue Chip Fund. The fund's performance is heavily influenced by the fortunes of the consumption sector. If the sector experiences a downturn due to economic slowdown, changing consumer preferences, or other factors, the fund's value could decline significantly. However, if the sector thrives, driven by rising disposable incomes, urbanization, and favourable government policies, the fund has the potential to deliver superior returns compared to the broader market. This characteristic makes it suitable for investors with a higher risk tolerance who are willing to accept greater volatility in exchange for the potential of outsized returns.

Beyond Risk and Return:

While risk and return are crucial factors, other aspects should be considered when making your investment decision:

- **Investment Horizon:** Both funds are suitable for investors with a long-term investment horizon (ideally 5 years or more) to benefit from compound growth and ride out market volatility. The consumption sector, however, is generally considered less volatile than the broader market, potentially making Sundaram Consumption Fund a suitable option for investors with a moderately long-term horizon (3-5 years) as well.
- **Past Performance:** While past performance is not a guarantee of future results, it can offer some insights into the historical behaviour and volatility of the funds. Analyse their returns across various market cycles (bull and bear markets) to understand their consistency and risk profile. This information can help you assess how the funds have performed in different economic conditions and gauge their potential behaviour in the future.
- **Expense Ratio:** The expense ratio is the annual fee charged by the fund to manage its assets. A lower expense ratio translates to higher returns for the investor in the long run. Compare the expense ratios of both funds to assess their cost-efficiency.
- **Fund Management:** Research the experience and track record of the fund manager for each option. A seasoned fund manager with a successful history of managing similar funds, particularly in the chosen sector for Sundaram Consumption Fund, might inspire greater confidence in their ability to navigate market challenges and generate positive returns.

NET ASSET VALUE (NAV)

Net Asset Value (NAV) is a critical metric in the world of mutual funds and other investment vehicles. It is a fundamental measure that investors use to assess the value of their holdings and make informed decisions. Understanding NAV involves delving into the concept, calculation, significance, and factors influencing it.

➤ Definition and Concept:

- **Definition:** NAV represents the per-unit market value of a mutual fund or exchange-traded fund (ETF) on a specific date. It reflects the total value of the fund's assets minus its liabilities, divided by the number of outstanding units.
- **Concept:** The NAV per unit indicates the price at which investors buy or sell fund units. It provides a snapshot of the fund's overall value and is calculated at the end of each trading day when the stock market closes.

➤ Calculation of NAV:

- **Formula:** The NAV calculation involves subtracting the fund's liabilities (expenses, fees, and other obligations) from its total assets and dividing the result by the number of outstanding units. Mathematically, $NAV = (\text{Assets} - \text{Liabilities}) / \text{Number of Units}$.
- **Daily Process:** Mutual funds are priced based on their NAV, and this process occurs daily. The calculation is crucial in determining the buying and selling prices for investors.

➤ Significance of NAV:

- **Pricing Benchmark:** NAV serves as the benchmark for pricing fund units. Investors buy at the offer price (slightly higher than NAV) and sell at the bid price (slightly lower than NAV). This pricing mechanism ensures fairness and transparency in transactions.
- **Performance Indicator:** NAV is an essential performance indicator. An increasing NAV generally reflects a fund's positive performance, while a declining NAV may indicate challenges. However, it's crucial to consider percentages and time frames when interpreting changes in NAV.

➤ Factors Influencing NAV:

- **Market Movements:** NAV is directly influenced by the market value of the fund's underlying assets. As the value of stocks, bonds, or other securities in the portfolio fluctuates, so does the NAV.
- **Expenses and Liabilities:** Deducting expenses, fees, and other liabilities from the fund's assets impacts the NAV. Lower expenses contribute to a higher NAV, benefiting investors.

- **Income Distribution:** If a fund distributes income to investors, it may affect NAV. The distribution reduces the fund's total assets, influencing the per-unit NAV.
- **Types of NAV:**
 - **Regular NAV:** This is the standard NAV calculated at the end of the trading day and is used for daily transactions.
 - **Direct and Growth NAV:** In the case of dividend payouts, a fund may have different NAVs, such as direct and growth NAVs. Direct NAV considers the dividend, while growth NAV assumes the dividend is reinvested.
- **NAV and Mutual Fund Performance:**
 - **Positive Performance:** A consistently increasing NAV indicates positive performance and capital appreciation. Investors often seek funds with a track record of NAV growth.
 - **Comparative Analysis:** Investors compare the NAVs of different funds to assess relative performance. However, it's crucial to consider factors like investment objectives, risk tolerance, and market conditions.
- **Usefulness for Investors:**
 - **Tracking Investment Value:** NAV enables investors to track the value of their investments. Regular monitoring helps in making informed decisions regarding buying, selling, or holding fund units.
 - **Cost-Benefit Analysis:** Investors can analyse the cost-effectiveness of a mutual fund by considering its NAV along with associated fees and expenses.
- **Challenges and Considerations:**
 - **Market Volatility:** NAV can be sensitive to market volatility. Rapid market changes may lead to fluctuations in the fund's NAV.
 - **Expense Ratios:** High expense ratios can negatively impact NAV, affecting returns for investors.

In conclusion, Net Asset Value (NAV) is a fundamental metric that serves as the heartbeat of mutual funds. Reflecting the per-unit market value, NAV provides investors with a crucial lens into the health and performance of their investments. It acts as a pricing benchmark, facilitating transparent and fair transactions, with its daily calculation ensuring real-time accuracy.

As a dynamic indicator, NAV captures the impact of market movements, expenses, and income distribution, offering investors insights into the overall trajectory of their mutual fund holdings. Rising NAV signifies positive performance and potential capital appreciation. However, investors must approach NAV with a comprehensive perspective, considering factors such as expense ratios, historical performance, and market volatility.

Ultimately, NAV empowers investors to make informed decisions aligned with their financial goals and risk tolerance. Regular monitoring of NAV allows for a proactive approach to investment management, fostering a deeper understanding of a fund's value and aiding investors on their journey toward financial success.

CALCULATION OF NAV

- a) The net asset value of the units of the scheme is determined separately for the units issued under the plans.
- b) For reporting the multiple net asset values within the portfolio, the scheme's daily income earned, including realized profit or loss and unrealized gain or loss in the value of investments, and expenses incurred, are allocated to the related plans in proportion to their respective net assets (net assets of previous day plus subscription less redemption for the day) of the plan

Unit Capital:

- Unit Capital represents net outstanding units as at the Balance Sheet date.
- Upon subscription and redemption of units, the net premium or discount to the face value of units is credited or debited respectively to the Unit Premium Reserve account, after
- adjusting an appropriate portion of the sale / repurchase price to the Income Equalisation account.

$$NAV = \frac{\text{Net Assets of the Scheme}}{\text{No Of Outstanding Units of Scheme}}$$

- $NAV = \frac{1003.30 - 256.142}{12.10}$ In Lakhs

NAV Of SBI Blue Chip Fund = Rs 61.76

IV. CONCLUSION

While there's no single "best" investment for everyone, mutual funds offer several inherent advantages that make them a compelling choice for a wide range of investors:

- **Diversification:** Instant diversification reduces the risk associated with any single company or sector and provides greater stability, especially for those without extensive market knowledge.
- **Professional Management:** Expert fund managers can leverage their experience to navigate markets and make informed decisions, potentially leading to superior returns.
- **Affordability and Accessibility:** Mutual funds offer entry points for even small investors, allowing participation in portfolios often unattainable with limited individual funds.
- **Regulation and Transparency:** Mutual funds operate under strict regulatory frameworks, ensuring fair practices and protecting investor interests.

SBI Blue Chip Fund vs. Sundaram Consumption Fund: Which is "Better?"

- **SBI Blue Chip Fund:**
 - Focus: Stability and long-term growth through blue-chip stocks.
 - Ideal for: Investors seeking moderate, diversified exposure to well-established companies with a lower but more consistent risk profile over the long term.
- **Sundaram Consumption Fund**
 - Focus: Exposure to India's consumption boom through sector-specific investing.
 - Ideal for: Investors with a higher risk tolerance who are willing to accept greater volatility for the potential of outsized returns if the consumption sector thrives.

Important Considerations:

- **Investment Horizon:** Both funds are suitable for long-term perspectives (5 years or more) as sectors and individual stocks can experience short-term fluctuations.
- **Past Performance and Expense Ratio:** Examine each fund's historical track record and expense ratio to make an informed decision.
- **Individual Risk Tolerance:** Assess your own comfort level with risk before choosing between the stability of SBI Blue Chip and the potential volatility of the Sundaram Consumption Fund

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