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Equity Funds or Mutual Funds? Through the Lens of SIP and LIP

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Abstract

This paper examines the performance of Systematic Investment Plan (SIP) and Lump-Sum Investment Plan (LIP)inselected Equity Shares and Mutual Funds. Ten institutions were selected for this study and it covers the period from 2011 to 2015 (five-year period). The measuresused to evaluate the performance of the equity shares and mutual funds help us to understand each fund's return from investment modes among SIP and LIP. We have identified that there are investors who are willing to take more risk for higher returns and also, there are investors who opt for safety of the investment than revenue realization. The study also focuses on the alternate investment options available for the investors for investing in mutual funds and equity shares. The study shows that majority of the funds and shares gives better returns when investing through Systematic Investment Plan.

Key words:Compounded Annual Growth Rate (CAGR), Equity funds, Lump-Sum Investment Plan (LIP), Mutual funds, Net Annual Value (NAV), Systematic Investment Plan (SIP)

JEL classification: D53, E22, G11

I. INTRODUCTION

Stock market investment is one of the major investment avenues in India. Other investment options available for the investors are mutual funds, post offices, banks, insurance, chit funds, real estate, gold etc. In this paper, we examine the performance of SIPs and LIPs in Equity

Shares and Mutual Funds by comparing the returns from SIP and LIP and also the risks and returnsassociated with such investments.SIP is a simple and time-honored investment strategy for accumulation of wealth in a disciplined manner over a longer time period. In case of SIP, a specific amount is investedfor a specific period of time so that the average cost of investment is reduced as the amount invested starts earning. It can also be called as Rupee Cost Averaging.

A lump-sum, in general, is a single payment which satisfies all of the benefits available to the recipient. Lump sum payments are often seen in cases of corporate retirement packages, lottery winnings and court-ordered financial settlements. In lump sum investments the investor invests a fixed sum of money in a particular stock. Comparing to equities, mutual funds are less risky with stable returns and it gives the investor a diversified portfolio.

UTI Equity Funds invest at least 80% of funds in equity and related instruments with a medium to high risk profile and the balance 20% in debt market instruments with low to medium risk. HDFC Equity Fund aims at achieving capital appreciation. Axis Long Term Equity Fund proposes to generate income and long-term capital appreciation from a diversified portfolio of predominately equity and equity-related securities. The primary investment objective of the Reliance Equity Opportunity Fund is to seek to generate capital appreciation and provide long-term growth opportunities by investing in a portfolio constituted of equity securities and equity related securities and the secondary objective is to generate consistent returns by investing in debt and money market instruments. The investment objective of TATA Equity P/E Fund is to provide reasonable and regular income and/or possible capital appreciation to its unit holders. All these five selected Mutual Funds are open-ended growth funds.

State Bank of India (SBI), when going back to the nineteenth century, was originated with the establishment of the Bank of Calcutta on 2 June 1806.It is an Indian multinational public-sector banking and financial services company which is government-owned corporation headquartered in Mumbai. The main services offered are consumer and corporate banking, finance and insurance, equity, securities, asset management and so on. Larsen and Toubro (L&T) is one of the Major technologies, engineering, manufacturing and financial service conglomerate with global operations. The main key sectors are Hydrocarbon, Infrastructure, Power, Process industries and Defence. They are maintaining a leadership in all the major lines of the business through strong, customer focused approach and better quality. It has several international offices and supply chain that extends around the globe. Infosys is a global leader in the area of technology services and consulting. The company is headquartered in Bangalore. India Tobacco Company is one of the multi-business enterprises in India. It's the world's largest sustainable value creator in the consumer goods industries. It is the India's leading Fast Moving Consumer Goods Company and also leads in the India paperboard and packaging industry. Sun Pharma was established in 1983 with a start of five products to treat psychiatry ailments. Later on Cardiology and gastroenterology products were also introduced. Today Sun Pharma is the largest prescription company in India and takes the leadership in Psychiatry,Neurology, Cardiology, Orthopedics, Ophthalmology, Gastroenterology and Nephrology. It was listed on Stock Exchange in1994.

II. LITERATURE REVIEW

In an earlier study, Shelly Singhal and Manisha Goel [1] measured investment performance in terms of Sharpe's Ratio, Treynor's Ratio and Jensen Ratio. The Empirical results reported that SIP Plans have performed better than the one-time investment. Kalpesh Prajapati and Mahesh K Patel [2] studied the performance of mutual fund schemes of Indian companies and found that all the selected mutual fund companies have positive return during the period of 2007-2011.According to Sivaprasad and Sangeetha Gunaseshar [16] Information and technology plays an important role in selection of investment choice.

George Joseph et. al., [3] investigated through SIP and LIP of selected large cap stocks listed in NSE and concluded that SIP reduces the risk when the market is volatile and works better on bearish market whereas LIP gives higher return in bullish market. Higher returns from SIP can be achieved by investing for a minimum period of five years.Raffele Zenti [4] compared Systematic Investment Plan and Lump Sum Investment Plan by taking both the downside risks and profitability of these popular strategies. Their study revealed that the SIP strategy's median result is generally good although Lump Sum Investment often dominated them on the upside potential. Also, pointed out SIP as the only investment solution available to households without a significant wealth.Punita Soni and Iram Khan [5]reported SIP investment as a quiet easy investment process compared to other investment strategies and also suggested that SIP is suitable for middle and lower income class people because investors do not need to invest large amount at a single time.Jha [6] conducted a study to know whether SIP or Lump sum earns more growth and concluded that growth in LIP is more than that of SIP in the long run investments of 10-15 years. Also, suggests SIP as the best investment strategy for those who do not have lump sum amount but expects regular surplus in future.

SIP is an investment vehicle offered to the investors, allowing them to invest small periodical amounts instead of lump sums. The frequency of investment is usually weekly, monthly or quarterly. This method of investing builds greater wealth through small contributions. It has become very popular due to its obvious benefits and operational ease. The financial planners always suggest investing through the SIP to build the wealth. It allows the investors to attain an investment discipline by providing them the convenience of investing a pre-determined short term sum every month towards their future. Rupee Cost Averaging is one of the very significant reasons why investors consider SIP as one of their investment strategies.SIP is regarded as a better strategy comparing to other investment avenues on several grounds. The most prominent among them includes annual income, investment term, risk, tax benefits and liquidity and also its very nature ofminimizing the cost and maximizing the return in individual portfolio ,Punita Soni and Iram Khan[5].

The SIP in mutual funds is the way in which one invests a fixed amount every month on a pre-specified date. According to Arathy B, Aswathy A Nair, Anju Sai P and Pravitha N R [17] Mutual fund investment is comparatively less risky as compared to the direct Investment.It is observed that in an earlier study of Mutual Fund SIP investment among retail customers, it was found that the big investors could tolerate some deep falls by maintaining multiple investment. So for small investors with lesser risk taking ability can always go for SIP as it seems to be a very beneficial way of investment, Debalina Roy and Koushik Ghosh[8]. Almost all mutual fund schemes provide SIP facility. Mutual funds provide an option of choosing a SIP either on a monthly or a quarterly mode on a specific date. Where one opts for a monthly SIP, one can do it by signing 12 post-dated cheques of equal amounts. Another option is to authorize your bank to debit the amount by filling the electronic clearing service (ECS) form. If one gives an ECS mandate, the bank will automatically debit the specific amount every month on a specific date available with the scheme, from the investor's bank account. Systematic Investing in a Mutual Fund is the answer to preventing the drawbacks of equity investment and still enjoyingthe high returns. As it is basically impossible to predict the swings in the financial market, the mutual fund industries have marketed the idea that SIP is a disciplined and successful investing process that reduces risk and diminish the stress associated to market timing. Raffaele Zenti [4].Equity SIPs allow investors to systematically purchase certain shares, either weekly or monthly, via periodic payments.In case of equity shares, Systematic Investment Plan enables the investors totake part in the stock market without actively timing them and they can benefit by buying more units when the price falls and less units when the price rises, George Joseph, Maria Telma and Amrudha Romeo [3]. This is ideal, in particular, for salaried investors who aim to build a long-term portfolio in stocks but prefer not to invest a lump sum in one go.According to T G Manoharan, K Manikandan and S Manivel [8] The rate of return (income) and service delivery mechanism plays a very important role in the preference of customers among different financial institution. in this study, the types of funds (Equity or mutual funds), are opted based on SIP or LIP, to be selected are having the same variable rate of return.

A lumps sum amount is defined as a single complete sum of money. A lump sum investment involves investment of the entire amount at one go. The key to managing lump sum money responsibly is to draw up a plan based on the investor's current financial situation and goals. Under the Lump sum plan the value of the amount being invested keeps on changing even though the number of units purchased at the beginning will remain the same. This plan is risky and huge loss may occur if it is not invested at the correct time. It gives best returns only if the NAV keeps on increasing.

3. DATA AND TOOLS FOR ANALYSIS

The data on the share price and the net annual value of the selected equity shares and mutual funds are from Moneycontrol, a leading financial information source. Our final sample includes five mutual funds (UTI Equity fund, HDFC Equity funds, TATA Equity P/E Fund, Axis long term equity fund, Reliance equity opportunity fund) and five equity stocks (State Bank of India, Larsen and Toubro, India Tobacco Company, Sun Pharma, Infosys). For the calculation of return and performance evaluation of the various funds and shares, the share price and NAV of eachfund were taken in to account. Totest the return calculation of various Mutual Funds and Equity Shares through SIP and LIP modes and also for the various performance evaluations, the values of funds for the five-year period (from 1 Jan 2011 to 31 Dec 2015) were made use of. Various ratios such as Treynor, Sharpe, and Jensen have been used to measure the performance of Mutual Funds. Other tools used here in this study includeAbsolute Return, Compounded Annual Growth Rate, Coefficient of correlation, Beta, Alpha, and Standard Deviation. We have also taken the benchmark values in order to compare the fund's performance with the market changes.

Tools for Mutual Fund Analysis

- Beta (β) $= \frac{r_{im}\,\sigma_i \sigma_m}{\sigma_m^2}$
- Alpha (α)= $(R_i - R_f)$ - β $(R_m - R_f)$
- Treynor Index (Ti)= $(R_i - R_f) / \beta_i$
- Sharpe Index (S_i)= $(R_i - R_f) / S_i$
- Jensen Ratio (R_i)=$R_f + \beta_i (R_m - R_f)$
- Coefficient of correlation

$$= \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{n}\sum X2 - (\sum X)2\sqrt{n}\sum Y2 - (\sum Y)2}$$

- Absolute Return = (NAV at the end – NAV at the beginning) / NAV at the beginning *100
- CAGR = [Nth root of (NAV at the end / NAV at the beginning)] – 1 *10
- Return since Inception = [Nth root of (NAV at the end / NAV at the beginning)]– 1 *100

Tools for Equity Funds Analysis

- $\operatorname{cov}(r_i, r_m) = \dfrac{\sum_{t-1}^{n} (r_i - \bar{r}_i)(r_m - \bar{r}_m)}{n}$
- Alpha (α) = Actual Return – Expected Return
- Beta $\beta_i = \dfrac{\operatorname{cov}(r_i, r_m)}{\operatorname{var}(r_m)}$
- Coefficient of variance = Standard Deviation/ Expected Return
- Correlation

$$\rho_{i,m} = \frac{\operatorname{cov}(r_i, r_m)}{\sigma_m \sigma_i}$$

- Variance

$$\sigma_m^2 = \frac{\sum_{t=1}^{n}(r_i - \bar{r}_i)^2}{n}$$

4. EMPIRICAL RESULTS

Calculation of the returns from the selected Mutual Funds and Equity Shares when investing through Systematic Investment Plan and Lump Sum Investment Plan has been done. Five Mutual Funds(UTI Equity fund, HDFC Equity funds, TATA Equity P/E Fund, Axis long term equity fund, Reliance equity opportunity fund) and Five Equity shares(State Bank of India, Larsen and Toubro, India Tobacco Company, Sun Pharma, Infosys) have been taken for the study. The value of return has been derived by multiplying the net annual value and the total units in each month (in case of Equity Shares, share price of each month * total shares in each month). The sum total of this value has been taken for the return calculation.For calculation of return from SIP method, the beginning value is taken as the average of the total five-yearvalue. As the Lump sum investment involves onetime investment, the beginning value for the calculation of return is the initial investment made.Willian J.Trainor Jr[9], in his study found out that when comparing Dollar Cost Averaging and Lump sum investing, DCA is better suitable for the investors who have lower risk bearing capacity, someone who has an uncertain retirement date orthere is a possibility of frequent interim withdrawals. He also added that a minimum investment of five-year period in stock can reduce the loss from 90% to 50%.

Table 1

Return from various Mutual Funds through SIP.

Mutual Funds	SIP (%)
UTI Equity Fund	63
TATA Equity P/E Fund	66
Reliance Equity Opportunity Fund	58
HDFC Equity Fund	15
Axis Long Term Equity Fund	52

Source: www.moneycontrol.com, for the period Jan 1, 2011 to 31 Dec, 2015

We can understand that among the five mutual funds selected, four of them give more returns when investing through SIP, where TATA Equity P/E Fund was found to given the higher returns (66%). When analyzing the last five-year returns from TATA Equity P/E Fund, it was found that the SIP investment was found to have given more number of units at lesser share price.

Table 2

Return from various Mutual Funds through LIP.

Mutual Funds	LIP (%)
UTI Equity Fund	37
TATA Equity P/E Fund	34
Reliance Equity Opportunity Fund	42
HDFC Equity Fund	85
Axis Long Term Equity Fund	48

Source: www.moneycontrol.com, for the period Jan 1, 2011 to 31 Dec, 2015

It is clear that among the five mutual funds selected, majority of the funds except HDFC Equity Funds give poor returns from LIP.HDFC Equity Fund was found to have paid more returns (85%). The analysis of the last five-year returns from HDFC Equity Fund under LIP mode was found to have given more number of units at a lesser price.

Table 3

Return from various Equity Shares through SIP.

Equity Shares	SIP (%)
SBI	91
Larsen and Toubro	92
Infosys	82
Sun Pharma	29
ITC	48

Source: www.moneycontrol.com, for the period Jan 1, 2011 to 31 Dec, 2015

The table shows that among the five equity shares selected, majority of them are giving higher returns in the case of investing through SIP. Among these SIP investments, Larsen and Toubro reported higher return (92%). The last five-year returns from Larsen and Toubro indicates that the investors get more number of shares at a lesser share price when investing through SIP.

Table 4

Return from various Equity Shares through LIP.

Equity Shares	LIP (%)
SBI	-9
Larsen and Toubro	8
Infosys	18
Sun Pharma	71
ITC	52

Source: www.moneycontrol.com, for the period Jan 1, 2011 to 31 Dec, 2015

Among the five equity shares selected, majority of the shares except Sun Pharma give poor returns from LIP. Sun Pharma shares were found to have paid more returns (71%). The analysis of the last five-year returns from Sun Pharma under LIP mode was found to have given more number of shares at a lesser price.

The aboveresults are in line with the outcome of the study conducted by DM Jha (2015) and tempt us to conclude that for investment for below ten-year period, the SIP mode is suitable to earn more returns when compared to investments under Lump Sum mode.

Return = (Ending Value – Beginning Value) / Beginning Value *100

A detailed analysis has been done to measure the performance of the selected five Mutual Funds using various measures such as Beta, Alpha, Treynor, Sharpe, Jensen, and Absolute Return for the last one year and CAGR for last five years. Absolute Return is normally calculated to find out the returns achieved by a fund during a given period of time. But in this study the last year's (2015) absolute return for every Mutual Fund has been taken for analysis. Further, the net annual value at the beginning of the year and also the ending net annual value were taken in to account.Beta measures the fluctuations in the fund's return in relation to the market index. The schemes or funds which have beta value of more than one indicate that those funds have higher rate of risk. The funds with beta value below 1 indicate that they are the less fluctuated funds and as such the risk rate is lower. A fund's alpha value will be 0 when that fund produces the expected return at the assumed risk. A positive alpha indicates that the fund has a higher return than the risk associated with it. Treynor ratio is used to calculate the return produced by a particular fund in excess of the riskless investment.Higher Treynor ratio indicates better performance of the fund.

Sharpe ratio is calculated by subtracting the risk-free rate from the return for a portfolio and the result is divided by the standard deviation of the fund. A higher Sharpe ratio indicates that the fund has higher risk premium for every unit of the standard deviation risk. Jensen Ratio is also calculated to find out the performance of the funds with other portfolios also.A positive value indicates that the fund's return is higher than the expected rate. A negative value indicates that the fund is an underperformer.Correlation is calculated for the purpose of evaluating the movement of the particular fund's return with the market returns. A positive correlation indicates that the return of the fund changes with the market to the degree of correlation. A negative correlation indicates reverse relationship in the movement of the fund against market returns. The correlation value of 0 indicates that there is no correlation between the market and fund.

Compounded Annual Growth rate is calculated to find out the rate of growth of the investment. It is calculated by obtaining the n^{th} root of the total growth rate. N is the total number of years. Compounded Annual Growth Rate for the five-year period has been taken for the study (2011-2015). A study was conducted by Kalpesh and Mahesh (2012) on Indian Mutual Fund Company's performance evaluation and found out that during the period 2007-2011, all Mutual Funds have givena positive return. The study revealed that HDFC and Reliance Mutual Fund performed better than all other funds selected. All funds were having beta value of less than one.

Table 5
Performance analysis of Mutual Funds.

	UTI Equity Fund	TATA Equity P/E Fund	Reliance Equity Opportunity Fund	HDFC Equity Fund	Axis Long Term Equity Fund
Beta (β)	1.17	1.52	1.61	1.47	1.32
Alpha (α)	5.11	6.43	9.87	3.43	13.57
Treynor	3.29	3.23	5.13	1.33	9.28
Sharpe	0.16	0.15	0.26	0.07	0.45
Jensen	6.00	5.75	5.66	5.80	5.95
Correlation	0.98	0.92	0.96	0.98	0.95
AR	0.80	-0.59	0.57	-5.38	6.17
CAGR	11.12	12.18	15.53	9.23	19.52

Source: www.moneycontrol.com, for the period Jan 1, 2011 to 31 Dec,2015

Table (5) presents the results of performance analysis of Mutual Funds. It shows the risk associated with the funds and indicates that the UTI Equity fund is a less risky fund as it has the Beta value of 1.17 and Reliance Equity Opportunity Fund holds the highest value of 1.61, indicating that the fund moves with the market trend but in a higher rate. The ratios indicate Axis Long Term Equity Fund and UTI Equity funds perform better among the selected funds. The highest Absolute Return and CAGR were produced by UTI Equity Fund and Reliance Equity Opportunity fund with values 0.8 and 15.53 respectively. Among the five Mutual Funds selected, HDFC Equity funds were found to be the poor performer.

Equity Shares performance for the study period was measured by adopting various methods such as Correlation, Standard Deviation, Variance, Covariance, Beta, Alpha, Mean and Coefficient of Variation. Correlation is mainly used to analyze the relationship between two variables. In this study, correlation is applied to study the relationship in the performance of the stocks with that of the market changes. Standard Deviation measures the volatility of the investment. A higher value of SD indicates that the particular stockis highly volatile. In other words, a stable stock will always have less SD value. Variance is mainly used to know the stock's risk rate. That is how much the stock is volatile. This will help the investors to know the extent of risk involved in investing in a particular share. Covarianceis used toanalyze the movement of an investment in relation to other. It is considered that two stocks are having perfect positive covariance when they tend to move up or down in the same rate. The stocks are having negative covariance when the two stocks move in opposite direction. Coefficient of Variation determines how much risk an investor assumes in comparison to the expected return. Lower the value of coefficient of variance, better the risk-return relationship. Both correlation and covariance shows the relation between and among the variables. But the correlation points out the degree to which the stocks move together. Alpha is calculated to measure the performance of the investment. It is the excess return from the investment in relation to the benchmark returns. Beta, which is also known as Beta Coefficient, measures the volatility of the fund or the Systematic Risk. Higher beta value stocks are having higher risk and lower beta value funds have lower risk. A study on the risk and return analysis of the selected stocks in India by Dr. S Krishnaprabha and MVijayakumar [10], among the five-selected industry, such asBanking, Information Technology, Automobile, Pharmaceutical and Fast moving Consumer Goods, found out that during the study period of 1st January 2010 to 31st December 2014, the Banking and Automobile sectors were having the highest risk rate. The study also showed that SBI was having low standard deviation and Sun Pharma holds a higher standard deviation.

It could be understood from the table, we can analyze thatthrough the calculation of Beta Coefficient and Standard Deviation, SBI and Larsen and Toubro hold the highest risk. Everysharehas a positive correlation, among the selected equities Larsen and Toubro holds the highest value of 0.99, which indicates that every stock moves with the market trend. From the Alpha value, we can infer that Larsen and Toubro, Sun Pharma and ITC give a positive value which indicates that the three stocks have shown better performance.

Table 6
Performance analysis of Equity Shares.

	SBI	Larsen and Toubro	Infosys	Sun Pharma	ITC
Correlation	0.89	0.99	0.14	0.76	0.44
SD	47.46	36.55	25.39	23.72	17.41
Variance	2251.99	1336.02	644.68	562.6	303.11
Covariance	870.59	750.47	73.39	372.76	157.91
Beta	2.03	1.75	0.17	0.87	0.37
Alpha	(1.11)	0.91	(0.16)	21.10	8.70
Mean	5.79	7.86	6.98	28.21	15.91
Coefficient of Variation	6.88	5.25	3.56	3.34	2.42

Source: www.moneycontrol.com, for the period Jan 1, 2011 to 31 Dec,2015

V. FINDINGS

- While comparing the returns from SIP and LIP, HDFC Equity fund (83%) was found to have more returns when invested through LIP and UTI Equity fund (63%), TATA Equity P/E Fund (66%), Reliance Equity Opportunity fund (58%) and Axis Long Term Equity fund (52%) were found to have yielded more returns through SIP.
- The UTI Equity fund has the highestreturn of 0.8 in one-year absolute and Reliance Equity Opportunity fund has the highest annualized compound rate of return for the

last five years, as against the benchmark index returns of -4.08 and 6.27 respectively.

- The highest beta reported was 1.61, for Reliance Equity Opportunity fund, which is more than 1.0 denoting the movement of the asset is in the same direction at a faster rate than the movement indicated in the benchmark. As the market rises, this stock is expected to rise at a higher rate and a more severe loss is anticipated in the event the market falls.
- The highest alpha being 13.57, for Axis Long Term Equity fund, it indicates that the fund has outperformed the market index with less risk than the index. It implies that the investment has returns higher than the risk associated with it.
- The highest positive values of Treynor and Sharpe ratios are 9.28 and 045 respectively for Axis Long Term Equity fund, which show that the fund has better returns in relation to the risk taken.
- The highest positive value of Jensen measures for UTI Equity fund indicates that the performance of UTI Equity fund is relatively superior.

Among the Mutual Funds'performanceTATA Equity P/E Fund and HDFC Equity Fund is doing wellacross fiveyears' data according to SIP and according to LIP respectively.

- While comparing the returns from the SIP and LIP, Sun Pharma (71%) and ITC (52%) give more returns when invested through LIP and SBI (91%), Infosys (82%) and Larsen and Toubro (92%) give more return through SIP.
- All the companies are having positive correlation in terms of the funds return and the market changes. Among the companies the highest correlation was reported in the case of Larsen and Toubro (0.99)
- Standard Deviation represents the total risk comprises of systematic and unsystematic risk of investing in shares. Among the selected companies SBI is having the highest risk (47.46)
- Beta shows the systematic risk of the stocks. Infosys (0.17), Sun Pharma (0.87) and ITC (0.37) shows beta less than 1. So, these companies with beta less than 1 are termed as defensive shares and these shares are less volatile than the market trends and may experience smaller than the average gains.
- A positive alpha of 1.0 means that the stock is outperforming its Nifty index by 1%. Therefore, above three companies, Larsen and Toubro (0.91), Sun Pharma (21.1) and ITC (8.7) are outperforming the benchmark.

Among the Equity Shares' performance Larsen and Toubro and Sun Pharma aredoing goods across fiveyears' data according to SIP and LIP respectively.

6. CONCLUSION

The study focused on the selection of suitable method of portfolio among mutual funds and equity funds through the lens of Systematic Investment Plan and Lump sumInvestment Plan. Return analysis is adopted among the selected Equity Shares and Mutual Funds using the Share Prices and the Net Annual Values. Mutual Fund's performance wasanalyzed using Beta, Alpha, Treynor, Sharpe, Jensen, Correlation, Absolute Return and Compounded Annual Growth Rate. Similarly, the performance of equity funds was studied using Correlation, Standard Deviation, Variance, Covariance, Beta, Alpha, Mean, and Coefficient of Variation. The data used for the study werefor an investment period of five year.The analysis revealed that four among five Mutual Funds give higher return through SIP. With reference to equity investment,three among the five Equity Stocks give higher return through SIP. Average sameoutput was brought out by Jha D M (2015) where he taken the equity open ended growth option mutual funds (HDFC MF, ICICI Prudential MF and Reliance MF). This study shows that Systematic Investment Plan is the better investment option compared to Lump Sum Plan. But in a study Kalpesh andMahesh (2012) stated Reliance Mutual Fund performed better during 2007-2011 period.The funds selected for analyzing the performance and risk-return analysis were HDFC, ICICI Prudential Life, Reliance, UTI and Birla Sun Life. But there were alsostudies with contradicting results with our study.According to S Krishnapranha and M Vijayakumar (2015) SBI has a lower standard deviation whereas Sun Pharma holds a higher standard deviation. Five industries taken as the sample for their study – Banking sector, Information Technology sector, Automobile sector, Pharmaceutical sector and Fast Moving Consumer Goods sector.

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