

A STUDY ON INDEX MUTUAL FUNDS AND EQUITY EXCHANGE TRADED FUNDS

*P. Wilfred Isaac Newton*¹

*Dr. S. Madhavan*²

ABSTRACT

There are different types in mutual funds like Equity Fund, Money Market or Liquid Fund, Hybrid Fund, Debt or Income Fund, Gilt Fund, Index Fund, Exchange Traded Fund etc., But this study is focused on ETF and Index Funds. The present paper studies the growth trend of ETFs and Index Fund in India. In the dynamic financial world where investors are often rethinking asset allocation and reevaluating the merits of various investment products, Exchange Traded Funds (ETFs) have opened up a whole new range of investment opportunities and appear to be a creative solution to many investing queries. An alternative to index mutual funds, ETFs offer investors a low cost, tax efficient way to track their favorite market segments. This paper attempts to provide a conceptual framework of ETFs, so as to build awareness among investors about this relatively new financial product available to them.

Keywords: *Index Fund, Equity ETFs, Mutual fund*

REFERENCES

1. Deville, L. (2008). "Exchange Traded Funds: History, trading and research. Handbook of Financial Engineering", C.Zopounidis, M. Doumpos, P. Pardalos (Ed.) (2008):1-37. (2008)
2. Grinblatt, M., & Titman, S. (1989). "Mutual fund performance: an analysis of quarterly portfolio holdings", Journal of Business, 62(3), 393-416. (1989).
3. Gruber, M. J. (1996). "Another puzzle: The growth in actively managed mutual funds", Journal of Finance, 55(3), 783-810. (1996).
4. Jensen, M. (1968). "The performance of mutual funds in the period 1945-1964", Journal of Finance, 23(2), 389-416. (1968).
5. Jonne M. Hill and Barbara Mueller, —"The Appeal of ETFs (2001), Benchmark Mutual Fund". (2001).
6. Kostovetsky, L. (2003). "Index mutual funds and Exchange-traded funds: A comparison of twomethods of passive investment". The Journal of Portfolio Management. (2003).

¹Asst. Professor, Department of Business Administration, Pope's College, Sawyerpuram

²Assistant Professor, Department of Management Studies, M.S.University, Tirunelveli

7. Malkiel, B. G. (1995). "Returns from investing in equity mutual funds 1971 to 1991. *Journal of Finance*", 50(2), 549–572. (1995).
8. RoshniJayam, "Debt Be Not Proud, Equity's Back", *Business Today*, (April 2002) pp. 42-45. (2002).
9. Saha, Tapas Rajan "Indian Mutual Fund Management", *Management Accountant*, (October 2003), Vol. 38(10), pp.765-771. (2003).
10. SharathJutur, "Evaluating Indian Mutual Funds", *Chartered Financial Analyst*, (July 2004). p.83. (2004).
11. Singh, Y.P. and Gupta, S. (2011). "An Empirical Study of the Performance and Trading Characteristics of ExchangeTraded Funds (ETFs) in India". Dissertation submitted to the University of Delhi. (2011).

