Examining Efficiency & Performance of Various Investment portfolios

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Abstract

Portfolios Investment helps to achieve returns by diversifying risk. The main aim of this paper is to evaluate the performance of various investment portfolios and compare their returns with market return .This study examines the risk-adjusted returns using Sharpe's Index, Treynor's Index, and Jensen's Alpha for five portfolios of Indian mutual funds for a time period of five year, i.e. 2009-2013. The benchmark for comparison was the Indian stock market proxied by the S&P CNX NIFTY (NSE Index). The portfolios according to the three measures- sharpe, treynor and jensen have outperformed the market maximum number of times as they were well diversified and actively managed. Also portfolios perform according to the scenarios, like the benefits of a secure fund are best reaped in the recession period. Hence, portfolios need to be actively managed and risk-adjusted to earn excess returns than market.