"PERFORMANCE EVALUATION OF SELECTED EQUITY SCHEMES OF MUTUAL FUND IN INDIA"

A THESIS

SUBMITTED BY

HEMANG JAYESHBHAI BORICHA

Date: 30/03/2024

MASTER OF COMMERCE

UNDER THE GUIDANCE OF

DR. ALPA JOSHI

Associate Professor

ATMIYA UNIVERSITY

SUBMITTED TO

Department of Commerce

Atmiya University

Rajkot-360001

Gujarat-India

April-2024

DECLARATION BY THE CANDIDATE

I declare that the thesis entitled "**PERFORMANCE EVALUATION OF SELECTED EQUITY SCHEMES OF MUTUAL FUND IN INDIA**" submitted by me for the degree of Master of Commerce is the record of research work carried out by me during the period from December 2023 to April 2024 under the guidance of **DR. ALPA JOSHI** and I assert that the statement made and conclusion drawn are an outcome of my independent, legitimate and original research work. I further certify the work has not formed the basis for the award of any degree, diploma, associate ship, and fellowship, certificate in any other University or other institution of higher learning.

I further declare that the material obtained from other sources has been duly acknowledged in the thesis. I shall be solely responsible for any plagiarism or other irregularities, if noticed in the thesis.

……………………………………….

Mr. HEMANG BORICHA

Place: - Rajkot Date: -

CERTIFICATE BY RESEARCH SUPERVISOR

Certified that the work incorporated in the thesis **"PERFORMANCE EVALUATION OF SELECTED EQUITY SCHEMES OF MUTUAL FUND IN INDIA"** submitted by **HEMANG JAYESHBHAI BORICHA** and was carried out by the candidate under my guidance. To the best of my knowledge and belief: (I) the candidate has not submitted the same research work to any other institution for any degree/diploma, associate ship, fellowship or any other similar titles; (II) the thesis submitted is a record of original research work done by the research scholar during the period of the study under my supervision, and (III) the thesis represents independent research work completed by the research scholar.

…………………...DR. ALPA JOSHI

(Associate Professor)

Place: - Rajkot Date: -

CERTIFICATE OF PLAIGIRISM CHECK

01	**Name of the Research Scholar**	**HEMANG JAYESHBHAI BORICHA**
02	Title of the Thesis	**“PERFORMANCE EVALUATION OF SELECTED EQUITY SCHEMES OF MUTUAL FUND IN INDIA”**
03	Name of the Guide	**DR. ALPA JOSHI**
04	Name of Institute	**Atmiya University, Rajkot – 360001**
05	Similar Content (%) identified	**11%**
06	Acceptable Maximum Limit	**15%**
07	Software Used	**Drill Bit**
08	Date of Verification	**22/03/2024**

Report on plagiarism check specify included/excluded item with 11% of similarity to be attached.

Checked by DR. ALPA JOSHI

(With Name, Designation & Signature): **……………………………………..............**

Librarian, Atmiya University, Rajkot:

Dr. Sheetal Tank

……………………………………………………………...................................

Name & Signature of the Researcher: **HEMANG JAYESHBHAI BORICHA**

………………………………………………………………………………………

Name & Signature of the Guide: **DR. ALPA JOSHI……………………..............**

………………………………………………………………………………………

Name & Signature of the HOD: **Dr. Jayesh N. Zalavadia……………………....**

………………………………………………………………………………………

DrillBit

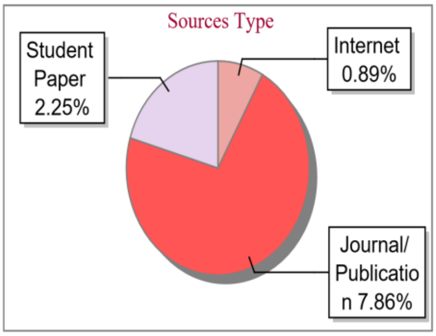
The Report is Generated by DrillBit Plagiarism Detection Software

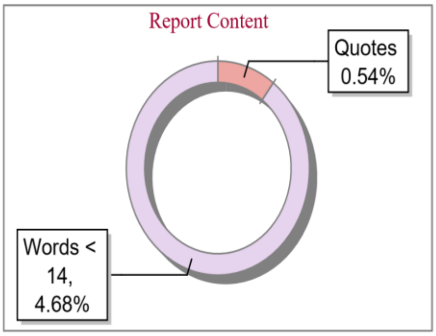
Submission Information

Author Name	hemang boricha
Title	4_hemang boricha_G_Dr. alpa joshi.docx
Paper/Submission ID	1594789
Submitted by	librarian@atmiyauni.ac.in
Submission Date	2024-04-02 12:14:11
Total Pages	82
Document type	Research Paper

Result Information

Similarity **11 %**





Exclude Information

Quotes	Not Excluded
References/Bibliography	Not Excluded
Sources: Less than 14 Words %	Excluded
Excluded Source	**0 %**
Excluded Phrases	Not Excluded

Database Selection

Language	English
Student Papers	Yes
Journals & publishers	Yes
Internet or Web	Yes
Institution Repository	Yes

A Unique QR Code use to View/Download/Share Pdf File

ACKNOWLEDGEMENT

I would like to express my deepest gratitude to the following individuals and institutions, without which the completion of this thesis entitled **"PERFORMANCE EVALUATION OF SELECTED EQUITY SCHEMES OF MUTUAL FUND IN INDIA"**, would not have been possible. I am profoundly grateful to my research guide, **DR. ALPA JOSHI (Associate Professor)** at Atmiya University, Rajkot, for their unwavering guidance, invaluable insights, and continuous support throughout the entire research process. Their expertise, encouragement, and commitment to excellence have been instrumental in shaping this thesis.

I am sincerely grateful to **Dr. Vishal Khasgiwala**, Associate Professor and Dean of the Faculty of Business and Commerce, Atmiya University, Rajkot, for his guidance and support. I extend my sincere thanks to **Dr. Jayesh Zalavadia**, Associate Professor and Head of the Department of Commerce, Atmiya University, Rajkot, for his valuable feedback and support.

I want to convey my sincere appreciation to both God and my parents, **JAYESHBHAI** and **JOSHNABEN**, for being my constant support system throughout my life. Their encouragement and unwavering commitment have been vital in keeping me motivated and determined to achieve my goals.

Lastly, to the countless unnamed individuals who, directly or indirectly, contributed to this endeavour, your collective impact is not forgotten and is deeply appreciated.

Date:

Place: Rajkot **HEMANG JAYESHBHAI BORICHA**

PREFACE

The realm of mutual funds in India is a dynamic and ever-evolving landscape, reflective of the nation's growing economy and burgeoning investor appetite. Within this milieu, the evaluation of equity schemes holds paramount significance, as they represent a primary avenue for investors to participate in the potential wealth creation offered by the stock market.

This preface serves as an introduction to the comprehensive study on the performance evaluation of selected equity schemes of mutual funds in India. The genesis of this research stems from the imperative need to provide investors, financial analysts, and industry stakeholders with nuanced insights into the efficacy and efficiency of various equity schemes offered by mutual funds operating in the Indian market.

The Indian mutual fund industry has witnessed remarkable growth over the past few decades, catalyzed by factors such as increasing financial literacy, regulatory reforms, and technological advancements. As a result, investors today are presented with a plethora of choices when it comes to selecting equity schemes, each promising varying degrees of returns and risk profiles. However, navigating through this maze of options necessitates a thorough understanding of the performance metrics and evaluation methodologies pertinent to mutual fund investments.

This study endeavors to fill this critical gap by employing a rigorous analytical framework to evaluate the performance of selected equity schemes of mutual funds in India. By leveraging historical data, statistical tools, and performance indicators such as risk-adjusted returns, alpha, beta, and Sharpe ratio, we aim to furnish stakeholders with a comprehensive assessment of the relative performance of these schemes across different market cycles and investment horizons.

Moreover, this research aims to shed light on the determinants of performance disparities observed among equity schemes, including fund manager expertise, investment strategy, sectoral allocations, expense ratios, and market conditions. Through a holistic analysis encompassing both quantitative and qualitative factors, we aspire to provide actionable insights that can aid investors in making informed decisions regarding their mutual fund investments.

In conclusion, the journey of performance evaluation of selected equity schemes of mutual funds in India embarked upon in this research is one of exploration, inquiry, and enlightenment. We invite the readers to embark on this journey with us, as we unravel the intricacies of mutual fund performance and strive to empower investors with the knowledge necessary to navigate the complexities of the financial markets.

INDEX

LIST OF TABLES

LIST OF ABBREVIATIONS

ABBREVIATION	FULL FORM
MF	Mutual Fund
UTI	Unit Trust of India
AMC	Asset Management Companies
LIC	Life Insurance Corporation
AUM	Assess Under Management
SEBI	Securities Exchange Board of India
NAV	Net Asset Value
BOI	Bank of India
BOB	Bank of Baroda
ICICI	Industrial Credit and Investment Corporation of India
SIP	Systematic Investment Plan
NIFTY	National Stock Exchange’s Fifty
NSE	National Stock Exchange’s Fifty
BSE	Bombay Stock Exchange
CRISIL	Credit Rating Information Services of India Limited
AMFI	The Association of Mutual Funds in India
ANOVA	Analysis of Variance
AMI	Asset Management Industry
AAUM	Average Assets Under Management
ELSS	Equity Linked Savings Scheme
U.S.	United States
RBI	Reserve Bank of India
CAGR	Compound Annual Growth Rate
CAPM	Capital Asset Pricing Model
SBI	State Bank of India
GDP	Gross Domestic Product

CHAPTER-1
INTRODUCTION TO MUTUAL FUNDS

INDEX

1.1 INTRODUCTION

The monetary structure serves as a mechanism that provides the necessary monetary contributions to the economy to function, which in turn promotes people's well-being and improves their quality of life. As a result, the financial system has a significant part in the country's economic growth by raising excess capital and using it wisely for worthwhile endeavors.

An efficient financial architecture facilitates the quick transfer of capital to carry out more advantageous activities, which in turn encourages investment. It facilitates quick economic growth and serves as a medium between investors and stockholders (Gordon 2009).

A significant amount of fresh capital enters an economy whether it is a free market or a mixed economy through the capital market, which offers sophisticated mechanisms for balancing the relationship between the availability and demand for long-term funds (Sadhak, 1997). SEBI and AMFI can increase mutual fund inflows by offering investor awareness programs. The scope and necessity of mutual fund (MF) instruments have expanded due to people's growing knowledge of the importance of saving and building financial corpuses for a variety of purposes, such as retirement, child education, travel, etc.

Small investors might use mutual funds as a tool to profit from knowledge-based equity investments. Mutual funds are a means for people and institutions to mobilize their resources and leverage them in the capital markets, thereby offering investors a consistent stream of returns and appreciation on their investment. A well-designed financial system promotes both economic growth and advancement. Resources are created, supplied, and used by a financial system both inside and outside the economy.

It is evident the mutual fund industry contributes significantly to the expansion of the funds supply. They provide preferences while also enhancing control, stability, and inclusivity through their process of combining savings pools from a variety of individual investors and using these assets in the financial markets, supported by an entirely other risk. Investors can gain from the capital market's expansion and rising trend with the help of mutual funds. Investing in mutual funds regarded as a financial commitment option that offers excellent returns at a relatively low risk and expense.

India has had mutual funds since 1963, and the private sector has had mutual funds since 1993. The the initial mutual fund, known as UTI, was established in 1963–1964. The RBI and GOI established the fund to promote saving and investment. With a greater range of MF available, the Private MF entry has altered the MF industry's reach in India.

Over the past ten years, the financial market in India has changed significantly, positioning India is among the markets with the most promise. India thus offers a lot of potential for both domestic and global firms and is currently a top investment destination.

The MF industry in India has a lot of opportunity for expansion. The shift from conventional avenues for savings like fixed deposits, insurance plans, and other Mutual fund instruments have been made possible by the following: increased financial literacy; asset management companies' (AMC) awareness-raising initiatives; AMFI's 360-degree campaign to raise investor awareness; awareness-raising on various television channels; The millennial generation is driving a shift in the customer base, and there is a many different mutual fund strategies available to fulfil the requirements of different consumer demographics. People are moving in the course of reaping the benefits of investing funds in mutual funds due to the acceleration of knowledge and awareness. It can be raised by being aware of the investing prospects for mutual funds.

India's MF industry is also changing due to technological advancements. investing money into these funds is now a paperless, quick, simple, and efficient process. Digital platforms, such as those provided by MF Utility and stock exchanges, are helping fund houses by simplifying distribution.

Over the past twenty years or more, SEBI has proposed significant regulatory changes pertaining to the MF industry. India's The MF sector is being pushed by SEBI to become less hazardous, more transparent, and investor-friendly. In an attempt to promote more retail penetration Moreover, the regulator is concentrated on enhancing transparency with regard to direct plans. The mutual fund sector has undergone changes in time as a mechanism for guaranteeing investors' financial security.

In the current competitive environment of the Indian economy, mutual funds serve as a useful asset solution and financial middleman, offering investors the opportunity to achieve a variety of financial goals. Mutual funds help the financial system mobilize its resources.

Increased domestic investment and increased use of savings made possible by the flea market have resulted resulting in a notable rise in the requirements and scope of the MF process. It is appropriate to investigate the development and performance assessment of the Indian mutual fund market in light of this.

Mutual funds stand out as effective instruments in the complex financial landscape because they allow people to easily access a broad variety of constantly changing investment options. Fundamentally, Mutual funds are accessible. an amalgamation of resources from various investors, combining them to form portfolios overseen by experienced experts. Furthermore, to giving investors with varying degrees of money access to the financial markets, this shared approach also enables the benefits of diversification a fundamental idea that reduces risk and increases the possibility of steady returns.

The way mutual funds are set up and run is what makes them fundamental. By acquiring shares or units, investors become into stakeholders, and their capital combines with other people to produce a sizeable fund. A collection of knowledgeable Fund managers has been given managing this combined wealth and navigating the intricacies of the market. As the guiding statistic, net asset value (NAV) ensures investor transparency by representing the fund's whole value. For individuals looking for a hands-off but significant investing experience, mutual funds present an appealing alternative due to their expert administration and clear valuation.

Another fundamental component of mutual funds is diversification, which turns them into investment vehicles that are well-balanced. Mutual funds lessen the effects of market volatility by distributing assets over a variety of stocks, bonds, and other instruments. Investors can choose from a variety of fund types catered to their financial objectives, such as capital growth, a consistent income stream, or a balanced strategy, irrespective of their risk tolerance. Financial empowerment is brought about by the democratization of investing through mutual funds, which opens up sophisticated market tactics to a wider audience. Mutual funds serve as rays of hope for investors navigating the fast-paced world of finance, pointing them toward a well-diversified and expertly managed road to financial success.

1.2 MUTUAL FUND: AN UNDERSTANDING

The word "mutual" refers to a system in which each investor receives investment benefits according to their advantage. A MF is a type of investment that serves as a middleman within the banking sector. It is a bank that distributes and reduces the likelihood and protects a respectable return for the benefit of the investors investing the combined investible capital of depositors in a portfolio that is well-diversified of assets.

With mutual funds under management from an investment manager, the market for stocks can assist low-profile those investors unable to participate in the stock market.

Just as stockholders contribute to a company's stocks, investors also contribute to the various components of a mutual fund. Each mutual fund component represents the proportionate possession of the fund's portfolio holdings by the unit holder.

Mutual fund depositors are registered as unit receptacles. AMCs are the organizations that manage the mutual funds. AMCs are able to float multiple funds, also known as schemes.

Financial middlemen are mutual funds that offer investors a variety of safeties within the context of uncertainty, Frank Reilly (Investments, New York, 1982, P. 526) claims as much.

In accordance with the SEBI Guidelines (1996), A MF is an investment that fund established using a sponsor's trust technique, with the intention of enabling agents to generate money through the public sale of units under one or more plans for the financing of stocks that adhere to these laws. “According to the SEBI Regulations, 1996, a MF is "a fund recognized in the form of trust to generate funds by selling parts to the general public or a specific market segment through one or more methods of financing on securities, including cash."

According to the Quarterly Market Guide to Merrill Lynch (1998–1999), A MF is an investment that venture capital firm that aggregates the money from multiple individuals and engages in a range of securities, bonds, and/or cash counterparts. These are dynamically arranged by a manager in charge of collections buys & offers securities for sale to capitalize on current or projected market conditions.

As per Joseph Checkler's (2003) definition, there are multiple methods to define a mutual fund.

- • Anything that is traded back and forth. a professionally managed stock portfolio. Since technology firms are socially conscious businesses, businesses are often related.
- Mutual funds are a means of saving money and creating a portfolio akin to a stock portfolio. They are connected to the stock market in some way
- . A single mutual fund share actually purchases many stocks by the investor.
- Mutual funds are a type of expertly executed asset plan, usually overseen by an advantage organization company that gathers a group of people and capitalizes their cash in securities such as bonds and stocks.
- An arrangement known as MF pool the savings of many depositors to be able to generate new capital through the investment in a collection of financial instruments. A mutual fund is defined by AMFI as "a monetary sum that is overseen by a qualified fund manager."

It's a a reliable source of income for numerous individuals easier to come in. Each mutual fund has a goal, and those investors all have the same ones. The portfolio contains deposits of money market instruments, stocks, shares, and/or other assets. The investors obtain a reasonable percentage of the profits from this group investment after any applicable taxes and fees have been subtracted. Growth fund unit values are so increased by "Net Asset Value" (NAV). Put simply, the capital that many investors have contributed to makes up a mutual fund. Regarding open-ended funds, William F. Sharpe describes an open-ended mutual fund as an investment business that is always prepared to purchase back its own stock. at or nearly their net asset value. The majority of these businesses, which go through the name "mutual funds," also regularly release fresh shares made available to the public at prices that are equal to or less than the prices of their net assets."

Because unsecured loans purchase and sell units continuously, they let investors come and go whenever it's convenient for them. Even after the initial offering (NFO) period Even following the time of the initial offering (NFO) (if additional funds are involved), the units are still in stock. for purchase and sale. The fund declares the NAV at which The units are purchased and sold.

1.3 ORIGINS AND EVOLUTION

Mutual funds have their origins in the 18th century, but their current form didn't start to take shape until the early 20th century. The Massachusetts Investors Trust, the first mutual fund, was founded in 1924, which was a big step toward the democratization of investing opportunities. Since that time, mutual funds have developed to offer multiple asset classes and investing methods to suit a wide spectrum of investors.

The main idea behind mutual funds is to combine many investors' money to build a substantial investment portfolio. By working together, people with different financial capacities can engage in the financial markets and obtain expert fund management services. Mutual funds have made a name for themselves as a durable and adaptable investment vehicle throughout the years by adjusting to shifting regulatory frameworks, economic conditions, and technology breakthroughs.

The history of MFs, a crucial component of contemporary investment portfolios, dates back to the 18th century. The Société des Fondé de la Couronne, or The Royal Bank of France, was the first MF ever registered when it was founded in 1774. Nonetheless, the Massachusetts Investors' Trust, which was established in 1924 and is frequently regarded as the first genuine mutual fund, gave rise to the contemporary idea of MFs in the United States throughout the 1920s. Following the Great Depression, when investors were looking for professionally managed and diversified portfolios to reduce risk, the idea gained traction.

Within the United States, the 1940 Investment Company Act established a regulatory framework that shaped the sector. Globally, mutual funds changed over time to accommodate shifting investor tastes and market conditions. The MF industry was further impacted by the advent of index funds in the 1970s and exchange-traded funds (ETFs) in the 1990s, which increased investor alternatives. In the modern world, mutual funds are essential in democratizing access to a wide range of investment options for both individuals and institutions.

1.4 GLOBAL SCENARIO OF MUTUAL FUND

- In the early 1770s, the British East India Company caused a financial crisis in Europe that led to the creation of MFs. The next round of the journey was setting up reciprocal funds in the US, the Netherlands, Switzerland, Scotland, and France.
- The contemporary mutual fund, presently known as MFS Investment Management, was first created in 1924 by Boston, Massachusetts's Massachusetts Investors' Trust. By the 1930s, there were 920 mutual funds operating in the US, most of which had closed by then.
- In 1932, the Canadian Investment Fund, Corporate Investors Limited, and Commonwealth International Corporation Limited were the companies that were established in Canada. Japan has operated a MF industry since 1937. However, in the UK, an asset group represented on unit trusts wasn't established until 1941.
- Due to legal constraints that prevented US banks from making interest payments at market rates on their trade instruments during a period of extreme inflation, mutual funds were introduced to the money market in the 1970s. These expenses matched the bank ceilings precisely in height.
- During the early 1980s, there was a resurgence of the stock and bond fund industry due to the advancement of the equity markets and macroeconomic policies. There has been a discernible increase of the advancement since 1990. During the early 1980s, there was a resurgence of the stock and bond fund industry due to the advancement of the equity markets and macroeconomic policies. There exists an obvious rise of the advancement since 1990.The United States' growing the market for mutual funds demonstrated a wider need for financial assets, steady interest rates, and a passive ascent (Reid 2000).
- Global assets in the MF industry increased from $4.0 trillion in 1993 to $28.9 trillion in 2013. Growth was greatest in the US and second in Europe.
- Mutual fund investments have been noted to be trending rising globally. (based on annual ICI reports)
- The table and diagram below show the total net assets of open-ended mutual funds for the previous five years in India and the highest five countries worldwide.

1.5 INDIAN MUTUAL FUNDS SCENARIO

The inception of MFs in India is attributed to the Financial Association of India and China, since the nation's initial investment trust was founded in 1869.

- In 1931, the Indian Central Banking Enquiry Committee came to the conclusion that a unit trust-like structure was required.
- Following the founding of the first Industrial Investment Trust in 1933 by M/s Preach and Roych in Bombay, several other trusts were established, including the Tata Investment Trust in Bombay, the General Investment and Trust Company in Kolkata, and the Investment and Finance Company in Kolkata. The industrial organizations founded the majority of Investment Trusts.
- The Shroff Committee recommended in 1954 that the central bank take a more active role in promoting investment accessibility for businesses.
- The government machinery worked fast to draft the bill that founded the UTI in September 1963, when T.T. Krishnamachari was the finance minister.
- The UTI was founded in 1964 in line with the UTI Act, 1963. By channeling their funds to the Indian Capital Market, UTI aimed to provide middle-class and lower-class people with an easy way to purchase system shares.
- In June 1964, the UTI launched the country's first open-ended equity system, known as US-64 (Unit system-64). Over the course of the previous 36 years, UTI has developed into one of the industry's major players.
- In 1993, the Indian capital market regulator SEBI permitted private business forms to launch mutual fund structures and created a thorough regulatory framework for mutual funds. Since then, a sizable number of MFs have been introduced by the public and private sectors. The SEBI granted "in-principal approval" to twelve private segment mutual funds in February 1993.
- From May 2015 to May 2016, the assets handled by the mutual fund industry in India increased from ₹12.26 trillion to ₹14.46 trillion. That is an increase in assets of 18% from May 2015.
- In FY 2016–17, India had a massive inflow of US$ 51.02 billion in mutual funds. Based on AMFI data, this was the biggest investment made in MF schemes during the fiscal years 1999–2000.

- The MF industry in India has been directed and controlled by SEBI with its governance, AMFI with its due diligence, and CRISIL with its research activities and ranking.
- The stock market, money market, and financial services have developed quickly as a result of enhanced economic liberalization.

Phase One: 1964–1987 (UTI)

Unit Scheme The first scheme that UTI announced was in 1964. By the end of 1987–1988 UTI managed assets valued at Rs. 6,700 crores.

Phase Two: 1987–1993 (Public Sector Funds Enter)

Public segment banks, LIC, GIC introduced non-UTI mutual funds for the public sector in 1987. The mutual fund industry held assets at the end of 1993 valued at ₹ 47,004 crores under administration.

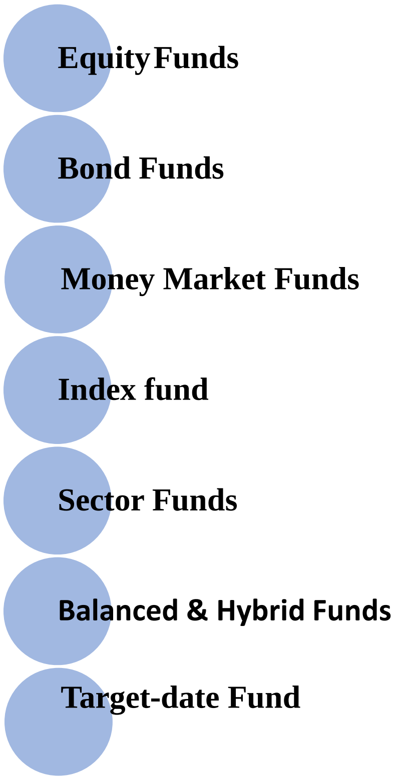
Phase Three: 1993-2003 (Private Sector Fund Inflow)

With the introduction of private segment deposits in 1993, which allowed Indian depositors access to many fund families, In the mutual fund business, a new era started. 33 mutual funds were available as at the end of January 2003. with ₹1, 21,805 crores in total asset worth.

Phase Four: commenced in Feb 2003

After the UTI act 1963 was repealed, UTI split into two separate entities in February 2003 First, there is the Specified Undertaking of the UTI, which, as of January 2003 end, had assets under administration totaling ₹.29, 835 crores, instead of roughly the properties of the US 64 system, assured return, and a few other schemes.

1.6 TYPES OF MUTUAL FUND



1. **Equity Funds:** With their focus on stocks, these funds have the potential to increase in value over time.
2. **Bond Funds:** Bond funds, which concentrate on fixed-income instruments, offer a consistent income stream with less volatility than equities funds.
3. **Money Market Funds:** These funds seek to maintain capital and offer liquidity by making investments in short-term, low-risk securities like Treasury bills and commercial paper.
4. **Index fund:** Index funds are an affordable means of getting exposure to a wide range of markets, as they are designed to mimic the way a specific market index performed.
5. **Sector Funds:** These funds focus on particular economic sectors, giving investors the chance to select businesses they believe will outperform the market as a whole.
6. **Balanced & Hybrid Funds:** Providing a diversified investment approach, these funds seek to strike a balance between stocks and bonds.
7. **Target-date Fund:** These funds, which are intended for investors thinking ahead to a specific retirement date, automatically modify their asset allocation over time to take changing risk profiles into account.

1.7 EVOLUTION OF MUTUAL FUND

1. 20th century Growth

The second part of the 20th century saw a notable growth of the MF industry Increased investor engagement was facilitated by the development of innovative fund structures, such as no-load funds, which did not impose sales commissions. Technological developments like online platforms and computerized trade made accessibility even easier.

2. Index Funds and ETFs

Index funds first became popular in the 1970s, thanks to the efforts of John Bogle, the founder of Vanguard Group. Index funds provide clients with a low-cost, passive investment option by trying to mimic the performance of a certain market index. The 1990s saw the rise in popularity of exchange-traded funds (ETFs), an index fund type that is traded on stock exchanges and gives investors day-to-day trading flexibility.

3. Regulatory Changes

The landscape of mutual funds has continued to be shaped by regulatory advancements. Performance reporting was intended to be standardized with the introduction of the Global Investment Performance Standards (GIPS) in the 1980s. Events like the Enron incident and the global financial crisis in the 21st century led to requests for improved investor protection and more regulatory monitoring.

1.8 MUTUAL FUND INDUSTRY 2019-2023

As of January 2022, when I last updated my information, I have no particular statistics for the MF industry going forward. I can give you a few broad patterns and aspects, though, that were impacting the mutual fund business at the time. Remember that the data may be out of date; therefore, it is advised to consult financial reports, industry studies, or reliable sources for the most recent and correct information.

1. **Increased Assets Under Management (AUM):** In a good market, the MFs industry frequently sees an increase in assets under management. The expansion of AUM is attributed to various factors, including higher stock prices, strong economic indications, and greater investor confidence.
2. **Focus on ESG (Environmental, Social, and Governance) Investing:** A greater focus was placed on sustainable and ethical investing from 2019 to 2023. Mutual funds began to provide additional alternatives that were concentrated on businesses

with solid ESG practices as a result of investors' increasing decision-making consideration of ESG considerations.

3. **Technological Advancement:** Technology is always improving in the financial sector, which includes mutual funds. Digital platforms and robo-advisors are examples of fintech developments that have changed the way investors access and manage their mutual fund investments.
4. **Regulatory Changes:** The MF business may be greatly impacted by regulatory developments. Regulations that change could have an impact on distribution tactics, disclosure laws, and fund structures. It's critical to keep abreast of regulatory changes in order to comprehend how the market is being shaped.
5. **Fee Compression:** The field of asset management has witnessed a trend toward charge compression. Fund providers are under additional pressure to provide affordable investing options as a result of investors' growing fee consciousness.
6. **Rise of Passive Investing:** Exchange-traded funds (ETFs) and index funds are two examples of passive investment strategies that have grown in popularity. These less expensive options drew investors in, adding to the continuing discussion about active vs passive investing strategies.
7. **Global Economic Factor:** Market performance and investor sentiment are influenced by geopolitical and economic developments. The growth and execution of the mutual fund sector can be affected by shifts in interest rates, trade disputes, and international economic indices.
8. **Digital Transformation:** Fund providers and asset managers kept funding digital transformation projects. This includes optimizing user experiences, boosting online platforms, and using data analytics to make smarter decisions.

1.9 PERFORMANCE EVALUATION

Evaluating a mutual fund's performance entails determining a number of things:

1. **Return on Investment:** In mutual funds, return on investment (ROI) expresses how profitable an investment was over a given time frame. It shows the initial investment's percentage gain or loss. A profit is shown by a positive ROI, whereas a loss is indicated by a negative ROI. Mutual funds strive to provide returns that are competitive due to their diversified holdings. Investors use past return on investment (ROI) to evaluate the performance and possible future returns of a fund. It is an essential decision-making statistic that helps match investment objectives with anticipated returns. For a thorough

assessment of a mutual fund's investment performance, however, risk adjusted returns and ROI is not the only performance statistic that needs to be considered.

2. **Risk adjusted Returns:** One essential measure for assessing investment performance in relation to risk taken is risk-adjusted return in mutual funds. It considers not just the absolute returns generated but also the volatility and uncertainty associated with such returns. Common metrics are the Treynor ratio, which evaluates performance in relation to systematic risk, and the Sharpe ratio, which expresses the excess return per unit of risk. An increased risk-adjusted return signifies a more effective utilization of risk to generate returns, assisting investors in evaluating a mutual fund's overall appeal concerning profitability and risk mitigation.
3. **Sharp Ratio:** The Sharpe Ratio, a key metric in mutual fund analysis, evaluates the risk-adjusted performance of an investment. Introduced by Nobel laureate William F. Sharpe, it assesses the return of an investment relative to its risk, typically measured as standard deviation. A higher Sharpe Ratio indicates a better risk-adjusted performance, signalling that the fund generated more return per unit of risk. This ratio is frequently used by investors to compare mutual funds and make wise selections. as it provides insights into whether a fund's returns adequately compensate for the level of risk taken, contributing to a more comprehensive evaluation of investment opportunities.
4. **Alpha and Bita:** Within the mutual fund industry, alpha and beta are essential performance indicators. The excess return of a fund over its benchmark is measured by alpha, which offers information about the manager's ability to produce returns above and beyond market fluctuations. Whereas a negative alpha denotes underperformance, a positive alpha denotes outperformance. Conversely, beta measures how sensitive a fund is to changes in the market. A beta of one suggests that the fund moves in lockstep with the market; on the other hand, a beta of less than one denotes lesser volatility and a beta of greater than one denotes higher volatility. Investors evaluate risk-adjusted returns and portfolio diversification using alpha and beta.
5. **Standard deviation:** The SD displays how much a fund's returns vary or fluctuate from its average, is an important statistical metric when discussing mutual funds. Greater variation and a higher standard deviation point to increased risk and the possibility of larger price swings. Standard deviation is a resource that investors commonly utilise to assess a mutual fund's risk and measure the consistency of its performance over time. Knowing Investors can benefit from the standard deviation make more informed

decisions by giving them information about a fund's historical volatility This is beneficial for risk assessment and portfolio diversification techniques.

1.10 FUNCTIONING OF MUTUAL FUND INDUSTRIES IN INDIA

Mutual fund operations are based on the "Trusteeship" mentality. The investors benefit from it as well.

A mutual fund is a well-managed collective investment company that aggregates capital from several depositors and allocates them to stocks, bonds, short-term money market instruments, and/or additional safety.

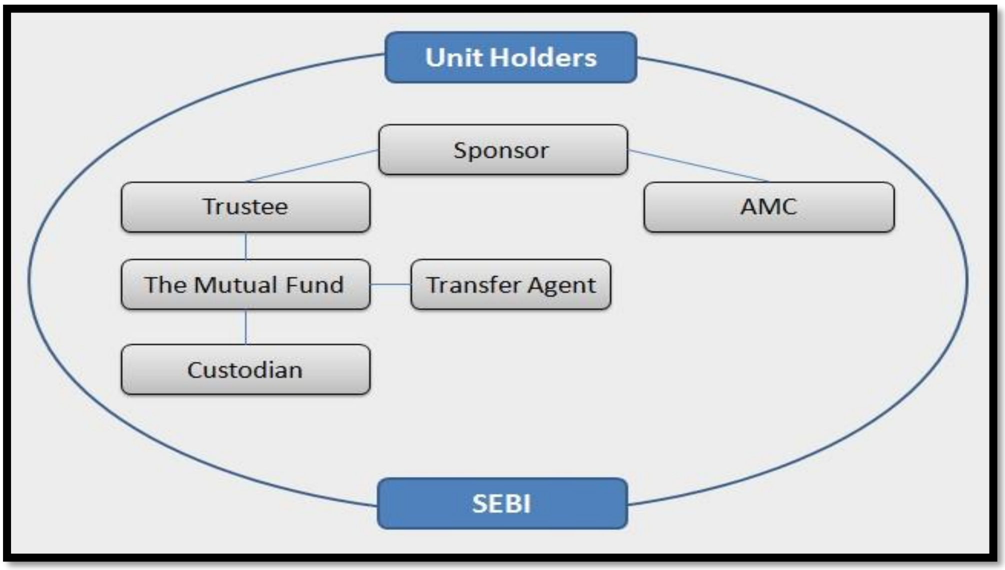


Figure 1.1 Components of Mutual Funds

The figure above illustrates the many parts of the mutual fund mechanism:

The Sponsor(s)

A mutual fund sponsor essentially acts as the company's promoter. In order to profit from fund management, the sponsor, either alone or in collaboration with another business entity, forms a mutual fund. The fund's investment manager is a subsidiary company.

The Board of Trustees (BOT) or Trust Company

Create a public trust and designate trustees to oversee it in accordance with "The Indian Trust Act, 1882." Registers a trust with SEBI and obtains the required clearances from SEBI. Under "The Companies Act, 1956/2013," establish an asset management company.

A sponsor is the primary entity or individual endorsing a mutual fund business. Since mutual funds oversee public funds, SEBI has imposed extremely stringent requirements on the Sponsor's eligibility.

Establishment of Trust

The sponsors create the trust based on the trustees' trust legislation. Trustees are in charge of managing trust and are only in charge of making wise investments and providing mutual fund clients with returns.

Appointment of Trustees

With SEBI's prior consent, the sponsor may propose trustees. The board of trustees should consist of at least four members and at least two thirds independent members. A trustee is limited to serving as a full-time trustee for one mutual fund company. A trust act that is executed and registered in compliance with the recommendations of the Indian Registration Act is required to designate the trustees. Additionally, SEBI has registered this trust document.

Responsibilities of Trustees:

Trustees bear the highest accountability for making sure all due diligence is completed correctly and that all regulations are adhered to. Trustees must approve each sort of open-end fund plan that the AMC floats. Trustees examine and confirm that the AMC's cyberspace value complies with the stringent regulations. Every six months, they must provide SEBI with a report on the operations of the AMC.

- Trustees and the AMCs also sign a contract.
- The AMCs can provide trustees with the relevant information. Before any scheme can be implemented, the Trustee must authorize it.
- All-important staff members, such as fund managers, auditors,
- Custodian, Registrar, Compliance Officer, and so forth; additionally, to notify SEBI of the same.

AMC: It is the organization that oversees personal financial accounts. A group registered under the Indian Trust Act is referred to as a mutual fund. It is presented by a surety. A sponsor is a person who starts a mutual fund either by themselves or in partnership with an organization.

After that, the client establishes an AMC to raise money from investors, market the goods, take care of accounts, and perform other associated duties. A single AMC may introduce different funds based on the investor's goal. It's a pool where money is gathered, professionally invested, and the profits are split evenly. Before beginning business activities, all AMCs in India must register with SEBI.

Custodian the Custodian: (in charge of managing the trust's assets, arranging with brokers, and transferring and storing stocks); also, an investor's investment in a scheme is converted into a specific number of Units. Thus, a depositor receives units of the fund from an organization.

Brokers: The AMCs use the services of brokers, who are registered members of the stock exchange, to buy and sell shares on the stock markets. Brokers offer a variety of support services, such as market outlooks, investment recommendations, research studies from different AMCs, research reports from different economic sectors, and the provision of investment managers.

Net Asset value (NAV): When it comes to mutual funds, this is possibly the most crucial concept to understand. Understanding NAV is essential to understanding the implementation of a mutual fund's particular system. When an investor makes a contribution to a mutual fund, they will get units and become unit holders. It's comparable to purchasing stocks with a shareholding. Mutual funds leverage the wealth that has been amassed by investors in the securities markets. To put it simply NAV is the market value of all the securities that the system has on hand.
It is determined unit-by-unit. Since the market value of securities varies daily, NAV of a system likewise varies daily. By dividing the total net assets by the total number of units allotted, NAV is computed. The market value of all the resources a MF claims, less any obligations, as of a specific date is its total net holdings. A component of the mutual fund's value, known as the NAV per share, is calculated daily by dividing the fund's total value by the entire amount of issued and outstanding shares at the moment.

Assets under Management (AUM): A mutual fund aggregates investor capital and utilizes it to purchase securities such as stocks, bonds, and other financial instruments. The AUM is the total value of the assets that a fund purchases.

Investment Objective: Each investor has a certain purpose for investing in financial products. This could be done to build wealth, save money for future purchases, or just protect your money from inflation. We refer to this objective as your investing objective. Like any other, the mutual fund has an objective that it hopes to accomplish on behalf of its investors. It can be paying out fixed income on a regular basis or long-term capital gains.

When it comes to mutual funds, the individual in charge is known as the portfolio manager. They trade the fund's core securities, understand the benefits and drawbacks of wealth, and accrue income or bonuses.

1.11 MAJOR INSTITUTIONS: MUTUAL FUNDS

1) SEBI

The highest regulating body in India for capital markets and, by extension, AMCs is SEBI. It serves as both an enforcement agency and a safeguard for investors' financial interests. It also looks at the AMCs' and other various participants' scenarios related to how investment businesses operate.

The SEBI Regulation Act of 1996 is included in the investing firm's SEBI Guidelines. They are linked to the establishment of an investment firm in addition to the Indian Trust Act of 1882. It also includes terms related to the trustees, sponsors, AMCs, and independent governance.

To safeguard investors' interests, SEBI develops regulations and rules pertaining to mutual funds. In 1993, SEBI published laws pertaining to mutual funds.

• Guard investors' financial interests; • Evaluate the AMC's and other participants' possibilities in relation to mutual fund floating

• A seamless evaluation of mutual fund operations that reduces fraud and the loss of innocent investors.

2) AMFI

The AMFI created the Code of Conduct for Mutual Fund Intermediaries, which is periodically updated to safeguard investor activity and fulfil the obligation that investors' interests be safeguarded under all conditions. An Indian self-regulatory organization called AMFI was established for AMCs. It is a government agency that operates on a nonprofit basis and serves as a regulator alongside SEBI.

They increase the transparency of investments and assist investors in drawing in additional capital. As a result, all trustees, advisers, and agents (intermediaries) of fund It is necessary for businesses to register with AMFI.

As of right now, 44 AMCs are registered with SEBI. Their promotional campaigns expound on the advantages of mutual funds while taking risk concerns into account and upholding transparency.

The purpose of AMFI is to provide uniform and ethical professional criteria that apply to all mutual funds connected to the association.

- Give representatives and investors advice on how to respect rules and fair business practices.
- To make sure that AMCs, dealers, brokers, advisers, and other businesses involved in the financial services industry or stock market adhere to their rules.
- Participate in SEBI's network and abide by mutual fund regulations.
- To speak for the RBI, SEBI, and Ministry of Finance on all matters pertaining to the sector.
- To raise national awareness of the advantages of making investments in wholesome mutual funds. Disseminate information about the industry of mutual fund and host studies and conferences about various funds.

3) Reserve Bank of India (RBI)

The RBI controls the movement of money through mutual funds. In India, the RBI plays a crucial role in maintaining price stability, protecting the interests of investors and other stakeholders, and facilitating sufficient credit flow to profitable industries.

The country's financial system is governed and overseen by the RBI. It also gathers and examines data about mutual funds.

4) CRISIL: The organization that ranks mutual funds is called CRISIL, and it also conducts industry research on fund returns and NAV.

In India, CRISIL a pioneer in the MF industry research services sector. The CRISIL Mutual Fund Ranking (CMFR) is a widely used tool by intermediaries, AMCs, and investors. Additionally, it offers wealth managers, distributors, private banks, and advisory firms customized mutual fund rankings.

Because of CRISIL's expertise in research and analytics for institutional clients like treasuries and provident funds (PFs), we are frequently hired for our services related to investment portfolio review.

5) Ministry of finance (MOF)

The MOF is in charge of overseeing SEBI and the RBI. Parties that are offended by a SEBI or RBI decision on mutual funds may file an appeal with MOF.

MOF will enact laws regarding a few important issues. The Ministry of Finance regulates mutual funds and helps to safeguard investors through its notifications and circulars.

6) Self-Regulatory Organization (SRO)

A group that views the sector from a regulatory standpoint is referred to as a self-regulatory organization (SRO). Wherever there is a need and opportunity, the restrictions may be imposed in addition to other government regulations. This indicates that SRO may function as a sub-regulator that shares responsibility with SEBI, which is the regulatory body for the MF sector.

Objective of SRO

- Encourage investor protection and make sure the market runs fairly. Treat each and every one of its members fairly.
- Address any potential conflicts of interest that may exist amongst members.

1.12 MAJOR REGULATION FOR THE MF INDUSTRY IN INDIA

The liberalisation of the Indian economy as a whole has been the driving force behind the globalisation of financial markets., the growth in capital market activity (with an increase in trading volume and a bigger number of players), and the advancement of information technology.

- The RBI released its initial set of regulations in 1989, but they were limited to mutual funds backed by banks.
- The Ministry of Finance in India was given broad guidelines in 1990, which applied to every mutual fund. Furthermore, the market for equity has significantly expanded due

to the range of options available in terms of fund types, chances for diversification and hedging, and cases of capital mobilization and transfer.

- Mutual fund AMCs have a distinct ARN number and are registered with AMFI. Periodically, AMFI also offers a code of conduct for mutual funds.
- The IT Regulations pertain to the tax imposed on income or the liquidation of mutual fund units. Tax legislation, such as STT, Capital Gains Tax (CGT), and TDS assist investors with their tax planning.
- A MF intermediaries code of conduct has been released by AMFI.
- The 1996 regulations, which cover a larger area than the Mutual Fund SEBI of 1993. Regulations, serve as guidelines and regulations for the mutual fund business. The universal purpose of SEBI regulations is to provide increased stability, transparency, and a uniform regulatory framework.
- In 2008, SEBI requested that AMCs implement the Know Your Customer (KYC) process on a mandatory basis. The process includes verifying the investors' identities and keeping accurate documents while exercising due diligence.
- Since 2009, SEBI has eliminated the entry load that was previously applied when making MF investments. 2010 saw AMFI implement a plan to cease receiving third-party checks for AMCs pursuant to the 2002 Prevention of money laundering Act. Few exclusions have been allowed. Ever since 2012, the mutual fund sector has been required by SEBI to adopt a benchmark. 2018 saw SEBI require the industry's total return index. SEBI launched a direct plan for MF schemes that were already in place in 2013. Investors could benefit financially from this.
- In 2017, SEBI streamlined and categorized mutual fund programs to facilitate investors' understanding and comparison of various mutual funds before making an investment.
- 2018 saw SEBI request that mutual funds benchmark their plans against the TRI, which takes into account all interest and dividend payments that result in capital gains. (From the Direct Taxation, RBI, MOF, AMFI, and SEBI websites)
- With the help of RBI, MOF, and other Indian laws and ordinances, as well as several SEBI and AMFI regulations, which control the MF industry.

1.13 BENCHMARK FOR THE MF INDUSTRY

A standard is a representation that's utilized to determine a mutual fund's overall performance. It provides an indication of the potential return on your investment, which you may contrast with the return that you actually received. A mutual fund's objective should ideally be to mirror the return of its benchmark.

Generally speaking, Fund houses are selected based on a specific benchmark index for investing. It serves as the fundamental standard for this scheme's return. Small, midcap, and many fund firms in India offer data on large-cap capital benchmarks and indexes like Sensex, BSE 200, CNX Midcap, NIFTY, and Small Cap, etc. In India, the declaration of a BI is a must for all investment opportunities.

Importance of Benchmarking

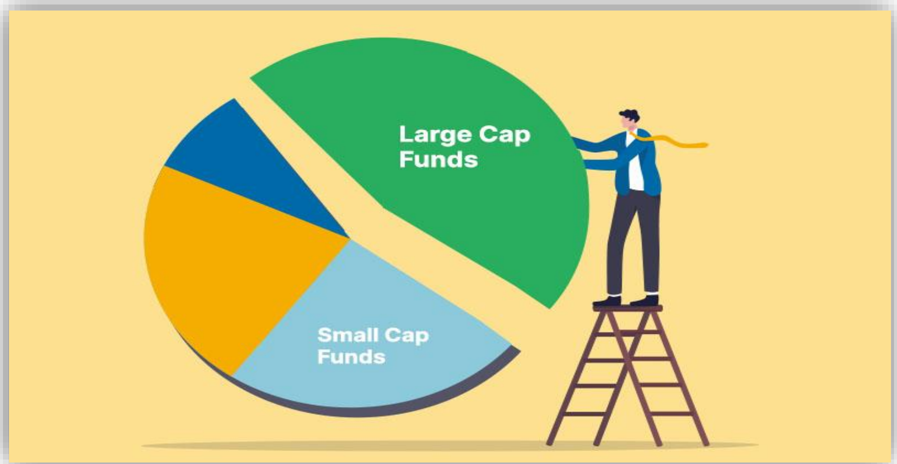
Mutual fund returns vary depending on how the stock market performs.

Small- to mid-cap Higher risk investors with experience are better suited for these funds, whereas large-cap funds are Generally speaking, lesser risk investors would do better.

With effect from 2018, As mandated by the Securities and Exchange Council of India, all mutual funds (SEBI), the industry's regulatory body, to compare their plans to the Total Return Index, rather than the traditional basic indices of price return. It has developed best practices in the MF sector of India in accordance with this standard.

1.14 EQUITY MUTUAL FUNDS' BENEFITS

- **Large-Cap:**
  - Large cap funds contribute to wealth growth because they invest in top stocks on the capital market as well as are intended for long-term holding.



- They are more able to endure a down market
- Putting money into large-cap mutual funds provides a dependable, low-risk return opportunity.
- Regular dividend payments from a large number of large-cap firms offer investors a possible source of income in the form of dividends.

➢ **Mid-Cap:**

- Mid-cap mutual funds offer greater growth potential and less risk than large-cap funds.
- They have a lower market value than large-cap equities, which allows investors to raise their money at a higher rate.

- More liquidity is available in mid-cap mutual funds compared to small-cap funds.
- Investing in businesses with a medium market capitalization allows mid-cap mutual funds to potentially grow at a faster rate than large-cap funds.
- With the potential for greater gains, mid-cap companies have historically beaten large-cap equities over the long run.

➢ **Small-Cap:**

- The returns of these funds are extremely susceptible to changes in the market; investing in small cap MF helps to diversify the overall portfolio and balance the risk-return trade-off.
- Therefore, these funds can be more negatively impacted in a bear market.
- As a result, it's critical to have a long investment horizon in order to allow your money enough time to yield returns and lower total risk.

- Smaller businesses have the ability to develop more faster than larger, more established businesses. Investors can take advantage of this growth potential by funding small-cap mutual funds.

- Since small-cap businesses are frequently just starting out, they present investors with the chance to invest early in potentially lucrative endeavours.

The top 100, 101 to 250, and 251 and above equity funds according to the AMFI's list of securities based on market capitalization have all been chosen for the study because funds in each of these categories can be included in a retail investor's portfolio.

1.15 CHALLENGES AND RISKS

Although mutual funds are an attractive investing option, investors should be aware of the risks and difficulties in using these financial products. Typical things to think about are as follows:

1. **Market Risks:** MF are subject to market risks, and the underlying securities' value is subject to change in response to changes in interest rates, the state of the economy, and world events.
2. **Fees and Expenses:** Even though mutual fund fees are typically less than those of actively managed investment vehicles, investors should nonetheless be aware of their costs because they have the potential to gradually reduce returns.
3. **Managerial Risk:** The abilities and choices made by the fund management have a important effect on a mutual fund's performance. Fund performance may be impacted by management changes or a lack of experience.
4. **Liquidity Risk:** During periods of market stress, a mutual fund's assets may become less liquid, which could make it more difficult to sell or redeem shares.

5. **Tax implication:** Investors may have tax consequences for capital gains and distributions from mutual funds, contingent on the fund turnover as well as the tax rate of the investment.

1.16 INDIAN MF INDUSTRY: WAY FORWARD

A substantial portion of the mutual fund sector has grown at a rate of roughly 58% of AUM, which is made up of individual investors. Since equity has increased from 23% to 45% over the last five years, it has become a significant asset class for the industry due to its ability to provide strong returns.

Multiple fronts of effort are needed for the mutual fund industry's AUM to increase;

- AMCs must keep delivering results for the investors. To expand further, a professional's proficiency in the Fund management and underlying asset selection are necessary. For the industry to be well-governed, regulators must remain watchful and responsive whenever and wherever needed.
- Distribution businesses should keep growing their clientele by implementing effective marketing strategies.
- Raise consumer knowledge about the benefits of mutual fund investing and the range of options available in India. For various investing goals, equity mutual funds with big, mid, and small capitalization might be included.
- In the digital age, it is imperative to maintain constant technological advancements and support in order to survive and thrive.
- Therefore, this study focuses on evaluating the performance of mutual funds that offer equity growth for large, mid, and small companies.

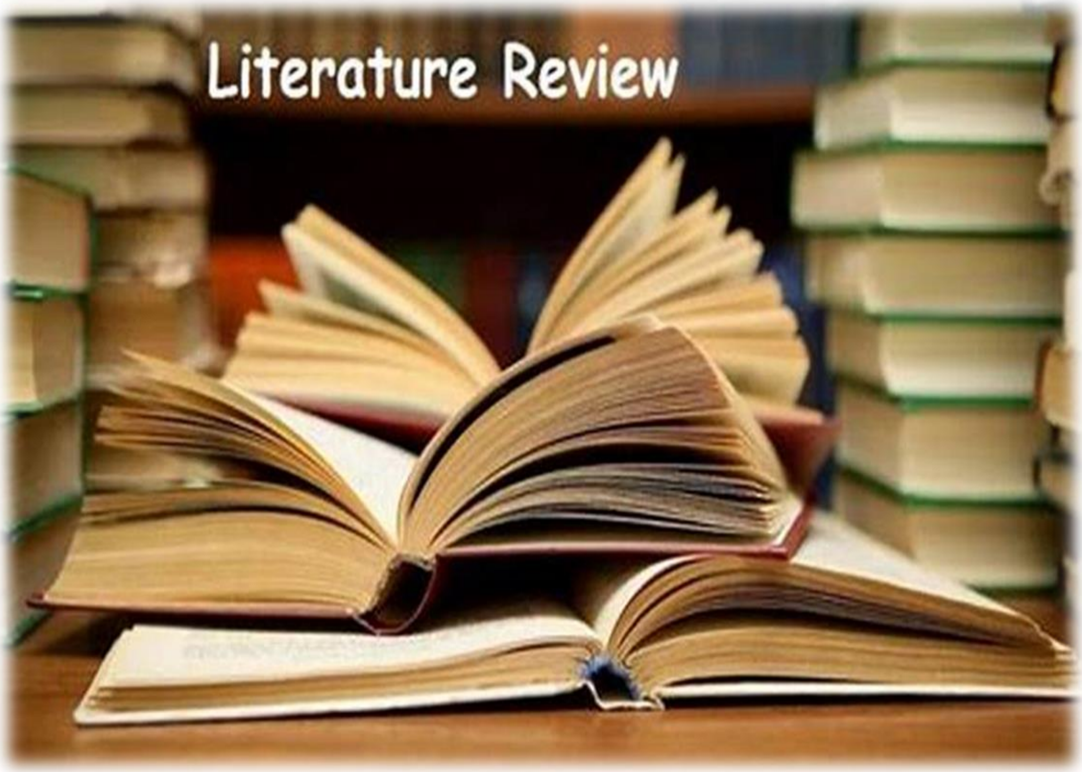
1.17 SUMMARY

These days, one of the most common investment choices is a mutual fund. An investment vehicle known as a mutual fund is created when an AMC, or fund house, aggregates the investments of multiple individual and institutional investors that have similar financial goals. The chapter includes a detailed description of mutual funds, including how they operate, the institutions and rules that govern them, their advantages, and future directions.

Reference:

- E Gordon; K Natarajan, Himalaya Pub. House, 2009, ebook
- Sadak, H, (1997), Mutual Funds in India: Marketing Strategies and Investment, Practices, Response Books, New Delhi
- Bhatt, R.S., (1996), Unit Trust of India and Mutual Funds A Study, UTI Institute of Capital Markets, New Bombay
- Pandow, Bilal (2017). Growth and performance of Indian mutual funds industry, University of Kashmir
- Quarterly Market Guide to Merrill Lynch (1998-99)
- Frank Reilly, (Investments, New York, 1982, P. 526) SEBI (MUTUAL.FUNDS) REGULATIONS, 1996), https://www.sebi.gov.in/acts/Mutua lFunds.pdf
- William F.Sharpe and Gordan J Alexander, Investments, P. 637, 640, 1994
- www.mutualfundsindia.com
- https://www.amfiindia.com/indian-mutual
- Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
- https://www.sebi.gov.in/acts/MutualFunds.pdf
- https://finmin.nic.in/
- https://www.sebi.gov.in
- https://www.incometaxindia.gov.in
- Ibid 1to4 Joseph Checker (2003)
- https://groww.in/p/equity-funds/small-cap-mutual-funds/
- https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/02SPBL090811F.pdf
- https://www.investopedia.com/terms/m/mutualfund.asp
- https://economictimes.indiatimes.com/definition/mutual-fund

CHAPTER- 2
REVIEW OF LITERATURE



INDEX

2.1 INTRODUCTION

Economic growth is possible thanks to the capital market's impressive expansion, which can meet the nation's financial needs. One of the main components of the financial organizations which can create saving from the public and giving funds for investment purpose. One such financial organization that raises money by selling small units to the general public and gives money for investments across different industries is the mutual fund industry. Additionally, it offers investors the option of diversification by allowing them to invest in a variety of schemes. Over the past 20 years, mutual funds have been increasingly popular. A mutual fund's professional fund manager is in charge of overseeing clients' portfolios and carrying out the fund's investment strategy.

2.2 DEFINITION OF REVIEW OF LITERATURE

A literature review is an examination of books, scholarly articles, and other resources relevant to a certain subject, area of study, or theory. Next, a description, summary, and critical assessment of these works are provided with respect to the research question that is being addressed. Literature reviews aim to provide readers with an overview of the sources analyzed during the investigation of a particular issue and to demonstrate to them how research fits within a broader field of study.

2.3 IMPORTANCE OF GOOD LITERATURE REVIEW

A review of the literature can just include an overview of the most significant sources, but in the social sciences, reviews of the literature typically follow an organizational structure and combine synthesis and summary, frequently within predetermined conceptual categories. A synthesis is a rearranging or reshuffling of the material in a way that guides your approach to analysing a research problem. A summary is a synopsis of the key points of the source.

- Provide a fresh perspective on outdated information or merge contemporary and traditional understandings.
- Follow the development of a specific field of study's ideas, including significant discussions.
- Assess the sources based on the circumstances and suggest to the reader the research that is most pertinent or applicable.
- Typically, at the end of a review of the literature, note any gaps in the knowledge and the methods used to investigate an issue.

2.4 TYPES OF LITERATURE REVIEW

The following are the most widely used literature reviews in business studies.

1. **Narrative literature review** synthesizes the body of literature and analyses it. It also finds holes or contradictions in a collection of knowledge and draws judgments about the subject. To perform a narrative literature review, the researcher has to have appropriately focused research questions.
2. **Systematic literature review** entails a more thorough and precise methodology than the majority of other forms of literature reviews. It is thorough and includes information on the period of time that the chosen literature was published. There are two types of systematic literature reviews: meta-analysis and meta-synthesis.
3. **Argumentative literature review** selectively reads literature to prove or disprove a claim, a sincerely held belief, or a philosophical issue that has already been made in the literature. However, it should be highlighted that one significant drawback of argumentative literature reviews is the possibility of prejudice.
4. **Integrative literature review** evaluates and synthesizes secondary data on the research issue in order to produce fresh frameworks and viewpoints. Integrative literature reviews are the sole choice if primary data gathering and analysis are not part of the research process.
5. **Theoretical literature review** concentrates on the body of theory that has amassed regarding a problem, idea, theory, or phenomenon. It is important for determining which theories already exist, how they relate to another, how much research has been done on the ideas already in place, and for creating new hypotheses that need to be evaluated.

2.5 LITERATURE REVIEW PROCESS

1. **Define your Topic:** Choosing a topic and writing down any questions you have about it is the first step in defining your work. This will provide you a direction for the next phase in your approach and a list of possible terms to utilize in your search terms.
2. **Develop a Strategy:** Developing a strategy entail determining the potential locations of the information and the most effective resources to locate it. The approach section lists several kinds of research databases to employ for particular objectives.

3. **Locate the Information:** In this stage, the researcher puts the plan they created in step two into practice by looking for particular books, papers, technical reports, etc.
4. **Use and Evaluate the Information:** After locating pertinent and helpful information in step IV of the research process, examine and evaluate the things to ascertain their suitability as sources and their usefulness for your project.
5. **Synthesize:** The researcher will explain what you've learnt and provide evidence of your understanding in this step. In order to support and explain your study project and its relationship to previous research by others, the researcher will carefully comprehend, arrange, and integrate the material to become educated.
6. **Evaluate your work:** Researchers should assess their work at each stage of the process. To ensure that the work is finished and of the highest calibre, this last stage is a final inspection.

2.6 REVIEW OF LITERATURE

(Ashok Bantwa, 2012) The purpose of this study is to assess the performance of twenty different equity diversified schemes that were chosen and looked at between June 2007 and May 2012. Assessments have been conducted about the fund's performance, degree of diversity, and the manager's aptitude for selecting low-cost stocks. The statistics showed that all but one of the sampled plans performed better than the market. The Treynor and Sharpe ratio, which gauges performance after adjustments for risk, shows that 55% of fund schemes perform well. Furthermore, the outcomes showed that most of the schemes had sufficient diversification. R2 indicates that unique risk and diversity levels have a negative connection, indicating that fund managers can still effectively lower unique risk by boosting diversification.[1]

(Biswas, 2022) An important factor in the economic growth of nations like India is the financial sector. This sector, which contributes more to economic development than other sectors, includes the MF industry. MFs are vehicles for group investments that pool the capital of various investor types. An individual directly owns the stocks when they put their own money in them. Simply put, a lack of awareness about the stock market is the reason

[1] Bantwa, Ashok & Bhuva, Krunal. (2020). PERFORMANCE EVALUATION OF SELECTED INDIAN EQUITY DIVERSIFIED MUTUAL FUND SCHEMES: AN EMPIRICAL STUDY. 2. 1-24.

why people are putting their own money in mutual fund schemes. By investing in premium companies through these MF schemes, the fund manager is receiving larger returns. [2]

(**Srinivasan**, **2023**) Over the previous few years, the MF industry in India has expanded at an astounding rate. Many people with modest means have chosen mutual funds as their preferred investing instrument in recent years. The quantity of SIPs invested annually increased the amount invested in mutual funds. The variety of plans offered has dramatically expanded in tandem with the mutual fund industry's expansion. The author evaluates the effectiveness of several mutual fund strategies for Indian stocks as part of this paper. The performance of five different equity MF schemes was compared in this study from 2019 to 2022.[3]

(Komal, 2021) In the last ten years, the MF sector has responded quickly to the Indian financial market by offering investors more appealing options. The Indian MF industry's Asset Under Management (AUM) was recorded at rupees 26.85 trillion as of September 30, 2020, according to data provided by the Association of Mutual Fund India. As of September 30, 2010, the total assets under management (AUM) in the Indian MF industry was 6.57 trillion rupees. In ten years, the MF industry in India has expanded by nearly four times. The quantity and quality of product and service offerings in the Indian MF market have dramatically improved over the past year.[4]

(Tripathi, 2020) India's capital market provides a range of investment opportunities to enable investors to diversify their holdings across multiple industries and ensure a lucrative

[2] Biswas, D. (n.d.). ANALYSIS THE PERFORMANCE OF FUND MANAGER OF MUTUAL FUND: A STUDY ON SELECTED EQUITY SCHEMES IN INDIA DURING PRE AND POST LOCKDOWN PERIOD. https://www.researchgate.net/publication/372861072

[3] Mahesh, G., Geethanjali, D., Lokesh, D., & Srinivasan, M. S. (2023). A Study on Performance Evaluation of Selected Indian Equity Mutual Funds (Vol. 16, Issue 4). https://www.researchgate.net/publication/374673568

[4] Komal, S., Joshi, P., & Patel, M. B. (2021). A COMPARATIVE STUDY ON PERFORMANCE EVALUATION OF SELECTED DEBT, EQUITY AND HYBRID MUTUAL FUND SCHEMES IN INDIA GAP GYAN A GLOBAL JOURNAL OF SOCIAL SCIENCES A COMPARATIVE STUDY ON PERFORMANCE EVALUATION OF SELECTED DEBT, EQUITY AND HYBRID MUTUAL FUND SCHEMES IN INDIA. https://www.researchgate.net/publication/352372275

return. Open-end funds are one type of financial product that guarantees investors the greatest potential return with the fewest hazards. The expansion and advancement of diverse mutual fund products has been demonstrated to be one of the most effective catalysts for significant rise of capital market investments. In this case, closely monitoring and evaluating MFs became essential. Therefore, choosing profitable MFs to invest in may be essential. [5]

(Paul, 2021) Currently, household savings are being drawn towards the stock market via MF, which constitute a major factor. Small investors are increasingly turning to mutual funds due to their low costs and less hazardous systematic returns. Mutual funds fall into three primary categories: hybrid mutual funds, debt mutual funds, and equity mutual funds. Currently, there is a wide variety of financial products accessible in India, the majority of which produce growth and returns with little risk. However, selecting the for investing purposes, the most profitable mutual funds may be essential for investors. This study focuses on the performance of a select few large cap equity mutual funds. [6]

(Ghuge, 2019) In India, the MF industry has grown astronomically during the past several years. Mutual funds are now the principal investment option of choice for many small investors. Every year, more and more SIPs are put into mutual funds' investments. Because of the increasing demand, there are a lot of mutual fund schemes available for investors to choose from and invest in. The researcher's This study presents an attempt to use the Sharpe Ratio to evaluate the performance of several Indian equities mutual fund schemes. [7]

(Wachasundar, 2020) India saves at a rate higher than the world average. Indian investors need to look beyond the conventional assets like bank FDs and gold in favor of mutual funds in order to create wealth. Since they are not as well-informed, investors favor less mutual funds as a source of investment. Mutual funds provide a variety of investment plans

---

[5] Tripathi, S., & Japee, G. (2020). PERFORMANCE EVALUATION OF SELECTED EQUITY MUTUAL FUNDS IN INDIA. GAP GYAN - A GLOBAL JOURNAL OF SOCIAL SCIENCES, 3(1), 65–71. https://doi.org/10.47968/gapgyan.31009

[6] Paul, R. (n.d.). Performance Evaluation of Mutual Funds: A Study on Selected Large Cap Equity Fund Scheme in India. https://www.researchgate.net/publication/373627781

[7] Ghuge, N. (2019). A Study of Performance Evaluation of Selected equity mutual fund schemes in India using Sharpe's Ratio. https://www.researchgate.net/publication/340455787

from different asset management firms that span the financial spectrum. Every investor has distinct investment objectives, such as purchasing a home, saving for children's college or marriage, or receiving benefits after retirement. [8]

(Patjoshi, 2020) A noteworthy and distinctive investment option offered by many financial institutions is a mutual fund. Mutual funds pool the capital of many investors and use it to buy a range of stock market financial instruments. It's a professionally run investment option that has to do with market risk. In the previous few decades, the MF sector in India has experienced amazing progress. This study looked at the performance of a few chosen equity-based MF schemes in India by analysing their returns and risk. [9]

(Bhuvaneswari, 2012) Since the start of economic reforms in 1991, one of the industries in India that is expanding the fastest is the mutual fund business. The selection of high-risk schemes, including equity funds, and the attendant concerns surrounding funding from both the public and private domains have become crucial concerns for all investors. It is crucial to note that a single poor choice made by the fund manager has the potential to throw investors into a financial crisis and occasionally bankrupt them. [10]

(Pachiyappan, 2023) The total amount invested in MFs in India has grown astronomically, from Rs 7.93 trillion in 2012 to Rs 40.38 trillion in 2022—more than a five-fold rise over the previous ten years. Savings and Systematic Investment Plans (SIP) are gaining popularity among retail investors as a means of accumulating long-term wealth. A financial literacy wave that is spreading through India has mutual funds positioned as a major benefactor and contributor to this phenomenon. With systematic investments in secure investment vehicles like mutual funds, investors can take advantage of the wonderful

[8] Wachasundar, S. (n.d.). Performance of Indian Hybrid Mutual Fund During the Time of Global Financial Crisis. https://www.researchgate.net/publication/360588812

[9] Patjoshi*, Dr. P. K., & Nandini, Dr. G. (2020). Measurement of Risk and Return Spillovers Effects among Sensex and Equity Based Mutual Funds in India. International Journal of Recent Technology and Engineering (IJRTE), 8(6), 4478–4484. https://doi.org/10.35940/ijrte.F8744.038620

[10]AnalysisofMarketTimingAbilityandStockSelectionAbility-AStudyonEquityMutualFundSchemesinIndia. (n.d.).

opportunities presented by India's changing economic landscape to profit from these swings. The MF industry is always vulnerable to economic threats. [11]

(Chodietty, 2022) The majority of mutual fund investors have the choice between two strategies: lump sum investment plans (LIP) and systematic investment plans (SIP). The mutual fund business offers these two investment options, but it's seldom clear which would be preferable for long-term future investing. The current analysis compares the return and risk characteristics of four mutual fund plans accessible within the market to provide an explanation of which choice is performing better. Statistical methods such as the paired t-test, Sharpe ratio, and standard deviation are employed in this comparison's secondary data analysis. [12]

(Das, 2022) All investors can take advantage of the extensive platform provided by mutual funds for active portfolio diversification through expert savings management and investing in a variety of securities with varying risk-return profiles. Between 1964 and December 2019, the amount of AUM in the Indian MF business expanded dramatically from just Rs. 25 crores to Rs. 27.26 lakh crores. Large-Cap, Mid-Cap, and Small-Cap equities make up 65% of the total assets held by Multi-Cap Funds, which are invested in equity and equity-related products. This research examines the performance of open-ended multi-cap funds over the course of the last seven years, from 2013 to 2019. Ten schemes with net assets of more than Rs. 5,000 crores were chosen for the analysis based on a variety of criteria.[13]

---

[11] Pachiyappan, S., Shrivastava, A., Raj, V. J. P., & Vellaiyan, S. (2023). Autoregressive Distributed Lag Approach for Estimating the Nexus between Net Asset Value of Mutual Fund and Economic Determinants in India. Theoretical and Practical Research in the Economic Fields, 14(1), 186–201. https://doi.org/10.14505/tpref.v14.1(27).15

[12] Ch, R. S., Chodisetty, M., & Raja Babu, P. (2022). A Systematic Observation on Systematic Investment Plan (SIP) And Lump Sum Investment Plan (LIP) In Mutual Funds-With Special Reference to Kotak Bank Equity Fund Nippon India Equity A Systematic Observation On Systematic Investment Plan (SIP) And Lump Sum Investment Plan (LIP) In Mutual Funds-With Special Reference to Kotak Bank Equity Fund Nippon India Equity Fund. In Article in Journal of Interdisiplinary Cycle Research. https://www.researchgate.net/publication/363753127

[13] Das, S. K. (2022). Examining the Performance of Select Multi-Cap Funds in India. JOURNAL OF ACADEMIC ADVANCEMENT, 1(2), 58–68. https://doi.org/10.58574/jaa.2022.v1.i2.06

(Panigrahi, 2020)A mutual fund is an organization that pools the capital of multiple investors and utilizes it to buy stocks, bonds, debt instruments, and other securities. MFs are a rapidly growing industry in India and play a significant role in the nation's capital market. Investors can receive a tax benefit under section 80 C of the IT Act of 1961 by investing in an equity linked savings program, which is an open-ended equity diversified fund. With 30% tax and no surcharge, the tax benefit on Rs. 1.5 lakh "income" is up to Rs. 45,000. It might be challenging for investors to select the best ELSS fund for their needs given the abundance of options available. [14]

(Wachasundar, 2018) Mutual funds are a tool for methodical investing There are many different MF schemes. available for investors looking to make long-term gains. One of the biggest, most developed, and most significant emerging financial markets is India, whose benchmark indexes have been strongly rising since 2014. Over the past 20 Over time, mutual funds have evolved into increasingly significant in the stock market. Most market analysts believe that this upward momentum will hold over the long run. Mutual funds specializing in Indian equities provide investors with chances to earn significant capital gains, which will be subject to taxation starting in the 2019–2020 fiscal year. In India and throughout the world, stocks have outperformed other financial asset classes over the long run. [15]

(Biswas, 2023) Structured Abstract: This research examines the performance of a few mutual fund equity schemes before and after the shutdown, covering the years 2019–2021. Techniques/Design: The analysis was conducted using the Treynor, Jensen, and Sharpe ratios and was based on the risk and return of the chosen schemes. Conclusions: This study shows that only four schemes had better rates of return, but they also carried larger risks. The schemes we have chosen exhibit a positive and noteworthy relationship between return and risk. Out of all the schemes, only one produces the same rank when comparing Treynor

[14] Panigrahi, A., Mistry, M., Shukla, R., & Gupta, A. (2020). A Study on Performance Evaluation of Equity Linked Saving Schemes (ELSS) of Mutual Funds. https://www.researchgate.net/publication/338688763

[15] Wachasundar, S. (2018). A Study on the Performance of Equity Mutual Funds With special reference to small cap mutual funds. www.jetir.org

and Sharpe techniques. This well-diversified scheme is the only one that does so. These plans lack sufficient diversification. [16]

(Kusuma, 2022) Mutual funds are only one of the many investing choices available to Indian investors looking to benefit. Purchasing mutual funds, in addition to various financial products, guarantees that investors will incur the least amount of risk and obtain the maximum return. Demand for and the scope of MF operations have increased as emphasis has shifted to promoting investment diversification and raising domestic savings. Researching The success of the mutual fund sector became vital. The aim of this study is to assess the daily NAV performance of select Indian MF schemes over a ten-year period, from 2012 to 2021. The study will use a sample of ten open-ended, growth-oriented equity funds.[17]

(Latha, 2016) The performance of a subset of mutual funds is assessed in the current study using Treynor's ratio, Sharpe's ratio, Jensen's Ratio, Fama's measure, and risk-return analysis. The data used in the analysis consisted of daily closing NAVs for the period spanning from January 1, 2010, to December 31, 2013. The MF schemes selected for examination consist of three public, three private, and three private (international) sector sponsored plans. Three of the nine plans—the Franklin India Tax Shield, according to the results of the performance evaluation metrics—are expanding. The ING Tax Savings Fund Growth and the HSBC Tax Saver Equity Fund Growth schemes beat the benchmark index on every metric employed in the research; the Franklin India Tax Shield Growth fund is the top performer among them. [18]

---

[16] Biswas, D. (2021). Performance Analysis of Mutual Fund in India: A Study on Pre and Post Lockdown Period Performance Analysis of Mutual Fund in India: A Study on Pre and Post Lockdown Period Performance Analysis of Mutual Fund in India: A Study on Pre and Post Lockdown Period Performance Analysis of Mutual Fund in India: A Study on Pre and Post Lockdown Period RAY: International Journal of Multidisciplinary Studies. In International Journal of Multidisciplinary Studies: Vol. VI (Issue 2). https://www.researchgate.net/publication/372861615

[17] T., K., & J.P., Dr. S. K. (2022). Macroeconomic Performance Analysis of Selected Indian Mutual Funds. NeuroQuantology, 20(5), 696–703. https://doi.org/10.14704/nq.2022.20.5.nq22225

[18] Latha, K., & Ghosh, R. (2016). PERFORMANCE EVALUATION OF MUTUAL FUNDS IN INDIA: A CASE STUDY. Ramanujan International Journal of Business and Research, 1(1), 53–63. https://doi.org/10.51245/rijbr.v1i1.2016.149

(Balasundaram, 2012) The financial performance research paper focused on the mutual fund schemes (equity diversified and equity mid-cap) of a select few banks, namely State Bank of India, Canara Bank-Public Bank, ICICI Bank, and HDFC Bank-Private Bank. This research project's goal is to use statistical features (Standard Deviation, Beta, and Alpha) and ratio analysis (Sharpe, Treynor, Jenson, and Information ratios) to assess the company's financial performance specific MF schemes. According to the study's findings, HDFC Capital Builder is the most preferred and highly ranked open-ended scheme for midcap investing using a range of criteria, while Canara Robeto Equity Diversified is the most favoured and highly ranked open-ended scheme for tax savings.[19]

(Singh, 2022) The industry has come a long way in the years since the UTI in India. The number of MF has increased over time. Investors typically think of mutual funds as a means of entering the stock and bond markets. They offer investors their professional competence. Investors in India can benefit from mutual funds' safety, liquidity, and growth. These are accessible, safe, and efficient ways to direct savings into profitable, growth-oriented investments. The funds offer resources to support enterprises, safety to investors, and stability to share prices. This essay aims to emphasize the significance of MFs in India. [20]

(Sangisetti, 2020) Buying shares or units of a mutual fund allows investors to become shareholders of the fund. Mutual fund Businesses are middlemen in the financial system that provide financial services to small investors through the mobilization of funds. Because they are incredibly easy to invest in and cost-effective, mutual funds rank among the best investments ever made. As a result, the Rupee is produced in large returns to encourage excellence in finance. This study aims to compare the growth-oriented equity diversified schemes' performance over a 5-month period previous to the Covid-19 outbreak with a 5-month period during the outbreak, based on an assessment of return and risk.[21]

---

[19] Balasundaram, N. (n.d.). Mutual Fund Financial Performance Analysis: A Comparative Study on Equity Diversifiedschemes and Equity Mid-Cap Schemes. www.zenithresearch.org.in

[20] Mutualfunds. (n.d.).

[21] Manoj, M. S., & Avinash, M. B. (n.d.). Performance Evaluation Of Mutual Funds Before And During The Outbreak Of Covid-19 Pandemic In India. (A Case Study Of Selected Companies). In European Journal of Molecular & Clinical Medicine (Vol. 07).

(Gupta, 2014) Mutual fund investment performance analysis is a difficult undertaking since it involves many variables, including multidimensional concepts. One can obtain total returns, returns adjusted for inflation, returns adjusted for risk, and so forth. They can be compared with different standards and associated to different time frames. Furthermore, one must include market performance when evaluating the risk-related return of different schemes. The investor may be misled about the true return on his investment if certain conditions are overlooked. The market is a dynamic entity that undergoes periodic changes in its appearance, and the state of the market has an impact on the performance of mutual funds.[22]

(Jain, 2023) This report provides an overview of the performance evaluation of flexi cap mutual funds. One type of financial tool for investing in financial products such as money market instruments, equities, bonds, and other assets is a mutual fund. It is composed of a pool of money that is gathered from numerous individuals. Open ended dynamic equity schemes known as flexi cap funds make investments in small, mid, and big cap firms. With the help of these funds, investors may spread out their holdings across a range of market capitalizations to lower risk and volatility. Therefore, regardless of a company's size, the fund manager is in charge of evaluating its potential and allocating capital to various industries and other companies. [23]

(Shreekant, 2020) Mutual funds in India are broadly classified as equities, balanced, and debt funds, each of which serves a certain investor's expected return and risk tolerance. Furthermore, the common consensus is that of the three types of funds mentioned above, equity funds offer the highest returns, followed in that order by balanced funds and debt funds. However, when compared to debt and balanced funds, the risk associated with equity funds is also larger. The objective of this article is to conduct an empirical comparison of the risk and returns associated with the three main categories of mutual funds mentioned above that operate in India for durations of three, five, and 10 years. In order to do this, we

---

[22] Gupta, S. (2014). Performance Appraisal of Selected Mutual Funds: A Risk-Return Analysis International Journal of Engineering Research & Management Technology PERFORMANCE APPRAISAL OF SELECTED MUTUAL FUNDS: A RISK-RETURN ANALYSIS. https://www.researchgate.net/publication/375342088

[23] Jain, Dr. M. (2022). A Study of Selected Flexi Cap Mutual Funds. Journal of Corporate Finance Management and Banking System, 24, 16–24. https://doi.org/10.55529/jcfmbs.24.16.24

choose three independent samples—three of size sixty—in each of the following categories: debt fund, balanced, and equity. [24]

(Bhattacharjee, 2020) The article assesses the performance of MF schemes in India, with specific reference to sector-specific plans. To this purpose, in addition to Sharpe and Jensen alpha, 21 open-ended equity schemes are considered and analyzed using the Treynor, Jensen, M-, R-, and information ratios. The selected measures are the Treynor ratio, Sharpe ratio, Jensen alpha, and M-squared measure; they do not compare the scheme returns to those of their benchmarks. These measurements are used in an absolute manner. Correlation analysis has also been employed to investigate the ranks assigned by the metrics. The investigation shows that majority of the schemes routinely and successfully outperform the returns on their respective benchmarks.[25]

(Viswanathan, 2021)maintain the smooth functioning of each and every company on the planet. Using mutual funds instead of buying individual shares offers advantages and disadvantages. MFs are often grouped according to their primary investments. Money market funds, debt funds, stock or equity funds, bond or fixed income funds, and hybrid funds are the four primary types of funds. Actively managed and index-based investment funds are the two primary categories. To obtain accurate data on the growth of Indian mutual funds, we first provide an overview of their performance before focusing on rural communities. [26]

(Clonia, 2019) Based on their understanding of the relationship between risk and return and their tolerance for risk, investors can choose from a wide variety of MF schemes offered by the mutual fund market. This study assessed the performance of Indian equity MF schemes over a five-year period in comparison to their respective benchmarks using a range of criteria, such as the Sharpe ratio and linear regression. Mutual funds and market index

---

[24] Shreekant, G., Rai, R. S., Raman, T. v., & Bhardwaj, G. N. (2019). Comparing performance of equity, balanced and debt mutual funds – Empirical evidences from India. International Journal of Innovative Technology and Exploring Engineering, 8(9), 2167–2176. https://doi.org/10.35940/ijitee.i8537.078919

[25] Bhattacharjee, A. (n.d.). Performance Evaluation of Sectoral Mutual Fund Schemes: Evidence from India. https://www.researchgate.net/publication/347024874

[26] ViewofPerformanceofIndianMutualFundsRiskandReturnsduringCovid19-AnOverview. (n.d.).

returns are both computed with risk adjusted returns. The beta coefficient is used to analyse the volatility of MFs, which aids in assessing the funds' level of risk tolerance. [27]

(Bajpai, 2016) According to the SEBI (Mutual Funds) Regulation, 1993, a mutual fund is defined as "a fund established in the form of a trust by a sponsor, to raise monies by the trustees through the sale of units to the public, under one or more schemes, for investing in securities in accordance with these regulations". A MF is a collective financial account that participants contribute money to, with the intention of investing it toward a specific objective. The fund is therefore "joint" or "mutual" ownership, meaning that each investor has a share in it.[28]

(Gupta N. K., 2014) Since India's economic reforms in 1991, investors have had access to a plethora of investment opportunities, such as stocks, bonds, mutual funds, real estate, financial derivatives, life insurance policies, bank deposits, post office deposits, and more. A MF is one of the main platforms that offers investors exceptional investing opportunities. A mutual fund is a kind of trust that is used to manage the assets of members who have similar financial goals. The funds are invested in a variety of securities, such as shares, debentures, money market instruments, etc., depending on the program's stated aim. Balanced schemes combine debt and equity instruments in a thoughtful way to provide periodic returns and long-term capital growth.[29]

(Pani, 2021) Financial planning and investing decisions are critical in a world where political and economic conditions are constantly shifting. A person's purchasing power, age, income, risk tolerance, and inflation all have a big impact on the investments they make. One of the most well-liked investment options is mutual funds, and as time goes on, the MF industry in India will expand considerably. However, there is still room for

---

[27] Clonia, R. (n.d.). Restaurant Business Financial Risk Tolerance: Assessing the Equity Mutual Fund Schemes in India. https://www.researchgate.net/publication/366192097

[28] Bajpai, S., & Banarasi, B. (2016). Risk Opportunities and Returns for Investors in Mutual Funds an Overview. In International Journal of Technology, Management and Humanities (IJTMH) refereed e-journal form in English. International Journal of Technology, Management. https://www.researchgate.net/publication/369626594

[29] Gupta, N. K. (n.d.). Balanced Mutual Fund: The Performance Evaluation of selected Schemes. https://www.researchgate.net/publication/340594914

improvement in investors' ability to take risks. Foreign individuals and companies have made huge increases in FDI and FII investments since the GLP of India policies were put into effect. This demands a more promising future and a thorough examination of growth-related concerns. [30]

[30] Pani, S., & Riyank Levi, S. (n.d.). THINK INDIA JOURNAL An Empirical Study on Diversified Large Cap Mutual Funds Schemes and Its Performance Evaluation https://www.amfindia.com/net-asset-value/nav-history

CHAPTER-3
RESEARCH METHODOLOGY

INDEX

3.1 INTRODUCTION

Capital markets in India offer an abundance of financial options to investors, enabling them to engage in diverse business ventures and reap lucrative returns. A MF is a viable investment option. In India, there exist multiple varieties of MF. Mutual funds are made to give investors the best possible return with the fewest possible risks. Reviewing and assessing mutual funds is warranted given the industry's expansion and advancement and the fact that they've become a significant saving option.

To select lucrative MFs as a means of investment diverse time spans might be a critical issue. This research examines the appraisal by many asset management businesses in India of the chosen equities Investment opportunities include mutual funds. Mutual funds with large, mid, and small capitalization schemes are the three main open-ended mutual fund plans that are the subject of this research's evaluation. The study's analysis methodology is described in this chapter.

The chapter elaborates on the chaptalization and constraints of the ongoing inquiry and describes the goals, motivation, methodology, and scope of the data analysis.

3.2 STATEMENT OF THE PROBLEM

Evaluating the performance of Indian large, mid, and small-cap equity mutual funds is the aim of the current study.

"PERFORMANCE EVALUATION OF SELECTED EQUITY SCHEMES OF MUTUAL FUNDS IN INDIA"

3.3 SCOPE OF THE STUDY

One of the financial products that is crucial to the capital market is the mutual fund. Small investors that find it difficult to participate in the financial market profit more from it. Money saved for capital market investments is combined and invested through mutual funds.

Asset management firms in India provide a variety of MF options. Following SEBI's classification of mutual funds, three Since equity fund types were well defined, they were used for the study.

MF performance evaluation is included in the study. The study's scope includes evaluating using several methods, such as average return and risk-adjusted returns. The study used a number of methods to assess the MF performance, including periodical analysis, descriptive analysis, and the application of Sharpe and Treynor ratio approaches.

3.4 NEED FOR THE STUDY

Among the financial products that is crucial to the capital market is the mutual fund. Investors that find it difficult to participate in the financial market gain from it. The current study examines MF performance and growth. Mutual fund growth is examined from the beginning, with a particular emphasis on the four years between 2020 and 2023.

Access to equity markets, a profitable financial instrument, is made possible via mutual funds. The Indian economy boasts one of the highest gross domestic savings rates in the world, accounting for around 30% of GDP (World Bank, 2016). However, mutual fund penetration is still low and concentrated in India's largest cities (AMFI Reports, 2015 to 2019).

3.5 OBJECTIVES OF THE STUDY

The performance of a few Indian equity mutual funds is assessed in the current thesis for the following Study.

1. To assess the mutual fund selections' growth in India.
2. To assess the chosen mutual funds' performance in India.
3. To present the study's key findings and offer suggestions based on how the data should be interpreted.

3.6 HYPOTHESIS FOR THE STUDY

Based on the study's aims, the following hypotheses are developed.

1. H_0: There is no significant difference in the returns of the selected large Cap equity fund schemes.

   H_1: There is significant difference in the returns of the selected large Cap equity fund schemes.
2. H_0: There is no significant difference in the returns of the selected mid Cap equity fund schemes.

   H_1: There is significant difference in the returns of the selected mid Cap equity fund schemes.

3. H_0: There is no significant difference in the returns of the selected small Cap equity fund schemes.

   H_1: There is significant difference in the returns of the selected small Cap equity fund schemes.

3.7 RESEARCH DESIGN

The nature of the current study is descriptive. According to Cooper and Schindler (2003), descriptive research is employed to characterize the phenomena or traits connected to a subject population, including the who, what, when, where, and how of a topic. Based on secondary data, the study attempts to review the mutual fund sector since 1963 to 1964 and evaluation of the mutual fund's performance chosen for the analysis. The information was gathered via a variety of internet sources.

3.7.1 major terms used in the present study

The primary terms utilized in the current study are listed below.

Mutual Fund: A MF is a business that invests money from a number of investors in securities such as bonds, equities, and short-term debt.

The investment trust's portfolio is made up of all of its holdings together. Mutual fund shares are given to investors.

Open Ended: A dispersed portfolio of cooperative investors currency may be an investment business, with the ability to issue an infinite number of different types of shares. Investors purchase shares from the fund sponsor, who then redeems them. The daily price of these shares is determined by their NAV.

Equity Mutual Fund: The size of an equity fund is determined by its market capitalization, and equity mutual funds are categorized according to the stock holdings of the fund that reflect the investing strategy.

Asset under Management: " The entire market value of the assets held by a mutual fund for the benefit of its shareholders" is known as "AUM". It serves as a gauge of the Fund House's scale and effectiveness. Any scheme's net assets provide a decent indication of the degree of investor assurance regarding the mutual fund scheme. AUM typically increases when a fund continually generates favourable returns while drawing in new investors. Similarly, the assets may be lowered if the fund experiences reds.

The assets of the fund are impacted whenever an investor makes new investments or redeems existing ones.

AUM (asset under management) is a good measure of how confident investors are in the fund house and fund manager. It should be easy to draw in new investors if the fund has had a successful history.

Recourse Mobilization: The idea of using MFs to combine resources for use in capital market. Stated differently, it refers to the procedure of producing resources provided by the resource provider, which in the MF sector is the investor.

Regular Funds: Direct regular funds and open-ended regular funds are the two categories of open-ended funds. The MFs that you can invest in are called regular funds. through a broker, agent, or distributor that is a certified negotiator.
Consistent funding source for investors Direct plans, however, are appropriate for many astute investors, United Nations agencies lack the necessary time, expertise, or market awareness.

Performance Evolution: The verb performed, which meaning to do, carry out, and render, is the root of the word performance (Dictonary.com). Performance is evaluated in this study based on returns provided by particular large-cap, mid-cap, and small-cap mutual funds. The performance has been assessed using a variety of mutual fund-appropriate instruments and methodologies.

CRISIL Rank: Since its June 2000 inception, investors, brokers, and asset management firms have embraced it with great enthusiasm. CMFR encompasses a number of categories from the debt, equity, and hybrid asset classes. In contrast to the majority of existing ranking methods, which solely focus on returns or NAV, CMFR evaluates investments using a mix of portfolio-based qualities and NAV. This offers a concise evaluation of MFs, taking into consideration significant variables like risk-adjusted returns, liquidity, asset concentration, and asset quality.

CRISIL Fund Ranks 1 (exceptional performance), 2 (acceptable performance), 3 (mediocre performance), and 4 (poor performance) and CRISIL Fund Rank 5 (relatively bad performance) are the ranks that are ranked from 1 to 5 on a scale.

Expense Ratio: The annual upkeep fee that mutual funds impose to cover their costs is known as the expense ratio. It comprises the fund's yearly running expenses, such as advertisement, allocation, and management fees expenses, etc. The mutual fund's size in question determines the value of an expense ratio.

3.7.2 Population Sample

The goal of this research is to assess Indian mutual funds offering long-, medium-, and short-term equity growth. These are the study's population and sample:

3.7.2.1 Defining Target Population

A population is the sum of all things, subjects, or individuals who meet a given set of requirements.

The whole universe of equity, regular, open-ended, large-cap, mid-cap, and small-cap mutual funds makes up the study's population. There are thirty of these funds in all.

3.7.2.2 Sample unit

The fundamental unit that contains the population's components to be sampled is called the sample unit. It might be the component by itself.

Regular and either large size, mid cap, or small cap equity open-ended funds are used as the sample unit in this research. From every AMC in the nation of India, one big, mid, and small cap growth-oriented mutual fund that has been in existence for four years from 2019-20 to 2022-023 has been chosen.

3.7.2.3 Sample size of the Study

The number of objects that must be chosen from the populace in order to create a sample is known as the sample size. This study's sample size is made up of all large-cap, mid-cap, and small-cap mutual funds that have been in existence for the last four years, from 2019-20 to 2022-2023.

Since funds from each of these categories can be included in a retail investor's portfolio, three distinct types of equity funds of varying nature based upon the top 100, from 101 to 250, and from 251 onward in accordance with the AMFI list for securities They have been selected for the study based on their market capitalization.

The current study has a sample size of thirty, made up of ten large-cap funds, ten mid-cap funds, and ten small-cap funds.

3.7.2.4 Period of the Study

The study spans ten years, from 2019–20 until 2022–2023 (inclusive). Four years is a lengthy time to analyse mutual funds for equity, as per the thorough literature study.

3.7.2.5 Nature and Source of the Data

The gathering of data is a crucial component of research. Secondary in nature is the type of data that is gathered and utilized in this study. Secondary data was gathered in order to better understand research, the expansion of Indian mutual funds, and the performance evaluation of mutual funds. accessible to the public research papers from a variety of national and international publications, news portals, media stories about mutual funds, SEBI policies, and internet resources with pertinent data are all included in the data. Data from NSE, BSE, RBI, CRISIL, AMFI, moneycontrol.com, mutualfundsindia.com, and websites of several AMCs that sell mutual funds are included in the study.

3.8 TOOLS USED FOR THE DATA ANALYSIS

The performance evaluation of mutual funds, for example, was conducted using the following instruments and techniques for analyzing data in the current study: The performance of the equity mutual funds selected for research is assessed in this study. The chapter makes use of a number of approaches, including the following:

The following are methods for assessing mutual funds' performance:

3.8.1 Mutual Fund Returns

Average Return: When reporting prior returns, such as the average mutual fund returns over the course of three, five, and ten years, The definition of the average annual return is a percentage. In the current investigation, periodic returns have been utilized.

One Way Analysis of Variance: One-way analysis of variance (ANOVA) is used to determine whether there are any statistically significant differences between the means of three or more independent (unrelated) groups. It investigates the alternative theory:

Periodical Returns: It's crucial to evaluate mutual fund performance before making a decision. Being vigilant and informed on the evolution of mutual funds is prudent behaviour for investors. Investors can Compare the returns' average increase. with the aid of a periodic return. One, three, five, or 10 years may pass between such a recurring visit.

3.8.2 Reward to Risk Ratio:

Sharpe Ratio:

The fund's success in relation to the risk it takes is assessed by the Sharpe ratio. As a result, risk to variability ratio is another name for the Sharpe ratio. Divided by the SD, it represents the surplus returns over the returns without risk. The Sharpe ratio, which evaluates the portfolio manager on both diversity and rate of return, while accounting for total portfolio risk as shown by the SD in its denominator.

The Sharpe Ratio can be calculated as follows: (Total Returns - Risk Free Rate) / Fund Standard Deviation

The better the fund's risk-adjusted performance, the higher its Sharpe ratio. f the analysis's Sharpe ratio is negative, it indicates that either the risk-free rate exceeds the portfolio's return or a negative return is anticipated for the portfolio. A higher Sharpe Ratio is preferable as it signifies an increased return on risk per unit. Thus, it is recommended that investors select investments with a greater Sharpe ratio.

Treynor Ratio (Reward-to-Volatility)

One method for evaluating a fund's excess returns above its risk-free returns is the Treynor ratio. The beta is considered a measure of volatility even though the ratio and the sharp ratio are very similar.

The ratio is computed by dividing the variance between the risk-free rate and portfolio returns by beta. As a result, investors could choose investments with a Treynor ratio.

How to calculate the Treynor Ratio

Treynor Ratio = Portfolio Return-Risk free rate/Portfolio’s Beta Greater Treynor ratios are a sign of better fund performance.

So, Treynor ratio-based investments may be preferred by investors.

3.9 OVERVIEW OF THE STUDY

The paper is divided into five chapters. "Performance Evaluation of Selected Equity Schemes of Mutual Funds in India."

Chapter 1: Introduction: This chapter serves as the study's introduction. This chapter also explains the global and Indian scenarios, how mutual funds operate, the roles of important institutions, and the laws governing the mutual fund sector.

Chapter 2: Review of Literature: The earlier research on the MF industry in India and outside is presented in this chapter. This chapter examines a range of secondary sources, including books and research papers from universities in the US and abroad.

Chapter 3: Research Methodology: This chapter outlines the study's goals, research methods, need and motivation, and scope. Tools for performance evaluation and descriptive analysis are part of the methodology that was used. There is also a full description of the study's limitations and chapter structure.

Chapter 4: Data Analysis: Large, Mid, and small cap mutual fund performance is examined in this chapter using a variety of statistical metrics and their average returns. The study analyses four years' worth of MF schemes (2019-20 to 2022-2023).

Chapter 5: Findings, Conclusions and Suggestions: This chapter presents the main conclusions that came from thorough data analyses. The chapter also outlines suggestions and areas for additional research.

3.10 LIMITATIONS OF THE STUDY

The following are some of the constraints that apply to this research:

- Due to the typical constraints of a research project, including time, resource availability, and study duration, only large cap, mid cap, and small cap funds have been chosen for the study.
- Only equity growth schemes have been chosen for the study because it is challenging to assess all mutual fund schemes.
- A variety of websites, journals, and books have been used to gather the secondary data. Variations from the original data might be observed.
- Due to scheduling constraints, the current study's duration has been restricted to just 4 years. Four years is often thought to be a good length of time to examine long-term mutual fund results.

Reference:

- D.R. and Schindler, P.S. (2001) Business Research Methods. McGraw-Hill Higher Education, London
- Polit, D.F. and Hungler, B.P. (2013). Essentials of Nursing Research: Methods, Appraisal, and Utilization (8th Edition ed.). Philadelphia: Wolters Kluwer/Lippincott Williams and Wilkins
- https://statistics.laerd.com/statistical-guides/one-way-anova-statisticalguide.php
- https://www.worldbank.org
- https://www.dictionary.com/
- https://www.crisil.com/en/home/our-busin

CHAPTER-4

DATA ANALYSIS AND INTERPRETATION

INDEX

4.1 INTRODUCTION

This chapter looks at the history of the MF industry and evaluates the performance of the MF that were selected for this research. This chapter assesses the performance of the risk-adjusted returns and the average and periodic returns of MF. (sharp ratio, Treynor ratio).

Thirty rises in equity mutual funds Schemes that are open-ended were chosen for the current study, and the researcher has made an effort to assess each fund's performance from April 2019 to March 2023.Returns are determined for the overall performance analysis based on the mutual fund's net asset value. It displays the returns that the mutual fund has produced. NAV is taken into account by the procedure at the start and finish of the holding period.

4.2 LIST OF THE REGULAR GROWTH LARGE CAP FUNDS SELECTED FOR THE STUDY

The following table shows the list of large cap mutual funds that was selected for the study.

Table: 4.1 List of Large Cap Mutual Fund selected for the study

Sr. No.	Large Cap Mutual Fund Schemes	Benchmark (TRI)	CRISIL Rank
1	ICICI Prudential Bluechip Fund	Nifty 100 TRI	5
2	Nippon India Large Cap Fund	S&P BSE 100 TRI	5
3	Baroda BNP Paribas Large Cap Fund	Nifty 100 TRI	4
4	HDFC Top 100 Fund	Nifty 100 TRI	4
5	Edelweiss Large Cap Fund	Nifty 100 TRI	4
6	Kotak Bluechip Fund	Nifty 100 TRI	3
7	SBI Bluechip Fund	S&P BSE 100 TRI	3
8	Canara Robeco Bluechip Equity Fund	S&P BSE 100 TRI	2
9	Axis Bluechip Fund	S&P BSE 100 TRI	1
10	Mirae Asset Large Cap Fund	Nifty 100 TRI	1

Investors commonly opt for large-cap mutual funds to achieve generating wealth via capital investments. The premier large-cap funds strategically allocate their assets to top-ranked companies, maintaining a commendable track record of sustained profit generation over an extended period. As evident in the table, all 10 selected large-cap mutual funds are included in the study. This deliberate selection underscores a comprehensive analysis of the performance and potential returns offered by these funds. Such a meticulous approach aligns with the investor's goal of long-term wealth accumulation, highlighting the importance of prudent fund selection based on historical performance and the underlying strength of the invested companies.

4.2.1 A Returns-Based Study of Large-Cap Mutual Funds

The analysis is predicated on the funds' performance as measured by average returns.

4.2.1.1 Large-cap Mutual Funds Average Returns

The provided table illustrates the avg. returns per year of chosen Large-cap mutual funds over a 4-year study period. Annualized returns, a key metric, gauge the yearly growth in investor investments. These figures encapsulate the performance of the funds, providing insights into their profitability and stability. Additionally, the table presents a four-year average return, offering a consolidated view of the funds' overall performance during the observed period. Using the shown yearly and cumulative returns, investors can assess the mutual funds' historical performance and make informed decisions about their investing strategy.

Table: 4.2 Large-Cap Mutual Fund Average Returns

Large cap Mutual Fund Schemes	2019-2020	2020-2021	2021-2022	2022-2023	Average Return
ICICI Prudential Bluechip Fund	13.49	29.17	6.85	27.39	19.23
Nippon India Large Cap Fund	4.91	32.37	11.33	32.15	20.19
Baroda BNP Paribas Large Cap Fund	16.84	22.08	4.21	24.08	16.80
HDFC Top 100 Fund	5.91	28.54	10.61	30.02	18.77
Edelweiss Large Cap Fund	17.29	23.39	3.38	25.72	17.45
Kotak bluechip fund	16.37	27.74	1.99	22.09	17.05
SBI Bluechip Fund	16.34	26.08	4.36	22.62	17.35
Canara Robeco Bluechip Equity Fund	23.06	21.54	0.82	22.22	16.91
Axis Bluechip Fund	19.72	20.64	-5.66	17.45	13.04
Mirae Asset Large Cap Fund	13.70	27.74	1.60	18.45	15.37

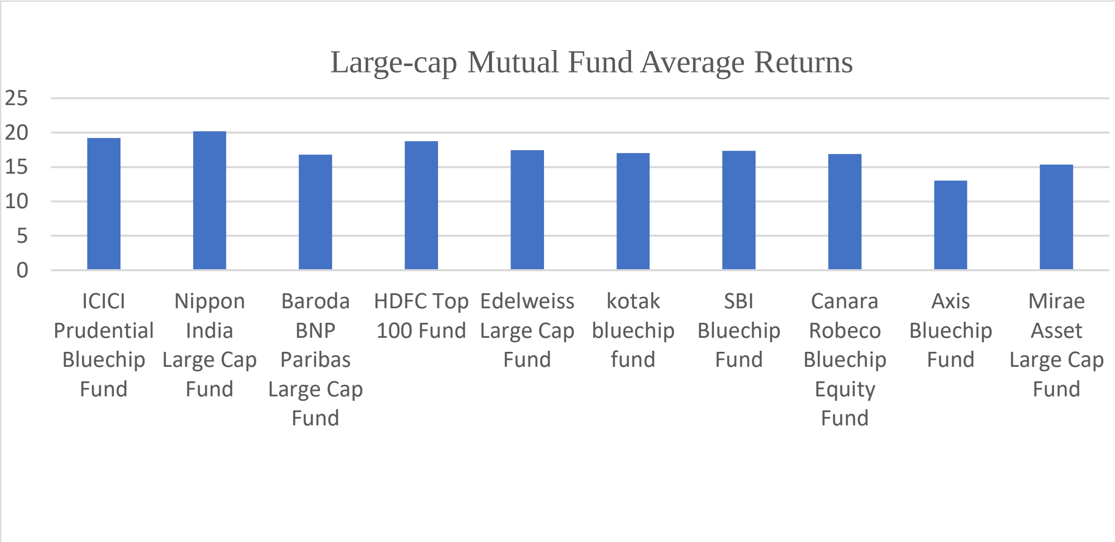
1. **ICICI Prudential Bluechip Fund:** From 2020 to 2023, the Schemes 1 showed a range of yearly returns. The fund posted a strong 13.49% average return in 2020, demonstrating its tenacity in a difficult environment. Then, 2021 saw a significant uptick, averaging a return of an astounding 29.17%, which was a sign of both good market conditions and efficient fund management. The average return in 2022 was comparatively lower at 6.85%, which could have been impacted by changes in the market or particular economic variables. Nonetheless, the fund experienced a resurgence in 2023, with an impressive average return of 27.39%. Over the course of four years, the fund produced an impressive total average return of 19.23%, demonstrating its ability to manage a variety of market conditions and provide investors with competitive performance.
2. **Nippon India Large Cap Fund:** From 2020 to 2023, this showed significant fluctuations in its annual returns. The fund had a low average return of 4.91% in 2020, which was indicative of market turbulence during the world health crisis. The next year, 2021, saw a significant uptick with a remarkable 32.37% return, indicating a robust market recovery. But in 2022, the average return took a slight decline to 11.33%, which could have been brought on by changing economic circumstances. 2023, the year that followed, showed fresh energy with a strong return of 32.15%. Over the course of four years, the fund demonstrated a great total average return of 20.19%, highlighting its robustness and potential for positive long-term investing outcomes.
3. **Baroda BNP Paribas Large Cap Fund:** From 2020 to 2023, this Schemes showed a range of yearly returns. The fund had a return of 16.48% in 2020 and 22.08% in 2021, which was a significant rise. With a return of 4.21%, 2022 showed a decline in performance. In 2023, the fund made a significant comeback, yielding a large return of 24.08%. The fund's overall average return is determined at 16.80% when computing the average return over these four years. This information implies that even if the fund's performance fluctuated, it had a positive overall trend throughout the given time frame. In order to evaluate the fund's past performance and make wise judgments on their investment portfolios, Investors might discover this data to be helpful.
4. **HDFC Top 100 Fund:** From 2020 to 2023, the HDFC Top 100 Fund showed a range of yearly returns. The fund produced a respectable 5.91% return in 2020 and a noteworthy 28.54% return in 2021, which was a significant increase. With a recovery of 10.61% in 2022, the pattern persisted, but at a slightly slower rate. But the fund saw

a huge increase in 2023, registering an outstanding return of 30.02%. With an average return of 18.77% over the four years, the average return calculation shows a strong overall performance. This implies that over the given time frame, the HDFC Top 100 Fund not only showed steady growth but also withstood market swings.

5. **Edelweiss Large Cap Fund:** The annual returns of the Edelweiss Large Cap Fund varied during the 2020–2023 study period. The fund had a respectable 17.29% return in 2020, and then it made an incredible comeback in 2021, rising to a huge 23.39%. Nonetheless, 2022 saw a meek return of 3.38%, signifying a deceleration in growth. The fund made a strong comeback in 2023, generating a healthy return of 25.72%. The overall average return over the four-year period is a commendable 17.45%, notwithstanding the swings. This average illustrates the fund's resilience in handling market situations and its capacity to bounce back and produce competitive performance. When assessing the fund's past performance and making decisions based on trends, investors could find these numbers useful.
6. **Kotak bluechip fund:** From 2020 to 2023, the Kotak Bluechip Fund showed a range of yearly returns. The fund produced a moderate 16.37% return in 2020, which may have been impacted by the market volatility brought on by the pandemic. The next year, 2021, had a notable rise with an astounding return of 27.74%, suggesting a robust rebound or advantageous market conditions. The weak 1.99% return in 2022, however, might have been caused by a period of poorer market performance or by particular difficulties the fund was facing. In 2023, the fund recovered and produced a strong return of 22.09%, indicating a return of positive market trends. A balanced performance over the years is shown in the calculated overall average return of 17.05% for the study.
7. **SBI Bluechip Fund:** The SBI Bluechip Fund's annual returns have fluctuated over time, but its 16.34% performance in 2020 was quite strong. The fund then had a notable increase in 2021, rising to an astounding 26.08%. But returns dropped to 4.36% in 2022, indicating a less favourable time frame. In 2023, the fund made a strong comeback, returning 22.62%. The average return over the four years is a noteworthy 17.35%, notwithstanding the variations. These swings serve as a reminder of both the intrinsic volatility of the financial markets and the value of keeping an eye on investment portfolios. When making investing decisions, investors should take the market conditions, their risk tolerance, and the fund's historical performance into account. To successfully manage the ever-changing mutual fund investing market, it's critical to remain informed and adjust one's strategy.

8. **Canara Robeco Bluechip Equity Fund:** The four-year period from 2020 to 2023 saw a range of yearly returns for this Schemes. The fund performed quite well in 2020, returning 23.06%; in 2021, however, its return was rather lower, at 21.54%. But 2022 saw a sharp decline with a meagre return of 0.82%, which was probably caused by the state of the market or certain fund characteristics. With a return of 22.22%, 2023 proved to be a significant rebound year. An average annual return of 16.91% was generated by this Schemes during the course of these four years. This information highlights the fund's capacity to weather market turbulence and bounce back from an unfavourable year, giving investors an average return that was positive for the given time frame.
9. **Axis Bluechip Fund:** The four-year period from 2020 to 2023 saw a range of annual returns for the Axis Bluechip Fund. The fund had a great trend in 2020 with a strong average return of 19.72%. The average return increased to 20.64% in 2021, a little improvement from the previous year and a sign of continued success. Nevertheless, the fund saw a decline in 2022, with an average return of -5.66%, indicating a time of slow growth and possible market difficulties. Thankfully, 2023 saw a notable turnaround, with the average return rising to 17.45%, indicating a return to profitable performance. Over this period, the Axis Bluechip Fund's total four-year average return is 13.04%, which exhibits a balance between positive and negative variations in its annual returns.
10. **Mirae Asset Large Cap Fund:** From 2020 to 2023, this Scheme showed a range of yearly returns. The fund produced a respectable return of 13.70% in 2020 and a noteworthy 27.74% return in 2021, respectively. Nevertheless, the fund's performance declined in 2022, yielding a meagre return of 1.60%. The return increased to 18.45% in 2023, the following year, marking a significant comeback. The average return throughout the four-year period is 15.37%, notwithstanding the swings.

Chart: 4.1 Large-cap Mutual Fund Average Returns



The provided data represents the annual returns of various large-cap equity mutual funds for a specific period. Here's a brief analysis:

1. **Top Performers:** With a yearly return of 20.19%, Scheme 2 is clearly the best performer, closely followed by Scheme 1 (19.23%). Due to their excellent performance, these funds may draw in investors looking for bigger returns.
2. **Regular Performers:** Both the SBI Bluechip Fund and the HDFC Top 100 Fund exhibit steady performance, with yearly returns of 17.35% and 18.77%, respectively. These funds might be attractive to investors because to their consistent returns over the specified time frame.
3. **Below Average Performers:** The Axis Bluechip Fund performs worse than the other funds on the list, with an annual return of 13.04%. Investors may carefully examine the portfolio and approach of the fund to identify areas for improvement.
4. **Moderate Performers:** The mid-range investments Edelweiss Large Cap Fund, Kotak Bluechip Fund, Bluechip Equity Fund Canara Robeco and Mirae Asset Large Cap Fund exhibit modest returns between 15.37% and 17.45%.
5. **Diversity in Returns:** Based on individual investing goals, risk tolerance, and market forecast, smart fund selection is crucial. The data demonstrates a variation of outcomes with relation to large-cap funds. Prior to making a purchase, investors should consider their financial goals and the fund's past performance.

ANOVA Test

Hypothesis

Ho: There is no significant difference in Average Return of the fund for different selected Large Cap Mutual Fund Schemes during the study period.

H1: There is significant difference in Average Return of the fund for different selected Large Cap Mutual Fund Schemes during the study period.

Table 4.3 ANOVA Table

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	3069.889	3	1023.296	43.874	4.12E-12	2.866266
Within Groups	839.6469	36	23.32352			
Total	3909.536	39				

Interpretation:

The "F" test one-way ANOVA researcher identified based on the table above, which indicates that the F-critical Value is 43.874 and the F calculated Value is 2.87. The p value is 4.12E which is lower than the significance value of 0.05 so researcher has rejected the null hypothesis and concluded that here is Significant Difference in the Average returns of the serval selected mutual funds over the study period.

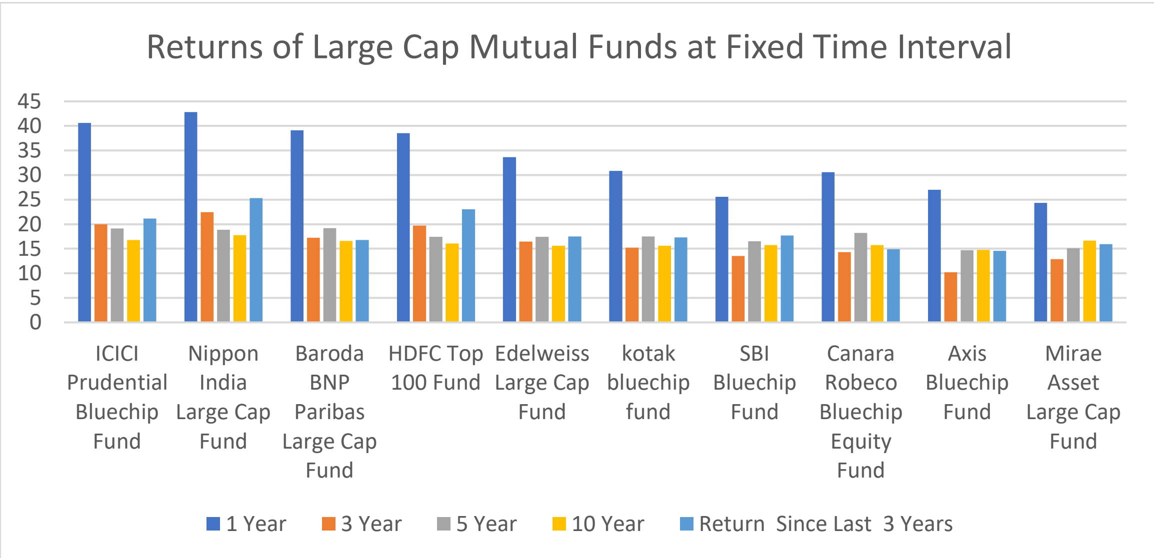
4.2.1.2 Large-Cap Mutual Fund Returns at a Specified Time Period

Large-cap Mutual funds give investors access to growth potential and stability by allocating cash to well-established businesses with significant market capitalization. Analyzing their performance over predetermined time frames such as one, three, five, and ten years provides incisive details regarding their returns. By evaluating these funds' stability and potential for long-term growth, Investors are able to make better informed investment choices with the help of this study.

Table: 4.4 Large Cap Mutual Fund Returns at a Specified Time Period

Large Cap Mutual Funds Schemes	Yearly Average Returns				
	1 Year	3 Year	5 Year	10 Year	Return Since Last 3 Years
ICICI Prudential Bluechip Fund	40.59	19.97	19.11	16.77	21.14
Nippon India Large Cap Fund	42.81	22.47	18.85	17.75	25.28
Baroda BNP Paribas Large Cap Fund	39.13	17.24	19.22	16.6	16.79
HDFC Top 100 Fund	38.51	19.72	17.4	16.07	23.05
Edelweiss Large Cap Fund	33.67	16.46	17.4	15.58	17.50
Kotak bluechip fund	30.86	15.23	17.5	15.6	17.27
SBI Bluechip Fund	25.58	13.50	16.55	15.77	17.69
Canara Robeco Bluechip Equity Fund	30.58	14.28	18.21	15.73	14.86
Axis Bluechip Fund	26.99	10.21	14.7	14.75	14.58
Mirae Asset Large Cap Fund	24.34	12.87	15.11	16.62	15.93

Chart: 4.2 Returns of Large Cap Mutual Funds at Fixed Time Interval



Conclusion

The returns that Over the previous ten years, large-cap mutual funds have produced are displayed in the table and chart above.

In one-year, long time period, Scheme 2 is first among the top three funds in terms of average 1-year returns, coming in at 42.81%. ICICI Prudential Bluechip Fund is second, coming in at 40.59%, and Scheme 3 is third, coming in at 39.13%. These funds have performed well and given investors significant gains in the last year. On the other hand, Scheme 10, at 24.34%, Axis Bluechip Fund, at 26.99%, and SBI Bluechip Fund, with the lowest among the listed funds, at 25.58%, are the trio of funds possessing the least average 1-year returns. When making decisions, investors ought to carefully evaluate these numbers in light of their risk tolerance and financial objectives.

For three years long time period, Scheme 2 leads the group of the top three funds by average 3-year returns, coming in at 22.47%, followed by ICICI Prudential Bluechip Fund (19.97%) and HDFC Top 100 Fund (19.72%). These funds perform well in the large-cap sector, which is indicative of their sound investment philosophy and market knowledge. Axis Bluechip Fund, nonetheless, is at the bottom with an average return of 10.21% that is noticeably lower. SBI Bluechip Fund is at 13.5%, and The Bluechip Equity Fund of Canara Robeco is at 14.28%, both of which indicate comparatively lesser returns. Considering their financial situation objectives and risk tolerance, investors ought to consider these figures account while making well-informed selections.

For five years long time period, ICICI Prudential Bluechip Fund (19.11%), Scheme 3 (19.22%), and Scheme 2 (18.85%) have the highest average 5-year returns among the listed large-cap mutual funds. Over the last five years, these funds have consistently performed well, giving investors positive returns. Conversely, the ETFs with the lowest average 5-year returns include the SBI Bluechip Fund (16.55%), Scheme 9 (14.7%), and Scheme 10 (15.11%). When making decisions, investors may Consider these figures. in addition to other elements like risk tolerance and investing objectives.

For ten years long time period, ICICI Prudential Bluechip Fund leads the top three largest large-cap equity fund average 10-year returns with a staggering 16.77%. Scheme 2, which performs well, comes in second at 17.75%. With an impressive 16.6% average return over the last ten years, Scheme 3 takes third place. Conversely, Axis Bluechip Fund, with a meagre 14.75% average return, Kotak Bluechip Fund, at 15.6%, and Scheme 10, at 16.62%, are the worst performers. These numbers help investors make well-informed decisions by giving them insightful information about the past performance of these funds.

While comparing returns of the last three years, based on average annual the best three returns throughout the previous 3 years performing large-cap mutual funds have been the ICICI Prudential Bluechip Fund with a remarkable 21.14%, Scheme 4 with a strong

23.05%, and Scheme 2 with an astounding 25.28%. Conversely, with an average return of 14.58%, the Axis Bluechip Fund was the least performing listed fund.

ANOVA Test

Hypothesis

Ho: There is no significant difference in Yearly Average Return of the fund for different selected Large Cap Mutual Fund Schemes during the study period.

H1: There is significant difference in Yearly Average Return of the fund for different selected Large Cap Mutual Fund Schemes during the study period.

Table 4.5 ANOVA Table

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	2109.898	3	703.2995	45.83494	2.22E-12	2.866266
Within Groups	552.3904	36	15.34418			
Total	2662.289	39				

Interpretation:

The “F” test one-way ANOVA researcher identified Considering the given table, which shows that the F-critical Value is 45.83 and the F calculated Value is 2.87. The p value is 2.22E which is lower than the significance value of 0.05 so researcher has rejected the null hypothesis and concluded that here is Significant Difference in The Average returns of the serval selected mutual funds over the study period.

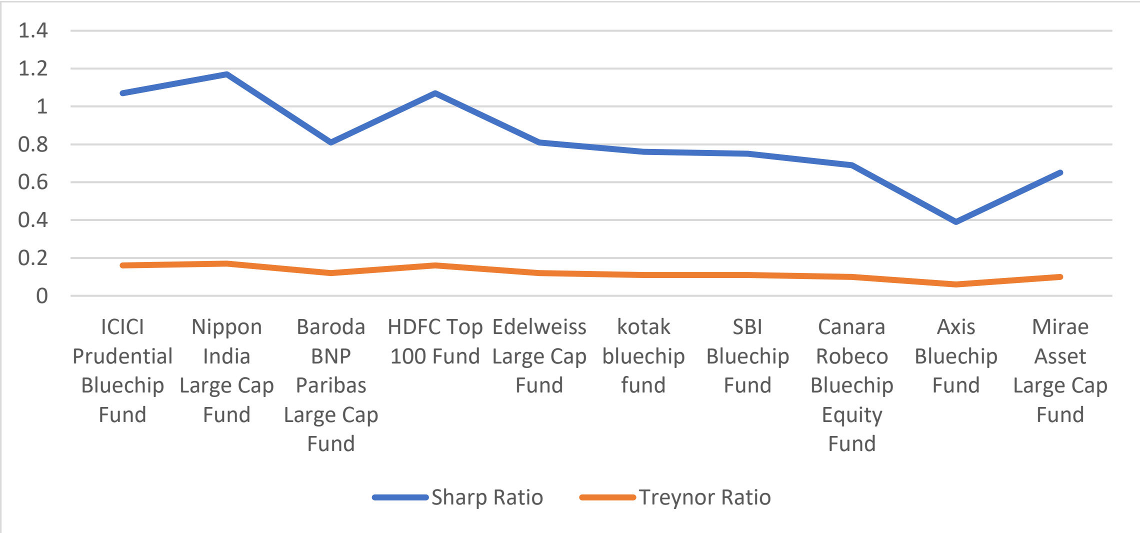
4.2.2.3 Performance of Large Cap Mutual Funds

The performance (ratio) of the chosen Large Cap mutual funds over the study period is displayed in the following table.

Table: 4.6 Performance of Large Cap Mutual Funds

Large Cap Mutual Fund Schemes	Sharp Ratio	Treynor Ratio
ICICI Prudential Bluechip Fund	1.07	0.16
Nippon India Large Cap Fund	1.17	0.17
Baroda BNP Paribas Large Cap Fund	0.81	0.12
HDFC Top 100 Fund	1.07	0.16
Edelweiss Large Cap Fund	0.81	0.12
Kotak bluechip fund	0.76	0.11
SBI Bluechip Fund	0.75	0.11
Canara Robeco Bluechip Equity Fund	0.69	0.10
Axis Bluechip Fund	0.39	0.06
Mirae Asset Large Cap Fund	0.65	0.10

Chart 4.3 Large-Cap Mutual Fund Performance



Conclusion

Using the Treynor and Sharpe ratios as a basis, the table and image above explain the large-cap mutual fund performance. Here are the specifics:

Sharpe Ratio

The table and chart above show the shape ratio value for the selected Large Cap mutual funds over the study period.

The excess return on a unit of investment over the risk-free return (Rf) risk, or per unit standard deviation, is the fund's Sharpe ratio. More appealing funds are indicated by a high Sharpe ratio. Should the Sharpe ratio be smaller than one, the investment's return is less than the risk assumed.

With a score of 1.07, which indicates a positive risk-adjusted return, by using the Sharpe score, the mutual funds that performed the best were ICICI Prudential Bluechip Fund and HDFC Top 100 Fund.

With a ratio of 1.17, Scheme 2 comes in right behind. Strong ratios are also shown by Scheme 3, Scheme 5, and Scheme 10, which have respective values of 0.81, 0.81, and 0.65. Scheme 9, Scheme 8, SBI Bluechip Fund, and Kotak Bluechip Fund, on the other hand, have lower Sharpe Ratios of 0.39, 0.69, 0.69, and 0.76, respectively.

- A popular metric for assessing the risk-adjusted performance of investment funds is the Sharp Ratio. Of the large-cap listed funds, Scheme 2 has the highest Sharp Ratio (1.17), indicating superior risk-adjusted returns. Other notable ratios among the group are 1.07 for both Scheme 1 and Scheme 4, and 0.39 for Axis Bluechip Fund, which suggests relatively lower returns for the amount of risk assumed. This ranking offers investors important information about the risk-return profile of these funds, assisting them in making well-informed investment decisions.
- Scheme 9, Scheme 10, and Scheme 8 have the three lowest Sharpe ratios among the listed mutual funds, which suggests that their risk-adjusted returns are somewhat lower. With a ratio of 0.39, Scheme 9 is the lowest, followed by Scheme 8 at 0.69 and Scheme 10 at 0.65. In comparison to their degree of risk, investors may find these funds to be less effective in producing returns.

Treynor Ratio

The excess returns for each unit of systematic risk are determined by the Treynor ratio (beta) over risk-free returns. Additionally, all of the carefully chosen large-cap mutual funds showed positive values in this case, suggesting that the schemes offered sufficient returns relative to the degree of investment risk.

- The three listed mutual funds that have the highest Sharpe ratios—a gauge of returns adjusted for risk are HDFC Top 100 Fund (0.16), ICICI Prudential Bluechip Fund (0.16), and Nippon India Large Cap Fund (0.17). These funds are attractive investment options since they provide greater returns in comparison to their risk levels.

- The mentioned funds exhibit mid-level to above-average performance based on their Treynor ratios, a measure of risk-adjusted returns. Among these, Nippon India Large Cap Fund stands out with a ratio of 0.17, showcasing a higher return per unit of systematic risk. Additionally, HDFC Top 100 Fund and ICICI Prudential Bluechip Fund demonstrate solid performance, both with a ratio of 0.16. These funds reflect a balanced approach, offering competitive returns relative to their risk profiles, making them noteworthy choices for investors seeking a blend of stability and returns in the large-cap segment.
- The low-level above Tenor Ratio, a measure of risk-adjusted returns, is evident in various large-cap funds. With values ranging from 0.06 to 0.17, Axis Bluechip Fund displays the lowest risk.

4.3 LIST OF THE REGULAR GROWTH MID CAP FUNDS SELECTED FOR THE STUDY

The Mid cap mutual fund list that was chosen for the study is displayed in the following table.

Table: 4.7 List of Mid Cap Mutual funds selected for the study

Sr. No.	Mid Cap Mutual Funds Scheme	Benchmark (TRI)	CRISIL Rank
1	Mahindra Manulife Mid Cap Fund	Nifty Midcap 150 TRI	5
2	Nippon India Growth Fund	Nifty Midcap 150 TRI	5
3	Quant Mid Cap Fund	Nifty Midcap 150 TRI	4
4	TATA Mid Cap Growth Fund	Nifty Midcap 150 TRI	4
5	HDFC Mid Cap Opportunities Fund	Nifty Midcap 150 TRI	4
6	Motilal Oswal Mid Cap Fund	Nifty Midcap 150 TRI	4
7	SBI magnum Midcap Fund	Nifty Midcap 150 TRI	3
8	Invesco India Mid Cap Fund	S&P BSE Midcap 150TRI	3
9	Kotak Emerging Equity Fund	Nifty Midcap 150 TRI	2
10	Axis Mid cap Fund	S&P BSE Midcap 150TRI	1

4.3.1 A Returns-Based Study of Mid-Cap Mutual Funds

The study is based on average returns; the performance of the funds is based on fixed time period returns.

4.3.1.1 Mid-Cap Mutual Funds Average Returns

The table displays the average yearly returns produced over the period by particular Mid Cap mutual funds course of the research, showing the annual growth in investor capital. These annualized returns are a useful statistic for evaluating the funds' profitability and performance. Furthermore, the table displays the average of the Mid Cap mutual funds' 4-year returns, offering a combined summary of their consistent performance over the designated period. This information, which provides insights into the past performance trends of Mid Cap mutual funds, is essential for investors looking to make well-informed decisions about their investing portfolios.

Table: 4.8 Mid Cap Mutual Funds Average Returns

Mid Cap Mutual Fund Schemes	2019-2020	2020-2021	2021-2022	2022-2023	Average Return
Mahindra Manulife Mid Cap Fund	47.04	0.23	49.77	18.75	28.94
Nippon India Growth Fund	48.61	5.81	46.46	22.05	30.73
Quant Mid Cap Fund	34.61	17.13	50.39	42.03	36.04
TATA Midcap Growth Fund	24.26	40.02	0.6	40.54	26.36
HDFC Mid Cap Opportunities Fund	44.47	12.29	39.91	21.75	29.61
Motilal Oswal Mid Cap Fund	41.61	10.71	55.83	9.32	29.39
SBI magnum Midcap Fund	34.46	3.04	52.25	30.45	30.05
Invesco India Mid Cap Fund	34.12	0.51	43.14	24.38	25.54
Kotak Emerging Equity Fund	31.50	5.13	47.31	21.89	26.46
Axis Mid cap Fund	29.59	-5.07	39.93	26.01	22.62

1. **Mahindra Manulife Mid Cap Fund:** The yearly returns of the Mahindra Manulife Mid Cap Fund showed significant fluctuations between 2020 and 2023. The fund did remarkably well in 2020, returning 47.04% even in the face of market volatility. But

2021 witnessed a meagre return of 0.23%, which may have been impacted by uncertain economic conditions. The fund demonstrated its adaptation and tenacity with an outstanding return of 49.77% in 2022, the year after. The return decreased to 18.75% in 2023, indicating either a possible stabilization or the influence of market dynamics. Although vulnerable to market volatility, the average return over these four years is 28.94%, indicating overall positive performance.

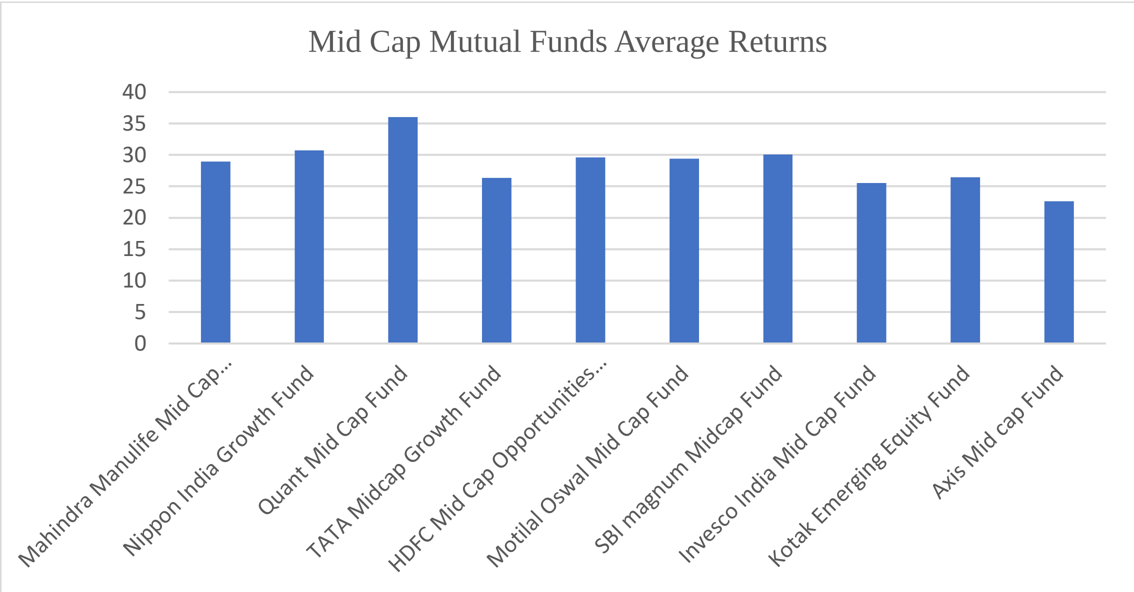
2. **Nippon India Growth Fund:** Over time, the Nippon India Growth Fund had noteworthy performance tendencies. In 2020, the fund demonstrated strong growth with an outstanding return of 48.61%. In contrast, 2021 saw a relatively low return of 5.81%, suggesting a possible stabilization or modifications to the market. The next year, 2022, saw a noteworthy recovery with a return of 46.46%, indicating a robust upswing. With a return of 22.05% in 2023, the fund continued to perform well and added to the 30.73% average return for the period under analysis. This illustrates the fund's tenacity and ability to produce profitable returns, which makes it a notable choice for investors.
3. **Quant Mid Cap Fund**: The yearly returns of the Quant Mid Cap Fund showed a considerable degree of volatility between 2020 and 2023. The fund produced a noteworthy 17.13% return in 2021 after delivering an amazing 34.61% return in 2020. But 2022 was the most notable year, returning an astounding 50.39%, probably due to remarkable investment decisions or unusual market circumstances. 2023, the year that followed, continued to show strong performance, returning 42.03%. The average return over the four-year period is a respectable 36.04%, which shows overall healthy growth but also highlights the fund's vulnerability to market dynamics despite the significant volatility.
4. **TATA Midcap Growth Fund:** In recent years, the TATA Midcap Growth Fund has demonstrated noteworthy success. It produced a healthy 24.26% return in 2020 and a stunning 40.02% return in 2021, respectively. The year 2022, however, displayed a meagre 0.6% return, suggesting a brief downturn. In 2023, the fund made a significant comeback and had a solid return of 40.54%. Taking into account these yearly returns, the average return for the specified time frame is 26.36%. The fund's stability and capacity to generate significant returns, while with considerable volatility, are indicated by this data, which reflects the market's dynamic nature throughout this time.
5. **HDFC Mid Cap Opportunities Fund:** From 2020 to 2023, the HDFC Mid Cap Opportunities Fund showed a range of yearly returns. The fund saw a very strong return of 44.47% in 2020 and a relatively weaker return of 12.29% in 2021. Nevertheless,

there was a recovery in the years that followed, with returns of 21.75% in 2023 and 39.91% in 2022. A solid performance is evident when the average return for the four-year period is calculated, producing an average return of 29.61%. According to this data, the HDFC Mid Cap Opportunities Fund showed steady growth in spite of volatility, which makes it a notable investment choice for people looking for good returns in the mid-cap market.

6. **Motilal Oswal Mid Cap Fund:** During the years under analysis, Motilal Oswal Mid Cap Fund demonstrated noteworthy performance. It produced a strong return of 41.66% in 2020, demonstrating the market's resiliency in trying circumstances. 2021, the year that followed, continued the upward trend with a strong 10.71% return. Surprisingly, 2022 saw a notable uptick in performance, yielding a remarkable 55.83% return, perhaps due to advantageous market circumstances. With a 9.32% return, 2023 demonstrated a more subdued but still favourable result. With a computed average return of 29.39% over the course of four years, the fund has demonstrated its capacity to consistently provide investors with favourable returns in a variety of market conditions.
7. **SBI magnum Midcap Fund:** The annual returns of the SBI Magnum Midcap Fund varied during the course of the examined years. The fund had a respectable 3.04% return in 2021 after an amazing 34.46% return in 2020. The following year, 2022, had an incredible increase, yielding a return of 43.14%. Though it slowed down in 2023, the growth was still significant at 24.38%. On average, the fund delivered a solid performance with an average return of 25.54% across these four years. These numbers demonstrate the fund's capacity to handle shifting market conditions by combining stability and strong returns during the course of the study.
8. **Invesco India Mid Cap Fund:** Over the previous four years, the Invesco India Mid Cap Fund's performance was inconsistent. With an outstanding return of 34.12% in 2020, the fund demonstrated tenacity in the face of market uncertainty. But 2021 witnessed a meagre gain of 0.51%, which could have been caused by outside forces affecting mid-cap equities. The fund experienced a significant upturn in 2022, yielding a considerable return of 43.14%, which was indicative of favourable market circumstances for mid-cap assets. The performance was still favourable in 2023, yielding a return of 24.38%. The cumulative average return for these years is 25.54%, which shows steady gains even in the face of variations in the yearly returns.

9. **Kotak Emerging Equity Fund:** Over the last four years, the Kotak Emerging Equity Fund showed noteworthy performance trends. It produced a strong return of 31.50% in 2020, demonstrating tenacity in the face of difficult economic conditions. But the following year, 2021, saw a decline with a return of 5.13%, perhaps as a result of global and market conditions. The fund showed resilience in the face of shifting market conditions in 2022, as seen by its remarkable 47.31% return. The fund returned 21.89% in 2023, continuing its upward trend. Its stable performance during these years is highlighted by the average return of 26.46%, which makes it appealing to investors looking for long-term growth.
10. **Axis Mid cap Fund:** Over the last four years, the annual returns of the Axis Mid Cap Fund have shown some noticeable variations. With an astounding 29.59% return in 2020, the fund demonstrated tenacity in the face of market uncertainty. But the following year, 2021, saw a decline with a negative return of -5.07%, which may have been brought on by outside variables impacting mid-cap equities. The fund had a significant comeback in 2022, registering a return of 39.93%, indicating a time of expansion and recuperation. 2023 maintained its upward trend with a 26.01% gain. The fund's general stability and investor appeal are demonstrated by its impressive 22.62% four-year average return, which is noteworthy given the volatility.

Chart: 4.4 Mid Cap Mutual Funds Average Returns



The provided data represents the annual returns of various large-cap equity mutual funds for a specific period. Here's a brief analysis:

1. **Top Performers:** The three best performing mid-cap funds are SBI Magnum Midcap Fund (30.05%), Nippon India Growth Fund (30.73%), and Qunat Mid Cap Fund (36.04%), which is a very impressive return. These mid-cap funds have seen remarkable growth, providing potential rewards for investors looking for riskier investment alternatives.
2. **Regular Performers:** With a return of 30.73%, Nippon India Growth Fund is the top-performing regular performance fund; SBI Magnum Midcap Fund is second, having returned 30.05%. Other notable performers are HDFC Mid Cap Opportunities Fund (29.61%), Motilal Oswal Mid Cap Fund (29.39%), and Mahindra Manulife Mid Cap Fund (28.94%). These mid-cap funds' strategic management and promising growth prospects offer investors good returns.
3. **Below Average Performers:** Among the listed mutual funds, Axis Mid Cap Fund has demonstrated below-average performance with a return of 22.62%. In comparison, other mid-cap funds such as Quant Mid Cap Fund, Nippon India Growth Fund, and SBI Magnum Midcap Fund have shown better returns ranging from 30.73% to 36.04%. Investors may consider reevaluating their investment strategy.
4. **Moderate Performers:** With a strong return of 36.04%, Quant Mid Cap Fund stands out among the mid-cap funds with moderate performance, demonstrating its growth potential. SBI Magnum Midcap Fund (30.05%), Nippon India Growth Fund (30.73%), and HDFC Mid Cap Opportunities Fund (29.61%) are three more funds that have demonstrated notable performance. Axis Mid Cap Fund, on the other hand, does worse, returning only 22.62%. When thinking about these products, Investors must to think carefully about their risk tolerance and investing objectives.
5. **Diversity in Returns:** The holdings in the Diversity in Returns fund show varying levels of performance. Notable performers include Nippon India Growth Fund at 30.73%, SBI Magnum Midcap Fund at 30.05%, and Quant Mid Cap Fund with a strong return of 36.04%. On the other hand, Axis Mid Cap Fund trails behind with a more cautious return of 22.62%. The dynamic nature of the fund's portfolio, which adapts to various market conditions and investing methods, is reflected in the range of returns.

ANOVA Test

Hypothesis

Ho: There is no significant difference in Average Return of the fund for different selected Mid-Cap Mutual Fund Schemes during the study period.

H1: There is significant difference in Average Return of the fund for different selected Mid-Cap Mutual Fund Schemes during the study period.

Table 4.9 ANOVA Table

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	6591.207	3	2197.069	15.51605	1.22E-06	2.866266
Within Groups	5097.59	36	141.5997			
Total	11688.8	39				

Interpretation:

The "F" test one-way ANOVA researcher identified based on the table above, which indicates that the F-critical Value is 15.52 and the F calculated Value is 2.87. The p value is 1.22E which is lower than the significance value of 0.05 so researcher has rejected the null hypothesis and came to the conclusion that there is a notable variation in the Average returns of the serval selected mutual funds over the study period.

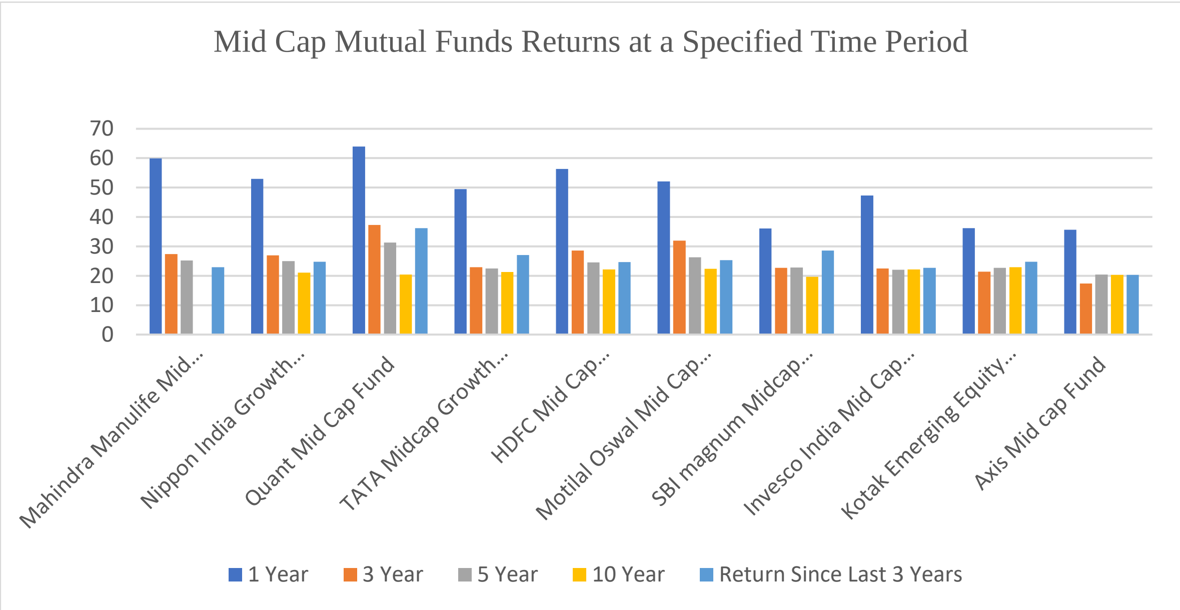
4.3.1.2 Mid-Cap Mutual Fund Returns at a Specified Time Period

The focus of mid-cap mutual funds is on medium-sized companies, providing investors with growth opportunities. An examination of their returns over predetermined time periods, including one, three, five, and ten years, offers important performance information. These intervals help investors make well-informed decisions about portfolio allocation and investment strategy by enabling them to evaluate both short-term volatility and long-term growth potential.

Table: 4.10 Mid-Cap Mutual Fund Returns at a Specified Time Period

Mid Cap Mutual Funds Schemes	Yearly Average Returns				
	1 Year	3 Year	5 Year	10 Year	Return Since Last 3 Years
Mahindra Manulife Mid Cap Fund	59.96	27.36	25.2	-	22.92
Nippon India Growth Fund	52.97	26.96	24.96	21.08	24.77
Quant Mid Cap Fund	63.98	37.26	31.33	20.42	36.25
TATA Midcap Growth Fund	49.43	22.92	22.49	21.24	27.05
HDFC Mid Cap Opportunities Fund	56.37	28.63	24.58	22.14	24.65
Motilal Oswal Mid Cap Fund	52.08	31.97	26.26	22.42	25.29
SBI magnum Midcap Fund	36.08	22.67	22.84	19.65	28.58
Invesco India Mid Cap Fund	47.35	22.44	22.01	22.16	22.68
Kotak Emerging Equity Fund	36.15	21.39	22.68	22.92	24.78
Axis Mid cap Fund	35.64	17.37	20.41	20.34	20.29

Chart: 4.5 Mid-Cap Mutual Fund Returns at a Specified Time Period



Conclusion

The returns that Mid-cap mutual funds have generated over the past ten years are displayed in the table and chart above.

In one-year, long time period, the previous year's top three mid-cap funds, measured by average returns, were Quant Mid Cap Fund (63.98%), Mahindra Manulife Mid Cap Fund (59.96%), and HDFC Mid Cap Opportunities Fund (56.37%). On the other hand, with the lowest average return, the three least successful funds were SBI Magnum Midcap Fund (36.08%), Kotak Emerging Equity Fund (36.15%), and Axis Mid Cap Fund (35.64%). Investors should consider these figures while making decisions in this erratic market.

For three years long time period, Within the mutual fund industry, the Quant Mid Cap Fund boasts the highest average returns over the last year at 37.26%. It is closely followed by the Motilal Oswal Mid Cap Fund at 31.97% and the HDFC Mid Cap Opportunities Fund at a strong 28.63%. These funds have seen strong growth, giving investors significant profits. On the other hand, the Axis Mid Cap Fund (17.37%), Kotak Emerging Equity Fund (21.39%), and Invesco India Mid Cap Fund (22.44%) are the worst three performers with the lowest average returns. Over the same period, investors in these funds have had rather small gains.

For five years long time period, Mahindra Manulife Mid Cap Fund has achieved the greatest average annual return of all mid-cap funds over the past five years, with a whopping 25.2%. With an impressive 24.96% average return, Nippon India Growth Fund comes in second, followed by Quant Mid Cap Fund, which comes in third place with an impressive 31.33% average return. Conversely, Axis Mid Cap Fund, with its lowest average annual return of 20.41%, is at the bottom of the performance ladder. With respective trails of 22.68% and 22.01%, Invesco India Mid Cap Fund and Kotak Emerging Equity Fund are not far behind. These numbers shed light on the ever-changing world of mid-cap funds, highlighting both top performers and those dealing with more difficult market conditions.

For ten years long time period, Among the best-performing mid-cap equity funds over the past ten years, the Kotak Emerging Equity Fund has shown an outstanding average return of 22.92%. The Invesco India Mid Cap Fund (22.16%) and the HDFC Mid Cap Opportunities Fund (22.14%) trailed closely behind. These funds are excellent options for investors looking for mid-cap exposure because they have outperformed others in producing steady growth. Conversely, with the lowest average return of 19.65%, the SBI

Magnum Midcap Fund trailed behind, ahead of the Quant Mid Cap Fund (20.42%) and Axis Mid Cap Fund (20.34%). When making investing selections, investors should take these past results into careful consideration while also taking into account the inherent dangers and volatility of the financial market.

When comparing the previous three years' returns, among mid-cap funds, the Mahindra Manulife Mid Cap Fund has performed well over the last three years, averaging 22.92%. The Nippon India Growth Fund is in second place with a close second ratio of 24.77%, while the Quant Mid Cap Fund is the best-performing mid-cap fund over this time frame with an astounding average of 36.25%. Conversely, the Axis Mid Cap Fund is the least performing mid-cap fund, with the lowest average of 20.29%. With averages of 22.68% and 24.65%, respectively, the Mahindra Manulife Mid Cap Fund and the Invesco India Mid Cap Fund are also in the worst three. For investors looking for a more in-depth view of the performance of mid-cap funds, these numbers offer insightful information.

ANOVA Test

Hypothesis

Ho: There is no significant difference in Yearly Average Return of the fund for different selected Mid-Cap Mutual Fund Schemes during the study period.

H1: There is significant difference in Yearly Average Return of the fund for different selected Mid-Cap Mutual Fund Schemes during the study period.

Table 4.11 ANOVA Table

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	4770.865	3	1590.288	41.81027	1.15E-11	2.874187
Within Groups	1331.254	35	38.03583			
Total	6102.119	38				

Interpretation:

The “F” test one-way ANOVA researcher identified from the above table, which shows that the F-critical Value is 41.81 and the F calculated Value is 2.87. The p value is 4.15E which is lower than the significance value of 0.05 so researcher has rejected the null hypothesis and concluded that here is Significant Difference in the Avg. returns of the serval selected mutual funds over the study period.

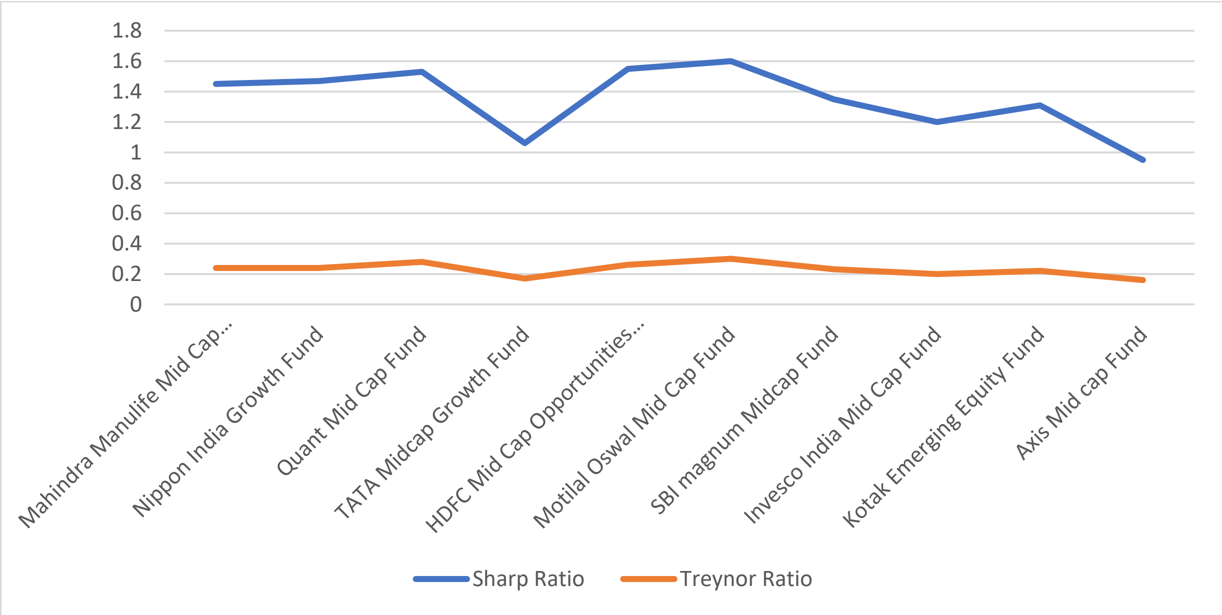
4.3.1.3 Performance of Mid Cap Mutual Funds

The performance (ratio) of the chosen Mid Cap mutual funds over the study period is displayed in the following table.

Table: 4.12 Performance of Mid Cap Mutual Funds

Mid Cap Mutual Fund Schemes	Sharp Ratio	Treynor Ratio
Mahindra Manulife Mid Cap Fund	1.45	0.24
Nippon India Growth Fund	1.47	0.24
Quant Mid Cap Fund	1.53	0.28
TATA Midcap Growth Fund	1.06	0.17
HDFC Mid Cap Opportunities Fund	1.55	0.26
Motilal Oswal Mid Cap Fund	1.60	0.30
SBI magnum Midcap Fund	1.35	0.23
Invesco India Mid Cap Fund	1.20	0.20
Kotak Emerging Equity Fund	1.31	0.22
Axis Mid cap Fund	0.95	0.16

Chart 4.6 Performance of Mid Cap Mutual Funds



Conclusion:

Using the Treynor and Sharpe ratios as a basis, the performance of the Mid-cap mutual funds is explained in the table and graphic above. Here are the specifics:

Sharpe Ratio

The value of the shape ratio for the chosen Mid cap mutual funds for the study period is displayed in the table and chart above.

The fund's Sharpe ratio is the excess return over the Rf per unit of risk, or per unit standard deviation. A high Sharpe ratio indicates more attractive funds. The investment's return is less than the estimated risk if the Sharpe ratio is less than one.

- With a Sharpe ratio of 1.60, the highest among the listed funds, Scheme 6 offers the best risk-adjusted returns. Scheme 5 (1.55) and Scheme 3 (1.53) are next in line. These funds may be of interest to investors looking for the best returns possible given the level of risk.
- Scheme 6 has the best risk-adjusted returns of any mid-cap fund, with a 1.60 Sharpe ratio. While Scheme 3 stands out with a sharp ratio of 1.53, Scheme 5 follows closely at 1.55. At 0.95, Scheme 10 is not as competitive as its peers.
- Scheme 6 has the best risk-adjusted returns of any mid-cap fund, with a 1.60 Sharpe ratio. While Scheme 3 stands out with a sharp ratio of 1.53, Scheme 5 follows closely at 1.55. At 0.95, Axis Mid cap Fund is not as competitive as its peers.

Treynor Ratio

The Treynor ratio calculates the excess returns for each unit of systematic risk (beta) over risk-free returns. All of the chosen Mid cap mutual funds showed positive values in this case as well, showing that the schemes offered sufficient returns in comparison to the degree of investment risk.

- With a Treynor's Ratio of 1.6, the highest among the listed mutual funds, Scheme 6 offers better risk-adjusted returns than its competitors. Notably, Scheme 5 performs well, trailing closely behind with a ratio of 1.55. The fund with the lowest ratio, Scheme 10, has a 0.95 value.
- A performance measure for mid-cap funds called the Middle Level Teynor's Ratio shows different risk-adjusted returns. The Scheme 6 (1.6), Scheme 3 (1.53), and Scheme 5 (1.55) stand out due to their comparatively higher ratios, which suggest superior risk-adjusted performance. Axis Mid Cap Fund, on the other hand, sticks out due to its lower ratio of 0.95, which raises possible risk issues. When making investing selections, these ratios should be taken into account by investors in addition to other factors.

- Scheme 10 has the lowest Teynor's Ratio among the listed mid-cap funds at 0.95, suggesting a favourable risk-adjusted return compared to others. Teynor's Ratio considers both returns and volatility, making it a valuable metric for investors evaluating performance relative to risk in the mid-cap segment.

4.4 LIST OF THE REGULAR GROWTH SMALL CAP FUNDS SELECTED FOR THE STUDY

The Small cap mutual fund list that was chosen for the study is displayed in the following table.

Table: 4.13 List of Small Cap Mutual funds selected for the study

Sr. No.	Small Cap Mutual Fund Schemes	Benchmark (TRI)	CRISIL Rank
1	Nippon India small cap fund	Nifty Smallcap 250 TRI	5
2	Edelweiss Small Cap Fund	Nifty Smallcap 250 TRI	4
3	Bank of India Small Cap Fund	Nifty Smallcap 250 TRI	4
4	HSBC Small Cap Fund	Nifty Smallcap 250 TRI	3
5	HDFC Small Cap Fund	S&P BSE 250 Smallcap TRI	3
6	TATA Small Cap Fund	Nifty Smallcap 250 TRI	3
7	Kotak Small Cap Fund	Nifty Smallcap 250 TRI	2
8	Canara Robeco Small Cap Fund	Nifty Smallcap 250 TRI	2
9	DSP Small Cap Fund	S&P BSE 250	2
10	SBI Small Cap Fund	S&P BSE 250 Smallcap TRI	1

4.4.1 Small-Cap Mutual Funds Average Returns

The study is based on average returns; the performance of the funds is based on fixed time period returns.

4.4.1.1 Small-Cap Mutual Funds Average Returns

The given table shows the average yearly returns produced by a subset Several mutual funds classified as Small Cap during the research. An indicator of the annual growth in the value of investors' investments is these annualized returns. The table also shows the Small Cap mutual fund average returns over a four-year period. For investors looking for insights into the performance trends of these funds, this data is essential since it enables them to make well-informed selections based on past performance and maybe forecast future results. Evaluating the consistency and dependability of investment options is made easier by examining average returns over a given period of time.

Table: 4.14 Average Small-Cap Mutual Fund Returns

Small Cap Mutual Fund Schemes	2019-2020	2020-2021	2021-2022	2022-2023	Average Return
Nippon India Small Cap Fund	29.24	74.34	6.54	48.92	39.76
Edelweiss Small Cap Fund	34.8	67.50	1.65	42.13	48.69
Bank of India Small Cap Fund	52.24	70.83	-1.62	40.08	40.38
HSBC Small Cap Fund	15.46	77.41	1.01	46.05	34.98
HDFC Small Cap Fund	20.17	64.88	4.59	44.84	33.62
TATA Small Cap Fund	23.05	70.52	8.18	33.51	33.82
Kotak Small Cap Fund	34.21	70.94	-3.07	34.83	34.23
Canara Robeco Small Cap Fund	41.82	70.81	6.79	32.33	37.94
DSP Small Cap Fund	33.12	58.09	0.46	41.21	33.22
SBI Small Cap Fund	33.62	47.56	8.14	25.03	28.59

1. **Nippon India small cap fund:** Over the last four years, the Nippon India Small Cap Fund has shown a range of yearly returns. It brought in a healthy 29.4% return in 2020 and then made a spectacular comeback of 74.34% in 2021. But in 2022, the performance moderated and produced a lower return of 6.54%. In 2023, the fund picked up steam and finished the year with a strong 48.92% return. With an estimated average return of 39.76% for the four-year period, the fund demonstrates its ability to manage market volatility and provide investors with competitive performance. The significance of a thorough investigation for well-informed investment decisions is highlighted by this data.
2. **Edelweiss Small Cap Fund:** The performance of the Edelweiss Small Cap Fund fluctuated significantly during the 2020–2023 study period. The fund had a healthy 34.08% return in 2020 and then experienced an incredible jump to 67.50% in 2021. But in 2022, the momentum really slowed down, yielding a meagre 1.65% return. In 2023, the fund recovered its health and produced a strong return of 42.13%. With an average

return of 48.69% during these four years, the average return calculation shows a stable performance. When making investing selections, investors should take into account market trends, their own risk tolerance, and the fund's historical performance.

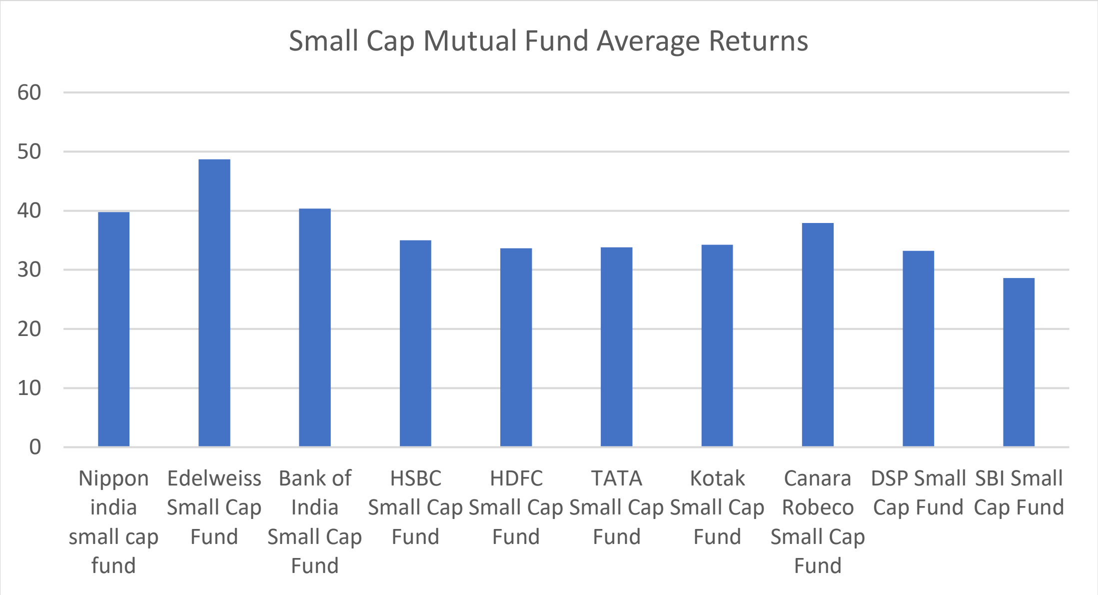
3. **Bank of India Small Cap Fund:** Over the last four years, the Bank of India Small Cap Fund has shown a range of results. The fund produced a tremendous return of 52.24% in 2020 and 70.83% in 2021, respectively. But 2022 saw a decline with a -1.62% negative return. In 2023, the fund recovered its Vigor and produced a 40.08% positive return. The average return over the four years is a commendable 40.38%, despite the volatility. A combination of rapid expansion and a brief downturn was experienced by investors, highlighting the significance of considering both short-term volatility and long-term performance when examining investment possibilities.
4. **HSBC Small Cap Fund:** Throughout the previous four years, the performance of the HSBC Small Cap Fund was inconsistent. It returned a meagre 15.46% in 2020, but then had an extraordinary upswing in 2021 with a whopping 77.41% gain. Nonetheless, the fund saw a severe downturn in 2022, returning just 1.01%. Rebounding in 2023, the fund showed a strong performance, returning 46.05%. The average return over these four years, which comes out to 34.98%, shows a good overall performance. This data points to a fluctuating pattern, highlighting the significance of keeping an eye on fund strategies and market conditions in order to make wise investment decisions.
5. **HDFC Small Cap Fund:** The last four years have seen a range of performance from the HDFC Small Cap Fund. The fund produced a respectable 20.17% return in 2020, but in 2021 it made a stunning comeback with an astounding 64.88% return. But 2022 had a relatively low growth of 4.59%, which resulted in a cyclical pattern. 2023 was a very strong recovery year with a significant return of 44.84%. When the average return is computed over the four-year period, it shows a strong performance of 33.62%, demonstrating the fund's capacity to handle fluctuations in the market. Investors assessing the fund's potential for future returns and risk management ought to take this historical data into account.
6. **TATA Small Cap Fund:** The annual returns of the TATA Small Cap Fund showed notable variations between 2020 and 2023. The fund produced a respectable 23.05% return in 2020, demonstrating its resiliency in the face of market volatility. The next year, 2021, had a notable uptick with an astounding 70.52% return, which was probably helped by good market conditions. But 2022 saw a much lower return of 8.18%, which can indicate a stabilization or a change in the dynamics of the market. In 2023, the fund

recovered and ended the year with a strong 33.51% return. With an overall average return of 33.82%, the average return calculated over these years shows a strong performance and continuous positive growth over the time under analysis.

7. **Kotak Small Cap Fund:** Over the previous four years, the Kotak Small Cap Fund's performance was both unpredictable and encouraging. It produced an excellent return of 34.21% in 2020 and a noteworthy 70.94% gain in 2021, respectively. But in 2022, the fund had a loss, with a return of -3.07%. Rebounding in 2023, it shown tenacity with a 34.83% return. The fund is an intriguing option for investors looking for growth since, in spite of the wild ride, its average return over the past four years has been a strong 34.23%. This highlights the fund's general capacity to generate steady positive returns, albeit with swings.
8. **Canara Robeco Small Cap Fund:** From 2020 to 2023, the Canara Robeco Small Cap Fund showed notable fluctuations in its annual returns. The fund produced a strong return of 41.82% in 2020 and then experienced an outstanding rise to 70.81% in 2021. But 2022 saw a more restrained growth of 6.79%. With a 32.33% return in 2023, the fund recovered. An average yearly return of 37.94% is found when the average return throughout this time period is calculated, indicating a strong performance. Due to the inherent volatility of small-cap funds, investors saw both high and low returns, which emphasizes the significance of thorough analysis and risk management in investment decisions.
9. **DSP Small Cap Fund:** The annual returns of the DSP Small Cap Fund varied from 2020 to 2023. The fund produced a healthy 33.12% return in 2020 and then had an incredible run of 58.09% return in 2021. But 2022 saw a meager return of 0.46%, which can point to a period of inactivity or difficulties in the market. In 2023, the fund picked up steam and recorded a strong return of 41.21%. The average return for the four years is 33.22%, which is rather stable given the erratic performance over that time. nvestors may use the historical performance of the fund, including its highs and lows, when making decisions about their investments.
10. **SBI Small Cap Fund:** With an impressive average return of 28.59% throughout the years, the SBI Small Cap Fund has demonstrated noteworthy performance. The fund produced a strong 33.62% return in 2020, demonstrating its stability in the face of market volatility. The fund's performance in 2021 saw an extraordinary 47.56% increase, demonstrating its capacity to take advantage of market opportunities. Even though the return in 2022 was lower at 8.14%, it still indicates some steadiness. With a

notable return of 25.03% in 2023, the fund recovered, demonstrating its steady growth potential. The SBI Small Cap Fund's overall performance highlights its appeal to investors looking for returns that are higher than average in the ever-changing market environment.

Chart: 4.7 Small Cap Mutual Fund Average Returns



The provided data represents the annual returns of various Small-cap equity mutual funds for a specific period. Here's a brief analysis:

1. **Top Performers:** With an outstanding return of 48.69%, Edelweiss Small Cap Fund leads the list of the best-performing small-cap funds; Nippon India Small Cap Fund is next best, coming in at 39.76%. Third place is taken by the Bank of India Small Cap Fund, which has a strong return of 40.38%. These funds provide investors looking for small-cap growth exceptional performance and potential.
2. **Regular Performers:** The market's small cap funds exhibit a range of returns due to their varying performances. The Bank of India Small Cap Fund (40.38%), Nippon India Small Cap Fund (39.76%), and Edelweiss Small Cap Fund (48.69%) are notable performers. But, given that certain funds, such as the SBI Small Cap Fund, have a lesser return of 28.59%, care is urged. A thorough analysis of these numbers is recommended before making any investing decisions.
3. **Below Average Performance:** The mentioned small-cap funds have different performance profiles. SBI Small Cap Fund trails behind at 28.59%, while Edelweiss Small Cap Fund excels with a strong 48.69%. Mid-range performers in the small-

cap space include Nippon India, Bank of India, HSBC, HDFC, TATA, Kotak, Canara Robeco, and DSP Small Cap Funds.

4. **Moderate Performers:** It is evident from recent data that small-cap funds have had a mediocre performance. Nippon India Small Cap Fund ranks first with 39.76%, followed by Edelweiss Small Cap Fund with 48.69%. The Bank of India Small Cap Fund shows 40.38%, while the HSBC and HDFC Small Cap Funds show 34.98% and 33.62%, respectively. A range of 33.82% to 28.59% is the performance of the TATA Small Cap Fund, Kotak Small Cap Fund, Canara Robeco Small Cap Fund, DSP Small Cap Fund, and SBI Small Cap Fund.
5. **Diversity in Returns:** The annualized returns over the previous year's clearly show the variability of returns among small-cap funds. With a startling return of 48.69%, Edelweiss Small Cap Fund beats its competitors, and SBI Small Cap Fund comes in last at 28.59%. This range represents the different approaches to investing and the state of the market that affect each fund's performance.

ANOVA Test

Hypothesis

Ho: There is no significant difference in Average Return of the fund for different selected Small-Cap Mutual Fund Schemes during the study period.

H1: There is significant difference in Average Return of the fund for different selected Small-Cap Mutual Fund Schemes during the study period.

Table 4.15 ANOVA Table

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	18350.83	3	6116.942	90.81096	9.74E-16	2.90112
Within Groups	2155.49	32	67.35907			
Total	20506.32	35				

Interpretation:

The "F" test one-way ANOVA researcher identified from the above table, which shows that the F-critical Value is 90.81 and the F calculated Value is 2.90. The p value is 9.74E which is lower than the significance value of 0.05 so researcher has rejected the null hypothesis and concluded that here is Significant Difference in the Average returns of the serval selected mutual funds over the study period.

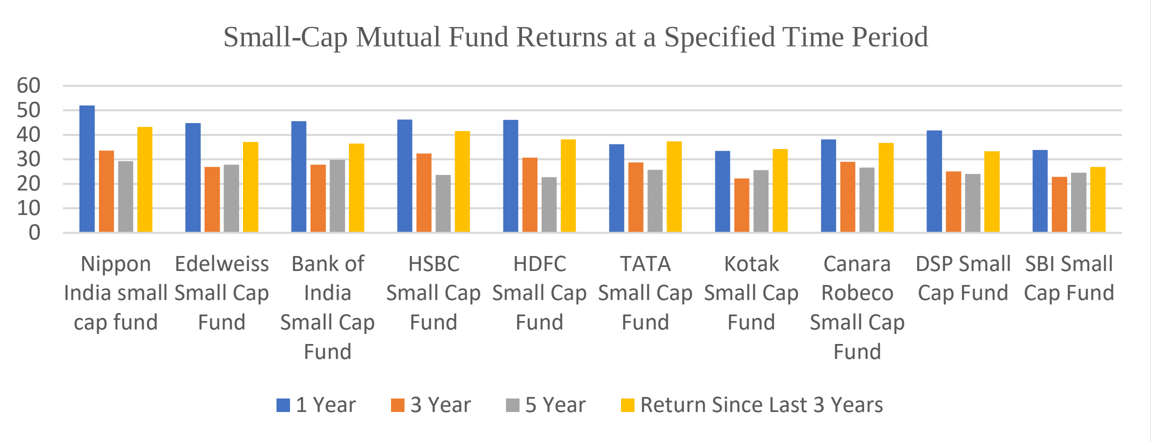
4.4.1.2 Small Cap Mutual Fund Returns at a Specified Time Period

Investors have the chance to possibly profit from small-size firms' development potential through small cap mutual funds. It is helpful to examine their returns across predetermined time periods, such as one, three, five, and ten years, since this offers important information about their consistency and performance. Investors can make well-informed investment selections by examining these returns, which provide insight into the fund's capacity to create returns under different market conditions and time frames.

Table: 4.16 Small-Cap Mutual Fund Returns at a Specified Time Period

Small Cap Mutual Funds Schemes	Yearly Average Returns			
	1 Year	3 Year	5 Year	Return Since Last 3 Years
Nippon India small cap fund	51.98	33.57	29.19	43.26
Edelweiss Small Cap Fund	44.83	26.93	27.79	37.10
Bank of India Small Cap Fund	45.62	27.75	29.75	36.43
HSBC Small Cap Fund	46.27	32.43	23.61	41.49
HDFC Small Cap Fund	46.12	30.66	22.77	38.10
TATA Small Cap Fund	36.12	28.68	25.75	37.40
Kotak Small Cap Fund	33.44	22.15	25.58	34.23
Canara Robeco Small Cap Fund	38.16	28.98	26.65	36.64
DSP Small Cap Fund	41.81	25.08	24.03	33.25
SBI Small Cap Fund	33.83	22.85	24.58	26.91

Chart: 4.8 Small-Cap Mutual Fund Returns at a Specified Time Period



Conclusion

The returns that Small-cap mutual funds have generated over the past Five years are displayed in the table and chart above.

In one-year, long time period, Scheme 1, at an amazing 51.98%, is leading the group of three small-cap mutual funds with the highest average returns over the last year. Scheme 4, at 46.27%, and Scheme 5, at 46.12%, are next in line. These funds have shown strong performance, giving investors significant profits. Conversely, the three funds at the bottom with the lowest average returns are the Scheme 6 (36.1%), Scheme 10 (33.83%), and Scheme 7 (33.44%). During the same period, investors in these funds saw relatively lower returns, suggesting a more difficult performance trend.

For three years long time period, Scheme 1 has shown the greatest average return (33.57%) among Indian small-cap funds over the last three years. Closely trailing are the small cap funds from HDFC (30.66%) and HSBC (32.43%), with respective average returns. As opposed to this, the Scheme 7 has demonstrated the lowest average return, coming in front of Scheme 10 (22.85%) and Edelweiss Small Cap Fund (26.73%). When assessing small-cap funds, investors can take these numbers into account. By doing so, they can make well-informed judgments about their investments by being aware of the risks and rewards that come with each fund.

For Five years long time period, with an astounding average return of 29.19% over the last five years, Scheme 1 has outperformed other small-cap funds in this regard. With an average return of 27.79%, Edelweiss Small Cap Fund comes in second, while Bank of India Small Cap Fund takes third place with a strong average return of 29.75%. Conversely, HSBC Small Cap Fund and DSP Small Cap Fund trailed closely behind with 23.61% and 24.03%, respectively, with HDFC Small Cap Fund recording the lowest average return of

22.77%. These numbers demonstrate how performance within the small-cap funds category has varied significantly over the past five years.

While comparing returns of the last three years, Scheme 1 has maintained its top ranking over the last three years with a remarkable average of 43.26%. The next two best-performing small-cap funds, HSBC Small Cap Fund (41.49%) and HDFC Small Cap Fund (38.10%), complete out the top three. Conversely, SBI Small Cap Fund is the least profitable small-cap investment, having shown the lowest average return of 26.91%. The averages for DSP Small Cap Fund and Kotak Small Cap Fund are 33.25% and 34.23%, respectively. These numbers give investors important information about the past success of these funds, which helps them make well-informed decisions about their future investing plans.

ANOVA Test

Hypothesis

Ho: There is no significant difference in Yearly Average Return of the fund for different selected Small-Cap Mutual Fund Schemes during the study period.

H1: There is significant difference in Yearly Average Return of the fund for different selected Small-Cap Mutual Fund Schemes during the study period.

Table 4.17 ANOVA Table

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	**1652.16**	**3**	**550.7201**	**28.05501**	**1.56E-09**	**2.866266**
Within Groups	**706.6802**	**36**	**19.63001**			
Total	**2358.84**	**39**				

Interpretation:

The "F" test one-way ANOVA researcher identified from the above table, which shows that the F-critical Value is 28.05 and the F calculated Value is 2.87. The p value is 1.56E which is lower than the significance value of 0.05 so researcher has rejected the null hypothesis and concluded that here is Significant Difference in The Average returns of the serval selected mutual funds over the study period.

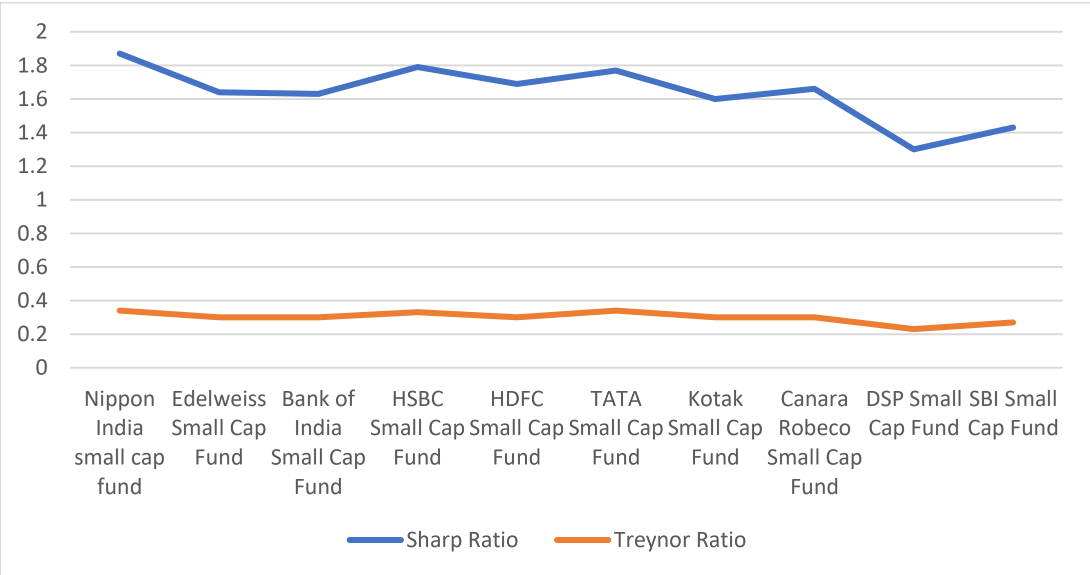
4.4.1.3 Performance of Small Cap Mutual Funds

The performance (ratio) of the chosen small cap mutual funds over the study period is displayed in the following table.

Table: 4.18 Performance of Small Cap Mutual Funds

Small Cap Fund Mutual Fund Schemes	Sharp Ratio	Treynor Ratio
Nippon India small cap fund	1.87	0.34
Edelweiss Small Cap Fund	1.64	0.30
Bank of India Small Cap Fund	1.63	0.30
HSBC Small Cap Fund	1.79	0.33
HDFC Small Cap Fund	1.69	0.30
TATA Small Cap Fund	1.77	0.34
Kotak Small Cap Fund	1.60	0.30
Canara Robeco Small Cap Fund	1.66	0.30
DSP Small Cap Fund	1.30	0.23
SBI Small Cap Fund	1.43	0.27

Chart 4.9 Performance of Small Cap Mutual Funds



Conclusion

Using the Treynor and Sharpe ratios as a basis, the performance of the Small-cap mutual funds is explained in the table and graphic above. Here are the specifics:

Sharpe Ratio

The value of the shape ratio for the chosen small cap mutual funds for the study period is displayed in the table and chart above.

The fund's Sharpe ratio is the excess return over the Rf per unit of risk, or per unit standard deviation. A high Sharpe ratio indicates more attractive funds. The investment's return is less than the estimated risk if the Sharpe ratio is less than one.

- Scheme 1 has the best risk-adjusted returns of any small-cap fund, with a Sharpe Ratio of 1.87. Scheme 4, which has a 1.79 Sharpe Ratio, is right behind. These funds demonstrate effective portfolio management, optimizing returns for each unit of risk in contrast to their small-cap counterparts.
- Scheme 1 has the best risk-adjusted returns of any small-cap fund with a 1.87 Sharpe Ratio. HSBC Small Cap Fund (1.79), TATA Small Cap Fund (1.77), and HDFC Small Cap Fund (1.69) are a few other noteworthy achievers. DSP Small Cap Fund has a 1.30 Sharpe Ratio, which is lower than average. Investors interested in the best risk-return profiles could benefit from HSBC and Nippon India products.
- DSP Small Cap Fund has a lower Sharpe Ratio of 1.30 than the other mentioned small-cap funds, suggesting comparatively higher volatility for the return produced. When assessing risk-adjusted performance, investors should take this into account because a lower Sharpe Ratio indicates that, in comparison to its peers, the fund could not be optimizing returns in relation to its volatility.

Treynor Ratio

The Treynor ratio calculates the excess returns for each unit of systematic risk (beta) over risk-free returns. Additionally, all of the carefully chosen Small-cap mutual funds showed positive values in this case, suggesting that the schemes offered sufficient returns relative to the degree of investment risk.

- With a Treynor ratio of 0.23, the lowest among small-cap funds, DSP Small Cap Fund exhibits effective risk-adjusted returns. With a ratio of 0.34, Nippon India Small Cap Fund and TATA Small Cap Fund are in close second place. These funds offer appealing choices for investors looking for balanced performance and risk management in the small-cap market thanks to their excellent Treynor ratios.
- With Treynor Ratios of 0.34, the highest among small-cap funds, Nippon India Small Cap Fund and TATA Small Cap Fund show greater risk-adjusted returns per unit of systematic risk. DSP Small Cap Fund, on the other hand, trails behind with

a ratio of 0.23, indicating somewhat weaker returns in relation to its exposure to systematic risk.

- The performance of the aforementioned small-cap funds, adjusted for risk, is shown by their Treynor Ratios. With a ratio of 0.23, DSP Small Cap Fund stands out as having the lowest returns per unit of systematic risk. At a ratio of 0.34, Nippon India and TATA Small Cap Funds are leading the way, suggesting comparatively higher returns in comparison to systematic risk.

Reference:

- https://www.sebi.gov.in/sebi_data/attachdocs/feb2019/1551178913861.pdf https://www.amfiindia.com/
- https://groww.in/p/equity-funds/large-cap-mutualfunds/#:~:text=Large%20Cap%20Mutual%20Funds%20are,investors%20over%20a%20long%20period.
- https://groww.in/mutual-funds/category/best-small-cap-mutualfunds#:~:text=These%20small%20cap%20companies%20have,as%20small%20cap%20mutual%20fund. &text=Small%20cap%20funds%20are%20ex trembly, during%20a%20positive%20market%20movement.

CHAPTER-5
FINDINGS, CONCLUSION AND SUGGESTIONS

INDEX

5.1 INTRODUCTION

Since mutual funds may effectively reduce risk and increase return through expert fund management, they are currently one of the most researched topics in both industrialized and emerging nations, such as India. For correct results, it is necessary to remember that even though the funds increase the revenues of small investors, they also increase their exposure to unsystematic risks. Unless Risk factors are taken into account, the fund returns do not provide a true reflection of their performance.

The performance review of mutual funds large, mid, and small caps in India was done for this study. The data was examined in this study from two angles: risk and rewards. This chapter presents a summary of the study's findings pertaining to the goals it set out to achieve.

5.2 THE STUDY'S PRINCIPLES

This study is very significant since it carefully looks looking at the results across the long run of large-cap, mid-cap, as well as mutual funds for small caps. It provides insightful information about the long-term performance of these various fund categories by exploring their subtleties. For investors who want to make well-informed decisions as they traverse the complicated world of mutual fund investments, these kinds of evaluations are essential. The findings of this research may enable investors to make more strategic and knowledgeable investment decisions by helping them optimize their portfolios and improving their comprehension of the dynamics of risk and return across various market capitalizations.

Notedly, whereas certain funds have done well across the board, others have done well across a range of characteristics.

The main conclusions of the study on large, medium, and small cap mutual funds are listed below.

5.2.1 Findings of the Selected Large Cap Mutual Funds

The study's main conclusions about large-cap mutual funds are as follows.

Findings of the Study based on Average Returns

- ❖ The study period from 2019–20 to 2022–2023 had an average return of 16.82 percent for the sample of large-cap mutual funds.
- ❖ It was noticed that the select large size mutual funds produced an average return of 33.31 percent in 2022–2023.

- ❖ During the three-year period from 2012–13 to 2014–15, the sample large cap mutual funds had an average return of 16.20 percent, it was found.
- ❖ The data shows that the sample big cap mutual funds generated an average return of 17.41% throughout the five years from 2012–13 to 2016–17.
- ❖ During the last three years, from 2020–21 to 2022–23, the sample large cap mutual funds had an average return of 18.41 percent, to highlight.
- ❖ The funds with the highest returns include the Mirae Asset Large Cap Fund, HDFC Top 100 Fund, and Nippon India Large Cap Fund.
- ❖ Axis Blue chip large cap mutual fund generated the lowest return over the research period.

Nippon India Large Cap Fund, which has returned 20.19%, ICICI Prudential Bluechip Fund, which has returned 19.23%, and HDFC Top 100 Fund, which has returned 18.77%, are the top three performing funds on the list.

The performance of various large-cap equities funds during a specified time period is displayed in the list above, along with documented returns. Notably, the top three funds with relatively lower returns are Axis Bluechip Fund (14.04%), Canara Robeco Bluechip Equity Fund (16.91%), and Baroda BNP Paribas Large Cap Fund (16.8%).

The references support the observations. Over the last ten, five, three, and one year, Nippon India Large Cap Fund Equity Fund has outperformed both its benchmark and the category average.

The least amount of return on the Axis Blue Chip large-cap mutual fund might be ascribed to economic downturns, market volatility, or the fund's underlying assets' underperformance during the specified period.

The Nippon India Large Cap Fund is among the top-performing large cap funds for 2023. Its result was remarkable given the widespread failure of actively managed funds in the preceding year. The Nippon India Large Cap Fund surpassed the benchmark by a significant margin.

It was discovered that the funds' overall returns for the years 2021–2022 were negative. This could be the result of the market's decline.

Findings based on Ratio

The risk-adjusted returns for different large-cap funds are shown by the Sharp ratios. Better returns concerning risk are indicated by higher ratios. With ratios exceeding 1, the Nippon India Large Cap and HDFC Top 100 Funds exhibit impressive performance. ICICI

Prudential Bluechip is just behind. Axis Bluechip and Canara Robeco are two funds with somewhat lower ratios, meaning they offer fewer returns per unit of risk.

Treynor ratios assess a fund's performance with regard to its systematic risk in order to calculate risk-adjusted returns. Better returns for each unit of systematic risk are indicated by higher ratios. Out of all the listed funds, Nippon India Large Cap Fund has the highest ratio (0.17), meaning that its rewards exceed its risk. Axis Bluechip Fund has the lowest ratio, at 0.06.

Findings based on the ANOVA

When considering the average return of the total sample, the analysis of variance of large cap mutual funds reveals a significant variety in the returns of large cap equity funds. As a result, the sample stocks mutual funds' average returns differ significantly from one another.

5.2.2 Findings of the Selected Mid Cap Mutual Funds

The study's main conclusions about Mid Cap mutual funds are as follows.

- ❖ Results indicated that during 2019–2020 and 2022–2023, the sample Mid Cap mutual funds returned an average of 28.57 percent.
- ❖ The sample Mid Cap mutual funds provided an average return of 25.72 percent for the 2018–19 fiscal year, it was observed.
- ❖ Throughout a three-year period, from 2012–13 to 2014–15, the sample Mid cap mutual funds generated an average return of 25.90 percent.
- ❖ A five-year period, from 2012–13 to 2016–17, was seen to have yielded an average return of 24.28 percent for the sample Mid cap mutual funds.
- ❖ The sample Mid cap mutual funds had an average return of 19.24 percent throughout the ten-year period from 2012–13 to 2022–23.
- ❖ An average return of 25.73 percent was recorded by the sample Mid cap mutual funds during the course of the last three years, from 2020–21 to 2022–23.
- ❖ The Quant Mid Cap Fund, SBI Magnum Midcap Fund, and TATA Mid Cap Growth Fund are the top three funds with the highest returns.
- ❖ The average return of mid-cap funds indicates that, s the study was being conducted period, there was no difference in returns between the chosen mid-cap funds. When compared to other mutual funds, the Quant Midcaps funds have demonstrated

strong performance. Axis Mid Cap mutual funds saw negative returns in 2020–21; this could have been brought on by the market slump.

Sharp ratios show returns from mutual funds that have been modified for risk. Better returns in relation to risk are implied by higher ratios. Motilal Oswal Mid Cap Fund has the highest ratio (1.60) of any listed fund, indicating better returns with relation to the amount of risk assumed. With the lowest ratio (0.95), Axis Mid Cap Fund offers relatively lower rewards in relation to the risk.

Treynor ratios are used to compute risk-adjusted returns by comparing a fund's excess return to its systematic risk. Greater ratios indicate better risk-adjusted performance. With a ratio of 0.30, the highest of all public mid-cap funds, Motilal Oswal Mid Cap Fund has beaten its competitors in terms of risk-adjusted returns compared to systematic risk.

Findings based on the ANOVA

In the analysis of variance of mid cap mutual funds, there was no appreciable difference in the returns of the Mid Cap equity funds when the average return of the entire sample was considered. Thus, the average returns of the sample mutual funds for stocks differ significantly from one another.

5.2.3 Findings for the Selected Small Cap Funds

- The following are the study's findings for small-cap mutual funds. During the study period, it was observed that the sample Small Cap mutual funds had an average return of 36.52% from 2019–20 to 2022–2023.
- An average return of 38.39 percent was noted for the sample small cap mutual funds in 2022–2023.
- During the three-year period from 2020–21 to 2021–22, the sample small cap MFs had an average return of 27.91 percent, according to the observation.
- The sample small cap MFs produced an avg. return of 27.07 percent over the course of five years, from 2012–13 to 2016–17.
- It was noted that the sample small cap mutual funds produced an average return of 36.48 percent over the last three years, from 2019–20 to 2022–2023.
- Compared to other funds, the Edelweiss Small Cap Fund has produced a substantial return. lowest return that the SBI Small Cap Fund produced. A

possible explanation for certain mutual funds' negative returns in 2021–2022 is the market's downward tendency.

Findings based on Ratio

Sharp ratios are higher for small cap funds, such as Nippon India and HSBC, suggesting better risk-adjusted returns than rivals. Lower ratios for DSP and SBI indicate relatively lower returns in relation to risk. This emphasizes how crucial careful consideration and selection are to achieving the best possible results when investing in small cap funds.

The Treynor ratio calculates an investment's risk-adjusted return. Nippon India and TATA Small Cap Funds have the highest Treynor ratios among these small cap funds, which suggests that their risk-adjusted returns are superior to those of the other funds. The lowest ratio, displayed by DSP Small Cap Fund, suggests comparatively lower returns per unit of systematic risk.

Findings based on the ANOVA

The analysis of variance for small cap mutual funds did not reveal any significant variation in the returns of small cap equity funds when the average return for the entire sample was considered. The returns from the sample small-sized equity funds do not, therefore, appear to differ significantly.

5.3 SUMMARY

Research shows notable variations between the typical mutual fund returns with big, mid, and small caps. Generally speaking, large cap funds which are made up of well-established businesses offer more consistent returns than their mid- and small-size counterparts. Mid cap funds, which invest in companies with a modest market capitalization, typically offer marginally higher returns at the expense of higher volatility. On the other hand, small cap funds, which invest in startups, have higher growth potential but also higher risk. These differences highlight how crucial it is to comprehend the various dynamics of mutual fund classes in order to maximize investing strategies and efficiently control risk.

Because each fund had a distinct exposure to both total risk and systematic risk, there has been a slight fluctuation in performance as measured by risk-adjusted metrics based on the Treynor and Sharpe ratio. On an aggressive basis, however, The sample mutual fund's performance was almost identical according to both criteria when it came to risk-adjusted returns.

Most of the funds included in the analysis have shown promising results. It is necessary to understand the data, which show that the funds performed well throughout the boom and poorly during the great recession.

During the boom phase (2019–20), there was greater possibility for investment and high returns; during the recession period (2020–21), there were lower returns.

5.4 SUGGESTIONS AND DIRECTIONS FOR THE FUTURE

The famous quote from Albert Einstein, "in the middle of difficulty lies opportunity," also applies to the mutual fund business in India.

Of the 130-crore people living in India, 75 crores have bank accounts, yet just 4 percent invest in mutual funds, according to a survey by AMFI India.

Macroeconomic Variables' Impact on Indian Mutual Funds: A Study That's what Dash, Mihir, and G., Dinesh Kumar, December 15, 2008, said. It is true that macroeconomic factors affect the stock market. Gains in the stock market are reflected in the NAV of mutual funds, which enables investors to withdraw the desired amount while also reaping higher rewards on their investment.

The capital market will inevitably experience bull (high) and bear (low) phases. Mutual fund managers should aim to maximize profits by skilfully managing both phases and demonstrating good performance in long

Following AMFI's 29-year journey (UTI the sole mutual fund house to 44 AMCs in India), the AUM of the mutual fund business expanded from Rs 66,000 crore in 1995 to more than Rs 52 lakh crore in 2024 (www.amfiindia.com).According to a review of the literature, the mutual fund industry has developed into a major and essential part of investors' portfolios. The mutual fund sector ought to make an effort to encourage people to include mutual funds in their personal savings. Investors' future financial goals and planning may influence the kind of mutual fund they select.

Several initiatives are being made to grow the mutual fund industry, including:

- ❖ he Association of Mutual Funds of India (AMFI) represents the asset management industry in India, and it has set a target for the sector's assets under management (AUM) to reach Rs 100 lakh crore in the next five years.

- ❖ In order to broaden the appeal of mutual funds, AMFI also intends to run financial literacy and awareness initiatives. It also wants to invite celebrities to endorse the benefits of mutual funds.
- ❖ when interest rates on other investment products are falling, mutual funds could be a wise choice for investors looking for a lucrative investment.
- ❖ Approximately 65% of open-ended funds are invested in stocks; this percentage can be increased by raising public awareness, putting in place appropriate regulatory controls, and utilizing enhanced technology in conjunction with financial strategies to maximize returns.
- ❖ It is recommended that SEBI and AMFI persist in doing research and launch various mutual fund products that have demonstrated success both domestically and internationally.
- ❖ Since the position and returns provided by mutual funds change annually, investors should review their holdings on a regular basis.

5.5 SUGGESTIONS FOR THE FURTHER STUDY

The current research is a four-year, in-depth examination of open-ended growth equity mutual funds. The analysis was restricted to the sample Large Cap, Mid Cap, and Small Cap fund's four-year performance due to time and resource constraints. More methods for further evaluation can be used to perform additional research. Different mutual fund and equity fund types can be the subject of future research.

BIBLOGRAPHY

- Bantwa, Ashok & Bhuva, Krunal. (2020). PERFORMANCE EVALUATION OF SELECTED INDIAN EQUITY DIVERSIFIED MUTUAL FUND SCHEMES: AN EMPIRICAL STUDY. 2. 1-24.
- Biswas, D. (n.d.). ANALYSIS THE PERFORMANCE OF FUND MANAGER OF MUTUAL FUND: A STUDY ON SELECTED EQUITY SCHEMES IN INDIA DURING PRE AND POST LOCKDOWN PERIOD. https://www.researchgate.net/publication/372861072
- Mahesh, G., Geethanjali, D., Lokesh, D., & Srinivasan, M. S. (2023). A Study on Performance Evaluation of Selected Indian Equity Mutual Funds (Vol. 16, Issue 4). https://www.researchgate.net/publication/374673568
- Komal, S., Joshi, P., & Patel, M. B. (2021). A COMPARATIVE STUDY ON PERFORMANCE EVALUATION OF SELECTED DEBT, EQUITY AND HYBRID MUTUAL FUND SCHEMES IN INDIA GAP GYAN A GLOBAL JOURNAL OF SOCIAL SCIENCES A COMPARATIVE STUDY ON PERFORMANCE EVALUATION OF SELECTED DEBT, EQUITY AND HYBRID MUTUAL FUND SCHEMES IN INDIA. https://www.researchgate.net/publication/352372275
- Tripathi, S., & Japee, G. (2020). PERFORMANCE EVALUATION OF SELECTED EQUITY MUTUAL FUNDS IN INDIA. GAP GYAN - A GLOBAL JOURNAL OF SOCIAL SCIENCES, 3(1), 65–71. https://doi.org/10.47968/gapgyan.31009
- Paul, R. (n.d.). Performance Evaluation of Mutual Funds: A Study on Selected Large Cap Equity Fund Scheme in India. https://www.researchgate.net/publication/373627781
- Ghuge, N. (2019). A Study of Performance Evaluation of Selected equity mutual fund schemes in India using Sharpe's Ratio. https://www.researchgate.net/publication/340455787
- Wachasundar, S. (n.d.). Performance of Indian Hybrid Mutual Fund During the Time of Global Financial Crisis. https://www.researchgate.net/publication/360588812
- Patjoshi*, Dr. P. K., & Nandini, Dr. G. (2020). Measurement of Risk and Return Spillovers Effects among Sensex and Equity Based Mutual Funds in India.

International Journal of Recent Technology and Engineering (IJRTE), 8(6), 4478–4484. https://doi.org/10.35940/ijrte.F8744.038620

- AnalysisofMarketTimingAbilityandStockSelectionAbility-AStudyonEquityMutualFundSchemesinIndia. (n.d.).
- Pachiyappan, S., Shrivastava, A., Raj, V. J. P., & Vellaiyan, S. (2023). Autoregressive Distributed Lag Approach for Estimating the Nexus between Net Asset Value of Mutual Fund and Economic Determinants in India. Theoretical and Practical Research in the Economic Fields, 14(1), 186–201. https://doi.org/10.14505/tpref.v14.1(27).15
- Ch, R. S., Chodisetty, M., & Raja Babu, P. (2022). A Systematic Observation On Systematic Investment Plan (SIP) And Lump Sum Investment Plan(LIP) In Mutual Funds-With Special Reference to Kotak Bank Equity Fund Nippon India Equity A Systematic Observation On Systematic Investment Plan (SIP) And Lump Sum Investment Plan(LIP) In Mutual Funds-With Special Reference to Kotak Bank Equity Fund Nippon India Equity Fund. In Article in Journal of Interdisiplinary Cycle Research. https://www.researchgate.net/publication/363753127
- Das, S. K. (2022). Examining the Performance of Select Multi-Cap Funds in India. JOURNAL OF ACADEMIC ADVANCEMENT, 1(2), 58–68. https://doi.org/10.58574/jaa.2022.v1.i2.06
- Panigrahi, A., Mistry, M., Shukla, R., & Gupta, A. (2020). A Study on Performance Evaluation of Equity Linked Saving Schemes (ELSS) of Mutual Funds. https://www.researchgate.net/publication/338688763
- Wachasundar, S. (2018). A Study on the Performance of Equity Mutual Funds With special reference to small cap mutual funds. www.jetir.org
- Biswas, D. (2021). Performance Analysis of Mutual Fund in India: A Study on Pre and Post Lockdown Period Performance Analysis of Mutual Fund in India: A Study on Pre and Post Lockdown Period Performance Analysis of Mutual Fund in India: A Study on Pre and Post Lockdown Period Performance Analysis of Mutual Fund in India: A Study on Pre and Post Lockdown Period RAY: International Journal of Multidisciplinary Studies. In International Journal of Multidisciplinary Studies: Vol. VI (Issue 2). https://www.researchgate.net/publication/372861615

- T., K., & J.P., Dr. S. K. (2022). Macroeconomic Performance Analysis of Selected Indian Mutual Funds. NeuroQuantology, 20(5), 696–703. https://doi.org/10.14704/nq.2022.20.5.nq22225
- Latha, K., & Ghosh, R. (2016). PERFORMANCE EVALUATION OF MUTUAL FUNDS IN INDIA: A CASE STUDY. Ramanujan International Journal of Business and Research, 1(1), 53–63. https://doi.org/10.51245/rijbr.v1i1.2016.149
- Balasundaram, N. (n.d.). Mutual Fund Financial Performance Analysis: A Comparative Study on Equity Diversifiedschemes and Equity Mid-Cap Schemes. www.zenithresearch.org.in
- Mutualfunds. (n.d.).
- Manoj, M. S., & Avinash, M. B. (n.d.). Performance Evaluation Of Mutual Funds Before And During The Outbreak Of Covid-19 Pandemic In India. (A Case Study Of Selected Companies). In European Journal of Molecular & Clinical Medicine (Vol. 07).
- Gupta, S. (2014). Performance Appraisal of Selected Mutual Funds: A Risk-Return Analysis International Journal of Engineering Research & Management Technology PERFORMANCE APPRAISAL OF SELECTED MUTUAL FUNDS: A RISK-RETURN ANALYSIS. https://www.researchgate.net/publication/375342088
- Jain, Dr. M. (2022). A Study of Selected Flexi Cap Mutual Funds. Journal of Corporate Finance Management and Banking System, 24, 16–24. https://doi.org/10.55529/jcfmbs.24.16.24
- Shreekant, G., Rai, R. S., Raman, T. v., & Bhardwaj, G. N. (2019). Comparing performance of equity, balanced and debt mutual funds – Empirical evidences from India. International Journal of Innovative Technology and Exploring Engineering, 8(9), 2167–2176. https://doi.org/10.35940/ijitee.i8537.078919
- Bhattacharjee, A. (n.d.). Performance Evaluation of Sectoral Mutual Fund Schemes: Evidence from India. https://www.researchgate.net/publication/347024874
- ViewofPerformanceofIndianMutualFundsRiskandReturnsduringCovid19-AnOverview. (n.d.).
- Clonia, R. (n.d.). Restaurant Business Financial Risk Tolerance: Assessing the Equity Mutual Fund Schemes in India. https://www.researchgate.net/publication/366192097

- Bajpai, S., & Banarasi, B. (2016). Risk Opportunities and Returns for Investors in Mutual Funds an Overview. In International Journal of Technology, Management and Humanities (IJTMH) refereed e-journal form in English. International Journal of Technology, Management. https://www.researchgate.net/publication/369626594
- Gupta, N. K. (n.d.). Balanced Mutual Fund: The Performance Evaluation of selected Schemes. https://www.researchgate.net/publication/340594914
- Pani, S., & Riyank Levi, S. (n.d.). THINK INDIA JOURNAL An Empirical Study on Diversified Large Cap Mutual Funds Schemes and Its Performance Evaluation. https://www.amfindia.com/net-asset-value/nav-history