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A STUDY ON PERFORMANCE ANALYSIS OF EQUITY ORIENTED MUTUAL FUNDS IN MUTUAL FUND INDUSTRIES

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Abstract

A mutual fund is a collection of money that many individuals have contributed, and this money is then invested in a variety of financial instruments. Mutual funds provide a way to build wealth over the long term. This study used Jensen's Alpha, Treynor Index, Sharpe Index, Beta, and Standard Deviation to analyze the performance analysis of ten equities mutual funds. The returns of a sample of equity midcap, equity largecap, equity large and midcap, and equity flexi cap mutual funds were evaluated in this study. Ten years' worth of stock mutual fund returns were examined, and most equity mutual funds provide their highest returns during the year. According to the research, investors can invest in the JM Large Cap Fund, the Quant Midcap Fund, the HDFC Large and Midcap Fund, and the HDFC Flexi Cap Fund. The findings support the notion that equities mutual funds offer investors the lowest risk and best returns. The findings of this research endeavor will be extremely helpful to investors in making future investment decisions. The ideal location to invest in the stock market is through mutual funds.

***Key words* - Alpha, beta, sharpe, treynor, Jensen.**

INTRODUCTION

Mutual Fund is essential part of the financial markets. It plays crucial role in the development and growth of the financial market. Mutual fund is the pool of funds raised from the number of investors and further this fund is invested in numerous investment securities such as equity, debt, government securities, money market instruments etc. Mutual fund provides the alternate to the investor to enter into the capital market. Investing through the mutual fund investors can participate in the growth of the economy and create wealth for future needs. Investor gets several advantages while investing in mutual funds like professional management, diversification, tax advantage, objective specific schemes. Therefore investor can invest according to their need, objectives and time horizon. Mutual fund offers the means of creating wealth over the periods of time.

OBJECTIVES OF THE STUDY

Primary objective:

1. To study a performance analysis of Equity oriented Mutual Fund.

Secondary objective:

1. To study and analyze risk-return relationship.
2. To evaluate the performance of selected equity mutual funds by using the portfolio performance evaluation models.
3. To analyze 10 equity mutual funds and ranked on the basis of high risk and return.
4. To know which equity scheme has given highest return during the year.

NEED FOR THE STUDY

This project's primary goal was to learn more about mutual funds and how they operate. This helps to know in details about mutual fund industry right from its starting stage, growth and future prospectus. The study contains of 10 selected large cap, small cap, midcap and multi cap equity mutual fund schemes launched by the mutual fund house. It also helps in understanding different schemes of equity mutual funds because my study depends upon important funds and their schemes like equity, income as well as risk and returns associated with other schemes. The project study was done to ascertain asset allocation, performance models like Sharpe, treynor and Jenson alpha.

REVIEW OF LITERATURE

Patel, M.,Madhavan, V.,Gupta, S.D.,Kumar, S. March 2023 Using a wide sample, we assess the performance of Indian fixed-income mutual funds over a ten-year period from April 2010 to March 2020 in this study. We analyze the investment philosophies of the 190 fixed income funds that have the highest performance persistence across 16 different fund types. We analyze investment style using Sharpe's (1992) asset class factor model supplemented with Lobosco and di Bartolomeo's (1997) technique for statistical robustness and evaluate performance persistence using the recursive portfolio construction test. We also look at the relationship between style consistency and performance persistence and discover that persistent funds have less consistent style. According to our data, a substantial portion (73%) of the funds under consideration underperformed. Our findings from the style study point to a significant departure between investing goals set by regulators and investment style. The paper exhorts regulators to reevaluate the widespread practice of classifying funds according to Macaulay's term. The results of this study are even more relevant to investors, asset management firms, and policy makers given the rising popularity of Indian fixed income products.

Minnis, M. University of Chicago Booth School of Business, United States. November 2022 one of the most significant capital market developments over the last two decades has been the growth of private capital markets—markets that raise capital outside of publicly and may be subject to far less required public financial reporting on traded venues. A first-order research question is how to comprehend the factors that have contributed to the relative rise of private capital markets. Interest in regulating and studying private markets has developed as private capital markets have expanded. Demand should be strong for research that explains the advantages and disadvantages of regulating private capital markets. Kim and Olbert (hence referred to as KO) delve into this area to investigate if increased private firm disclosure has an impact on public capital markets. The public equity holdings of mutual funds and ETFs decrease when private corporations release more financial statement information, according to KO. From their research, KO concludes that more private firm disclosure has detrimental financial externalities for public corporations. I examine KO's exciting findings in this work and make suggestions for future study that will help strengthen and clarify its conclusions. Future research can validate KO's private company disclosure metric in particular and take into account the causal mechanism for private firm investment.

Islam, M.A. Corporate-bond fund investments and investor confidence in the equities market, Department of Finance, University of Dhaka, November 2021. The relationship between investor sentiment in stock is explored in this study market and investments in corporate-bond funds. When current equity market sentiment deviates from the historical norm, investors frequently invest in and withdraw from corporate-bond funds. For example, an improvement in equities market sentiment of one standard deviation results in inflows of 0.1% and 0.4% for active and index funds, respectively. It reflects the time-varying flight-to-safety behavior of investors. Additionally, funds with minimal equity-market sentiment exposure seem to draw in new investors, whereas funds with high equity-market sentiment exposure lose new investors, suggesting that investors are likely to steer clear of sentiment risk. The results also show a 2.22%–2.52% yearly difference between funds with the most exposure to positive sentiment and those with the largest exposure to negative sentiment. The results are robust to using alternative sentiment metrics and considering different sub periods.

Shivam Tripathi, Dr. Gurudutta P. Japee, March 2020 conducted research on "**Performance Evaluation of Selected Equity Mutual Funds in India"** The objective of the study to know whether mutual funds give reward to changeability and unpredictable nature, as well as separating fund return from securities market return. The secondary data was gathered from a variety of sources, including factsheets from several AMCs, historical NAV, and yearly returns. Jenson's alpha, beta, standard deviation, and Sharpe ratio are statistical tools. The performance analysis of the selected 15 equity funds and clearly identified that the 10 funds are performed well and 5 are not during the study. The study's conclusions show that fluctuations in the performance of different equities are caused by market volatility.

March 2019 Anuja Magdum research was done on "A Comparative Study on Mutual Fund Schemes of Selected AMC's in India". This study's goal is to examine certain public and private sector mutual fund schemes in order to produce higher returns for the AMCs' schemes. AMC"s in India. The data collected for the study is to consider the 5 years and for comparison 4 AMC"s with each other. Fixed deposit rates are utilized for a risk-free return, and data is gathered from the value research, AMFI, and yahoo finance websites. Beta and CAGR were the study methodology used. The study has investigated the performance of equity based MF schemes in India and the private sector can better performed compare to the public sector.

RESEARCH DESIGN:

The research used a descriptive research design, which intended to combine pertinent facts with economic infrastructure and time in mind when gathering and analyzing data. Conceptual framework provided the framework for conducting, gathering, measuring, and analyzing research.

SOURCES OF DATA:
The data used for the research purpose is Secondary data. Secondary data were collected from various websites like fact sheets, Fundz bazar, money control etc.

TOOLS FOR ANALYSIS:

- Sharpe performance measure
- Treynor performance measure
- Jensen performance measure
- Return analysis

Sharpe Performance Measure: The Sharpe ratio, named after its founder, the Nobel Laureate William Sharpe, is a measure of risk adjusted returns. To compute the profit per unit of risk, excess return and standard deviation are used.

$$S = \frac{R_p - R_f}{\sigma_p}$$

Where R_p = Return on fund
R_f = Risk free rate of return
σ_p = Standard deviation of fund
S = Sharpe performance measure

Treynor Performance Measure: The link between annualized risk-adjusted return and risk is used to calculate the Treynor ratio, which is a measure of efficiency. Treynor ratio, in contrast to Sharpe ratio, uses "market" risk (beta) rather than overall risk (standard deviation).

$$T = \frac{R_p - R_f}{\beta_p}$$

Where R_p = Return on fund
R_f = Risk free rate of return
β_p = Beta of fund
T = Treynor performance measure

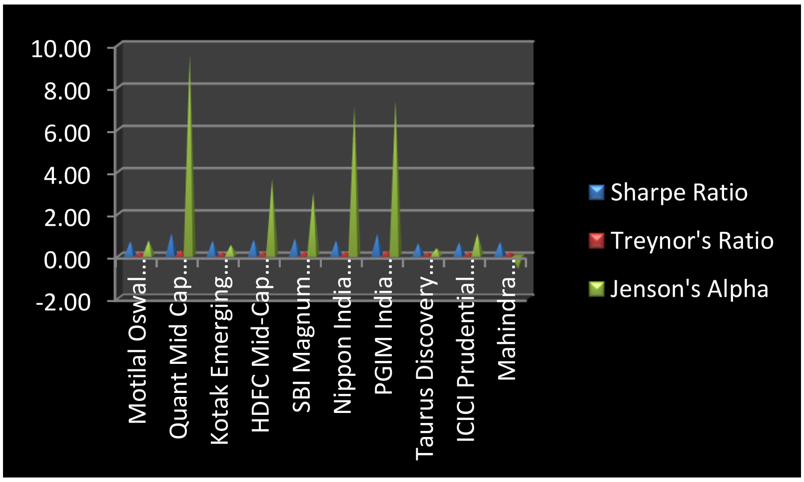
Jensen Performance Measure: When a fund's beta-measured level of risk is taken into account, the Jensen Performance Measure measures the discrepancy between the fund's actual returns and predicted performance. Jensen's Alpha is equivalent to the alpha derived from regressing the same or portfolio's returns in excess of the risk free rate against the market return in excess of the risk free rate.

$$\text{Jensen's Index} = \frac{\alpha}{\beta}$$

Where $\alpha_p = R_p - R_s$
R_p = Actual return on portfolio
R_s = Expected return on portfolio
$R_s = I_{RF} + (R_M - I_{RF})\beta$

Risk Analysis:
Overall performance of Equity Midcap Fund

Scheme Name	Sharpe Ratio	Treynor Ratio	Jenson's Alpha
Motilal Oswal Midcap Fund - Growth	0.68	0.16	0.72
Quant Mid Cap Fund - Growth	1.06	0.26	9.51
Kotak Emerging Equity Fund - Growth	0.71	0.16	0.51
HDFC Mid-Cap Opportunities Fund - Growth	0.76	0.18	3.61
SBI Magnum Midcap Fund - Regular Plan - Growth	0.82	0.19	2.98
Nippon India Growth Fund - Growth	0.71	0.18	7.05
PGIM India Midcap Opportunities Fund - Growth	1.03	0.23	7.38
Taurus Discovery (Midcap) Fund - Growth	0.59	0.14	0.35
ICICI Prudential MidCap Fund - Growth	0.63	0.15	1.05
Mahindra Manulife Mid Cap Unnati Yojana - Regular Plan - Growth	0.65	0.15	-0.66

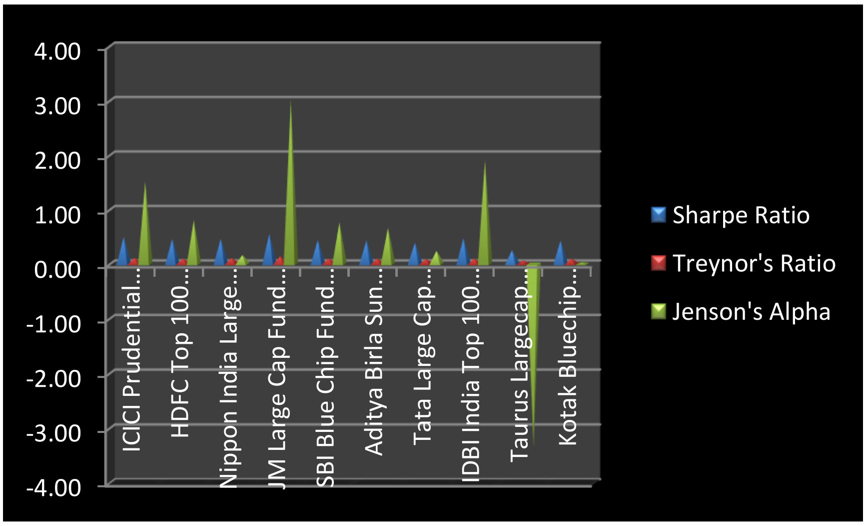


Interpretation

From the above table it is interpreted that Quant Mid Cap Fund - Growth has the highest Sharpe Ratio, Treynor Ratio, and Jenson's Alpha among the listed funds, indicating superior risk-adjusted performance and higher-than-expected returns. The PGIM India Midcap Opportunities Fund - Growth and the HDFC Mid-Cap Opportunities Fund - Growth also have relatively high Sharpe Ratios, Treynor Ratios, and Jenson's Alphas, indicating good performance. On the other hand, the Taurus Discovery (Midcap) Fund - Growth has the lowest Sharpe Ratio, Treynor Ratio, and Jenson's Alpha among the listed funds, indicating poorer risk-adjusted performance and lower-than-expected returns. The Mahindra Manulife Mid Cap Unnati Yojana - Regular Plan - Growth also has a negative Jenson's Alpha, indicating underperformance compared to its expected return based on its level of risk. Investors should carefully consider these performance metrics along with other factors, such as fund expenses, investment strategy, and past performance, before making investment decisions.

Overall performance of Equity Largecap Fund

Scheme Name	**Sharpe Ratio**	**Treynor Ratio**	**Jenson's Alpha**
ICICI Prudential Blue-chip Fund - Growth	0.5	0.11	1.51
HDFC Top 100 Fund - Growth	0.46	0.1	0.8
Nippon India Large Cap Fund - Growth	0.46	0.11	0.16
JM Large Cap Fund - Growth	0.55	0.14	3.01
SBI Blue Chip Fund - Regular Plan - Growth	0.44	0.1	0.76
Aditya Birla Sun Life Frontline Equity Fund - Regular Plan - Growth	0.43	0.1	0.66
Tata Large Cap Fund - Regular Plan - Growth	0.39	0.09	0.24
IDBI India Top 100 Equity Fund - Growth	0.47	0.1	1.9
Taurus Largecap Equity Fund - Growth	0.25	0.06	-3.36
Kotak Blue-chip Fund - Growth	0.43	0.1	0.03

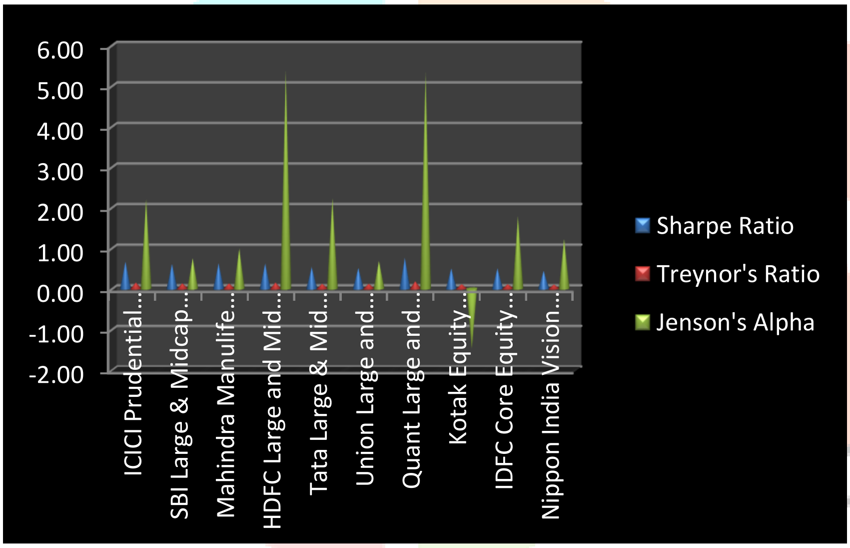


Interpretation

From the above table it is interpreted that the mutual fund with the highest Sharpe Ratio is JM Large Cap Fund - Growth with a value of 0.55, indicating it has better risk-adjusted performance compared to the other funds. The mutual fund with the highest Treynor Ratio is also JM Large Cap Fund - Growth with a value of 0.14, indicating it has outperformed the market relative to its systematic risk. The mutual fund with the highest Jenson's Alpha is JM Large Cap Fund - Growth with a value of 3.01, indicating it has outperformed the market given its level of systematic risk. Overall, JM Large Cap Fund - Growth appears to be the best performing mutual fund based on the provided performance metrics. However, it's important to note that past performance does not guarantee future results and other factors, such as fees and expenses, should also be considered when making investment decisions.

Overall performance of Equity Large and Midcap Fund

Scheme Name	Sharpe Ratio	Treynor Ratio	Jenson's Alpha
ICICI Prudential Large & Mid Cap Fund- Growth	0.67	0.15	2.21
SBI Large & Midcap Fund - Regular Plan - Growth	0.61	0.13	0.75
Mahindra Manulife Top 250 Nivesh Yojana - Regular Plan - Growth	0.62	0.13	0.99
HDFC Large and Mid-Cap Fund - Regular - Growth	0.62	0.15	5.38
Tata Large & Mid Cap Fund - Regular Plan - Growth	0.53	0.12	2.23
Union Large and Mid-Cap Fund - Regular Plan - Growth	0.51	0.12	0.68
Quant Large and Mid-Cap Fund - Growth	0.76	0.18	5.34
Kotak Equity Opportunities Fund - Growth	0.5	0.11	-1.49
IDFC Core Equity Fund - Regular Plan - Growth	0.5	0.11	1.78
Nippon India Vision Fund - Growth	0.44	0.1	1.23



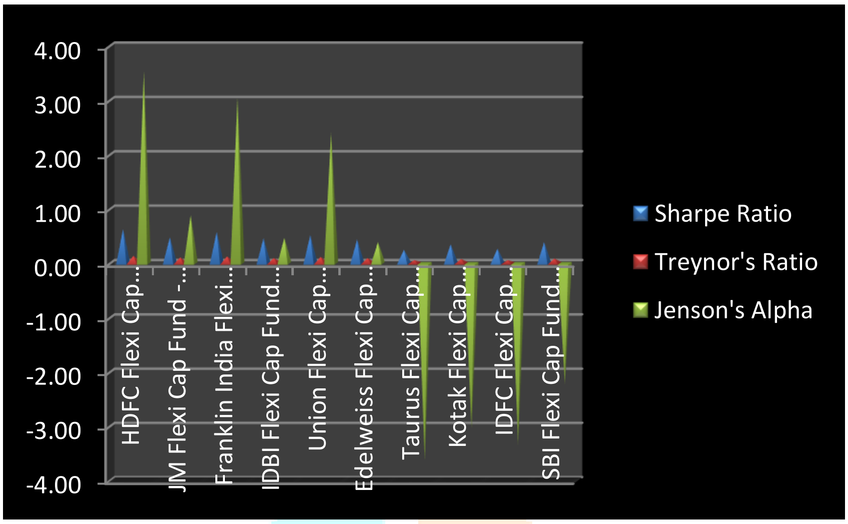
Interpretation

From the above table it is interpreted that mutual fund with the highest Sharpe Ratio is the Quant Large and Mid-Cap Fund, which has a Sharpe Ratio of 0.76, indicating that it has generated the highest return per unit of risk compared to the other funds in the sample. On the other hand, the Nippon India Vision Fund has the lowest Sharpe Ratio of 0.44, indicating that it has generated the lowest return per unit of risk compared to the other funds in the sample. The Quant Large and Mid-Cap Fund also has the highest Treynor Ratio of 0.18, indicating that it has generated the highest excess return per unit of market risk taken compared to the other funds in the sample. The Kotak Equity Opportunities Fund has the lowest Treynor Ratio of 0.11, indicating that it has generated the lowest excess return per unit of market risk taken compared to the other funds. The HDFC Large and Mid-Cap Fund has the highest Jenson's Alpha of 5.38, indicating that it has generated the highest excess return compared to the Capital Asset Pricing Model (CAPM) prediction. On the other hand, the Kotak Equity Opportunities Fund has a negative Jenson's Alpha of -1.49, indicating that it has underperformed compared to the CAPM prediction.

Overall performance of Equity Flexi cap Fund

Scheme Name	Sharpe Ratio	Treynor Ratio	Jenson's Alpha
HDFC Flexi Cap Fund - Growth	0.63	0.14	3.53
JM Flexi Cap Fund - Growth	0.48	0.11	0.89
Franklin India Flexi Cap Fund - Growth	0.58	0.13	3.05
IDBI Flexi Cap Fund - Regular Plan - Growth	0.46	0.1	0.47
Union Flexi Cap Fund - Growth	0.52	0.12	2.4
Edelweiss Flexi Cap Fund - Regular Plan - Growth	0.44	0.1	0.39

Taurus Flexi Cap Fund - Growth	0.25	0.06	-3.64
Kotak Flexi Cap Fund - Growth	0.35	0.08	-3.04
IDFC Flexi Cap Fund - Regular Plan - Growth	0.27	0.06	-3.35
SBI Flexi Cap Fund - Regular Plan - Growth	0.39	0.09	-2.23



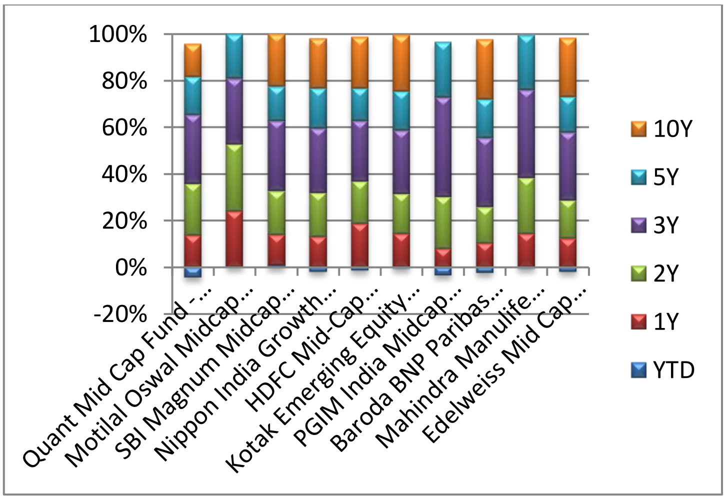
Interpretation

HDFC Flexi Cap Fund, Franklin India Flexi Cap Fund, and Union Flexi Cap Fund have a higher Sharpe ratio, which means they have provided better returns for the same level of risk taken. HDFC Flexi Cap Fund and Franklin India Flexi Cap Fund have a higher Treynor ratio, indicating better performance in terms of excess returns earned for each unit of systematic risk taken. HDFC Flexi Cap Fund and Franklin India Flexi Cap Fund also have a higher Jenson's alpha, indicating that they have outperformed their expected returns based on the market risk taken. Taurus Flexi Cap Fund, Kotak Flexi Cap Fund, IDFC Flexi Cap Fund, and SBI Flexi Cap Fund have a negative Jenson's alpha, indicating that they have underperformed their expected returns based on the market risk taken. Therefore, based on the given data, HDFC Flexi Cap Fund and Franklin India Flexi Cap Fund seem to be better-performing funds compared to the others in the list. However, other factors such as investment objectives, expense ratios, and fund manager's experience should also be considered before making any investment decision.

Return Analysis:

Return for Equity Midcap Fund

Scheme Name	YTD	1Year	2Year	3Year	5Year	10Year
Quant Mid Cap Fund – Growth Mid Cap Fund	-5%	15%	25%	33%	18%	16%
Motilal Oswal Midcap Fund – Growth Mid Cap Fund	0%	19%	23%	22%	15%	0%
SBI Magnum Midcap Fund - Regular Plan – Growth Mid Cap Fund	1%	11%	16%	26%	12%	19%
Nippon India Growth Fund – Growth Mid Cap Fund	-1%	10%	15%	22%	13%	17%
HDFC Mid-Cap Opportunities Fund – Growth Mid Cap Fund	-1%	17%	16%	23%	12%	19%
Kotak Emerging Equity Fund – Growth Mid Cap Fund	0%	12%	14%	23%	14%	20%
PGIM India Midcap Opportunities Fund – Growth Mid Cap Fund	-2%	6%	16%	30%	17%	0%
Baroda BNP Paribas Mid Cap Fund - Regular Plan – Growth Mid Cap Fund	-2%	7%	11%	20%	11%	18%
Mahindra Manulife Mid Cap Fund - Regular Plan – Growth Mid Cap Fund	0%	8%	13%	20%	13%	0%
Edelweiss Mid Cap Fund - Regular Plan – Growth Mid Cap Fund	-1%	10%	13%	23%	12%	20%

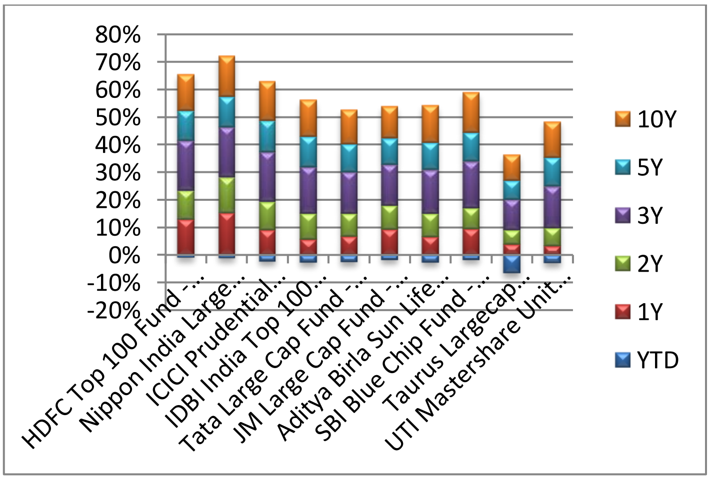


Interpretation

From the above table it is interpreted that all funds except one have generated positive returns over the last 1 year. The best performing fund in this period is Motilal Oswal Midcap Fund, which has returned 19%, followed by HDFC Mid-Cap Opportunities Fund and Quant Mid Cap Fund, which have returned 17% and 15% respectively. Over the longer term, the performance of the funds varies widely. For example, over the last 10 years, some funds have generated annualized returns of around 20%, while others have returned only around 0%. SBI Magnum Midcap Fund has shown consistency in its performance over different periods, generating positive returns of around 12-26% over the last 2-3 years. PGIM India Midcap Opportunities Fund has generated negative returns over the YTD period and the last 2 years, but has delivered strong returns of 16-30% over the last 3-5 years. It's important to note that past performance is not a guarantee of future returns and investors should consider other factors such as risk, expense ratios, and investment goals before making any investment decisions.

Return for Equity Largecap Fund

Scheme Name	YTD	1Year	2Year	3Year	5Year	10Year
HDFC Top 100 Fund – Growth Large Cap Fund	-1%	13%	11%	18%	11%	13%
Nippon India Large Cap Fund – Growth Large Cap Fund	-1%	15%	13%	18%	11%	15%
ICICI Prudential Blue-chip Fund – Growth Large Cap Fund	-2%	9%	10%	18%	11%	14%
IDBI India Top 100 Equity Fund – Growth Large Cap Fund	-3%	6%	9%	17%	11%	13%
Tata Large Cap Fund - Regular Plan – Growth Large Cap Fund	-3%	7%	8%	15%	10%	12%
JM Large Cap Fund – Growth Large Cap Fund	-2%	9%	9%	15%	9%	12%
Aditya Birla Sun Life Frontline Equity Fund - Regular Plan – Growth Large Cap Fund	-3%	7%	8%	16%	10%	14%
SBI Blue Chip Fund - Regular Plan – Growth Large Cap Fund	-2%	10%	7%	17%	11%	14%
Taurus Largecap Equity Fund – Growth Large Cap Fund	-7%	4%	5%	11%	7%	9%
UTI Master share Unit Scheme – Growth Large Cap Fund	-3%	3%	7%	15%	10%	13%



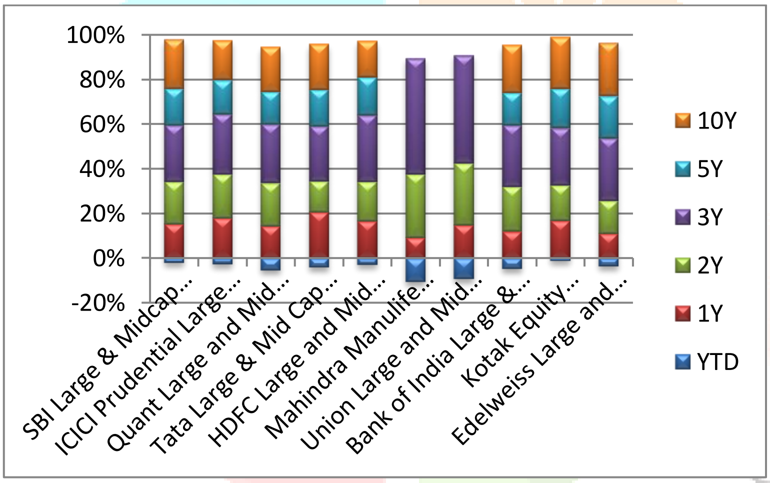
Interpretation

From the above table it is interpreted that HDFC Top 100 Fund - Growth with Nippon India Large Cap Fund - Growth shows that both schemes have similar returns across all time frames, with Nippon India outperforming in the 1-year and 2-year periods. Similarly, comparing Aditya Birla Sun Life Frontline Equity Fund - Regular Plan - Growth with ICICI Prudential Blue-chip Fund

- Growth reveals that the former has higher returns over the 3-year and 5-year periods. Another way to interpret the data is by examining the trend of returns over time. For instance, looking at UTI Master Share Unit Scheme - Growth, we can see that the scheme has consistently provided positive returns over the last 10 years, despite a dip in the YTD returns. On the other hand, Taurus Largecap Equity Fund - Growth has negative returns over the YTD and 1-year periods, indicating poor performance.

Return for Equity Large and Midcap Fund

Scheme Name	YTD	1Year	2Year	3Year	5Year	10Year
SBI Large & Midcap Fund - Regular Plan – Growth Large & Mid Cap Fund	-2%	12%	14%	19%	13%	17%
ICICI Prudential Large & Mid Cap Fund- Growth Large & Mid Cap Fund	-2%	15%	16%	22%	12%	14%
Quant Large and Mid-Cap Fund – Growth Large & Mid Cap Fund	-5%	13%	18%	24%	13%	18%
Tata Large & Mid Cap Fund - Regular Plan – Growth Large & Mid Cap Fund	-3%	15%	10%	18%	12%	15%
HDFC Large and Mid-Cap Fund - Regular – Growth Large & Mid Cap Fund	-2%	12%	13%	22%	12%	12%
Mahindra Manulife Large & Mid Cap Fund - Regular Plan – Growth Large & Mid Cap Fund	-4%	3%	11%	19%	0%	0%
Union Large and Mid-Cap Fund - Regular Plan – Growth Large & Mid Cap Fund	-3%	5%	10%	17%	0%	0%
Bank of India Large & Mid Cap Equity Fund - Regular Plan – Growth Large & Mid Cap Fund	-3%	7%	12%	16%	8%	12%
Kotak Equity Opportunities Fund – Growth Large & Mid Cap Fund	-1%	12%	11%	18%	12%	16%
Edelweiss Large and Mid-Cap Fund - Regular Plan – Growth Large & Mid Cap Fund	-2%	7%	9%	17%	12%	15%



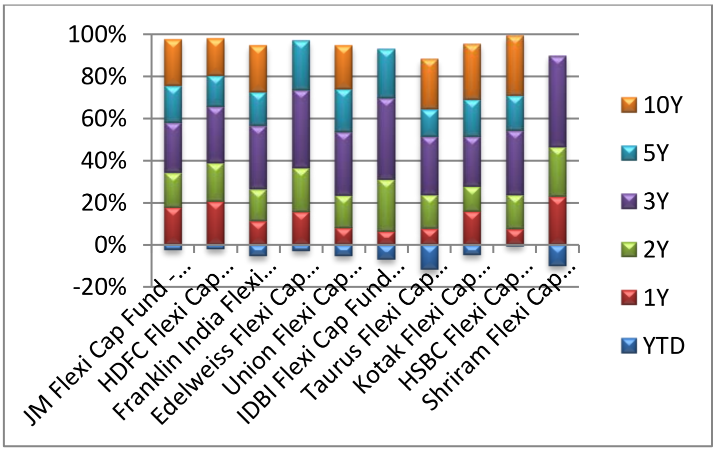
Interpretation

From the above table it is interpreted that all of the funds have negative returns in the YTD (Yield to Dividend) period, ranging from -1% to -5%. Over the past 1 year, most of the funds have positive returns, ranging from 3% to 15%. Over longer periods, the returns are generally higher, with most funds having double-digit returns over the past 3, 5, and 10 years. ICICI Prudential Large and Mid-Cap Fund have the highest returns over most of the periods, especially over the past 3 and 5 years. Mahindra Manulife Large and MidCap Fund, Union Large and Mid-Cap Fund, and Kotak Equity Opportunities Fund have zero returns over the past 5 or 10 years, indicating that they have not performed well over longer periods. Edelweiss Large and Mid-Cap Fund has relatively lower returns compared to other funds over most of the periods, except for the YTD (Yield to Dividend) and 2-year periods. It's important to note that past performance may not be indicative of future results, and investors should consider various factors such as their investment goals, risk tolerance, and portfolio diversification before making any investment decisions.

Return for Equity Flexi cap Fund

Scheme Name	YTD	1Year	2Year	3Year	5Year	10Year
JM Flexi Cap Fund – Growth Flexi Cap Fund	-2%	13%	12%	17%	13%	16%
HDFC Flexi Cap Fund – Growth Flexi Cap Fund	-2%	18%	16%	23%	13%	15%
Franklin India Flexi Cap Fund – Growth Flexi Cap Fund	-4%	8%	10%	20%	11%	15%
Edelweiss Flexi Cap Fund - Regular Plan – Growth Flexi Cap Fund	-1%	7%	9%	16%	10%	0%
Union Flexi Cap Fund – Growth Flexi Cap Fund	-3%	5%	9%	18%	12%	12%
IDBI Flexi Cap Fund - Regular Plan – Growth Flexi Cap Fund	-3%	3%	10%	16%	10%	0%

Taurus Flexi Cap Fund – Growth Flexi Cap Fund	-5%	3%	6%	11%	5%	10%
Kotak Flexi Cap Fund – Growth Flexi Cap Fund	-3%	9%	7%	14%	10%	16%
HSBC Flexi Cap Fund – Growth Flexi Cap Fund	0%	4%	8%	15%	8%	14%
Shriram Flexi Cap Fund - Regular Plan – Growth Flexi Cap Fund	-3%	6%	6%	12%	0%	0%



Interpretation

From the above table it is interpreted that most of the funds have delivered positive returns over the long term, i.e., 3 years, 5 years, and 10 years. However, their YTD performance has been negative or only slightly positive, which could be attributed to the ongoing pandemic and its impact on the markets. Out of the listed funds, HDFC Flexi Cap Fund, Kotak Flexi Cap Fund, and JM Flexi Cap Fund have delivered relatively better returns over most time periods, while Taurus Flexi Cap Fund and Franklin India Flexi Cap Fund have delivered relatively weaker returns. It's important to note that past performance is not a guarantee of future returns, and investors should always consult with a financial advisor before making any investment decisions.

FINDINGS, SUGGESTIONS AND CONCLUSIONS

Findings:

- ❖ Quant Mid Cap Fund - Growth has the highest Sharpe Ratio, Treynor Ratio, and Jenson's Alpha among the listed funds, indicating superior risk-adjusted performance and higher-than-expected returns. Taurus Discovery (Midcap) Fund and Mahindra Manulife Mid Cap Unnati Yojana has a negative Jenson's Alpha, indicating underperformance compared to its expected return.
- ❖ JM Large Cap Fund appears to be the best performing mutual fund based on the provided performance metrics.
- ❖ The HDFC Large and Mid-Cap Fund generated the highest excess return compared to the Capital Asset Pricing Model. The Kotak Equity Opportunities Fund has underperformed compared to the CAPM prediction.
- ❖ HDFC Flexi Cap Fund and Franklin India Flexi Cap Fund seem to be better-performing funds compared to the other funds.
- ❖ SBI Magnum Midcap Fund has shown consistency in its performance over different periods, generating positive returns.
- ❖ HDFC Top 100 Fund - Growth with Nippon India Large Cap Fund - Growth shows that both schemes have similar returns outperforming in the 1-year and 2-year periods.
- ❖ ICICI Prudential Large and Mid-Cap Fund have the highest returns over most of the periods.
- ❖ HDFC Flexi Cap Fund and JM Flexi Cap Fund have delivered relatively better returns over most time periods.

Suggestions:

- ★ If the investor needs highest returns in Equity Midcap fund then they are suggested to invest in SBI Magnum Midcap fund as it generates a highest return.
- ★ In case of Equity Large cap Fund the investors can prefer HDFC Top 100 fund and Nippon India Large cap fund as it gives higher returns.
- ★ In Equity Large and Midcap fund, the investors can prefer ICICI Prudential Large and Midcap fund as it generates a higher returns among the Equity Large and Midcap fund.
- ★ If the investor needs highest returns in Equity flexi cap fund then they can invest in HDFC flexi cap fund and JM flexi cap fund as it gives a highest returns.
- ★ If the investors are new for making an investment or unsure about the investment strategy then the investor can consult the financial advisor who can help the investors to create customized investment plan that matches with the investors goals and risk tolerance.

Conclusion:

Mutual fund industry has become one of the best platforms for the investors to invest their money. In older days most of the investors prefer to invest their money in banks in the form of savings. Rather than investing in banks, most of the investors prefer mutual fund as it gives better returns. For investors who are unfamiliar with mutual funds, this sector offers a wider financial education. Investors should choose funds with a better rank in the Treynor measure if they seek a lower risk investment. The investors who want to diversify their funds and get higher rate of return should go for higher rank in Sharpe measure. The investors have to analyze the fund performance and portfolio manager performance through Jenson measure. After analyzing the different mutual fund schemes, it is concluded that the investors can invest in HDFC Large and Midcap fund, HDFC Flexi cap fund, JM Large cap fund and Quant Midcap fund. The investors have the proper information about the asset management companies in order to get the good return and also contact the advisory securities of knowing which fund gives good return for their investment.

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