Mutual Funds and its Performance Evaluation

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DECLARATION BY STUDENT

I hereby declare that the data presented in this Dissertation / Internship report entitled, "Mutual Funds and its performance evaluation" is based on the results of investigations carried out by me in the (Management Studies) at the Goa Business School, Goa University under the Supervision/Mentorship of Prof. Purva Hegde and the same has not been submitted elsewhere for the award of a degree or diploma by me. Further, I understand that Goa University or its authorities will be not be responsible for the correctness of observations / experimental or other findings given the dissertation.

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COMPLETION CERTIFICATE

This is to certify that the dissertation / internship report **"Mutual Funds and its Performance Evaluation"** is a bonafide work carried out by **Ms Nidhi Korgaonkar** under my supervision/mentorship in partial fulfilment of the requirements for the award of the degree of **Master of Business Administration** in the Discipline of Management Studies at the Goa Business School, Goa University.

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V. M. Salgaocar and Brother Pvt. Ltd.

Ref.No.ADM/PER/55/58/2023 26/04/2023

TO WHOSOEVER IT MAY CONCERN

This is to certify that Ms. Nidhi Korgaonkar, has undergone job training as a part of her course at the Finance Department of our Company from 01/03/2023 till 26/04/2023.

During the tenure of her training with us, she was found to be a keen learner.

We wish her all the very best for the future.

Yours faithfully,

(ARVIND KURI)
GENERAL MANAGER - HR

cc: Relevant File

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TABLE OF CONTENTS

Sr No	Topic	Page No
1	Company Profile	
2	Introduction to Topic	
2.1	History of Mutual Funds	
2.2	Types of Mutual Fund	
2.3	Difference in Index and Large cap funds	
3	Literature Review	
4	Research Gaps & questions	
5	Research objectives	
6	Methodology	
6.1	Data Analysis tools used	
7	Analysis and Interpretation	
7.1	SD, Beta, ER values of all funds	
7.2	Scheme & Benchmark Returns	
7.3	Point to Point Returns	
7.4	Rolling returns	
7.5	Daily Returns	
7.6	Final Table-	
8	Results and Findings	

1.COMPANY PROFILE

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VIMSON – SHIVANAND SALGAOCAR GROUP

V M Salgaocar e Irmao Ltda. was established in 1942 by late Mr. Vassudev M. Salgaocar and was later renamed as V. M. Salgaocar & Bro. Pvt. Ltd which is now managed by his son Shivanand V. Salgaocar (VIMSON). It is one of the largest mining companies in Goa and is involved in extraction and processing of iron ore, manganese ore and bauxite. The company also has interests in real estate.

The founder late Mr. V M Salgaocar, envisioned a business committed to Goa. They have spent over seven decades contributing towards building a strong goan community right from creating employment opportunities to creating revenue from exports. They have taken up the initiative to build sustainable residential projects and enable entrepreneurs to secure funding. They also promote sports at a grassroot and professional level. Pyramid Finance Pvt Ltd and Shivranjani Securities Co. Pvt Ltd are their subsidiary groups wherein they provide financial services. The company also has interests in renewable energy, real estate, and hospitality. They have recently launched Minception in 2022 which is a multidisciplinary consulting platform to provide practically implemented solution to mining and mineral companies in optimizing their growth. They have a strong commitment to sustainability and corporate social responsibility. The company has undertaken several community development programs to improve the lives of the people. VIMSON has also founded V M Salgaocar hospital in 1981 as Salgaocar medical research centre. They have their football club, which was established in 1956 where in they encourage the youth to achieve heights by providing professional training through highly qualified coaches. They also encourage other CSR activities such as education of over 3000 needy students through V M Salgaocar Dnyan jyoti education scheme. They have provided the students assistance in kind through distribution of uniforms, educational aids, and transport facilities. They have also supported farmers by distributing manure to over 400 farmers. They also helped in setting up independent rural drinking water scheme for several households.

2) Topic Introduction-Mutual funds and its performance evaluation

By issuing units to investors and investing money in securities in accordance with the objectives stated in the offer document, mutual funds are a vehicle for pooling resources.

The risk is decreased since investments in securities are diversified over a diverse range of industries and sectors. Because not all stocks will move in the same direction at the same time, in the same proportion, diversification lowers risk. According to the amount of money deposited by the investors, mutual funds issue units to the investors. Unitholders are individuals who invest in mutual funds.

Before it can collect investments, a mutual fund must be registered with the Securities and Exchange Board of India (SEBI), which oversees the securities markets.

MUTUAL FUNDS HISTORY

The Unit Trust of India (UTI) was established in 1963, marking the beginning of the Indian mutual fund market. The Reserve Bank of India (RBI) and the Government of India (GOI) collaborated on the project. There are four different eras in the history of mutual funds in India.

Phase I (1964–1987, from July to November): UTI in every way

The first and most well-known product released by UTI was Unit64, which had an initial capital of Rs 5 crore and over the years attracted the most investors of any investment scheme. In 1978, UTI was delinked from the RBI, and the Industrial Development Bank of India (IDBI) took over. Open-ended growth funds were first introduced during this period, and UTI had Rs. 6,700 crores in assets under management (AUM) at the end of 1988.

Phase II: Public Sector Mutual Funds' Entry (November 1987–October 1993)

Public sector mutual funds that are not UTI first joined the market in 1987. Public sector banks, LIC, and GIC created them.

The first non-UTI mutual fund was SBI Mutual Fund, which was founded in June 1987. Canara Bank Mutual Fund came after it in December 1987.

• The mutual fund sector managed assets worth Rs 47,004 crores as of the end of 1993.

• During 1993–1994 Kothari Pioneer Mutual Fund, ICICI Mutual Fund, 20th Century Mutual Fund, Morgan Stanley Mutual Fund, and Taurus Mutual Fund started their separate schemes.

Phase III (October 1993 – February 2003): Private Players Enter the Scene

• The industry saw a decrease in 1995–1996. Investors' faith in fund managers has been damaged by the underperformance of PSU Funds and the appalling failure of foreign funds like Morgan Stanley.

• There were 33 mutual funds with a combined asset value of Rs. 1,21,805 crores as of the end of January 2003.

Phase IV - UTI's Restructuring and Beyond (since February 2003)

• UTI was split into two distinct organisations. The Unit Trust of India's specified undertaking, which includes the UTI Mutual Fund, sponsored by SBI, PNB, BOB, and LIC, and which represents the assets of US 64 programmes, promised returns, and several other plans

By 2004, there had also been a number of mergers and acquisitions in the sector. Examples of this include Principal Mutual Fund's acquisition of the Alliance Mutual Fund, Sun F&C Mutual Fund, and PNB Mutual Fund schemes.

(Since March 2014) Phase V

Since May 2014, the sector has experienced consistent inflows, growth in AUM, and an increase in the number of investor folios (accounts).

 On May 31, 2014, the industry's AUM reached the landmark of $10 trillion (or 10 lakh crore), and in a matter of around three years, it rose more than twofold, reaching the milestone of $20 trillion (or 20 lakh crore) for the first time in August 2017. In November 2020, the AUM size surpassed 30 trillion (or 30 lakh crore) for the first time.

The whole size of the Indian MF Industry increased by about 5 times, from 8.14 trillion on February 28, 2013, to 39.46 trillion on February 28, 2023 growth in a 10-year period.

The AUM of the MF Industry increased by about twofold during the course of five years, from 22.20 trillion on February 28, 2018, to 39.46 trillion on February 28, 2023.

The number of investor folios increased from 6.99 crore on February 28, 2018, to 14.42 crore on February 28, 2023, a more than 2-fold rise in just 5 years.

In the five years since February 2018, 12.39 lakh new folios have been added on average per month.

The entrance of new AMCs like NAVI, PGIM, and ROBECCO

MUTUAL FUND TYPES

-On the basis of their structure, mutual funds can also be categorised. Based on structure, there are three basic types of funds:

- Open-Ended Funds: These can be bought and sold all year long. Fund managers attempt to invest in instruments with larger potential returns here. Open-ended funds are bought and sold in accordance with their current Net Asset Value.
- Closed-ended funds are only available for acquisition during the New Fund Offer (NFO) window. In closed-ended programmes, the investment is redeemed at maturity. Although these funds are also listed on stock exchanges, there is typically very little liquidity.

ON THE BASIS OF PRINCIPLE INVESTMENT 1. EQUITY SCHEME

a) Large cap: 1st to 100th company in terms of full market capitalization
b) Mid-cap: 101st to 250th company in terms of full market capitalization
c) Small cap: 251st company onwards in terms of full market capitalization.

2.3) Equity schemes

Category of Schemes	**Scheme Characteristics**	**Type of scheme (uniform description of scheme**
Large Cap Fund	Should allocate 80% of total assets to stock and securities connected to large cap companies	a fund that is open-ended and mostly invests in large-cap stocks
Mid Cap Fund	Should allocate 65% of total assets to equities and securities of mid-cap companies.	a publicly traded equity fund that mostly invests in mid-cap stocks
Small Cap Fund	Should allocate 65% of total assets to equities and securities of mid-cap companies.	An open-ended equity programme that invests mostly in small-cap stocks
Flexi Cap Fund	ought to allocate 65% of total assets to stocks and other equity-related securities.	a closed-end equity fund that primarily invests in large-, mid-, and small-cap stocks

Sectoral/Thematic Fund	should allocate at least 80% of total assets to equity and securities that are relevant to that subject or sector.	An open-ended equity fund that makes investments in (insert theme or industry here)
Focused Fund	Should allocate 65% of total assets to equities and securities that are tied to it. should concentrate on the quantity of stocks (up to 30 stocks).	An open-ended equity fund that invests in up to 30 stocks at a time (indicate the fund's intended focus, such as multi-cap, large-cap, mid-cap, or small-cap).

2.4) Debt Schemes

Category of Schemes	**Scheme Attributes**	**Uniform Description of the Scheme**
Low Duration Fund	Should make debt and money market investments so that the portfolio's Macaulay duration is between six and twelve months.	An open-ended low duration debt investment strategy that targets securities with Macaulay durations of six to twelve months
Ultra Short Duration Fund	Should make debt and money market investments so that the portfolio's Macaulay duration is between three and six months.	a fund that is open-ended that invests in securities with Macaulay durations of between three months and six months
Liquid Fund	Should only make investments in debt and money market instruments with maturities up to 91 days.	An open-ended liquid scheme
Overnight Fund	Should invest in short-term assets with a one-day maturity	a debt strategy that invests in overnight securities and is open-ended
Short Duration Fund	Should make debt and money market investments so that the portfolio's	An open-ended short-term debt investment strategy that targets securities with

	Macaulay duration is between one and three years.	Macaulay durations of one to three years
Medium Duration Fund	Should make debt and money market investments so that the portfolio's Macaulay duration is between three and four years.	An open-ended medium-term debt investment strategy that targets securities with Macaulay durations of three to four years
Money Market Fund	should buy money market assets with a maximum one-year maturity	An open-ended debt strategy that makes money market securities investments
Medium to Long Duration Fund	Should invest in debt and money market securities so that the portfolio's Macaulay duration is 4 to 7 years.	An open-ended medium-term debt investment strategy that targets securities with Macaulay durations of 4 to 7 years
Long Duration Fund	Should make debt and money market investments so that the portfolio's Macaulay duration is greater than 7 years.	a debt fund that is open-ended that invests in securities with a Macaulay term of at least seven years
Corporate Bond Fund	80% of total assets should be put into the highest-rated corporate bonds.	a debt strategy that invests in the best-rated corporate bonds
Dynamic Bond Fund	Should invest across duration	a dynamic open-ended debt investment strategy that spans tenure
Banking & PSU Fund	should allocate 80% of total assets to debt securities issued by banks, PSUs, and PFIs.	investing in the debt securities of banks, public sector organisations, and public financial institutions
Credit Risk Fund	Should allocate 65% of total assets to the corporate bonds with the lowest ratings possible	a debt strategy that invests in corporate bonds with lower ratings than the highest
Floater Fund	65% of total assets should be put into variable rate instruments.	An open-ended debt strategy that focuses mostly on variable rate instruments

Gilt Fund	80% of total assets should be put into government securities.	An open-ended debt strategy that buys government securities until they mature
Gilt Fund with 10-year Constant Duration	Should place 80% of all assets in government securities to achieve a portfolio with a Macaulay duration of 10 years.	An open-ended debt strategy that invests in government securities with a fixed 10-year maturity

2.5) Hybrid schemes

Category of Schemes	**Scheme Attributes**	**Uniform Description of the Scheme**
Balanced Hybrid Fund	Should allocate between 40% and 60% of total assets to debt securities and between 40% and 60% of total assets to equity and its linked securities. Arbitrage will not be permitted.	a balanced open-ended programme that invests in both stock and debt securities
Aggressive Hybrid Fund	Should allocate 65% to 80% of total assets to equity and securities related to it; should allocate 20% to 35% of total assets to debt securities.	An open-ended hybrid fund that invests in both debt and equity securities
Conservative Hybrid Fund	Should allocate 10% to 25% of total assets to equity and securities related to it; should allocate 75% to 90% of total assets to debt securities.	a hybrid open-ended fund that invests mostly in debt securities
Dynamic Asset Allocation or Balanced Advantage Fund	should purchase dynamically managed securities, either debt or equity	a dynamic asset allocation open-ended fund
Multi-Asset Allocation Fund	should allocate no less than 10% of investment assets to each of the minimum three asset classes.	An open-ended investment programme that focuses on (names of the asset classes)

Equity Savings	should allocate no less than 65% of total assets to equity and securities associated to it, and no less than 10% of total assets to debt instruments.	An open-ended investment strategy that includes debt, equities, and arbitrage
Arbitrage Fund	must employ an arbitrage strategy and devote at least 65% of total assets to investing in equities and securities related to it.	An unrestricted plan that invests in arbitrage possibilities

In this project we shall be analysing 8 large cap funds and 3 index funds. Index funds are passive funds and large cap funds are active funds

1- ICICI PRUDENTIAL BLUECHIP FUND
2- SBI BLUECHIP FUND
3- AXIS BLUECHIP FUND
4- MIRAE ASSET LARGE CAP FUND
5- HDFC TOP 100
6- NIPPON INDIA LARGE CAP FUND
7- CANARA ROBECO BLUECHIP EQUITY FUND
8- KOTAK BLUECHIP FUND
9- HDFC NIFTY 50
10- ICICI NIFTY NEXT 50
11- AXIS NIFTY 100

2.6) DIFFERENCE BETWEEN INDEX FUNDS AND LARGE CAP FUNDS

PARAMETERS	INDEX FUND	LARGE CAP FUND
Meaning	A mutual fund called an index fund invests at least 95% of its underlying assets in the same proportion as the underlying benchmark index and tends to mimic the benchmark index.	A large cap mutual fund must invest at least 80% of its underlying assets in large-size businesses' equity and equity-related instruments.
Portfolio Management	Passively managed portfolio	Actively managed portfolio
Investment Strategy	The fund manager lacks the freedom to customise the portfolio. It simply duplicates the benchmark index's composition. The management team of the fund also keeps track of changes in index composition and incorporates those adjustments in the fund..	Based on the fund's purpose, the fund manager actively chooses which industry and stocks to include in the portfolio, primarily investing in large-cap firms.
Returns	These funds will produce returns that are comparable to those of the underlying index.	These funds may exceed the benchmark index, providing investors with alpha, because the fund management has the discretion to build the portfolio from the top 100 stocks.
Risk	Due to stock market fluctuations, index funds, which are passively managed, are subject to systematic risk.	Large cap funds are subject to unsystematic risk as a result of the fund managers' overall choices.
Expense Ratio	Since less fund management discretion is used, index funds have lower expense ratios. It ranges from 0% to 2%.	Due to the fund manager's active portfolio management, large cap funds have higher cost ratios that can reach 2.5%. It uses expense ratio to tack on fund management expenses.
Tracking error	yes	no

3) LITERATURE REVIEW

- DR R. Narayanasami V. Ratnamani 2013 evaluates the performance of selected equity large cap mutual fund scheme in term of risk and return relationship. The performance analysis of the selected five equity of large cap fund and it concludes that all funds have performed well in high volatile market movement except reliance vision.
- Aashka Thakkar (2017) attempts to study the performance of selected equity mutual funds by using various risks and return measures.
- Passive vs active fund performance
- Mamta and Satish Chandra ojha evaluates Performance of mutual funds: a study of selected equity diversified mutual funds in India.
- Prajapati and Patel (2012) in their study evaluated the performance of various diversified equity mutual funds in India, from the period 2007 to 2011 and found that, overall mutual funds has given positive returns and the best performer are HDFC and Reliance mutual fund.
- Pala and Chandnib (2014) in their study examined the performance of the few incomes and debt mutual fund scheme, based on their daily NAVs. from the period Oct 2007 to Oct 2012.The study finds that, the best scheme was HDFC Mid Cap Opportunity, Birla Sun Life MNC Fund and Quantum Long-Term Equity.

4)RESEARCH GAPS & QUESTIONS

In the past years Active funds gave a better return compared to passive funds. In this project we shall study both, active and passive schemes and find out whether active funds still give better returns or not.

5) PROJECT OBJECTIVES

- To evaluate performance of 8 large cap funds and 3 index funds
- To study which fund gives better returns ie: large cap funds VS index funds
- To evaluate the performance of 11 funds based on 3 risk parameters ie. Standard deviation, Expense ratios and returns less than 0.

6) METHODOLOGY

- To study the performance evaluation of selected mutual fund schemes.

HYPOTHESIS

- Passive funds are better than active funds

DATA SOURCES

The research has been conducted wholly using secondary data from AMFI, ADVISOR KHOJ, WEBSITES of all the schemes and Money control.com etc. The NAVs of Mutual Fund have been collected on monthly basis since the launch of the fund. BSE 100, NIFTY 100, NIFTY 50 have been used as benchmark for performance evaluation

SIGNIFICANCE OF STUDY

The present study attempts to provide an idea about the performance of selected large cap funds and index funds.

PURPOSE OF THE STUDY

This study will help the investor to understand the performance of the selected schemes making it easier for the investor to invest in them.

6.1) DATA ANALYSIS TOOL

Benchmark
Standard deviation
Turnover ratio
Expense ratio
Beta
Rolling returns
Point to point returns

- Standard deviation:

A Standard deviation is a tool that measures the deviation or dispersion of the data from the mean or averages. When see in mutual fund standard deviation tells that how much the return from mutual fund portfolio is straying from the expected return

- Beta:

Beta is also referred to as Beta co-efficient. It is a tool to measure the volatility of a specific security or a mutual fund by comparing it to the performance of a related benchmark over some time. Beta measures the relative risk of a mutual fund or portfolio concerning the market portfolio. It reflects the systematic risk associated with the mutual fund. Measures the level of volatility associated with the fund compared to the benchmark

- Rolling returns;

Rolling returns are annualized average returns for a period, ending with the listed year. Rolling returns are useful for examining the behaviour of returns for holding periods, like those experienced by investors

- Fund performance vs Benchmark:

The performance of a particular fund must always be compared with the performance of the respective benchmark for the fund. Each scheme necessarily has a benchmark, which it aims to outperform.

- Portfolio Turnover Ratio tells you how frequently the fund manager buys/sells securities from the fund.
- It is important to you because the higher the portfolio turnover ratio, the higher the buying/selling of security. This, in turn, would attract higher transaction charges in the form of brokerages and other fees.

7)ANALYSIS AND INTERPRETATION – All 11 funds are direct growth.

LARGE CAP FUNDS

SCHEMES	**AUM- February 28th 2023**
ICICI PRUDENTIAL BLUECHIP FUND	34,198.52 Cr
SBI BLUECHIP FUND	33997.29 Cr
AXIS BLUECHIP FUND	33,049.77 Cr
MIRAE ASSET LARGE CAP FUND	32,910.58 Cr
HDFC TOP 100	22,427.91 Cr
NIPPON INDIA LARGE CAP FUND	12,524.53 Cr
CANARA ROBECO BLUECHIP EQUITY FUND	8672 Cr
KOTAK BLUECHIP FUND	5259.24 Cr

INDEX FUNDS

SCHEME	**AUM- February 28th 2023**
HDFC NIFTY 50 INDEX FUND	7399.25 Cr
ICICI NIFTY 50 INDEX FUND	2415.24 Cr
AXIS NIFTY 100 INDEX FUND	953.38 Cr

7.1) TABLE 1- This table includes the values of Beta, Standard deviation, Expense ratio and cash for all the 11 funds.

LARGE CAP FUNDS

FUNDS	**Beta**	**Standard deviation**	**Expense ratio**	**cash**
ICICI PRUDENTIAL BLUECHIP FUND	0.94	20.93%	1.06%	8.85%
SBI BLUECHIP FUND	0.97	17.43%	0.9%	6.26%
AXIS BLUECHIP FUND	0.86	16.09%	0.3%	13.58%
MIRAE ASSET LARGE CAP FUND	0.97	17.15%	0.54%	0.57%
HDFC TOP 100	0.97	17.68%	1.11%	4.60%
NIPPON INDIA LARGE CAP FUND	0.98	18.14%	1.01%	0.88%
CANARA ROBECO BLUECHIP EQUITY FUND	0.91	16.25%	0.48%	3.78%
KOTAK BLUECHIP FUND	0.94	16.80%	0.64%	1.45%

INDEX FUNDS

HDFC NIFTY 50 INDEX FUND	1	17.96%	0.20%	0.09%
ICICI NIFTY 50 INDEX FUND	1	22.17%	0.3%	0.02%
AXIS NIFTY 100 INDEX FUND	0.99	17.48%	0.15%	

The above table shows that amongst the 8 large cap funds, Nippon India large Cap Fund has the highest Beta of 0.99 and Axis blue-chip fund has the lowest Beta of 0.86. Higher Beta value indicates higher portfolio risk therefore a lower Beta value is better.

A higher standard deviation indicates the portfolio to be more volatile and riskier. Therefore, a lower standard deviation is better. ICICI PRUDENTIAL BLUECHIP FUND has the highest standard deviation while AXIS BLUECHIP FUND has the lowest standard deviation.

The above table shows us that HDFC TOP 100 and NIPPON INDIA have an expense ratio of 1 which is high. SBI BLUECHIP FUND has the lowest expense ratio of 0.9% among the large cap funds and ICICI NIFTY 50 INDEX FUND has the lowest expense ration of 0.3% among the Index funds.

7.2) TABLE 2 – this table shows us the returns given by the scheme and the returns given by the benchmark for a period of 5 years.

LARGE CAP FUNDS

FUNDS	**SCHEME RETURNS(5yr)**	**BENCHMARK NAME**	**BENCHMARK RETURNS(5yr)**
ICICI PRUDENTIAL BLUECHIP FUND	10.97%	NIFTY 100 TRI	10.79%
SBI BLUECHIP FUND	11.25%	S&P BSE 100 TRI	12.07%
AXIS BLUECHIP FUND	12.14%	S&P BSE 100 TRI	11.51%
MIRAE ASSET LARGE CAP FUND	12.18%	NIFTY 100 TRI	11.41%
HDFC TOP 100	11.93%	NIFTY 100 TRI	11.41%
NIPPON INDIA LARGE CAP FUND	12.36%	S&P BSE 100 TRI	12.07%
CANARA ROBECO BLUECHIP EQUITY FUND	14.59%	S&P BSE 100 TRI	12.29%
KOTAK BLUECHIP FUND	12.64%	NIFTY 100 TRI	11.41%

INDEX FUNDS

HDFC NIFTY 50 INDEX FUNDS	12.17%	NIFTY 50 TRI	12.57%
ICICI NIFTY 50 INDEX FUNDS	5.31%	NIFTY 50 TRI	5.98%
AXIS NIFTY 100 INDEX FUNDS	8.82%	NIFTY 100 TRI	9.04%

The above table indicates the returns of the 11 schemes, with the benchmark names and the benchmark returns for 5 years. This table shows that the active funds have given more returns than the passive funds. Amongst all, CANARA ROBECO has given the highest returns of 14.59% with benchmark returns of 12.29%. It has given 2.3% more than the S&P BSE 100 TRI. Amongst the Index funds HDFC NIFTY 50 INDEX FUND has given better returns than ICICI NIFTY 50 INDEX FUND and AXIS NIFTY 100 INDEX FUND.

7.3) TABLE 3

POINT TO POINT RETURNS- Point to point returns are returns for a specific period of time.

SCHEMES	6 MON	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	7 Yrs.	Avg	rank
	15/9/22 - 15/3/23	15/3/22 - 15/3/23	15/3/21 - 15/3/23	15/3/20 - 15/3/23	15/3/18 - 15/3/23	15/3/16 - 15/3/23		
ICICI PRUDENTIAL BLUECHIP FUND	-3%	6%	22%	85%	74%	164%	58%	3
SBI BLUECHIP FUND	-4%	6%	17%	79%	68%	140%	51%	6
AXIS BLUECHIP FUND	-9%	-5%	5%	43%	74%	151%	43%	8
MIRAE ASSET LARGE CAP FUND	-6%	2%	15%	71%	72%	169%	54%	5
HDFC TOP 100	-2%	9%	23%	87%	69%	157%	57%	4
NIPPON INDIA LARGE CAP FUND	-3%	11%	29%	89%	73%	167%	61%	1
CANARA ROBECO BLUECHIP FUND	-5%	3%	15%	71%	91%	176%	59%	2
KOTAK BLUECHIP FUND	-5%	5%	17%	78%	76%	149%	54%	5

INDEX FUNDS

HDFC NIFTY 50 INDEX FUND	-5%	3%	16%	74%	71%	142%	50%	1
ICICI NIFTY 50 INDEX FUND	-18%	-5%	9%	60%	31%	114%	32%	2
AXIS NIFTY 100 INDEX FUND	-8%	1%	14%	71%	74%	164%	19%	3

In the above table we have calculated the point-to-point returns for 6 months, 1 year, 2 years, 3 years, 5 years, and 7 years. Based on the performance analysis of all the schemes it can be concluded that the large cap funds have given better returns than Index funds. The above table shows NIPPON INDIA LARGE CAP FUND with 61% ranking 1st followed by CANARA ROBECO BLUECHIP FUND with 59% returns. HDFC NIFTY 50 INDEX FUND has given the highest returns of 50% amongst index funds.

7.4) TABLE 4 – On the basis of rolling returns, we have taken different ranges to find out the percentage of returns under the specific range.

SCHEMES	<0%	0%-5%	5%-10%	10%-15%	15%-20%	< 5%	> 10%
ICICI PRUDENTIAL BLUECHIP FUND	1.1%	6.93%	7.44%	42.42%	35.21%	8.03%	77.63%
SBI BLUECHIP FUND	2.87%	6.37%	10.08%	36.06%	26.03%	9.24%	62.09%
AXIS BLUECHIP FUND	0%	0.00%	8.73%	44.62%	36.90%	0.00%	81.52%
MIRAE ASSET LARGE CAP FUND	0.56%	4.56%	6.87%	25.13%	42.59%	5.12%	67.72%
HDFC TOP 100	5.5%	5.41%	16.34%	38.37%	27.94%	10.91%	66.31%
NIPPON INDIA LARGE CAP FUND	5.35%	5.86%	9.35%	35.83%	30.37%	11.21%	66.20%
CANARA ROBECO BLUECHIP EQUITY FUND	0%	0.79%	10.82%	37.63%	38.42%	0.79%	76.05%
KOTAK BLUECHIP FUND	1.52%	4.00%	15.10%	36.28%	31.21%	5.52%	67.49%

INDEX FUNDS

HDFC NIFTY 50 INDEX FUND	1.24%	4.68%	24.90%	46.87%	20.56%	5.92%	67.43%
ICICI NIFTY NEXT 50 INDEX FUND	8.39%	6.25%	11.55%	28.73%	31.38%	14.64%	60.11%
AXIS NIFTY 100 INDEX FUND	0%	0.00%	0.00%	2.37%	3.10%	0.00%	5.47%

In the above table we have taken different ranges from < 0% ,0%-5%, 5%-10%,10%-15%, 15%-20% to ultimately find out the % of returns less than 5% and more than 10%.

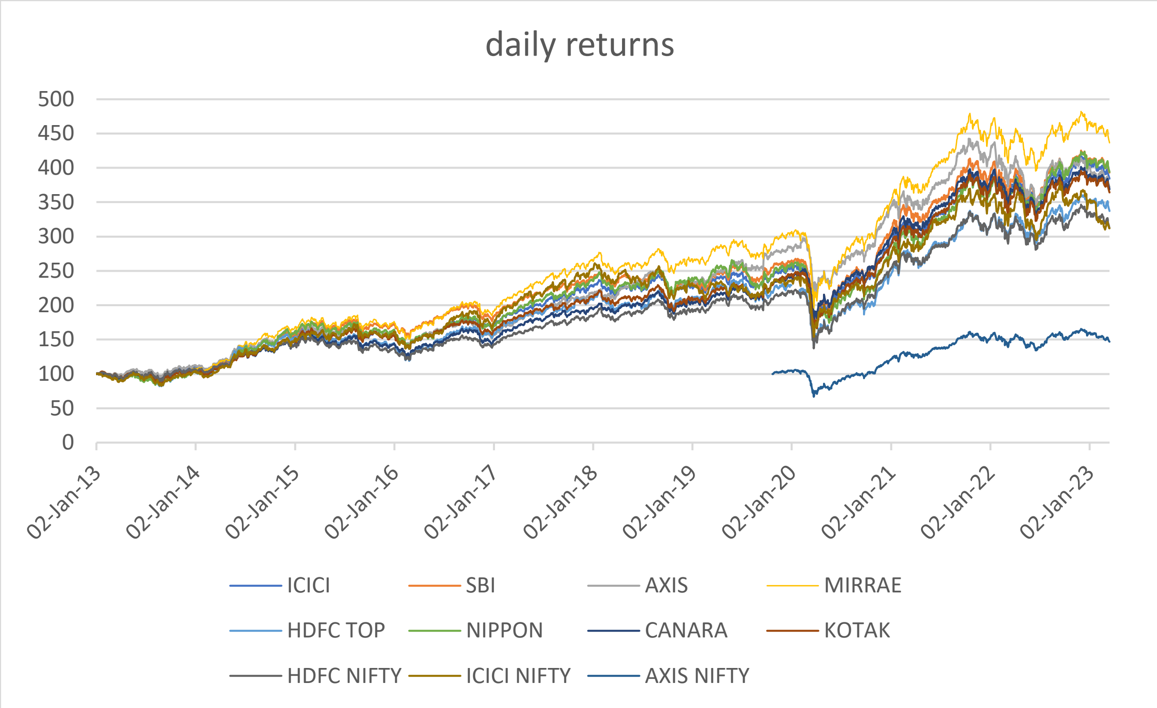
The table indicates that MIRAE ASSET LARGE CAP FUND has given the highest returns of 42.59% in the range of 15%-20% and 0.56% negative returns. AXIS BLUECHIP FUND has given the highest returns above 10%. AXIS BLUECHIP FUND and CANARA ROBECO BLUECHIP FUND has given 0% returns in the range of < 0%. The last column in the above table shows that AXIS BLUECHIP FUND has the highest returns of 8.52% in the range of above 10% with 0% negative returns. This says that AXIS BLUECHIP FUND has given the best returns amongst all.

Among the INDEX FUNDS, ICICI NIFTY 50 INDEX FUND has given highest returns of 31.38% under the range of 15% - 20% and 8.39% under the range of < 0%. HDFC NIFTY 50 INDEX FUND has given 20.56% returns under the range of 15%- 20% with 1.24% under the range of < 0%.

Therefore the last column indicates that HDFC NIFTY 50 INDEX FUND has given the highes returns of 67.43% in the range of >10% and 5.92% in the range of <5%.

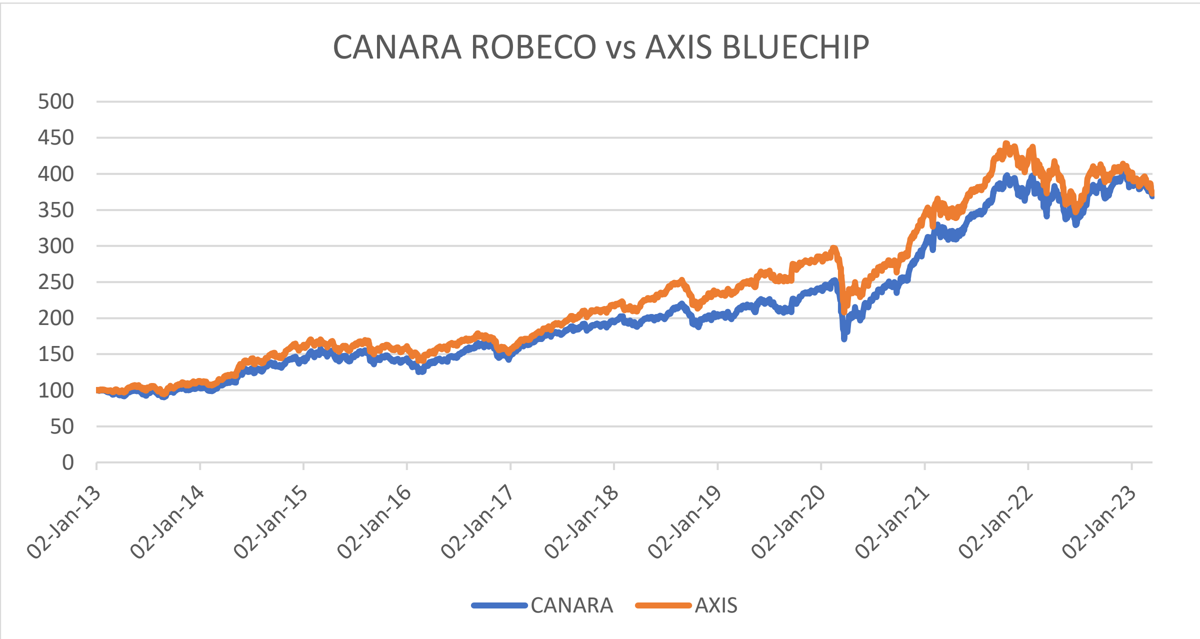
7.5) DAILY RETURNS

CHART 1



The above chart shows us the returns of all 11 schemes on daily basis. We have rebased the data for this chart as the direct growth funds started on 1st January 2013. It shows that MIRRAE ASSET LARGE CAP FUND has given higher returns since inception. It also tells us that the active funds have given higher returns.

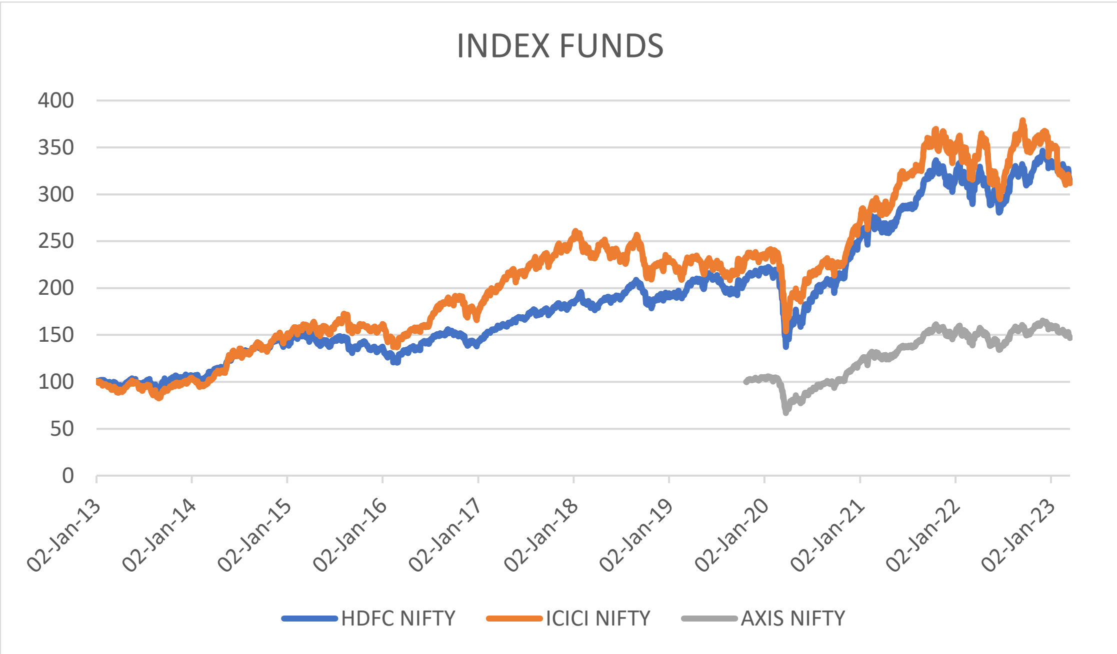
CHART 2



This chart is to compare AXIS BLUECHIP FUND vs CANARA ROBECO BLUECHIP EQUITY FUND.

Looking at the chart we can conclude that AXIS BLUECHIP FUND is giving higher returns than CANARA ROBECO BLUECHIP EQUITY FUND.

CHART 3



The above chart shows the daily returns of INDEX FUNDS. It indicates that ICICI NIFTY 50 INDEX FUND has given higher returns than the other 2 funds.

7.6) TABLE 5 - This table is made taking 3 risk parameters in consideration.

SCHEMES	SD	ER	>0%	SUM	RANK
ICICI PRUDENTIAL BLUECHIP FUND	20.93%	1.06%	1.10%	23.09%	8
SBI BLUECHIP FUND	17.43%	0.90%	2.87%	21.20%	5
AXIS BLUECHIP FUND	16.09%	0.63%	0%	16.72%	1
MIRAE ASSET LARGE CAP FUND	17.15%	0.54%	0.56%	18.25%	4
HDFC TOP 100	17.68%	1.11%	5.50%	24.29%	6
NIPPON INDIA LARGE CAP FUND	18.14%	1.01%	5.35%	24.50%	7
CANARA ROBECO BLUECHIP EQUITY FUND	16.25%	0.48%	0%	16.73%	2
KOTAK BLUECHIP FUND	16.80%	0.64%	1.52%	18.96%	3

INDEX FUNDS

HDFC NIFTY 50 INDEX FUND	17.96%	0.20%	1.24%	19%	2
ICICI NIFTY 50 INDEX FUND	22.17%	0.30%	8.39%	31%	3
AXIS NIFTY 100 INDEX FUND	17.48%	0.15%	0%	18%	1

In this table we have taken 3 risk parameters ie. Standard deviation, Expense ratio and > 0% to find out which fund is least risky and vice versa. This table shows us that amongst the 8 LARGE CAP FUNDS, Axis BLUECHIP FUND has the least portfolio risk whereas ICICI PRU BLUECHIP FUND has the highest portfolio risk. Among the INDEX FUNDS, AXIS NIFTY 100 INDEX FUND has the least portfolio risk.

7.7) TABLE – FINAL TABLE

LARGE CAP FUNDS

SCHEMES	SD rank	EXPENSE ratio	Scheme returns	Average	Less than 5%	More than 10%
ICICI PRUDENTIAL BLUECHIP FUND	8	7	8	3	5	3
SBI BLUECHIP FUND	5	1	7	6	6	8
AXIS BLUECHIP FUND	1	4	5	7	1	1
MIRAE ASSET LARGE CAP FUND	4	3	4	5	3	4
HDFC TOP 100	6	8	6	4	7	6
NIPPON INDIA LARGE CAP FUND	7	6	3	1	8	7
CANARA ROBECO BLUECHIP EQUITY FUND	2	2	1	2	2	2
KOTAK BLUECHIP FUND	3	5	2	5	4	5

INDEX FUNDS

HDFC NIFTY 50 INDEX FUND	2	3	1	1	2	1
ICICI NIFTY 50 INDEX FUND	3	1	3	2	3	2
AXIS NIFTY 50 INDEX FUND	1	2	2	3	1	3

In the above table we have ranked all the parameters considered to analyse these funds. Based on this ranking, we can conclude that CANARA ROBECO BLUECHIP EQUITY FUND, AXIS BLUECHIP FUND AND MIRAE ASSET LARGE CAP FUND has given better returns that the other funds. We can also conclude that CANARA ROBECO BLUECHIP EQUITY FUND has given the best returns amongst all.

Among index funds, HDFC NIFTY 50 has given better results than the other 2 funds.

8) FINDINGS & CONCLUSIONS

The performance of selected fund is evaluated using Beta, standard deviation, expense ratio, scheme returns compared to Benchmark returns, point to point returns for 6 months, 1 year, 2 year, 3 years, 5 years, and 7 years. The Beta tells us the level of volatility associated with the fund. A beta greater than 1 means that the fund is more volatile. Among the large cap fund AXIS BLUECHIP FUND has the lowest beta value (0.86) and CANARA ROBECO has a beta value of (0.91)

An Expense Ratio is the annual maintenance charge levied by mutual funds to finance its expenses; therefore, a high expense ratio can drastically reduce your potential returns. Active funds have a less expense ratio whereas passive funds have higher expense ratio. Among active funds SBI BLUECHIP has the lowest Expense Ratio 0.9%. Among Index fund ICICI NIFTY 50 INDEX FUND has the lowest expense ratio of 0.3%

TABLE 2 shows that among LARGE CAP FUNDS, CANARA ROBECO BLUECHIP EQUITY FUND has given the highest returns of 14.59%, which is 2.3% more than the benchmark. among INDEX FUNDS, HDFC NIFTY 50 has the given the highest returns of 12.17%.

TABLE 3 shows the point-to-point returns for the period of 6 months, 1 year, 2 years, 3 years, 5 years, and 7 years. The table shows that among LARGE CAP FUNDS, NIPPON INDIA LARGE CAP FUND has given the highest returns. And among INDEX FUNDS, HDFC NIFTY 5O has given the highest returns.

TABLE 4 indicates that AXIS BLUECHIP FUND has given 0% returns in the range of < 5% and 81.52% in the range of > 10% returns. Also, CANARA ROBECO has given 0.79% in the range of < 5% and 76.05% in the range of >10%.

In the INDEX FUNDS, HDFC NIFTY 50 has given 67.43% in the range of >10% and 5.92% returns in the range of <5%.

CHART 1 and CHART 2 shows us the daily returns graph of all the schemes. CHART 1 shows that MIRAE ASSET LARGE CAP FUND has given the highest returns. CHART 2 indicates that AXIS BLUECHIP FUND has given higher returns than CANARA ROBECO BLUECHIP EQUITY FUND.

CHART 3 shows daily returns of INDEX FUNDS indicating that ICICI NIFTY 50 HAS GIVEN BETTER RETURNS THAN THE OTHER 2 FUNDS.

TABLE 5 indicates the least risky portfolio taking 3 risk parameters in consideration. It shows that AXIS BLUECHIP FUND has the least portfolio risk and ICICI PRUDENTIAL

BLUECHIP FUND has the highest risk involved. Among the INDEX FUNDS, AXIS NIFTY 100 has the least portfolio risk.

TABLE 6 gives the conclusion that among the 8 LARGE CAP FUNDS, CANARA ROBECO has given the best results and among the 3 INDEX FUNDS, HDFC NIFTY 50 has given the best results.

WORK DONE and LEARNINGS

In this period of 2 months, I learnt the process of analysing different mutual funds and choosing schemes that perform best.

Not having any course and knowledge about mutual funds it made me get a hands-on experience to learn every step right from downloading portfolios of various schemes to analysing the schemes.

I learnt to calculate ROLLING RETURNS, POINT TO POINT RETURNS, DAILY RETURNS.

I also learnt how the expense ratio affects the returns and how important an expense ratio is while investing a fund.

I learned which funds are currently giving best results as I have compared top ranking schemes since the day they have launched.

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