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Mutual Funds Unveiled: A Performance Review and Comparative Analysis

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Abstract:

This study comprehensively evaluates the performance of ten selected large-cap mutual funds in India. Large-cap funds are known for investing in well-established, high-market-capitalization companies, offering investors a balance of risk and stability. This research aims to analyze these funds' absolute and risk-adjusted returns, compare them against benchmark indices such as NIFTY 100 and BSE 100, and assess the impact of expense ratios on net returns by considering the last five years' performance.

Using a dataset spanning five years from 2019 to 2024, the study employs critical performance metrics, including the Sharpe Ratio, Standard Deviation, Beta, and Expense Ratio, to evaluate each fund's risk management and return generation effectiveness. The analysis reveals that while all funds provided positive returns, significant disparities existed in their risk-adjusted performance. ICICI Prudential Bluechip Fund seems to be the best option overall because of its low expenses, moderate risk, and impressive risk-adjusted returns. The most minor volatile fund is Franklin India Bluechip Fund, which is appropriate for cautious investors. Although Nippon India Large Cap Fund has a high return potential, its risk-adjusted efficiency is lower.

This comparative analysis provides valuable insights into large-cap mutual funds' investment strategies and portfolio characteristics, highlighting the importance of cost efficiency and risk management in achieving superior returns. The findings serve as a crucial guide for investors seeking to optimize their investment portfolios, offering practical recommendations based on fund performance and market conditions. The study concludes by discussing the implications for mutual fund investors and potential areas for future research in the context of evolving market dynamics.

Keywords: Mutual Fund, Net Asset Value, Sharpe Index, Beta, Expense Ratio

1.0 Introduction:

The Indian mutual fund industry has experienced substantial growth over the past few decades, becoming a vital component of the financial markets. Large-cap mutual funds, which predominantly invest in companies with significant market capitalization, have gained prominence due to their relatively lower risk and potential for steady returns among the various categories. These funds appeal to investors seeking long-term capital appreciation and portfolio stability.

A mutual fund refers to a professionally managed investment fund where multiple investors combine their capital to purchase various securities such as stocks, bonds, or other assets. Like other funds, mutual funds are administered by qualified fund managers, and they are diversified, liquid, and professionally managed.

The mutual Fund Industry has emerged as an essential part of the financial market in India, helping investors to have a structured method of investing and to achieve their financial objectives. The Indian mutual funds can be traced back to the early 1960s, and they have gone through mutations due to economic liberalization, advanced regulatory framework, and the availability of a large pool of investors.

In India, the mutual fund industry is being controlled by the SEBI, which fully protects the investors and strictly monitors the industry and its company's adherence to the rules and regulations. The industry expansion has been accompanied by an increase in assets under management (AUM) and the number of investors due to better financial literacy, a sound economic environment, and the availability of numerous fund types.

So, this paper reveals the history of the Indian mutual fund industry and the changes in its legislation, its competitiveness, influence on investors and the economy. It seeks to offer a holistic understanding of the mutual funds of India along with its importance in the growth of investments and financial systems.

This research article analyzes the performance of 10 selected large-cap mutual funds in India. By assessing key performance metrics such as absolute returns, risk-adjusted returns, and fund management efficiency, the study seeks to provide valuable insights for investors and industry analysts.

2.0 The objectives of the Study:

The main objectives of this study are:

1. To analyze the absolute and risk-adjusted returns of the selected large-cap mutual funds.
2. To compare the performance of these funds with benchmark indices (NIFTY 100, BSE 100).
3. To study the impact of expense ratios and other operational factors on fund performance.
4. To do the comparative analysis of the Beta and standard deviation of the selected schemes.

3.0 Research Methodology:

3.1 Sample Selection:

The study focuses on the following ten large-cap mutual funds, selected based on their assets under management (AUM), historical performance, and popularity among investors:

1. HDFC Top 100 Fund
2. SBI Bluechip Fund
3. ICICI Prudential blue-chip Fund
4. DSP Top 100 Equity Fund
5. Kotak Blue Chip Fund
6. Franklin India Blue Chip Fund
7. Nippon India Large Cap Fund
8. UTI Large Cap Scheme
9. HSBC Large Cap Fund
10. Edelweiss Large Cap Fund

3.2 Data Collection:

Secondary data was collected from financial databases, fund fact sheets and market reports. The study period spans five years, from April 2019 to April 2024, capturing different market conditions and economic cycles. The data have been collected from the factsheet of the selected mutual fund scheme for April 2024.

3.3 Data Analysis:

The analysis employs various statistical tools and financial metrics, including:

- **Absolute Returns**: Calculated as the fund's compound annual growth rate (CAGR). It is the total return generated by the fund over a specific period.
- **Risk-Adjusted Returns (Sharpe Ratio)**: It measures the excess return per unit of risk, calculated as the difference between the fund's return and the risk-free rate divided by the standard deviation of returns. A measure of risk-adjusted return, indicating how much return is earned per unit of risk. A higher Sharpe ratio indicates a better risk-adjusted return. For instance:
    - A Sharpe ratio above one is generally considered good, indicating that the fund has performed well relative to the risk taken.
    - A Sharpe ratio above two is considered very good.
    - A Sharpe ratio above three is considered excellent.
- **Expense Ratios**: The annual fee the fund charges for managing investments, expressed as a percentage of the total assets, is called the Expense Ratio.
- **Benchmark Comparison**: Funds' performance compared with the NIFTY 100 and BSE 100 indices.
- **Beta**: **Beta** measures the correlation between the fund's returns and the returns of a benchmark index, typically a broad market index like the NIFTY 100 or BSE 100. The beta value indicates how the fund will likely behave regarding market movements. Beta helps evaluate the risk profile of the fund. A higher beta indicates greater volatility and risk, while a lower beta suggests lower risk.
- **Standard Deviation**: It measures the fund's return volatility. Higher values of standard deviation indicate more fluctuation in returns.

4.0 Literature Review:

(Narayan Rao Sapar & Ravindran Madava, 2003) evaluateD the performance of Indian mutual funds during a bear market period from September 1998 to April 2002 The researchers analyzed 58 open-ended schemes using various performance measures, including relative performance index, risk-return analysis, Treynor's ratio, Sharp's ratio, Jensen's measure, and Fama's measure. The data consisted of monthly closing Net Asset Values (NAVs) obtained from the Association of Mutual Funds in India (AMFI). The results revealed that the sample mutual fund schemes outperformed the market portfolio, with a mean monthly return of 0.59% and risk of 7.10%, compared to 0.14% and 8.57% for the market portfolio, respectively. The study concluded that most of the analyzed mutual fund schemes met investor expectations by providing excess returns over expected returns, considering both systematic risk and total risk premiums.

(Prajapati & Patel, 2012) evaluated the performance of Indian mutual funds using various measures including relative performance index, risk-return analysis, Treynor's ratio, Sharpe's ratio, Jensen's measure, and Fama's measure. The research analyzed daily closing NAVs of mutual funds from January 1, 2007, to December 31, 2011, using data from the Association of Mutual Funds in India. The results indicate that most mutual funds provided positive returns during this period. The paper also reviews previous studies on mutual fund performance, including research on fund manager performance, investment styles, and the impact of saving and investment habits on the mutual fund industry. Additionally, it compares the performance of specific mutual fund schemes, such as those from SBI and UTI, and examines the risk-return relationship of various schemes. The study contributes to the understanding of mutual fund performance in the Indian context.

(Goyal, 2015) evaluated the performance of the top 10 mutual funds in India as ranked by Crisil in September 2014, comparing them to the S&P CNX Nifty benchmark index. The research employs both absolute and relative performance measures, including the Sharpe ratio, Treynor measure, and Jensen's Alpha, to assess fund performance. Findings indicate that all examined schemes outperformed the market, providing higher average returns. Notably, the Franklin India Opportunities Fund emerged as the top performer, offering superior average returns with lower risk, making it an

attractive option for investors seeking high returns with reduced risk exposure (Goyal, 2015). The study also traces the evolution of India's mutual fund industry, highlighting its significant growth over the past two decades following the entry of public sector banks, insurance companies, and private and foreign players, while noting the continued prominence of the Unit Trust of India despite increased competition.

(K. Arora, 2015) evaluated the performance of 100 Indian mutual fund schemes from 2000 to 2008 using risk-adjusted measures, specifically the Sharpe ratio and Treynor ratio. The results show mixed performance overall, with 52% of schemes outperforming their benchmark indices based on Sharpe ratios. Performance varied across fund types, with 91% of balanced schemes and 75% of income schemes surpassing their indices, while growth and tax planning schemes performed less favorably. Treynor ratios indicated better performance, with 70% of all schemes and 100% of balanced schemes outperforming their benchmarks. Growth schemes (64%), tax planning schemes (60%), and income schemes (76%) also showed improved performance when evaluated using Treynor ratios. These findings suggest that risk-adjusted performance measures provide valuable insights into the effectiveness of Indian mutual fund schemes across different categories.
(Dhanda & Anjum, 2012) evaluated the performance of selected open-ended mutual fund schemes in India from April 2009 to March 2011. The authors employ various metrics, including rate of return, beta, standard deviation, Sharpe ratio, and Treynor ratio, to assess risk-return relationships. The BSE-30 index serves as the benchmark for comparison. Despite the mutual fund industry's rapid growth in India over the past four decades, the research findings indicate that only three of the examined schemes outperformed the benchmark during the study period. The paper highlights the role of mutual funds as investment vehicles for small investors, allowing them access to blue-chip companies through diversified portfolios. The authors suggest that mutual funds are generally believed to help diversify risk, making them an attractive option for investors seeking to participate in the stock market
(Kiran Hiremath et al., 2010) evaluated the performance of equity-based mutual funds in India, focusing on the top ten funds in the country. The research highlights the growing popularity of mutual funds among retail investors seeking a cautious approach to stock market investments. The authors note that the introduction of benchmarks for growth funds by SEBI, CRISIL, and other agencies has provided investors with tools to assess fund performance accurately. The study employs market index, Treynor's measure, and Sharpe's measure to evaluate fund performance, considering only pure equity funds for comprehensive analysis. Statistical tools such as standard deviation and beta are used to assess risk and return for individual investors. This research aims to provide insights for investors on how to evaluate growth fund performance in the Indian mutual fund industry and select the best-performing funds

(Mamta & S. Ojha, 2017) evaluated the performance of selected equity diversified mutual funds in India. Mutual funds pool money from various investors and invest in different securities, providing opportunities for small investors to participate in the capital market with reduced risk through diversification. The research analyzes the relationship between risk and return of these funds using financial metrics such as Average Return, Sharpe Ratio, Treynor Ratio, Standard Deviation, Beta, and Coefficient of Determination. Data was collected from mutual fund scheme websites and amfiindia.com. The analysis reveals that the majority of the selected funds outperformed under both Sharpe Ratio and Treynor Ratio measures. The study highlights the benefits of mutual funds for small investors, including professional management and the ability to indirectly participate in the capital market through diversified portfolios.
(Choudhary & Chawla, 2014) evaluated the performance of selected diversified equity mutual funds in India. Mutual funds pool savings from multiple investors to invest in various securities, offering a professionally managed and diversified portfolio at a relatively low cost. The research focuses on growth-oriented equity diversified schemes, analyzing their performance based on return and risk metrics. The authors employ financial tests including Average Return, Sharpe Ratio, Treynor Ratio, Standard Deviation, Beta, and Coefficient of Determination to assess fund performance. Data was collected from mutual fund scheme websites and amfiindia.com. The analysis reveals that the majority of the selected funds outperformed under both Sharpe and Treynor Ratios, indicating superior risk-adjusted returns. This study provides insights into the performance of diversified equity mutual funds in India, which can be valuable for investors seeking to make informed investment decisions in the mutual fund market.

(Bhagyasree & Kishori, 2016)evaluated the performance of open-ended, growth-oriented equity mutual fund schemes in India from April 2011 to March 2015 . The researchers analyzed daily closing NAVs of various schemes and used the

BSE-Sensex as the market portfolio benchmark. Performance was assessed using Sharpe, Treynor, and Jensen's measures. The results revealed that 14 out of 30 schemes outperformed the benchmark return, while some underperformed due to diversification issues. All schemes demonstrated positive Sharpe ratios, indicating returns higher than the risk-free rate. Jensen's measure showed that 19 out of 30 schemes had positive alpha values, suggesting superior performance. The study provides valuable insights for investors making investment decisions in the Indian mutual fund market, highlighting the importance of performance evaluation metrics in assessing fund performance.

(Ashok Bantwa & Krunal K Bhuva, 2012) evaluated the performance of 20 Indian equity diversified mutual fund schemes from June 2007 to May 2012. The research found that 95% of the sampled schemes outperformed the market, with 55% showing positive risk-adjusted performance based on Sharpe and Treynor ratios. Most schemes were adequately diversified, and fund managers successfully reduced unique risk through diversification. About 60% of the schemes beat the market due to superior stock selection skills. The study identified several top-performing funds, including ING Dividend Yield Fund, Tata Dividend Yield Fund, UTI MNC Fund, and Quantum Long-Term Equity Fund, among others. These findings suggest that many Indian equity diversified mutual funds provided value to investors during the study period through effective management and diversification strategies.

(Ashraf & Sharma, 2014) evaluated the performance of 10 growth-oriented, open-ended equity mutual fund schemes in India over a five-year period from 2007 to 2012 . The analysis employs various measures including risk-return analysis, Treynor's ratio, Sharpe's ratio, and Jensen's measure. Results indicate that 7 out of 10 schemes exhibited lower total risk than the market, while all schemes outperformed risk-free rates. The Treynor ratio showed that all schemes outperformed the benchmark market index, whereas the Sharpe ratio revealed that 3 schemes underperformed the benchmark. Regression analysis demonstrated a statistically significant impact of the benchmark market return index on mutual fund returns at a 5% significance level. Overall, the study provides insights into the performance of Indian equity mutual funds against established benchmarks, offering valuable information for investors and fund managers in the Indian financial market

(Maheswari & Subashini, 2013) evaluated the performance of selected open-ended equity diversified mutual funds in the Indian market . The research focuses on five specific funds: HDFC Top 200 Fund, Reliance Top 200, ICICI Prudential Top 200, Canara Robeco Equity Diversified Fund, and Birla Sun Life Frontline Equity. The analysis covers a 60-month period from January 2008 to December 2012, employing three key performance metrics: Sharpe ratio, Treynor ratio, and Jensen's alpha. Mutual funds are defined as trusts that pool savings from numerous investors with shared financial goals, investing these funds in capital market instruments aligned with the fund's objectives. The resulting income and capital appreciation are distributed among unitholders proportionally. This research aims to provide insights into the performance of these selected mutual funds within the context of the Indian equity market.

(Devi & Kumar, 2010) evaluated the performance of equity mutual funds in India, focusing on 102 funds that operated for over five years during 2003-2007. The sample included diverse fund types: equity diversified, index, tax savings, and technology funds. The researchers employed various performance metrics, including average rate of return, standard deviation, risk/return ratio, Sharpe ratio, Treynor ratio, and Jensen ratio. Additionally, they conducted benchmark comparisons to assess fund managers' ability to outperform market or index portfolios. The study highlights the importance of mutual funds as investment vehicles in complex financial markets, particularly for small investors who may lack professional advice and information. The authors argue that mutual funds provide a solution to these challenges, offering a more accessible and potentially profitable investment option for individuals navigating the modern financial landscape

(Agrawal, 2007) examined the performance and dynamics of the Indian mutual fund industry following market deregulations in 1992. The author highlights the significant role of mutual funds in globalizing financial markets and channeling capital to emerging economies. The research analyzes the pricing mechanisms and valuation methods employed in the Indian mutual fund sector, considering both fund manager and investor perspectives. Agrawal (2007) identifies two key factors influencing mutual fund performance: the savings and investment habits of the population, and the confidence, loyalty, and incentives of fund managers. The paper provides insights into the size and asset allocation strategies of mutual funds operating in emerging markets, contributing to a better understanding of their investment behavior and impact on these economies. This research is particularly relevant given the structural changes in both primary and secondary markets in India since the 1992 deregulations.

(Raju & Bapuji B-Schools, 2015) examined the performance evaluation of Indian equity mutual fund schemes, focusing on the benefits for small investors who lack the expertise and resources of large institutional players. The authors argue that mutual funds offer an attractive investment option for small investors, providing professional management and analytical capabilities . The research aims to assess investor perceptions of mutual funds, explore risk perceptions, and identify preferences for top-performing funds. The study employs theoretical models developed by William Sharpe, Treynor, and Jensen to evaluate mutual fund performance with risk adjustment. By analyzing these factors, the research seeks to provide insights into the Indian mutual fund industry and help investors make informed decisions. The authors emphasize the growing importance of mutual funds as an investment vehicle for small investors in the Indian market, given the increasing number of players entering the industry

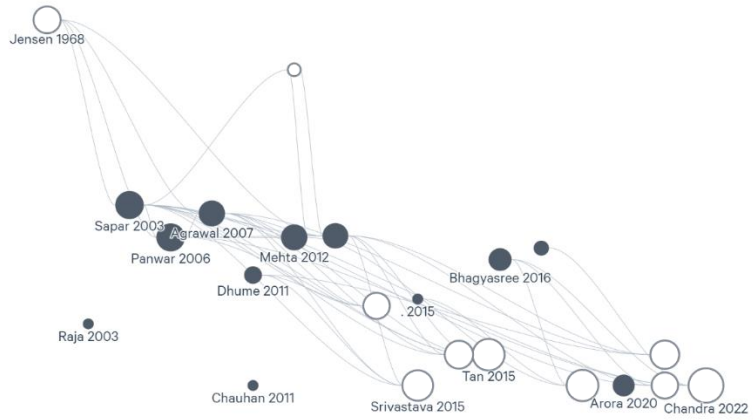


Figure: 1 Measuring performance of Indian Mutual funds (Source: Litmaps)

5.0 Data Analysis:

For the study purpose we have collected the data for ten different largecap mutual fund schemes. The basic details of the schemes are given below:

Scheme Details:

Sl No.	Scheme Name :	Latest NAV (in INR)	Inception Date	Fund Manager	Benchmark :
1	UTI Large Cap Fund	241.1437	15th October, 1986	Mr. Karthikraj Lakshmanan	S&P BSE 100
2	SBI Bluechip Fund	81.1084	14th February 2006	Mr. Saurabh Pant & *Mr. Pradeep Kesavan	S&P BSE 100
3	Nippon India Large Cap Fund	78.1945	8th August 2007	Sailesh Raj Bhan (	S&P BSE 100
4	Kotak Bluechip Fund	`502.8160	29th December 1998	Mr. Rohit Tandon	Nifty 100
5	ICICI Prudential Bluechip Fund	97.79	23rd May 2008	Anish Tawakley	Nifty 100
6	HSBC Large Cap Fund	₹ 435.1658	10th December 2002	Neelotpal Sahai and Gautam Bhupal	Nifty 100
7	HDFC Top 100 Fund	1045.768	11th October 1996	Rahul Baijal	Nifty 100
8	Franklin India Bluechip Fund	883.9870	1st December 1993	Venkatesh Sanjeevi, Ajay Argal	Nifty 100
9	Edelweiss Large Cap Fund	74.5700	20th May 2009	Mr. Bharat Lahoti, Mr. Bhavesh Jain	NIFTY 100
10	DSP Top 100 Equity	405.8520	10th Mar 2003	Abhishek Singh	S&P BSE 100

	Fund				

Source: Factsheets of April 2024
*The NAV of the given schemes has been written as per the Factsheet of April 2024.

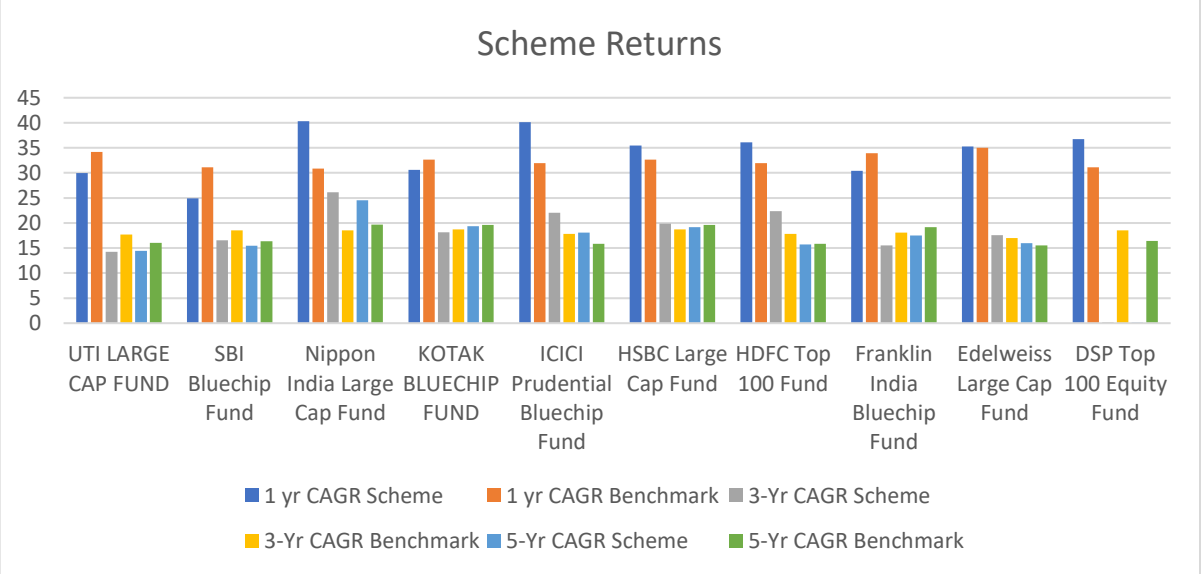
The above data shows that the UTI Largecap fund is the oldest, and the Edelweiss Large Cap is the newest Scheme among the selected schemes. Funds are compared to two primary benchmarks, S&P BSE 100 and Nifty 100. **S&P BSE 100** is used by UTI Large Cap Fund, SBI Bluechip Fund, Nippon India Large Cap Fund, and DSP Top 100 Equity Fund. **Nifty 100** is used by Kotak Blue Chip Fund, ICICI Prudential Bluechip Fund, HSBC Large Cap Fund, HDFC Top 100 Fund, Franklin India Bluechip Fund, and Edelweiss Large Cap Fund.

Scheme's absolute Returns

Mutual Fund Scheme	**1 yr CAGR**		**3-Yr CAGR**		**5-Yr CAGR**	
	Scheme	**Benchmark**	**Scheme**	**Benchmark**	**Scheme**	**Benchmark**
UTI Large Cap Fund	29.97	34.18	14.22	17.69	14.46	16.04
SBI Bluechip Fund	24.93	31.1	16.57	18.54	15.49	16.34
Nippon India Large Cap Fund	40.3	30.87	26.12	18.51	24.56	19.67
KOTAK Bluechip Fund	30.59	32.63	18.17	18.7	19.33	19.6
ICICI Prudential Bluechip Fund	40.15	31.95	22.04	17.85	18.06	15.84
HSBC Large Cap Fund	35.47	32.65	19.87	18.7	19.18	19.6
HDFC Top 100 Fund	36.11	31.95	22.33	17.85	15.74	15.84
Franklin India Bluechip Fund	30.41	33.9	15.5	18.1	17.52	19.19
Edelweiss Large Cap Fund	35.29	35.01	17.56	17	15.99	15.5
DSP Top 100 Equity Fund	36.77	31.1	17.03%	18.54	14.37%	16.39

Source: Factsheets of April 2024

Chart 1: Scheme Returns



Analysis of Mutual Fund Schemes Based on CAGR:

From the above data, we can find that based on CAGR, three categories exist. The first one is the top performer, then the lowest performer, and the last is our performer.

1-Year Performance:

- Top Performer: Nippon India Large Cap Fund with a 1-year CAGR of 40.30%, outperforming its benchmark by 9.43%.
- Lowest Performer: SBI Bluechip Fund: 1-year CAGR of 24.93%, underperforming the benchmark by -6.17%.
- Outperformers: Nippon India Large Cap Fund, ICICI Prudential Bluechip Fund, DSP Top 100 Equity Fund, HDFC Top 100 Fund, HSBC Large Cap Fund, and Edelweiss Large Cap Fund.
- Underperformers: UTI Large Cap Fund, SBI Bluechip Fund, KOTAK Bluechip Fund, Franklin India Bluechip Fund.

3-Year Performance:

- Top Performer: Nippon India Large Cap Fund with a 3-year CAGR of 26.12%, outperforming its benchmark by 7.61%.
- Lowest Performer: Franklin India Bluechip Fund with a 3-year CAGR of 15.50%, underperforming its benchmark by -2.60%.
- Outperformers: Nippon India Large Cap Fund, ICICI Prudential Bluechip Fund, HDFC Top 100 Fund, HSBC Large Cap Fund, and Edelweiss Large Cap Fund.
- Underperformers: UTI Large Cap Fund, SBI Bluechip Fund, DSP Top 100 Equity Fund, KOTAK Bluechip Fund, Franklin India Bluechip Fund.

5-Year Performance:

- Top Performer: Nippon India Large Cap Fund with a 5-year CAGR of 24.56%, outperforming its benchmark by 4.89%.
- Lowest Performer: DSP Top 100 Equity Fund with a 5-year CAGR of 14.37%, underperforming its benchmark by -2.02%.
- Outperformers: Nippon India Large Cap Fund, ICICI Prudential Bluechip Fund, Edelweiss Large Cap Fund.
- Underperformers: Franklin India Bluechip Fund, UTI Large Cap Fund, DSP Top 100 Equity Fund, HSBC Large Cap Fund, KOTAK Bluechip Fund, HDFC Top 100 Fund, SBI Bluechip Fund.

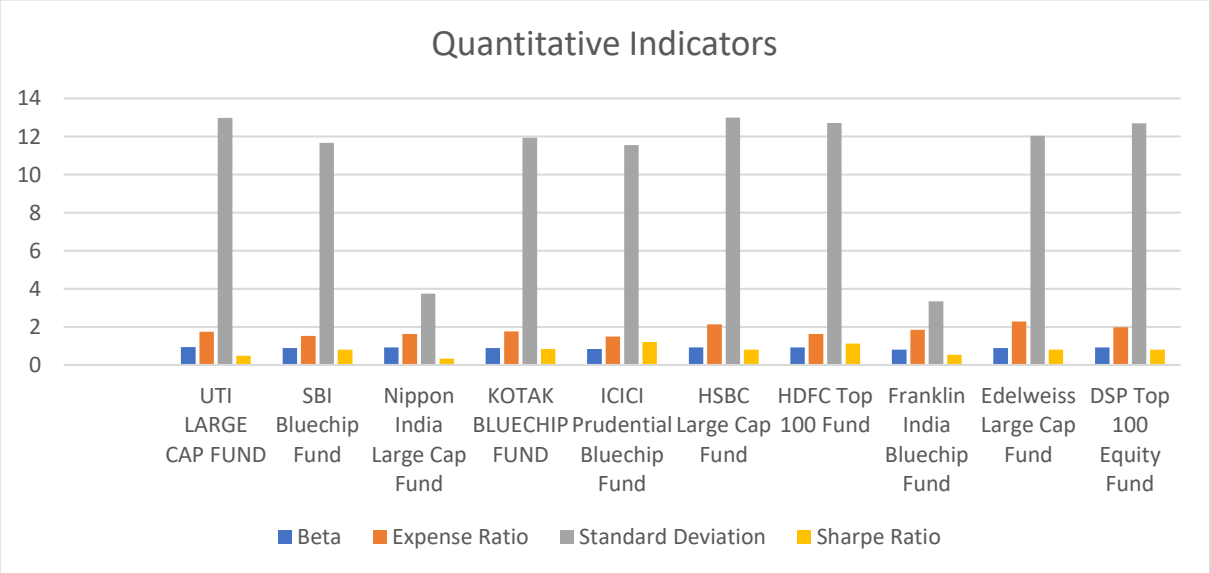
  From the above analysis, we can say that Nippon India Large Cap Fund has consistently outperformed its benchmark across all periods, primarily excelling in the 1-year and 5-year timeframes. Franklin India Bluechip Fund underperformed significantly in the 1-year and 3-year periods, with a slight underperformance in the five years. Most other funds show a mix of performance, with some periods of outperformance and others of underperformance.

Quantitative Indicators:

Mutual Fund Scheme	Beta	Expense Ratio (%)	Standard Deviation	Sharpe Ratio
UTI LARGE-CAP FUND	0.93	1.75	12.98	0.491
SBI Bluechip Fund	0.88	1.53	11.67	0.8
Nippon India Large Cap Fund	0.92	1.63	3.74	0.33
KOTAK BLUECHIP FUND	0.88	1.76	11.93	0.83
ICICI Prudential Bluechip Fund	0.84	1.49	11.55	1.21
HSBC Large Cap Fund	0.92	2.13	13	0.8
HDFC Top 100 Fund	0.918	1.62	12.717	1.13
Franklin India Bluechip Fund	0.81	1.84	3.34	0.53
Edelweiss Large Cap Fund	0.89	2.28	12.04	0.8
DSP Top 100 Equity Fund	0.92	1.98	12.7	0.81

Source: Factsheets of April 2024

Chart- 2 : Quantitative Indicators



The above analysis indicates that ICICI Prudential Bluechip Fund offers a potent combination of low-cost, moderate-risk, and high-risk-adjusted returns, making it an attractive option. Franklin India Bluechip Fund is the least volatile but may offer lower returns relative to risk, as indicated by its lower Sharpe Ratio. Nippon India Large Cap Fund has shown solid performance but lower risk-adjusted returns. Investors should consider these factors based on risk tolerance, investment goals, and cost sensitivity.

Beta Analysis:

By studying the beta of the above schemes, we can find that Franklin India Bluechip Fund has the lowest beta value, 0.81, which indicates it has the lowest volatility relative to the market, suggesting lower sensitivity to market movements. UTI Large Cap Fund has the highest beta, 0.93, and DSP Top 100 Equity Fund has a beta value of 0.92 indicating these funds are more sensitive to market changes.

Expense Ratio Analysis:

The lowest Expense Ratio among the schemes is ICICI Prudential Bluechip Fund (1.49%) - This indicates this fund has the lowest cost structure, which can lead to higher net returns for investors. Edelweiss Large Cap Fund (2.28%)is having the highest expense ratio. This indicates the highest cost, potentially impacting net returns negatively.

Standard Deviation Analysis:

The Lowest Standard Deviation of Franklin India Bluechip Fund (3.34) reflects a minor volatile fund, suggesting a stable performance with less fluctuation in return. However, the Highest Standard Deviation of HSBC Large Cap Fund (13.00) indicates the most volatility, suggesting higher risk.

Sharpe Ratio Analysis:

ICICI Prudential Bluechip Fund has the Highest Sharpe Ratio (1.21), Demonstrating the best risk-adjusted return among the funds, indicating that investors are well-compensated for the risk taken. The lowest Sharpe Ratio, which is of Nippon India Large Cap Fund (0.33), indicates lower risk-adjusted returns, suggesting that the fund may not adequately compensate for the risk.

The overall data shows that on the basis of Risk and Volatility Franklin India Bluechip Fund has the lowest Beta and Standard Deviation, making it the least volatile and least sensitive to market fluctuations. This fund may be suitable for risk-averse investors. UTI Large Cap Fund and DSP Top 100 Equity Fund have the highest Beta, suggesting that these funds are more sensitive to market movements and may experience more significant fluctuations in value.

CICI Prudential Bluechip Fund has the lowest expense ratio, making it an attractive option for cost-conscious investors. Lower costs can lead to higher net returns over time whereas Edelweiss Large Cap Fund has the highest expense ratio, which could potentially erode returns due to higher fees.

ICICI Prudential Bluechip Fund has the highest Sharpe Ratio, indicating superior risk-adjusted performance. This suggests that the fund provides a good balance between risk and return and Nippon India Large Cap Fund has the lowest Sharpe Ratio, indicating that the returns generated are not adequately compensating for the risk taken.

6.0 Conclusion:

From the above analysis we can conclude that ICICI Prudential Bluechip Fund is the best choice based on low costs, moderate risk, and strong risk-adjusted returns. Franklin India Bluechip Fund is the least volatile, making it suitable for conservative investors. Nippon India Large Cap Fund may offer high returns but does so with lower efficiency in risk-adjusted terms. When making decisions, investors should consider these factors in conjunction with their risk tolerance and investment goals. The top performers in various categories are as follows.

Top Performer in Absolute Returns: Nippon India Large Cap Fund stands out in terms of 1-year, 3-year, and 5-year CAGR despite having a lower Sharpe Ratio, indicating that the returns might not be as efficiently risk-adjusted.

Best Risk-Adjusted Performance: ICICI Prudential Bluechip Fund offers a potent combination of high returns and risk management, indicated by its high Sharpe Ratio and low expense ratio.

Least Volatile Option: Franklin India Bluechip Fund has the lowest Beta and Standard Deviation, making it suitable for risk-averse investors despite its underperformance compared to benchmarks.

Cost-Effectiveness: Funds like ICICI Prudential Bluechip Fund and SBI Bluechip Fund offer lower expense ratios, which can result in better net returns. Investors should consider these metrics based on risk tolerance, investment goals, and preference for cost efficiency.

This study only applies to the given study period with a limited analysis of the selected schemes. The analysis may vary from time to time. So investors should carefully consider market conditions, risk tolerance, and investment goals while making any investment decisions.

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