



A comparative analysis of the performance evaluation of mutual fund

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Abstract

Individuals are investing their money through a variety of investment techniques in order to produce additional income for themselves. In the past few years, mutual funds have gained popularity as a very important investing mechanism among small and medium investors. This is due to the fact that mutual funds offer systematic returns that are less hazardous than other investment vehicles. Mutual funds can be divided into three primary types: equity mutual funds, debt mutual funds, and hybrid mutual funds. Each of these groups has their own unique characteristics. In the current study, an attempt is made to explore the performance of two different types of selected equity mutual funds, namely mid-cap equity mutual funds and small-cap equity mutual funds, and to compare the differences and similarities between their respective performances. An analysis and comparison of the performance of eight mid-cap and eight small-cap equity funds is presented in this study. This particular data collection encompasses a time span of four years, beginning on January 1, 2020 and ending on December 31, 2023. For the objective of conducting a performance analysis of the mutual funds that have been chosen, various statistical methods, including alpha, beta, and standard deviation, are utilised. According to the findings of the analysis, the selected mutual funds had a satisfactory performance over the course of the study period; nevertheless, the SmallCap Equity Funds had a more successful performance than the MidCap Equity Funds. The DSP Small Cap Fund had a negative beta throughout the year 2021, which indicates that it did not react in the same manner to the changes that occurred in the market.

Keywords: Mutual Fund, MidCap Equity Fund, SmallCap Equity Fund, Net Asset Value (NAV), Return, Risk

Introduction

In the current period, businesses are exerting their utmost efforts to achieve the highest possible degree of consumer satisfaction through the products or services they offer. Due to the fact that we are all aware that the requirements of a human are limitless, it is necessary for

individuals to set aside a portion of their earnings in order to fulfil some of their requirements. The savings, on the other hand, can only satisfy the needs of the short term; they are not sufficient enough to satisfy the needs of the persons about the long run. Individuals are now investing their resources in order to earn returns from their savings in order to satisfy the greatest possible amount of their demands. Bank deposits, stocks, mutual funds, government securities, and other types of investments are only some of the various types of investment opportunities that are currently available.

Despite the fact that mutual funds have been there for the past few decades, they did not become a particularly popular investing mechanism until the latter half of the previous decade. Over the course of the past few years, mutual funds have become increasingly popular among micro, small, and medium-sized investors as a very important financial instrument. A mutual fund is a type of investment mechanism that is designed to maximise returns by attracting capital from a large number of investors and then investing that capital in the most effective manner possible. When compared to investing through mutual funds, which generates returns that are less dangerous for investors, investing directly in stocks through stock exchanges generates a significant number of risk factors than investing through mutual funds. By participating in mutual funds, investors are able to diversify the risks associated with their investments. Mutual funds are invested in the stocks of multiple firms at the same time, which means that if one company fails to create a suitable level of returns, the other companies can cover the same investment.

In 1963, the government of India established the Unit Trust of India (UTI), which was the first mutual fund ever established. This was when the first mutual fund was introduced. A great number of additional asset management companies have been founded in India since that time. There are currently a total of 44 asset management companies that are active across the entirety of India, and mutual funds have emerged as one of the most popular investing mechanisms in the country. The Reserve Bank of India (RBI) was the entity that first governed these Asset Management Companies; however, the Securities and Exchange Board of India (SEBI) is currently the entity that is responsible for regulating these companies. There are around 2500 different mutual fund schemes that are offered by these asset management companies collectively. Mutual fund schemes can be classified into three primary groups: equity mutual funds, debt mutual funds, and hybrid mutual funds. Each of these categories has its own distinct characteristics. Investing the majority of its assets in the stocks of various firms is the primary focus of an equity mutual fund. A debt mutual fund is a type of mutual fund that predominantly invests its resources in fixed charge bearing securities issued by various firms, such as debentures and other similar securities. Simply put, a hybrid mutual fund is a combination of equity and debt mutual funds in one investment vehicle.

Large cap, mid cap, and small cap are the three categories that can be used to classify companies that are listed on various stock exchanges. These categories are determined by the market capitalization of the companies. There are three distinct categories of equity mutual funds for investors to choose from: large cap equity funds, mid cap equity funds, and small cap equity funds. The majority of the investments made by large cap equity mutual funds are in the equity shares of companies that have a significant market capitalization. Mid-cap equity mutual funds are primarily dedicated to investing in the equity shares of firms that have a market capitalization that falls somewhere in the middle. Small-cap equity mutual funds are mutual funds that invest in the equity shares of firms that have a market capitalization that is relatively low.

It is the purpose of this study to conduct an examination of the performance of mid-cap and small-cap equity mutual funds based on the returns generated and the risks associated with those returns, and then to compare those two types of funds. In the modern period, mutual funds have emerged as one of the most popular investing vehicles for investors of all types,

particularly those who are considered to be small and medium investors. However, according to Wachasunder, S. L. (2018), investors are still not obtaining an adequate amount of return on their investments in mutual funds. With the help of this study, these investors will be able to select the mutual fund scheme that is most fit for their investment needs.

Review of the Literature:

Sathya et al. (2009) has investigated the performance of growth-oriented mutual funds that are available in India. This research was carried out in order to analyse the performance of these funds. The study looked at data from 23 open-ended growth mutual funds that were marketed by six asset management companies (AMCs) in the private sector over a period of thirteen years. When conducting their research, the researchers utilised a number of statistical indicators, including as the Sharpe Ratio, the Treynor Ratio, and Jensen Alpha, amongst others, in order to evaluate the performance of the growth-oriented mutual funds that were chosen. In conclusion, the research came to the conclusion that all of the growth-oriented mutual funds that were chosen had demonstrated consistent performance, with the exception of Birla Sun Life and HDFC mutual funds.

The research work that was written by Abhay et al. (2011) included an analysis of the performance of a selection of mutual funds that were available in the United States. Additionally, the authors listed certain characteristics that should be considered while selecting and investing in a mutual fund. They analysed data from 1374 actively managed mutual funds that were available in the United States over a period of twelve years. They analysed the performance of the selected mutual funds using a variety of characteristics, such as annualised return, annual excess return, and expense ratio, among others, in order to determine which mutual funds were successful and which were not successful. The research came to the conclusion that the performance of the mutual funds that were successful and those that were not successful is pretty significant. Furthermore, the study found that small-cap mutual funds have a greater potential to generate additional returns in comparison to market indexes.

S. Nandy (2014) conducted a study in which he evaluated the performance of index exchange-traded funds (ETFs) and matched index mutual funds. The research endeavour encompasses a total of thirteen years' worth of data pertaining to index exchange-traded funds (ETFs) and index mutual funds in the United States. In order to estimate the success of the mutual fund schemes that were chosen, he made use of statistical criteria such as the Sharpe Ratio, the Buy and Hold Ratio, and other similar measures. Investing in either index exchange-traded funds (ETFs) or matched index mutual funds (MIMFs) might result in investors earning median values that are comparable to one another, according to the findings of the research.

Within the scope of their research, Prakash et al. (2014) conducted a quantitative investigation into the Indian equity mutual funds available. The research endeavour encompassed a time span of five years and included data from three separate equity mutual fund schemes that were offered by three different asset management companies (AMCs) in India. When doing their research, the researchers utilised a variety of statistical measures, such as Treynor Ratio, Jensen's Alpha, Beta, Sharpe Ratio, and others, in order to evaluate the performance of the mutual funds that were chosen. The research work resulted in the familiarisation of a new method that examines the relationship between the return of a fund and the fund's asset size, cash holdings, turnover and loads, and expense ratio.

In their research, Gbenga et al. (2017) conducted a comparative analysis of European Green Mutual Funds, Black (Fossil Energy and Natural Resource) Mutual Funds, and Conventional Mutual Funds. They found that the former were more environmentally conscious than the latter. During the course of their investigation, they gathered information on 175 green fund schemes, 259 black fund schemes, and 976 conventional fund schemes over a period of

nearly twenty-three years. The technique of unbalanced random panel data regression was utilised by them in order to conduct an analysis of the selection of mutual fund schemes and determine how well they performed. At the end of the research, the researchers came to the conclusion that conventional and black mutual funds had demonstrated superior performance in comparison to green mutual funds.

During the course of his research effort, Wachasunder, S. L. (2018) investigated the performance of small cap equities mutual funds that are available in India. For the purpose of this study, data from the top 10 small cap mutual funds were collected over a period of five years. Various statistical indicators, including as Standard Deviation, Beta, Alpha, R-Squared, and Sharpe Ratio, among others, were utilised by him in order to ascertain the performance of the mutual funds that were ultimately chosen. In conclusion, the research came to the conclusion that all of the small cap mutual funds that were chosen did, in fact, perform well over the period of the study.

Verma, J. H. (2019) conducted an investigation of the performance of equity mutual funds that are available in India when he was writing his research paper. The research paper that he wrote covered a period of six and a half years' worth of daily data from fifteen different equity mutual fund schemes of varying sizes. When attempting to measure the performance of the various mutual fund schemes that have been chosen, he makes use of a number of statistical parameters such as Jensen's alpha, Beta, Standard Deviation, Sharpe Ratio, and others. Finally, the research comes to the conclusion that, with the exception of the Birla Sun Life Equity Growth Scheme, none of the mutual fund schemes that were chosen had demonstrated a consistent performance over the course of the study period.

During the course of his research work, Thakur, S. S. (2019) conducted a comparative performance analysis on a number of different mutual fund schemes that are established with the intention of satisfying the post-retirement requirements of investors. Data from four different retirement mutual fund plans were collected for the study, which covered a period of five years. The study utilised a variety of methods, such as compound annual growth rate (CAGR), average return, Sharpe ratio, Treynor ratio, Jensen's Alpha, and others, in order to evaluate the performance of the schemes that were chosen. Following the completion of the research, the researchers came to the conclusion that the Franklin Indian Pension Fund had fared better than the other retirement mutual funds that were chosen.

During the course of their research, Sanjana et al. (2020) investigated the performance of the LargeCap, MidCap, and SmallCap mutual funds that are offered in India. According to the findings of the research, the top five mutual fund schemes of each amount of capitalization are included. The research investigates the daily data of fifteen different mutual fund schemes, each with a different capitalization size, for a period of five years and one month. Through the utilisation of several statistical instruments, such as the Sharpe Ratio, Treynor Ratio, Jensens Ratio, and others, they were able to conduct an analysis of the performance of the mutual funds that were chosen. Based on the findings of the study, it was determined that there were excessive swings in return, and that many economic and political issues did have an effect on the returns of the mutual funds that were chosen. Additionally, it came to the conclusion that neither of the mutual funds that were chosen had outperformed the market during the course of the study period, according to the Sharpe Ratio.

Mathur, P. (2021) attempted to study the performance of multi and large cap equity funds over a period of five years (2014 to 2019) in her research paper titled "Comparative Analysis of Performance of Mutual Funds: A Study of Prominent Multi Cap and Large Cap Funds." The article was published in 2021. A total of ten distinct mutual funds belonging to each category (Multi-Cap and Large-Cap) were evaluated for their performance in this section of the study. The Kruskal-Wallis test was utilised by the researcher in this instance in order to compare the returns and associated risk of the various mutual fund schemes that were chosen.

Based on the findings, it can be concluded that each of the mutual funds that were chosen has produced an adequate amount of return while maintaining a modest degree of risk. Last but not least, the research comes to the conclusion that large-cap and multi-cap mutual funds are both respectable investing options for capitalists.

An Explanation of the Problem: During the current period, small investors are not receiving returns that are satisfactory from direct investments in the Indian stock market. As a result, they are becoming interested in various mutual fund schemes offered by various asset management companies (AMCs). Nevertheless, it is a very challenging task for these smaller investors to select the appropriate mutual fund in which to invest their money.

With the purpose of assisting small investors in making appropriate decisions when selecting the appropriate mutual fund scheme to invest in, the study investigates the performance of selected MidCap and SmallCap mutual fund schemes and compares their performances in terms of Returns, Risks, Market Volatility, Risk adjusted Returns, and other similar metrics.

Objective of the Study

1. To compute the returns that were obtained by the chosen equity mutual fund schemes within the mid-cap and small-cap categories over the course of the study period, and then to compare those returns afterward.
2. In order to compare the selected mid-cap and small-cap equity funds, it is necessary to conduct an analysis of the related risk and market volatility of these funds.
3. Using a variety of risk-adjusted indicators, evaluate the performance of the mid-cap and small-cap equity funds that have been chosen.

Research Methodology

Additionally, the research effort is empirical in character, and it is created through the utilisation of secondary data. This study examines the results of eight asset management companies' Small Cap and Mid Cap equity funds for a period of four years, beginning on January 1, 2020 and ending on December 31, 2023. The study evaluates the performance of these funds and compares it to the results of other asset management companies.

Selected Small Cap and Mid Cap Equity Funds:

Small Cap Equity Funds	Mid Cap Equity Funds
AdityaBirlaSunLifeSmallCapFund	AdityaBirlaSunLifeMidCapFund
AxisSmallCapFund	AxisMidCap
DSPSmallCapFund	DSPMidCapFund
IDBISmallCapFund	IDBIMidCapFund
FranklinIndiaSmallerCompaniesFund	FranklinIndiaPrimaFund
HDFCSmallCapFund	HDFCMidCapOpportunitiesFund
ICICIPrudentialSmallcapFund	ICICIPrudentialMidCapFund
NipponIndiaSmallCapFund	NipponIndiaGrowthFund

Table:SelectedSmallCapandMidCapEquityFunds

Data Source: The empirical study was produced by using secondary data that were acquired from the official website of the Association of Mutual Funds in India (AMFI). This was done in order to construct the study.

Scope of Study: The current research work is being carried out on SmallCap and MidCap equities funds that are currently being given by eight Asset Management Companies in India that have been chosen at random from the top AMCs that are accessible in India. A period of four years' worth of data is included in the study (that is, beginning on January 1, 2020 and ending on December 31, 2023). During the process of evaluating the returns and performance of the various mutual funds, the past net asset values (NAVs) of the Equity Mutual Funds that were chosen were utilised.

Tool of analysis

1. *Alpha:* In the world of finance, it is commonly referred to as Jensen's Alpha or Jensen's Performance Index due to its popularity. Through the application of the Capital Asset Pricing Model (CAPM) formula, it seeks to ascertain the rate of return on an investment. After adjusting for the risks that are involved with an investment, it is utilised to measure the performance of the investment.
2. *Beta* is a measure of how sensitive a mutual fund is to the movement of the market. It is also known as the beta coefficient. This test evaluates the volatility of a mutual fund in relation to the forces of the market. When it comes to mutual fund schemes, the low beta number indicates a lesser level of volatility, and vice versa.
3. *Standard Deviation:* The standard deviation is a measure that follows the deviation or dispersion of the data from their respective mean. When it comes to mutual funds, the term "standard deviation" refers to the amount of variance that exists between the actual return of a specific mutual fund and the return that was anticipated for that particular mutual fund.

Data Analysis and Findings:

Table 1: Opening and Closing NAVs of MidCap Equity Funds

SmallCap Equity Funds	2020(₹)		2021(₹)		2022(₹)		2023(₹)	
	Opening NAV	Closing NAV	Opening NAV	Closing NAV	Opening NAV	Closing NAV	Opening NAV	Closing NAV
Aditya Birla Sun Life Small Cap Fund	46.46	36.66	36.76	32.83	33.03	39.75	40.3	60.21
Axis Small Cap Fund	30.62	28.45	28.51	34.38	34.30	42.83	43.11	68.44
DSP Small Cap Fund	72.95	54.96	55.05	55.85	56.34	74.96	75.48	119.03
IDBI Small Cap Fund	11.27	9.89	9.89	9.59	9.62	11.51	11.59	19.00
Franklin India Smaller Companies Fund	66.59	56.11	56.27	53.85	54.14	64.07	65.08	100.73
HDFC Small Cap Fund	48.61	45.37	45.50	41.53	41.86	50.44	50.64	83.13
ICICI Prudential Smallcap Fund	31.05	24.31	24.38	27.07	27.21	33.78	34.08	54.67
Nippon India Small Cap Fund	49.64	42.10	42.19	41.43	41.70	53.76	54.54	94.17

Table2: Opening and Closing NAVs of Small Cap Equity Funds

Returnsof MidCap Funds					Returnsof SmallCap Funds				
MidCapEquity Funds	2020 (%)	2021 (%)	2022 (%)	2023 (%)	SmallCap Equity Funds	2020 (%)	2021 (%)	2022 (%)	2023 (%)
AdityaBirla	-	-	15.154	47.295	AdityaBirla	-	-	20.3451	49.4045
SunLifeMidCap Fund	15.1172	3.7003	9	4	Sun Life SmallCap Fund	21.0934	10.6910		
AxisMidCap	4.6348	11.5449	25.7496	37.2865	Axis SmallCap Fund	-7.0869	20.5893	24.8688	58.7567
DSPMidCap Fund	-9.2465	9.3430	23.2485	26.0255	DSPSmallCapFund	-	1.4352	33.0493	57.6974
IDBIMidCap Fund	-	-	24.5249	35.4932	IDBISmallCapFund	-	-3.0334	19.6466	63.9344
Franklin India PrimaFund	-7.4672	4.3626	18.4613	30.8975	Franklin India Smaller Companies Fund	-	-4.3007	18.3413	54.7787
HDFCMidCap Opportunities Fund	-	0.1121	21.3274	41.0028	HDFC SmallCapFund	-6.6653	-8.7253	20.4969	64.1588
ICICI Prudential MidCapFund	-	-0.5045	18.9392	34.2807	ICICI Prudential Smallcap Fund	-	11.0336	24.1455	60.4167
NipponIndia GrowthFun	-	6.6131	21.4909	43.3200	NipponIndia SmallCap	-	-1.8014	28.9209	72.6623

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Table3:AnnualisedReturns

Returns of MidCap Funds					Returns of SmallCap Funds				
MidCap Equity Funds	2018 (%)	2019 (%)	2020 (%)	2021 (%)	SmallCap Equity Funds	2018 (%)	2019 (%)	2020 (%)	2021 (%)
AdityaBirla	-	-3.7003	15.154	47.295	AdityaBirla	-	-	20.3451	49.4045
SunLifeMidCap Fund	15.1172		9	4	Sun Life SmallCap Fund	21.0934	10.6910		
AxisMidCap	4.6348	11.5449	25.7496	37.2865	Axis SmallCap Fund	-7.0869	20.5893	24.8688	58.7567
DSPMidCap Fund	-9.2465	9.3430	23.248	26.025	DSP SmallCap Fund	-	1.4352	33.0493	57.6974
IDBIMidCap Fund	-	-1.1659	24.524	35.493	IDBI SmallCap Fund	-	-3.0334	19.6466	63.9344
Franklin India PrimaFund	-7.4672	4.3626	18.461	30.897	Franklin India Smaller Companies Fund	-	-4.3007	18.3413	54.7787
HDFCMidCap Opportunities Fund	-	0.1121	21.327	41.002	HDFC SmallCap Fund	-6.6653	-8.7253	20.4969	64.1588
ICICI Prudential MidCap Fund	-	-0.5045	18.939	34.280	ICICI Prudential Smallcap Fund	-	11.0336	24.1455	60.4167
NipponIndia	-	6.6131	21.490	43.320	NipponIndia	-	-1.801	28.9209	72.6623

GrowthFund	11.2305		9	0	SmallCap Fund	15.1894	4		
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Table 1 displays the opening and closing net asset values (NAVs) of the midcap equity funds, Table 2 displays the opening and closing NAVs of the smallcap equity funds, and Table 3 displays the annualised returns earned by the selected mutual funds during the course of the study period. The Indian stock market saw a decline at the end of the year 2020, which had a significant impact on the closing net asset values (NAVs) of the mutual funds that were chosen, and the annualised returns for the year 2018 became negative. When compared to the year 2020, the situation was significantly improved in the year 2021. Despite the outbreak of the Covid-19 virus in 2021 and 2022, all of the mutual fund schemes that were chosen have generated a satisfactory return on all of the deposits made by investors.

Alpha:Table5:Alpha

MidCapEquityFunds					SmallCapEquityFunds				
	2020	2021	2022	2023		2020	2021	2022	2023
AdityaBirlaSunLifeMidCapFund	-0.2189	-0.1792	0.0276	0.3906	AdityaBirlaSunLifeSmallCapFund	-0.2788	-0.2478	0.072	0.4188
AxisMidCap	-0.0225	-0.0097	0.1339	0.2943	AxisSmallCapFund	-0.1412	0.0924	0.1300	0.5019
DSPMidCapFund	-0.1067	-0.00332	0.1080	0.1854	DSPSmallCapFund	-0.3153	-0.1121	0.2107	0.5091
IDBIMidCapFund	-0.1851	-0.1452	0.1141	0.2754	IDBISmallCapFund	-0.1913	-0.1576	0.0750	0.5579
FranklinIndiaPrimaFund	-0.1436	-0.0918	0.0589	0.2351	FranklinIndiaSmallerCompaniesFund	-0.2266	-0.1745	0.0578	0.4652
HDFCMidCapOpportunitiesFund	-0.1728	-0.1303	0.0883	0.3314	HDFCSmallCapFund	-0.1360	-0.2165	0.0832	0.5584

ICICI Prudential MidCap Fund	-0.1725	-0.1410	0.0595	0.2669	ICICI Prudential Smallcap Fund	-0.2861	-0.00195	0.1185	0.5205
Nippon India Growth Fund	-0.1799	-0.0727	0.0895	0.3611	Nippon India SmallCap Fund	-0.2196	-0.01524	0.1626	0.6486

The Alpha values of the selected MidCap and SmallCap Equity Funds are reported in Table 5, which measures these values. The Alpha metric is a representation of the risk-adjusted performance of the selected Midcap and Smallcap Equity Funds in terms of their returns. According to the data presented in the table above, the risk-adjusted returns of the mutual funds that were chosen did, in fact, increase during the course of the research period. The Alpha value of all of the selected midcap and smallcap funds is negative during the years 2020 and 2021, with the exception of the Axis Small Cap Fund. However, that value improved and became positive during the years 2022 and 2023, despite the fact that the volatility are considerable.

Beta: Table6:Beta

MidCapEquityFunds					SmallCapEquityFunds				
	2020	2021	2022	2023		2020	2021	2022	2023
Aditya Birla Sun Life MidCap Fund	0.8958	0.8984	0.6968	0.0269	Aditya Birla Sun Life Small Cap Fund	0.872	0.8793	0.7273	0.0194
Axis MidCap	0.7671	0.6550	0.6126	0.0342	Axis SmallCap Fund	0.6053	0.4897	0.6274	0.0668
DSP MidCap Fund	0.8416	0.6773	0.7032	0.0175	DSP SmallCap Fund	0.7892	0.6763	0.6417	-0.0142
IDBI MidCap Fund	0.7821	0.7753	0.7919	0.0386	IDBI SmallCap Fund	0.7709	0.6860	0.6636	0.0476
Franklin India Prima Fund	0.7639	0.8017	0.7198	0.0130	Franklin India Small er Companies Fund	0.7333	0.7452	0.7179	0.0528
HDFC MidCap Opportunities Fund	0.8458	0.7452	0.7104	0.0346	HDFC SmallCap Fund	0.7153	0.7143	0.6686	0.0552

ICICI Prudential MidCapFund	0.8020	0.808	0.7748	0.0224	ICICI Prudential Smallcap Fund	0.747	0.722	0.683	0.057
Nippon India Growth Fund	0.9049	0.849	0.7153	0.0049	Nippon India SmallCap Fund	0.891	0.786	0.731	0.031

In Table 6, the Beta values of the selected mutual funds are measured. Beta values are a measure of the volatility of a mutual fund in contrast to its market benchmark. Given that the Beta values for the selected mutual funds during the study period were less than 1, it is evident from the table that was presented earlier that the selected mutual funds do not exhibit the same level of volatility as the market benchmark exhibited. Over the course of the research period, the selected mutual funds had a decline in their average level of volatility. During the year 2023, the Beta of the DSP SmallCap Fund was negative. This suggests that a mutual fund will exhibit aberrant behaviour, in which its response will be in the opposite direction of the market benchmark. A negative beta indicates that this will be the case.

Annualised Standard Deviation: Table 7: Annualised Standard Deviation (SD)

MidCap Equity Funds					SmallCap Equity Funds				
	2020	2021	2022	2023		2020	2021	2022	2023
Aditya Birla Sun Life MidCap Fund	0.1478	0.1453	0.02586	0.1584	Aditya Birla Sun Life SmallCap Fund	0.1613	0.1524	0.02824	0.1711
Axis MidCap	0.1313	0.1129	0.02232	0.1444	Axis SmallCap Fund	0.1110	0.1024	0.02487	0.1435
DSP MidCap Fund	0.1420	0.1135	0.02518	0.1424	DSP SmallCap Fund	0.1518	0.1264	0.02527	0.1539
IDBI MidCap Fund	0.1429	0.1239	0.02787	0.1660	IDBI SmallCap Fund	0.1462	0.1272	0.02560	0.1502
Franklin India Prima Fund	0.1217	0.1268	0.02565	0.1568	Franklin India Smallcap Companies Fund	0.1239	0.1241	0.02693	0.1605
HDFC MidCap Opportunities Fund	0.1435	0.1248	0.02615	0.1598	HDFC SmallCap Fund	0.1360	0.1261	0.02606	0.1647
ICICI Prudential MidCap Fund	0.1379	0.1344	0.02802	0.1582	ICICI Prudential Smallcap Fund	0.1359	0.1331	0.02659	0.1588

Nippon IndiaGrowthFu nd	0.1 48 4	0.1 36 4	0. 25 72	0.1 64 8	Nippon IndiaSmallCapFun d	0.1 65 1	0.1 37 2	0. 27 57	0.1 65 1
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The annualised standard deviation of the mutual funds that were chosen is calculated and presented in Table 7. The term "standard deviation" refers to the amount by which the returns of the chosen mutual funds deviate from the mean of the returns calculated using arithmetic values. When it comes to mutual funds, investors define the Standard Deviation as the degree of volatility in the funds' historical performance. There is a correlation between a higher standard deviation and increased volatility, and vice versa. The standard deviation of the selected mutual funds increased significantly throughout the course of the study period, which is an indication that the returns of the mutual funds that are related to each other can be attributed to major functions. There is the greatest degree of volatility in the performance of the related mutual funds during the year 2022.

Conclusion

It is obvious that practically all of the selected mutual funds did perform well during the course of the study period (that is, from the first of January 2020 to the last day of December 2023), as indicated by the performance analysis that was described earlier for the Midcap and Smallcap equity mutual funds that were chosen. However, the performance of the selected mutual funds was hindered as a result of the decline in the NIFTY Sensex during the year 2019, as well as the lockdown that occurred in 2020 as a result of the Covid breakout. Based on the comprehensive analysis, it can be concluded that the Smallcap Equity mutual funds displayed superior performance in comparison to the Midcap Equity mutual funds. There was a negative Beta Value for the DSP Small Cap Fund during the year 2023. When the Beta Value is negative, it indicates that any change in the market benchmark will have an adverse effect on the specific mutual fund in question. As a result of the negative Beta Value, the DSP Small Cap fund had a negative in 2023, despite the fact that it had earned a return that was significantly higher than the risk-free rate of return. Before investing in any mutual fund scheme, investors should take into account a variety of statistical parameters, such as Alpha, Beta, Standard Deviation, and others. In addition to taking into account Net Asset Values (NAVs) and Total Returns earned by the mutual fund schemes, investors should also take into account these parameters in order to ensure that the mutual fund schemes will perform in a reliable manner.

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