WWW.IJRPR.COM

International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Comparative Performance Evaluation of Multi-Cap Mutual Fund Schemes of Various AMCs

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ABSTRACT

To generate extra revenue for themselves, people are investing their money using a range of investment strategies. Mutual funds have become a highly significant investment tool for small and medium-sized investors in recent years. This is because, in comparison to other investment vehicles, mutual funds provide systematic returns that are less risky. The three main categories of mutual funds are debt mutual funds, hybrid mutual funds, and equity mutual funds. Every one of these groupings has distinct qualities of its own. Multi-cap mutual funds invest in a variety of securities and have the ability to allocate capital across stocks with varying market size. These plans consistently stay ready and flexible to invest in a variety of major, mid, and small-cap equities. Investments are made across industries and market capitalizations by Multi-Cap plans. According to his or her opinions or the performance of the stocks, the fund manager is therefore free to move between sectors and stocks of any capitalization. This study attempts to investigate the performance of two distinct categories of chosen equity mutual funds, namely small-cap and mid-cap mutual funds, and to analyze the similarities and differences between their individual performances. This analysis is done on the data collected by various mutual funds AMC websites and AMFI websites on the basis of return, beta, alpha, sharp ratio, standard deviation and r-square performance. This study attempts to investigate the performance of different mutual funds under the category of Multi-Cap Mutual Funds and to analyze the performances of that mutual funds. This study of Multi-Cap mutual funds provides a 10-year strategic analysis of Multi-Cap mutual funds in India that attract different kinds of mutual funds to allocate capital to diverse assets with varying capitalizations. For financial professionals who are eager to invest excess funds in multi-cap mutual funds, this research study would be helpful.

Keywords: Mutual fund, Performance of funds, Risk and return, Investment, Beta, Alpha, Sharp Ratio.

1. Introduction:

A sector of the financial market known as mutual funds pools the capital of several individuals to make investments in a variety of instruments, including debt, stocks, and other assets. It offers investors access to market opportunities and risk mitigation through diversification under the direction of qualified fund managers. The business has expanded dramatically in India thanks to improved investor engagement, technical developments, and regulatory frameworks. It is essential for boosting economic growth, enabling wealth creation, and mobilizing domestic savings.

The Unit Trust of India (UTI), the first mutual fund ever created, was founded by the Indian government in 1963. The first mutual fund was launched at this time. Since then, India has seen the founding of numerous more asset management firms. Although the Reserve Bank of India (RBI) initially oversaw these asset management companies, the Securities and Exchange Board of India (SEBI) is now in charge of overseeing them. There are currently 44 asset management firms operating throughout the entirety of India, and mutual funds have become one of the most widely used investment vehicles in the nation. (AMFI)

The total number of mutual fund schemes offered by these asset management firms is approximately 2500. The three main categories of mutual fund schemes are debt mutual funds, hybrid mutual funds, and equity mutual funds. Every one of these groups has unique traits of its own. An equity mutual fund's main goal is to invest the majority of its assets in stocks of different companies. A debt mutual fund is a particular kind of mutual fund that primarily allocates its capital to fixed charge instruments, including debentures and other like securities that are issued by different companies. To put it simply, a hybrid mutual fund is an investment instrument that combines debt and equity mutual funds.

Companies listed on different stock markets can be categorized into three groups: large cap, mid cap, and small cap. The market valuation of the companies determines these divisions. Large cap equity mutual funds often invest primarily in equity shares of businesses with substantial market capitalizations. The primary focus of mid-cap equity mutual funds is investing in equity shares of companies with a market capitalization that is in the middle. Mutual funds that engage in the equity shares of companies with relatively low market capitalizations are known as small-cap equity mutual funds.

Expanded mutual funds that can allocate capital across market capitalization are known as multi-cap mutual funds. These assets allocate funds across market capitalization to stocks. In other words, they have small top stocks, midcap stocks, and huge stocks in their portfolio. They are suitable for less assertive financial professionals and are somewhat less risky than an unadulterated mid-top or small-top store. Typically, a customer's perception of risk is limited to concerns regarding market potential. There are therefore many different types of both systematic and unsystematic risk. There are four risk metrics, and each one offers a unique way to assess the level of risk in proposed projects. Alpha, beta, R-squared, and standard deviation are the four metrics.

2. Review of Related Literature:

According to (Agrawal, 2011) research, both primary and secondary markets have undergone structural changes since the Indian Capital Market and economic rules were established in 1992. One of the main drivers of capital flows to emerging economies and a major contributor to the globalization of financial markets are mutual funds. In addition to analyzing data at the fund-manager and fund-investor levels, he has conducted empirical studies on the valuation of the pricing mechanism used by the Indian mutual fund industry. His research showed that people's saving and investing behaviors had an impact on performance, and that the trust and loyalty of fund managers and rewards have an impact on the performance of the Indian mutual fund sector.

The performance of Indian mutual funds was assessed by (Prof. Kalpesh P Prajapati, 2012) using Treynor's ratio, Sharp's ratio, Jensen's measure, Fama's measure, relative performance index, and risk-return analysis. Daily closing NAVs serve as the analysis data. The investigation took place between January 1, 2007, and December 31, 2011. The majority of mutual funds produced positive returns between 2007 and 2011, according to the results of performance indicators.

A study conducted by (N. Bhagyasree, 2016) assessed the performance of a few equity mutual funds that were provided by different fund firms in India. The primary goal of the study was to use statistical parameters to examine the financial performance of a few chosen mutual fund schemes. The study found that all funds did well during the study period, but that the decline of the CNX NIFTY (2011) had an impact on all fund performance. In order to guarantee constant performance of mutual funds, the researcher has also advised investors to take statistical characteristics into consideration.

In order to compare the risk and return provided by the top ten performing Reliance Mutual Fund schemes, (Ayaluru, 2016) chose these schemes. Daily NAVs were gathered by the researcher over a five-year span (2009-2014). For benchmarking and comparison, the study employed the NSE-Nifty and the BSE Sensex. Additionally, he noted that Reliance Bank Funds carry high returns with high risks, whereas Reliance Small Cap Funds have moderate risk and moderate returns.

Ghulame Rubbaniy and Faisal Mahmood **(2016)** examined the performance of equities mutual funds from 1999 to 2012. Fund Performance was taken into consideration by the researcher as a dependent variable. Fund expenses and management fees serve as control variables, whereas liquidity, fund size, and fund turnover serve as explanatory factors. The researchers came to the conclusion that the performance of Multi-Linear Regression and FE Models is significantly impacted by Fund Size, Liquidity, and Turnover, both statistically and economically. Although Fund Expenses are statistically insignificant, they are economically substantial. Although management fees are statistically and economically significant, they have a 5% negative effect on fund performance.

(Dr.M.Anbukarasi, 2022) Examined the performance of a few mutual fund schemes offered by a certain business. Schemes are categorized according to their type for this purpose, which includes debt and equity funds. Each classification's top five performing schemes were determined with the aid of statistical tools. The analysis discovered that volatility and diversification may be the cause of some schemes' poor performance. Proper laws, diversity, and improved resource allocation are some suggestions that can lower risks.

(Sureshbhai, 2020-21), analyzed "A Comparative Analysis of Mutual Fund Schemes" by research. Analyzing the risk and return of the chosen fund schemes, comparing them to the BSE-Sensex, and determining whether they are outperforming or underperforming the market index are the goals. Both primary and secondary sources of data are used in the study process. Secondary data gathered from other sources. Standard deviation, beta, alpha, and coefficient of determination are used to measure the data. The study's conclusion is that 14 schemes outperformed the benchmark returns.

In her study, (Rani, 2019) used Treynor's, Jensen's, and Sharpe's ratios to examine the performance of mutual funds in the public and private sectors with regard to certain balanced fund schemes. Consequently, the researcher concluded that ICICI Prudential's performance is poor and risky in comparison to SBI Magnum Balanced Fund, which has achieved the best return. The researcher claims that the public sector SBI Magnum Balanced fund and the private sector HDFC balanced fund have performed better. Furthermore, growth regular schemes have not performed as well as growth direct plans of any scheme.

(Anuja Magdum, 2019) Carried out research for the project "A Comparative Study on Mutual Fund Schemes of Selected AMCs in India." Better returns for the schemes provided by AMCs and a comparison of the mutual fund schemes of a few public and private sector AMCs in India are the goals of this study. The data gathered for the study will be used to compare four AMCs with one another and take into account the five years. Fixed deposit rates are employed for a risk-free return, and information is gathered from AMFI and Yahoo Finance. This study employed beta and CAGR as its technique. The study looked into how well equity-based mutual fund schemes performed in India, and it found that the private sector outperformed the public sector.

(Dr.K.M.Sudha, 2020) Research on "Comparative Study on Selected Mutual Fund" was carried out. The study's goal is to compare the performance of a few mutual funds over a five-year period, as well as the risks and returns of these funds. This study assesses the analysis of returns over a five-year period and their investment-based volatility. The info comes from secondary sources. Simple average and standard deviation methods, as well as simple

comparison analysis and ranking methods, are the instruments utilized for analysis. According to the data, investing in the equities fund category is not advised because asset components are highly risky and the market is undergoing volatility.

Using data that includes quarterly equity holdings of a sizable sample of mutual funds from 1975 to 1984, Mark Grinblatt and Sheridan Titman (2021) examined the anomalous returns of active and passive investment strategies with and without transaction costs, fees, and expenses. The researcher's conclusion was to suggest that there might be greater performance, especially among growth and aggressive-growth funds and those with the lowest net asset values. It's interesting that these funds also have the highest costs in order to prevent aberrant performance in their actual returns once all expenses are deducted. This means that by buying shares in these mutual fund companies, investors are unable to benefit from their superior skills.

3. Research Gap:

Many studies have been conducted to examine the performance of Multi-Cap category mutual funds owned by other companies, but none have taken into account all the Multi-Cap category mutual funds. In this research paper I focus on each Multi-Cap category mutual funds so it will assist an investor in investing in a scheme or portfolio based on his or her financial objective.

3.1 Objective:

- To determine which of the chosen mutual funds offers a higher return at a lower risk.
- To analysis and compare the performance of all Multi-Cap category mutual funds over period of time.

3.2 Statement of Problem:

One of the biggest and fastest-growing industries in India is mutual funds. The confidence level of investors determines the performance and success of mutual fund companies. Regrettably, investors in India are more worried about the security of their principal investment and are therefore reluctant to invest in mutual funds, which has an impact on the capital investment of mutual fund companies. In relation to the understanding of Indian investors, the size of mutual fund schemes is more diverse, which complicates the investing process and may lead to a reduction in future investments in the event of losses. A category of mutual funds was selected for this purpose, and their performance was examined.

4. Research Methodology:

Table 1: Data used for Research Methodology

Population	All the Mutual fund AMCs which offer Mutual Funds in Multi-Cap Category. So population size is 23.
Nature of Study	Analytical in Nature
Tools Used for Analysis	➢ Return ➢ Expense Ratio ➢ Alpha ➢ Beta ➢ R-Squared ➢ Standard Deviation ➢ Sharpe Ratio ➢ Treynor's Ratio
Schemes that are taken for analysis	Different AMC’s Multi-Cap Category Mutual Fund
Type of Data	Secondary Data
Data Source	Data has been obtained from the website of AMFI, Assets Management Companies and other wealth management firm like Advisorkhoj, NJ Wealth, Morningstar etc.
Period of Study	The study consider the period of 10 years from 2014 to 2024

4.1 Tools Used for Analysis:

Table 2: Tools Used for Analysis (Advisorkhoj, MoneyControl, Groww)

Return	A return is the money made or lost on an investment over some period of time.
Expense Ratio	The expense ratio is the percentage that denotes the amount of money you are paying to the AMC as a fee to manage your investments. In other words, it is the per-unit cost for running and managing the mutual fund. A lower expense ratio is generally better, as it means lower costs for investors.
Alpha	Every mutual fund is set benchmark index against its performance to be measured. As per the benchmark index, the excess return of mutual funds is generated, this is over and above the benchmark return. Positive alpha means the fund has outperformed with its benchmark index, where a negative alpha indicates that a fund had underperformed with its benchmark index. The positive alpha is the healthier for investors.
Beta	Beta shows the tendency of our investment's return to respond to the ups and downs in the market. The beta of the market or benchmark is always taken as 1. If the value of beta is below 1.0 indicate the fund is low risk category, the value which is more than 1.0 indicate the fund is in high risk category.
Standard Deviation	It is a numerical figure, usually presented as a percentage, which helps indicate how far a mutual fund's returns could vary from its average yearly earnings. Funds with higher standard deviations may be riskier and more volatile, while those with lower standard deviations are more stable. A fund with a lower standard deviation is preferable if it offers the same return as a fund with a higher standard deviation, as it indicates less risk.
Sharpe Ratio	Sharpe ratios are used for risk adjusted measure for a fund. This ratio helps an investor to know whether it is a safe to invest in this fund by taking the quantum of risk. A mutual fund with a higher SR is better because it implies that it has generated higher returns for every unit of risk that was taken. On the contrary, a negative share ratio indicates that a risk-free asset would have performed better than the fund being analyzed. Sharpe ratio below 1 indicates that the fund's returns have not adequately compensated for the level of risk taken.
R-Squared	R-squared compares the performance of a mutual fund scheme to a given benchmark index. R-squared does not tell us if a particular mutual fund is good to invest in or not. It simply compares the performance to a given benchmark's returns. R-squared is expressed as a percentage within the 0-100 range. The value of R-squared is divided into three tiers: a) 1-40% = Low Correlation to the benchmark b) 41-70% = Average Correlation to the benchmark c) 71-100% = High Correction to the benchmark
Treynor's Ratio	The Treynor ratio is a performance indicator that measures the excess return an investment or portfolio generates for every unit of risk taken on by that asset or portfolio. We can use this ratio to check whether our investment portfolio is expected to outperform the average gains in the market.

4.2 Sample Use for Analysis:

For the analysis we used sample size of 23 mutual fund schemes under Multi-Cap Category. The name of schemes and their launch date and investment distribution in equity and debt market are given in the table 3. Data is as per date 6 Dec. 2024. Benchmark of all schemes is under Nifty 500 Multi-Cap. Table 4 shows the current net asset values (NAVs (as on date 6 Dec. 2024)), and annualized return of that funds.

Table 3: Mutual Fund Schemes under Multi-Cap Category ((AMFI)

Scheme Name	Launch Date	Fund Manager	Investment %				
			Equity				Debt / Others
			Large Cap	Mid Cap	Small Cap	Other	Others
Aditya Birla Sun Life Multi-Cap Fund	7-May-21	Mr. Harshil Suvarnkar	37.27%	14.14%	20.10%	25.20%	3.29%
Axis Multi-Cap Fund	17-Dec-21	Mr. Sachin Jain	31.33%	11.05%	23.36%	27.81%	6.45%
Bandhan Multi-Cap Fund	2-Dec-21	Mr. Daylynn Pinto	41.78%	19.03%	20%	15.38%	3.81%
Bank of India Multi-Cap Fund	3-Mar-23	Mr. Nitin Gosar	30.95%	14.75%	18.85%	30.15%	5.30%
Baroda BNP Paribas Multi-Cap Fund	12-Sep-03	Mr. Sanjay Chawla	28.67%	16.48%	18.53%	32.47%	3.85%
Canara Robeco Multi-Cap Fund	28-Jul-23	Mr. Shridata Bhandwaldar	25.95%	19.68%	23.89%	26.76%	3.72%
Edelweiss Multi-Cap Fund	25-Oct-23	Mr. Trideep Bhattacharya	32.85%	21.54%	20.30%	22.40%	2.91%
HDFC Multi-Cap Fund	10-Dec-21	Mr. Gopal Agarwal	37.27%	20.25%	19.63%	21.68%	1.17%
HSBC Multi-Cap Fund	30-Jan-23	Mr. Venugopal Manghat	30.75%	17.49%	26.38%	23.17%	2.21%
ICICI Prudential Multi-Cap Fund	1-Oct-94	Mr. Sankaran Naren	35.39%	24.20%	15.10%	16.89%	8.42%
Invesco India Multi-Cap Fund	17-Mar-08	Mr. Amit Nigam	15.47%	15.34%	26.71%	40.26%	2.22%
ITI Multi-Cap Fund	8-Aug-22	Mr. Dhimant Shah	29.41%	18.11%	20.22%	27.87%	4.39%
Kotak Multi-Cap Fund	29-Sep-21	Mr. Devender Singhal	38.58%	20.57%	21.28%	16.88%	2.69%
LIC MF Multi-Cap Fund	31-Oct-22	Mr. Yogesh Patil	23.57%	20.60%	21.56%	31.78%	2.49%
Mahindra Manulife Multi-Cap Fund	11-May-17	Mr. Manish Lodha	34.37%	18.55%	17.34%	22.11%	7.63%
Mirae Asset Multi-Cap Fund	21-Aug-23	Mr. Ankit Jain	35.57%	16.70%	19.89%	27.15%	0.69%
Nippon India Multi-Cap Fund	28-Mar-05	Mr. Sailesh Raj Bhan	35.77%	21.20%	20.26%	20.79%	1.98%
Quant Active Fund	12-Feb-01	Mr. Sanjeev Sharma	37.31%	19.89%	19.96%	15.83%	7.01%
SBI Multi-Cap Fund	8-Mar-22	Mr. R Srinivasan	34.41%	14.11%	13.19%	30.99%	7.30%
Sundaram Multi-Cap Fund	25-Oct-00	Mr. Sudhir Kedia	39.89%	13.46%	19.56%	23.98%	3.11%
Tata Multi-Cap Fund	2-Feb-23	Mr. Rahul Singh	36.41%	23.15%	22.97%	14.01%	3.46%
Union Multi-Cap Fund	19-Dec-22	Mr. Sanjay Bembalkar	31.01%	17.02%	18.21%	30.37%	3.39%
WhiteOak Capital Multi-Cap Fund	22-Sep-23	Mr. Ramesh Mantri	21.66%	17.24%	20.85%	32.81%	7.44%

Table 4: Current NAV, Total Net Assets and Annualized Return of Multi Cap Fund (Advisorkhoj, MoneyControl, Groww)

Scheme Name	Current NAV (₹)	Total Net Assets (mil)	Returns as on - 06-12-2024 in %				
			2024	2023	2022	2021	2020
Aditya Birla Sun Life Multi-Cap Fund	19.94	62340.24	25.99	28.25	-0.24	-	-
Axis Multicap Fund	18.12	65768.60	35.58	36.4	-1.79	-	-
Bandhan Multi Cap Fund	17.18	24268.93	23.22	29.61	6.87	-	-
Bank of India Multi Cap Fund	18.15	7192.52	28.72	-	-	-	-
Baroda BNP Paribas Multi Cap Fund	302.17	27392.74	34.91	30.81	-3.03	47.86	19.52
Canara Robeco Multi Cap Fund	14.64	38448.60	25.96	-	-	-	-
Edelweiss Multi Cap Fund	15.58	24728.53	32.94	-	-	-	-
HDFC Multi Cap Fund	19.17	167334.80	24.47	40.19	9.61	-	-
HSBC Multi Cap Fund	19.27	41646.05	33.45	-	-	-	-
ICICI Prudential Multicap Fund	796.10	141520.38	26.21	35.38	4.65	36.38	9.21
Invesco India Multicap Fund	138.39	38102.83	33.28	31.8	-2.2	40.66	18.82
ITI Multi Cap Fund	24.27	13601.43	25.37	38.54	2.74	19.27	2.06
Kotak Multicap Fund	19.63	147992.86	32	39.77	9.92	-	-
LIC MF Multi Cap Fund	17.43	14170.41	35.46	30.74	-	-	-
Mahindra Manulife Multi Cap Fund	35.27	47348.83	26.16	34.23	1.64	50.81	16.63
Mirae Asset Multicap Fund	14.10	33610.70	22.1	-	-	-	-
Nippon India Multi Cap Fund	299.01	390007.98	30.64	38.13	14.12	48.91	0.04
Quant Active Fund	670.31	105306.30	16.24	24.88	10.44	55.64	43.55
SBI Multicap Fund	16.78	186034.15	28.59	22.48	-	-	-
Sundaram Multi Cap Fund	381.11	27587.18	22.66	31.09	-1.57	41.84	13.44
Tata Multicap Fund	14.89	32186.64	17.13	-	-	-	-
Union Multicap Fund	16.06	10753.77	25.75	31.94	-	-	-
WhiteOak Capital Multi Cap Fund	14.97	13080.76	33.06	-	-	-	-
Equity: Multi Cap			**27.82**	**32.77**	**3.94**	**42.67**	**15.41**
NIFTY500 MULTICAP 50:25:25 TRI			**23.95**	**33.74**	**2.84**	**40.62**	**21.19**

All the mutual fund schemes under multi-cap category performance outstand in the market as per return generated by that mutual fund schemes shows in table 4. As per the data we conclude that best fund who gives best return to investor is Axis Multi-Cap Fund, who give 35.58% return in 2024.

4.3 Data Analysis, Hypothesis Testing and Interpretation:

However, when an investor compare all schemes with each other as per risk measurement through the following risk measurement ratios related to mutual funds: expense ratio, alpha, beta, r-squared, standard deviation, sharpe ratio and treynor's ratio, then investor will get best performance scheme in this category.

Table 5: Risk Measurement Ratios of Mutual Fund Schemes under Multi-Cap Category (Advisorkhoj, MoneyControl, Groww)

Scheme Name	Exp. Ratio	Risk Ratios					
		Alpha	Beta	R-Squared	Stand Deviation	Sharpe Ratio	Treynor's Ratio
Aditya Birla Sun Life Multi-Cap Fund	1.83%	2.5	0.88	91.49	13.59	0.72	0.11
Axis Multi-Cap Fund	1.82%	-	0.80	-	13.12	1.01	0.17
Bandhan Multi-Cap Fund	1.96%	-	0.83	-	13.01	0.88	0.13
Bank of India Multi-Cap Fund	2.22%	-	-	-	-	-	-
Baroda BNP Paribas Multi-Cap Fund	1.98%	3.58	0.95	82.72	14.85	0.85	0.14
Canara Robeco Multi-Cap Fund	1.86%	-	-	-	-	-	-
Edelweiss Multi-Cap Fund	1.92%	-	0.88	-	16.62	0.24	0.05
HDFC Multi-Cap Fund	1.67%	-	0.93	-	14.24	1.07	0.16
HSBC Multi-Cap Fund	1.87%	-	-	-	-	-	-
ICICI Prudential Multi-Cap Fund	1.74%	4.71	0.83	93.9	12.9	1.04	0.16
Invesco India Multi-Cap Fund	1.89%	2.93	0.91	86.67	14.28	0.83	0.13
ITI Multi-Cap Fund	2.03%	3.26	0.95	88.2	14.86	0.82	0.13
Kotak Multi-Cap Fund	1.65%	7.47	0.97	91.01	15.22	1.15	0.18
LIC MF Multi-Cap Fund	2.08%	-	-	-	-	-	-
Mahindra Manulife Multi-Cap Fund	1.84%	2.61	1.06	84.04	16.73	0.75	0.12
Mirae Asset Multi-Cap Fund	1.88%	-	-	-	-	-	-
Nippon India Multi-Cap Fund	1.55%	9.38	0.96	81.8	14.62	1.24	0.19
Quant Active Fund	1.71%	-0.25	1.12	81.75	18.05	0.61	0.1
SBI Multi-Cap Fund	1.69%	-	0.63	-	11.35	1.06	0.19
Sundaram Multi-Cap Fund	1.99%	0.58	0.89	91.53	13.85	0.70	0.11
Tata Multi-Cap Fund	1.88%	-	-	-	-	-	-
Union Multi-Cap Fund	2.19%	-	-	-	-	-	-
WhiteOak Capital Multi-Cap Fund	2.08%	-	-	-	-	-	-
Category Avg	**1.92%**		**0.9**		**14.49**	**0.9**	**0.14**

4.4 Comparative Analysis of Mutual Fund:

1. **As per the comparison of expense ratio**: As already discussed that expenses ratio shows the expenses share by investor to AMC for managing their fund. Therefore minimum expense ratio is consider as best fund due to minimum expense give more return. As the comparison of the value of expense ratio top 5 Multi Cap funds are:

Table 6: Top 5 Mutual Fund as per Expense Ratio

Scheme Name	Exp. Ratio
Nippon India Multi Cap Fund	1.55%
Kotak Multi-Cap Fund	1.65%
HDFC Multi Cap Fund	1.67%

SBI Multi-Cap Fund	1.69%
Quant Active Fund	1.71%

As per the analysis we conclude that Nippon India Multi Cap Fund is consider as best investment fund due to minimum expense ratio of 1.55% and Bank of India Multi Cap Fund is consider as lower investment fund due to maximum expense ratio of 2.22%

2. **As per the comparison the value of alpha**: Table 5 shows the value of alpha of various multi-cap category funds. The Alpha shows the risk-adjusted performance of the selected Multy Cap Funds in terms of their returns. As per the value of alpha Quant Active Fund is not the best options for the investor to invest in mutual fund as value is negative of -0.25. That means this fund is underperformed with benchmark return. And the best perform fund is Nippon India Multi Cap Fund, with value 9.38 which shows outperformed of this fund. Table 7 shows the top 5 mutual fund as per the value of alpha.

Table 7: Top 5 Mutual Fund as per Alpha

Scheme Name	Alpha
Nippon India Multi Cap Fund	9.38
Kotak Multi-Cap Fund	7.47
ICICI Prudential Multi-Cap Fund	4.71
Baroda BNP Paribas Multi Cap Fund	3.58
ITI Multi Cap Fund	3.26

As per the information share with table 2 & 3, some mutual fund schemes are not completed 3 years so their value of alpha are not mention there.

3. **As per the comparison the value of Beta**: Table 5 shows the value of beta of various multi cap fund. Beta values are a measure of the volatility of a mutual fund in contrast to its market benchmark For higher return and higher volatility of mutual fund schemes consider the value of beta is 1 or higher the one. For the lower return of mutual fund schemes consider the value of beta is less than one. As per beta the value the best 5 higher return fund and 5 lower return fund is mention in table 8. As per investor nature we select any fund because higher return include with higher risk.

Table 8: Lower Risk and Higher Risk Fund as per value of Beta

Lower Risk Fund		Higher Risk Fund	
Scheme Name	**Beta**	**Scheme Name**	**Beta**
SBI Multi-Cap Fund	0.63	Quant Active Fund	1.12
Axis Multi-Cap Fund	0.8	Mahindra Manulife Multi Cap Fund	1.06
ICICI Prudential Multi-Cap Fund	0.83	Kotak Multi-Cap Fund	0.97
Bandhan Multi Cap Fund	0.83	Nippon India Multi Cap Fund	0.96
Aditya Birla Sun Life Multi-Cap Fund	0.88	ITI Multi Cap Fund	0.95

As per the value of beta, we conclude that SBI Multi-Cap Fund is consider as lower risk involving fund and Quant Active Fund consider as higher risk fund.

4. **As per the comparison the value of R-Square**: As we already discuss above that r-squared shows that the fund's performance is strongly correlated with the benchmark index and for this as per analysis of mutual fund r-squared value mention in table 5, for higher correction to the benchmark, r-square consider between 71% to 100%. Therefore the top 5 mutual fund schemes as per r-square are:

Table 9: Top 5 Mutual Fund as per Alpha

Scheme Name	R-Squared
ICICI Prudential Multi-Cap Fund	93.9
Sundaram Multi Cap Fund	91.53
Aditya Birla Sun Life Multi-Cap Fund	91.49
Kotak Multi-Cap Fund	91.01
ITI Multi Cap Fund	88.2

As per the value of r-square, we conclude that ICICI Prudential Multi-Cap Fund is higher correlated to the benchmark index and Quant Active Fund is lower correlated with the benchmark index.

5. **As per the comparison the value of Standard Deviation**: The standard deviation of mutual funds that were selected for research are shown in table 5. An investors define the Standard Deviation as the degree of volatility in the funds' historical performance. Funds with higher standard deviations may be riskier and more volatile, while those with lower standard deviations are more stable. Therefore the investors who can afford higher risk for potential returns may prefer funds that have a larger standard deviation and investor who don't want to consider high risk they prefer funds that have lower standard deviation. As per the data available for research table 10 shows the 5 lower and higher risk fund as per standard deviation.

Table 10: Lower Risk and Higher Risk Fund as per value of Standard Deviation

Lower Risk Fund		**Higher Risk Fund**	
Scheme Name	**SD**	**Scheme Name**	**SD**
SBI Multicap Fund	11.35	Quant Active Fund	18.05
ICICI Prudential Multicap Fund	12.90	Mahindra Manulife Multi Cap Fund	16.73
Bandhan Multi Cap Fund	13.01	Edelweiss Multi Cap Fund	16.62
Axis Multicap Fund	13.12	Kotak Multicap Fund	15.22
Aditya Birla Sun Life Multi-Cap Fund	13.59	ITI Multi Cap Fund	14.86

6. **As per the comparison of Sharpe Ratio**: Sharpe ratios are used for risk adjusted measure for a fund. Higher the Sharpe ratio shows, better the fund's risk-adjusted performance. Table 5 shows the value of sharpe ratio of selected multi cap mutual fund. When we comparing funds to each other then we conclude that Nippon India Multi Cap Fund has the highest sharpe ratio with value 1.24 which indicating relatively high risk adjusted performance among all the multi cap category fund and Edelweiss Multi Cap Fund has lowest sharpe ratio with value 0.24 which indicating relatively low risk adjusted performance among all the multi cap category fund. As per analysis of sharpe ratio top 5, high risk adjusted fund is shows in the table 11.

Table 11: Higher Risk Adjusted Fund as per value of Sharpe Ratio

Scheme Name	**Sharpe Ratio**
Nippon India Multi Cap Fund	1.24
Kotak Multicap Fund	1.15
HDFC Multi Cap Fund	1.07
SBI Multicap Fund	1.06
ICICI Prudential Multicap Fund	1.04

7. **As per the comparison of Treynor's Ratio**: A risk-adjusted performance metric called Treynor's Ratio assesses the excess return produced by an investment for each unit of systematic risk assumed. Table 5 shows the value of treynor's ratio of selected mutual fund schemes under multi-cap fund. As per the return generated by all fund performed best, while when we compare all funds to each other in terms of treynor's ratio, we conclude that Nippon India Multi Cap Fund and SBI Multicap Fund has performed best with value of 0.19 and Edelweiss Multi Cap Fund performed low with value of 0.05. Table 12 represents the best performed fund as per the treynor's ratio.

Table 12: Best Performed Fund as per value of Treynor's Ratio

Scheme Name	**Treynor's Ratio**
Nippon India Multi Cap Fund	0.19
SBI Multicap Fund	0.19
Kotak Multicap Fund	0.18
Axis Multicap Fund	0.17
HDFC Multi Cap Fund	0.16

8. **As per the comparison of all Risk Parameters**: Maximum time an investor select a fund for investment which gives highest return. While if an investor consider all risk parameter for selecting best fund which gives secure return with considering all type of risk, then only highest return is not important parameter.

- As per data analysis, Quant Active Fund is underperformed fund as return generated (16.24%) by this fund is under benchmark return (23.95%) and also risk adjusted performance, alpha, is negative for this fund. Also sharpe ratio and treynor's ratio is below the category average ratio. Therefore risk adjusted by this fund is low.
- SBI Multicap Fund is generated return of 28.59% which is above the benchmark return of 23.95%, while volatility of this fund is below the category average ratio when we compare as per beta and standard deviation.
- Kotak Multi-Cap Fund generated return of 32.00% for investor while it's value of alpha, Sharpe Ratio and Treynor's Ratio is below the Nippon India Multi Cap Fund, which gives 30.64% return to investor.

5. Observations and Findings:

A. As per the market analysis Multi-Cap fund performed outstanding in terms of return provide with comparison of other types of fund categories (Large, Mid and Small Cap Fund).

B. SBI Multi Cap fund is lower risk fund, therefore it is safe to invest for those investor who do not want to take high risk and average return.

C. Nippon India Multi Cap Fund is high risk fund and over performance fund with a return of 30.64%, therefore it is risky to invest in this fund while high risk and more volatility gives high return, so investor who want to take more risk with more return it is best option for that investor.

D. Kotak Multi-Cap Fund is generate high return with comparison of Nippon India Multi Cap Fund and also it is less risky with Nippon India Multi Cap Fund, therefore an investor do invest in this fund.

6. Conclusion:

Investors have multiple options when it comes to investing in the market, including mutual funds and traditional investments. Compared to typical market options, mutual funds have demonstrated growth potential and have outperformed them over time, which encourages investors to consider making that investment. Mutual funds offer a more professional approach to investing and some degree of diversity as compared to traditional methods.

We chose the Multi-Cap fund category for our mutual fund analysis, and a total of 23 fund schemes were chosen. An investor chooses the Axis Multicap Fund based on the return analysis, which yields the maximum return in 2024 at 35.58%. The investor who considers the market's potential for greater gains and who has taken a risk in hopes of a higher or better return in the future. As a result, we base our research not only on the return but also on their other metrics, such as the standard deviation, beta, alpha, and sharpe ratio.

We may conclude from the comparison study and results shown that the Nippon India Multi Cap Fund has outperformed all other funds and has produced average returns of 30.64%, which is higher than the benchmark return. Although this return is not the greatest of all the funds, it is the best-performing fund when compared to the risk criteria. Investors might take heart from the fact that it has the lowest standard deviation, or total risk, and that its coefficient of correlation and R-squared values indicate that it closely tracks the benchmark index. Additionally, it has the lowest beta value, or systematic risk, which is encouraging. It indicates that, in comparison to other funds, this one is the least volatile.

Our research also shows that Kotak Multi-Cap Fund generates higher returns than Nippon India Multi-Cap Fund and is less risky than the latter. For these reasons, investors should also consider investing in this fund.

7. Acknowledgment:

I would like to express my sincere gratitude to Prof. Manju Nair, Principal at Int. School of Informatics & Management (ISIM), Study Center, IGNOU University, for her invaluable guidance. I further thanks to my parents, my wife and my lovely daughter for their constant encouragement and understanding during this research journey.

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