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Performance of Mutual Funds: A Comparative Study of Prominent Multi Capital and Large Capital Funds

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Abstract:

This paper aims to compare the performance of prominent multi-capital and large-capital funds. We examine the performance of 10 prominent funds under both the selected categories analyzed during the study period from 2013 to 2018. Their performance has also been compared against India's two most diversified benchmark indices, BSE 200 and Nifty 500. We have also attempted to determine whether there is any considerable difference in the performance of the two categories of funds or not. To do so, we employ a One-way Analysis of Variance (ANOVA) for the comparison of mutual funds as an econometric methodology for a period of study from 2013 to 2018 for a sample of 20 Indian mutual funds. From the empirical findings, we find that the mutual fund schemes under both categories, such as Multi Capital Funds and Large Cap Funds, have generated good returns over the period, with reasonable risk. Therefore, it is

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safe to conclude that they are a good investment option for an investor. Regarding the performance of these mutual funds, the average monthly returns generated by the funds in each category are numerically different. However, this difference has not been found statistically significant. At the same time, there is no significant difference between these funds and NIFTY 500, as well as these funds and BSE 200 in terms of their returns.
Keywords: Large Cap Funds, Mutual Funds, Multi-Cap Funds, Return, Risk.
JEL Codes: G32, G20, O16.

1. Introduction

With the constantly changing scenario of the Indian capital market, avenues for investments in financial assets have changed drastically. In the past, investors (particularly small investors) had limited investment options, e.g., shares, bonds and debentures, post office deposits, bank FDs, etc. Nevertheless, in recent times investors have got many more avenues for this purpose, and mutual funds are one of them.

SEBI (mutual fund) regulations, 1993, define a mutual fund as "A fund established in the form of a trust by a sponsor to raise money by the trustees through the sale of units to the public under one or more schemes for investing in securities in accordance with these regulations."

In the current economic era, the Indian mutual fund industry has emerged as one of the most promising investment opportunities. Investment in financial assets has always been a matter of great importance in an investor's life. No matter how small the savings are, every investor wants to earn a good amount of returns at a sustainable risk rate. Various mutual fund schemes have surfaced to substantiate the diversified financial goals of investors. The investors and the fund managers need to undergo rigorous and constant evaluation regarding the risk & return of various schemes under purview. It enables the fund managers to identify the strengths and weaknesses of these schemes, which helps them to make improved decisions in the future.

Mutual funds are categorized into various categories, e.g., Large Capital Funds Multi Capital Funds, Mid Capital Funds, Small Capital Funds, ELSS, Index Funds, Balanced Funds, Debt Funds, Liquid Funds, etc. This study is about Multi Capital and Large Capital Mutual Funds. Both these fund categories are very popular among investors. However, an investor's orientation towards risk and return, along with the investment duration, is dominant in deciding which cap to invest in. Generally, Investors with a shorter time horizon, lower threshold towards risk, and

consideration for steady returns prefer to invest in Large Capital Funds. On the contrary, Multi Capital Funds are chosen by investors with relatively long time horizons, higher risk thresholds, and potentially higher returns.

This research paper analyzes the performance of prominent mutual funds under two important Capital categories, i.e., Multi Capital and Large Capital Funds, based on returns generated over five years. Their performance has also been compared against that of BSE200 and Nifty500. We have also tried to determine whether there is any significant difference in the performance of these funds. From the empirical findings, we can show that this study reveals that the mutual fund schemes under both the categories, i.e., Multi Capital Funds and Large Capital Funds, have generated good returns over the period, and that too with reasonable risk. Therefore, it is safe to conclude that they are a good investment option for an investor.

The rest of our paper is organized as follows: Section two presents a literature review and research hypothesis. Section three describes the econometric methodology utilized in this study. Section four is devoted to the empirical results. Finally, the fifth section included the conclusion of the study.

2. Literature review

Many researchers and analysts have conducted various studies on the performance of various mutual fund schemes. Some important studies are mentioned below: Rangasamy and Sathiyapriya (2017) elaborate on a study on the performance evaluation of mutual fund schemes. The study's main objective was to analyze the schemes' risk and return and evaluate the performance of selected mutual funds' equity, debt, and balanced schemes using Treynor, Sharpe, Jensen measure, etc. The study attempted to evaluate various mutual fund schemes with respect to four financial years (2012-2016).

Pandow (2017) presents a study on India's Performance of Mutual Funds. The study advocates that the industry be confronted with several challenges like low penetration ratio, lack of product differentiation, lack of investor awareness and ability to communicate value to customers, lack of interest of retail investors towards mutual funds, and evolving nature of the industry. Based on the analysis, the study suggests that if the industry has to utilize its potential fully, it must address these challenges.

Agarwal and Mirza (2017) investigated a study on India's risk-adjusted performance of the mutual fund industry. The research includes measuring the performance of selected mutual schemes based on risk and

return and comparing the performance of the selected schemes with the benchmark index to see whether the scheme is outperforming or underperforming the benchmark. In addition, funds were ranked based on performance, and strategies were suggested to invest in a mutual fund.

Nandhini and Rathnamani (2017) developed a study on the performance of equity-based mutual funds (with particular reference to equity large-cap and mid-cap mutual funds). The study focuses on the performance of selected equity large and small-cap mutual fund schemes, and they were analyzed with various risk-return measurement tools such as alpha, beta, standard deviation, and Sharpe ratio.

Damayanti and Cintyawati (2015) conduct a study that aims to determine factors that affect the performance of mutual funds, especially equity mutual funds. Several factors are considered to affect the performance of mutual funds, such as asset under management (AUM), fund age, past performance, asset allocation, turn of the year effect, equity funds with blue-chip or non-blue-chip stocks, equity funds owned by insurance or non-insurance companies, external factors such as the rupee against the US dollar (exchange rate) and investors behavior, etc.

Husain and Sharma (2014) analyze the performance of the equity mutual funds industry against risk-free rates and benchmark returns over five years. The risk-return analysis revealed that out of 10 schemes, three had underperformed the market, while seven were found to have lower total risk than the market, and all the schemes have given returns higher than risk-free rates. The result of regression analysis suggested that benchmark market index return has a statistically significant impact on mutual fund return at a 5% level of significance.

Choudhary and Chawla (2014) researched the performance evaluation of mutual funds: a study of selected diversified equity mutual funds in India. Through this study, an attempt has been made to analyze the performance of growth-oriented equity-diversified schemes based on return and risk evaluation. The analysis was achieved by assessing various financial tests like Average Return, Sharpe Ratio, Treynor Ratio, Standard Deviation, Beta, and Coefficient of Determination.

Narayanasamy and Rathnamani (2013), in their study, focused on the performance of selected equity large-cap mutual fund schemes in terms of the risk-return relationship. The main objective of the research was to analyze the financial performance of selected mutual fund schemes through statistical parameters such as alpha, beta, standard deviation, r-squared, Sharpe ratio, etc.

Kumar and Kumar (2012) elaborate a study with the prominent

objective of determining the appropriate Benchmark Index comprising appropriate asset classes of securities to pave the way for precise estimation. The study considers Tax Planning (Equity Linked Savings Scheme-ELSS) funds and selected indices of the National Stock Exchange and Bombay Stock Exchange. The study reveals that broad-based indices that consist of Large-cap, Mid-cap, and Small-cap asset classes would be an appropriate benchmark for evaluating the performance of ELSS funds.

Philips and Kinniry (2010) developed a paper based on Mutual fund ratings and future performance. Their paper addresses two questions surrounding mutual fund rating systems, first, why index funds receive an average rating based on relative quantitative metrics, and second, whether a given performance rating offers actionable information. Specifically, the paper focused on whether higher-rated funds can be expected to outperform lower-rated funds in the future.

Cujean (2020) creates an equilibrium model to explain why few mutual fund directors consistently outperform, even though numerous have great informational benefits. Then, the important ingredient is that executives get investing proposals across proposal communication. The proposal sharing increases the statistical importance of alpha across improved value informativeness. However, it additionally affects well-advised executives to take greater places, which creates their alpha deafening though a considerable portion of executives creates powerful informational benefits, statistical implication, and perseverance of alpha focus in underachieving funds. Cujean (2020) argues that the in-house advancement of proposals cannot clarify these realities.

Badrizadeh and Paradi (2020) propose a new data envelopment analysis (DEA) methodology, such as Mixed Variable DEA (MV-DEA), that offers a method where DMUs with some different cultural assumptions are examined relative to every previous while maintaining their particular attributes. In their paper, Badrizadeh and Paradi (2020) try to assess private pension funds' profitability by contemplating the particular traits of such funds in contrast with mutual funds. The Canadian personal pension funds, controlled by the Federal Government of Canada (FGC), and Canadian open-ended mutual funds were analyzed. Their empirical findings of the novel MV-DEA methodology were related to traditional data envelopment analysis models, demonstrating that the MV-DEA model provided more convincing findings in their paper.

Busse et al. (2020) examine interdependencies among trade costs, portfolio traits, and mutual fund profitability. They employ a new database of real mutual fund transactions. They show that managing for investing

type, greater funds recognize shorter proportion trade costs than reduced funds. Also, they conclude that bigger mutual funds transaction fewer regularly and hold more extensive stocks to prevent acquiring greater transaction costs aggressively. They conclude that gross returns of greater funds are smaller than those of lesser funds due partly to the attributes of their investments, which indicates that reducing returns to magnitude could occur due to restricted investing prospects because of transaction cost limitations.

Based on the previous literature review, we will test the following hypotheses:

H_{01}: Selected Multi Capital Funds do not generate significantly different returns.

H_{02}: Selected Large Capital Funds do not generate significantly different returns.

H_{03}: Multi Capital and Large Capital funds do not generate significantly different returns.

H_{04}: There is no significant difference between the returns of Multi-Cap and Large Cap mutual funds and that of benchmark NIFTY 500.

H_{05}: There is no significant difference between the returns of Multi-Cap and Large Cap mutual funds and benchmark BSE 200.

3. Research methodology

This study has been conducted keeping in mind the following objectives: To analyze the performance of prominent Large-Cap and Multi-Cap mutual funds, to evaluate the performance of prominent Large-Cap and Multi-Cap mutual funds regarding two benchmark indices, i.e., BSE 200 and Nifty 500, and to examine whether these funds are significantly different in terms of the return generated by them or not.

For this paper, the following ten prominent mutual funds schemes under each category, i.e., Multi-Cap and Large Cap, have been presented in Table 1.

BSE 200 and Nifty500 have been chosen as the benchmark indices to judge the performance of the selected mutual fund schemes. Relevant data have been collected through authorized websites for five years, from January 2013 to December 2018.

Table 1. Selected Multi-Cap Funds and Large Cap Funds

Sr. No	Multi Capital Funds	Large Capital Funds
1.	Canara Robeco Equity Diversified	Canara Robeco Blue Chip Equity
2.	UTI Equity Fund	Edelweiss Large Cap Fund
3.	HDFC Equity Fund - Growth Option	HDFC Top 100 Fund
4.	Mirae Asset India Equity Fund	Axis Bluechip Fund - Growth
5.	Aditya Birla Sun Life Equity Fund	Invesco India Largecap Fund
6.	ICICI Prudential Multicap Fund	UTI Master Share-Growth
7.	JM Multicap Fund	ICICI Prudential Bluechip Fund
8.	Kotak Standard Multicap Fund	Reliance Large Cap Fund
9.	Aditya Birla Sun Life Equity Fund	IDFC Large Cap Fund
10.	Franklin India Equity Fund	JM Core 11 Fund

Source: Own elaboration

3.1. Calculation of return

For this research work monthly return of each mutual fund scheme, understudy has been calculated. In order to calculate monthly return following two Net asset value (NAV) of the fund is considered:

- The opening NAV of the month and
- The closing NAV of the month

The formula for calculating monthly return:

$$R_t = \frac{(Closing\ NAV\ \ of\ the\ month - \text{Opening NAV of the month})}{\text{The opening NAV of the month}} \times 100 \quad (1)$$

3.2 Calculation of risk

Risk is calculated based on the monthly return of the mutual fund scheme under study. The risk associated with a mutual fund is calculated by using standard deviation as a measure of risk.

The total risk of a mutual fund scheme is measured by calculating the Standard deviation (SD) of the monthly returns using the below mention formula:

$$SD = \sqrt{\frac{1}{n-1}\sum_{t=1}^{n}(R_t - \bar{R})^2} \quad (2)$$

Where SD represents standard deviation, n represents the number of monthly returns, R_t represents monthly returns of the mutual fund, and $\overline{R}$ represents the mean return of the mutual fund.

For the data analysis, Excel and R 3.5.2 software has been used in this study. Descriptive statistics of all the variables have been presented.

This study uses a One-way Analysis of Variance (ANOVA) and Paired Two-Sample t-test to compare mutual funds. The variance analysis compares the means of k populations from random and independent samples taken from each of them. These populations are generally variants (or levels k) of one or more controlled factors of variation (factors A, B, etc.). ANOVA has another advantage over simple t-tests: it allows us to detect interactions between variables and, therefore, to test more complex hypotheses.

4. Empirical findings

It is clear from Table 2 that the maximum average for annual return in the Multi Capital category has been generated by Mirae Asset India Equity Fund (15.12%), while the minimum return has been generated by Canara Robeco Equity Diversified Fund (10.44%).

In the Large Capital category, the maximum average annual return has been generated by Reliance Large Capital Fund (14.16%), while the minimum return has been generated by IDFC Large Fund (9.72%). Other funds in each category have given a return between the mentioned maximum and minimum values. These returns are good from any perspective. However, at the same time, we should not overlook the fact that there is a risk associated with these returns. Also, we can conclude that Multi Capital funds have returns superior to the returns in the case of Large Capital Funds in the context of our sample. In the same Table, we can remark that the Multi Capital funds are riskier than the Large Capital Funds in the Indian context. So, we can reject the first three hypotheses (H_{01}, H_{02}, and H_{03}), which indicate that these elected Multi Capital Funds do not generate significantly different returns, the selected Large Capital Funds do not generate significantly different returns, and the Multi Capital and Large Capital funds do not generate significantly different returns.

Figure 1 presents monthly average returns of NIFTY500, BSE200, Multi Capital Mutual Funds & Large Capital Mutual Funds. For the Two Benchmark Indices (NIFTY500 and BSE200), the high level of their returns is for the beginning of 2013 and 2015. However, for the Multi Capital Mutual Funds and Large Capital Mutual Funds, the high level of returns is for the beginning of the period of study in 2013, and the low level of returns is for the beginning of 2015 and the end of 2018.

Tables 3 and 4 summarize the Descriptive Statistics of returns for Multi Capital Mutual Funds, Large Capital Mutual Funds, and the Two Benchmark Indices (NIFTY500 and BSE200). From these tables, we can find that the high level of volatility (measured by standard error) of returns

is for NIFTY500 (0.532923657), followed respectively by Multi Capital Mutual Funds (0.528458551), BSE200 (0.521654236) and Large Capital Mutual Funds (0.515306678). Also, in the mean of returns, we can show that the high level of mean is for Multi Capital Mutual Funds (1.119933239) followed respectively by Large Capital Mutual Funds (0.971223614), NIFTY 500 (0.916050632) and BSE 200 (0.890394425). Additionally, we can find that the high level of the sum of returns is for Multi Capital Mutual Funds (67.19599434) followed respectively by Large Capital Mutual Funds (58.27341683), NIFTY500 (54.96303794) and BSE200 (53.42366553). Then, we can conclude that Multi Capital Mutual Funds in India perform more than Large Capital Mutual Funds. This conclusion is founded on the sample used in this paper.

Then, we apply the One way ANOVA methodology to test whether there is a significant difference between the ten Large Capital mutual funds and ten Multi Capital mutual funds or not in terms of their returns.

Tables 5 and 6 show that within the categories of Capital mutual funds (i.e., large Capital & multi Capital), there is no statistically significant difference in return generation, i.e., all the mutual funds under these categories generate more or less the same return. Then, we can reject the two last hypotheses (H_{04} and H_{05}), which say that there is no significant difference between the returns of Multi Capital and Large Capital mutual funds, and that of benchmark NIFTY 500 and there is no significant difference between the returns of Multi Capital and Large Capital mutual funds and that of benchmark BSE 200.

Table 7 shows that there is no statistically significant difference in return generation between the categories of Capital mutual funds (i.e., large Capital and multi Capital). In other words, we can say that these categories are more or less the same in generating returns. Based on the results presented in Table 7, we can accept the first three hypotheses (H_{01}, H_{02}, and H_{03}), which indicate that these elected Multi Capital Funds do not generate significantly different returns, the selected Large Capital Funds do not generate significantly different returns, and the Multi Capital and Large Capital funds do not generate significantly different returns. We find a considerable difference between simple descriptive statistics and the ANOVA methodology in this context.

Then, we apply the paired two-sample t-test to test whether the observed values of the variables of these three mutual funds are significantly different from the standard values.

From Tables 8, 9, 10, and 11, it can be seen that at a level of significance of 5%, the p-value is greater or equal to 0.05. Therefore we

accept the null hypothesis and conclude that there is no statistically significant difference between the mean returns of NIFTY500 and Large Cap or Multi-Cap mutual fund returns and BSE200 and Large Cap or Multi-Cap mutual fund returns. Then, we can accept the two last hypotheses (H04 and H05), which say that there is no significant difference between the returns of Multi Capital and Large Capital mutual funds, and that of benchmark NIFTY 500, and there is no significant difference between the returns of Multi Capital and Large Capital mutual funds, and that of benchmark BSE 200. In this case, we conclude an important difference between simple descriptive statistics and the paired two-sample t-test technique.

Table 2. Return and risk of selected funds (monthly calculation)

Sr. No	Mutual funds	Average return (%)	Total risk (SD)%
Multi capital funds			
1	Canara Robeco Equity Diversified Fund	0.87	4.30
2	UTI Equity Fund	1.01	3.98
3	HDFC Equity Fund - Growth Option	1.02	4.88
4	Mirae Asset India Equity Fund	1.26	3.92
5	Aditya Birla Sun Life Equity Fund	1.24	4.39
6	ICICI Prudential Multicap Fund	1.14	3.82
7	JM Multicap Fund	1.09	4.76
8	Kotak Standard Multicap Fund	1.21	4.03
9	Aditya Birla Sun Life Equity Fund	1.24	4.39
10	Franklin India Equity Fund	1.13	3.75
Large capital funds			
1	Canara Robeco Blue Chip Equity Fund	0.86	3.92
2	Edelweiss Large Cap Fund	0.95	3.89
3	HDFC Top 100 Fund	1.03	4.64
4	Axis Bluechip Fund - Growth	1.00	3.89
5	Invesco India Largecap Fund	0.95	3.75
6	UTI Master Share-Growth	0.82	3.64
7	ICICI Prudential Bluechip Fund	1.05	3.76
8	Reliance Large Cap Fund	1.18	4.27
9	IDFC Large Cap Fund	0.81	3.67
10	JM Core 11 Fund	1.07	5.82

Source: These are the results based on calculations with the help of monthly data for the selected period (January 01, 2013, to December 31, 2018)

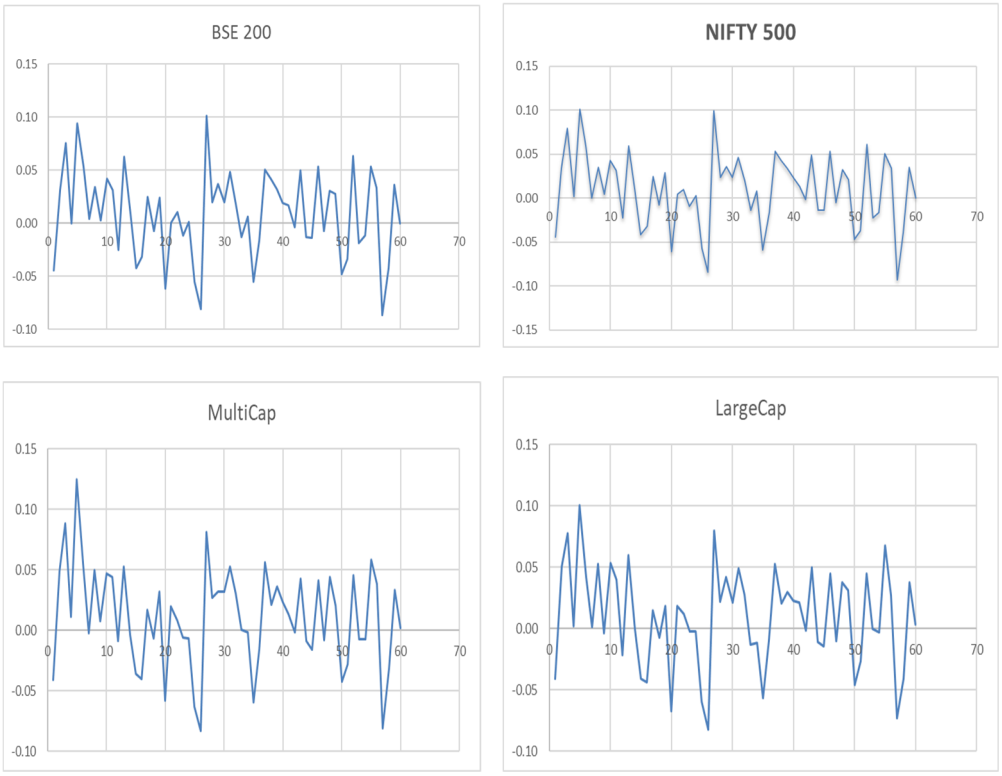

Figure 1. Monthly average returns of NIFTY 500, BSE 200, Multi capital mutual funds & large capital mutual funds
Source: Own elaboration.

Table 3. Descriptive statistics of multi-capital and large-capital mutual funds

Multi-capital mutual funds		Large-capital mutual funds	
Mean	1.119933239	Mean	0.971223614
Standard Error	0.528458551	Standard Error	0.515306678
Minimum	-8.299512227	Minimum	-8.231407745
Maximum	12.47133963	Maximum	10.04124032
Sum	67.19599434	Sum	58.27341683
Count	60	Count	60

Source: Own elaboration.

Table 4. Descriptive statistics of two benchmar indices i.e. NIFTY 500 & BSE 200

NIFTY 500		BSE 200	
Mean	0.916050632	Mean	0.890394425
Standard Error	0.532923657	Standard Error	0.521654236
Minimum	-9.29217849	Minimum	-8.649465301
Maximum	10.08907144	Maximum	10.12240816
Sum	54.96303794	Sum	53.42366553
Count	60	Count	60

Source: Own elaboration.

Table 5. ANOVA: Single factor for large capital mutual funds

SUMMARY

Groups	Count	Sum	Average	Variance
Canara Robeco Blue Chip Equity Fund	60	51.89233	0.864872	15.33711
Edelweiss Large Cap Fund	60	57.05623	0.950937	15.11978
HDFC Top 100 Fund	60	61.94614	1.032436	21.57991
Axis Bluechip Fund - Growth	60	59.92729	0.998788	15.08373
Invesco India Largecap Fund	60	56.99951	0.949992	14.09595
UTI Master Share-Growth	60	48.5027	0.818378	13.23764
ICICI Prudential Bluechip Fund	60	62.98096	1.049683	14.10872
Reliance Large Cap Fund	60	70.54208	1.175701	18.23794
IDFC Large Cap Fund	60	48.5027	0.808378	13.43764
JM Core 11 Fund	60	64.38423	1.07307	33.85397

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	7.683392	9	0.85371	0.048981	0.999982	1.895737
Within Groups	10283.25	590	17.42924			
Total	10290.93	599				

Source: Own elaboration.

Table 6. ANOVA: Single factor for multi-capital mutual funds

SUMMARY

Groups	Count	Sum	Average	Variance
Canara Robeco Equity Diversified Fund	60	51.90193	0.865032	18.49496
UTI Equity Fund	60	60.47326	1.007888	15.88318
HDFC Equity Fund - Growth Option	60	61.02171	1.017028	23.75977
Mirae Asset India Equity Fund	60	75.67318	1.26122	15.34697
Aditya Birla Sun Life Equity Fund	60	74.26742	1.23779	19.27455
ICICI Prudential Multicap Fund	60	68.42584	1.140431	14.63812
JM Multicap Fund	60	65.64711	1.094119	22.68657
Kotak Standard Multicap Fund	60	72.49056	1.208176	16.23154
Aditya Birla Sun Life Equity Fund	60	74.26742	1.23779	19.27455
Franklin India Equity Fund	60	67.79152	1.129859	14.08982

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	8.689945	9	0.965549	0.053737	0.999973	1.895737
Within Groups	10601.12	590	17.968			
Total	10609.81	599				

Source: Own elaboration

Table 7. ANOVA: Single factor between multi-cap & large-cap mutual funds

SUMMARY						
Groups	Count	Sum	Average	Variance		
Multi Cap Mutual Funds	60	67.19599434	1.119933239	16.75610639		
Large Cap Mutual Funds	60	58.27341683	0.971223614	15.93245832		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	0.663436578	1	0.663436578	0.040591356	0.840675665	3.921478181
Within Groups	1928.625318	118	16.34428236			
Total	1929.288755	119				

Source: Own elaboration.

Table 8. Paired two-sample t-test for comparison of mean return of the NIFTY 500 and large-cap mutual funds

	NIFTY 500	Large Cap
Mean	0.916050632	0.971223614
Variance	17.04045745	15.93245832
Observations	60	60
Pearson correlation	0.97187596	
Hypothesized mean difference	0	
df	59	
t Stat	-0.439529003	
P value	0.66188401	

Source: Own elaboration

Table 9. Paired Two sample t-test for comparison of mean return of the NIFTY 500 and multi-cap mutual funds

	NIFTY 500	Multi Cap
Mean	0.916050632	1.119933239
Variance	17.04045745	16.75610639
Observations	60	60
Pearson correlation	0.975655351	
Hypothesized mean difference	0	
df	59	
t Stat	-1.739842592	
P(T<=t) two-tail	0.087101034	

Source: Own elaboration.

Table 10. Paired two-sample t-test for comparison of the mean return of the BSE 200 and large-cap mutual funds

	BSE 200	Large Cap
Mean	0.890394425	0.971223614
Variance	16.32738851	15.93245832
Observations	60	60
Pearson correlation	0.974761865	
Hypothesized mean difference	0	
df	59	
t Stat	-0.692877534	
P(T<=t) two-tail	0.491104867	

Source: Own elaboration.

Table 11. Paired two-sample t-test for comparison of mean return of the BSE 200 and multi-cap mutual funds

	BSE 200	Multi Cap
Mean	0.890394425	1.119933239
Variance	16.32738851	16.75610639
Observations	60	60
Pearson correlation	0.970305757	
Hypothesized mean difference	0	
df	59	
t Stat	-1.791409832	
P(T<=t) two-tail	0.078356701	

Source: Own elaboration.

5. Conclusion

This Study aims to empirically investigate the performance of prominent multi-capital and large-capital funds in India from 2013 to 2018. The performance of these two categories of Mutual funds is compared

against India's most varied benchmark indices, such as BSE 200 and Nifty 500. To do so, we utilize the One-way Analysis of Variance (ANOVA) as an appropriate econometric methodology to compare the performance of mutual funds for a sample of 20 Indian mutual funds.

The empirical results of this Study reveal that the mutual fund schemes under both the categories, i.e., Multi Capital Funds and Large Capital Funds, have generated good returns over the period, with reasonable risk. Therefore, it is safe to conclude that they are a good investment option for an investor.

Regarding the performance of these mutual funds, the average monthly returns generated by the funds in each category are numerically different. However, this difference was not statistically significant (on applying Way ANOVA). As categories also, no statistically significant difference is observed between the means of average monthly returns of funds of multi Capital and large Capital categories. At the same time, there is no significant difference between these funds and NIFTY500, as well as these funds and BSE200 in terms of their returns.

The investors can use our empirical findings, traders, speculators, and directors of mutual funds to appreciate their investing project. Also, researchers can use our outcomes to develop their Study and validate their investigation.

This Study indicates that Multi Capital Funds and Large Capital Funds have important returns during the period of Study. However, to explain the generated returns, in future research, we should develop a comparative study between five categories of a mutual fund; mid & small Capital, Large-Capital, multi Capital, infrastructure, and hybrid. Also, we can increase the sample by investigating a comparative study between India and other countries.

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Conflict of Interest

The authors report no conflicts of interest. The authors alone are responsible for the content and writing of the paper.

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