



Performance evaluation of selected Large Cap Mutual funds: with special reference to risk and return analysis

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Abstract

The Asset Management Companies (AMCs) provide mutual funds in different categories like equity, debt, balanced, sector based and other types of funds. The mutual funds generates returns based on the securities in which investment is being made. Large cap mutual funds are the ones in which investment is made in companies having large market capitalization. The study aimed to ascertain performance of selected Large Cap mutual funds. Five Large Cap mutual funds have been selected based on highest Asset Under Management. Their historic return has been compared among large cap mutual funds. Five Large cap mutual funds have been selected as a part of this study. Further Annual return has been compared among the selected large cap mutual funds for a period between 2020 to

2025. Risk of the selected funds was also compared which included standard deviation, beta, Sharpe ratio, Jensen's Alpha and Treynor's ratio. The result revealed that Nippon India Large Cap Fund outperformed as compared to the other selected mutual funds based on risk and return.

Keywords: Performance, mutual funds, evaluation, return, risk

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1. Introduction

Mutual fund is a pool of investor's money. The fund managers invest the pooled funds into different securities based on the objective of the fund. The objectives are associated with various types of mutual funds which are available in the market. The Asset Management Companies (AMCs) provide mutual funds in different categories like equity, debt, balanced, sector based and other types of funds. The mutual funds generates returns based on the securities in which investment is being made. Large cap mutual funds are the ones in which investment is made in companies having large market capitalization. Major portion of the mutual fund is made in large cap companies. Market capitalization of any company is referred to as number of shares that are outstanding multiplied with market price per share (Anshu & Kumar, 2025). The companies might be initially selected as a mid-cap company, and later with time, it might be considered as a large cap company once they issue shares to the public in large quantity. The performance of mutual funds is a concern for the investors and professionals. There are different researches which have been conducted to ascertain performance of mutual funds. This study considered top five large cap mutual funds and their historic performance has been evaluated. Large cap mutual funds are actively managed by the AMCs. The fund's performance can be compared with various index which are specific to a certain category of mutual funds (Deepa et al, 2025). There are various types of

mutual funds which are currently available in the market, the most common type of mutual funds are equity mutual funds and these help in understanding the movement in stocks in the market and accordingly investment is made in variety of stocks belonging to diversified sectors.

1.1 Large Cap Mutual Funds

Large-cap mutual funds are equity schemes which invest a minimum of 80% of their assets in companies among top 100 established, high-market-capitalization and financially stable companies. Such funds provide low risk investment and long term wealth creation by making investment in industry leaders having stronger track records.

Key Aspects of Large-Cap Mutual Funds:

- **Definition:** SEBI has defined large-cap companies as top 100 companies that are listed on stock exchanges based on market capitalization.
- **Stability & Risk:** Large cap companies are also referred to as blue-chip companies, such firms are generally stable during the economic downturns and they offer lower volatility compared to small or mid cap mutual funds.
- **Returns:** They aimed for a steady capital appreciation and they often provide dividends, which makes them suitable for equity investors who are conservative.

- **Suitability:** These funds are ideal for the investors having a long-term investment horizon seeking for growth having moderate risk.
- **Investment Goal:** Large cap mutual funds are quite suitable for longer term retirement planning, wealth creation or the investors who are looking towards adding stability in their portfolio.

2. Review of Literature

Singh & Kumar (2022) have discussed that mutual funds are professionally managed trust which pools funds from different investors and further invest in various securities based on the objective of the mutual funds. Mutual funds provide opportunity to the small investors in participating in capital market. Mutual funds promote diversification since investment should not be made in only a single type of security.

Sharma & Tripathi (2023) have evaluated performance of mutual funds and their risk was assessed. A few mutual funds were selected from small, mid-cap and large cap categories. There are different measures used to assess risk associated with mutual funds. The annual return was considered for the years like 1 year, 2 years, 3 years, 5 years and 10 years. The result of the study revealed about the existence of risk profiles and growth potential of mutual fund schemes. The customers can make a choice among the mutual fund schemes which are available and based on their own choice and risk appetite they make investment in these funds.

Deepa et al (2025) have mentioned that mutual funds play a very important role in balancing risks and returns for the investors. The study investigated performance of selected mid-cap and large cap mutual funds. The period of study considered in the study is between 2014 to 2024. The performance of mutual funds has been evaluated through various measures of return, alpha, CAGR, Sortino and Sharpe ratio. The returns were also connected with the market index for better comparison and evaluating performance in a more holistic manner.

Anshu & Kumar (2025) mentioned about mutual funds as an instrument which is managed professionally. The financial goals of individuals are different and based on their risk appetite, they should choose among mutual funds which are available. The study is based on analysis of different types of mutual funds including small, mid-cap and large cap mutual funds. The study focused on performance during five years term and financial metrics like standard deviation, beta and annual returns were considered in the study. These specific indicators help in evaluating volatility and profitability provided by the mutual fund.

2.1 Research Gap

Several studies were conducted based on risk and return analysis of Large cap mutual funds. They considered a few statistical measures like 1 year, 2 years, 3 years, 5 years and 10 years. The studies generally considered long term returns. In this study, performance of selected Large Cap mutual funds has been carried out including historic returns including long and short term returns. Annualized returns have been analyzed from 2020-2025. Previous researches included description about risks associated with mutual funds, many of them have not considered

all the measures of risk i.e. Standard deviation, beta, Sharpe ratio, Jensen's Alpha and Treynor's ratio. This study provides an overview of risks and return of selected Large cap mutual funds.

3. Objectives of the study

- To compare performance of selected Large Cap Mutual Funds
- To evaluate historic and annualized returns of selected mutual funds
- To ascertain the risk associated with selected mutual funds

4. Research methodology

The research design in the study is analytical in nature. The study aimed to ascertain performance of selected Large Cap mutual funds. Five Large Cap mutual funds have been selected based on highest Asset Under Management. Their historic return has been compared which included 1 week, 1 month, 3 months, 6 months, 1 year, 2 year, 3 year, 5 year and 10 year. Five Large cap mutual funds have been selected as a part of this study i.e. ICICI Prudential Large Cap Fund, SBI Large Cap Fund, Nippon India Large Cap Fund, Mirae Asset Large Cap Fund and HDFC Large Cap Fund. Further Annual return has been compared among the selected large cap mutual funds for a period between 2020 to 2025. Risk of the selected funds was also compared which included standard deviation, beta, Sharpe ratio, Jensen's Alpha and Treynor's ratio.

5. Data Analysis

5.1 AUM of Large Cap mutual funds

Sr. no.	Fund Name	AUM
1	ICICI Prudential Large Cap Fund	76,645.56
2	SBI Large Cap Fund	54,821.33
3	Nippon India Large Cap Fund	50,106.61
4	Mirae Asset Large Cap Fund	40,370.92
5	HDFC Large Cap Fund	39,620.90

The above table indicated highest AUM among selected Large Cap Funds is of ICICI Prudential Large Cap Fund i.e. 76645.56 crores. Lowest AUM among selected Large Cap Funds is of HDFC Large Cap Fund i.e. 39620.90 crores.

5.2 Comparative performance analysis of selected mutual funds - Returns

(1) Large Cap mutual funds - 1 week return (short term return)

Sr. no.	Fund Name	1 week
1	ICICI Prudential	-0.86%
2	SBI	-0.02%
3	Nippon India	-0.10%
4	Mirae Asset	-0.70%
5	HDFC	-0.21%

The above table indicated 1 week return of selected Large Cap mutual funds. One week return of the above funds has been negative and the highest among them is of SBI Large Cap Fund

(-0.02%) and lowest (-0.86%) 1 week return is of ICICI Prudential Large Cap Fund.

(2) Large Cap mutual funds - 1 month return (short term return)

Sr. no.	Fund Name	1 month
1	ICICI Prudential	-0.57%
2	SBI	-0.70%
3	Nippon India	0.43%
4	Mirae Asset	-1.25%
5	HDFC	-0.35%

The above table indicated 1 month return of selected Large Cap mutual funds. The highest 1 month return is of Nippon India Large Cap Fund (0.43%) and lowest 1 month return is of ICICI Prudential Large Cap Fund (-1.25%).

(3) Large Cap mutual funds - 3 months return (short term return)

Sr. no.	Fund Name	3 months
1	ICICI Prudential	-1.64%
2	SBI	0.08%
3	Nippon India	-0.81%
4	Mirae Asset	-1.80%
5	HDFC	-0.15%

The above table indicated 3 months return of selected Large Cap mutual funds. The highest 3 months return is of SBI Large Cap Fund (0.08%) and lowest 3 months return is of Mirae Asset Large Cap Fund (-1.80%).

(4) Large Cap mutual funds - 6 months return (short term return)

Sr. no.	Fund Name	6 months
1	ICICI Prudential	3.45%
2	SBI	4.77%
3	Nippon India	3.20%
4	Mirae Asset	3.25%
5	HDFC	4.43%

The above table indicated 6 months return of selected Large Cap mutual funds. The highest 6 months return is of SBI Large Cap Fund (4.77%) and lowest 3 months return is of Nippon India Large Cap Fund (3.20%).

(5) Large Cap mutual funds - 1 year return (long term return)

Sr. no.	Fund Name	1 year
1	ICICI Prudential	12.87%
2	SBI	13.31%
3	Nippon India	14.88%
4	Mirae Asset	12.78%
5	HDFC	11.02%

The above table indicated 1 year return of selected Large Cap mutual funds. The highest 1 year return is of Nippon India

Large Cap Fund (14.88%) and lowest 1 year return is of HDFC Large Cap Fund (11.02%).

(6) Large Cap mutual funds - 2 year return (long term return)

Sr. no.	Fund Name	2 year
1	ICICI Prudential	11.18%
2	SBI	12.16%
3	Nippon India	12.37%
4	Mirae Asset	11.37%
5	HDFC	8.88%

The above table indicated 2 year return of selected Large Cap mutual funds. The highest 2 year return is of Nippon India Large Cap Fund (12.37%) and lowest 2 year return is of HDFC Large Cap Fund (8.88%).

(7) Large Cap mutual funds - 3 year return (long term return)

Sr. no.	Fund Name	3 year
1	ICICI Prudential	18.69%
2	SBI	15.29%
3	Nippon India	20.07%
4	Mirae Asset	14.38%
5	HDFC	16.71%

The above table indicated 3 year return of selected Large Cap mutual funds. The highest 3 year return is of Nippon India Large Cap Fund (20.07%) and lowest 2 year return is of Mirae Asset Large Cap Fund (14.38%).

(8) Large Cap mutual funds - 5 year return (long term return)

Sr. no.	Fund Name	5 year
1	ICICI Prudential	16.03%
2	SBI	13.00%
3	Nippon India	18.38%
4	Mirae Asset	12.26%
5	HDFC	15.10%

The above table indicated 5 year return of selected Large Cap mutual funds. The highest 5 year return is of Nippon India Large Cap Fund (18.38%) and lowest 5 year return is of Mirae Asset Large Cap Fund (12.26%).

(9) Large Cap mutual funds - 10 year return (long term return)

Sr. no.	Fund Name	10 year
1	ICICI Prudential	17.10%
2	SBI	15.02%
3	Nippon India	17.69%
4	Mirae Asset	16.32%
5	HDFC	16.52%

The above table indicated 10 year return of selected Large Cap mutual funds. The highest 10 year return is of Nippon India

Large Cap Fund (17.69%) and lowest 10 year return is of SBI Large Cap Fund (15.02%).

(10) Large Cap mutual funds - Annual return (%)

Sr. no.	Fund Name	2025	2024	2023	2022	2021	2020
1	ICICI Prudential	11.26	18.18	28.14	7.53	27.63	13.71
2	SBI	5.20	14.14	22.82	5.11	25.05	16.81
3	Nippon India	9.24	19.02	32.24	12.30	31.44	5.73
4	Mirae Asset	7.50	13.89	19.43	2.65	27.60	14.78
5	HDFC	7.65	12.07	30.08	11.27	27.73	6.09

The above table indicated annual return of selected Large Cap mutual funds. The highest return in the year 2025 is of ICICI Prudential Large Cap Fund (11.26%), in the year 2024, highest is of Nippon India Large Cap Fund (19.02%), in the year 2023, highest is of Nippon India Large Cap Fund (32.24%), in 2022, highest annual return is of Nippon India Large Cap Fund (12.30%), in 2021, highest return is of Nippon India Large Cap Fund (31.44%) and in 2020, highest return is of SBI Large Cap Fund (16.81%).

1.3 Comparative performance analysis of selected mutual funds – Risk

(1) Large Cap mutual funds – Standard Deviation

Sr. no.	Fund Name	Standard Deviation	Beta	Sharpe Ratio	Jenson's Alpha	Treynor's Ratio
1	ICICI Prudential Large Cap Fund	9.80	0.90	1.22	3.88	0.14
2	SBI Large Cap Fund	9.46	0.90	0.99	2.28	0.11
3	Nippon India Large Cap Fund	10.71	1.00	1.25	5.33	0.14
4	Mirae Asset Large Cap Fund	10.21	0.90	0.84	0.13	0.09
5	HDFC Large Cap Fund	10.60	1.00	0.97	1.47	0.11

The above table indicated standard deviation of selected Large Cap mutual funds. The highest standard deviation is of Nippon India Large Cap Fund (10.71) and lowest has been of SBI Large Cap Fund (9.46). The highest beta is of Nippon India Large Cap Fund and HDFC Large Cap Fund (1) and remaining large cap funds have their beta as 0.9. The highest standard deviation is of Nippon India Large Cap Fund (1.25) and lowest has been of Mirae Asset Large Cap Fund (0.84).

Mirae Asset Large Cap Fund and HDFC Large Cap Fund. Out of these, highest 1 month return is of Nippon India Large Cap Fund and lowest 1 month return is of ICICI Prudential Large Cap Fund, highest 3 months return is of SBI Large Cap Fund, which is not much and a similar return was indicated by the other funds, highest 6 months return is of SBI Large Cap Fund and lowest 3 months return is of Nippon India Large Cap Fund,

The highest Jenson's Alpha is of Nippon India Large Cap Fund (5.33) and lowest has been of SBI Large Cap Fund (0.13). The highest Treynor's ratio is of Nippon India Large Cap Fund and ICICI Prudential Large Cap Fund (0.14) and lowest has been of Mirae Asset Large Cap Fund (0.09).

(8) Findings of the study

- Performance of selected mutual funds based on one week's return has been negative and the highest among them is of SBI Large Cap Fund.
- The highest 1 month return is of Nippon India Large Cap Fund and lowest 1 month return is of ICICI Prudential Large Cap Fund.
- The highest 3 months return is of SBI Large Cap Fund, which is not much and a similar return was indicated by the other funds.
- The highest 6 months return is of SBI Large Cap Fund and lowest 3 months return is of Nippon India Large Cap Fund.
- The highest 1 year return is of Nippon India Large Cap Fund and lowest 1 year return is of HDFC Large Cap Fund.
- The highest 2 year, 3 year, 5 year and 10 year return is of Nippon India Large Cap Fund.
- The highest return in the year 2025 is of ICICI Prudential Large Cap Fund, in 2021 – 2024 is of Nippon India Large Cap Fund. In 2020, highest return is of SBI Large Cap Fund.
- The highest standard deviation is of Nippon India Large Cap Fund and lowest has been of SBI Large Cap Fund.
- The highest beta is of Nippon India Large Cap Fund and HDFC Large Cap Fund.
- The highest standard deviation is of Nippon India Large Cap Fund and lowest has been of Mirae Asset Large Cap Fund.
- The highest Jenson's Alpha is of Nippon India Large Cap Fund and lowest has been of SBI Large Cap Fund.
- The highest Treynor's ratio is of Nippon India Large Cap Fund and ICICI Prudential Large Cap Fund and lowest has been of Mirae Asset Large Cap Fund.

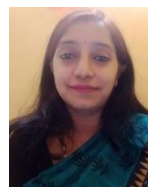
(9) Conclusion

Large-cap mutual funds are equity schemes which invest a minimum of 80% of their assets in companies among top 100 established, high-market-capitalization and financially stable companies. Such funds provide low risk investment and long term wealth creation by making investment in industry leaders having stronger track records. Five Large cap mutual funds were selected based on their AUM i.e. ICICI Prudential Large Cap Fund, SBI Large Cap Fund, Nippon India Large Cap Fund,

highest 1 year, 2 year, 3 year, 5 year and 10 year return is of Nippon India Large Cap Fund. Based on the risk of the selected mutual funds, the highest standard deviation, beta, Jenson's Alpha, Sharpe and Treynor's ratio is of Nippon India Large Cap Fund, this indicates the highest return and risk is of Nippon India Large Cap mutual fund.

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