

A Comparative Assessment of Large- and Small-cap Mutual Fund Schemes in India Throughout Different Phases

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Abstract

In this paper, we attempted to analyse comparative performance of large- and small-cap equity fund schemes through different phases such as the pre-Covid (2017–19), Covid (2020–21), and post- Covid (2022–2024) in India. In this study, stock selectivity skill and persistence of fund manager's performance have been examined by taking fourteen open-ended mutual fund schemes. The research considered weekly data of benchmark indices (i.e., the Nifty 100 for large-cap funds and the Nifty small-cap 250 for small-cap funds) and closing NAV for different schemes. Different techniques such as CAGR, Treynor, Sharpe, Jensen alpha, Sortino, M squared and Risk Information ratios have been employed for that purpose. The study concluded that large-cap funds showed more stability, while small-cap funds outperformed during Covid and post- Covid phases. Moreover, small-cap fund managers have been shown more persistent and better stock selectivity skills throughout all phases, particularly during the Covid phase.

Keywords: Equity Mutual Funds; Risk-adjusted Measure; Stock Selectivity skills; Persistency.

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