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Performance of Equity Funds in India

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This paper has looked into the performance related characters of equity mutual funds. For the evaluation of funds performance, risk adjusted performance measures, size of assets and expense ratio of the mutual funds have been considered. Selecting money-making mutual funds for investment is an especially significant concern. This study, fundamentally, studied the selected equity mutual funds that are accessible for investment by the number of fund houses in India, This study primarily pay attention on the performance of selected equity mutual fund schemes in terms of risk- return relationship. The focal objectives of this research work are to analyze financial performance of selected mutual fund equity schemes through the measures such as (Alpha Coefficient, Beta Coefficient, Standard Deviation, Sharpe ratio, Treynor ratio, and Sortino ratio. The conclusion of this research study will facilitate to investors for their investment decisions.

Keywords: Mutual Funds, Expense Ratio, Risk Return, Alpha Coefficient, Beta Coefficient

Introduction

Mutual Funds have become extremely popular over the last 20 years. What was once just another obscure financial instrument is now a part of our daily lives. More than 80 million people invest in mutual funds. In fact, too many people, investing means buying mutual funds. After all, its common knowledge that investing in mutual funds is (or at least should be) better than simply letting your cash waste away in a savings account, but, for most people, that's where the understanding of funds ends.

Mutual Fund

Mutual funds are a vehicle to mobilize moneys from investors, to invest in different markets and securities, in line with the investment objectives agreed upon, between the mutual fund and the investors.

Mutual fund industry today with 40 plus players and more than 1000 schemes is one of the most preferred investment avenues in India. The Total Assets under Management in India of all Mutual funds put together touched a peak of Rs. 8, 07, 546 Crores at the end of November 2009. However with a plethora of schemes to choose from, the retail investor faces problems in selecting funds. Factors such as investment strategy and management style are qualitative but the funds records are an important indicator too. Though past performance alone cannot be indicative of future performance it is the only qualitative way to judge how a good fund is at present. Therefore, there is a need to correctly assess the past performance of different mutual fund.

Worldwide, good mutual fund companies are known by their Asset Management Companies (AMC's) and this frame is directly linked to their superior stock selection skills. For mutual funds to grow AMC's must be held account able for their selection of stock. In other words, there must be some performance indicators that will reveal the quality of stock selection of various AMC's.

Role of Mutual Fund

The primary role is to assist investors in earning an income or building their wealth, by participating in the opportunities available in various securities and markets. The scheme offering entity is referred to as mutual fund or the fund.

The money that is raised from investors, ultimately benefits government, companies or other entities, directly or indirectly to raise moneys to invest in various projects or pay for various expenses.

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Mutual fund also acts as a market stabilizer, in countries large inflows or outflows from foreign investors. Mutual funds are therefore, viewed as a key participating in the capital market of any company.

Literature Review

Sapar, Narayan Rao and Madava, Ravindran (2003), evaluates the performance of 269 open ended schemes of mutual funds in a bear market using relative performance index, risk-return analysis, Treynor's ratio, Sharp's ratio, Sharp's measure, Jensen's measure, and Fama's. The results obtained advocate that most of the mutual fund schemes in the sample outperformed the investor's expectations by giving excess return over expected return based on premium for systematic risk and total risk.

Chalam G. V. (Dr.) (2003) concluded that off all the sections of the society, the household group contributes much of the capital, forming the lifeblood for the economy. According to his analysis, the mutual fund business in India is still in its embryonic form as they currently account for only 15 % of the market capitalization. The success of mutual funds business largely depends on the product innovation, marketing, customer service, fund management and committed manpower. The investment pattern of the investors reveals that a majority of the investors prefer real estate investments followed by mutual fund schemes, gold and other precious metals.

Singh J. and S. Chander (2006) pointed out that since interest rates on investments like public provident fund, national saving certificate, bank deposits, etc. are falling, the question to be answered is: What investment alternative should a small investor adopt? Direct investment in capital market is an expensive proposal, and keeping money in saving schemes is not advisable. One of the alternatives is to invest in capital market through mutual funds. This help the investor avoid the risks involved in direct investment. Considering the state of mind of the general investor, this article figured out the preference attached to different investment avenues by the investors. The preference of mutual funds schemes over others for investment. The sources from where the investor gets information about mutual funds and the experience with regard to returns from mutual funds. The results showed that the investors considered gold to be the most preferred form of investment, followed by NSC and post office schemes. Hence, the basic psyche of an Indian investor, who still prefers to keep his savings in the form of yellow metal, is indicated. Investors belonging to the salaried category, and in the age group of 20-35, years showed inclination towards close-ended growth (equity-oriented) schemes over the other scheme types. A majority of the investors based their investment decision on the advice of brokers, professionals and financial advisors. The findings also revealed the varied experience of respondents regarding the returns received from investments made in mutual funds.

Sathya Swaroop Debasish (2009) studied the performance of 23 schemes offered by six private sector mutual funds and three public sectors of mutual funds based on risk-return relationship models and measure it over the time period of 13 years (April 1996 to March 2009). The analysis has been made on the basis of mean return, beta risk, co-efficient of determination, Sharpe ratio, Treynor ratio and Jensen Alpha. The overall analysis concludes Franklin Templeton and UTI being the best performers and Birla Sun Life, HDFC and LIC mutual funds showing below-average performance when measured against the risk-return relationship models.

Sondhi, H.J and Jain, P.K (2010), examined the market risk and investment performance of equity mutual funds in India. The study used a sample of 36 equity fund for a period of 3 years. The study examined whether high beta of funds have actually produced high returns over the study period. The study also examined that open-ended or close ended categories, size of fund and the ownership pattern significantly affect risk-adjusted investment performance of equity fund. The results of the study confirmed with the empirical evidence produced by fama (1992) that high beta funds (market risks) may not necessarily produced high returns. The study revealed that the category, size and ownership have been significantly determinant of the performance of mutual funds during the study period

Alex Wang (2011) aims to understand younger generations' investing behaviors in mutual funds in order to help wealth advisors understand how better to work with younger generations. His study reveals that knowledge, experience, and income are important factors that influence younger generations' investing behaviors in mutual funds. Moreover, gender emerges as the most important factor that differentiates younger generations' investing behaviors in mutual funds. The findings point out challenges for younger women's wealth management, as they tend to exhibit fewer investing behaviors in mutual funds than their counterparts do. Consistent with previous research on wealth management among older generations, gender differences have significant implications for wealth advisors. As a result, wealth advisors should help younger women enhance their wealth management and financial future by facilitating their acquisition of necessary financial knowledge and experiences and their involvement with their wealth management. Wealth advisors are also urged to consider helping their clients manage their wealth by being aware of gender-predicted differences in client situations.

Bahl Sarita (Dr.) and Rani Meenakshi, (2012) investigates the performance of 29 open-ended, growth-oriented equity schemes for the period from April 2005 to March 2011 (six years) of transition economy. Monthly NAV of different schemes have been used to calculate the returns from the fund schemes. BSE-Sensex has been used for market portfolio. The historical performance of the selected schemes were evaluated on the basis of Sharpe, Treynor, and Jensen's measure whose results will be useful for investors for taking better investment decisions. The study revealed that 14 out of 29 (48.28 percent) sample mutual fund schemes had outperformed the benchmark return. The results also showed that some of the schemes had underperformed; these schemes were facing the diversification problem. In the study, the Sharpe ratio was positive for all schemes which showed that funds were providing returns greater than risk free rate. Results of Jensen measure revealed that 19 out of 29 (65.52 percent) schemes were showed positive alpha which indicated superior performance of the schemes.

Objectives of the study

1. To carry out the funds sensitivity to the market movements by analyzing their Beta and Standard Deviation.
2. To evaluate the performance of selected equity mutual fund schemes in term of their returns and risks for investors

Comparative Analysis

Return alone should not be considered as the basis of measurement of the performance of mutual fund scheme, it should also include the risk taken by the fund manager because different funds will have different level of risk attached to them. Risk associated with a fund in general, can be defined as variability or fluctuation in the returns generated by it.

These fluctuations in the returns generated by funds are resultant of guiding forces.

- General market fluctuations which affect all the securities present in the market called systematic risk or market risk.
- Fluctuation due to specific security portfolio of the fund called unsystematic risk.
- The total risk is the sum of these two is measured in terms of standard deviation of return of the fund.

Systematic risk is measured in terms of Beta which represents fluctuation in the NAV of the fund. Beta is calculated by relating the returns on a mutual fund with returns in the market.

Unsystematic risk can be diversified through investment in a number of instruments. Systematic risk cannot be.

In order to determine the risk adjusted returns of investment portfolio several eminent authors have worked since 1960's to develop composite performance indices to evaluate a portfolio by comparing alternative portfolio with a particular risk class. The most widely used measures are:

1. Sharpe measure
2. Treynor measure
3. Sortino measure

INTER FUND COMPARISON

The main objective of doing Inter Fund comparison is to judge which Mutual Fund stands in comparison to other Fund as per different criteria which are explained.

The following are the categories of the Equity fund which are taken into account:

- Equity diversified fund
- Equity large cap
- Equity small and mid cap

The comparative analysis of category mentioned above is shown as follows. The following parameters are:

➢ Funds Return

➢ Funds Risk

Methodology

- For the first part of analysis i.e. Fund Return. Five top funds of same category of different funds houses have been analyzed and compared on the basis of their return.
- For the second part of analysis i.e. Risk, these five funds with respect to their standard deviation, Sharpe ratio, Treynor ratio, Sortino ratio, Beta coefficient and Alpha coefficient are compared.

Equity Diversified Fund

These are the funds in the market which have investment across the sectors, asset classes and financial instruments to provide optimal benefit of diversification of portfolio to investors.

The following are the funds which are taken in account for comparison:

- Birla Sun Life Equity Fund
- Franklin India Prima Plus Fund
- HSBC India Opportunities Fund
- Tata Equity Opportunities Fund - Regular Plan
- Tata Ethical Fund - Regular Plan

Equity Large Cap Fund

Funds investing a bigger fraction of their corpus in companies with large market capitalization are called large cap funds. They are acknowledged to tender steady and sustainable returns over a period of time, but might be outperformed by small and mid cap funds, which have higher risk exposure.

The following are the funds which are taken in account for comparison:

- SBI Blue Chip Fund (G)
- Kotak Select Focus Fund – Regular (G)
- Franklin India Blue Chip (G)
- Birla Sun Life Frontline Equity (G)
- UTI Equity Fund (G)

Equity Small and Mid Cap Fund

These funds invest in a mix of midcap and small cap stocks. Due to their exposure in high beta stocks, they are positioned on a high risk return trade-off plane compared to a large cap fund.

The following are the funds which are taken in account for comparison:

- DSP-BR Micro Cap Fund – RP (G)
- SBI Magnum Midcap Fund (G)
- Reliance Small Cap Fund (G)
- HDFC Midcap Opportunities (G)
- UTI Midcap (G)

Analysis of Return:

Equity Diversified Funds

Table 1exhibit that Franklin India Prima Plus Fund has given in highest returns of all the selected mutual funds. It also has the lowest expense ratio (2.32%) as compared to other selected mutual funds. It even has the largest assets base of Rs. 7,021 crore as on 31 March 2016 as compared to other selected mutual funds.

Equity Large Cap Funds

Table 1 exhibit that SBI Blue Chip Fund (G) has given in highest returns of all the selected mutual funds. It also has the lowest expense ratio (2.08%) as compared to other selected mutual funds. Birla Sun Life Frontline Equity (G) has the largest assets base of Rs. 10,684.19 crore as on 31 March 2016 as compared to other selected mutual funds.

Equity Small and Mid Cap Funds

Table 1 exhibit that DSP-BR Micro Cap Fund - RP (G) has given in highest returns of all the selected mutual funds. HDFC Midcap Opportunities (G) has the lowest expense ratio (2.08%) as compared to other selected mutual funds. I also have the largest assets base of Rs. 10,294.66 crore as on 31 March 2016 as compared to other selected mutual funds.

Performance Analysis: Funds Return

Table 1: Performance Comparison: Funds Return

Fund	1-Year Return (%)	3-Year Return (%)	5-Year Return (%)	Expense Ratio (%) as on 31 March 2016	Assets as on 31 March 2016 (Rs. in Crore)
Equity Diversified Funds					
Birla Sun Life Equity Fund	1.97	21.71	13.17	2.39	2,298
Franklin India Prima Plus Fund	2.81	21.59	14.60	2.32	7,021
HSBC India Opportunities Fund	-1.56	20.11	12.25	2.55	465
Tata Equity Opportunities Fund - Regular Plan	1.20	18.25	12.91	2.57	1,131
Tata Ethical Fund - Regular Plan	0.98	19.86	13.65	2.96	435
Equity Large Cap Funds					
SBI Blue Chip Fund (G)	2.26	19.30	15.29	2.08	5124.42
Kotak Select Focus Fund – Regular (G)	-0.34	20.59	14.70	2.15	4219.49
Franklin India Blue Chip (G)	-1.64	13.70	10.41	2.22	6834.68
Birla Sun Life Frontline Equity (G)	-2.72	16.23	12.94	2.13	10684.19
UTI Equity Fund (G)	-3.81	16.07	12.78	2.32	4704.90
Equity Small and Mid Cap Funds					
DSP-BR Micro Cap Fund – RP (G)	8.64	40.76	23.68	2.57	2351.71
SBI Magnum Midcap Fund (G)	7.50	34.05	22.96	2.43	1613.79
Reliance Small Cap Fund (G)	6.70	38.39	21.34	2.52	1871.50
HDFC Midcap Opportunities (G)	0.24	27.72	19.46	2.30	10294.66
UTI Midcap (G)	0.04	33.21	20.68	2.42	3117.12

Source: www.valueresearchonline.com and www.economictimes.indiatimes.com

Performance Analysis: Funds Risk

Table 2: Performance Comparison: Funds Risk

Risk Measures (%)	Standard Deviation	Sharpe Ratio	Treynor Ratio	Sortino Ratio	Beta Coefficient	Alpha Coefficient
Equity Diversified Funds						
Birla Sun Life Equity Fund	17.97%	0.82	10.10	1.64	1.08	10.76%
Franklin India Prima Plus Fund	15.12%	0.96	15.41	1.81	0.94	10.92%
HSBC India Opportunities Fund	17.41%	0.77	13.00	1.44	1.09	9.36%
Tata Equity Opportunities Fund - Regular Plan	15.78%	0.74	11.93	1.12	0.98	7.98%
Tata Ethical Fund - Regular Plan	11.90%	1.05	20.01	1.58	0.63	10.18%
Equity Large Cap Funds						
SBI Blue Chip Fund (G)	14.55 %	0.84	13.28	1.40	0.92	8.72%
Kotak Select Focus Fund – Regular (G)	16.27%	0.84	13.36	1.61	1.02	9.80%
Franklin India Blue Chip (G)	15.39%	0.52	8.20	1.14	0.98	4.35%
Birla Sun Life Frontline Equity (G)	15.58%	0.65	10.10	1.23	1.00	6.34%
UTI Equity Fund (G)	15.18%	0.65	10.40	1.26	0.96	6.34%
Equity Small and Mid Cap Funds						
DSP-BR Micro Cap Fund – RP (G)	20.06%	1.48	28.15	2.07	1.06	25.75%
SBI Magnum Midcap Fund (G)	17.26%	1.42	27.09	2.15	0.91	21.18%
Reliance Small Cap Fund (G)	23.76%	1.22	23.93	2.06	1.21	24.44%
HDFC Midcap Opportunities (G)	17.55%	1.14	20.39	2.01	0.98	16.26%
UTI Midcap (G)	18.92%	1.29	24.08	2.28	1.01	20.57%

As on 30 April 2016
Source: www.valueresearchonline.com and www.economictimes.indiatimes.com
For computing ratios monthly returns for 3 years is taken in this case of Equity funds.

Analysis of Risk-Return

Equity Diversified Funds

Table 2 exhibit that Tata Ethical Fund - Regular Plan has the lowest standard deviation (11.90%) which shows that it is less risky as compared to the other selected mutual funds. On the contrary Birla Sun Life Equity Fund has the highest standard deviation (17.97%) which shows that it is more risky as compared to the other selected mutual funds.

Beta coefficient of Birla Sun Life Equity Fund (1.08) and HSBC India Opportunities Fund (1.09) is more than one which portrays that these two funds are more volatile as compared to the market. On the other side beta coefficient of Tata Equity Opportunities Fund - Regular Plan (0.98), Franklin India Prima Plus Fund (0.94), and Tata Ethical Fund - Regular Plan (0.63) is less than one which depicts that these three funds are less volatile as compared to the market.

Sharpe ratio is a risk adjusted performance measure. Tata Ethical Fund - Regular Plan (1.05) is observed with highest Sharpe ratio as compared to other selected mutual funds. Thus, it can be said that Tata Ethical Fund - Regular Plan's performance is better as compared to the other selected mutual funds.

Treynor ratio is also a risk adjusted performance measure. Tata Ethical Fund - Regular Plan (20.01) is observed with highest Sharpe ratio as compared to other selected mutual funds. Thus, it can be said that Tata Ethical Fund - Regular Plan's performance is better as compared to the other selected mutual funds.

Sortino ratio is a risk adjusted performance measure; however it penalizes negative deviation of returns only. Franklin India Prima Plus Fund (1.81) is observed with highest Sortino ratio as compared to other selected mutual funds indicating low probability of a large loss. Thus, it can be said that Franklin India Prima Plus Fund's performance is better as compared to the other selected mutual funds.

Alpha coefficient shows the ability of the fund manager to outperform the market. Franklin India Prima Plus Fund (10.92%) is observed with highest alpha as compared to other selected mutual funds indicating its fund manager's ability of stock selection. Thus, it can be said that Franklin India Prima Plus Fund's performance is better as compared to the other selected mutual funds.

Equity Large Cap Funds

Table 2 exhibit that SBI Blue Chip Fund (G) has the lowest standard deviation (14.55%) which shows that it is less risky as compared to the other selected mutual funds. On the contrary Kotak Select Focus Fund - Regular (G) has the highest standard deviation (16.27%) which shows that it is more risky as compared to the other selected mutual funds.

Beta coefficient of Kotak Select Focus Fund - Regular (G) (1.02) is more than one which portrays that this fund is more volatile as compared to the market. On the other side beta coefficient of Franklin India Blue Chip (G) (0.98), UTI Equity Fund (G) (0.96), and SBI Blue Chip Fund (G) (0.92) is less than one which depicts that these three funds are less volatile as compared to the market. Whereas, Birla Sun Life Frontline Equity (G) (1.00) moves as per market.

Sharpe ratio is a risk adjusted performance measure. SBI Blue Chip Fund (G) (0.84) and Kotak Select Focus Fund - Regular (G) (0.84) are observed with highest Sharpe ratio as compared to other selected mutual funds. Thus, it can be said that SBI Blue Chip Fund (G) and Kotak Select Focus Fund - Regular (G) performances are better as compared to the other selected mutual funds.

Treynor ratio is also a risk adjusted performance measure. Kotak Select Focus Fund - Regular (G) (13.36) is observed with highest Sharpe ratio as compared to other selected mutual funds. Thus, it can be said that Kotak Select Focus Fund - Regular (G)'s performance is better as compared to the other selected mutual funds.

Sortino ratio is a risk adjusted performance measure; however it penalizes negative deviation of returns only. Kotak Select Focus Fund - Regular (G) (1.61) is observed with highest Sortino ratio as compared to other selected mutual funds indicating low probability of a large loss. Thus, it can be said that Kotak Select Focus Fund - Regular (G)'s performance is better as compared to the other selected mutual funds.

Alpha coefficient shows the ability of the fund manager to outperform the market. Kotak Select Focus Fund - Regular (G) (9.80%) is observed with highest alpha as compared to other selected mutual funds indicating its fund manager's ability of stock selection. Thus, it can be said that Kotak Select Focus Fund - Regular (G)'s performance is better as compared to the other selected mutual funds.

Equity Small and Mid Cap Funds

Table 2 exhibit that SBI Magnum Midcap Fund (G) has the lowest standard deviation (17.26%) which shows that it is less risky as compared to the other selected mutual funds. On the contrary Reliance Small Cap Fund (G) has the highest standard deviation (23.76%) which shows that it is more risky as compared to the other selected mutual funds.

Beta coefficient of Reliance Small Cap Fund (G) (1.21), DSP-BR Micro Cap Fund - RP (G) (1.06) and UTI Midcap (G) (1.01) are more than one which portrays that these funds are more volatile as compared to the market. On the other side beta coefficient of HDFC Midcap Opportunities (G) (0.98) and SBI Magnum Midcap Fund (G) (0.91) is less than one which depicts that these three funds are less volatile as compared to the market.

Sharpe ratio is a risk adjusted performance measure. DSP-BR Micro Cap Fund - RP (G) (1.48) is observed with highest Sharpe ratio as compared to other selected mutual funds. Thus, it can be said that DSP-BR Micro Cap Fund - RP (G)'s performances is better as compared to the other selected mutual funds.

Treynor ratio is also a risk adjusted performance measure. DSP-BR Micro Cap Fund - RP (G) (28.15) is observed with highest Sharpe ratio as compared to other selected mutual funds. Thus, it can be said that DSP-BR Micro Cap Fund - RP (G)'s performance is better as compared to the other selected mutual funds.

Sortino ratio is a risk adjusted performance measure; however it penalizes negative deviation of returns only. UTI Midcap (G) (2.28) is observed with highest Sortino ratio as compared to other selected mutual funds indicating low probability of a large loss. Thus, it can be said that UTI Midcap (G)'s performance is better as compared to the other selected mutual funds.

Alpha coefficient shows the ability of the fund manager to outperform the market. DSP-BR Micro Cap Fund - RP (G) (25.75%) is observed with highest alpha as compared to other selected mutual funds indicating its fund manager's ability of stock selection. Thus, it can be said that DSP-BR Micro Cap Fund - RP (G)'s performance is better as compared to the other selected mutual funds.

Table 3: Mutual Funds Ranking on the Parameter of Different Measures

Mutual Fund	Rankings Sharpe Ratio	Treynor Ratio	Sortino Ratio	Alpha
Equity Diversified Funds				
Birla Sun Life Equity Fund	3	5	2	2
Franklin India Prima Plus Fund	2	2	1	1
HSBC India Opportunities Fund	4	3	4	4
Tata Equity Opportunities Fund - Regular Plan	5	4	5	5
Tata Ethical Fund - Regular Plan	1	1	3	3
Equity Large Caps Funds				
SBI Blue Chip Fund (G)	1	2	2	2
Kotak Select Focus Fund – Regular (G)	1	1	1	1
Franklin India Blue Chip (G)	3	5	5	4
Birla Sun Life Frontline Equity (G)	2	4	4	3
UTI Equity Fund (G)	2	3	3	3
Equity Small and Mid Cap Funds				
DSP-BR Micro Cap Fund – RP (G)	1	1	3	1
SBI Magnum Midcap Fund (G)	2	2	2	3
Reliance Small Cap Fund (G)	4	4	4	2
HDFC Midcap Opportunities (G)	5	5	5	5
UTI Midcap (G)	3	3	1	4

As can be observed from Table 3 the performance of mutual funds according to different measures. The rankings of the funds are not same because of different measures used to evaluate the funds.

Conclusion

Investment by the investors is based on their investment objective which should be correlated with the outcome of the analysis of different funds using different evaluation measures. Thus, on the basis of the Fund evaluation performance measure it can be suggested that Tata Ethical Fund - Regular Plan and Franklin India Prima Plus Fund are two of the best performer out of the selected Equity Diversified funds.

SBI Blue Chip Fund (G) and Kotak Select Focus Fund – Regular (G) are two of the best performer out of the selected Equity Large Cap funds.

DSP-BR Micro Cap Fund – RP (G) is the best performer out of the selected Equity Small and Mid Cap funds.

Suggestions

Equity Diversified Funds

Tata Ethical Fund - Regular Plan has lowest beta (0.63) among all the other selected funds therefore risk averse investors should invest in it. Franklin India Prima Plus Fund yielded the highest returns among all the other selected mutual funds. So it can be preferred by investors because it also shows low variations in returns. Tata Ethical Fund - Regular Plan has the lowest standard deviation of (11.90) among all the other selected mutual funds therefore investors who are concerned for steady returns can invest in it.

Equity Large Cap Funds

SBI Blue Chip Fund (G) has lowest beta (0.92) among all the other selected funds therefore risk averse investors should invest in it. SBI Blue Chip Fund (G) yielded the highest returns among all the other selected mutual funds. So it can be preferred by investors because it also shows low variations in returns.

SBI Blue Chip Fund (G) has the lowest standard deviation of (14.55%) among all the other selected mutual funds therefore investors who are concerned for steady returns can invest in it.

Equity Small and Mid Cap Funds

SBI Magnum Midcap Fund (G) has lowest beta (0.91) among all the other selected funds therefore risk averse investors should invest in it. DSP-BR Micro Cap Fund – RP (G) yielded the highest returns among all the other selected mutual funds. So it can be preferred by investors because it also shows low variations in returns. SBI Magnum Midcap Fund (G) has the lowest standard deviation of (17.26%) among all the other selected mutual funds therefore investors who are concerned for steady returns can invest in it.

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