



# AN ANALYTICAL STUDY OF MUTUAL FUND PERFORMANCE AND ITS IMPACT ON RETAIL INVESTMENT DECISIONS – HDFC LIMITED

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## ABSTRACT

Mutual funds have emerged as one of the most popular investment avenues for retail investors due to their ability to provide diversification, professional management, and relatively lower risk compared to direct stock market investments.

This study focuses on analyzing the performance of mutual funds and examining their impact on the investment decisions of retail investors. The research evaluates various performance indicators such as returns, risk levels, portfolio diversification, and fund management efficiency to understand how mutual funds perform in the dynamic financial market. The study also investigates the factors influencing retail investors when selecting mutual fund schemes, including past performance, risk perception, fund manager reputation, expense ratios, and market conditions.

Data collected through surveys and secondary financial reports are analyzed to understand investor behavior, preferences, and awareness regarding mutual fund investments. The findings highlight that mutual fund performance plays a significant role in shaping investor confidence and investment choices. Furthermore, the study reveals that informed retail investors tend to rely on performance metrics and professional fund management while making investment decisions. The research emphasizes the importance of financial literacy and transparent information in helping investors choose suitable mutual fund schemes. Overall, the study provides insights into the relationship between mutual fund performance and retail investor behavior, offering useful implications for investors, fund managers, and financial institutions.

## I. INTRODUCTION

Mutual funds are collective savings and investments where savings of small or sometimes big investors are pooled together to take a position for his or her mutual benefit and returns distributed proportionately.

Mutual fund is trust that pools the savings of variety of investors who share a standard financial goal. This pool of money is invested in accordance with a given objective.

The joint ownership of the funds are thus 'Mutual', i.e. the fund belongs to all or any investors. The money thus collected is then invested in capital market instruments like shares, debentures and other securities.

The fund's asset is invested according to an investment objective into the fund's portfolio of investments. Aggressive growth funds seek future capital growth by investing primarily instocks of fast growing smaller companies or market segments. Aggressive growth funds are also called as capital appreciation fund.

A mutual fund is like a bridge or a financial intermediary that allows a group of investors to pool in their money together with a pre-determined investment objective and then this gathered money is invested by the fund manager into specific securities (stocks or bonds).

Mutual funds can be considered as one of the best investment avenues because they are very cost efficient and also easy to invest in. Thus by pooling money together in a mutual fund, investors can purchase stocks or bonds with much lower trading costs than if they tried to do it on their own.

## DEFINITION OF MUTUAL FUNDS:

"According to SEBI, a mutual fund is a trust that pools the savings of a number of investors who share a common financial goal."

"The money collected is invested in capital market instruments such as shares, debentures, and other securities, and the income earned through these investments is distributed among investors in proportion to the units owned by them."



## NEED OF THE STUDY

1. Need to Compare the Performance of Selected Schemes.
2. Need to Analyse Risk–Return Characteristics.
3. Need to Understand NAV Trends.
4. Need to Compare Fund Management Strategies.
5. Need to Examine Market Condition Impacts.
6. Need to Identify the Best-Performing Funds.
7. Need to Understand Investor Preferences and Perceptions.
8. Need to Evaluate the Role of Banks in Delivering Mutual Fund Services.

## OBJECTIVES OF THE STUDY

1. To compare the performance of selected mutual fund schemes.
2. To analyze the risk and return characteristics.
3. To study the NAV trends of selected mutual funds.
4. To compare fund management strategies.
5. To examine the impact of market conditions on mutual fund performance.
6. To identify the best-performing mutual funds among the selected options.
7. To study investor preferences and perceptions.
8. To evaluate the role of banks in delivering mutual fund services.

## SCOPE OF THE STUDY

1. Coverage of Different Categories of Mutual Funds.
2. Evaluation of Performance Indicators.
3. Comparison of Fund Management & Investment Strategies.
4. Assessment of Market Influence.
5. Geographical Scope.
6. Policy and Regulatory Framework.

## II. RESEARCH METHODOLOGY

Mutual Funds offered by banks in India.

The methodology adopted for the study is explained as follows:

### RESEARCH DESIGN:

The study follows a descriptive and analytical research design.

It describes the role of banks in mutual fund distribution and analysis the performance of selected mutual fund schemes offered by bank.

### SELECTION OF BANK:

- SBI mutual funds

- HDFC mutual funds
- ICICI Prudential Mutual Fund
- Axis bank mutual funds
- Kotak Mahindra mutual funds

## DATA COLLECTION METHODS:

### Secondary data:

Nav (net assests value) databases websites.

Research papers,

Textbooks.

## DATA ANALYSIS TOOLS:

### a. Data collection sources:

- 1 .Brokeage app: like (Groww, Angel one) .

### 2. SEBI Websites

#### b. sample size:

A sample consisting of 5 mutual funds schemes (equity, debt, hybrid, ELSS Funds, index etc.,) from the selected banks has been taken for performance analysis.

#### C Tools:

NAV trend analysis - To examine movement of funds.

Mean - To measure performance.

### d. Tools used for representation:

i. line diagrams.

ii. pie charts.

iii. bar charts.

## LIMITATIONS OF THE STUDY

- 1 Dependence on Historical Data.
- 2 Limited Time Period.
- 3 Restricted Number of Mutual Fund Schemes.
- 4 Impact of Market Volatility.
5. Variations in Fund Objectives and Strategies.
6. Data Availability and Accuracy.
7. Change in Management or Portfolio Composition.

## III. REVIEW OF LITERATURE

**Divya Jyoti Patowari (2026)** Household savings form the foundation of domestic investments and economic growth particularly in the emerging economies such as India. The share of household sector in national savings is traditionally in India the largest - about 60 percent over the past years - and thus the mobilization of these savings is especially important. Banks and mutual funds are two different channels of directing the household savings into the financial system. The most



common channel has been the banks: households put money with banks in savings accounts and fixed deposits and then the banks lend the money to businesses and consumers, thus, indirectly investing. Safety and liquidity is also guaranteed to the savers because they can get assured returns and the freedom to access deposits at the time they require them, given the presence of the banks. Mutual funds, in their turn, combine household investments and buy stocks, bonds and other securities and directly relate household savings to capital markets.

**Jyotirmoy Koley (2025)** This study assesses the performance of selected SBI mutual funds in India over the period 2014-2024 with a focus on risk and return components. The analysis employs secondary data from various sources and examines five SBI mutual funds: SBI Contra Fund, SBI Long Term Equity Fund, SBI Large and Midcap Fund, SBI Multicap Fund, and SBI Infrastructure Fund. The performance evaluation was based on annual returns, SIP returns, risk ratios, portfolio analysis, and NAV trends. The findings indicate that the SBI Long-Term Equity Fund consistently demonstrates strong performance, achieving the highest annual return of 28% in 2024 and the most favorable long-term 10-year annual growth rate of 14%. The SBI Contra Fund shows significant potential for high returns, recording the highest 5-year and 10-year SIP CAGRs of 92% and 199%, respectively, albeit with higher volatility. The SBI Infrastructure Fund presents a high risk-reward profile, with the highest volatility of 13.54% but strong returns in certain years. Most of the analyzed funds received Crisil ratings of four or five out of five, indicating above-average performance overall. Funds generally maintain defensive beta values below one and exhibit varying levels of diversification in their equity portfolios. These findings provide valuable insights for investors and fund managers to make informed decisions based on their financial goals and risk tolerance. However, past performance does not guarantee future results, and investors should carefully consider market conditions when selecting mutual fund investments.

**Praful Gawande (2025)** The mutual fund industry in India has expanded rapidly as investors

increasingly prefer professionally managed investment options. Among various asset management companies (AMCs), HDFC Mutual Fund and ICICI Prudential Mutual Fund are two leading institutions known for their strong equity schemes. This study aims to compare the performance of selected equity mutual funds managed by these fund houses by analyzing return trends, risk indicators, investment strategies, and category rankings. The study is fully based on secondary data collected from reputed financial databases. Indicators such as CAGR, standard deviation, Sharpe ratio, beta, alpha, and expense ratio have been examined. The comparative results indicate that while both AMCs deliver strong performance, HDFC tends to maintain stable long-term risk-adjusted returns, whereas ICICI performs better in actively managed and diversified categories.

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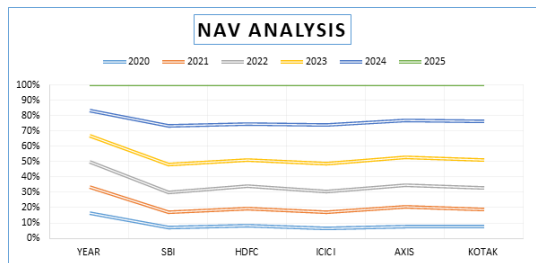


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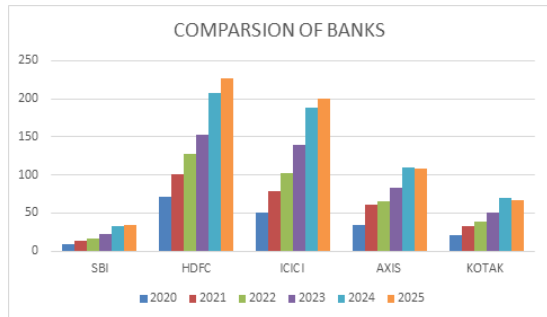
#### IV. DATA ANALYSIS & INTERPRETATION

##### NAV TRENDS ANALYSIS:

|       | <u>NET ASSET VALUE ANALYSIS</u> |        |        |        |        |
|-------|---------------------------------|--------|--------|--------|--------|
|       |                                 |        |        |        |        |
| YEA R | SBI                             | HDF C  | ICICI  | AXIS   | KOTA K |
| 2020  | 9.38                            | 70.87  | 50.05  | 34.47  | 20.52  |
| 2021  | 12.86                           | 101.41 | 78.65  | 61.03  | 32.38  |
| 2022  | 16.63                           | 127.43 | 101.9  | 64.71  | 38.27  |
| 2023  | 23.06                           | 152.75 | 139.96 | 83.94  | 50.52  |
| 2024  | 32.82                           | 207.62 | 187.91 | 109.69 | 70.16  |
| 2025  | 34.01                           | 226.97 | 199.57 | 107.68 | 66.38  |



##### COMPARSION OF BANKS:



**INTERPRETATION:** - The Net Asset Value data shows a consistent upward trend for all selected bank mutual funds between 2020 and 2025, indicating overall growth in fund performance. HDFC mutual fund recorded the

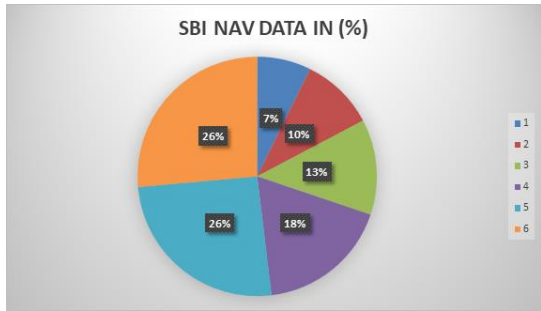
highest NAV throughout the study period, increasing steadily from 70.87 in 2020 to 226.97 in 2025. This reflects strong portfolio performance and effective fund management compared to other banks. ICICI mutual fund also showed significant growth, rising from 50.05 to 199.57, maintaining the second highest position during most of the years.

Axis mutual fund demonstrated moderate growth, moving from 34.47 in 2020 to 107.68 in 2025, though it experienced a slight decline in the final year. Kotak mutual fund showed steady improvement until 2024, increasing from 20.52 to 70.16, but a minor drop was observed in 2025. SBI mutual fund recorded the lowest NAV values among the selected banks; however, it exhibited gradual and consistent growth from 9.38 in 2020 to 34.01 in 2025.

The year 2024 appears to be a peak performance period for most funds, with noticeable increases in NAV values, possibly due to favourable market conditions. The slight decline in Axis and Kotak during 2025 may indicate market volatility or portfolio adjustments. Overall, HDFC and ICICI funds outperformed others in terms of NAV growth, while SBI showed stable but comparatively lower performance across the study period.

##### SBI MUTUAL FUNDS:

| YEAR | SBI   | %     |
|------|-------|-------|
| 2020 | 9.38  | 7.29  |
| 2021 | 12.86 | 9.99  |
| 2022 | 16.6  | 12.9  |
| 2023 | 23.06 | 17.91 |
| 2024 | 32.82 | 25.5  |
| 2025 | 34.01 | 26.42 |



**INTERPRETATION:** - The SBI mutual fund NAV shows a continuous upward trend from 2020 to 2025, indicating steady improvement in fund performance over the study period. The NAV increased from 9.38 in 2020 to 34.01 in 2025, reflecting gradual capital appreciation and consistent portfolio growth. The percentage values also show a proportional rise, moving from 7.29 percent in 2020 to 26.42 percent in 2025.

A notable increase is observed between 2022 and 2024, where NAV rose sharply from 16.6 to 32.82. This period represents the highest growth phase for the SBI mutual fund, suggesting favorable market conditions and effective fund allocation strategies. The percentage growth also increased significantly during these years, highlighting improved returns to investors.

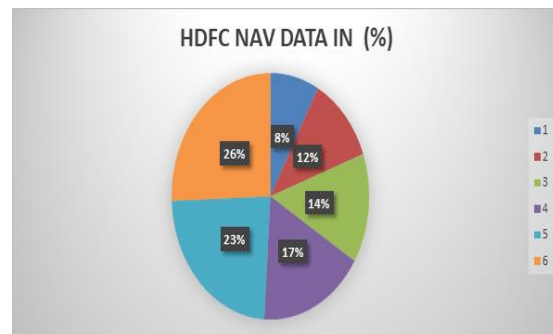
However, between 2024 and 2025, the NAV growth slowed, showing only a marginal increase from 32.82 to 34.01. This indicates a stabilization phase where the fund experienced moderate performance compared to earlier years. Despite the slower growth in the final year, the overall trend remains positive.

The consistent rise in both NAV and percentage values demonstrates that SBI mutual fund has maintained stable performance with gradual wealth creation for investors. Although the NAV values are lower compared to some other bank mutual funds, the steady growth pattern indicates lower volatility and relatively stable investment performance over the six-year period.

#### **HDFC MUTUAL FUNDS:**

| YEAR | HDFC   | %     |
|------|--------|-------|
| 2020 | 70.87  | 7.99  |
| 2021 | 101.41 | 11.43 |
| 2022 | 127.43 | 14.37 |
| 2023 | 152.75 | 17.22 |

|      |        |       |
|------|--------|-------|
| 2024 | 207.62 | 23.41 |
| 2025 | 226.97 | 25.59 |



**INTERPRETATION:** - The HDFC mutual fund NAV shows a strong and consistent upward trend from 2020 to 2025, indicating robust fund performance and effective portfolio management. The NAV increased significantly from 70.87 in 2020 to 226.97 in 2025, reflecting substantial capital appreciation over the six-year period. This steady rise highlights the fund’s ability to generate higher returns compared to earlier years.

The percentage values also show continuous growth, moving from 7.99 percent in 2020 to 25.59 percent in 2025. A major increase is observed between 2020 and 2021, where the NAV jumped from 70.87 to 101.41, indicating strong recovery and favourable market conditions. The upward momentum continued in subsequent years, with notable growth during 2023 and 2024, where NAV increased from 152.75 to 207.62. This period represents the highest expansion phase for HDFC mutual fund.

Although the NAV continued to rise in 2025, the growth rate appears slightly moderate compared to the previous year, suggesting a phase of stabilization. Despite this, the overall performance remains highly positive and consistent.

The steady increase in both NAV and percentage values demonstrates that HDFC mutual fund has delivered strong and reliable returns to investors. Compared to other bank mutual funds, HDFC shows superior performance, higher growth potential, and better wealth creation over the study period, making it one of the top performing funds in the analysis.

#### **V. FINDINGS, SUGGESTIONS, CONCLUSION**



## FINDINGS

- All selected mutual funds showed a continuous increase in Net Asset Value during the study period, indicating overall positive growth and consistent fund performance.
- HDFC mutual fund recorded the highest NAV values throughout the period and achieved the highest mean performance, showing strong returns and effective portfolio management.
- ICICI mutual fund secured the second position in NAV growth and mean value, reflecting high return potential with relatively stable performance trends.
- Axis mutual fund demonstrated moderate growth with balanced risk and return, though a slight decline was observed in the final year of study.
- Kotak mutual fund showed steady improvement until 2024 but experienced a minor decline in 2025, indicating sensitivity to market fluctuations.
- SBI mutual fund recorded the lowest NAV and mean values, but maintained consistent and stable growth with comparatively lower volatility.
- The year 2024 was the peak performance period for most funds, suggesting favorable market conditions and strong portfolio returns.
- Mean analysis revealed the performance ranking as HDFC first, followed by ICICI, Axis, Kotak, and SBI respectively.
- Higher return funds such as HDFC and ICICI also indicated relatively higher volatility, making them suitable for aggressive investors.
- Lower mean funds like SBI and Kotak showed stable growth patterns, making them more suitable for conservative investors seeking steady returns.

## SUGGESTIONS

- Investors should select mutual funds based on their risk tolerance, preferring high return funds for growth and stable funds for safety.

- Aggressive investors may consider HDFC and ICICI mutual funds due to higher mean returns and strong NAV growth over the study period.
- Conservative investors should prefer SBI and Kotak mutual funds as they show steady performance with comparatively lower volatility and risk.
- Investors are advised to adopt Systematic Investment Plans to reduce market risk and benefit from long term compounding returns.
- Diversification across different mutual fund categories can help investors balance risk and improve overall portfolio performance effectively.
- Fund houses should focus on consistent portfolio management to maintain stable NAV growth even during periods of market volatility.
- Regular performance monitoring is essential for investors to evaluate fund efficiency and make timely investment decisions.
- Banks should enhance investor awareness programs to educate customers about mutual fund benefits, risks, and suitable investment strategies.
- Future studies should include more mutual fund schemes and longer time periods for more accurate and comprehensive performance evaluation.
- Investors should consider both return and risk measures rather than relying only on NAV growth while selecting mutual fund schemes.

## CONCLUSION

The present study was conducted to compare the performance of selected mutual funds offered by SBI, HDFC, ICICI, Axis, and Kotak banks during the period 2020 to 2025 using Net Asset Value trends and mean analysis. The analysis clearly indicates that all selected mutual funds showed a consistent upward movement in NAV, reflecting overall positive growth and effective fund management during the study period.

Among the selected funds, HDFC mutual fund recorded the highest NAV values and the highest mean performance, indicating superior return generation and strong portfolio management



strategies. ICICI mutual fund secured the second position with significant NAV growth and consistent performance. These funds can be considered suitable for investors seeking higher returns and willing to accept moderate to high risk. Axis mutual fund demonstrated moderate growth with a balanced risk return profile, although a slight decline was observed in the final year. Kotak mutual fund showed steady improvement until 2024 but experienced a minor reduction in 2025, indicating sensitivity to market fluctuations. SBI mutual fund recorded the lowest mean value but maintained stable and consistent growth with lower volatility, making it suitable for conservative investors.

The study also highlights that mutual fund performance is influenced by market conditions, investment strategies, and management efficiency. Higher return funds generally involve higher risk, while funds with stable growth offer lower but more consistent returns. Therefore, investors should select mutual funds based on their financial goals, investment horizon, and risk tolerance.

In conclusion, mutual funds offered by Indian banks provide diversified investment opportunities for different categories of investors. Despite market fluctuations, mutual funds remain an effective tool for long term wealth creation when chosen carefully and monitored regularly. The study emphasizes the importance of evaluating both return and risk factors for making informed investment decisions.

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