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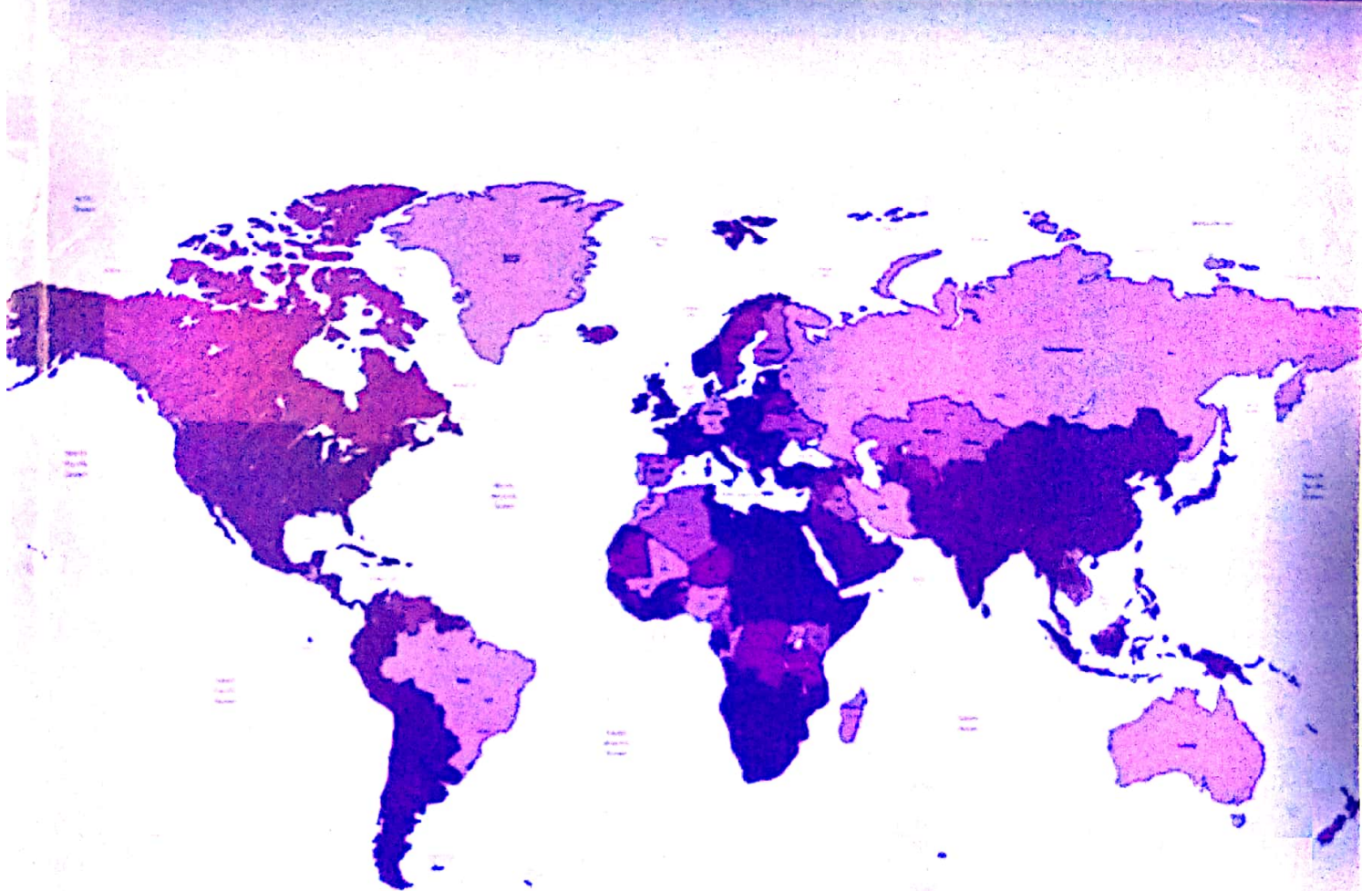
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MULTI-CAP MUTUAL FUNDS : A STUDY

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ABSTRACT

Multi Cap Mutual Fund comprises of large cap, midcap and small cap stocks. They are relatively less risky compared to a pure mid cap or a small cap fund and are suitable for not-so-aggressive investor. To identify the best multi cap mutual fund, out of 63 Asset Management Companies (AMCs) 5 AMCs have been identified, which are offering all kind of stocks. Risk – adjusted return methods are applied to find out the best fund out of select funds. It concludes that all other schemes of multi cap funds showed positive co-relation between Financial and investment dimensions, and ICICI Prudential Multi Cap Fund outperformed other counter parts, it is identifies as the best fund.

Key words : Mutual Funds, multi cap funds, AMC, CNX NIFTY, Systemative Risk. Asset Management Companies.

INTRODUCTION

Multi cap funds are those funds which are invested in both large –cap stocks and Mid-cap stocks. Multi-Cap funds can change its nature according to the situation. It can enjoy the stability that exposure to large-cap stocks provides and at the same time take explore to mid-cap stocks. Multi-cap funds provide sound risk-adjusted returns over the long term. Multi-cap funds can shift even portfolios across market caps, they can hold large-cap or mid-cap stocks, or mix of both. By investing

in Multi-cap fund, the retail investor can leverage a fund manager's expertise.

The present paper deals with data analysis and interpretation of Multi-cap funds adopting the following frame work.

RESEARCH METHODOLOGY:

As per AMFI there are 63 Asset Management Companies (AMCs) are operated in

India during March 2019. They are as follows

Table 1. Number of Asset Management Companies

S.No	AMCs Name	S.No	AMCs Name
1	AIG Global Investment Mutual Fund	33	JP Morgan Mutual Fund
2	Alliance Capital MF	34	Kotak Mahindra MF
3	Anagram Wellington MF	35	L&T Mutual Fund
4	Apple Mutual Fund	36	Lotus Mutual Fund
5	AXIS Mutual Fund	37	LIC Mutual Find
6	Benchmark Mutual Fund	38	Mirae Asset Mutual Fund
7	BOI AXA Mutual Fund	39	Mahindra MF
8	Birla Sun Life Mutual Fund	40	Morgan Stanley MF
9	BNP Paribus MF	41	Peerless Mutual Fund
10	Baroda Pioneer MF	42	Motilal Oswal MF
11	CRB Mutual Fund	43	Pioneer ITI Mutual Fund
12	Deutsche Mutual Fund	44	Pinbridge Mutual Fund
13	DSP Blackrock MF	45	Principal Mutual Fund
14	Dundee Mutual Fund	46	Quantum Mutual Fund

15	Edelweiss Mutual Fund
16	Escorts Mutual Fund
17	Fidelity Mutual Fund
18	First India Mutual Fund
19	Fortis Mutual Funds
20	Franklin Templeton MF
21	Goldman Sachs Mutual Fund
22	HB Mutual Fund
23	HDFC Mutual Fund
24	HSBC Mutual Fund
25	ICICI Prudential MF
26	IDFC Mutual Fund
27	IL&FS Mutual Fund
28	ING Mutual Fund
29	ITC Classic Thread. MF
30	Invesco MF
31	Jardine Fleming MF
32	JM Mutual Fund

47	Reliance Capital MF
48	Sahara Mutual Fund
49	SBI Mutual Fund
50	Shriram Mutual Fund
51	SREI Mutual Fund
52	Sun F&C Mutual Fund
53	Sundaram MF
54	Tata Mutual Fund
55	Taurus Mutual Fund
56	UTI Mutual Fund
57	Union KBC MutualL Fund
58	PPFAS
59	DHFL Pramerica MF
60	IIFCL
61	IDBI
62	INDIABULLS
63	IIFL

Source: AMFI

Above shown AMC's are public and private sector asset management companies. Of the total 63 Asset Management Companies (AMCs), researcher has purposively selected Five AMC's which are operating all types of cap schemes. Furthermore, researcher has selected each type of cap schemes floated by each chosen AMC's.

Sampling:

Based on the Value research journal and AMFI, there are 63 Asset Management Companies (AMCs) that are in existence during the study period. Out of this, in the first stage, Five (05) mutual fund Asset Management Companies are

purposively selected as these Asset Management Companies are found operating Growth funds categorized into Large Cap, Large & Mid Cap, Multi Cap and Mid & Small Cap funds. At the second stage, these five Asset Management Companies are found operating all types of cap funds. In all, there are 49 Cap schemes being floated by these five AMC's. Out of 49 schemes, researcher has purposively selected one (01) scheme from each type of Cap fund from each AMC depending upon the existence of given scheme both at the beginning of the study period and at the end of the study period as well as on the basis of availability of required secondary data.

TABLE 2. SELECT MULTI CAP MUTUAL FUNDS

Birra Sun Life Asset Management Company Limited	3	1
DSP BlackRock Investment Managers Private Limited	2	1
ICICI Prudential Mutual Fund	1	1
Kotak Mahindra Asset Management Company Limited	1	1
Tata Asset Management Limited	3	1
TOTAL	10	5
Source : Primary data		

Period of The Study:

The present study aims to carry out the evaluation of chosen schemes from 2008-09 to 2016-2019. Hence, the study covers a period of 9 financial years. The rationale behind choosing nine years duration as a period of study is to cover bearish phase, bullish phase and consolidation phase as exhibited by the values of respective benchmark indices used in the study.

II. Performance Evaluation Methods:

(1) Return related analysis and its interpretation:

For the purpose of carrying out return related analysis and interpretations, average holding period return (HPR i.e., 6.69%) for the study period had been compared with the average return on the chosen bench mark index. If the average return is found to be greater than respective average return on the bench mark index, the said fund is to be considered as experiencing superior return than the underlying index and vice-versa.

(2) Risk related analysis and its interpretation:

Risk refers to variability in returns, the variation in return signifies risk associated with a portfolio. Risk gets measured in terms of standard deviation (σ), beta ($\hat{\alpha}$) and coefficient of determination (R^2). Evaluation of riskiness of select schemes these, three variables are measured and suitable

interpretation is drawn thereupon. The details are furnished below.

- (i) Total Risk analysis and interpretation (σ)
- (ii) Systematic Risk analysis and interpretation ($\hat{\alpha}$)
- (iii) Analysis and interpretation of co-efficient of determination (R^2).

(3) Risk – adjusted return analysis and its interpretation:

Risk and Return are the two variables required for performance evaluation of portfolio, Portfolio evaluation is said to be complete, if the comprehensive evaluation is based on both the return and risk. Thus, risk adjusted return analysis is required for evaluating portfolio performance.

In the lexicon of mutual fund performance evaluation, there are several risk-adjusted performance models evolved and implemented from time to time. The following five (5) models are used for evaluating performance of mutual funds.

- (i) Treynor's Index
- (ii) Sharpe's Index
- (iii) Jensen's Differential Index
- (iv) Eugene Fama's Decomposition Net Selectivity Index
- (v) Modigliani and Modiglian's risk adjusted performance measure (M^2)

Table 3: Returns for select scheme of the Multi Cap Funds and Bench Mark Values for the study period 2008-09 to 2016-17.

YEAR	(Values in Percentages)					
	CNX NIFTY	KOTAK OPPORTUNITIES FUND GROWTH	ICICI PRUDENTIAL MULTI CAP FUND GROWTH	BIRLA SUN LIFE EQUITY FUND GROWTH	DSP BLACKROCK EQUITY FUND GROWTH	TATA EQUITY OPPORTUNITIES FUND REGULAR GROWTH
2008-09	-38.97	-40.22	-36.4	-40.83	-30.9	-45.38
2009-10	87.58	89.55	83.92	99.03	91.84	104.99
2010-11	1.92	6.25	12.04	1.93	11.47	-1.02
2011-12	-9.26	-5.31	-9.07	-9.026	-4.53	-1.47
2012-13	7.22	5.84	6.29	6.82	-0.04	7.39

2013-14	13.69	19.5	23.54	25.59	16.87	20
2014-15	34.73	49.41	42.36	51.9	50.31	48.62
2015-16	-8.05	-6.57	-3.65	-5.57	-9.86	-6.46
2016-17	24.2	30.95	31.81	35.04	26.94	19.8
AVERAGE	12.56	16.6	16.76	18.29	16.9	16.28
DEVIATION		4.04	4.2	5.73	4.34	3.71
OVER /UNDER		OVER	OVER	OVER	OVER	OVER
RANK		4	3	1	2	5

Source: Compiled from NAV records of the respective AMCs.

Above table reveals information of the holding period returns of select schemes of multi cap funds as well as bench mark index. Average returns for the holding period are calculated on the basis of Net Asset Value (NAV) for the study period.

Among the select schemes of multi cap funds, Birla Sun Life equity fund growth ranked 1st, has earned an average return of 18.29 percent and has earned excess returns over the counter part schemes, and the bench mark index, CNX Nifty . DSP Black

Rock Equity fund growth ranked 2nd, ICICI Prudential multi cap fund growth ranked 3rd, Kotak opportunities fund growth ranked 4th and the last rank is assigned to Tata Equity opportunities fund regular growth. From the above analysis it is concluded that all the Multi Cap. Funds of select AMCs have succeeded in imitating the performance of underlying index and registered excess returns over CNX Nifty Index.

Risk related analysis and its interpretation

Table 4: Standard deviation of select schemes of multi cap funds and bench mark values

PARTICULARS	CNX Nifty	KOTAK OPPORTUNITIES FUND GROWTH	ICICI PRUDENTIAL MULTI CAP FUND GROWTH	BIRLA SUN LIFE EQUITY FUND GROWTH	DSP BLACKROCK EQUITY FUND GROWTH	TATA EQUITY OPPORTUNITIES FUND REGULAR GROWTH
Average	35.27	37.22	34.42	40.63	36.42	41.76
Deviation		1.95	-0.85	5.36	1.15	6.49
Riskiness		Average Risk	Less Risk	High Risk	Average Risk	High Risk
Rank		3	1	4	2	5

Source: Compiled from NAV records of the respective AMCs.

Above table provides the information about the resultant total risk, i.e., standard deviation of each select scheme of multi cap funds and bench mark index.

Among the select schemes of multi cap funds, ICICI Prudential Multi Cap Fund Growth has less risk (34.42 Percent) than the bench mark index, CNX Nifty and its counterpart schemes ranked 1st, DSP Black Rock Equity fund growth and kotak

opportunities fund growth has an average risk of 36.42 percent and 37.22 percent, which were ranked 2nd and 3rd respectively. Further, riskiness

of Birla Sun life fund equity growth and Tata opportunities fund growth are high are ranked 4th and 5th respectively.

Table 5: Return versus standard deviation of select schemes of Multi cap funds

Name of the scheme	AR _p	SR _p	Deviation		Situation
			AR _p	SR _p	
KOTAK OPPORTUNITIES FUND GROWTH	16.60	37.22	4.04	1.95	AR _p >AR _m : SD _p > SD _m
ICICI PRUDENTIAL MULTI CAP FUND GROWTH	16.76	34.42	4.20	-0.85	AR _p > AR _m : SD _p <SD _m
BIRLA SUN LIFE EQUITY FUND GROWTH	18.29	40.63	5.73	5.63	AR _p > AR _m : SD _p > SD _m
DSP BLACKROCK EQUITY FUND GROWTH	16.90	36.42	4.34	1.15	AR _p > AR _m : SD _p >SD _m
TATA EQUITY OPPORTUNITIES FUND REGULAR GROWTH	16.28	41.76	3.71	6.49	AR _p > AR _m : SD _p >SD _m
CNX NIFTY	12.56	35.27			

Source: Compiled from NAV records of the respective AMCs.

The table no. 5 provides the information about the average returns of the portfolios and average standard deviation of select multi cap funds. Above table also provides information about the deviation between the average return on the portfolio and average returns on the market index, as well as the standard deviation of the portfolio as compared to the standard deviations of the market. The comparison between Actual Return on portfolio

(AR_p) and Actual Return on market (AR_m) results in relative performance of sample schemes. All the select schemes of multi cap funds earned excess return over the bench mark index. ICICI Equity opportunities fund growth provided higher returns with lower risk as compared to market index. All other schemes of the select multi cap funds earned excess returns than the market index with higher risk.

Table No. 6: Systematic Risk (Beta) for select schemes of multi cap fund.

PARTICULARS	CNX Nifty	KOTAK OPPORTUNITIES FUND GROWTH	ICICI PRUDENTIAL MULTI CAP FUND GROWTH	BIRLA SUN LIFE EQUITY FUND GROWTH	DSP BLACKROCK EQUITY FUND GROWTH	TATA EQUITY OPPORTUNITIES FUND REGULAR GROWTH
Beta	1.00	1.05	0.97	1.14	1.02	1.17
Deviation		0.05	-0.03	0.14	0.02	0.17
Over / Under		Over	Under	Over	Over	Over
Rank		3	5	2	4	1

Source: Compiled from NAV records of respective AMCs.

Table No. 6 provides information about systematic risk of multi cap funds for the study period. A fund having higher beta value may do well in a general upward-trend, whereas may not do so during the down-trend. A fund with lower beta may not exhibit attractive performance but save investors from extreme losses during the down-ward trend.

ICICI prudential multi cap fund growth, whose beta value is less than 1.00 i.e., 0.97 shows less than Proportionate responsiveness. All other select schemes of multi cap fund's beta ($\hat{\alpha}$) value is greater than 1.00, implying more than proportionate responsiveness to the changes in the market and are considered as aggressive portfolios.

Table 7: Coefficient of Determination (R^2) for select schemes of multi cap funds.

PARTICULARS	CNX Nifty 500	KOTAK OPPORTUNITIES FUND GROWTH	ICICI PRUDENTIAL MULTI CAP FUND GROWTH	BIRLA SUN LIFE EQUITY FUND GROWTH	DSP BLACKROCK EQUITY FUND GROWTH	TATA EQUITY OPPORTUNITIES FUND REGULAR GROWTH
Coefficient of Determination	1.00	0.98	0.98	0.99	0.97	0.98
Deviation		-0.02	-0.02	-0.01	-0.03	-0.02
Rank		2.5	2.5	1	5	4

Source: Compiled from NAV records of respective AMCs.

Table 7 shows the information about average values of coefficient of determination (R^2) of each select schemes of multi cap funds. R^2 value ranging between 0.85 to 1.00 implies better diversified portfolio and indicates the fund's performance pattern have been in line with the index. From the above table, it can be inferred that all the schemes of select multi cap funds coefficient of determination (R^2) is within the standard value of 0.85 to 1.00. Birla sun life equity fund growth ranked 1st among the select schemes, followed by

Kotak Opportunities Fund Growth and ICICI Prudential multi cap fund growth ranked equally (2.5th rank) and Tata Equity opportunities fund growth ranked 4th and the last rank is assigned to DSP Black Rock Equity Fund Growth.

Hence, all the funds of select schemes of multi cap funds are better diversified portfolios and the performance patterns have been in line with the market index.

(3) Risk – adjusted return analysis and its interpretation

Table 8: Treynor's values of select schemes of multi cap funds and bench mark values

PARTICULARS	CNX Nifty	KOTAK OPPORTUNITIES FUND GROWTH	ICICI PRUDENTIAL MULTI CAP FUND GROWTH	BIRLA SUN LIFE EQUITY FUND GROWTH	DSP BLACKROCK EQUITY FUND GROWTH	TATA EQUITY OPPORTUNITIES FUND REGULAR GROWTH
Average	5.87	9.47	10.42	10.15	10.05	8.17
Deviation		3.60	4.55	4.28	4.18	2.30
Over/Under		Over	Over	Over	Over	Over
Rank		4	1	2	3	5

Source: Compiled from NAV records of respective AMCs.

Table 8 furnishes the average value of Treynor's index for the select schemes of multi cap funds and the underlying bench mark index for the study period 2008-09 to 2016-17. It is astonishing to note from the above table that all the select schemes of multi-cap fund over performed as compared to bench mark index. ICICI Prudential multi cap fund growth out performed its counterpart schemes, ranked number one (1), followed by Birla Sun Life Equity

Fund growth, ranked 2nd, DSP Black Rock Equity Fund ranked 3rd, Kotak opportunities Fund growth ranked 4th, Tata Equity opportunities fund regular

growth ranked last among the select schemes of multi cap funds.

All schemes have succeeded in generating excess returns in commensurate with their systematic risk ($\hat{\alpha}$) as compared to bench mark index. Tata Equity opportunities fund regular growth has lesser deviation value, it implies that Tata Equity opportunities fund growth has a better composition of two profiles than that of other funds. It can be concluded that the fund managers have succeeded in incorporating appropriate changes in the composition of their portfolios.

Table 9 : Sharpe's value of select schemes of multi cap funds and Bench Mark Values.

PARTICULARS	CNX Nifty	KOTAK OPPORTUNITIES FUND GROWTH	ICICI PRUDENTIAL MULTI CAP FUND GROWTH	BIRLA SUN LIFE EQUITY FUND GROWTH	DSP BLACKROCK EQUITY FUND GROWTH	TATA EQUITY OPPORTUNITIES FUND REGULAR GROWTH
Sharpe's return	0.17	0.27	0.29	0.29	0.28	0.23
Deviation		0.10	0.12	0.12	0.11	0.06
Over/Under		Over	Over	Over	Over	Over
Rank		4	1.5	1.5	3	5

Source: Compelled from NAV records of respective AMCs.

Table 9 furnishes the average values of Sharpe's Index, for both select schemes of multi cap funds and the underlying bench mark index, CNX Nifty. All select schemes of multi cap funds over performed as compared to average performance of bench mark index. The Sharpe Index measures the risk premium of the portfolio relative to the total amount of risk in the portfolio. This Index measures the slope of the risk-return line, summarizing the risk and return of a portfolio in a single measure that categories the performance on risk-adjusted basis. Among the select schemes of multi cap funds, ICICI Prudential Multi Cap Fund growth and Birla Sun Life Equity Fund growth performed equally good with an return of 0.29, with a deviation of 0.12 percent over the bench

mark index CNX Nifty ranked 1.5. DSP Black Rock Equity fund growth

ranked 3rd and Kotak opportunities growth ranked 4th with a deviation of 0.11 percent and 0.10 percent respectively. Tata Equity opportunities fund regular growth ranked last among the select schemes of multi cap funds.

Fund managers of all select schemes of multi-cap funds have succeeded in incorporating appropriate changes in the composition of their portfolio to changing conditions of the over all market. Hence, all the schemes have succeeded in generating excess return in commensurate with the total risk (σ) as compared to bench mark index.

Table 10: Jensen's Alpha (α) for select schemes of multi cap funds.

PARTICULARS	CNX NIFTY	KOTAK OPPORTUNITIES FUND GROWTH	ICICI PRUDENTIAL MULTI CAP FUND GROWTH	BIRLA SUN LIFE EQUITY FUND GROWTH	DSP BLACKROCK EQUITY FUND GROWTH	TATA EQUITY OPPORTUNITIES FUND REGULAR GROWTH
Alpha	0	-0.47	0.80	-2.01	1.18	-1.21
Over/Under		Under	Over	Under	Over	Under
Rank		3	2	5	1	4

Source: Compiled from NAV records of respective AMCs.

Table 10 furnishes the information about values of Alpha (α) for select schemes of multi cap funds. The Jensen's ratio measures the difference between the actual return of a portfolio and expected return of the portfolio. Thus, the differential return gives an indication, how well the portfolio has performed. If α is positive, it shows that the portfolio has performed better and it has outperformed the market. If the α is negative, it means that the portfolio has underperformed as compared to the market. If α is zero, it indicates that the portfolio has neither over performed nor under performed.

It is noticed from the above table that Birla Sun Life Equity fund growth, Tata Equity opportunities fund regular growth and Kotak opportunities fund growth negative indicates lesser returns implying inferior management skills and predictability of the fund managers is dissatisfactory in selecting superior stocks. DSP Black Rock Equity fund growth earned positive differential return of 1.18, ranked number one, followed by ICICI prudential multi cap fund growth with differential return of 0.80, indicates superior skills of the fund managers in predication of market conditions and selecting superior stocks.

Table 11 : Fama's value of Net selectivity for select schemes of Multi cap funds.

PARTICULARS	KOTAK OPPORTUNITIES FUND GROWTH	ICICI PRUDENTIAL MULTI CAP FUND GROWTH	BIRLA SUN LIFE EQUITY FUND GROWTH	DSP BLACKROCK EQUITY FUND GROWTH	TATA EQUITY OPPORTUNITIES FUND REGULAR GROWTH
Average	-0.55	0.24	-1.76	-0.33	-1.76
Over/Under	Under	Over	Under	Under	Under
Rank	3	1	4.5	2	4.5

Source: Compiled from NAV records of respective AMCs.

Table No. 11 indicates the values of Fama's Net selectivity of select schemes of multi cap funds. Fama's model attempts to measure the performance in terms of the components of risk. As Fama's measure based on total risk, it focuses on the vertical difference between the portfolio return and the capital market line (CML). The

value of Net selectivity indicates superior/inferior stock selection ability of respective fund managers of AMCs. A positive value implies superior stock selection ability and negative value implies inferior stock selection ability of fund managers.

From the above table it is noticed that only ICICI Prudential multi cap fund growth Net selectivity

is positive (0.24), indicates selection of superior stocks as their portfolio. Whereas the counterpart select schemes of multi cap funds with negative selectivity, indicates inferior stock selection by

fund managers of respective AMCs, need to analyze the market, develop and implement strategies to overcome their inferior stock selection skills.

Table 12 : Modigilani and Miller risk Adjusted (M^2) returns for select schemes of multi cap funds.

PARTICULARS	CNX Nifty	KOTAK OPPORTUNITIES FUND GROWTH	ICICI PRUDENTIAL MULTI CAP FUND GROWTH	BIRLA SUN LIFE EQUITY FUND GROWTH	DSP BLACKROCK EQUITY FUND GROWTH	TATA EQUITY OPPORTUNITIES FUND REGULAR GROWTH
Avg. Value	0.18	4.05	4.46	5.26	4.41	3.45
Deviation		3.87	4.28	5.08	4.23	3.27
Over/Under		Over	Over	Over	Over	Over
Rank		4	2	1	3	5

Source: Compiled from NAV records of respective AMCs.

Table No.12 indicates M^2 risk-adjusted performance of select schemes of multi-cap funds for the study period. The value of M^2 measures the performance of the portfolio on risk-adjusted basis. A positive value of M^2 indicates better performance on total risk adjusted basis, negative M^2 indicates poor performance of the portfolio as compared to bench mark value, and if $M^2 = 0$, implies neutral performance of such portfolio as compared to the underlying bench mark index.

From the above table it can be noticed that all select schemes of multi cap funds showed positive values of M^2 . Among the select schemes, Birla Sun Life Equity fund growth M^2 value is 5.26, highest among the select schemes of multi-cap funds. It can be inferred that this fund is performing well corresponding to the bench mark index.

Hence, all fund managers stock selection was satisfactory in return maximization strategies at the given level of total risk.

Table 13: Overall Ranking of select schemes of Multi cap funds.

PARAMETERS	KOTAK OPPORTUNITIES FUND GROWTH	ICICI PRUDENTIAL MULTI CAP FUND GROWTH	BIRLA SUN LIFE EQUITY FUND GROWTH	DSP BLACKROCK EQUITY FUND GROWTH	TATA EQUITY OPPORTUNITIES FUND REGULAR GROWTH	TOTAL
Return	4	3	1	2	5	15
Risk(σ)	3	1	4	2	5	15
Treynor's Index	4	1	2	3	5	15
Sharpe's Index	4	1.5	1.5	3	5	15

Jensen's	3	2	5	1	4	15
Fama's Decomposition returns	3	1	4.5	2	4.5	15
M-Squared (M ²)	4	2	1	3	5	15
Total	25	11.5	19	16	33.5	105
Rank	4	1	3	2	5	

Source: Compiled from respective tables.

Table 13 indicates the overall ranking of all chosen Multi cap funds of the study period from 2008-09 to 2016-17. From the above table, it is evident that ICICI Prudential multi cap fund growth has placed at first position dominating the market due to high returns, low risk, timely diversification of portfolios and efficient management skills of fund managers in selecting superior stocks. DSP Black Rock Equity Fund Growth ranked 2nd, Birla Sun Life Equity Fund Growth ranked 3rd, Kotak Opportunities Fund Growth ranked 4th, Tata Equity opportunities fund, regular growth ranked 5th.

Tata Equity opportunities fund, regular growth fund managers need to develop strategies and implement them to overcome their inferior stock selection.

Table: 14: Hypothesis Testing of Multi Cap. Funds

A) Descriptive Statistics of selected schemes of Multi Cap. Funds

	Mean	Std. Deviation	N
R1	6.00	7.141	9
R2	2.78	3.528	9
R3	4.56	5.593	9
R4	3.78	4.631	9
R5	8.00	9.760	9

(b) Results of Multiple Co-relation of select schemes of Multi. Cap Funds

	C1	C2	C3	C4	C5
R1	1.00				
R2	0.38	1.00			
R3	-0.96	0.44	1.00		
R4	0.76	0.23	0.75	1.00	
R5	0.67	0.02	0.77	0.80	1.00
R6	0.56	0.48	0.62	0.64	0.74
R7	0.84	0.78	0.68	0.72	0.63

From the above table it can be inferred that there is a negative co-relation between Financial and Investment dimension in Kotak opportunities Fund Growth. Positive Co-relation is noticed between Financial and Investment dimension in case of ICICI Prudential Multi Cap. Fund Growth, Birla Sun Life Equity Fund Growth and DSP Black Rock Fund Growth, Tata Equity opportunities Fund Regular Growth.

It is suggested to the Fund Managers of Kotak opportunities Fund Growth to select superior stocks and diversify the funds to ensure excess returns. It can be concluded that, the Fund Manager of ICICI Prudential Multi Cap Fund Growth, Birla Sun Life Equity Fund Growth, DSP Black Rock Fund Growth and Tata opportunities Fund Regular Growth initiated super stock selection skills and diversified the portfolios in earning excess returns.

From the above analysis and interpretation it can be summed up that multi.cap funds provide sound

risk-adjusted returns over the long term. In fact, the retail investors can leverage a funds managers expertise.

Conclusion :

Multi cap funds have succeeded in imitating the performance of under lying index and registered excess returns over CNX Nifty Index. High risk is noticed in the schemes of Tata Equity Opportunities Fund Regular Growth and Birla Sun life Equity Fund growth. ICICI prudential multi cap fund growth, showed less than proportionate responsiveness. All other schemes of multi cap funds showed more than proportionate responsiveness to the changes in the market and are considered as aggressive portfolios and better diversified portfolios and the performance patterns

have been line with the market index. Hence, all the schemes have succeeded in generating excess returns in commensurate with the total risk (σ) as compared to bench mark index.

Negative co-relation between Financial and Investment dimension is noticed in case of Kotak Opportunities Fund Growth. However, all other schemes of multi cap funds showed positive co-relation between Financial and investment dimensions. **ICICI Prudential Multi Cap Fund** outperformed other then counter parts and ranked number one follows by DSP BLACKROCK equity fund growth, Birla sum life equity fund growth, kotak opportunities fund growth and TATA Equity opportunities fund regular growth.