


A Comparative Performance Analysis of Selected Large-Cap Mutual Funds in India using Risk-Return and Technical Indicators

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Abstract

This study evaluates the performance of selected large-cap mutual funds in India using risk-return measures and technical indicators. The analysis focuses on ICICI Prudential Bluechip Fund, HDFC Top 100 Fund, Nippon India Large Cap Fund, Axis Bluechip Fund, and Kotak Bluechip Fund. The study applies CAGR, Beta, Sharpe Ratio, Treynor Ratio, Jensen's Alpha, and RSI to assess performance between 2019 and 2024. The findings reveal that Nippon generated the highest CAGR, while ICICI and HDFC provided superior risk-adjusted returns. The research concludes that combining financial and technical analysis improves investment decision-making.

1. Introduction

Mutual funds have become one of the most popular investment avenues in India due to their diversification benefits and professional management. Large-cap mutual funds invest mainly in top-performing companies with stable financial positions, making them suitable for long-term investors. This study examines the performance of selected large-cap mutual funds using both financial and technical indicators. The research is important because investors require more than return analysis; they must also evaluate volatility, market sensitivity, and momentum trends before making investment decisions.

2. Literature Review

- Sharpe (1966) introduced the Sharpe Ratio for measuring risk-adjusted returns.
- Treynor (1965) developed the Treynor Ratio to evaluate returns against systematic risk.
- Jensen (1968) proposed Jensen's Alpha to measure abnormal returns above market expectations.
- Welles Wilder (1978) introduced RSI as a momentum indicator for identifying overbought and oversold conditions.
- Gupta and Gupta (2017) concluded that moderate beta funds offer stable long-term performance.
- Mishra and Jain (2022) suggested combining technical and financial indicators for comprehensive mutual fund evaluation.

3. Methodology

The research uses a descriptive and analytical research design. Secondary data was collected from AMFI, Moneycontrol, Value Research Online, and official mutual fund websites. The study period covers 2019–2024. The selected funds include ICICI Prudential Bluechip Fund, HDFC Top 100 Fund, Nippon India Large Cap Fund, Axis Bluechip Fund, and Kotak Bluechip Fund.

The following tools were used for analysis:

- CAGR – To measure annual growth rate
- Beta – To measure market risk

- Sharpe Ratio – To evaluate risk-adjusted return
- Treynor Ratio – To assess return against systematic risk
- Jensen’s Alpha – To identify excess return
- RSI – To identify overbought and oversold conditions

Table 1: Return and Risk Metrics

Fund	CAGR (%)	Risk (%)	Beta
ICICI	19.9	18	0.93
HDFC	19.7	18	0.93
Nippon	20.4	20	1.04
Axis	14.9	19	0.81
Kotak	17.5	18	0.94

Interpretation: Nippon recorded the highest CAGR of 20.4% but also had the highest risk and beta. ICICI and HDFC demonstrated balanced performance with strong returns and moderate risk.

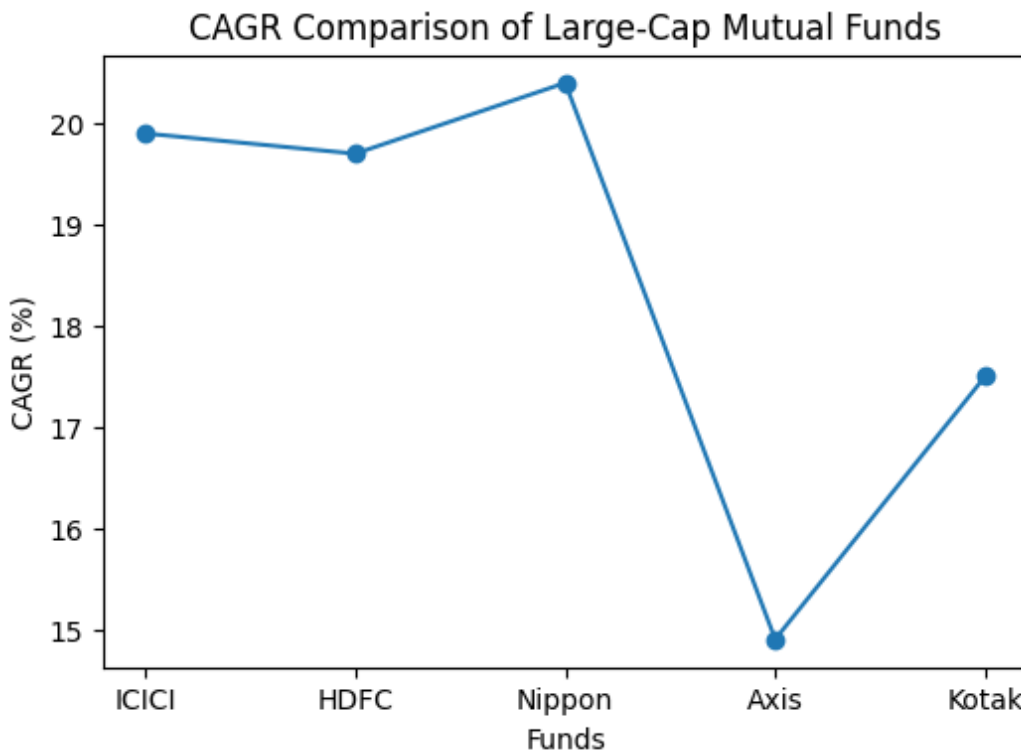


Figure 1: CAGR comparison of selected mutual funds. Nippon generated the highest annualized return among all funds.

4. Analysis and Results

The analysis shows that ICICI and HDFC funds achieved the best risk-adjusted performance based on Sharpe and Treynor ratios. Nippon generated the highest returns but carried relatively higher market volatility. Axis displayed the weakest risk-adjusted performance.

Table 2: Sharpe Ratio Comparison

Fund	Sharpe Ratio
ICICI	0.73
HDFC	0.72
Nippon	0.68
Axis	0.43
Kotak	0.6

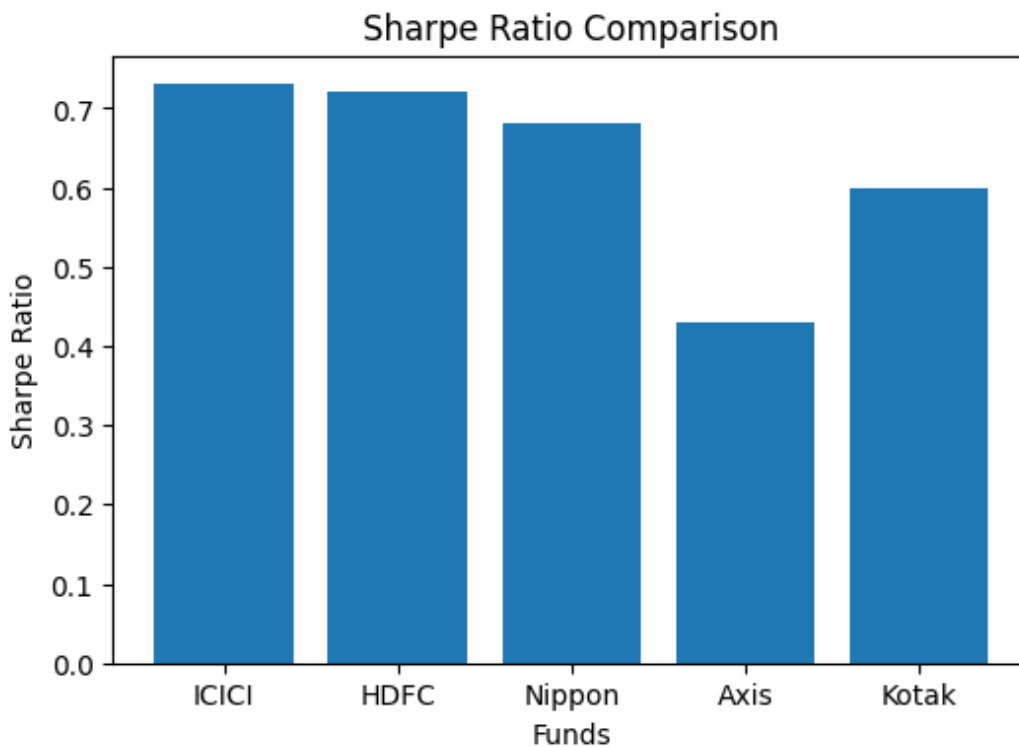


Figure 2: Sharpe Ratio comparison. ICICI recorded the highest Sharpe Ratio of 0.73, indicating better returns per unit of risk.

RSI analysis indicated that HDFC and ICICI were in the overbought zone, suggesting possible short-term corrections. Axis and Kotak remained within the neutral RSI range, indicating stable momentum.

5. Conclusion

The study concludes that ICICI Prudential Bluechip Fund and HDFC Top 100 Fund provided the most balanced risk-adjusted performance among the selected funds. Nippon India Large Cap Fund delivered the highest CAGR but involved greater market risk. The use of technical indicators such as RSI alongside financial metrics improves investment analysis and helps investors make informed decisions. Investors should consider both return potential and risk exposure before selecting mutual funds.



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