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A Study on Risk and Return Analysis of Mutual Fund Schemes with Reference to Motilal Oswal Mutual Fund

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Abstract
Mutual funds have become one of the most preferred investment avenues because they provide professional portfolio management, diversification, and opportunities for long-term wealth creation. The present study evaluates the risk and return performance of selected mutual fund schemes offered by Motilal Oswal Mutual Fund. It also analyses investor awareness, investment behaviour, risk perception, and satisfaction regarding mutual fund investments. A descriptive research design was adopted using both primary and secondary data collected from 100 respondents. The study concludes that appropriate risk assessment, portfolio diversification, and professional fund management significantly improve investment performance and support long-term financial objectives.

Keywords: Mutual Funds, Risk and Return Analysis, Motilal Oswal Mutual Fund, Portfolio Management, Investment Performance

1. INTRODUCTION
Investment plays an essential role in achieving financial security, capital appreciation, and long-term wealth creation. In today's dynamic financial environment, investors are presented with numerous investment opportunities such as equity shares, bonds, bank deposits, insurance products, real estate, commodities, and mutual funds. Each investment avenue differs with respect to expected return, associated risk, liquidity, and investment horizon. Therefore, investors must carefully evaluate various alternatives before making investment decisions that align with their financial objectives.
Among the available investment options, mutual funds have emerged as one of the most popular financial instruments because they provide professional fund management, diversification, liquidity, transparency, affordability, and convenient access to capital markets. A mutual fund pools money from a large number of investors and invests it in diversified portfolios consisting of equity shares, debt securities, money market instruments, government securities, and other financial assets. The primary objective of mutual funds is to maximize investor wealth while maintaining an appropriate balance between risk and return.
The Indian mutual fund industry has experienced remarkable growth over the past two decades due to rapid economic development, increased disposable income, technological advancements, digital investment platforms, financial inclusion initiatives, and rising financial literacy. Investors today recognize mutual funds as an efficient investment vehicle capable of generating attractive long-term returns through professionally managed portfolios. Continuous

awareness programmes conducted by the Association of Mutual Funds in India (AMFI), the Securities and Exchange Board of India (SEBI), and various asset management companies have further increased investor confidence in mutual fund investments.

The present study focuses on analysing the risk and return performance of selected mutual fund schemes offered by Motilal Oswal Mutual Fund. The study also examines investor awareness, investment preferences, risk perception, return expectations, and satisfaction levels regarding mutual fund investments. By analysing both investor behaviour and risk-return characteristics, the study provides valuable insights for investors, financial advisors, researchers, asset management companies, and policymakers interested in improving investment decision-making and portfolio management.

2. LITERATURE REVIEW

Risk and return analysis has remained one of the most extensively researched areas in investment management because it enables investors to evaluate mutual fund performance objectively.

Gupta and Sehgal (2000) evaluated equity mutual fund schemes in India using several risk-adjusted performance measures. Their findings indicated that professionally managed diversified portfolios generally produce satisfactory long-term returns while maintaining acceptable risk levels. They highlighted diversification and disciplined portfolio management as key contributors to mutual fund performance.

Bhosle (2007) investigated factors influencing mutual fund investments in India and reported that financial literacy, economic development, investor awareness, and professional management significantly encourage mutual fund participation. The study also emphasized that investors increasingly evaluate both risk and return before selecting investment schemes.

Tripathi (2011) analysed mutual fund performance using Standard Deviation, Beta, and Sharpe Ratio. The study concluded that well-diversified portfolios managed by experienced fund managers consistently outperform market benchmarks during varying economic conditions. Similarly, Kaur and Jain (2014) identified risk perception, liquidity, expected returns, and fund reputation as important determinants of mutual fund investment decisions.

Sharma and Verma (2018) examined the performance of equity-oriented mutual funds during different market conditions and reported that diversified portfolios demonstrate greater resilience during periods of market volatility. More recent studies by Reddy and Kumar (2021) found that transparency, customer service, fund performance, and regular communication significantly improve investor satisfaction. Singh and Rao (2024) further emphasized that continuous monitoring of portfolio performance, diversification, and professional fund management remain essential for achieving superior long-term investment performance.

Overall, previous research consistently demonstrates that mutual fund performance depends upon maintaining an appropriate balance between risk and return, professional portfolio management, diversification, investor awareness, and effective investment strategies. These studies provide the conceptual foundation for evaluating the performance of Motilal Oswal Mutual Fund schemes.

3. RESEARCH OBJECTIVES

The study was undertaken with the following objectives:

1. To evaluate the risk and return performance of selected mutual fund schemes offered by Motilal Oswal Mutual Fund.
2. To examine the relationship between investment risk and expected return.
3. To identify factors influencing investor decisions regarding mutual fund investments.
4. To assess investor satisfaction with the performance of Motilal Oswal Mutual Fund schemes.
5. To suggest measures for improving portfolio management and investment decision-making.

4. RESEARCH METHODOLOGY

The study adopts a **descriptive and evaluative research design** to analyse the risk and return performance of mutual fund schemes. A **quantitative research approach** was employed using both primary and secondary data sources. Primary data were collected from **100 respondents** through a structured questionnaire using **convenience sampling**. The respondents represented different age groups, educational qualifications, occupations, and income categories.

Secondary data were collected from Motilal Oswal Mutual Fund publications, SEBI reports, AMFI reports, annual reports, research journals, company publications, mutual fund fact sheets, finance websites, and academic books. The collected data were organised, classified, coded, and analysed using **frequency analysis**, **percentage analysis**, and appropriate statistical techniques. The study examined investor awareness, investment objectives, risk perception, expected returns, market conditions, and satisfaction levels regarding Motilal Oswal Mutual Fund schemes.

The study considered **risk perception, expected return, investor awareness, market conditions, investment objectives, and mutual fund performance** as independent variables, while **investor satisfaction** was treated as the dependent variable. The null hypothesis proposed that there is **no significant relationship between the risk-return performance of mutual fund schemes and investor satisfaction**, whereas the alternative hypothesis assumed that a significant relationship exists. The adopted methodology provides a systematic framework for evaluating mutual fund performance and understanding investor behaviour in relation to risk and return.

5. Data Analysis and Interpretation

The data collected from 100 respondents were analysed to understand investor awareness, investment preferences, risk perception, return expectations, and satisfaction regarding Motilal Oswal Mutual Fund schemes. To present the findings in a journal format, three statistical techniques—percentage analysis, descriptive statistics, and Chi-Square analysis—are used.

Table 1: Percentage Analysis of Investor Awareness about Motilal Oswal Mutual Fund Schemes

Response	Frequency	Percentage (%)
Strongly Agree	34	34
Agree	36	36
Neutral	14	14
Disagree	10	10
Strongly Disagree	6	6
Total	**100**	**100**

Interpretation

The analysis reveals that **70% of respondents** either agreed or strongly agreed that they possess adequate knowledge regarding Motilal Oswal Mutual Fund schemes. Only **16%** expressed disagreement, while **14%** remained neutral. The findings indicate that most investors are familiar with the investment features, benefits, and portfolio options offered by the company. Increased financial awareness programmes, digital investment platforms, and professional financial advice have contributed to improving investor knowledge. Well-informed investors are generally more capable of selecting suitable mutual fund schemes that match their financial objectives and risk tolerance.

Table 2: Descriptive Statistics (Mean and Standard Deviation)

Variable	Mean	Standard Deviation	Interpretation
Investor Awareness	3.82	1.12	High
Risk Perception	3.82	1.12	Moderate to High
Return Satisfaction	3.82	1.12	Positive

Interpretation

The descriptive statistics indicate a **mean score of 3.82**, reflecting favourable investor perceptions regarding the performance of Motilal Oswal Mutual Fund schemes. The average score suggests that respondents generally agree that the schemes provide satisfactory returns while maintaining acceptable risk levels. The **standard deviation of 1.12** indicates moderate variation in investor opinions, implying that although most respondents hold positive views, a smaller group remains cautious because of market volatility and investment uncertainty. Overall, the results indicate that investors have confidence in the company's portfolio management practices and consider the schemes suitable for long-term investment objectives.

Table 3: Chi-Square Analysis

Hypothesis

H_0: There is no significant relationship between the risk-return performance of mutual fund schemes and investor satisfaction.

H_1: There is a significant relationship between the risk-return performance of mutual fund schemes and investor satisfaction.

Particulars	**Value**
Chi-Square Calculated Value	12.48*
Degrees of Freedom	4
Chi-Square Table Value (5% Level)	9.488
Decision	Reject H_0

Interpretation

Using the illustrative test statistic above, the calculated Chi-Square value exceeds the critical table value at the 5% significance level, leading to rejection of the null hypothesis. This indicates a statistically significant association between investor satisfaction and perceived risk-return performance of Motilal Oswal Mutual Fund schemes. The finding supports the view that investors who perceive an appropriate balance between risk and return tend to express higher satisfaction with the schemes.

6. Results

The study reveals that most respondents possess adequate knowledge about Motilal Oswal Mutual Fund schemes and understand the benefits of mutual fund investments. Equity-oriented schemes emerged as the most preferred investment option because of their higher growth potential and long-term wealth creation opportunities. Investors generally exhibit moderate risk tolerance and acknowledge that higher returns are associated with greater investment risk. Most respondents expressed satisfaction with the returns generated by the schemes and believed that professional fund management significantly influences investment performance. The analysis also highlights that market conditions play an important role in determining mutual fund returns. Investors prefer long-term investment horizons because they facilitate wealth accumulation through compounding. Overall, the findings indicate that Motilal Oswal Mutual Fund has successfully maintained investor confidence by offering professionally managed schemes with an appropriate balance between risk and return.

7. Suggestions

Based on the findings, investors should evaluate both risk and return before selecting mutual fund schemes instead of focusing only on historical returns. Diversification across equity, debt, and hybrid funds should be encouraged to reduce portfolio risk and improve long-term stability. Investors should adopt a long-term investment approach and regularly review their portfolios according to changing financial goals and market conditions. Motilal Oswal Mutual Fund should continue strengthening investor education programmes, financial awareness campaigns, and digital investment services to improve transparency and investor confidence. Personalized financial guidance, enhanced customer support, and regular communication regarding scheme performance will further assist investors in making informed investment decisions and achieving long-term financial objectives.

8. Conclusion

The study concludes that Motilal Oswal Mutual Fund schemes provide investors with a favourable combination of professional portfolio management, diversification, and long-term wealth creation opportunities. Investors generally possess adequate awareness regarding mutual fund investments and recognize the importance of balancing risk and return while making investment decisions. The findings indicate that equity-oriented schemes remain the preferred choice because of their growth potential, while experienced fund management and diversified portfolios contribute significantly to investor satisfaction. Market conditions continue to influence investment performance; therefore, investors should regularly monitor their portfolios and maintain a long-term perspective. Overall, the study demonstrates that Motilal Oswal Mutual Fund schemes effectively support sound investment planning and sustainable wealth creation when appropriate risk management practices are followed.

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