

A Study on Performance Evaluation of Selected Mid Cap Mutual Funds in India: An Analysis of Historic Returns, Risk Ratios, and SIP Returns

(A Research Paper Based on Secondary Data Sourced from Moneycontrol.com)

Dr. Chetna Parmar

Associate Professor, School of Management & Entrepreneurship, GSFC University

Abstract

Mid cap equity mutual funds occupy a distinctive position in the Indian mutual fund industry, offering investors a growth potential that lies between the stability of large cap funds and the volatility of small cap funds. With the Indian mutual fund industry's assets under management crossing ₹80 lakh crore in 2025 and Systematic Investment Plan (SIP) contributions reaching record monthly inflows, understanding the comparative performance of mid cap schemes has become critical for both retail and institutional investors. This research paper undertakes a comprehensive performance evaluation of 58 mid cap equity mutual fund schemes (comprising 29 distinct schemes across Direct and Regular plans) using secondary data drawn from the Moneycontrol.com Mid Cap Fund Performance Tracker, covering historic point-to-point returns (1 week to 10 years), risk ratios (Standard Deviation, Beta, Sharpe Ratio, Jensen's Alpha, and Treynor's Ratio), and SIP returns (1 to 10 years). Descriptive statistics, correlation analysis, independent-samples t-tests, and cross-tabulation by CRISIL rating were employed to analyse the data. The findings reveal that mid cap funds delivered a mean 3-year lumpsum return of approximately 21.7% with a mean Sharpe Ratio of 1.19, that Direct Plans outperformed Regular Plans by an average of 1.4 percentage points over three years (attributable to lower expense ratios), and that Sharpe Ratio and Treynor's Ratio are very strongly correlated with medium-term returns ($r > 0.90$), while Standard Deviation and Beta show only weak association with returns. Funds with higher CRISIL ratings (4 and 5 star) consistently displayed both higher average returns and higher risk-adjusted performance, validating CRISIL ratings as a reasonably reliable screening tool. The study concludes with practical recommendations for investors, fund managers, and regulators, and outlines directions for future research.

Keywords: Mid Cap Mutual Funds; Performance Evaluation; Risk-Adjusted Returns; Sharpe Ratio; Treynor's Ratio; Jensen's Alpha; Systematic Investment Plan (SIP); Direct vs Regular Plan; CRISIL Rating; Indian Mutual Fund Industry

1. Introduction

The Indian mutual fund industry has undergone a remarkable transformation over the last decade, evolving from a niche savings avenue into a mainstream wealth-creation instrument for over 25 crore investor accounts. Industry-wide assets under management (AUM) grew from about ₹13.8 lakh crore in June 2016 to over ₹82 lakh crore by mid-2026, reflecting rising financial literacy, digital accessibility, and the popularity of Systematic Investment Plans (SIPs), which alone attracted monthly contributions exceeding ₹29,000 crore from more than 9 crore active accounts by late 2025.

Within the equity mutual fund universe, mid cap funds — schemes that invest predominantly in companies ranked 101st to 250th by full market capitalisation as per SEBI's categorisation norms — occupy a unique risk-return position. They offer higher growth potential than large cap funds, since mid-sized companies typically have more room to scale, while carrying comparatively lower volatility and liquidity risk than small cap funds. This makes mid cap funds an important, if often underexplored, category for investors seeking to balance growth and risk in their equity portfolios.

Selecting the 'right' mid cap fund, however, is not straightforward. Point-to-point returns alone do not capture the risk taken to generate those returns, the consistency of a fund manager's stock-selection and market-timing skill, or the impact of plan type (Direct versus Regular) and expense structure on net investor wealth. Risk-adjusted performance measures — the Sharpe Ratio, Treynor's Ratio, and Jensen's Alpha — developed from Modern Portfolio Theory (Markowitz, 1952) and Capital Asset Pricing Model literature (Sharpe, 1964; Treynor, 1965; Jensen, 1968), remain the most widely used academic and practitioner tools for such an evaluation.

This paper responds to this need by empirically evaluating a broad cross-section of mid cap mutual fund schemes available to Indian investors, using historic returns, risk ratios, and SIP returns data compiled from Moneycontrol.com's Mutual Fund Performance Tracker. The study is positioned to be of practical use to retail investors making fund-selection decisions, financial advisors constructing model portfolios, and researchers seeking an updated empirical benchmark for the mid cap segment.

2. Review of Literature

The theoretical foundation for mutual fund performance evaluation was laid by Markowitz (1952), whose Modern Portfolio Theory established that investment decisions should be evaluated on a joint basis of expected return and variance of return rather than return alone. Building on this, Sharpe (1964) developed the Capital Asset Pricing Model (CAPM), which subsequently enabled Sharpe (1966) to formulate the reward-to-variability ratio — now popularly termed the Sharpe Ratio — as a single-number measure of a portfolio's excess return per unit of total risk. Treynor (1965) proposed a parallel measure, the reward-to-volatility ratio (Treynor's Ratio), which uses systematic risk (beta) rather than total risk in the denominator, making it more suitable for diversified portfolios. Jensen (1968) extended this stream by introducing 'Jensen's Alpha', which measures the differential between a fund's actual return and the return predicted by the CAPM, thereby isolating the fund manager's stock-selection skill. Fama (1972) further decomposed portfolio performance into selectivity and diversification components, while Sharpe (1994) later refined the original ratio into the form widely used by practitioners today.

Subsequent research shifted focus toward performance persistence and multi-factor explanations of returns. Fama and French (1992) demonstrated that size and value factors explain cross-sectional variation in stock returns beyond beta alone, and Carhart (1997) added a momentum factor, arguing that a meaningful share of mutual fund outperformance is explained by persistence in factor exposure rather than manager skill. Modigliani and Modigliani (1997) proposed the M-squared measure to express risk-adjusted performance in return-percentage terms that are more intuitive for investors than the raw Sharpe Ratio.

In the Indian context, Gupta (1994) was among the earliest researchers to study investor preferences and the emerging mutual fund industry structure, laying groundwork that later studies built upon. More recent empirical work has applied Sharpe, Treynor, and Jensen measures specifically to Indian mid cap schemes. A comparative study of large-cap and mid-cap mutual funds found that mid cap schemes, though more volatile, generated superior risk-adjusted metrics over five-to-nine-year holding periods (Involvement International Journal of Business, 2025). Similar work evaluating Kotak, Axis, SBI, ICICI, and HDFC mid cap schemes over the 2020–2025 period found that HDFC, Kotak, and ICICI Prudential emerged as the most consistent performers, while Axis and SBI offered more moderate, lower-volatility outcomes (Journal of Emerging Technologies and Innovative Research, 2025b).

Comparative category studies have also been conducted. A nine-year comparison of small-cap and mid-cap schemes (2013–14 to 2021–22) concluded that Edelweiss Mid Cap Fund, Invesco India Midcap Fund, and UTI Mid Cap Fund were the top performers among mid cap schemes on a risk-adjusted basis (Virparia, 2022). A more recent Sharpe/Sortino-based evaluation of mid cap schemes similarly identified Edelweiss Mid Cap Fund as possessing the highest Sharpe and Sortino ratios among the sample, while flagging UTI Mid Cap Fund's negative risk-adjusted metrics as a caution for investors chasing category-average returns alone (Journal of Emerging Technologies and Innovative Research, 2025a). Sector-specific work on Invesco India Midcap's Direct Growth plan versus its Nifty Midcap benchmark reported a consistently positive Jensen's Alpha and beta below one, indicating both manager skill and lower-than-market volatility (Journal of Emerging Technologies and Innovative Research, 2026).

A distinct stream of literature addresses SIP-based investing. Sharma and Tripathi (2023) compared small-, mid-, and large-cap fund performance through SIPs over one-, five-, and ten-year windows, concluding that fund choice should be aligned with investors' risk tolerance and investment horizon rather than short-term return chasing. Aurora (2020) surveyed Mumbai-based investors and found that awareness of SIP mechanics, rather than income level alone, was the strongest determinant of SIP adoption. Kaushal (2024) compared four years of monthly SIP contribution data against Nifty 50 movements, concluding that retail SIP flows have become large enough to exhibit a mild stabilising influence on index-level volatility. Singh and Kumar (2025) documented the rapid rise of SIP accounts in India, attributing it to rising financial literacy, digital onboarding, and SEBI-mandated 'sachet-sized' SIPs designed to expand financial inclusion among low-income investors.

A further body of work has directly examined the impact of plan type on investor returns. Comparative analyses of Direct and Regular plans consistently report that Direct plans, owing to their lower Total Expense Ratio (TER), deliver annualised returns roughly 1–2 percentage points higher than Regular plans over multi-year horizons, with the gap being statistically significant and widening in higher-expense categories such as small- and mid-cap funds (Kulshreshtha, 2020; Stable Investor, 2023). The Securities and Exchange Board of India's investor education material corroborates this mechanically, noting that an expense-ratio differential of even 1 percentage point compounds meaningfully over a ten-year holding period (SEBI, 2025).

Behavioural and industry-structure studies complete the picture. Chakrabarti et al. (2014) examined the low penetration of mutual funds relative to bank deposits in India and identified distributor incentives and financial literacy gaps as structural barriers. Bhatia et al. (2020) explored how robo-advisory platforms can help mitigate behavioural biases such as overconfidence and herding among Indian retail investors. Kumar and Gupta (2021) and Bhattacharya (2021) both point to a post-pandemic surge in retail equity and mutual fund participation, driven by digital platforms and reduced transaction friction.

Taken together, the literature establishes three consistent patterns that motivate the present study: (a) risk-adjusted measures such as Sharpe, Treynor, and Jensen's Alpha are more informative than raw returns for fund selection; (b) Direct plans structurally and empirically outperform Regular plans; and (c) SIP-based investment continues to grow in relevance for the mid cap segment specifically, yet updated, data-driven comparative evidence combining returns, risk ratios, and SIP performance within a single dataset remains limited. This paper addresses that gap.

3. Research Objectives

Based on the gaps identified in the literature, this study is guided by the following three objectives:

1. To analyse and compare the historic (lumpsum) returns of selected mid cap mutual fund schemes in India across short-term (1 week to 6 months) and long-term (1 to 10 years) time horizons.
2. To evaluate the risk and risk-adjusted performance of selected mid cap mutual fund schemes using Standard Deviation, Beta, Sharpe Ratio, Treynor's Ratio, and Jensen's Alpha, and to examine the relationship between these risk measures and fund returns.
3. To compare the SIP returns and the performance of Direct versus Regular plans among selected mid cap mutual fund schemes, and to assess the influence of CRISIL rating on fund performance.

4. Research Methodology

4.1 Research Design

The study adopts a descriptive and analytical research design based entirely on quantitative secondary data. It is empirical in nature, aiming to describe, compare, and statistically analyse the performance of mid cap mutual fund schemes rather than to test a causal hypothesis through primary data collection.

4.2 Sample Type and Sample Size

The sampling technique used is non-probability purposive (judgmental) sampling. The population comprises all open-ended mid cap equity mutual fund schemes classified under the 'Mid Cap Fund' category and listed on the Moneycontrol.com Mutual Fund Performance Tracker. The sample includes both Direct Plan and Regular Plan variants of each scheme, since these are functionally identical portfolios that differ only in expense structure and distribution channel.

After removing schemes with incomplete or non-comparable data across the three datasets, the final analytical sample comprised 58 scheme-plan combinations (29 Direct Plan and 29 Regular Plan observations, drawn from the same set of underlying mid cap schemes) common to the Historic Returns, Risk Ratios, and SIP Returns datasets. The original Historic Returns dataset contained 62 scheme-plan observations before merging.

4.3 Data Source, Period, and Type

The study is based entirely on secondary data. Three datasets were sourced from the Moneycontrol.com Mid Cap Fund Performance Tracker (Moneycontrol.com, 2026): (i) Historic Returns — point-to-point trailing returns for 1 week, 1 month, 3 months, 6 months, year-to-date, 1, 2, 3, 5, and 10 years; (ii) Risk Ratios — Standard Deviation, Beta, Sharpe Ratio, Jensen's Alpha, and Treynor's Ratio, computed against the category benchmark; and (iii) SIP Returns — annualised XIRR-based returns for monthly SIP investments over 1, 2, 3, 5, and 10 years. Supplementary contextual data on industry AUM and SIP trends were drawn from AMFI monthly notes and annual reports (Association of Mutual Funds in India [AMFI], 2025a, 2025b, 2026) and SEBI investor-education material (Securities and Exchange Board of India [SEBI], 2025).

4.4 Performance Measurement Techniques

The following established performance-evaluation techniques were applied to the data:

- **Point-to-Point (Historic) Return:** The percentage change in Net Asset Value (NAV) between two dates, used to assess raw performance over defined trailing periods.
- **Standard Deviation (SD):** A measure of total risk, capturing the dispersion of a fund's returns around its mean return; used as the risk denominator in the Sharpe Ratio.
- **Beta (β):** A measure of systematic (market) risk, indicating the sensitivity of a fund's returns to movements in its benchmark index; a beta below 1 indicates lower volatility than the market.
- **Sharpe Ratio:** $(\text{Fund Return} - \text{Risk-Free Return}) \div \text{Standard Deviation}$. It measures excess return earned per unit of total risk taken (Sharpe, 1966, 1994).
- **Treynor's Ratio:** $(\text{Fund Return} - \text{Risk-Free Return}) \div \text{Beta}$. It measures excess return per unit of systematic risk, making it more appropriate for well-diversified portfolios (Treynor, 1965).
- **Jensen's Alpha:** The differential between a fund's actual return and its CAPM-predicted return, used as an indicator of a fund manager's stock-selection skill (Jensen, 1968).
- **SIP Return (XIRR):** The annualised internal rate of return earned on a series of periodic (monthly) investments, accounting for the time value and staggered timing of each instalment — the appropriate return measure for SIP investors as opposed to lumpsum CAGR.
- **CRISIL Mutual Fund Rank/Rating (1–5 star):** A third-party composite rating incorporating return, risk, and portfolio-concentration parameters, used here as a benchmark to cross-validate the study's own risk-adjusted rankings.

4.5 Tools and Techniques of Data Analysis

Data were cleaned and analysed using Python (pandas, NumPy, and SciPy). The following statistical tools were applied:

- Descriptive statistics (mean, standard deviation, minimum, median, and maximum) for all return and risk variables.
- Ranking analysis to identify the top-performing schemes by lumpsum return and by Sharpe Ratio.
- Pearson correlation analysis to examine the strength and direction of association between risk measures, risk-adjusted measures, and fund returns.
- Independent-samples t-test to compare mean returns and Sharpe Ratios between Direct and Regular plans.
- Cross-tabulation (group-wise mean comparison) of returns and risk-adjusted performance across CRISIL rating categories.
- Ordinary Least Squares (OLS) regression of 3-year return on Standard Deviation and Beta to assess the explanatory power of raw risk measures on returns.

5. Data Analysis and Interpretation

5.1 Descriptive Statistics

Table 1 presents the descriptive statistics for the sample of 58 mid cap fund scheme-plan combinations. The mean 3-year lumpsum return of 21.68% was noticeably higher than the mean 1-year return of 5.86%, reflecting a broad market recovery in the more recent 1-year window relative to the stronger 3-year compounding base. The mean Sharpe Ratio of 1.19 indicates that, on average, sample funds generated more than one unit of excess return for every unit of total risk taken — a broadly healthy risk-adjusted outcome for the category. The mean Beta of 0.90 (below 1) suggests that, as a category, the sample mid cap funds were on average marginally less volatile than their benchmark, although with some individual dispersion (SD range: 10.49–15.01).

Table 1

Descriptive Statistics of Returns, Risk, and SIP Performance (n = 58)

Metric	Mean	Std. Dev.	Minimum	Median	Maximum
1-Year Lumpsum Return	5.86%	4.81%	−8.07%	6.67%	14.54%
3-Year Lumpsum Return	21.68%	3.66%	12.72%	21.88%	27.72%
5-Year Lumpsum Return	20.52%	2.97%	14.95%	20.44%	27.87%
3-Year SIP Return (XIRR)	25.17%	6.98%	6.14%	25.68%	38.30%
5-Year SIP Return (XIRR)	55.29%	12.35%	32.07%	55.03%	76.53%
Standard Deviation (%)	13.04	1.05	10.49	12.84	15.01
Beta	0.90	0.07	0.70	0.89	1.03
Sharpe Ratio	1.19	0.22	0.64	1.20	1.55

Source: Author's computations from Moneycontrol.com Mid Cap Fund Performance Tracker data.

5.2 Top-Performing Schemes by Lumpsum Return

Table 2 ranks the top 10 schemes by 3-year lumpsum return. Direct Plans dominate this list (8 of the top 10 positions), reinforcing the expense-ratio advantage discussed in the literature. Invesco India Mid Cap Fund (Direct), Edelweiss Mid Cap Fund (Direct), and WhiteOak Capital Mid Cap Fund (Direct) occupy the top three positions, each also carrying a CRISIL rating of 4 or 5 star and a Sharpe Ratio above 1.45, indicating that their strong returns were accompanied by strong risk-adjusted efficiency rather than risk-taking alone.

Table 2

Top 10 Mid Cap Schemes by 3-Year Lumpsum Return

Scheme Name	Plan	CRISIL	3Y Ret.	5Y Ret.	Sharpe	SD
Invesco India Mid Cap Fund - Direct Plan - Growth	Direct	5	27.72%	23.83%	1.55	13.19
Edelweiss Mid Cap Fund - Direct Plan - Growth	Direct	5	27.18%	24.92%	1.46	13.57
WhiteOak Capital Mid Cap Fund - Direct Plan - Growth	Direct	5	27.07%	NA	1.54	12.84
Invesco India Mid Cap Fund - Regular Growth	Regular	5	26.15%	22.20%	1.46	13.18
HDFC Mid Cap Fund - Direct Plan - Growth	Direct	4	26.02%	25.29%	1.53	12.22
ITI Mid Cap Fund - Direct Plan - Growth	Direct	3	25.96%	NA	1.32	14.60
Mahindra Manulife Mid Cap Fund - Direct Plan - Growth	Direct	3	25.73%	24.46%	1.38	13.59
Nippon India Growth Mid Cap Fund - Direct Plan - Growth	Direct	4	25.60%	24.23%	1.39	13.36
Edelweiss Mid Cap Fund - Regular Plan - Growth	Regular	5	25.45%	23.15%	1.36	13.57
Motilal Oswal Midcap Fund - Direct Plan - Growth	Direct	2	25.41%	27.87%	1.34	14.08

Source: Author's computations from Moneycontrol.com Mid Cap Fund Performance Tracker data.

5.3 Correlation Between Risk and Return

To examine whether risk-taking actually pays off in this category, 3-year returns were correlated against both raw risk measures and risk-adjusted measures. Sharpe Ratio ($r = 0.95$) and Treynor's Ratio ($r = 0.93$) show a very strong positive correlation with 3-year returns, confirming that these risk-adjusted measures track the return component closely. In contrast, the raw risk measures - Standard Deviation ($r = 0.20$) and Beta ($r = 0.22$) - show only a weak correlation with returns, and together explain barely 5% of return variation in a regression model. This indicates that, within the mid cap category, simply taking on more volatility did not reliably translate into higher returns. SIP returns over 3 and 5 years were also very strongly correlated with lumpsum returns and Sharpe Ratio ($r > 0.85$ in all cases), showing that fund-level outperformance was consistent across both lumpsum and SIP investment modes.

5.4 Direct Plan versus Regular Plan Comparison

Table 3 compares mean performance between Direct and Regular plans. Direct Plans outperformed Regular Plans by 1.16 percentage points on 1-year return, 1.38 percentage points on 3-year return, and 1.31 percentage points on 5-year return, while carrying virtually identical Standard Deviation, confirming that the return differential is attributable to the lower expense ratio of Direct Plans rather than any difference in risk exposure. An independent-samples t-test on 3-year returns yielded $t = 1.45$ ($p = 0.154$), and on Sharpe Ratio yielded $t = 1.56$ ($p = 0.125$); both differences are directionally consistent with the literature (Kulshreshtha, 2020; Stable Investor, 2023) but did not reach conventional statistical significance ($p < 0.05$) at this sample size, suggesting the observed gap, while economically meaningful over long compounding horizons, carries some scheme-level variability that a larger sample or longer time series would help to resolve.

Table 3

Mean Performance – Direct Plan vs Regular Plan

Plan Type	1Y Return	3Y Return	5Y Return	Sharpe Ratio	Std. Dev.
Direct Plan	6.44%	22.37%	21.17%	1.23	13.04
Regular	5.28%	20.99%	19.86%	1.14	13.04

Source: Author's computations from Moneycontrol.com Mid Cap Fund Performance Tracker data.

5.5 Performance by CRISIL Rating

Table 4 groups schemes by CRISIL rating and reports mean 3-year return, Sharpe Ratio, and Standard Deviation for each rating band. A clear monotonic relationship is evident: mean 3-year return rises steadily from 15.64% for 1-star rated funds to 26.45% for 5-star rated funds, and mean Sharpe Ratio rises correspondingly from 0.83 to 1.47. Importantly, Standard Deviation does not rise in tandem with rating (it is broadly flat across rating bands, 12.79–13.38), indicating that higher-rated funds achieved superior returns without taking on materially higher risk. This lends empirical support to CRISIL ratings as a genuinely useful, if imperfect, screening heuristic for retail investors, consistent with the ranking exercise reported in Table 2.

Table 4

Mean Performance by CRISIL Rating Category

CRISIL Rating	Mean 3Y Return	Mean Sharpe Ratio	Mean Std. Deviation
1	15.64%	0.83	13.38
2	20.51%	1.08	13.25
3	21.42%	1.18	12.79
4	23.82%	1.34	12.91
5	26.45%	1.47	13.20

Source: Author's computations from Moneycontrol.com Mid Cap Fund Performance Tracker data.

6. Findings

- Mid cap mutual funds in the sample delivered a mean 3-year lumpsum return of 21.7% and a mean 5-year return of 20.5%, with a mean Sharpe Ratio of 1.19, indicating that the category as a whole rewarded investors reasonably well for the risk undertaken over medium-to-long holding periods.
- Direct Plans outperformed Regular Plans across all return horizons studied (1-, 3-, and 5-year), with the outperformance ranging from 1.16 to 1.38 percentage points annually, while carrying virtually identical risk (Standard Deviation), confirming that plan-type selection is a cost-driven, not a risk-driven, decision.
- Sharpe Ratio and Treynor's Ratio are very strongly positively correlated with medium-term returns ($r = 0.95$ and $r = 0.93$ respectively with 3-year return), while raw risk measures — Standard Deviation and Beta — show only weak correlation with returns ($r = 0.20$ and $r = 0.22$), and together explain only about 5% of return variation in a regression model.
- SIP returns are very strongly correlated with lumpsum returns and Sharpe Ratio ($r > 0.85$), indicating that top-performing schemes rewarded both lumpsum and SIP investors consistently, and that fund-selection insights are broadly transferable across investment modes.
- Funds with a higher CRISIL rating (4- and 5-star) consistently delivered both higher average returns and higher risk-adjusted performance without materially higher volatility, lending empirical support to CRISIL ratings as a practically useful (though not infallible) fund-screening tool.
- Invesco India Mid Cap Fund (Direct), Edelweiss Mid Cap Fund (Direct), WhiteOak Capital Mid Cap Fund (Direct), and HDFC Mid Cap Fund (Direct) emerged as the most consistent top performers across both raw-return and risk-adjusted rankings, appearing in the top 10 on both the 3-year return list and the Sharpe Ratio list.

7. Assets Under Management (AuM) showed only a weak-to-moderate positive correlation with returns ($r = 0.20$ with 3-year return, $r = 0.43$ with 5-year return), suggesting that larger, more established mid cap funds have a modest but not overwhelming performance edge over smaller schemes in this sample.

7. Conclusion

This study set out to evaluate the performance of selected mid cap mutual fund schemes in India using historic returns, risk ratios, and SIP returns data. The analysis confirms that mid cap funds, as a category, have delivered attractive risk-adjusted returns over the study period, with the average scheme rewarding investors with more than one unit of excess return per unit of risk taken (mean Sharpe Ratio of 1.19). More importantly, the study demonstrates that risk-adjusted measures — particularly the Sharpe Ratio and Treynor's Ratio — are considerably more informative than raw volatility or beta for identifying funds likely to deliver superior returns, since raw risk measures explained only a small fraction of return variation in this sample.

The consistent outperformance of Direct Plans over Regular Plans, without any corresponding increase in risk, reinforces a now well-established finding in the literature: cost matters, and the choice between Direct and Regular plans is primarily an economic decision about distribution cost rather than a risk-return trade-off. For investors comfortable conducting their own research, Direct Plans represent a straightforward, no-additional-risk route to higher net returns; for those requiring advisory support, the incremental cost of a Regular Plan should be weighed consciously against the quantifiable long-term return drag it entails.

The strong association observed between CRISIL ratings and both return and risk-adjusted performance suggests that such third-party ratings, despite their limitations, remain a reasonably reliable starting point for retail investors who lack the time or expertise to compute Sharpe, Treynor, and Jensen measures independently. However, the wide dispersion of performance even within similarly rated funds indicates that ratings should complement, rather than replace, a fuller risk-adjusted evaluation of the kind undertaken in this paper.

Overall, the study reaffirms the enduring relevance of Modern Portfolio Theory-based performance measures — over sixty years after Markowitz (1952), Sharpe (1964, 1966), Treynor (1965), and Jensen (1968) first proposed them — for evaluating actively managed equity mutual funds in a rapidly growing but still-maturing market like India. As SIP participation continues to expand across smaller cities and lower-ticket-size investors, continued, updated empirical evaluation of fund categories such as mid cap funds will remain essential to protecting and enhancing retail investor outcomes.

7.1 Limitations of the Study

- The study relies exclusively on secondary, point-in-time data sourced from Moneycontrol.com; it does not independently verify NAV histories or account for survivorship bias among schemes that may have merged or closed during the study window.
- The sample is restricted to the Mid Cap Fund category alone and does not include cross-category comparison with Large Cap, Small Cap, or Flexi Cap funds, which would provide additional context on relative category attractiveness.
- Risk-free rate assumptions underlying the Sharpe, Treynor, and Jensen calculations were determined by the data provider (Moneycontrol/CRISIL) and were not independently re-computed by the researcher.
- The 10-year return and SIP columns had a relatively high proportion of missing values (many funds were launched more recently), which reduces the sample size available for very long-term comparisons.

7.2 Scope for Future Research

- A longitudinal study tracking the same set of schemes over multiple rolling 3-year windows would help establish whether the observed outperformance of certain schemes reflects persistent manager skill or a one-time favourable market cycle.
- Future research could extend this framework to a multi-category comparison (Large Cap, Mid Cap, Small Cap, and Flexi Cap) to build a more holistic risk-return map of the Indian equity mutual fund universe.

- Incorporating primary survey data on investor perception and behavioural factors alongside the secondary performance data used here would allow researchers to connect actual fund performance with investor decision-making patterns.

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