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10 EQUITY FUNDS THAT CHECK EVERY BOX

Mastering the investment trifecta, these equity mutual funds deliver the ideal balance of returns, risk, and resilience, offering strong risk-adjusted gains, lower volatility, competitive costs, and solid AUM for stability in both short and long terms

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Mumbai, 31 March

After five years of strong double-digit returns, the past six months have been challenging for equity mutual funds (MFs). Market volatility and a broad decline since late September 2024 have led most equity-oriented schemes to post negative returns over this period. As a result, the net asset value of equity funds has fallen over six months, with declines ranging from less than 1 per cent for top-performing schemes to as much as 25 per cent for those hit hardest by the correction.

On average, equity-oriented schemes have seen a 10 per cent decline, mirroring the drop in the benchmark Nifty 50 index. This downturn has been tough on MF investors accustomed to steady double-digit gains over the past five years. However, market cycles are inevitable, and volatility is an inherent part of equity investing.

The current correction presents an opportunity for long-term MF investors to lock in their investments at low cost.

Here are 10 equity schemes across five categories — smallcap, midcap, largecap, large and midcap, and flexicap — that have delivered strong returns both recently and over the long term. Their track record and solid risk-adjusted returns make them compelling choices for investors looking to invest in equity MFs.



ILLUSTRATION: BINAY SINHA

Methodology

This analysis by *Business Standard* is based on a sample of 227 regular equity schemes across these five categories, each with a track record of at least five years. The top two schemes in each category were selected based on their composite ranking across six-month, one-year, three-year, and five-year returns. Funds were also evaluated on the

Sharpe ratio, Sortino ratio, standard deviation, total expense ratio, and assets under management (AUM) as of February 2025.

These 10 funds offer the best combination of higher risk-adjusted returns in both the short and long term, lower volatility compared to peers, a lower expense ratio, and relatively larger AUM. Happy investing!

MIDCAP FUNDS

Equity fund	AUM (₹ cr)	6-mth	1-yr	3-yr	5-yr	Sharpe ratio	Sortino ratio	Standard deviation	Expense ratio (%)
HDFC Mid-Cap Opportunities Fund	67,578	-10.7	11.9	24.6	34.8	1.0	1.5	15.3	1.42
Nippon India Growth Fund	30,276	-12.9	14.4	23.0	34.4	0.9	1.3	16.2	1.61

HDFC MID-CAP OPPORTUNITIES FUND

● The largest scheme in the category, it has consistently outperformed the benchmark. It has been managed by Chirag Setalvad since May 2007.

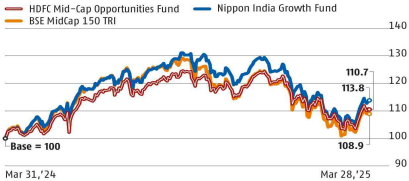
● As of February 28, the scheme had 66 per cent midcap exposure, with 21 per cent allocated to smallcap stocks and 5 per cent to largecap stocks. Cash holdings stood at 7.5 per cent.

● In the latest stress test, the fund would require 45 days to liquidate half of its portfolio and 23 days to sell 25 per cent of its assets — among the highest in the category.

● The scheme had investments in 78 companies at the end of February, with the top 10 holdings constituting 31 per cent of the portfolio.

● Financials, consumer discretionary, and technology were the top three sectors, with a combined allocation of 54 per cent.

● As of February-end, the top five holdings were Max Financial, Indian Hotels Company, Bal Krishna Industries, Federal Bank, and GoIorgo.



NIPPON INDIA GROWTH FUND

● The third-largest scheme in the category, it has been managed by Rupesh Patel since early 2023. It was previously managed by Manish Gurnani, Dhruvil Shah, and Tejas Sheh.

● As of February, the scheme had 66 per cent midcap exposure. Of the remainder, 20 per cent was allocated to largecap stocks and 13 per cent to smallcap companies. Cash holdings were less than 1 per cent.

● The latest stress test indicates a highly liquid portfolio. The scheme would require 10 days to liquidate half of its portfolio and five days to sell a quarter of its holdings — among the best in the category.

● The scheme held 94 stocks, with the top 10 holdings accounting for 25 per cent of its assets.

● The top three sectors — financials, consumer discretionary, and industrials — made up 46 per cent of the portfolio. Healthcare and technology were also among the top five sectors.

LARGE & MIDCAP FUNDS

Equity fund	AUM (₹ cr)	6-mth	1-yr	3-yr	5-yr	Sharpe ratio	Sortino ratio	Standard deviation	Expense ratio (%)
ICICI Prudential Large & Mid Cap Fund	17,818	-9.3	12.7	21.1	31.9	1.0	1.7	12.6	1.70
SBI Large & Midcap Fund	27,384	-9.0	12.1	16.7	28.1	0.7	1.2	13.0	1.62

ICICI PRUDENTIAL LARGE & MID CAP FUND

● Managed by Ihab Dalwai, the scheme has been in operation for over 12 years. It has delivered a 15.5 per cent annualised return over the past 10 years.

● As of February, it had 86 stocks in its portfolio, with the top 10 holdings accounting for 35 per cent weight.

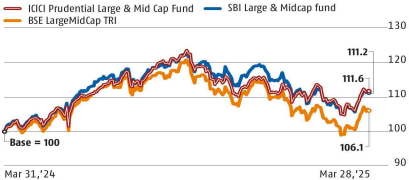
● The top three sectors — financials, automotive (auto) and auto component, and consumer services — had a combined weight of 48 per cent.

● As of February 28, cash holdings stood at around 5 per cent.

● According to Value Research, 44 per cent of the portfolio was invested in giant stocks, 18 per cent in largecap stocks, and 35 per cent in mid-sized firms. The average market capitalisation of the portfolio was ₹1.2 trillion.

● The price-to-book ratio of the portfolio was 3.31, while the price-to-earnings ratio was 23.53, higher than the current Nifty 50 valuation.

● Systematic investment plan investments over the past three years have generated 21.85 per cent annualised returns.



SBI LARGE & MIDCAP FUND

● One of the oldest schemes in India, the fund has a track record of over 32 years. It has been managed by Sarabhai Pant since 2016.

● As of February, the scheme had 440 per cent allocation to largecap stocks, 36 per cent to midcap stocks, and 17 per cent to smallcaps. Cash holdings stood at 4 per cent.

● The scheme held 77 stocks in its portfolio, with the top 10 holdings accounting for 35 per cent of the total weight.

● The price-to-book ratio of the portfolio was 3.49, while the price-to-earnings ratio was 23.35, both higher than the Nifty 50 valuation.

● The top three sectors — financials, basic materials, and healthcare — had a combined weight of 46 per cent. Other key sectors included technology and consumer discretionary.

● Over the past 10 years, the scheme has delivered an annualised return of 13.9 per cent, compared to a 12.8 per cent rise in the BSE LargeMidCap TRI index.

SMALLCAP FUNDS

Equity fund	AUM (₹ cr)	6-mth	1-yr	3-yr	5-yr	Sharpe ratio	Sortino ratio	Standard deviation	Expense ratio (%)
Tata Smallcap Fund	8,274	-16.1	13.5	22.0	36.6	0.8	1.1	15.9	1.73
Nippon India Smallcap Fund	50,826	-17.9	6.5	21.6	40.9	0.8	1.1	17.2	1.49

TATA SMALLCAP FUND

● Launched in 2018, the scheme has been managed by Chandraprakash Padiyar since its inception. Jeetendra Khatri joined as co-fund manager in 2023.

● It is the 12th largest fund in the category and stays true to its label, with no major largecap allocation, unlike many of its peers.

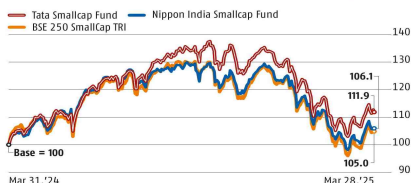
● Smallcap stocks account for 84 per cent of its portfolio as of February 2025, while midcap exposure stands at 9 per cent. The fund holds 7 per cent in cash.

● The top three sectors in the portfolio — materials, industrials, and consumer discretionary — currently account for more than half of its assets.

● The fund is well-diversified, with its top five stocks — Sudarshan Chemical Industries, Godrej Industries, BASF India, Kirloskar Pneumatic, and IDFC First Bank — accounting for 20 per cent of its total assets under management.

● The scheme has invested in 58 companies, with the top 10 stocks making up 35 per cent of the portfolio.

● According to the latest stress test report, the scheme would need 43 days to liquidate 50 per cent of its portfolio and 22 days to sell a quarter of its holdings — the fifth highest in the category.



NIPPON INDIA SMALLCAP FUND

● The largest scheme in the smallcap space and one of the oldest in the category, it has been managed by Samir Radh since inception.

● Despite its size, the fund ranks lower in liquidity stress parameters. According to the February report, it would need 31 days to liquidate 30 per cent of its portfolio, compared to the 40-day average for the top 10 largest schemes.

● Smallcap stocks make up 67 per cent of the portfolio as of February-end, with midcap allocation at 14 per cent and largecap exposure at 12 per cent.

● The scheme's cash holding stood at 18 per cent as of February-end, providing flexibility to accumulate stocks at low valuations.

● The scheme is invested in as many as 233 firms — likely the highest in the category. The top 10 stocks constitute only 14 per cent of the portfolio.

● The top three sectors in the portfolio — industrials, materials, and financials — make up over half of the total holdings.

● As of February 2025, the top five stocks in the portfolio were HDF Bank, MCK, Kirloskar Brothers, Dixon Technologies (India), and Karur Vysya Bank.

LARGECAP FUNDS

Equity fund	AUM (₹ cr)	6-mth	1-yr	3-yr	5-yr	Sharpe ratio	Sortino ratio	Standard deviation	Expense ratio (%)
ICICI Prudential Bluechip Fund	60,177	-9.3	8.1	16.9	26.6	0.7	1.4	12.4	1.47
DSP Top 100 Equity Fund	4,519	-7.5	16.3	18.0	23.5	0.7	1.5	12.8	1.93

ICICI PRUDENTIAL BLUECHIP FUND

● Launched in May 2008, the scheme has generated nearly 15 per cent annualised returns since inception.

● The largest scheme in the category, it is co-managed by Anish Tawakley and Vaibhav Dussad.

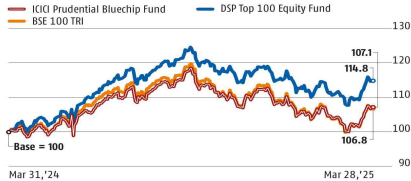
● According to Iqbal Research stock categorisation, 81 per cent of the fund's allocation was in giant stocks (stocks that form the top 50 per cent of total mcap).

● The portfolio contained 67 stocks, with the top 10 holdings constituting 54 per cent of the total portfolio.

● The price-to-book ratio of the portfolio was 3.21, while the price-to-earnings ratio was 20.5, in line with Nifty 50 valuations.

● The top three sectors — financials, technology, and energy and utilities — accounted for over 50 per cent of the portfolio. Financial stocks made up 30 per cent of the portfolio, lower than the sector's 35 per cent weighting in the Nifty 50.

● The top five stocks in the portfolio — HDF Bank, ICICI Bank, Larsen & Toubro, Reliance Industries, and Bharti Airtel — accounted for 33.6 per cent of the portfolio.



DSP TOP 100 EQUITY FUND

● One of the oldest schemes in the category, it has been managed by Abhishek Singh since 2002.

● As of February, 80 per cent of the scheme was invested in largecap stocks, 5 per cent in midcaps, and 6 per cent in smallcaps. The remaining 9 per cent was held in cash.

● The fund had 33 stocks in its portfolio, with the top 10 holdings accounting for 56 per cent of the total portfolio.

● The top five holdings — HDF Bank, ICICI Bank, ITC, Bajaj Finance, and Axis Bank — accounted for 34.5 per cent of the portfolio.

● The price-to-book ratio of the portfolio was 2.74, while the price-to-earnings ratio was 16.72, both significantly lower than the Nifty 50's current trailing valuation.

● The fund has delivered 19.4 per cent annualised returns on a three-year systematic investment plan investments.

FLEXICAP FUNDS

Equity fund	AUM (₹ cr)	6-mth	1-yr	3-yr	5-yr	Sharpe ratio	Sortino ratio	Standard deviation	Expense ratio (%)
HDFC Flexi Cap Fund	64,124	-6.4	16.0	22.8	32.5	1.1	2.3	12.3	1.43
Parag Parikh Flexi Cap Fund	88,004	-3.4	15.3	17.4	30.5	1.0	1.4	10.7	1.33

HDFC FLEXI CAP FUND

● Managed by Roshni Jain since July 2022, the scheme has generated over a 15 per cent annualised return over the past 10 years.

● As of February, it had 56 stocks in its portfolio, with the top 10 holdings accounting for 55 per cent of its assets.

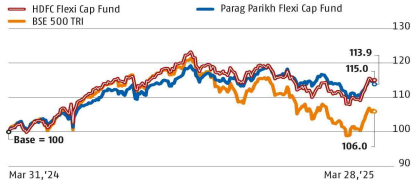
● The scheme's net equity exposure stood at 88.4 per cent, while cash holdings, real estate investment trusts and infrastructure investment trusts, and debt holdings made up the rest of the portfolio.

● According to Value Research classification, 72 per cent of the corpus was invested in giant stocks, with large and mid-sized stocks accounting for 15 per cent and 9 per cent, respectively.

● Systematic investment plan investments over the past three years have generated 23.34 per cent annualised returns.

● The price-to-book ratio of the portfolio was 3.14, while the price-to-earnings ratio was 21.48, in line with the current Nifty 50 valuation.

● The top three sectors — financials, consumer discretionary, and technology — had a combined weight of 58 per cent. Other key sectors included healthcare and materials.



PARAG PARIKH FLEXI CAP FUND

● The largest pure-equity fund in India has been managed by Rajeev Thakkar since its launch in 2013. Rukun Tarachandani, Raj Mehta, and Mansi Kariya are co-fund managers, while Raunak Onkar is the dedicated fund manager for international equities.

● The scheme stands out for its strategy, as it has a mandate to invest a significant portion of its corpus in international equities. It is also among the few schemes

open to taking cash calls.

● As of February, the scheme's equity allocation stood at 77 per cent, with over 22 per cent of the corpus held in cash — one of the highest in the category.

● The fund had 70 stocks in its portfolio, with the top 10 holdings accounting for 51 per cent of its assets.

● According to Value Research, the fund had little exposure outside of large stocks. About 94 per cent of the portfolio was invested in stocks forming the top 10 per cent of the listed market capitalisation.

All scheme data is of regular plan; returns data as of March 27; all other data is as of February 28; 3 year and 5 year returns are annualised

Source: Value Research