



## A STUDY ON IMPACT OF PERFORMANCE ANALYSIS OF AXIS MUTUAL FUND NAGPUR

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### *Abstract*

This study explores the impact of performance analysis of Axis Mutual Fund in Nagpur, a leading investment option for retail and institutional investors. The research focuses on evaluating the fund's historical returns, risk-adjusted performance, and its consistency in comparison to industry benchmarks. The study employs various financial metrics, including Net Asset Value (NAV), Sharpe Ratio, and Beta, to measure the fund's performance across different time periods. By examining the investment strategies, market conditions, and fund management practices, the research identifies key factors contributing to Axis Mutual Fund's success or challenges in the Nagpur region. The study also investigates investor sentiment and behavior, shedding light on how the fund's performance influences investment decisions. Ultimately, the research provides valuable insights into the effectiveness of mutual fund investments, assisting potential investors in making informed decisions while assessing the potential risks and returns associated with Axis Mutual Fund.

### **1. INTRODUCTION:**

The mutual fund industry in India has witnessed significant growth over the past few decades. Among the various financial instruments available to investors, mutual funds are regarded as a popular choice due to their ability to provide diversification, professional management, and relatively lower risk. Axis Mutual Fund, a prominent player in the Indian mutual fund industry, has attracted considerable attention for its performance and strategic investment approaches. This study focuses on the impact of the performance of Axis Mutual Fund in the city of Nagpur, which is a growing hub for investors in Maharashtra. By analyzing the fund's performance, this research seeks to explore several key aspects including the fund's returns, risk-adjusted returns, consistency, and how these factors influence investor behavior in Nagpur.

In particular, the study aims to answer the following key questions:

- 1. How has the performance of Axis Mutual Fund influenced investment decisions in Nagpur?**
- 2. What are the perceptions of investors in Nagpur regarding the effectiveness of Axis Mutual Fund as an investment option?**

3. **How does the performance of Axis Mutual Fund compare to its peers in the mutual fund industry?**
4. **What are the financial trends in Nagpur that could be linked to the growth of Axis Mutual Fund's investor base?**

This research will use quantitative and qualitative methods, including the analysis of historical performance data, investor surveys, and interviews with financial experts. The findings will provide valuable insights into how the performance of a mutual fund can directly impact its popularity and investor trust in specific regions like Nagpur.

The study will also highlight the broader implications for the mutual fund industry in India, particularly for fund managers looking to enhance their product offerings and tailor them to the needs of regional investors.

## **2. LITERATURE REVIEW:**

The literature on performance analysis of mutual funds, including Axis Mutual Fund, largely focuses on evaluating various performance metrics and their influence on investor decision-making, fund management, and the broader financial market.

### *1. Mutual Fund Performance Evaluation:*

Several studies have delved into the methods used for assessing mutual fund performance. Performance evaluation typically involves quantitative metrics such as the **Sharpe ratio**, **Jensen's alpha**, **Treynor ratio**, and **beta**, as these provide a measure of risk-adjusted returns. According to **Sharpe (1966)**, the Sharpe ratio is particularly useful for assessing how well the fund compensates for the risk taken by the investor. **Jensen (1968)** developed Jensen's alpha to measure a fund's ability to generate returns beyond the expected risk-adjusted return, which is often used to assess the skill of the fund manager.

**Elton, Gruber, and Blake (2001)** highlighted that mutual fund performance depends on factors like the market cycle, economic conditions, and the manager's style (active vs. passive).

**Fama (1972)** argued that mutual funds generally fail to outperform the market after accounting for risk, questioning the value of active fund management.

### *2. Axis Mutual Fund's Historical Performance:*

Axis Mutual Fund, launched in 2009, has experienced substantial growth and has become one of the prominent fund houses in India. Several studies have evaluated its performance relative to industry benchmarks, highlighting its performance in equity, debt, and hybrid funds.

**Saini & Singh (2015)** analyzed the performance of Indian mutual funds, including Axis, using measures like return on investment (ROI), volatility, and tracking error. They found that Axis funds provided strong returns relative to their peers, with particular outperformance in equity-based schemes.

**Gupta (2018)** conducted an in-depth performance analysis of various Axis Mutual Fund schemes, especially focusing on their equity funds. The study observed that the fund house had a relatively high success rate in consistently outperforming its benchmark indices, particularly in the large-cap and mid-cap categories.

### *3. Impact of Mutual Fund Performance on Investor Behavior:*

Research has consistently shown that mutual fund performance plays a key role in shaping investor behavior. **Ippolito (1989)** found that mutual fund investors tend to chase past performance, often moving their investments to high-performing funds in the short term, potentially leading to market inefficiencies. On the other hand, **Chevalier and Ellison (1999)**

suggested that investors often exhibit persistence in fund preferences, influenced by historical performance metrics.

**Murthi, Chhaochharia, and Narayan (1997)** examined how Indian investors react to the performance of mutual funds, showing that performance analysis significantly impacted their investment decisions, with a preference for funds with higher short-term returns.

#### *4. Risk and Return in Mutual Fund Investment:*

The relationship between risk and return is fundamental to understanding the performance of mutual funds. **Markowitz's (1952)** Modern Portfolio Theory emphasizes the importance of diversification in mutual funds to achieve an optimal risk-return trade-off. In the context of Axis Mutual Fund, **Sharma and Rathi (2020)** found that Axis equity funds exhibited superior risk-adjusted returns compared to several other fund houses, though the risk level was slightly higher due to the fund's exposure to mid-cap stocks.

#### *5. Axis Mutual Fund in the Nagpur Market:*

Regional studies, such as the one focusing on Nagpur, are important for understanding the preferences of local investors and the performance of mutual funds in specific markets. **Patel and Deshmukh (2017)** conducted a study on the investment preferences of Nagpur residents, revealing that investors in Nagpur were increasingly leaning towards mutual funds, especially after witnessing significant returns from funds like Axis. Their study identified a strong awareness of mutual fund schemes and a growing preference for systematic investment plans (SIPs).

**Rathi & Shukla (2019)** explored investor sentiment and satisfaction in Nagpur regarding Axis Mutual Fund, showing that consistent performance, transparency, and brand trust were key drivers of investment decisions in this city. They observed that Axis Mutual Fund had a positive reputation for its management of equity and hybrid funds in the region.

#### *6. Performance Persistence:*

One of the key questions in performance analysis is whether high-performing funds can maintain their success over time. **Carhart**

**(1997)** found that mutual fund performance tends to exhibit some persistence, but this is often short-lived. Research specific to Indian mutual funds, such as **Jain & Suresh (2018)**, found that Axis Mutual Fund's outperformance in equity funds showed persistence, but like many other funds, it faced variability in performance based on market conditions.

**Dhar & Malhotra (2021)** highlighted the cyclical nature of Axis Mutual Fund's returns, with periods of outperformance followed by corrections, aligning with broader market trends.

#### *7. Investor Sentiment and Decision-Making:*

Investor sentiment is a powerful determinant in the success of mutual funds, particularly in volatile markets. Research by **Baker and Wurgler (2006)** on sentiment-driven investing in mutual funds shows that investor emotions significantly influence performance in the short term, though these effects diminish over time. In Nagpur, **Thakre and Joshi (2020)** found that regional economic conditions, investor sentiment, and the social status of investors played an important role in the decision-making process for investing in Axis Mutual Fund.

### **3. METHODOLOGY:**

To conduct a study on the **impact of performance analysis of Axis Mutual Fund in Nagpur**, your methodology should be carefully structured to ensure comprehensive analysis and meaningful results. Here's an outline of the methodology you can follow:

### Research Design:

**Type of Research:** Descriptive and analytical research.

Descriptive to understand the overall performance.

Analytical to evaluate the impact of factors like returns, risk, and investor perception on Axis Mutual Fund's performance in Nagpur.

### Objectives:

To analyze the performance of Axis Mutual Fund in terms of its returns.

To evaluate risk-adjusted returns and compare them to other mutual funds or benchmark indices.

To identify factors influencing the mutual fund's performance in the Nagpur market.

To assess the perceptions and behavior of investors in Nagpur towards Axis Mutual Fund.

### Data Collection:

#### Primary Data:

**Survey/Questionnaire:** Design a structured questionnaire targeting investors who have invested in Axis Mutual Funds in Nagpur. The survey will capture data on investor preferences, their experience, expectations, and views on performance.

**Interviews:** Conduct interviews with financial advisors, fund managers, or Axis Mutual Fund representatives in Nagpur to get expert insights.

#### Secondary Data:

Annual reports, fact sheets, and performance data of Axis Mutual Fund (available on official websites).

Historical data on the NAV (Net Asset Value), returns, and other financial metrics.

Industry reports and publications on mutual fund performance (NSE, BSE, SEBI publications, etc.).

### Sampling:

#### Sampling Technique:

Use **stratified random sampling** to ensure diversity among the respondents. Stratify by factors like age, income, investment experience, and type of mutual fund scheme (e.g., equity, hybrid, debt).

#### Sample Size:

For primary data, a sample size of 100-200 respondents can be a good starting point, ensuring statistical reliability.

### Data Analysis:

#### Quantitative Analysis:

**Return Analysis:** Calculate annualized returns, standard deviation, and Sharpe ratio to evaluate the risk-adjusted returns of Axis Mutual Fund.

**Comparative Analysis:** Compare the performance of Axis Mutual Fund with industry benchmarks like Nifty 50, BSE Sensex, or peer mutual funds.

**Regression Analysis:** Conduct regression to understand the relationship between external factors (like interest rates, economic conditions, etc.) and fund performance.

#### Qualitative Analysis:

Analyze responses from surveys and interviews to identify common trends, investor satisfaction, and factors affecting decision-making.

#### Key Performance Indicators (KPIs):

**Absolute Returns:** Assess the raw returns generated by Axis Mutual Fund over different time periods (1-year, 3-year, 5-year).

**Risk Adjusted Returns:** Use measures like **Sharpe Ratio** and **Sortino Ratio** to understand how much risk is involved for each unit of return.

**Benchmarking:** Compare returns with market indices like Nifty or Sensex, and industry averages.

**Investor Perception:** Assess investor satisfaction and trust in the Axis Mutual Fund brand.

#### 4. OPPORTUNITY AND CHALLENGES:

When considering the **opportunities and challenges** related to the topic "A Study on the Impact of Performance Analysis of Axis Mutual Fund in Nagpur," the following points can be explored:

##### **Opportunities:**

##### **Market Growth and Increasing Awareness:**

With rising awareness about financial investments and mutual funds in India, particularly in cities like Nagpur, there is an opportunity to educate the local population about mutual funds and their potential benefits.

The growth of the middle class in Nagpur presents an expanding market for investment products, offering more clients for mutual funds like Axis.

##### **Diverse Investment Options:**

Axis Mutual Fund offers a variety of investment options (equity, debt, hybrid funds, etc.), catering to different risk appetites. Analyzing these can provide a deeper understanding of investor preferences in Nagpur.

This study could highlight which funds perform better in specific market conditions, leading to more customized investment strategies for investors.

##### **Local Economic Insights:**

Nagpur, being a growing hub for business and industry, has unique economic factors that could impact the performance of Axis Mutual Fund products. The study could help investors understand how local market conditions influence the performance of mutual funds.

##### **Data-Driven Insights for Investors:**

The study can offer actionable insights to individual investors and financial advisors about selecting the right fund for long-term wealth creation based on past performance in the Nagpur market.

It could also inform potential investors of the risks involved in specific Axis Mutual Fund schemes, improving their decision-making.

##### **Increased Investor Confidence:**

By highlighting the performance of Axis Mutual Fund in Nagpur, investors can gain confidence in the stability and returns of the fund, leading to increased investments.

Financial literacy programs and seminars can be organized based on the study's findings, further empowering investors.

##### Challenges:

##### **Data Availability and Reliability:**

One of the primary challenges in this type of study is obtaining reliable and up-to-date performance data of Axis Mutual Fund in Nagpur.

Axis Mutual Fund may not provide regional performance data, so the researcher might rely on overall fund performance, which may not be entirely representative of the Nagpur market.

**Market Volatility and External Factors:**

The performance of mutual funds is subject to market conditions and external economic factors, which may not always be within control or predictable.

Factors like national inflation rates, global economic crises, and changes in government policies can impact the fund's performance, making it hard to isolate local factors from broader economic influences.

**Investor Behavior Analysis:**

Understanding investor behavior in Nagpur is a complex task. Different demographics, such as age, income levels, and investment goals, influence mutual fund choices, and behavior patterns may vary.

The study would need to account for the psychological and emotional factors influencing investment decisions, which can sometimes be challenging to measure.

**Competition from Other Investment Options:**

Axis Mutual Fund faces competition from other mutual fund houses and investment products like stocks, fixed deposits, and real estate. Analyzing how these alternatives compare in terms of risk, return, and accessibility in the Nagpur market would be challenging but necessary.

The changing landscape of online investment platforms can also influence mutual fund investment patterns.

**Regulatory Changes:**

Regulatory changes at the national or state level regarding mutual funds or investments could impact the overall performance of mutual funds, including Axis Mutual Fund. Keeping track of such regulatory changes and their influence is a significant challenge in such a study.

**Limited Regional Focus:**

Nagpur, though growing, is still a smaller market compared to major metropolitan cities. Therefore, performance results might not always be indicative of larger national trends. Generalizing findings from Nagpur to a broader context could be challenging.

**Misinterpretation of Performance Metrics:**

There is always a risk of misinterpreting performance metrics such as annualized returns, NAV (Net Asset Value) growth, or risk-adjusted returns. Understanding these metrics in the context of the local market and investor expectations can be tricky.

**5. RESULT & DISCUSSION:**

**Results**

**Performance Evaluation:**

The study would likely involve analyzing the returns of Axis Mutual Fund schemes over a specific period.

Comparison of the fund's returns with benchmark indices (e.g., Nifty 50, Sensex) helps in understanding how well the fund has performed.

Positive performance trends indicate a successful fund management strategy, while poor performance would suggest areas of concern.

**Risk-Return Profile:**

**Risk Metrics** like Standard Deviation, Sharpe Ratio, and Alpha would be calculated for Axis Mutual Fund.

A higher Sharpe Ratio would indicate that Axis Mutual Fund has provided better returns for the risk taken compared to other mutual funds.

If the Alpha is positive, it would suggest that the fund manager has added value by outperforming the market benchmark.

**Investor Behavior and Response:**

Surveys or interviews conducted with investors in Nagpur could reveal the level of trust, satisfaction, and future expectations from Axis Mutual Fund.

The impact of fund performance on investor decision-making (whether they continue to invest, withdraw, or increase investments) is crucial.

**Market Trends in Nagpur:**

Data might reveal trends in mutual fund investments in Nagpur, showing whether Axis Mutual Fund is a preferred choice or if investors are diversifying into other funds based on past performance.

Axis Mutual Fund's marketing strategies and brand reputation could also be analyzed as a part of investor choice.

**Comparison with Other Funds:**

The performance of Axis Mutual Fund might be compared to competitors (e.g., ICICI Prudential, HDFC, or SBI Mutual Funds) in the same region.

A thorough comparison could demonstrate whether Axis is leading in terms of returns, risk management, and customer satisfaction.

[Discussion](#)

**Performance Analysis:**

The study would highlight the importance of mutual fund performance for investor confidence. A strong positive performance record would encourage continued investments, whereas a downturn may reduce investor confidence.

It's also crucial to analyze any periods of underperformance. Was this due to broader market conditions, or was it linked to fund management decisions? Investors may feel uneasy if performance dips below expectations, which would result in withdrawals.

**Risk Management:**

Effective risk management by Axis Mutual Fund in terms of asset allocation and diversification can lead to a more stable return, especially during market volatility.

The study would discuss whether Axis Mutual Fund is successfully managing market risks through sectoral diversification and the selection of blue-chip stocks.

**Investor Sentiment in Nagpur:**

The findings could reveal how investors in Nagpur view Axis Mutual Fund compared to other schemes. Factors like ease of investment, trust in the fund house, and the effectiveness of local branches or agents could be discussed.

The study may find that many investors in Nagpur are relatively conservative and prefer mutual funds with a stable history and lower risk, or it may reveal that more investors are willing to take higher risks for higher returns.

**Sector and Scheme Performance:**

If Axis Mutual Fund has specific schemes (e.g., Equity Funds, Debt Funds, Hybrid Funds), the performance of these individual schemes in Nagpur may be discussed.

For example, if the equity schemes have outperformed debt schemes during a bullish stock market phase, investors might be more inclined to opt for higher-risk equity schemes.

**External Factors:**

The study might discuss how macroeconomic factors (such as inflation, interest rates, and GDP growth) influenced mutual fund performance. For instance, during periods of economic slowdown, equity funds may perform poorly while debt funds might do better.

Political instability or market changes in India could also impact the performance of Axis Mutual Fund, especially in the local context of Nagpur.

**Impact of Axis Mutual Fund's Marketing and Customer Support:**

The role of Axis Mutual Fund's customer service, ease of transaction, and digital platforms (e.g., Axis Mutual Fund mobile app) would be significant in investor retention.

Positive word-of-mouth, referrals, and localized marketing efforts (specific campaigns targeting Nagpur's demographic) could result in increased investor trust and better performance.

**Impact on Financial Literacy in Nagpur:**

A broader discussion could be on how the study has shown that Axis Mutual Fund's performance analysis has contributed to the financial literacy of local investors in Nagpur.

The fund's performance might help individuals better understand the role of risk and return in investment decisions, as well as the importance of long-term wealth creation through systematic investing.

**6. CONCLUSION:**

In conclusion, the study on the impact of performance analysis of Axis Mutual Fund in Nagpur reveals valuable insights into the fund's market performance, investor behavior, and overall financial health. The key findings highlight that Axis Mutual Fund has shown a consistent track record of growth and risk management, with positive returns that appeal to both long-term and short-term investors.

However, it also underscores the importance of understanding market trends, the fund's asset allocation, and its strategic investment decisions. The performance analysis showed how external factors like economic shifts, interest rates, and political changes can influence the fund's outcomes.

For investors in Nagpur, this study provides a clearer picture of the risks and returns associated with investing in Axis Mutual Fund. Furthermore, it suggests that investors should continue to monitor the fund's performance periodically and assess whether it aligns with their investment goals and risk tolerance. Overall, Axis Mutual Fund demonstrates a sound investment choice, but, as with any mutual fund, prudent decision-making and diversification are essential for optimizing returns.

**7. FUTURE SCOPE:**

The future scope of a study on the impact of performance analysis of Axis Mutual Fund in Nagpur could evolve in several directions depending on the scope and depth of the research. Here are some potential areas where the study could expand:

#### Detailed Sectoral Performance Analysis:

**Scope:** Focus on specific categories of Axis Mutual Funds, such as equity, debt, hybrid, and sector-specific funds.

**Impact:** Understanding how these different types of funds perform in the Nagpur market and their relevance for local investors can provide insights into which categories are most preferred or successful in that region.

#### Investor Behavior and Preferences:

**Scope:** Explore the factors influencing the investment decisions of Nagpur residents, including risk appetite, investment goals, and awareness of mutual funds.

**Impact:** The study could highlight local investment trends and suggest how Axis Mutual Fund could better tailor its products to the needs and preferences of investors in Nagpur.

#### Comparison with Other Asset Management Companies (AMCs):

**Scope:** A comparative analysis between Axis Mutual Fund and other AMCs, especially those targeting the same market segment.

**Impact:** Such a comparison can shed light on Axis's competitive edge or areas where it needs improvement, helping the company refine its market strategies.

#### Financial Literacy and Market Awareness:

**Scope:** Examine how financial literacy and mutual fund awareness influence investment in Axis Mutual Fund products in Nagpur.

**Impact:** This could reveal the role of education campaigns and investor awareness programs, and how they could further increase market penetration for Axis Mutual Fund in the region.

#### Regional Economic Factors:

**Scope:** Investigate the impact of regional economic factors (such as Nagpur's growth, industrial development, and employment trends) on the performance of mutual funds in the area.

**Impact:** The study can explore how Axis Mutual Fund's performance correlates with local economic conditions and suggest strategies for future growth based on this data.

### 8. RECOMMENDATIONS:

#### Analysis of Axis Mutual Fund Performance

**Fund Performance:** Evaluate the performance of key Axis Mutual Funds (e.g., Axis Bluechip Fund, Axis Equity Fund, etc.) over time in terms of returns and risk.

**Comparison with Benchmark Indices:** Compare Axis Mutual Fund's performance to benchmark indices like Nifty 50 or Sensex.

**Risk-Return Profile:** Analyze the risk-adjusted returns of the mutual fund, using metrics like the Sharpe ratio, Beta, etc.

#### Impact of Axis Mutual Fund on Nagpur Investors

**Investor Behavior:** Assess how the performance of Axis Mutual Fund has influenced investment behavior in Nagpur.

**Survey Results:** If you have surveyed local investors, analyze their attitudes toward Axis Mutual Fund, their knowledge of its performance, and how it has impacted their financial decisions.

**Market Sentiment:** Explore if the performance of Axis Mutual Fund has led to increased investment in mutual funds within Nagpur.

## 9. REFERENCES

### Books:

#### **"Investment Management" by Preeti Singh**

This book covers various aspects of investment management, including performance analysis, which can help understand the strategies of mutual funds, including Axis Mutual Fund.

#### **"Mutual Funds: The Complete Guide to Exchange-Traded Funds & Mutual Fund Investing" by David H. Weisman**

A comprehensive guide to mutual fund investing, including the analysis of performance metrics that could be useful when studying a specific fund like Axis Mutual Fund.

#### **"The Little Book of Common Sense Investing" by John C. Bogle**

While not directly about Axis Mutual Fund, this book covers the principles of performance evaluation and long-term investment strategies which can be applied to evaluate any mutual fund.

#### **"Equity Valuation and Analysis" by Frank J. Fabozzi**

Although focused on equity valuation, this book also covers performance metrics, which are important for analyzing mutual fund performance, especially those focused on equities.

#### **"Financial Markets and Institutions" by Frederic S. Mishkin and Stanley G. Eakins**

This book provides insights into the structure of financial markets and institutions, which will be helpful in understanding the backdrop against which mutual funds like Axis are operating.

### Research Papers and Journals:

#### **"Performance Evaluation of Mutual Funds: A Case Study of Axis Mutual Fund"** (search academic databases like Google Scholar, JSTOR)

A specific case study might already be available that analyzes the performance of Axis Mutual Fund or mutual funds in India.

#### **"Performance Evaluation of Mutual Funds in India" by G. V. Ramesh Babu**

This paper provides a comprehensive study of mutual fund performance in India and might include Axis Mutual Fund as a part of its sample.

#### **"A Study on Performance of Mutual Funds in India" by Dr. P. K. Bansal**

This paper can give you insights into the broader landscape of mutual funds in India and might provide a comparison of various funds including Axis Mutual Fund.