

MID CAP FUND



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What is a Mutual Fund?

A mutual fund is a pool of money collected from many investors to invest in stocks, bonds, or other assets. It is managed by a professional fund manager who decides where to invest, when to buy, and when to sell. Mutual funds are a simple way for people to grow their money without having to manage investments themselves.



Mutual Fund Categories



Equity Mutual Funds

- Invest mainly in stocks (shares) of companies

- Suitable for long-term wealth creation

- Sub-types: Large Cap Fund – Big, stable companies

- Mid Cap Fund – Medium-sized growing companies

- Small Cap Fund – Small, high-growth potential companies

- Multi Cap / Flexi Cap Fund – Mix of all cap sizes

- ELSS (Tax Saving) – Equity fund with tax benefits under 80C



Debt Mutual Funds

- Invest in fixed income instruments like bonds, debentures, government securities

- Safer than equity funds, with stable returns

- Good for short to medium term goals

- Sub-types:
 1. Liquid Funds
 2. Short-Term Funds
 3. Corporate Bond Funds
 4. Gilt Funds



Hybrid Mutual Funds

- Mix of equity + debt

- Balance between growth and stability

- Suitable investors For Moderate Risk

- Sub-types:
 1. Aggressive Hybrid Fund (more equity)
 2. Conservative Hybrid Fund (more debt)
 3. Balanced Advantage Fund (dynamic mix)



Solution-Oriented Funds

- Designed for specific goals like:
 1. Retirement planning
 2. Children's education

- Have a longer lock-in period

◆ Understanding Mid-Cap Mutual Funds

Mid-cap mutual funds primarily invest in companies with a market capitalisation between that of large-cap and small-cap companies. These funds offer a balance between growth potential and stability, making them an attractive option for many investors.

Growth Potential

Mid-cap companies often have significant room for expansion and can deliver higher returns than large-cap firms.

Market Capitalisation

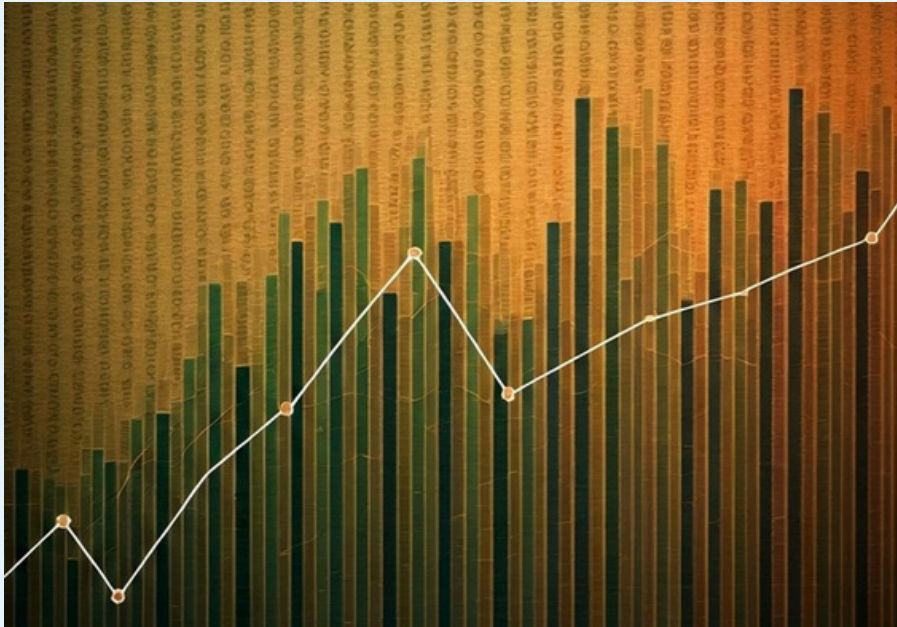
Typically, companies ranked from 101st to 250th by market Capitalisation fall into the mid-cap category.

Diversification

Investing in mid-caps can diversify a portfolio, reducing reliance on large-cap performance.

◆ Associated Risks and Volatility

Mid-cap funds can grow your money faster, but they also carry more risk. This is because mid-sized companies are more affected by changes in the economy and investor mood, so their stock prices can go up and down more quickly than big companies.



Economic Sensitivity:

Mid-sized companies are often more sensitive to changes in economic conditions.



Market Volatility

Mid-cap stocks can experience sharper price swings during market downturns or upturns.

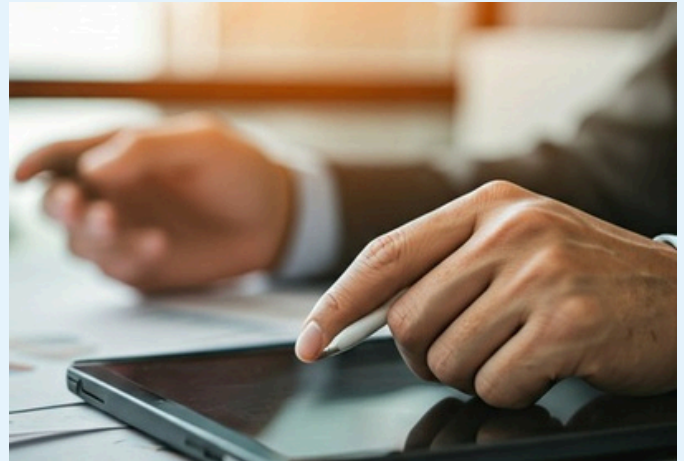


Liquidity Risk

Some mid-cap stocks may have lower trading volumes, making them less liquid than large-cap stocks .

◆ Role of Fund Managers

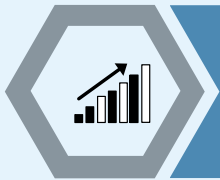
The expertise of a fund manager is crucial for mid-cap funds. They are responsible for identifying promising mid-sized companies, managing portfolio risk, and navigating market complexities to generate optimal returns for investors.



Stock Selection
Identifying undervalued or high-growth mid-cap companies.



Risk Management
Implementing strategies to mitigate the inherent risks of mid-cap investments



Performance Tracking
Continuously monitoring and adjusting the portfolio based on market conditions.

◆ Top Indian AMCs for Mid-Cap Funds:

Several Asset Management Companies (AMCs) in India offer well-performing mid-cap funds. Their track record, fund manager experience, and investment philosophy are key factors to consider when choosing an AMC.

1. Nippon India Mutual Fund

Mid-Cap Scheme: Nippon India Growth Fund

Fund Manager(s): Dhrumil Shah & Kinjal Desai

AUM (Assets Under Management): ~₹35,000+ crore

About: One of India's oldest mid-cap funds. Invests in high-quality mid-sized companies with long-term growth potential.

Strategy: Bottom-up stock picking, diversified sector exposure, good for investors with a long horizon.

2. Sundaram Mutual Fund

- **Mid-Cap Scheme:** Sundaram Midcap Fund

- **Fund Manager(s):** Ravi Gopalakrishnan & Sandeep Aggarwal

- **AUM:** ~₹14,000 crore (approx.)

- **About:** Known for consistent mid-cap focus for over a decade. Strong research-driven approach.

- **Strategy:** Focus on mid-cap leaders in each sector, companies with strong earnings visibility.

3. Quant Mutual Fund

Mid-Cap Scheme: Quant Mid Cap Fund

Fund Manager(s): Sanjeev Sharma & Sandeep Tandon

AUM: ~₹4,700 crore+

About: High alpha-generating fund with a bold, active style. Known for its dynamic sector rotation and strong recent outperformance.

Strategy: Aggressive and tactical approach; focuses on data-driven decisions with flexible allocation across sectors and themes.

4. Kotak Mutual Fund

- **Mid-Cap Scheme:** Kotak Emerging Equity Fund

- **Fund Manager(s):** Pankaj Tibrewal

- **AUM:** ~₹53,000 crore+

- **About:** One of the largest and most trusted mid-cap funds in India. Strong past performance.

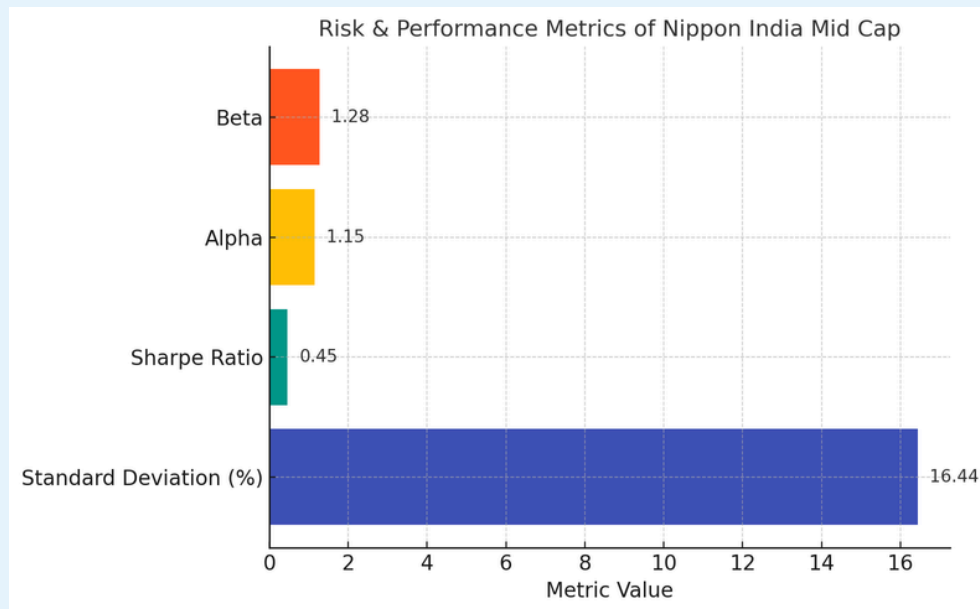
- **Strategy:** Invests in scalable and sustainable mid-sized businesses, low portfolio churn.

5. Motilal Oswal Mutual Fund Mid-Cap Scheme: Motilal Oswal Midcap Fund Fund Manager(s): Satyabrata Mohanty
AUM: ~₹26,000 crore
About: Focused fund with a high-conviction portfolio. Part of the “Buy Right Sit Tight” philosophy.
Strategy: Long-term investment in quality mid-cap stocks with strong management and financials



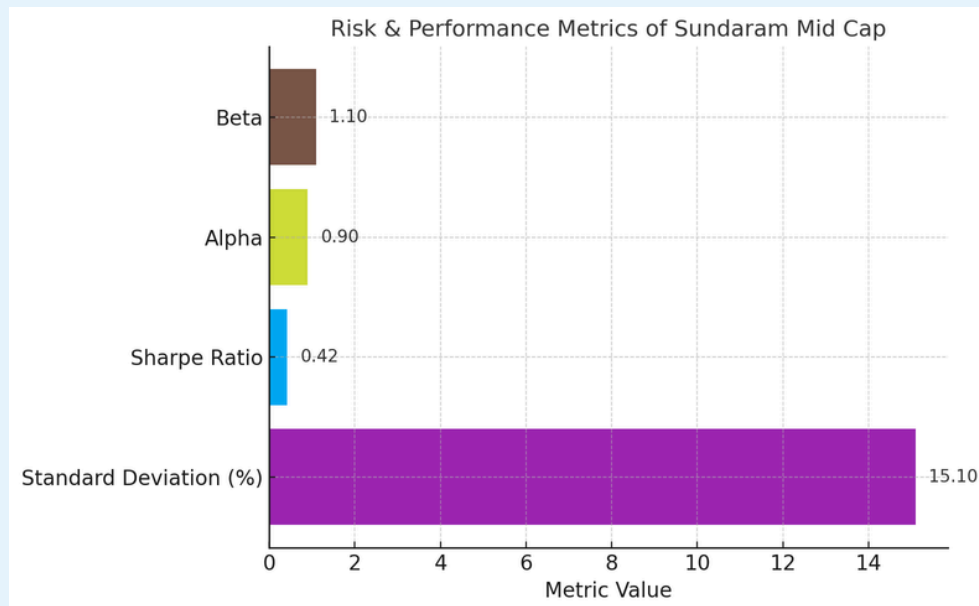
◆ Volatility Measures and Performance:

1. Nippon India Mutual Fund



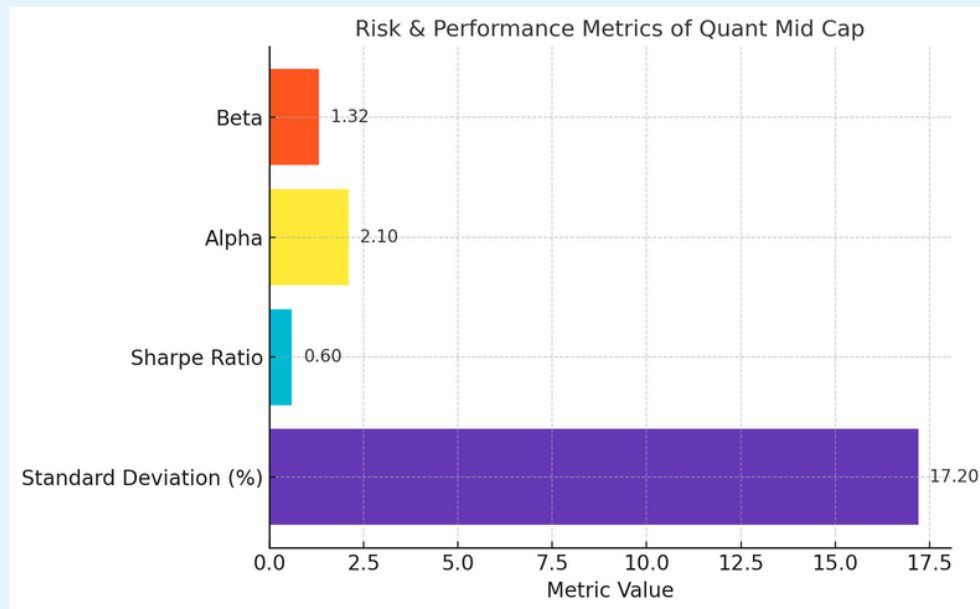
The chart shows key risk and performance metrics of the Nippon India Mid Cap ETF. The standard deviation of 16.44% indicates relatively high volatility, typical of mid-cap funds. A Sharpe ratio of 0.45 suggests moderate risk-adjusted returns. The alpha value of 1.15 reflects slight outperformance compared to the benchmark. Meanwhile, a beta of 1.28 shows the fund is more volatile than the overall market. Overall, the fund offers growth potential with higher risk, suitable for investors with a medium to high-risk appetite.

2.Sundaram Mid Cap Fund:



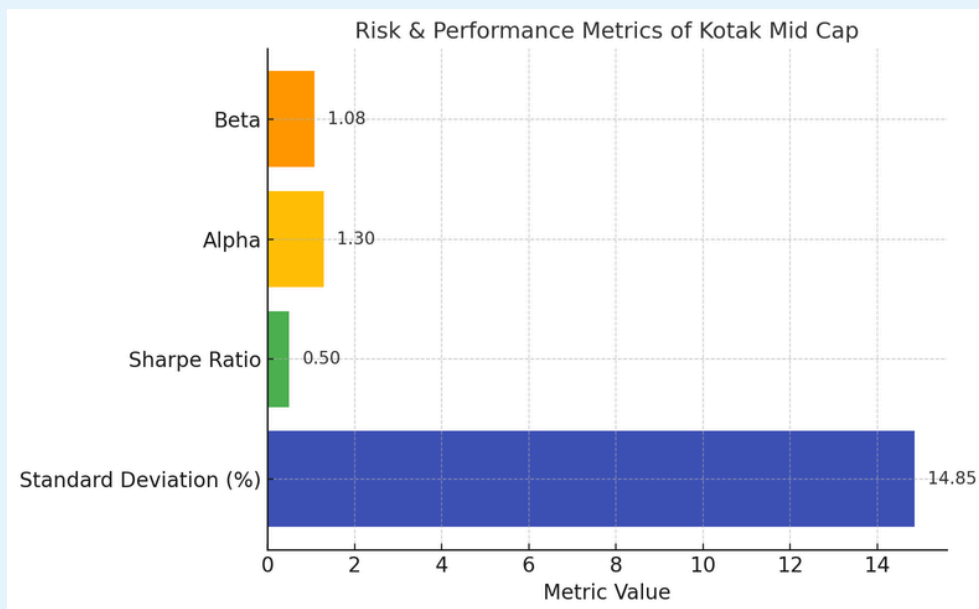
The chart shows key risk and performance metrics of the Sundaram Mid Cap ETF. The standard deviation of 15.10% indicates relatively high volatility, typical of mid-cap funds. A Sharpe ratio of 0.42 suggests moderate risk-adjusted returns. The alpha value of 0.90 reflects slight outperformance compared to the benchmark. Meanwhile, a beta of 1.10 shows the fund is more volatile than the overall market. Overall, the fund offers growth potential with higher risk, suitable for investors with a medium to high-risk appetite.

3.QUANT MID CAP FUND:



The chart shows key risk and performance metrics of the Quant Mid Cap ETF. The standard deviation of 17.20% indicates relatively high volatility, typical of mid-cap funds. A Sharpe ratio of 0.60 suggests moderate risk-adjusted returns. The alpha value of 2.10 reflects slight outperformance compared to the benchmark. Meanwhile, a beta of 1.32 shows the fund is more volatile than the overall market. Overall, the fund offers growth potential with higher risk, suitable for investors with a medium to high-risk appetite.

4.KOTAK MID CAP FUND:



The Kotak Mid Cap fund, the standard deviation, a measure of the fund's volatility, stands at 14.85. The fund has an alpha of 1.30, indicating its ability to generate excess returns compared to its benchmark. Its beta is 1.08, suggesting that the fund's price movements are slightly more volatile than the overall market. Finally, the Sharpe ratio, which assesses risk-adjusted returns, is 0.50.

CONCLUSION:

This report aimed to provide a clear understanding of mid-cap funds and highlight the performance of top AMCs in this category, namely Nippon India, Sundaram, Kotak, Mirae Asset, and Motilal Oswal.

In essence, mid-cap funds offer a compelling balance between growth potential and risk. While they generally exhibit more volatility than large-cap funds, their historical performance, particularly indicated by positive alphas, suggests they can deliver superior returns through active management and strategic stock selection. The analysis of these top AMCs shows they effectively navigate the mid-cap space, offering investors a diversified and professionally managed avenue to participate in the growth of medium-sized Indian companies.

Thank You



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