

**PRESS RELEASE**

## **82% of Indian Equity Large Cap funds underperformed their benchmark in five-year period ending December 2019**

S&P Dow Jones Indices releases SPIVA® India year-end 2019 results

**MUMBAI, April 07, 2020:** The latest S&P Indices Versus Active (SPIVA®) India Scorecard reveals that over the five-year period ending December 2019, 82.29% of Indian Equity Large Cap funds, 78.38% of the ELSS funds, 40.91% of Indian Equity Mid/Small Cap funds underperformed their respective indices.

Over the one-year period ending December 2019, the S&P BSE 100 surged 10.92%, with 40% of the Indian Equity Large-Cap funds underperforming the benchmark.

Akash Jain, Associate Director, Global Research & Design, S&P Dow Jones Indices said: “Over longer horizons, majority of the actively managed large-cap equity funds in India underperformed the S&P BSE 100 with 64.80% large-cap funds underperforming over the 10-year ending in December 2019. During this period the large-cap funds witnessed a low survivorship rate of 68.80%”

Amongst all the categories evaluated in the SPIVA India Scorecard, the Mid-/Small- category fared the best for active funds with majority of them managing to beat the S&P BSE 400 MidSmallCap Index across different time horizons studied in the report. Though the survivorship rate was low at 64.04% over the 10-year period.

The asset-weighted return for large-cap equity funds was 36 basis points higher than the equal-weighted return over the 10-year period, and the return spread between the first and the third quartile break points of the fund performance was 2.99% for the same period. For the same period, in the Mid/Small Cap equity funds category, the asset-weighted fund return was 26 bps lower than the equal-weighted fund return, and the return spread between the first and the third quartile break points of the fund performance was 3.64%.

Over the 10-year horizon, the return spread between asset-weighted and equal-weighted returns was negative 43 bps for Indian ELSS funds. In the same category, the return spread between the first and the third quartile break points of the fund performance was 2.53%.

# S&P Dow Jones Indices

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## Report 1: Percentage of Funds Outperformed by the Index

FUND CATEGORY	COMPARISON INDEX	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	10-YEAR (%)
Indian Equity Large-Cap	S&P BSE 100	40.00	84.38	82.29	64.80
Indian ELSS	S&P BSE 200	70.73	88.37	78.38	47.22
Indian Equity Mid-/Small-Cap	S&P BSE 400 MidSmallCap Index	27.91	37.21	40.91	44.94
Indian Government Bond	S&P BSE India Government Bond Index	57.69	83.33	84.91	90.38
Indian Composite Bond	S&P BSE India Bond Index	82.76	78.26	97.78	95.06

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of Dec. 31, 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

## SPIVA India

The SPIVA India Scorecard reports on the performance of actively managed Indian mutual funds compared to their respective benchmark indices over one-, three-, and five-year investment horizons. With this edition of the scorecard, we have introduced style consistency of funds and extended the study over the 10-year period ending December 2018. It is not possible to invest directly in an index, and index returns do not reflect expenses an investor would pay. For more information, please visit: [www.spdji.com](http://www.spdji.com)

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<sup>1</sup> The S&P BSE India Bond Index and the S&P BSE India Government Bond Index were launched on Dec. 31, 2013. All information for an index prior its Launch Date is back-tested, based on the methodology in effect on the Launch Date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. Back-tested performance, which is hypothetical and not actual performance, is subject to inherent limitations because it reflects application of an Index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns.

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