

**PRESS RELEASE**

## **92 % of Indian equity large-cap funds underperformed their benchmark in one-year period ending December 2018**

S&P Dow Jones Indices releases SPIVA® India end-year 2018 results

**MUMBAI, APRIL 2, 2019:** The latest S&P Indices Versus Active (SPIVA®) India Scorecard reveals that over the one-year period ending December, 2018, 92% of large-cap equity funds, 25.6% of mid-/small-cap equity funds, and 81.6% of government bond funds underperformed their respective indices.

Akash Jain, Associate Director, Global Research & Design, S&P Dow Jones Indices said: “The large-cap equity funds witnessed a low survivorship rate (66.7%) over the 10-year period and a low style consistency (42%) over the 1-year period ending in December 2018.”

Over the 10-year period, the return spread for actively managed large-cap equity funds, between the first and the third quartile break points of the fund performance, stood at 3.4%, pointing to a relatively large spread in fund returns. In line with the historically volatile nature of the mid-/small-cap segment of the Indian equity market, the return spread for actively managed mid-/small-cap equity funds was even higher at 5.3% over the same period.

The asset-weighted return for large-cap equity funds was 72 bps higher than the equal-weighted return over the 10-year period. During the same period, the asset-weighted return of Indian Equity Mid-/Small-Cap funds was 91 bps higher than their benchmark, the S&P BSE 400 MidSmallCap Index.

Over 3-year period, 88.1% of ELSS Funds have underperformed their respective benchmarks and the return spread between the first and third quartile break points of the fund performance was 3.7% over the 10-year period.

Exhibit 1 shows the percentage of funds outperformed by their relative benchmark index.

<b>Exhibit 1: Percentage of Funds Outperformed by the Indices</b>					
<b>FUND CATEGORY</b>	<b>COMPARISON INDEX</b>	<b>1-YEAR (%)</b>	<b>3-YEAR (%)</b>	<b>5-YEAR (%)</b>	<b>10-YEAR (%)</b>
Indian Equity Large-Cap	S&P BSE 100	91.94	90.50	57.55	64.23
Indian ELSS	S&P BSE 200	95.45	88.10	40.54	51.52
Indian Equity Mid-/Small-Cap	S&P BSE 400 MidSmallCap Index	25.58	56.52	39.68	55.26
Indian Government Bond	S&P BSE India Government Bond Index	81.58	71.43	88.00	96.43
Indian Composite Bond	S&P BSE India Bond Index	94.44	90.97	96.64	83.33

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of Dec. 31, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.<sup>1</sup>

## **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.asiaindex.co.in](http://www.asiaindex.co.in)

## **About ASIA INDEX PRIVATE LIMITED**

Asia Index Pvt. Ltd is a 50-50 partnership between S&P Dow Jones Indices LLC, the world's largest provider of financial market indices, and BSE Ltd, Asia's oldest stock exchange and home to the iconic SENSEX index – a leading indicator of Indian equity market performance. Asia Index Pvt. Ltd, which combines the benchmarks, market intelligence, and insights of both parent companies, each established more than 115 years ago, aims to provide a full array of indices enabling global and domestic investors to participate in South Asia's vibrant economies. The Company is best known for calculating, publishing, and maintaining a diverse family of Asian indices under the umbrella brand, S&P BSE Indices.

## **About BSE Ltd**

BSE (formerly Bombay Stock Exchange) established in 1875, is Asia's first & now the world's fastest Stock Exchange with a speed of 6 microseconds. BSE is India's leading exchange group and has played a prominent role in developing the Indian capital market. BSE is a corporatized and demutualised entity, with a broad shareholder base that includes the leading global exchange- Deutsche Bourse, as a strategic partner. BSE provides an efficient and transparent market for trading in equity, debt instruments, equity derivatives, currency derivatives, interest rate derivatives, mutual funds and stock lending and borrowing. BSE also has a dedicated platform for trading in equities of small and medium enterprises (SMEs) that has been highly successful. BSE provides a host of other services to capital market participants including risk management, clearing, settlement, market data services, and education. It has a global reach with customers around the world and a nation-wide presence. BSE's systems and processes are designed to safeguard market integrity, drive the growth of the Indian capital market and stimulate innovation and competition across all market segments. Indian Clearing Corporation Limited, a wholly owned subsidiary of BSE, acts as the central counterparty to all trades executed on the BSE trading platform and provides full novation, guaranteeing the settlement of all bonafide trades executed. BSE Institute Ltd, another fully owned subsidiary of BSE, runs one of the most respected capital market educational institutes in the country. Central Depository Services Ltd. (CDSL), a subsidiary of BSE, is one of the two Depositories in India.

## **About S&P DOW JONES INDICES**

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has become home to over 1,000,000 indices across the spectrum of asset classes that have helped define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit [www.spdji.com](http://www.spdji.com).

<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.



**S&P Dow Jones  
Indices**

A Division of **S&P Global**

**FOR MORE INFORMATION:**

**Asia Index Pvt. Ltd.**

Marketing & Communications  
Neyaz Shaikh – +91 22 2272 5255  
[neyaz.shaikh@spglobal.com](mailto:neyaz.shaikh@spglobal.com)

**BSE Ltd.**

Marketing Communications  
Yatin Padia – +91 22 2271 8516  
[corp.comm@bseindia.com](mailto:corp.comm@bseindia.com)