

PRESS RELEASE

81% of Indian Equity Large Cap funds underperform benchmark indices for the period ending December 2020

S&P Dow Jones Indices releases SPIVA® India Year-End 2020 results

MUMBAI, April 08, 2021: The S&P Indices Versus Active (SPIVA®) India Scorecard for the period ending December 2020, reveals that 81% of Indian Equity Large Cap funds, 67% of Indian Equity Mid-/Small-cap and 65% of the ELSS funds have underperformed their respective indices.

Akash Jain, Associate Director, Global Research & Design, S&P Dow Jones Indices said, “In 2020 India joined markets across the world facing extraordinary volatility due to COVID-19. We saw a strong rebound that began at the start of the second quarter of 2020 continued into the second half 2020, with the S&P BSE 100 finishing the six-month period up 36.48%. During this recovery period we saw that the second half of 2020 has been a particularly challenging period for Indian equity active funds where 100% of the Large Cap funds, 80% of the ELSS funds and 53% of the Mid-/Small-cap funds underperformed their respective benchmarks.”

In the second half of 2020, the asset-weighted returns lagged their respective benchmark returns in each of the Indian Equity categories: Large-cap funds (by 273 bps), ELSS funds (by 318 bps) and Mid-/Small-cap funds (by 230 bps).”

Among all the categories evaluated in the SPIVA India Scorecard, the Indian Equity Mid-/Small-Cap category fared the best for active fund managers over a 10-year investment horizon. However, in the same timeframe, 68.42% of the actively managed large-cap equity funds in India, underperformed the benchmark. The survivorship rate was low for both categories at 70.68% and 71.43% for Indian Equity Large cap and Indian Equity Mid-/Small-Cap funds respectively.

Report 1a: Percentage of Funds Outperformed by the Index (Based on Absolute Return)					
FUND CATEGORY	COMPARISON INDEX	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	10-YEAR (%)
Indian Equity Large-Cap	S&P BSE 100	80.65	88.14	87.95	68.42
Indian ELSS	S&P BSE 200	65.12	90.91	85.71	51.43
Indian Equity Mid-/Small-Cap	S&P BSE 400 MidSmallCap Index	66.67	34.88	54.35	35.71
Indian Government Bond	S&P BSE India Government Bond Index	50.00	74.36	76.74	86.00
Indian Composite Bond	S&P BSE India Bond Index	90.67	96.53	97.22	96.15

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of December 31, 2020. Returns are shown in INR. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

S&P Dow Jones Indices

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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. 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

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¹ 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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