📘 MUTUAL FUND ANALYSIS REPORT
Bandhan Core Equity Fund – Direct Growth

🧾 Scheme Details:

- **Name of the Mutual Fund Scheme:**
  Bandhan Core Equity Fund – Direct Growth
- **Assets Under Management (AUM):**
  ₹ 7,233.51 Crores
- **Year of Inception:**
  2013
- **Fund Manager's Name:**
  Manish Gunwani: Serving since January 28, 2023.

  Meenakshi Dawar: Fund Manager M.D. Since Jan 2013

  Rahul Agarwal: Joined the fund management team on August 28, 2023.

👥 Group Participants:

Name	Roll No.
Prajil Bhagat	2022359
Chandan Sah	2022140
Abhay Kohli	2022015

I. History of the Mutual Fund Industry in the World (2-3 pages)

1. Origins and Early Development

Mutual fund concept was first developed in Europe in the 18th century. The first mutual fund-like organization was launched in 1774 by Dutch merchant Adriaan van Ketwich. His fund, "Eendragt Maakt Magt" (Unity Creates Strength), was designed to minimize investment risk by aggregating funds from numerous investors. The idea was to enable small investors to diversify their investments, minimizing the effect of security failure of individual securities.

2. Expansion in the United States

- The United States saw spectacular growth in the mutual fund industry.
- The first US mutual fund, the Massachusetts Investors Trust (MIT), was started in 1924.
- It was the trailblazer for the introduction of an open-end mutual fund, and the purchasers and sellers bought or sold the units based on the fund's Net Asset Value (NAV).
- There were 19 open-end funds in the US by 1929, but the Great Depression retarded their advance.
- To protect investors, the US Congress passed the Investment Company Act of 1940, which created the regulatory framework for mutual funds, encouraging transparency and fair practices.

3. Growth Phase: Post-War Boom (1950s – 1980s)

Following World War II, the American economy grew rapidly. Mutual funds were demanded since:

- Increased income levels.
- Heightened awareness regarding diversification.
- Regulatory protection.

Vanguard Group's John Bogle introduced the Vanguard 500 Index Fund in 1976 tracking the S&P 500 Index. It was the dawn of index investing when an investor could invest in the entire market at a low cost.

4. Global Expansion (1990s – Present)

During the 1990s, mutual funds became popular worldwide as international financial markets liberalized. The key developments were:

- The presence of emerging market mutual funds, allowing international diversification.
- The introduction of Exchange-Traded Funds (ETFs) in 1993 in the form of the SPDR S&P 500 ETF (SPY).
- Large-scale use of systematic investment plans (SIPs) to facilitate greater participation by retail investors.

5. Technological Advancements and Modern Trends

In the 2000s, technology revolutionized the mutual fund industry by:

- Mutual fund websites that provide simple access to mutual funds.
- Development of Robo-advisors with low-cost automated fund management.
- Growing popularity of ESG (Environmental, Social, and Governance) and thematic funds.

Mutual funds today are a significant component of individual and institutional portfolios all over the world, providing a diversified portfolio of investments across asset classes.

II. History of Mutual Funds in India

1. Early Phase: UTI Era (1963 – 1987)

Mutual funds became popular worldwide in the 1990s with the liberalization of international financial markets. The key developments were:

- UTI's First Scheme:
  - The first mutual fund scheme by UTI (Unit Trust of India) was US-64 (Unit Scheme-1964), which started in 1964.
  - It quickly gained popularity amongst retail investors due to the promise of good returns and tax savings.
  - UTI started other schemes in the 1970s and 1980s, including one called Mastershare in 1986, which was India's first equity-based scheme.
- Monopoly of UTI:
  - During this time, UTI had a monopoly on mutual funds which provided the only mutual fund service in India.
  - The mutual fund industry was effectively limited to UTI and was well-regulated since no private or foreign entities provided mutual funds.

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2. Entry of Public Sector Mutual Funds (1987 – 1993)

The Indian government allowed a handful of public sector financial institutions and banks to join the mutual fund industry in 1987, breaking UTI's monopoly to establish an industry with a wider reach.

- Notable Public Sector Entrants:
  - SBI Mutual Fund – The initial non-UTI mutual fund introduced in 1987.
  - LIC Mutual Fund and GIC Mutual Fund followed suit in 1989.

    - Other players like Canara Bank, Punjab National Bank (PNB), and Bank of India launched their mutual funds as well.
- Industry Growth:
    - Greater participation of public sector players heightened competition.
    - By the early 1990s, industry AUM had risen dramatically.

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3. Liberalization and Private Sector Entry (1993 – 2000)

The Indian economy was opened up in 1991, and private and foreign investment was made available to the financial sector. This changed the business of the mutual fund industry.

- SEBI Regulations (1993):
    - The Securities and Exchange Board of India (SEBI) introduced the Mutual Fund Regulations in 1993, providing a regulatory framework.
    - These regulations were designed to protect the interests of investors by ensuring transparency, accountability, and honest practice.
- Entry of Private Players:
    - The initial private sector mutual fund, Kothari Pioneer Mutual Fund (currently Franklin Templeton's merged fund), was launched in 1993.
    - A few overseas asset management companies (AMCs) came to India, including HDFC Mutual Fund, ICICI Prudential Mutual Fund, and Reliance Mutual Fund (later Nippon India Mutual Fund).
    - Private operators introduced new products, comparative advertising, and better customer service, which stimulated industry growth.

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4. Growth and Expansion Phase (2000 – 2010)

The mutual fund industry grew rapidly during the early 2000s, driven by:

- Greater financial literacy and awareness.
- Introduction of Systematic Investment Plans (SIPs) through which mutual funds became available to retail buyers.
- Tax relief under Section 80C of the Income Tax Act made Equity-Linked Savings Scheme (ELSS) a favourite.
- The 2003 UTI split:
    - UTI was unbundled into two entities – UTI Mutual Fund (regulated by SEBI) and SUUTI (Specified Undertaking of the UTI), holding the legacy assets.

- 2008 Financial Crisis Impact:
    - The world financial crisis triggered a sharp correction in Indian markets, which temporarily arrested the growth of the mutual fund industry.
    - However, it rebounded rapidly, due to retail investor interest and firm regulatory discipline.

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5. Consolidation and Maturity Phase (2010 – Present)

In the 2010s, the Indian mutual fund industry experienced consolidation with many mergers and acquisitions.

- Key Developments:
    - Reliance Mutual Fund was rechristened Nippon India Mutual Fund.
    - IDFC Mutual Fund was rebranded Bandhan Mutual Fund in 2023 after being acquired by Bandhan Group.
    - Introduction of fintech platforms like Groww, Zerodha, and ET Money took mutual fund investment online.
- Rapid Growth:
    - AUM increased sharply on account of increased retail participation.
    - Direct plan implementation (cost ratio reduced) enhanced investors' long-term return.
    - Increasing adoption of SIPs became a steady stream of fund inflow, even during market downturns.

III. Top 10 Mutual Fund Houses in India Based on Assets Under Management (AUM)

As of 2025, the following are the top 10 mutual fund houses in India ranked by their Assets Under Management (AUM):

1. SBI Funds Management Ltd.: AUM: ₹11,13,952.42 crore
2. ICICI Prudential Asset Management Company Ltd.: AUM: ₹8,73,957.51 crore
3. HDFC Asset Management Company Ltd.: AUM: ₹7,87,433.59 crore
4. Nippon Life India Asset Management Ltd.: AUM: ₹5,69,953.53 crore
5. Kotak Mahindra Asset Management Company Ltd.: AUM: ₹4,88,744.93 crore
6. Aditya Birla Sun Life Asset Management Company Ltd.: AUM: ₹3,83,911.11 crore
7. UTI Asset Management Company Ltd.: AUM: ₹3,52,411.63 crore
8. Axis Asset Management Company Ltd.: AUM: ₹3,26,097.53 crore
9. Mirae Asset Investment Managers (India) Pvt. Ltd.: AUM: ₹1,94,276.07 crore
10. DSP Investment Managers Pvt. Ltd.: AUM: ₹1,92,744.19 crore

Source:
https://groww.in/blog/top-amc-asset-management-company-india-biggest?utm_source=chatgpt.com

IV. Top 10 Mutual Fund Houses in the World Based on Assets Under Management (AUM)

As of 2025, he top 10 mutual fund houses globally, ranked by their Assets Under Management (AUM):

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1. **BlackRock Inc.: AUM: ~$10.4 trillion (as of October 2024)**
2. **Vanguard Group: AUM: ~$10.4 trillion (as of January 31, 2025)**
3. **Fidelity Investments: AUM: ~$5.9 trillion (as of January 2025)**
4. **UBS Asset Management: AUM: ~$5.8 trillion (as of Q1 2024)**
5. **State Street Global Advisors (SSGA): AUM: ~$4.7 trillion (as of Q4 2024)**
6. **Morgan Stanley Investment Management: AUM: ~$3.6 trillion (as of Q1 2024)**
7. **J.P. Morgan Asset Management: AUM: ~$3.4 trillion (as of October 2024)**
8. **Goldman Sachs Group: AUM: ~$2.8 trillion (as of Q1 2024)**
9. **Capital Group: AUM: ~$2.6 trillion (as of Q1 2024)**
10. **Allianz Group: AUM: ~$2.5 trillion (as of Q1 2024)**

V. Salient Features of SEBI Mutual Fund Regulations

SEBI's role is to keep everything humming along and take care of the investors so that the Indian mutual fund industry is stable. Investors and mutual fund companies must obey a whole list of legal regulations too — such as ensuring that they register, invest in the right way, and handle the funds in the right way. You should be able to find a summary of the most important things about mutual funds that SEBI regulates in there.

1. Registration and Approval

- Compulsory Registration.
  - Any organization wishing to function as a mutual fund in India is required to get registration from the SEBI under the SEBI (Mutual Funds) Regulations, 1996.
- Types Of Mutual Funds.
  - Various schemes of mutual funds like equity schemes, debt schemes, hybrid schemes, etc. are allowed by the SEBI regulations.
  - These funds must be classified and each class has defined investment guidelines.
- Trust Structure.
  - A mutual fund will be set up in the form of a trust where a trustee has the responsibility of managing and operating the fund.
  - It will take actions that will be in the best interest of the investors while ensuring that all laws are complied with.

2. Eligibility of Sponsors

- Sponsor:
    - One or more financial organizations like banks or corporations usually facilitate the sponsorship of a mutual fund.
    - A sponsor needs to be highly regarded in the area of investment management in which they have previously worked.
- Net Worth Requirement:
    - In the interest of ensuring proper set up and capitalization of a mutual fund,
    - the SEBI prescribed minimum net worths that fundosoros must satisfy.

3. Role of Trustee

- The trustee play a direct role in managing a mutual fund.
- The trustee is responsible for ensuring that all activities of the fund are in accordance with the objectives and interests of the scheme, investors, and SEBI regulations.
- The trustee is not bound to the fund's management and must act in the best interests of the funds investment.
- The trustee must also sanction any modifications within the scheme of the mutual fund, including modification of its investment policies.

4. Fund Management and Investment Policies

- Fund Manager:
    - A mutual fund needs to have an experienced fund manager who is responsible for investment decisions.
    - The fund manager must act according to the objectives of the scheme and observe the investment restrictions.
- **Investment Restrictions**: SEBI imposes limits on the investments a mutual fund can make, such as:
    - A mutual fund cannot invest more than **10%** of its total assets in the equity shares of a single company (for equity schemes).

    - For debt schemes, mutual funds are restricted in terms of credit ratings and sectoral exposures.
- **Investment Objectives**:
    - The investment strategies and objectives of the scheme must be clearly presented in the offer document.
    - The fund manager is responsible for ensuring that the fund's investments are aligned with the objectives.

5. Offer Document and Scheme Details

- **Offer Document**: SEBI mandates mutual funds to prepare a detailed offer document (prospectus) for each scheme, which provides the following:

    - Investment objectives and strategies.

    - Details of the fund manager, trustee, and sponsor.

    - Risks associated with the scheme.

    - Details about the expenses and fees involved.

- **Scheme Documents**:
    - Every mutual fund scheme must also issue a **Scheme Information Document (SID)** and **Key Information Memorandum (KIM)**
    - It provides investors with detailed information about the scheme's characteristics and investment process.

6. Net Asset Value (NAV) Disclosure

- SEBI requires mutual funds to calculate and disclose the **Net Asset Value (NAV)** of each scheme on a **daily basis**.
- This provides investors with a transparent measure of the scheme's performance and the value of their investment.
- NAV reflects the market value of the securities held by the fund,
- It's adjusted for liabilities and expenses.

7. Compliance and Disclosure Requirements

- **Periodic Reports**: Mutual funds are required to disclose financial statements and reports regularly.
- This includes quarterly and annual reports that highlight the fund's performance, portfolio details, and risk metrics.

- **Risk Management**:
    - SEBI mandates mutual funds to implement a proper risk management framework.
    - It includes policies for managing market risk, credit risk, liquidity risk, and other financial risks.

- **Audited Accounts**:
    - Mutual funds are required to have their accounts audited annually by an independent auditor.
    - The audited accounts must be submitted to SEBI and made available to investors.

8. Investor Protection Mechanisms

- **Redressal Mechanism**:
    - SEBI has established a mechanism for addressing investor grievances.
    - Mutual funds are required to have an investor grievance redressal mechanism in place to resolve complaints effectively.
- **Investor Education and Awareness**: SEBI has taken several initiatives to enhance investor awareness, including promoting education on mutual fund investments and the risks associated with them.
- **SEBI Guidelines on Conduct**: The regulations prohibit deceptive or manipulative practices, and any breach of trust or failure to comply with regulations can result in penalties or suspension of the fund's license.

9. Expense Ratio and Fee Structure

- SEBI sets a cap on the **expense ratio** that mutual funds can charge.
- The expense ratio typically includes fund management fees, administrative expenses, and other costs associated with managing the mutual fund.
- For equity schemes, the maximum expense ratio is capped at **2.25%** of the average daily net assets, while for debt schemes, it is capped at **2%**.
- SEBI also mandates the disclosure of all fees and charges in the scheme documents to ensure transparency.

10. Regulation of Distributor Activities

- **Distribution and Marketing**:
    - SEBI has laid down guidelines for the conduct of distributors, brokers, and agents involved in selling mutual fund products.
    - This includes ensuring that they act in the best interest of investors and provide transparent and accurate information about the schemes.
- **Commission Disclosure**: Distributors must disclose their commission or any incentives they receive from the fund house to ensure transparency in the selling process.

11. SEBI's Role in Oversight and Enforcement

- **Monitoring and Inspection**:
    - SEBI regularly monitors mutual fund activities to ensure compliance with its regulations.
    - It conducts inspections and audits to verify that funds are being managed as per the guidelines.
- **Enforcement**:
    - SEBI has the authority to take enforcement actions, including issuing warnings, penalties, or suspension of registration if a mutual fund fails to comply with its regulations.

12. Regulation of Foreign Investments

- **Foreign Investment Limit**: SEBI regulates the amount of foreign investment allowed in Indian mutual funds, subject to guidelines on the percentage of assets that can be held by foreign investors.
- SEBI has specific rules for **Foreign Institutional Investors (FIIs)** and **Non-Resident Indians (NRIs)** to participate in mutual fund investments, ensuring compliance with Indian laws.

VI. Overview of SEBI Categorization of Mutual Fund Schemes

1. **Equity Schemes**:

   They mainly invest in stocks and instruments related to equity. They are again divided based on market capitalization and investment styles:

   - Large Cap Funds: Invest a minimum of 80% in large-cap shares (top 100 by market capitalization).
   - Mid Cap Funds: Invest at least 65% in those companies with a market capitalization between 101st and 250th.
   - Small Cap Funds: Invest a minimum of 65% in small-cap stocks (above 250th in market capitalization).
   - Multi Cap Funds: Invest at least 65% in small, mid, and large-cap stocks.
   - Sectoral/Thematic Funds: Invest at least 80% in the equity of a specific sector or theme.
   - Equity Linked Savings Schemes (ELSS): Offer tax relief under Section 80C with 3-year lock-in.

2. **Debt Schemes:**

   These schemes invest in fixed-income securities like bonds and government securities. They are categorized based on the duration and nature of debt securities:

   - Overnight Funds: Purchase securities with a one-day maturity.
   - Liquid Funds: Invest in securities to mature in 91 days.
   - Short Duration Funds: Invest in securities having a Macaulay duration ranging between 1 to 3 years.
   - Corporate Bond Funds: Invest at least 80% in corporate bonds of AA+ and above rating.
   - Credit Risk Funds: Invest at least 65% in corporate bonds rated below AA.

3. **Hybrid Schemes**:

   Hybrid schemes invest in a combination of equity, debt, and other classes of assets. They offer a diversified method of investment:

   - Aggressive Hybrid Funds: Invest between 65-80% in equities and the balance in debt.
   - Balanced Hybrid Funds: Invest 40-60% in shares and the remaining in debt.
   - Conservative Hybrid Funds: Invest 10-25% in equity and the remaining in debt instruments.

4. **Solution-Oriented Plans:**

   Consistent with certain lifetime objectives, these plans do have lock-in periods

- Retirement Funds: Particularly for retirement funds with lock-in until retirement age or 5 years, whichever is lower.

- Children's Funds: For future child costs, with lock-in until age of child 18 or age 5, whichever is earlier.

5. **Other Schemes:**

   These are funds that do not fit into the above categories:

   - Index Funds and ETFs: Mimic the performance of a specific market index.
   - Fund of Funds (FoF): Invest in other mutual fund schemes.

This organized categorization enables investors to select mutual funds according to their investment objectives, risk tolerance, and time horizons.

VII. Summary of Taxation of Mutual Fund Gains (Indian Regulations)

1. Capital Gains Tax

Mutual fund investment capital gains are classified as short-term capital gains (STCG) and long-term capital gains (LTCG), and both are taxed at different rates.

- **Short-Term Capital Gains (STCG)**:
  - Equity Mutual Funds:
    - The profits in terms of units of the mutual fund that are redeemed within 1 year of investment are regarded as short-term gains.
    - STCG of equity mutual funds is 15%.
  - Debt Mutual Funds:
    - When units are being purchased in less than 3 years, the gains are treated as short-term.
    - It’s taxed at the income tax slab of the investor (i.e., as per the current rate based on the income).
- **Long-Term Capital Gains (LTCG)**:
  - Equity Mutual Funds:
    - If the units of a mutual fund are sold after staying invested for 1 year, gains over ₹1 lakh in a year are taxed at 10%.
    - The tax is levied without indexation benefit (taking inflation into account by modifying the cost price).
  - Debt Mutual Funds:
    - When units of the mutual fund are retained for more than 3 years, the profits are long-term.
    - LTCG in debt mutual funds attracts a tax of 20% after indexation, i.e., the price of the units is indexed for inflation by the investor, thus the tax is reduced.

2. Dividend Tax

- Dividends on mutual funds are also taxable.
- Mutual fund dividends were tax-free to the investor previously.
- Due to recent policy changes, the dividends are charged according to the income tax bracket of the investor.
- Tax Deducted at Source (TDS):
  - Where the total dividend payment is more than ₹5,000 in a financial year, the TDS is deducted at 10%
  - If the individuals are under the tax slab, the TDS is refunded after filing the return of income.

3. Indexation Benefit

- For long-term capital gains in debt mutual funds, indexation can be used by investors.
- This method revalues the cost of the investment by the cost inflation index (CII) released by the government.
- This reduces the capital gains, resulting in a decrease in the total tax outgo.
- Indexation cannot be used for equity mutual funds.

4. Taxation for Different Categories of Investors

The tax rules of mutual funds are applicable to every class of investors, including:

- **Individual Investors**
- **Hindu Undivided Families (HUFs)**
- **Corporate Entities**
- **Trusts**

5. Tax-Saving Mutual Funds (ELSS)

- Equity Linked Savings Schemes (ELSS) is an equity mutual fund scheme offering tax-saving benefit under Section 80C of the Income Tax Act. Investment in ELSS is permissible as a deduction of a maximum of ₹1.5 lakh annually from the overall taxable income of the assessee, thereby reducing the overall tax liability.
- ELSS funds have a 3-year lock-in period, and the capital gains tax is that applicable to any other equity mutual fund (i.e., 10% LTCG on gains above ₹1 lakh).

VIII. Meaning of Fund Fact-Sheet Terms and Important Features for Mutual Fund Investment Choices

1. Introduction: What Is a Fund Fact-Sheet?

1. A fund fact-sheet is a report giving vital information about a mutual fund scheme.
2. It informs the investor about the objective, performance, portfolio, and risk of the fund.

3. It is very necessary for a common investor to correctly interpret the fact-sheet to take a well-informed decision.

A. Basic Fund Information

- **Fund Name and Type:**
  - Indicates the name of the scheme and its category (e.g., equity, debt, or hybrid).
  - Example: Bandhan Core Equity Fund – Direct – Growth
  - Direct: Investor buys directly from the fund house (lower expense ratio).
  - Growth: Profits are reinvested instead of being paid out as dividends.
- **Fund House / AMC:**
  - The Asset Management Company (AMC) managing the fund.
  - Example: Bandhan Mutual Fund.
  - Larger AMCs with strong track records are generally considered more reliable.

B. Net Asset Value (NAV)

- NAV represents the per-unit market value of the fund.

$$\text{NAV} = \frac{(\text{Total Assets of the Fund}) - (\text{Total Liabilities of the Fund})}{\text{Total Number of Outstanding Units}}$$

- NAV Fluctuations:
  - Equity funds: Fluctuate based on market movements.
  - Debt funds: Less volatile due to fixed-income securities.
- Importance for investors:
  - Low NAV ≠ Cheap fund; rather, it shows the fund's per-unit price.
  - Returns matter more than NAV for evaluating performance.

C. Expense Ratio

- The annual fee charged by the AMC to manage the fund, expressed as a percentage of total assets.

$$\text{Expense Ratio} = \frac{\text{Total Annual Expenses}}{\text{Average Assets Under Management (AUM)}} \times 100$$

- Impact:

    - Lower expense ratios lead to higher take-home returns.
    - Direct plans have lower expense ratios than regular plans.
- Ideal Benchmark:
    - Equity funds: Around 1-2%.
    - Debt funds: Less than 1%.

D. Assets Under Management (AUM)

- The total market value of assets managed by the fund.
- Significance:
    - Larger AUM indicates investor confidence and fund stability.
    - Extremely large AUM may reduce flexibility in certain market conditions.
- Ideal AUM size:
    - For equity funds: ₹5,000 crore+ indicates good stability.
    - For debt funds: ₹1,000 crore+ indicates credibility.

E. Portfolio Composition

- Shows the allocation of assets in the fund.
- For equity funds, it includes:
    - Stocks held and their weightage.
    - Sector-wise distribution.
- For debt funds, it includes:
    - Bonds, debentures, and money market instruments.
    - Average maturity and credit ratings.
- Importance:
    - A diversified portfolio reduces risk.
    - High exposure to a single sector increases risk.
- Example from Bandhan Core Equity Fund:
    - Top Holdings: HDFC Bank, ICICI Bank, and Infosys.
    - Sector Allocation: Financials dominate, showing the fund’s bias towards growth-oriented banking stocks.

F. Risk Measures

Mutual fund fact-sheets display quantitative risk measures that indicate the fund's volatility and stability:

- Standard Deviation (SD):
  - Measures the volatility of the fund’s returns.
  - Higher SD = More volatile fund.
  - Equity funds: Typically have higher SD than debt funds.
- Beta:
  - Measures the fund’s sensitivity to market movements.
  - Beta > 1: More volatile than the market.
  - Beta < 1: Less volatile.
  - Equity funds often have a beta near 1.
- Sharpe Ratio:
  - Indicates the risk-adjusted return of the fund.
  - Higher Sharpe ratio = Better return per unit of risk.
  - Ideal Sharpe ratio: >1 for equity funds.
- Alpha:
  - Represents the excess return generated over the benchmark.
  - Positive alpha = Outperforms the benchmark.
  - Negative alpha = Underperforms.

G. Fund Performance

- Historical Returns:
  - Shows the fund’s annualized returns over different time frames (1 year, 3 years, 5 years, etc.).
  - Comparison with benchmark index performance.
- Consistency:
  - Consistent outperformers indicate good fund management.
  - Avoid funds with erratic performance.

H. Exit Load

- A fee charged if the investor redeems units before a specified period.
- Example:
  - Exit Load: 1% if redeemed within 1 year.
  - No exit load after 1 year.
- Impact:
  - Investors planning short-term investments should check for exit loads.

I. Fund Manager’s Experience

- The fund manager's expertise plays a key role in the fund's performance.
- Important considerations:
  - Number of years of experience.
  - Past performance of other funds managed by them.

Factors Investors Should Consider When Selecting a Mutual Fund

- **Investment Objective:**
  - Match the fund’s objective with your own financial goals.
  - Growth-oriented investors: Prefer equity funds.
  - Conservative investors: Choose debt funds.
- **Risk Tolerance:**
  - Equity funds: Higher returns but more volatile.
  - Debt funds: Stable but lower returns.
- **Time Horizon:**
  - Long-term investors: Equity funds for compounding benefits.
  - Short-term investors: Debt or liquid funds.
- **Expense Ratio and AUM:**
  - Lower expense ratio leads to higher returns.
  - Sufficient AUM indicates stability.

Suitable Investor Profile for Bandhan Core Equity Fund

Based on the fact-sheet analysis, the Bandhan Core Equity Fund – Direct – Growth is suitable for:

- Investor Type:
  - Moderate to aggressive investors seeking long-term wealth creation.
- Risk Profile:
  - Suitable for those with a higher risk tolerance due to equity exposure.
- Time Horizon:
  - Ideal for a 3-5+ years investment period.
- Rationale:
  - The fund’s equity-oriented nature offers potential for higher long-term growth.
  - However, its exposure to financial and IT sectors makes it moderately high-risk.
  - Suitable for investors comfortable with market fluctuations.

IX. SIP Returns for Bandhan Core Equity Fund – Direct – Growth (March 2022 – February 2025)

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1. SIP Details

- Monthly Investment: ₹10,000
- Investment Period: March 2022 – February 2025 (3 years)
- Total Investment: ₹3,60,000 (₹10,000 × 36 months)
- Final Value: ₹473,536.00
- Absolute Return: 31.54%
- SIP XIRR: 19.69%
- SIP CAGR: 9.56%

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2. SIP Returns Calculation can be viewed in the link below

SIP Returns Calculation.ipynb

```
import pandas as pd
from datetime import datetime
from dateutil.relativedelta import relativedelta
import numpy as np

# Load NAV data
df = pd.read_csv("/content/data_main.csv")

# Convert NAV Date to datetime and sort
df['NAV Date'] = pd.to_datetime(df['NAV Date'], format='%d-%m-%Y')
df = df.sort_values('NAV Date')

# Filter for range: March 2022 to February 2025
start_date = datetime(2022, 3, 1)
end_date = datetime(2025, 2, 28)
df = df[(df['NAV Date'] >= start_date) & (df['NAV Date'] <= end_date)]

# Get last available NAV of each month
df['Month'] = df['NAV Date'].dt.to_period('M')
monthly_nav = df.groupby('Month').apply(lambda x: x.loc[x['NAV Date'].idxmax()])
monthly_nav.reset_index(drop=True, inplace=True)
```

```
# Simulate SIP
sip_amount = 10000
units = []
investment_dates = []
cash_flows = []

for index, row in monthly_nav.iterrows():
    nav = row['NAV (Rs)']
    date = row['NAV Date']
    unit = sip_amount / nav
    units.append(unit)
    investment_dates.append(date)
    cash_flows.append(-sip_amount)  # Outflow

# Final value as of last NAV date
total_units = sum(units)
final_nav = monthly_nav.iloc[-1]['NAV (Rs)']
final_value = total_units * final_nav

# Add final inflow
investment_dates.append(monthly_nav.iloc[-1]['NAV Date'])
cash_flows.append(final_value)

# Calculate XIRR
```

```python
def xirr(cash_flows, dates):

    def xnpv(rate):

        return sum([cf / (1 + rate) ** ((d - dates[0]).days / 365) for cf, d in zip(cash_flows, dates)])



    from scipy.optimize import newton

    return newton(xnpv, 0.1)



xirr_value = xirr(cash_flows, investment_dates)



# Results

print(f"Total Investment: ₹{sip_amount * len(units):,.2f}")

print(f"Final Value: ₹{final_value:,.2f}")

print(f"Absolute Return: {(final_value / (sip_amount * len(units)) - 1) * 100:.2f}%")

print(f"(XIRR): {xirr_value * 100:.2f}%")
```