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Flexi Cap Mutual Fund Direct Vs. Flexi Cap Mutual Fund Regular: A Review

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ABSTRACT:
Investment portfolio of flexi cap regular growth and direct growth fund is diversified across large, mid and small cap stocks to maximize the return beating the capital market unpredictability for the long-term investment. Flexi cap funds of three found houses, Parag Parikh, Edelweiss and HDFC are analysed for the period of ten years performance to compare the flexi cap direct growth and regular growth fund. The study shows during the study period that the stable return on Parag Parikh Flexi Cap Mutual Direct Growth Fund & Regular Growth Fund and HDFC Flexi Cap Regular Growth Fund.

Keywords - **Flexi Cap, Asset Management Company, Direct & Regular Growth Fund, Rolling Return**

I. INTRODUCTION

Flexi cap mutual fund is an open ended dynamic equity funds, it is invested across large, mid and small cap stocks to maximize the return on the fund invested in financial markets. Fund managers allocates the fund to diversify the risk potential in the capital markets among the large, mid and small cap stocks on the basis of market potential growth, volatility & trends on the stock prices of the companies. The fund manager have the freedom in the investment portfolio as per market condition for better performance in this mutual fund investment strategy. The investment strategy in flexi cap mutual fund growth is made directly in Asset Management Company (AMC) or through the intermediary which is known as regular. In this paper, flexi cap mutual fund direct growth and flexi cap mutual fund regular growth are taken to compare the return for 1 Year, 2 Year, 3 Year, 5 Year and 10 Year and the asset under management (AUM) on these mutual fund schemes for the long term investment in Indian capital markets. The study finds the steady return on Parag Parikh Flexi Cap Mutual Direct Growth Fund & Regular Growth Fund and HDFC Flexi Cap Regular Growth Fund for the long term investment in Indian capital markets during the study period.

II. METHODOLOGY OF THE STUDY

This paper contains six schemes of three AMCs both direct growth & regular growth are selected indiscriminately on the basis of long-term service in the capital markets, Parag Parikh Flexi Cap Fund - Direct Plan – Growth (PPFCDG), Parag Parikh Flexi Cap Fund – Regular Plan - Growth (PPFCRG), Edelweiss Flexi Cap Fund - Direct Plan – Growth (EFCDG), Edelweiss Flexi Cap Fund - Regular Plan – Growth (EFCRG)), HDFC Flexi Cap Fund - Direct Plan – Growth (HFCDG) and HDFC Flexi Cap Fund – Regular Plan- Growth (HFCRG) and three found houses, Parag Parikh, Edelweiss and HDFC which have service in this category for more than ten years. The study is descriptive in nature and basically secondary data are analyzed for period of 1 Year, 2 Year, 3 Year, 5 Year and 10 Year. Total assets under management, three year roiling return and percentage in return are considered to find the best flexi cap growth fund for the long term investment in Indian capital markets.

III. LITERATURE REVIEW

D. Kundu (2025) in his article, Mutual Funds in India: Features, Growth and Contributors in the Financial Markets, explained that household savings were mobilized in financial market for the economic development in India. It would be favorable if user friendly technology & financial literacy among investors had been increased in the investment platform. S. Kumari, S. Kumar, V. Yadav, (2023) in their journal, Mutual Funds-What are They and Their Future, stated that mutual fund industry had to launch innovative mutual funds to grow the mutual fund industry. It could be increased through education of investors. S Anagol, V. Marisetty, R. Sane, & B. Venugopal (2017) in their article, on the Impact of Regulating Commission: Evidence from the Indian Mutual Funds Markets, found that to pay commission to brokers had decreased the growth of financial markets and brokers might provide unsuitable products for their own interest of brokers. H. K. Prasad (2024) in the research article, A Study of Comprehensive Analysis of Mutual Funds in India, pointed out that comprehensive regulatory framework had increased overall mutual fund growth in India. M. C. Dwivedi, (2015) explained in journal, Role of Mutual Fund in the Development of Indian Economy, that asset management company and mutual fund trust made the open finished and close finished mutual fund business in the India.

Research Gap

In these review of literature, no sufficient literature was found on the Flexi Cap Mutual Fund Direct Growth and Flexi Cap Mutual Fund Regular Growth. It justifies the need for the study on Flexi Cap Mutual Fund Direct vs. Flexi Cap Mutual Fund Regular.

IV. OBJECTIVES OF THE STUDY

The principal objectives of this study are stated below:

1. To compare the flexi cap mutual fund direct growth vs. flexi cap mutual fund direct regular fund in same fund house.
2. To analyze the one year, two year, three year, five year and ten year return in different fund houses.
3. To find the three years rolling return of three flexi cap fund house.
4. To evaluate AUM in flexi cap fund for long term investment during study period.

V. RESULT ANALYSIS

In this section, four main objectives in this paper are characterized to find out the best flexi cap fund for the purpose of long term investment.

a) To compare the flexi cap mutual fund direct growth vs. flexi cap mutual fund direct regular fund in same fund house.

In this part, three flexi cap fund direct growth PPFCDG, EFCDG & HFCDG and three flexi cap fund regular growth PPFCRG, EFCRG & HFCRG in three fund houses are shown below in the Table-I:

TABLE I
Flexi Cap Fund Direct & Regular in Same Fund House

Scheme Name	1 Year	2 Year	3 Year	5 Year	10 Year
PARAG PARIKH					
PPFCDG	*9%*	*17%*	*23%*	*21%*	*18%*
PPFCRG	8%	16%	22%	20%	17%
EDELWEISS					
EFCDG	*6%*	*17%*	*21%*	*20%*	*17%*
EFCRG	5%	15%	19%	19%	15%
HDFC					
HFCDG	*11%*	*18%*	*22%*	*25%*	*17%*
HFCRG	11%	18%	22%	24%	17%

Source: moneycontrol.com/mutual-funds

Findings: Table-I shows that return of flexi cap fund direct growth for one year, two year, three year, five year & ten year are more or equal to the return of flexi cap fund regular growth. It is happened for the main factor of commission paid to the distributor or broker in case of flexi cap fund regular growth.

b) To analyze the one year, two year, three year, five year and ten year return in different fund houses.

In this section, return of flexi cap fund direct growth and flexi cap regular growth for one year, two year, three year, five year and ten year return in in different fund houses are analyzed in the Table-II:

TABLE II
Return on Flexi Cap Fund in Different Fund House

Scheme Name	1 Year	2 Year	3 Year	5 Year	10 Year
PPFCDG	9%	17%	23%	21%	18%
PPFCRG	8%	16%	22%	20%	17%
EFCDG	6%	17%	21%	20%	17%
EFCRG	5%	15%	19%	19%	15%
HFCDG	11%	18%	22%	25%	17%

HFCRG	11%	18%	22%	24%	17%

Source: moneycontrol.com/mutual-funds

Findings: In the Table-II, HDFC Direct Growth and HDFC Regular Growth has made highest return for one year and two year, Parag Parikh Direct growth has made the highest return in three year. HDFC Direct Growth has made highest return in five year and Parag Parikh Direct Growth has made the highest return in ten year. This differences are occurred for the payment of commission to the distributor or broker and different investment strategy of particular fund house in particular scheme.

c) To find the three years rolling return of three flexi cap fund house.

In this division, three years rolling return of three flexi cap fund is studied to find the consistent performance over the study period. This study is shown in the Table-III:

TABLE III
Rolling Return of Flexi Cap Fund in Different Fund House

Scheme Name	Average return from Year 1, Year 2 & Year 3	Average return from Year 2, Year 3 & Year 5	Average return from Year 3, Year 5 & Year 10
PPFCDG	16.33 %	20.33 %	20.67 %
PPFCRG	15.33 %	19.33 %	19.67 %
EFCDG	14.67 %	19.33 %	19.33 %
EFCRG	13.00 %	17.67 %	17.67 %
HFCDG	17.00 %	21.67 %	21.33 %
HFCRG	17.00 %	21.33 %	21.00 %

Source: Computed based on the Table-II

Findings: Table-III shows the rolling return range for flexi cap fund and it is analyzed below to find the rolling return range:

TABLE IV
Rolling Return

SCHEME NAME	ROLLING RETURN RANGE	Difference
PPFCDG	16.33 % to 20.67 %	4.34 %
PPFCRG	15.33 % to 19.67 %	4.34 %
EFCDG	14.67 % to 19.33 %	4.66 %
EFCRG	13.00 % to 17.67 %	4.67 %
HFCDG	17.00 % to 21.67 %	4.67 %
HFCRG	17.00 % to 21.33 %	4.33 %

Source: Computed based on the Table-III

On the basis of rolling return range of Table-IV shown on the basis of the result of Table-III, HFCRG, PPFCRG and PPFCDG are giving more stable return over the period of study for their better performance of fund in the Indian financial market for long term investment.

d) To evaluate AUM in flexi cap fund for long term investment during study period.

In this point, the AUM in flexi cap direct growth and flexi cap regular growth fund among fund houses Parag Parikh, Edelweiss and HDFC for long term investment is compared in the Table-V to find the total amount of AUM during the study period:

TABLE V
Total Assets under Management

Scheme Name	AUM (Amount in Cr)
PPFCDG	129,782.54
PPFCRG	129,782.54
EFCDG	3,073.39
EFCRG	3,073.39
HFCDG	94,068.73
HFCRG	94,068.73

Source: moneycontrol.com/mutual-funds

Findings: The above Table-V explains that Parag Parikh flexi cap fund direct growth and flexi cap regular growth has the highest AUM during the ten year period study. It is happened because the investors have invested their fund in Parag Parikh fund house for their consistent return and performance in the flexi cap mutual fund during the study period.

VI. CONCLUSIONS

The paper shows that flexi cap mutual fund direct growth is performing better than flexi cap mutual fund regular growth during the study period among Parag Parikh, Edelweiss and HDFC fund house. It is for the extra commission on flexi cap mutual fund regular growth paid to the distributor or broker and comparatively successful investment strategy of these fund houses in the Indian financial market. During the study period, performance of Parag Parikh fund house is performing the better than other fund houses, Edelweiss and HDFC and also for its consistent return that creates confidence of investors in Parag Parikh fund house for the long term investment in Indian capital markets.

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