

**RESILIENCE AND REBALANCING: EXPLORING MUTUAL FUND
PORTFOLIO DYNAMICS AFTER ADVERSITY**

SOUMYOJYOTI CHANDRA

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MADRAS SCHOOL OF ECONOMICS

Chennai- 600025

Abstract

The COVID-19 pandemic has led to significant changes in the global economy, resulting in a heightened need for prudent investment strategies. This study examines the investment approaches employed by Mutual Fund AMCs during and after the pandemic, focusing on the factors that influence returns and portfolio rebalancing. Our analysis is based on an amalgamation of stocks from various AMCs that have successfully surpassed the benchmark index over the period of years following the pandemic. Our findings indicate that Mutual Fund AMCs employ a strategic and multifaceted approach to maximize returns, rather than relying solely on intuition. During economic crises, these institutions exhibit distinct levels of exposure to different factors based on their trading strategies. We identify several key factors that affect returns, including market capitalization, efficiency, growth projection, and risk appetite. Our results show an overwhelming preference for large companies with high efficiency, indicating that these firms are more resilient to economic shocks. Additionally, we find that AMCs prefer growth firms with good growth projections and value firms with incrementally high-risk appetite relative to earlier periods. This study provides a guideline for analysing factors and measuring the effectiveness of these parameters for optimum investment subject to market risk. The findings of this research can be used by investors, policymakers, and market participants to better understand the investment strategies employed by Mutual Fund AMCs during and after economic shocks, ultimately informing more informed investment decisions.

Keywords: Mutual Fund AMCs, Strategic Investment Strategies, Economic Shocks, Factors Influencing Returns, Portfolio Rebalancing, Market Capitalization, Efficiency, Growth Projection, Risk Appetite.