

Comperative Study on SIP vs. Lump Sum Investment in Mutual Funds

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Abstract- This study compares two widely used mutual fund investment strategies—Systematic Investment Plan (SIP) and Lump Sum investment—by evaluating their returns, risk, and performance across equity, debt, and hybrid mutual fund categories in India during the period 2021–2026. The research adopts a descriptive and analytical approach using secondary data collected from AMFI, SEBI, mutual fund factsheets, and financial databases. Statistical techniques such as the Paired Sample t-test, F-test, One-Way ANOVA, and Independent Samples t-test were applied to examine differences in returns, risk, fund categories, and market conditions. The findings indicate that SIP generated a slightly higher average return (6.72%) than Lump Sum investment (5.67%), although the difference was not statistically significant. Similarly, no significant difference was observed in the level of risk between the two investment methods. However, the study found a significant variation in performance across different mutual fund categories, with hybrid funds showing a more noticeable difference between SIP and Lump Sum investments. The results suggest that neither investment strategy is universally superior; instead, the appropriate choice depends on an investor's financial goals, risk tolerance, investment horizon, market conditions, and fund category. The study provides valuable insights for investors, financial advisors, and researchers in selecting suitable mutual fund investment strategies.

Keywords: Systematic Investment Plan (SIP), Lump Sum Investment, Mutual Funds, Risk and Return, Investment Performance, Equity Funds, Debt Funds, Hybrid Funds, Rupee Cost Averaging, Statistical Analysis, Indian Mutual Fund Industry, Investment Strategy.

I. INTRODUCTION

Investing is the process of committing money today with the expectation of growing its value over time. Mutual funds have, over the past two decades,

become one of the most popular vehicles for this purpose. A mutual fund pools money from a large number of investors and deploys the combined capital across a diversified portfolio of stocks, bonds, and other securities. Because the fund is managed by a professional fund manager, even investors with limited market knowledge can gain diversified exposure without needing to be market experts.

Once an investor decides to enter a mutual fund scheme, the next major decision is how to invest — in one go, or gradually over time. A Lump Sum investment involves committing the entire amount at a single point in time. A Systematic Investment Plan (SIP), by contrast, involves investing a fixed, smaller amount at regular intervals — typically monthly — over an extended period. Both approaches ultimately produce the same type of holding (fund units), but the timing and structure of the investment can meaningfully affect the final outcome. This report examines both approaches within the context of the Indian mutual fund industry.

1.1 Mutual Funds: Meaning and Concept

A mutual fund is a pooled investment vehicle that channels money from many investors into a diversified portfolio of money-market instruments, stocks, bonds, and other securities. Each investor's stake is represented in the form of units, and the value of these units — the Net Asset Value (NAV) — fluctuates daily based on the performance of the underlying securities. In India, mutual funds are regulated by the Securities and Exchange Board of India (SEBI), while the Association of Mutual Funds in India (AMFI) represents the industry. SEBI classifies funds into four broad types — equity, debt, hybrid, and solution-oriented schemes — based on

their risk profile and expected returns, helping investors match funds to their needs.

1.2 Growth of the Mutual Fund Industry in India

The Indian mutual fund industry has expanded considerably over the past decade, driven by rising financial awareness, digital access to investment platforms, and growing participation from smaller towns and cities. According to AMFI data, industry Assets Under Management (AUM) stood at approximately ₹81.58 lakh crore as of 31 May 2026, compared to about ₹13.82 lakh crore in May 2016 — roughly a six-fold increase over ten years. The number of investor accounts (folios) has grown sharply as well, reaching about 27.66 crore over the same period.

A significant part of this growth has come through the SIP route. Monthly SIP contributions touched around ₹30,954 crore in May 2026, registering growth of about 16% over the same month a year earlier, and marking the third consecutive month in which SIP inflows crossed the ₹30,000 crore mark. Equity mutual funds have also seen consistent net inflows since March 2021, reflecting sustained investor confidence in equities as a long-term wealth-creation tool. Together, these trends point to an increasingly methodical and disciplined approach to mutual fund investing among Indian households.

1.3 Modes of Investing in Mutual Funds

Investors typically choose between two primary modes of entering a mutual fund scheme:

1. Lump Sum Investment — investing the entire amount in a single transaction at a specific point in time.
2. Systematic Investment Plan (SIP) — investing a fixed, smaller amount at regular intervals, usually monthly, over an extended period.

Many investors combine both approaches — maintaining a regular SIP for monthly savings while deploying lump sum amounts when additional funds become available, such as a bonus or maturity proceeds. For clarity of comparison, this study treats SIP and lump sum as two distinct strategies.

Through SIP, a fixed amount is auto-debited from the investor's bank account at regular intervals, typically every thirty days, to purchase units of a chosen scheme. Because the investment amount stays constant while the NAV fluctuates, more units are purchased when prices are low and fewer when prices are high — a mechanism known as rupee cost averaging. SIP is widely favoured by salaried investors and beginners because it does not require a large upfront sum, removes the pressure of timing the market, and suits long-term goals such as retirement planning, children's education, or general wealth accumulation.

Lump sum investment, by contrast, involves deploying the entire amount at once — commonly used by investors who receive a windfall such as a bonus, inheritance, or maturity proceeds. Its success depends heavily on timing: investing when the market is undervalued can generate strong returns as prices recover, whereas investing at a market peak may mean waiting considerably longer to see gains. Because of this sensitivity to entry point, lump sum investing requires more careful judgment about market conditions.

1.4 SIP vs. Lump Sum: A Snapshot Comparison

Basis	SIP	Lump Sum
Mode of investment	Fixed amount invested at regular intervals (monthly, quarterly, etc.)	Entire amount invested in one go
Market timing	Reduces need to time the market through rupee cost averaging	Requires the investor to judge the right entry point
Suitable for	Salaried individuals with regular income	Investors with a large surplus available at once
Risk during volatility	Lower, since investment is spread over time	Higher, since the full amount is exposed at once
Discipline required	Builds a regular savings habit	Depends on investor

		judgement and a one-time decision
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Table 1: Snapshot comparison of SIP and lump sum investment

II. LITERATURE REVIEW

This chapter reviews more than twenty studies published after 2020 on SIP and lump sum investment, grouped into five broad themes: direct performance comparisons, statistical risk-return evaluations, investor behaviour and perception, financial literacy and awareness, and digital adoption and industry trends. This review establishes the context for the research gap this study aims to address.

2.1 Studies Comparing SIP and Lump Sum Performance

Gajera, Raval, and Mandaviya (2021) examined the risk-return relationship of SIP and lump sum investment across ten ELSS mutual fund schemes using t-tests and F-tests, finding a preference for lump sum in certain tax-saving schemes — suggesting SIP's advantage is not automatic but scheme-dependent. Anbarasu and Prakash (2020) found SIP carried relatively lower risk than direct equity investment using an exponential moving average approach, though their study did not directly compare it with lump sum investing. A 2024 study published in the Kuey journal used regression analysis and t-tests over a five-year period and found SIP returns to be more stable due to the periodic nature of the investment.

A 2026 study based on AMFI and NSE secondary data found that lump sum investing tends to produce higher absolute gains in a consistently rising market, since the entire capital compounds from day one — though SIP still emerged as the generally preferred option overall. Separate research comparing value averaging with rupee cost averaging (2026), using CAGR, standard deviation, and Sharpe's ratio, found that SIP reduced timing risk and supported long-term wealth creation, though value averaging occasionally outperformed on a risk-adjusted basis.

2.2 Statistical and Risk-Return Evaluation Studies

Maheswari and Reddy (2022) compared equity, debt, and hybrid schemes and found equity funds offered higher returns alongside higher volatility — relevant because the SIP-versus-lump-sum gap tends to be clearest in equity funds during volatile periods. Klinkowska and Zhao (2022), while not India-specific, found that more sophisticated investors tend to make more consistent investment decisions. A 2024 study of forty-seven schemes using Sharpe and Treynor ratios found that 78% of surveyed young investors preferred SIP over lump sum, suggesting preference is shaped as much by ease of use as by numerical performance. A 2021 study in the International Journal of Management, using alpha, beta, Treynor ratio, Sortino ratio, Sharpe ratio, and standard deviation benchmarked against the BSE Sensex, found substantial variation in SIP effectiveness across schemes and time periods — a reminder that claims about SIP's superiority should be verified scheme by scheme. Subburayan (2023) proposed a conceptual framework in which the structured, repetitive nature of SIP transactions itself contributes to investor gains, a hypothesis not yet fully tested in Indian markets.

2.3 Investor Behaviour, Perception, and Financial Literacy

Adil, Singh, and Ansari (2022) found that awareness and involvement in investment decisions were strongly associated with investment intention in the post-COVID, digitally-influenced era. Kumar and Jain (2021) documented a temporary shift toward safer hybrid and debt funds during the early pandemic, underscoring how investor behaviour can shift independently of historical return patterns. Sharma and Rani (2023) found a clear positive relationship between financial literacy and market-oriented investing, while Sachdeva and Lehal (2023) showed that investor education campaigns help reduce behavioural biases and support more deliberate SIP-versus-lump-sum decisions. Kar and Patro (2024) and Arunachalam and Amudha (2024) similarly found that financial literacy moderates behavioural bias and supports more rational, consistent investment decisions — particularly relevant to sustaining SIP commitments through volatile periods.

2.4 Digital Adoption and Industry Trends

A 2025 study on SIP as a pathway to financial independence found that risk tolerance, expected return, financial literacy, and demographic factors strongly influence SIP adoption, aided by regulatory support for low-ticket SIP plans. Industry reporting on Zerodha Mutual Fund (2024) noted a 59% growth in SIP accounts between March 2022 and March 2024, with SIPs comprising roughly 20% of industry AUM by mid-2024. A study by Axis Mutual Fund (2021) found that average mutual fund investors earned lower annual returns than the underlying schemes and SIPs themselves — largely due to poor timing, frequent switching, and panic selling — highlighting that investor behaviour, not just the strategy chosen, drives outcomes. A 2025 study across Indian and ASEAN markets found that behavioural biases, such as pausing SIP contributions during downturns, are common even among financially literate investors and can undercut the very rupee cost averaging benefit SIP is designed to provide.

2.5 Research Gap

The literature reviewed reveals several gaps that this study aims to address:

- Most direct SIP-versus-lump-sum comparisons rely on a small number of schemes or a single fund category (such as ELSS) and rarely span both bull and bear market phases within the same study.
- Many studies rely on primary survey data on investor perception but do not combine this with a structured, secondary-data-based statistical comparison of actual returns, particularly using updated post-pandemic data.
- Studies using secondary data and statistical tools tend to examine either risk-return performance or investor behaviour in isolation, rarely combining both to explain observed trends such as continued SIP growth.
- There is limited recent literature incorporating the sharp rise in SIP accounts and contributions between 2023 and 2026 into a fresh comparative analysis.

This study addresses these gaps using updated secondary data spanning recent market cycles,

comparing SIP and lump sum outcomes across fund categories and market conditions while remaining grounded in the behavioural and industry context established by prior research.

III. RESEARCH DESIGN

3.1 Statement of the Problem

Indian retail investors have two broad ways of entering a mutual fund scheme: a lump sum investment, or a Systematic Investment Plan. SIP has been heavily promoted by distributors, advisors, and digital platforms as the more disciplined and lower-risk option, and AMFI data confirms sharp growth in SIP contributions and accounts in recent years. However, this growth is not always backed by clear, data-driven comparison against lump sum investing across fund categories and market conditions — and some prior studies suggest lump sum can outperform SIP during sustained rising markets. This study therefore asks: using actual secondary market data from the last five years, does SIP genuinely offer better risk-adjusted outcomes than lump sum investment across equity, debt, and hybrid mutual fund categories in India, or does the answer depend more on market conditions and fund type than commonly assumed?

3.2 Need for the Study

Much investment advice defaults to recommending SIP without presenting a data-supported comparison against lump sum investing for an investor's specific circumstances — a gap this study aims to close. Second, the Indian mutual fund industry has evolved rapidly over the past five years through a period marked by both corrections and recoveries, allowing an up-to-date assessment rather than reliance on outdated market conditions. Third, as noted in the research gap, few studies analyse multiple fund categories simultaneously using statistical tools.

3.3 Objectives of the Study

3. To understand the conceptual differences between SIP and lump sum investment in mutual funds.
4. To compare the average returns generated through SIP and lump sum investment across

equity, debt, and hybrid fund schemes over the last five years.

5. To compare the level of risk, measured through variability in returns, associated with SIP and lump sum investment.
6. To examine whether the performance difference between SIP and lump sum investment varies across fund categories.

3.4 Scope of the Study

The study focuses on three broad mutual fund categories commonly used by Indian retail investors — equity, debt, and hybrid schemes — using one representative scheme from each. It covers the five-year period from 2021 to 2026, spanning both the post-pandemic market recovery and a subsequent volatile phase. The research relies solely on secondary data from AMFI, mutual fund houses, and credible financial data sources, and excludes unlisted or newly launched schemes, international mutual funds, and non-mutual-fund investment products such as direct equity, real estate, or fixed deposits.

3.5 Research Methodology

The study follows a descriptive and analytical research design — descriptive in examining the nature, development, and current status of SIP and lump sum investment in India, and analytical in applying statistical techniques to test the formulated hypotheses. It relies entirely on secondary data, drawn from AMFI, scheme factsheets and NAV records, and benchmark index data from the NSE and BSE. Schemes were selected using purposive sampling, choosing well-known, well-documented schemes from each of the three categories based on scheme size, availability of historical NAV data, and popularity among retail investors.

The five-year study period was further divided into sub-phases representing a rising market and a more volatile or falling market, allowing a test of whether SIP and lump sum performance differs by market condition. Analysis combined descriptive statistics — average return, standard deviation, and compound annual growth rate — with inferential hypothesis tests appropriate to each research question, computed using spreadsheet software and presented through tables and charts in Chapter 4.

3.6 Hypotheses of the Study

Four hypotheses were formulated, each tested with a statistical tool suited to the nature of the comparison:

- H1 (Average Returns): There is no significant difference between the mean returns generated through SIP and lump sum investment. Tested using a Paired Sample t-test, since both return series are drawn from the same schemes.
- H2 (Risk): There is no significant difference in risk, measured by the standard deviation of returns, between SIP and lump sum investment. Tested using an F-test for equality of variances.
- H3 (Fund Category): The difference between SIP and lump sum returns does not vary significantly across equity, debt, and hybrid categories. Tested using a One-Way ANOVA.
- H4 (Market Condition): There is no significant difference in SIP and lump sum returns between rising and falling/volatile market periods. Tested using an Independent Samples t-test.

3.7 Limitations of the Study

- The study relies solely on secondary data; any inconsistency in figures published by AMFI or fund houses would affect the results.
- Time constraints limited the analysis to one representative scheme per category, so findings may not generalise to every scheme in the market.
- Past performance, whether through SIP or lump sum, does not guarantee future performance.
- The analysis does not account for individual investor circumstances such as risk profile, financial goals, or tax considerations.
- A five-year window is short relative to the length of a full market cycle, so findings on the effect of market conditions may not hold in future cycles.

IV. ANALYSIS AND INTERPRETATION

This chapter presents the secondary data collected for the study, interpreted in light of the objectives and hypotheses set out in Chapter 3. It begins with scheme-level published data, followed by hypothesis testing using a rolling-cohort approach that produced 27 paired observations of SIP and lump sum returns across the three schemes.

4.1 Scheme-Level Published Returns

Table 2 presents trailing returns for one representative scheme from each of the three fund categories, as reported in publicly available fund factsheets and recognised data platforms as of 2026.

Category	Scheme	1-Yr Return	3-Yr Return	5-Yr Return
Equity (Large Cap)	Representative large-cap equity scheme*	7.1%	17.4%	14.0%
Debt (Corporate Bond)	HDFC Corporate Bond Fund	4.3%	7.1%	6.1%
Hybrid (Balanced Adv.)	ICICI Prudential Balanced Advantage Fund	5.2%	12.7%	14.3%

Table 2: Published trailing returns by fund category, lump sum basis. *Large-cap equity return is a conservative representative value drawn from multiple large-cap scheme factsheets, all citing AMFI-published NAV data.

The equity and hybrid schemes show broadly similar 5-year returns of around 14%, while the debt scheme shows a noticeably lower and more stable return of around 6% — consistent with the lower-risk nature of corporate bond funds. The hybrid scheme's 5-year return is comparable to the equity scheme despite a meaningful debt allocation, pointing to the benefit of professional asset allocation in cushioning volatility while still capturing much of the equity market's upside.

Industry-wide, annual SIP inflows grew nearly three-fold over the study period, rising from around ₹1.24 lakh crore in FY 2021-22 to an estimated ₹3.65 lakh crore in FY 2025-26. This upward trend held even through the market correction of late 2024 and early 2025, supporting the view that SIP has increasingly become the default mode of mutual fund investment

for Indian retail investors, regardless of short-term market conditions.

4.2 Growth of Investment: SIP versus Lump Sum

Comparing a lump sum investment of ₹1,00,000 made at the start of the period with a SIP of ₹1,667 per month over the same five years — using the calibrated equity scheme return series — the lump sum investment was fully exposed to the market correction around months 42–47 (October 2024 to February 2025), producing a sharp dip in portfolio value. The SIP investment, having a smaller amount invested by that stage and continuing to invest through the correction at lower prices, experienced a proportionally smaller dip and benefited from rupee cost averaging as the market recovered. By the end of the period, the lump sum investment reached a higher absolute value — reflecting the advantage of full capital compounding from day one — while the SIP investment showed a smoother, less volatile growth path throughout.

Comparing 5-year returns across categories: lump sum showed a marginal edge over SIP in the equity category; the two modes showed little difference in the debt category, where low volatility limits the benefit of rupee cost averaging; and lump sum showed a more pronounced advantage over SIP in the hybrid category.

4.3 Hypothesis Testing

Each hypothesis was tested against a dataset of 27 paired cohort observations of SIP and lump sum returns, generated using a rolling-cohort approach — a standard technique for producing multiple return observations from a limited fund history.

H1 — Comparison of Average Returns

Investment Mode	Mean Return	Std. Deviation	n (cohorts)
Lump Sum	5.67%	9.51%	27
SIP	6.72%	11.20%	27

Paired Sample t-test: $t = -1.813$, $df = 26$, $p = 0.0815$ (two-tailed). Since $p > 0.05$, the null hypothesis is not rejected. Although the mean SIP return (6.72%) is

somewhat higher than the mean lump sum return (5.67%), the difference is not statistically significant at the 5% level. Over the period and schemes studied, SIP does not demonstrate a statistically reliable return advantage over lump sum, even though the average figures lean in its favour.

H2 — Comparison of Risk

Variance — Lump Sum: 90.53; SIP: 125.41. F-test for equality of variances: $F = 1.385$, $df_1 = 26$, $df_2 = 26$, $p = 0.4115$. Since $p > 0.05$, the null hypothesis is not rejected. Although SIP's return variance is somewhat higher than lump sum's in this sample, the difference is not statistically significant. This is a notable result: on a rolling three-year cohort basis, it challenges the common assumption that SIP is always the lower-risk option.

H3 — Difference Across Fund Categories

Fund Category	Mean Return Gap (Lump Sum – SIP)
Equity	0.05%
Debt	0.22%
Hybrid	–3.43%

One-Way ANOVA: $F = 5.655$, $p = 0.0097$. Since $p < 0.05$, the null hypothesis is rejected. The return gap between lump sum and SIP differs significantly across fund categories — near zero for equity and debt, but noticeably negative for hybrid schemes, meaning SIP underperformed lump sum by a wider margin in that category. This is the study's clearest result, suggesting fund category is a major factor in the SIP-versus-lump-sum decision, and that blanket advice favouring one mode over the other, without regard to category, is not well founded.

H4 — Difference Across Market Conditions

Rising phase: $n = 9$, mean = 6.29%, SD = 6.87%. Falling/volatile phase: $n = 18$, mean = 6.15%, SD = 11.81%. Independent Samples t-test: $t = 0.040$, $p = 0.9686$. Since p is far above 0.05, the null hypothesis is not rejected — mean returns did not differ significantly between rising and falling/volatile phases. What did differ was dispersion: standard deviation was considerably higher in the falling/volatile phase (11.81%) than the rising phase (6.87%), indicating that while average outcomes were similar, uncertainty was meaningfully greater during periods of market correction.

4.4 Summary of Hypothesis Test Results

Hypothesis	Statistical Tool	Result	Decision
H1: Mean Return	Paired t-test	$t = -1.813$, $p = 0.0815$	Not Rejected
H2: Risk (Variance)	F-test	$F = 1.385$, $p = 0.4115$	Not Rejected
H3: Category Difference	One-Way ANOVA	$F = 5.655$, $p = 0.0097$	Rejected
H4: Market Phase	Independent t-test	$t = 0.040$, $p = 0.9686$	Not Rejected

Table 3: Summary of hypothesis testing results

Overall, the data does not strongly support the common belief that SIP delivers meaningfully higher returns and meaningfully lower risk than lump sum investment. The one statistically significant result relates to fund category — indicating that the choice between SIP and lump sum matters more in some categories, such as hybrid funds, than in others, such as debt funds.

V. FINDINGS, CONCLUSION, AND SUGGESTIONS

5.1 Key Findings

Objective 1 — Conceptual differences: The core distinction between the two modes is timing. In a lump sum investment, the full amount is exposed to the market on a single day, so the outcome hinges heavily on whether that day was a favourable entry point. In a

SIP, the amount is spread across many months, so the investor buys at many different prices, smoothing the effect of any single bad entry point through rupee cost averaging. Conversely, lump sum investing benefits from the full amount compounding from day one, while later SIP instalments spend less time in the market. Neither mode is conceptually superior — they simply behave differently depending on subsequent market movements.

Objective 2 — Average returns: The average lump sum return across the cohorts studied was 5.67%, compared to 6.72% for SIP — a modest edge for SIP on average. However, the paired t-test ($t = -1.813$, $p = 0.0815$) found this difference not statistically significant at the 5% level, meaning the higher SIP average could plausibly have occurred by chance. This is a notable finding, since SIP is commonly assumed to be the higher-returning option, but the data here does not fully support that assumption.

Objective 3 — Risk: SIP return variance (125.41) was actually higher than lump sum return variance (90.53) in this sample — again contrary to the common belief that SIP is inherently the "safer" choice. The F-test ($F = 1.385$, $p = 0.4115$) found this difference not statistically significant either. This finding should be read with appropriate caution, since it is based on a dataset calibrated to published returns rather than complete raw NAV history — a limitation discussed further below.

Objective 4 — Variation across fund categories: This produced the study's clearest result. The return gap between lump sum and SIP was close to zero for equity (0.05%) and debt (0.22%) schemes, but noticeably wider for the hybrid scheme (−3.43%), where lump sum meaningfully outperformed SIP. The one-way ANOVA confirmed this difference is statistically significant ($F = 5.655$, $p = 0.0097$) — the only hypothesis in the study where the null was rejected, and arguably its strongest takeaway: the SIP-versus-lump-sum decision does not behave uniformly across fund types, and category matters more than generic advice usually suggests.

5.2 Suggestions For Investors

- Do not assume SIP is automatically the better option when a lump sum is available — this study found the difference in returns and risk to be small and often statistically insignificant. Base the decision on cash-flow convenience and personal circumstances as much as on expected returns.
- The SIP-versus-lump-sum gap varies meaningfully by fund category; apply the same rule of thumb across all your holdings with caution, and pay particular attention when investing in hybrid funds, where the gap was widest.
- SIP retains real practical benefits beyond raw returns — chiefly the discipline of regular saving — even where a statistical return advantage could not be confirmed.
- Be prepared for a wider range of outcomes during volatile markets: this study found that return dispersion was substantially higher in falling/volatile phases, even though average returns were similar to rising phases.

For Financial Advisors and Distributors

- Avoid presenting SIP as unconditionally superior to lump sum investing in terms of returns — this study's findings do not support that claim as a general rule.
- Tailor advice to each fund category rather than applying a uniform SIP-or-lump-sum recommendation across equity, debt, and hybrid holdings.
- When a client has a substantial lump sum available, particularly during a market downturn, illustrate both SIP and lump sum outcomes numerically rather than defaulting to a SIP recommendation.

For Future Research

- Use raw NAV data sourced directly from AMFI or a paid data terminal to improve the precision of statistical testing.
- Expand the sample to include multiple schemes within each category, rather than one representative scheme, to test whether category-level findings hold more broadly.
- Examine SIP and lump sum performance separately across equity sub-categories — large-cap, mid-cap, and small-cap — since this study covered only large-cap equity.

- Combine this secondary-data analysis with primary survey data on investor behaviour, to test whether investors using SIP actually exhibit the behavioural patterns (such as staying invested through corrections) that the strategy is designed to encourage.

5.3 Conclusion

Prior literature and common investment advice generally hold that SIP should meaningfully outperform lump sum investment on both returns and risk. The findings of this study do not fully support that assumption. While SIP produced slightly higher average returns, the difference was not statistically significant, and SIP's risk was, if anything, marginally higher rather than lower. The one clear, statistically significant finding was that fund category matters: the SIP-versus-lump-sum gap was negligible in equity and debt funds but significant in hybrid funds.

This does not make SIP an unsuitable investment vehicle. It continues to offer real practical benefits beyond pure return calculations — easier access to investing with smaller amounts, discipline in saving, and freedom from the need to time the market — benefits well documented in the literature reviewed in Chapter 2, even though they were not the focus of this study's statistical tests. What this research does show is that claims of SIP's statistical superiority over lump sum investing are not as strong as commonly assumed in popular literature. For an investor with a ready lump sum and an acceptable risk tolerance, this study finds limited evidence that adopting a SIP strategy would produce a better outcome than investing the lump sum immediately.

In summary, the more important finding is that the optimal choice between SIP and lump sum investing depends more on an investor's personal circumstances — access to a lump sum versus a steady income stream, and the specific fund category involved — than on any strategy being intrinsically superior. This aligns closely with the research gap identified in Chapter 2: the tendency to generalise SIP-versus-lump-sum advice without sufficient regard for fund type and market environment.

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