# INVESTOR PREFERENCE ON MUTUAL FUNDS OVER OTHER INVESTMENT METHODS

Project Report submitted to Department of Commerce and International Trade in partial fulfillment of the requirements for the award of the degree of
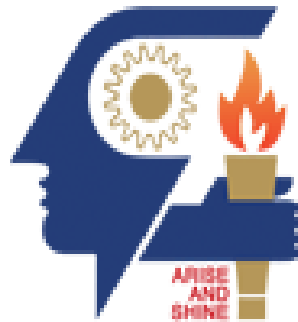
**Bachelor of Commerce**

**MIRUDULA K A**

Reg. No: URK20CM1065

Under the guidance of

**Dr. V. Palani Singh**

**PhD** Assistant

Professor



ARISE
AND
SHINE

**Department of Commerce and International trade**

**Karunya Institute of Technology and Sciences**

*[Declared as a Deemed University under sec.3 of the UGC Act, 1956]*

**Coimbatore - 641114**

**May 2023**

**Department of Commerce and International Trade**

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## DECLARATION

I, **MIRUDULA K A** hereby declare that the project report entitled **"INVESTOR PREFERENCE ON MUTUAL FUNDS OVER OTHER INVESTMENT METHOD"** is a bonafide record of the original research work carried out by me in the department of Commerce and International Trade, Karunya Institute of Technology and Sciences and has not been submitted earlier elsewhere for the award of any Degree, Diploma or Fellowship.

Place: Karunya Nagar, Coimbatore

Date:

Signature of the candidate

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# <u>CERTIFICATE</u>

This is to certify that the project report entitled **"INVESTOR PREFERENCE ON MUTUAL FUNDS OVER OTHER INVESTMENT METHOD"** is a bonafide record of work done by **MIRUDULA K A**(URK20CM1065) under my supervision and submitted in partial fulfilment for the award of the degree of Bachelor of Commerce of Karunya Institute of Technology and Sciences.

Place: Karunya Nagar, Coimbatore

Date:                                                                                      Research Supervisor

External Examiner                    Internal Examiner                    Head of the Department

# ACKNOWLEDGEMENT

First and foremost, I thank God Almighty for enabling me to complete the project report. I would like to extend my sincere thanks to **Dr. V. Palani Singh**, Assistant Professor, Karunya institute of technology and sciences, for his guidance, constant supervision as well as for providing necessary information and support in completing the project.

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I express my sincere thanks to the Management of Karunya Institute of Technology and Sciences, and to my mentor **Dr. V. Palani singh**, Assistant Professor, Karunya institute of technology and sciences, for the encouragement and support, which helped me to accomplish my project.

I also take this opportunity to thank all my lecturers and my classmates who have directly or indirectly helped me and supported me in completing this project.

At last, I would like to thank my parents and my siblings for being there, and supporting me throughout my project, without whom I would have not completed my project report.

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## INTRODUCTION

### 1.1    INTRODUCTION

The investment landscape has undergone significant changes over the past few decades, with new financial products and investment options being introduced in the market. This has led to a greater range of investment options for investors to choose from. Mutual funds have emerged as one of the most popular investment options among investors, particularly for those who are looking for a diversified portfolio that is managed by professionals.

The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 defines a mutual fund as a 'a fund established in the form of a trust to raise money through the sale of units to the public or a section of the public under one or more schemes for investing in securities, including money market instruments'.

According to the above definition, a mutual fund in India can raise resources through sale of units to the public. It can be set up in the form of a trust under the Indian Trust Act. The definition has been further extended by allowing mutual funds to diversify their activity in the following areas:

➢    Portfolio management services

➢    Management of offshore funds

➢    Providing advice to offshore funds

➢    Management of pension or provident funds

➢    Management of venture capital funds

➢    Management of money market funds

➢    Management of real estate funds.

Mutual funds are investment vehicles that pool money from various investors to invest in a diversified portfolio of stocks, bonds, and other securities. They are managed by professional fund managers who use their expertise to select the best investment options and manage the portfolio to achieve the investment objective of the fund. Mutual funds provide investors with access to a diversified portfolio of securities, which helps to reduce the overall risk of the investment.

There are several advantages to investing in mutual funds. First, they provide investors with a diversified portfolio, which helps to reduce the risk of the investment. Second, mutual funds are managed by professional fund managers who have the expertise to select the best investment options and manage the portfolio to achieve the investment objective of the fund. Third, mutual funds offer a

wide range of investment options and strategies, which allows investors to choose a fund that aligns with their investment goals and risk tolerance. Finally, mutual funds are generally more affordable than other investment options, such as stocks and real estate.

Despite these advantages, there are also some concerns that investors have regarding mutual funds. These concerns include the fees and expenses associated with mutual funds, the potential for market volatility to impact the performance of the fund, and the lack of transparency regarding the holdings and strategies of the fund.

Given the growing popularity of mutual funds and the concerns that investors have regarding these investment options, there is a need to better understand the preferences and attitudes of investors towards mutual funds compared to other investment options. This project report aims to fill this gap by exploring the reasons why investors choose mutual funds over other investment options, the concerns that investors have regarding mutual funds, and how mutual funds compare to other investment options in terms of returns and risk.

## 1.2    STATEMENT OF PROBLEM

The problem statement in this report is the evaluation of investors' preferences towards mutual funds over other investment methods. The report aims to identify the reasons for investors' preference towards mutual funds and the factors that influence their investment decisions. Additionally, the report aims to determine the concerns of investors regarding mutual funds and compare mutual funds with other investment options. The study also analyzes the impact of demographic characteristics on investors' investment decisions. The overall objective of the report is to provide insights into the behavior of investors and help mutual fund companies in developing effective strategies to attract and retain investors.

## 1.3    OBJECTIVES OF STUDY

The main objective of this study is to investigate investors' preferences towards mutual funds over other investment options. The study aims to identify the factors that influence investors' decision to choose mutual funds over other investment options, as well as the potential implications of these preferences for investment managers, financial advisors, and policymakers. Specifically, the study seeks to answer the following research questions:

1.    What are the reasons for investors' preference towards mutual funds over other investment options?

2.    What are the concerns of investors regarding mutual funds?

3.    How do mutual funds compare with other investment options?

4.    What is the satisfaction level of investors regarding mutual funds

5.     What are the implications of investors' preferences towards mutual funds for investment managers, financial advisors, and policymakers?

## 1.4    NEED OF THE STUDY

The Indian Equity Market has grown significantly during the last three years; Mutual Funds are not left far behind. Both the avenues have created wealth for the investors. But for the creation of wealth through this avenue a proper understanding of the Mutual Funds is must.

A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments such as shares, debentures and other securities. The income earned through these investments and capital appreciation realized is shared by its unit holders in proportion to the number of units owned by them.

In general, investments in Funds are risky, because they are exposed to economic forces or factors, which the future is uncertain. By its very nature, risk concerns the uncertain future. If investors know what happened to a Fund"s returns in the past, they can predict the likely range of Fund"s returns in future. The greater is this range, the more risky are Fund"s prospects. Thus, investors and their advisors need more information to help them assess the risks and to analyse the performance of Mutual Funds in various schemes. Investors must ultimately be responsible for understanding or making predictions about the performance and risks associated with the major market sectors, as well as the extent to which sectors are likely to move with one another. Much of this information is common to many Funds and can be most efficiently provided to investors by third parties, such as financial planners and database providers. But, most of the investors are not aware of the investment opportunities in mutual funds in India. Hence, it is necessary to find out how the companies are providing information about the investments to the investors, whether that information is sufficient to educate the investors regarding the performance of mutual Funds, and how the investors are benefited.

## 1.5    SCOPE OF THE STUDY

●     The study is limited to Coimbatore city.

●     In general it confines me to measure the performance.

●     It include comparative study on equity mutual funds

●     It focuses on the preference of people about different investment opportunities in mutual funds.

## 1.6    RESEARCH  METHODOLOGY

The research employed a mixed-methods approach, combining primary and secondary data. Primary research was conducted using a questionnaire that was distributed to a sample of investors who have invested in mutual funds or other investment options. The survey included questions related to investors' awareness of different investment options, their investment goals, and their preference towards mutual funds over other investment options. The secondary data involved a review of existing literature on mutual funds and other investment options. The literature review aimed to identify the factors that influence investors' preference towards mutual funds compared to other investment options.

- **TYPE OF RESEARCH**

This is a descriptive research where survey method is adopted to collect primary information from the investors using different scales as required and the required secondary information for the analysis.The present study is an Analytical research purely based on primary data.

- **DATA COLLECTION**

  **Primary Data :** A questionnaire schedule was prepared and the primary data was collected through a survey method.

  **Secondary Data :**
  - Company website
  - Books
  - Related information from net
  - Customer database

- **SAMPLES AND SAMPLE SIZE**

  The population being large, the survey was carried among the crowd in Coimbatore on a lower scope. They will be considered adequate to represent the characteristics of the entire population.

- **PERIOD OF STUDY**

  The study is undertaken for a period of one month among diverse investors on a general scale to find the common pattern of why people prefer mutual funds over any other investment options.

- **TOOLS USED FOR THE STUDY**

  The analysis of data collection is completed and presented systematically with the use of Microsoft Excel and MS-Word. The various tools which were used for representation are:
  - Bar graphs.
  - Pie charts.

- Column graphs.

## 1.7 LIMITATIONS OF THE STUDY

Like any research project, there are limitations to this project report that should be acknowledged. Some of the potential limitations include:

1. **Sample Size:** The sample size for the survey may be limited, which could impact the generalizability of the findings. If the sample size is not large enough, it may not be possible to draw accurate conclusions about the broader population of investors.

2. **Sampling Bias**: There may be a bias in the sample of investors surveyed, as certain types of investors may be more likely to respond to the survey than others. For example, investors who are more familiar with mutual funds may be more likely to respond, while those who are less familiar may be underrepresented.

3. **Self-Report Bias:** The survey relies on self-reported data from investors, which could be subject to bias or inaccuracy. Investors may not accurately recall their investment decisions or may not be willing to disclose certain information.

4. **Limited Scope:** The project report may have a limited scope, as it only examines the preferences of investors towards mutual funds over other investment options. There may be other factors that impact investment decisions that are not explored in this report.

5. **Time Constraints:** The project report may be limited by time constraints, which could impact the depth and breadth of the analysis. There may be additional research or data analysis that would be beneficial to the study but is not feasible given the available time and resources.

## 1.8 CHAPTER SCHEME

1. Introduction and design of the study
2. Review of literature
3. Analysis of Profile of the respondents
4. Summary of findings, suggestions and conclusion.

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# UNIT II

# REVIEW OF LITERATURE

Literature Review aims to provide a comprehensive analysis of the existing literature on investors' preferences towards mutual funds over other investment methods. The review provides a critical analysis of the empirical studies that have examined these factors and highlights the gaps in the literature. And they are as follows:

- **Akshat Jain and Dr.Akansha** Upadhyaya had done their research on A Study on Investors Satisfaction towards Mutual Funds. They have published their article in Vivekananda Journal of Research in October 2021. The research was carried out to study the level of significance between demographic variables and satisfaction towards Mutual Fund and to know the related factors. To analyse tools like Independent T test and One-way A Study On Investors' Preference Towards Mutual Fund www.ijres.org 274 | Page Anova was used. It was identified that there was a significant difference between age, annual income and satisfaction related factors.

- **Bharti Wadhwa et al.** had done their research on A Study on Behavior and Preferences of Individual Investors towards Investments with Special Reference to Delhi NCR. They have published their research in the International Journal of Innovative Technology and Exploring Engineering in April 2019. The study was carried out to know about the investors' behavior and preference towards investments. The risk tolerance level was also studied. The tools used in the research were percentage analysis, Chi-square, Multiple regression analysis and coefficient of correlation. It was found that the awareness of investment knowledge was low. People are sensitive with money and do not make choices easily.

- **Dr. Ranjit Singh et al.** had carried out the research on Measuring Attitude towards Mutual Fund Investment Decisions: Evidences from Tripura, India. They have published their research work in Indian Journal of Finance and Banking in September 2021. The study was conducted to know about the attitude of bank employees towards mutual funds and to find its impact on their investment decisions. The tools used were Percentage analysis, Chi-square and Pseudo R-Square. It was concluded that there is a positive relationship between attitude and volume of investment in mutual funds. The overall attitude of the bank employees was favourable towards mutual funds.

- **Haniyeh Amiri and Ana Maria Gil-Lafuente** had done their research on the study of the Factors Affecting the Mutual Fund by Individual Investors in Iran, Malaysia, Turkey and US. They published their work in the Canadian Center of Science and Education in July 2016. The research was carried out to examine the main criteria of domestic investors in selection of mutual funds. The tool used for analysis was factor analysis along with Multinomial Logistic Regression. It was found that there was a difference between the professional investors and others in selecting mutual funds.

- **M. Ramu, Dr. CH Hymavathi and Mr. A Sai Manideep** had done their research on Analysing the Effect of Financial Risk Perception, Risk Tolerance on Investment Behaviour: An Empirical Analysis. They have published their research in the Turkish Journal of Computer and Mathematics Education in April 2021. The study was carried out to examine the relationships between risk perception, risk tolerance and investment behaviour. The tools used were Correlation, Regression and Reliability tests. It was identified that there was a significant effect between risk perception & risk tolerance and investor behaviour and risk tolerance. But there was an insignificant effect between risk perception and investor behaviour.

- **Manoj Kumar Chaudhary, Ajay Prasad Dhakal and MadhavAdhikari** had done their research on An Investors' Interest towards Mutual Funds: A Study of Kathmandu Valley, Nepal. It was in IT in Industry in March 2021. The research was carried out to assess the investor's mind-set towards mutual funds in Kathmandu Valley. The tools used for the analysis were correlation analysis and descriptive analysis. It was found that the investors were familiar with fixed deposits but other instruments like shares, bonds and debentures were not familiar. It was recommended that the concerned authorities conduct awareness programs.

- **Dr. M.Sumathy and Mr.Shaneeb P** had done their research on Investors perception towards Mutual Funds: A Study among the selected Households from Coimbatore. They published their article in the Research Review International Journal of Multidisciplinary in November 2018. The research was conducted to primarily study the customer knowledge on various investment avenues. The tools used were Anova, Chi-square and Kruskal-Wallis test. It was concluded that more new and advanced schemes should be launched to keep up with investors' confidence.

- **Dr. Vedala Naga Sailaja** had done research on A Study on Investors Awareness towards Mutual Funds Investment. The research was published in the International Journal of Civil

Engineering and Technology in March 2018. The objective of the research was to find the level of awareness towards mutual fund investment and to assess the relationship between household income and the category of mutual fund they invest in. The tools used for the analysis were percentage analysis, Chi-square and one-way anova. It was found that most investors didn't know about shard store items. The charges for financial specialists from customers should be decreased by increasing the number of speculators.

- **Rajan Bilas Bajracharya** had done research on A Study of Investors' Awareness towards Mutual Funds in Kathmandu Metropolitan City, Nepal. The article was published in KAAV International Journal of Law, Finance & Industrial Relations in June 2018. The research was conducted to identify the investor's awareness towards mutual funds in the Kathmandu Metropolitan City. The tool used for analysis was the Chi-square test. It was found that the investors are not confident to invest in mutual funds as they feel it is unsafe. They have other safer options to invest their money so they opt other investment options when compared with mutual funds.

- **Shivam Tripathi** had done their research on An Empirical Study of Mutual Fund Awareness among the people of Ahmedabad. The article was published in GAP, A Global Journal of Interdisciplinary Studies in May 2020. The study was carried out to know the relationship between the risks and return activities of investors and their outlook. The tool used for the analysis was percentage analysis. The research concluded that the investors are aware of mutual funds but still very few people are only investing in mutual funds. Investors consider mutual funds to be a risky investment option.

# UNIT III

## ANALYSIS OF PROFILE OF THE RESPONDENTS

### 3.1 INTRODUCTION

Data interpretation is the process of reviewing data and arriving at relevant conclusions using various analytical methods. Data analysis assists researchers in categorizing, manipulating, and summarizing data to answer critical questions. Analysis and interpretation are the integral parts of research. The important objectives of analysis of data are to provide answers to the questions activated in research and interpretation refers to drawing inferences from the collected facts after analytical study.

### ANALYSIS

Analysis of data means studying the tabulated material in order to determine inherent facts or meaning. In other words the analysis means the computation of certain indices or measures or coefficients along with searching for patterns of relationship that exist among data groups.

### INTERPRETATION

Interpretation has two major aspects namely establishing continuity in research through linking the results of a given study with those of another and the establishment of some relationship with the collected data.

Analysis is not complete without interpretation. So both analysis and interpretation are interdependent.

### 3.2 DATA ANALYSIS AND INTERPRETATION

**Age of the Respondents**

Age of the respondents are analysed & the results are presented in Table no 3.1

**Table no 3.1**

| Sl No. | Age | Frequency | Percentage |
|--------|------|-----------|------------|
| 1 | 18-25 | 17 | 14.5 |
| 2 | 26-35 | 25 | 21.4 |
| 3 | 36-45 | 22 | 18.8 |

| | | | |
|---|---|---|---|
| **4** | 46-55 | 39 | 33.3 |
| **5** | 56 and above | 14 | 12 |
| | **Total** | 117 | 100 |

**Source : Primary Data**

The sample seems to be a group of individuals above 18 years of age. The table shows that the age group with the highest percentage is 46-55 (33.3%), followed by 26-35 (21.4%), and then 36-45 (18.8%). The lowest percentage is for the age group of 56 and above (12%). This data can be used to understand the age demographic of the sample or population and can be helpful in marketing or research strategies.

**Graph no 3.1**

117 responses
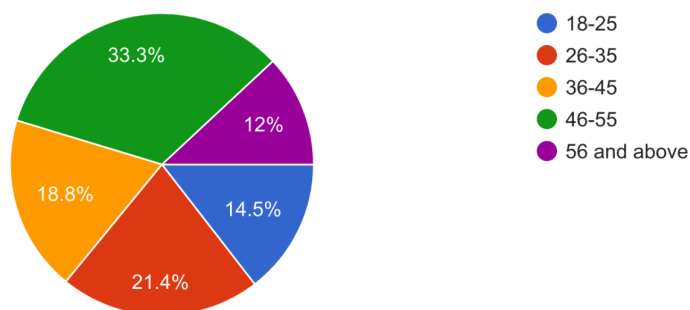


**Gender of the respondents**

Gender of the respondents were analysed & the results are presented in Table no 3.2

**Table no 3.2**

| Sl No. | Gender | Frequency | Percentage |
|---|---|---|---|
| **1** | Male | 63 | 53.8 |
| **2** | Female | 52 | 44.4 |
| **3** | Others | 2 | 1.7 |

| | Total | 117 | 100 |
|---|---|---|---|

There are a total of 117 respondents, out of which 63 (53.8%) are male, 52 (44.4%) are female, and 2 (1.7%) belong to the 'Others' category. The majority of respondents are male, followed by female. Only a small number of respondents belonged to the 'Others' category.

**Graph no 3.2**

117 responses
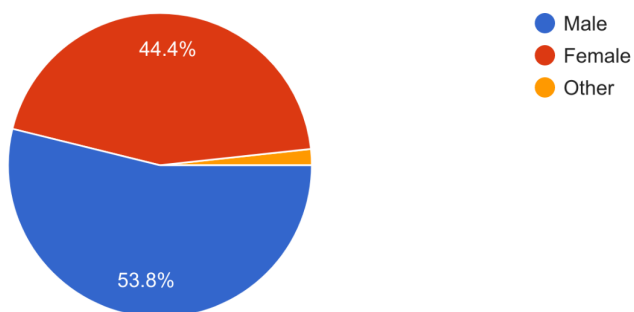


**Current employment status of the respondents**

Current employment status of the respondents are analysed & the results are presented in

Table no 3.3

**Table no 3.3**

| Sl No. | Current employment status | Frequency | Percentage |
|---|---|---|---|
| 1 | Employed full-time | 25 | 21.4 |
| 2 | Employed part-time | 22 | 18.8 |
| 3 | Self-employed | 42 | 35.9 |
| 4 | Student | 14 | 12 |
| 5 | Retired | 14 | 12 |
| | **Total** | 117 | 100 |

The results indicate that the largest proportion of participants are self-employed (35.9%), followed by those who are employed full-time (21.4%), and those who are employed part-time (18.8%). The remaining participants include retirees (12%) and students (12%).

This suggests that the study has a diverse sample of participants from different employment backgrounds. However, it is important to note that the sample may not be representative of the general population, as it may be biased towards individuals who have the time and resources to participate in the study. Therefore, caution should be exercised when generalizing these findings to the broader population.

**Graph no 3.3**

117 responses
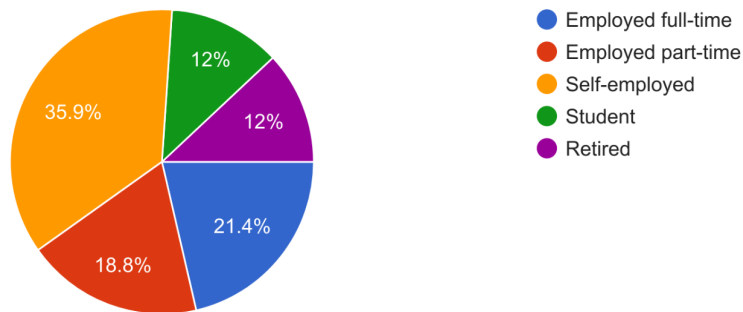


**Highest level of education of the respondents**

Highest level of education of the respondents are analysed and the results are presented in Table no 3.4

**Table no 3.4**

| Sl No. | Education status | Frequency | Percentage |
|--------|------------------|-----------|------------|
| 1 | High school diploma or equivalent | 9 | 7.7 |
| 2 | Bachelor's degree | 38 | 32.5 |
| 3 | Master's degree | 52 | 44.4 |
| 4 | Doctoral degree | 18 | 15.4 |

| | Total | 117 | 100 |
|---|---|---|---|

**Source : Primary Data**

Out of the total respondents, 9 individuals (7.7%) have a high school diploma or equivalent, 38 (32.5%) have a bachelor's degree, 52 (44.4%) have a master's degree, and 18 (15.4%) have a doctoral degree. This indicates that the majority of the respondents have completed higher education, with the highest percentage having a master's degree, followed by bachelor's degree and then doctoral degree.

**Graph no 3.4**

117 responses



- High school diploma or equivalent
- Bachelor's degree
- Master's degree
- Doctoral degree
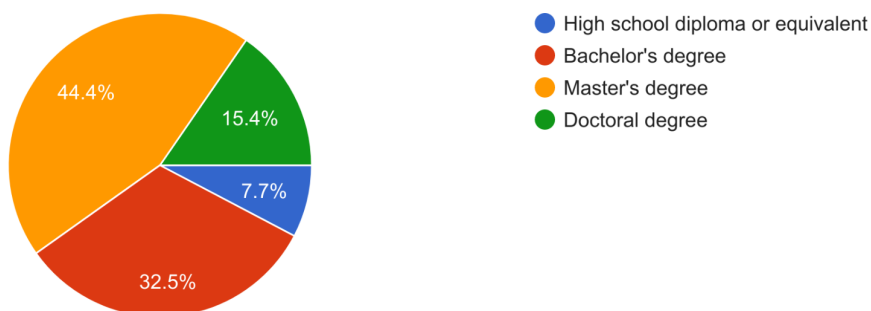
**Annual household income of the respondents**

Annual household income of the respondents are analysed and the results are presented in Table no.3.5
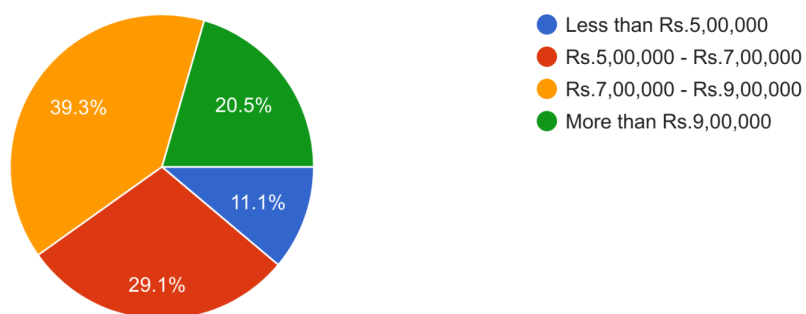
**Table no.3.5**

| Sl No. | Annual household income | Frequency | Percentage |
|---|---|---|---|
| 1 | Less than Rs.5,00,000 | 13 | 11.1 |
| 2 | Rs.5,00,000 - Rs.7,00,000 | 34 | 29.1 |
| 3 | Rs.7,00,000 - Rs.9,00,000 | 46 | 39.3 |
| 4 | More than Rs.9,00,000 | 24 | 20.5 |
| | Total | 117 | 100 |

Among the respondents majority of them have their annual household income levels in between Rs.7,00,000 - Rs.9,00,000 i.e. 39.3% which is high when compared to other income level group which comes up to 29.1% in Rs.5,00,000 - Rs.7,00,000 and 20.5% in more than Rs.9,00,000. This clearly states that we can expect people with higher household income preferring to invest.

**Graph no 3.5**

117 responses



- Less than Rs.5,00,000
- Rs.5,00,000 - Rs.7,00,000
- Rs.7,00,000 - Rs.9,00,000
- More than Rs.9,00,000

**Investment plan of the respondents**

Investment plan of the respondents are analysed and the results are presented in Table no.3.6

**Table no 3.6**

| Sl No. | Investment plan | Frequency | Percentage |
|--------|-----------------|-----------|------------|
| 1 | To build a corpus for retirement | 22 | 18.8 |
| 2 | To save for children education/marriage | 15 | 12.8 |
| 3 | To provide for medical emergency | 21 | 17.9 |
| 4 | To provide family financial security | 24 | 20.5 |
| 5 | To create wealth | 14 | 12 |

| | | | |
|---|---|---|---|
| **6** | All of the above | 21 | 17.9 |
| | **Total** | 117 | 100 |

From the table, the majority of people (24, 20.5%) stated that they were investing to provide family financial security. One of the popular investment plans was saving for children's education/marriage (12.8%), followed by investing for medical emergencies (21, 17.9%).

Investing for building a corpus for retirement was also an important investment plan, with 22 people (18.8%) selecting it. A considerable number of people (14, 12%) stated that they were investing to create wealth.

Finally, 21 people (17.9%) selected the option "All of the above." This suggests that some people are investing in multiple areas, rather than just one specific plan. Overall, the survey highlights the importance of investing for retirement, education, and emergency situations, as well as creating financial security for one's family.

**Graph no 3.6**



117 responses
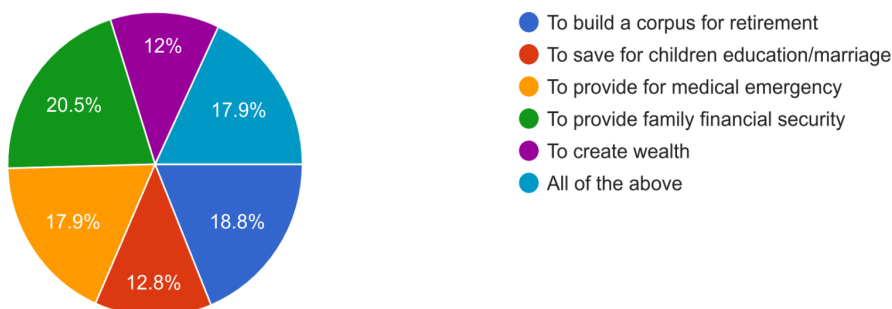
**Investment option chosen by the respondents**

Investment option chosen by the respondents are analysed and the results are presented in Table no.3.7

**Table no.3.7**

| Sl No. | Investment option | Frequency | Percentage |
|---|---|---|---|

| | | | |
|---|---|---|---|
| 1 | Gold ETF | 12 | 10.3 |
| 2 | Fixed Deposits | 20 | 17.1 |
| 3 | Mutual funds | 70 | 59.8 |
| 4 | Real estate | 15 | 12.8 |
| | **Total** | 117 | 100 |

**Source : Primary Data**

From the table, it could be interpreted that the majority of the investors preferred mutual funds (59.8%) as their investment option. Fixed deposits and real estate were the next popular options with 17.1% and 12.8% respectively. Gold ETF was the least preferred option with only 10.3% of investors choosing this option. It should be noted that the preferences of this group of investors may not be representative of the preferences of all investors.

**Graph no 3.7**

117 responses
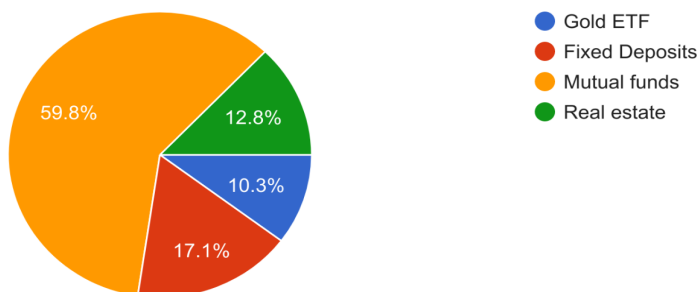


**Risk status chosen by the respondents for the investment option**

Risk status chosen by the respondents for the investment option are analysed and the results are presented in Table no.3.8

**Table no 3.8**

| Sl No. | Risk status | Frequency of Low risk | Frequency of Suitable for Long term | Frequency of Higher returns |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| **1** | Gold ETF | 19 | 32 | 15 |
| **2** | Fixed Deposits | 14 | 15 | 8 |
| **3** | Mutual funds | 69 | 60 | 76 |
| **4** | Real estate | 15 | 10 | 18 |
| | **Total** | 117 | 117 | 117 |

**Source : Primary Data**

The results indicate that the majority of participants perceived mutual funds as a suitable investment option for long-term investment (60 out of 117), having higher returns (76 out of 117), and a low-risk investment option (69 out of 117). This suggests that mutual funds are considered a preferred investment option by participants in terms of long-term investment and potential returns.

Gold ETFs are also considered a suitable investment option for long-term investment (32 out of 117) and a low-risk investment option (19 out of 117), but with fewer participants perceiving it as having higher returns (15 out of 117).

On the other hand, Fixed Deposits are perceived by fewer participants as suitable for long-term investment (15 out of 117), having higher returns (8 out of 117), and a low-risk investment option (14 out of 117).

Real Estate is considered a low-risk investment option (18 out of 117) and a suitable investment option for long-term investment (10 out of 117) but with fewer participants perceiving it as having higher returns (15 out of 117).

Overall, the results suggest that mutual funds are perceived as a preferred investment option by participants, with a higher proportion of participants perceiving it as suitable for long-term investment, having higher returns, and a low-risk investment option compared to other investment options.

**Graph no 3.8**
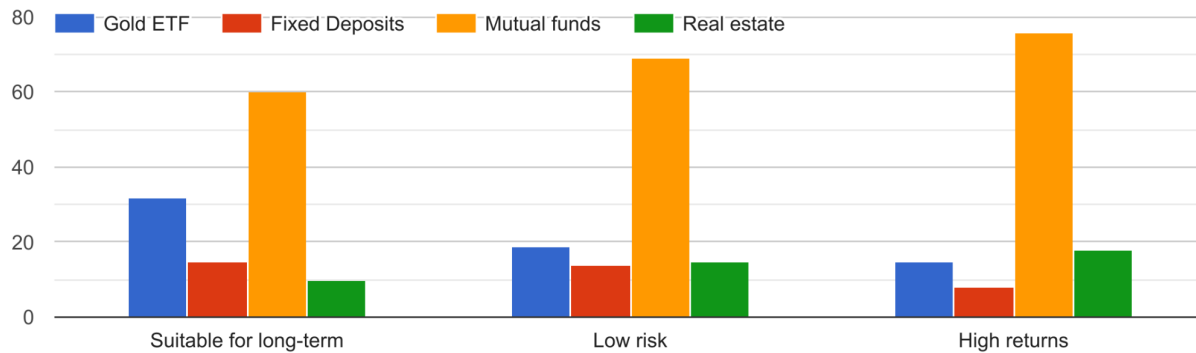
**How respondents heard about Mutual Funds**

How respondents heard about Mutual Funds are analysed and the results are presented in Table no 3.9

**Table no 3.9**

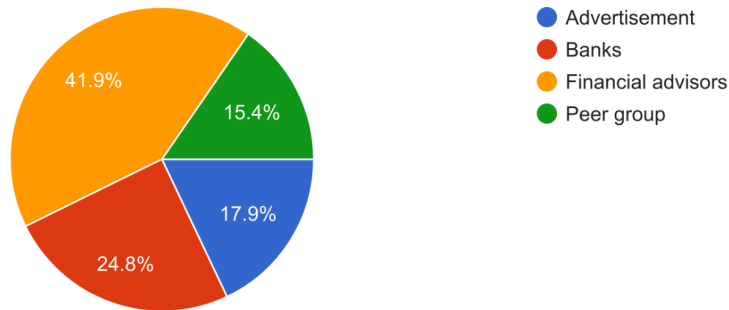| Sl No. | Source | Frequency | Percentage |
|--------|--------|-----------|------------|
| 1 | Advertisement | 21 | 17.9 |
| 2 | Banks | 29 | 24.8 |
| 3 | Financial advisors | 49 | 41.9 |
| 4 | Peer group | 18 | 15.4 |
| | **Total** | 117 | 100 |

**Source : Primary Data**

Financial advisors were the most commonly used source, with 49 individuals representing 41.9% of the sample. Banks were the second most commonly used source, with 29 individuals representing 24.8%. Advertising was the least commonly used source, with 21 individuals representing only 17.9%. Peer groups were also a relatively low source of financial advice, with only 18 individuals representing 15.4%. Overall, the majority of individuals prefer to seek financial advice from professional sources such as financial advisors and banks rather than relying on peer groups or advertising.

**Graph no 3.9**

**Features chosen by respondents about Mutual Funds**

Features chosen by respondents about Mutual Funds are analysed and the results are presented in Table no 3.10

**Table no 3.10**

| Sl No. | Features | Frequency | Percentage |
|:---:|:---:|:---:|:---:|
| 1 | Diversification | 38 | 32.5 |
| 2 | Better return and safety | 32 | 27.4 |
| 3 | Reduction in risk and transaction cost | 42 | 35.9 |
| 4 | Regular income | 31 | 26.5 |
| 5 | Tax benefit | 20 | 17.1 |

**Source : Primary Data**

The most commonly chosen feature is diversification, selected by 38 respondents or 32.5%. This suggests that investors prefer mutual funds that offer a broad range of investments to minimize risk. The second most chosen feature is better return and safety, chosen by 32 respondents or 27.4%. This indicates that investors look for mutual funds that offer a combination of high returns and safety of their investments.

Reduction in risk and transaction cost is also a popular feature, selected by 42 respondents or 35.9%. This suggests that investors prefer mutual funds that allow them to reduce their risk exposure

while minimizing transaction costs. Regular income is selected by 31 respondents or 26.5%, indicating that some investors prefer mutual funds that provide regular income streams.

Lastly, tax benefits are chosen by 20 respondents or 17.1%. This indicates that some investors consider tax benefits when choosing mutual funds.

Overall, the interpretation of the data suggests that investors consider a range of features when choosing mutual funds, with diversification, better return and safety, and reduction in risk and transaction costs being the most preferred features.

**Graph no 3.10**



117 responses
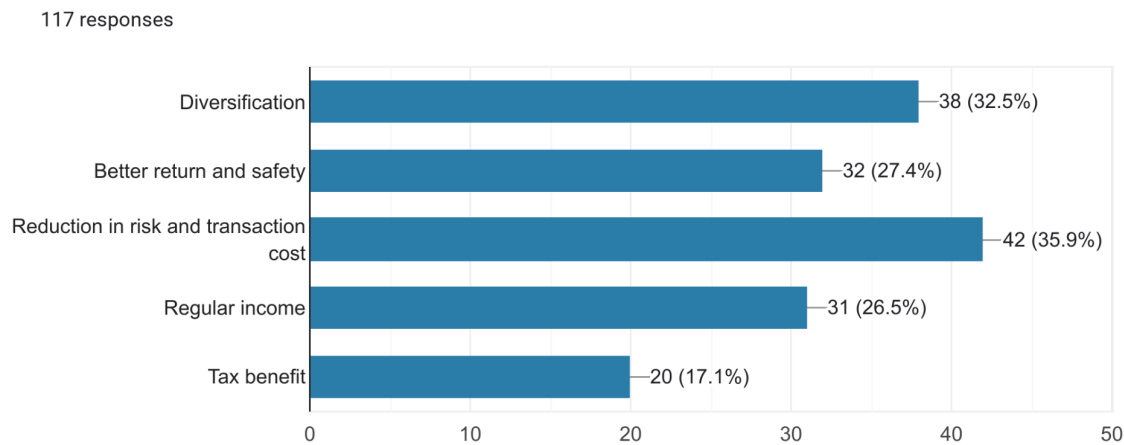
**Preferable Channel of the respondents**

Preferable Channel of the respondents are analysed and the results are presented in Table no 3.11

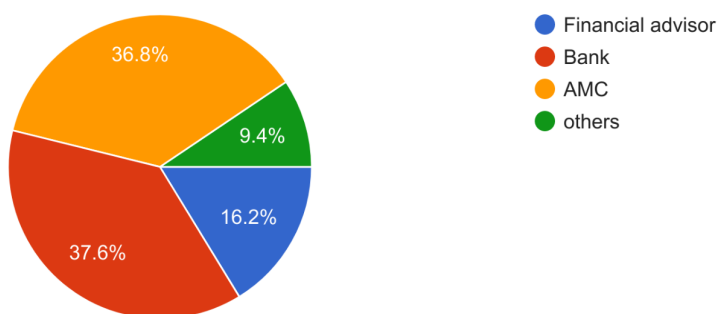**Table no 3.11**

| Sl No. | Channel | Frequency | Percentage |
|--------|---------|-----------|------------|
| 1 | Financial advisor | 19 | 16.2 |
| 2 | Bank | 44 | 37.6 |
| 3 | AMC | 43 | 36.8 |
| 4 | Others | 11 | 9.4 |
| | **Total** | 117 | 100 |

Out of the total customers, 37.6% prefer to visit a bank for financial advice, followed by 36.8% preferring an AMC (Asset Management Company) for advice. A financial advisor is the preferred choice for 16.2% of customers, while the remaining 9.4% choose other sources for financial advice.

**Graph no 3.11**

117 responses



- Financial advisor
- Bank
- AMC
- others

**Types of Mutual funds chosen by respondents**

Types of Mutual funds chosen by respondents are analysed and the results are presented in Table no.3.12

**Table no 3.12**

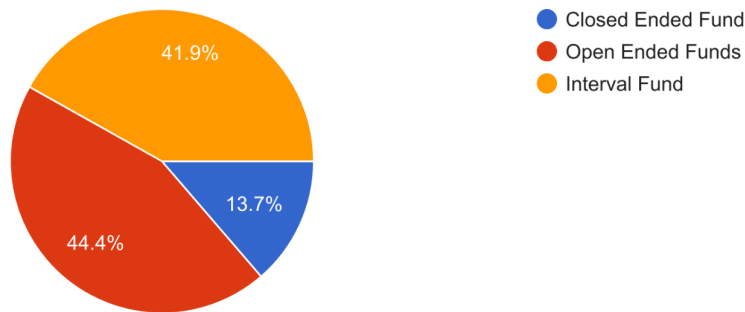| Sl No. | Types of Mutual funds | Frequency | Percentage |
|--------|----------------------|-----------|------------|
| 1 | Closed Ended Fund | 16 | 13.7 |
| 2 | Open Ended Funds | 52 | 44.4 |
| 3 | Interval Fund | 49 | 41.9 |
| | **Total** | 117 | 100 |

Open ended funds have the highest percentage, representing 52 out of 117 funds or 44.4% of the overall percentage. Interval funds come in second, representing 49 out of 117 funds or 41.9% of the total. Closed ended funds represent 16 out of a total of 117 funds, which is equivalent to 13.7% of

the total. This shows that the investors want to diversify their portfolio by investing in different types of mutual funds. It provides a snapshot of the current market distribution of mutual fund types in terms of both frequency and percentage. This information states that the investors make informed decisions about which mutual funds to invest in based on their investment objectives and risk tolerance.

**Graph no 3.12**

117 responses



Legend:
- Closed Ended Fund
- Open Ended Funds
- Interval Fund

Pie chart values: 41.9%, 13.7%, 44.4%

**Types of Mutual funds chosen by the respondents**

Types of Mutual funds chosen by the respondents are analysed and the results are presented in Table no 3.13

**Table no 3.13**

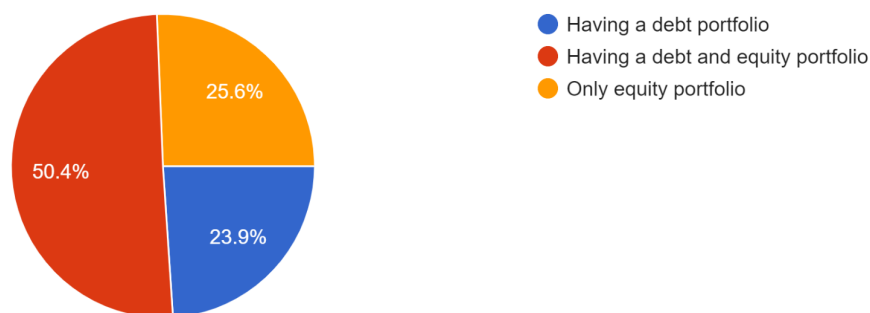| Sl No. | Type | Frequency | Percentage |
|--------|------|-----------|------------|
| 1 | Having a debt portfolio | 28 | 23.9 |
| 2 | Having a debt and equity portfolio | 59 | 50.4 |
| 3 | Only equity portfolio | 30 | 25.6 |
| | **Total** | 117 | 100 |

**Source : Primary Data**

According to the data, 23.9% of respondents have a debt portfolio, while 50.4% reported having both debt and equity investments. 25.6% of participants only have equity investments.

The interpretation of the data suggests that a majority of investors prefer a mix of debt and equity investments, possibly as a way to balance risk and returns. However, a significant number of respondents (nearly a quarter) prefer investing only in debt. A smaller percentage (25.6%) invest only in equity, possibly indicating a higher risk tolerance or preference for potential higher returns.

**Graph no 3.13**

117 responses



● Having a debt portfolio
● Having a debt and equity portfolio
● Only equity portfolio

**Preferable sector chosen by the respondents**

Preferable sector chosen by the respondents are analysed and the results are presented in Table no 3.14

**Table no 3.14**

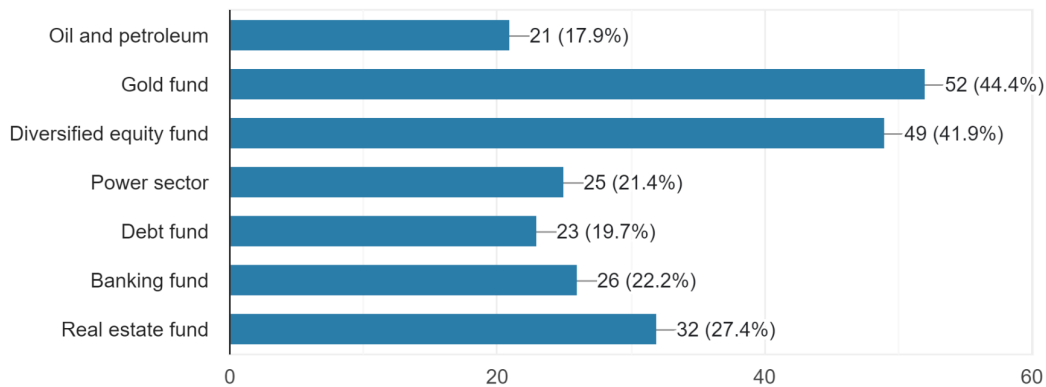| Sl No. | Sector | Frequency | Percentage |
|--------|--------|-----------|------------|
| 1 | Oil and petroleum | 21 | 17.9 |
| 2 | Gold fund | 52 | 44.4 |
| 3 | Diversified equity fund | 49 | 41.9 |
| 4 | Power sector | 25 | 21.4 |
| 5 | Debt fund | 23 | 19.7 |
| 6 | Banking fund | 26 | 22.2 |
| 7 | Real estate fund | 32 | 27.4 |

**Source : Primary Data**

Out of the seven sectors listed, the highest percentage of respondents (44.4%) chose the gold fund, followed closely by the diversified equity fund at 41.9%. The oil and petroleum sector was chosen by 17.9% of respondents, while the power sector, debt fund, banking fund, and real estate fund were chosen by 21.4%, 19.7%, 22.2%, and 27.4% of respondents, respectively.

Overall, the survey indicates that the majority of respondents preferred investing in stocks or funds related to gold, equity, and banking sectors, while the least popular sectors were oil and petroleum and debt funds. Using this, we can observe the investor trends and preferences on sectors related to Mutual funds.

**Graph no 3.14**

117 responses

| Sector | Responses |
|--------|-----------|
| Oil and petroleum | 21 (17.9%) |
| Gold fund | 52 (44.4%) |
| Diversified equity fund | 49 (41.9%) |
| Power sector | 25 (21.4%) |
| Debt fund | 23 (19.7%) |
| Banking fund | 26 (22.2%) |
| Real estate fund | 32 (27.4%) |

**Type of Mutual Fund plan chosen by the respondents**

Type of Mutual Fund plan chosen by the respondents are analysed and the results are presented in Table no 3.15

**Table no 3.15**

| Sl No. | Type of Mutual Fund plan | Frequency | Percentage |
|--------|--------------------------|-----------|------------|
| 1 | SIP (systematic investment plan) | 61 | 52.1 |
| 2 | Lump sum | 33 | 28.2 |

| | | | |
|---|---|---|---|
| 3 | Depends on the financial condition | 36 | 30.8 |
| | **Total** | 117 | 100 |

Out of 117 respondents, the majority (52.1%) preferred to invest in mutual funds through the systematic investment plan (SIP). 28.2% of the respondents chose to invest through the lump sum method. 30.8% of the respondents stated that their choice of mutual fund plan depended on their financial condition.

The data suggests that investors prefer to invest in mutual funds through SIPs, which is a systematic and disciplined approach to investing. This method allows investors to invest a fixed amount at regular intervals, thereby reducing the impact of market fluctuations on their investments. The lump sum method, on the other hand, involves investing a large amount of money at once, which can be risky in a volatile market.

The fact that one-third of the respondents stated that their choice of mutual fund plan depends on their financial condition indicates that investors are aware of their financial limitations and prefer to invest accordingly. This suggests that investors are taking a cautious approach to investing in mutual funds and are mindful of their financial goals and constraints.

**Graph no 3.15**

117 responses
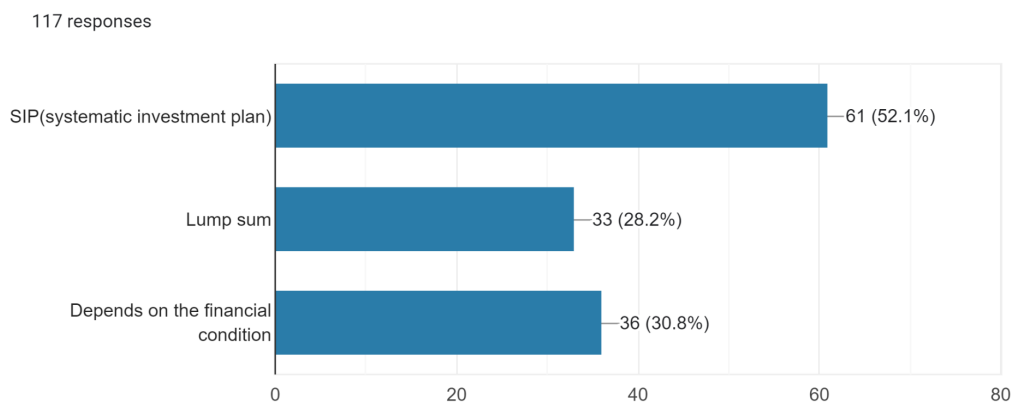


**Reputation of a mutual fund company chosen by respondents**

Reputation of a mutual fund company chosen by respondents are analysed and the results are presented in Table no 3.16
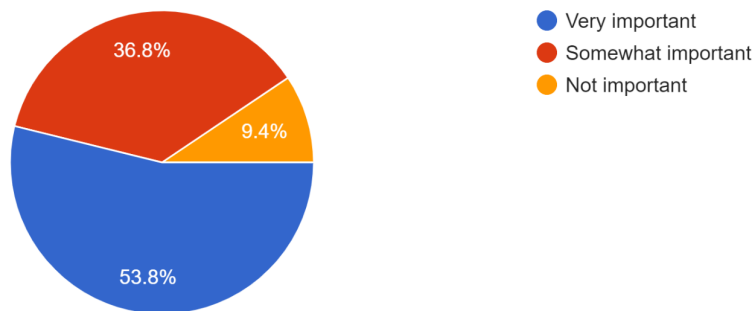
**Table no 3.16**

| Sl No. | Reputation | Frequency | Percentage |
|--------|-----------|-----------|------------|
| 1 | Very important | 63 | 53.8 |
| 2 | Somewhat important | 43 | 36.8 |
| 3 | Not important | 11 | 9.4 |
| | **Total** | 117 | 100 |

**Source : Primary Data**

It shows the responses of the respondents about the importance of the reputation of a mutual fund company. Out of the total 117 respondents, 63 (53.8%) considered the reputation of a mutual fund company as very important, 43 (36.8%) considered it somewhat important, and only 11 (9.4%) considered it not important. This indicates that a majority of the respondents value the reputation of a mutual fund company and consider it important when choosing a mutual fund to invest in.

**Graph no. 3.16**

117 responses



**Importance of Past performance of MF Company chosen by respondents**

Importance of Past performance of MF Company chosen by respondents are analysed and the results are presented in Table no 3.17

**Table no 3.17**

| Sl No. | Past Performance | Frequency | Percentage |
|--------|-----------------|-----------|------------|

| | | | |
|---|---|---|---|
| 1 | Very important | 63 | 53.8 |
| 2 | Somewhat important | 44 | 37.6 |
| 3 | Not important | 10 | 8.6 |
| | **Total** | 117 | 100 |

Out of 117 respondents, 63 (53.8%) considered past performance to be very important, 44 (37.6%) considered it to be somewhat important, and 10 (8.6%) did not find it important.

This indicates that a majority of the respondents place high importance on the past performance of the MF companies before investing their money. This implies that a MF company with a good track record and consistent returns is likely to attract more investors.

Overall, understanding the importance of past performance can help investors make informed decisions while investing in mutual funds.

**Graph no 3.17**

117 responses
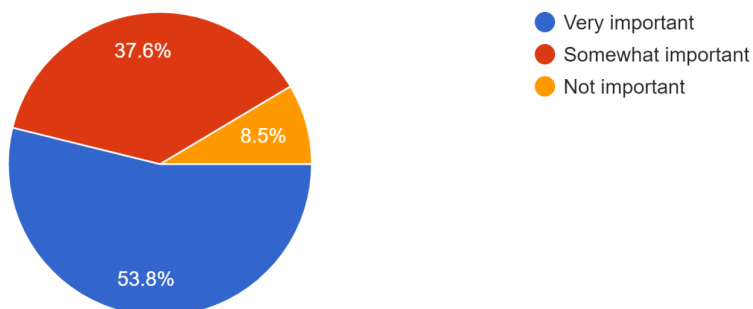


**Understanding Respondents' view on Mutual Funds**

**based on two statements provided**

Understanding Respondents' view on Mutual Funds

based on two statements provided are analysed and the results are presented in Table no 3.18

**Table no 3.18**

| | | Statement | |
|---|---|---|---|
| **Sl No.** | **Options** | | |

| | | Total Transparency | Information is easily available |
|---|---|---|---|
| 1 | Highly Agree | 56 | 57 |
| 2 | Agree | 45 | 25 |
| 3 | Disagree | 6 | 24 |
| 4 | Strongly Disagree | 10 | 11 |
| | **Total** | 117 | 117 |

**Source : Primary Data**

The responses of 117 respondents on the total transparency of mutual funds, with options ranging from highly agree to strongly disagree. The statements provided were "Information is easily available" and "Total Transparency".

Around 56 to 57 respondents highly agreed with both statements, indicating that they believe mutual funds provide easy access to information and total transparency, which is essential for making informed investment decisions. 45 respondents agreed that the MF providers should have total transparency and 25 agreed that they believe information on mutual funds is generally available but not as easily accessible as it could be.

Only 24 respondents disagreed and 11 strongly disagreed with the statement, indicating that they believe mutual funds do not provide enough information. This may suggest a lack of trust in the investment vehicle or a lack of understanding of the available information. 6 respondents disagreed and 10 strongly disagreed with the statement, indicating a significant lack of transparency in mutual funds is unfair to invest in Mutual Funds.

Overall, the majority of respondents expressed agreement with the statement that information on mutual funds is easily available and should be completely transparent, which suggests a positive perception of mutual funds as an investment option. However, a minority of respondents expressed skepticism or lack of trust in the information provided, highlighting the need for increased transparency and accessibility of information regarding mutual funds.

**Graph no 3.18**
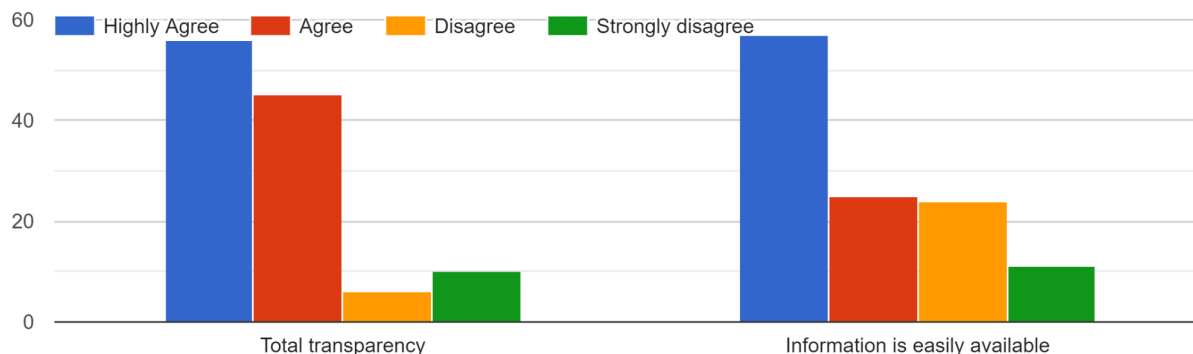
**Knowing about the term of respondents' investment of Mutual Funds**

Knowing about the term of respondents' investment of Mutual Funds are analysed and the results are presented in Table no 3.19
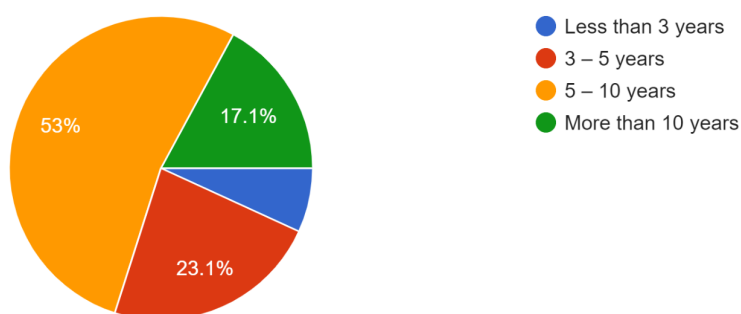
**Table no 3.19**

| Sl No. | Year | Frequency | Percentage |
|--------|------|-----------|------------|
| 1 | Less than 3 years | 8 | 6.8 |
| 2 | 3 – 5 years | 27 | 23.1 |
| 3 | 5 – 10 years | 62 | 53 |
| 4 | More than 10 years | 20 | 17.1 |
| | **Total** | 117 | 100 |

**Source : Primary Data**

Out of 117 respondents, 6.8% invested for less than 3 years, 23.1% invested for 3-5 years, 53% invested for 5-10 years, and 17.1% invested for more than 10 years. The highest percentage of respondents (53%) invested for 5-10 years, while the lowest percentage (6.8%) invested for less than 3 years. This suggests that most investors tend to hold onto their Mutual Fund investments for a longer time frame.

## Graph no 3.19

117 responses



- ● Less than 3 years
- ● 3 – 5 years
- ● 5 – 10 years
- ● More than 10 years

**Review of Investments**

Review of Investments are analysed and the results are presented in Table no 3.20

**Table no 3.20**

| Sl No. | Period | Frequency | Percentage |
|--------|--------|-----------|------------|
| 1 | Weekly | 10 | 8.5 |
| 2 | Monthly | 53 | 45.3 |
| 3 | Quarterly | 43 | 36.8 |
| 4 | Annually | 11 | 9.4 |
|  | **Total** | 117 | 100 |

**Source : Primary Data**

The majority of respondents, accounting for 45.3%, review their investments on a monthly basis, while 36.8% review them quarterly. Only 8.5% of respondents review their investments on a weekly basis, and 9.4% review them annually. This information can be useful for investment firms and mutual fund companies to plan their investor communication and provide information updates according to their preferred review periods. For instance, since a significant portion of respondents review their investments monthly or quarterly, mutual fund companies may consider providing monthly or quarterly reports to keep their investors updated on their investment performance.

**Graph no 4.20**

| | |
|---|---|
| ● | Weekly |
| ● | Monthly |
| ● | Quarterly |
| ● | Annually |

36.8%

9.4%

8.5%

45.3%
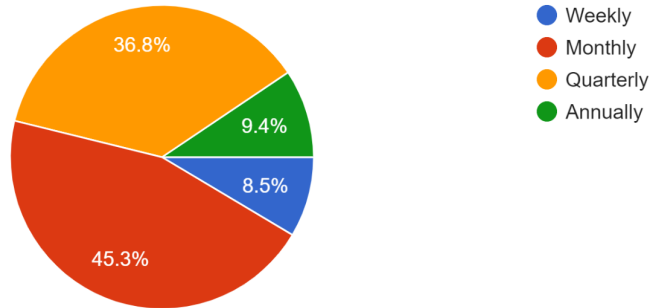
**Understanding whether respondents are satisfied with their holdings**

Understanding whether respondents are satisfied with their holdings are analysed and the results are presented in Table no 3.21
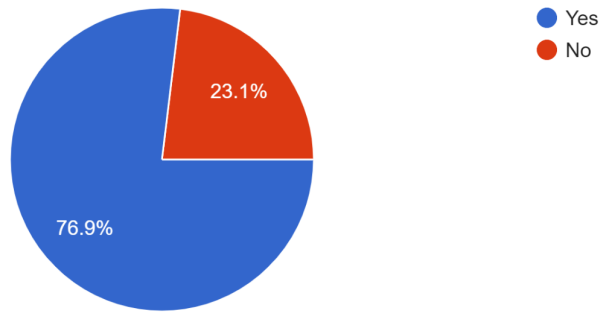
**Table no 3.21**

| Sl No. | Options | Frequency | Percentage |
|--------|---------|-----------|------------|
| 1 | Yes | 90 | 76.9 |
| 2 | No | 27 | 23.1 |
| | **Total** | 117 | 100 |

**Source : Primary Data**

Out of the 117 respondents, 76.9% (90) expressed their satisfaction with their holdings, while the remaining 23.1% (27) were not satisfied. This suggests that a majority of the respondents were content with their investments, which could indicate that they have chosen investment options that align with their financial goals and risk preferences. However, further analysis is required to understand the reasons for dissatisfaction among the remaining respondents and whether any specific factors influenced their investment decisions.

**Graph no 3.21**

117 responses



**Preferred channel of returns every year**

Preferred channel of returns every year are analysed and the results are presented in Table no 3.22
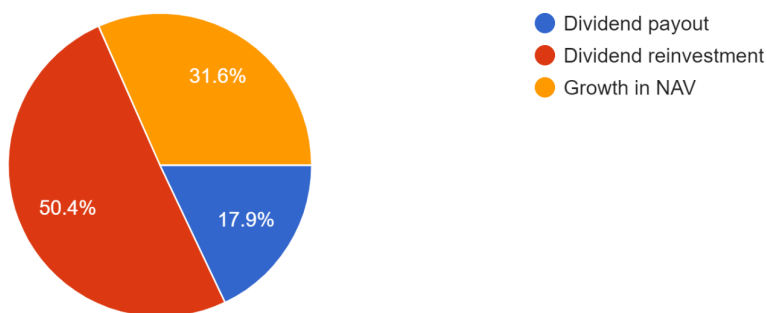
**Table no 3.22**

| Sl No. | Channels | Frequency | Percentage |
|--------|----------|-----------|------------|
| 1 | Dividend payout | 21 | 17.9 |
| 2 | Dividend reinvestment | 59 | 50.4 |
| 3 | Growth in NAV | 37 | 31.6 |
| | Total | 117 | 100 |

**Source : Primary Data**

Out of the 117 respondents, 21 (17.9%) preferred dividend payout, 59 (50.4%) preferred dividend reinvestment, and 37 (31.6%) preferred growth in NAV. The majority of respondents preferred dividend reinvestment as their preferred channel of returns, followed by growth in NAV. This indicates that most investors prefer to reinvest their earnings back into the mutual fund to maximize their returns over time. The preference for dividend payout was relatively low, which suggests that investors are more focused on long-term capital appreciation rather than short-term income generation.

**Graph no 3.22**

● Dividend payout
● Dividend reinvestment
● Growth in NAV

**Percentage of returns expected by the respondents**

Percentage of returns expected by the respondents are analysed and the results are presented in Table no 3.23
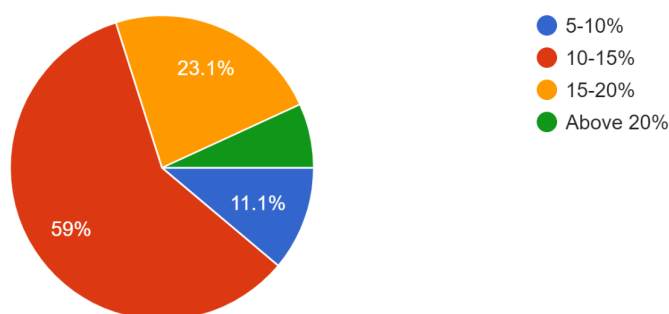
**Table no 3.23**

| Sl No. | Options | Frequency | Percentage |
|--------|---------|-----------|------------|
| 1 | 5-10% | 13 | 11.1 |
| 2 | 10-15% | 69 | 59 |
| 3 | 15-20% | 27 | 23.1 |
| 4 | Above 20% | 8 | 6.8 |
| | **Total** | 117 | 100 |

**Source : Primary Data**

Out of 117 respondents, 11.1% expect returns between 5-10%, while the majority of 59% expect returns between 10-15%. 23.1% of the respondents expect returns between 15-20%, while only 6.8% of the respondents expect returns above 20%. This information is important for investment companies and advisors to understand the expectations of potential investors and to offer investment options that meet their expectations.

**Graph no 3.23**

117 responses



Legend:
- 5-10%
- 10-15%
- 15-20%
- Above 20%

Pie chart values: 23.1%, 11.1%, 59%

**Behaviour of respondents when return is less than expectation**

Behaviour of respondents when return is less than expectation are analysed and the results are presented in Table no 3.24

**Table no 3.24**

| Sl No. | Income status | Frequency | Percentage |
|--------|---------------|-----------|------------|
| 1 | Prompt withdrawal | 8 | 6.8 |
| 2 | Hold up for few days | 35 | 29.9 |
| 3 | Purchase other mutual fund schemes | 32 | 27.4 |
| 4 | Wait for few months | 42 | 35.9 |
| | **Total** | 117 | 100 |

**Source : Primary Data**

From the overall respondents, 6.8% chose to withdraw their investment immediately upon realizing the lower return. 29.9% decided to hold up for a few days, indicating that they were monitoring the situation before taking any action.

27.4% of the respondents chose to purchase other mutual fund schemes instead of continuing with the one that gave lower returns. This shows that they have a low level of loyalty towards a particular mutual fund and are willing to explore other options.

The majority of the respondents, 35.9%, decided to wait for a few months before taking any action. This indicates that they are in for the long-term and believe that their investment will pick up in the future.

Overall, it is proved that investors have various coping mechanisms in response to a lower return on their mutual fund investment. However, the majority chose to wait and observe before making any hasty decisions.

**Graph no 3.24**



117 responses

- Prompt withdrawal
- Hold up for few days
- Purchase other mutual fund schemes
- Wait for few months
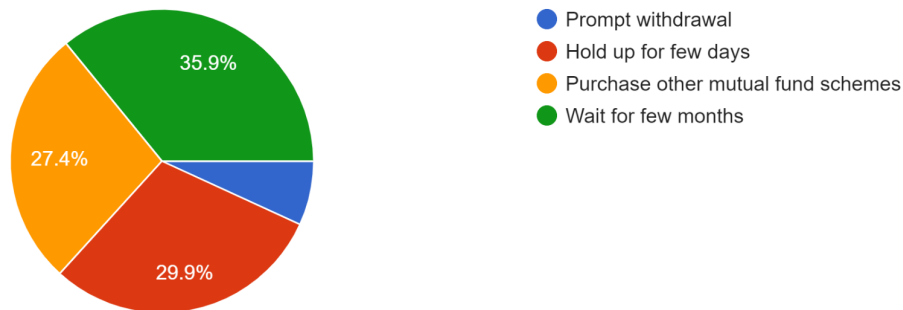
**Knowing whether Mutual Fund Investment is good**

Knowing whether Mutual Fund Investment is good are analysed and the results are presented in Table no 3.25

**Table no 3.25**

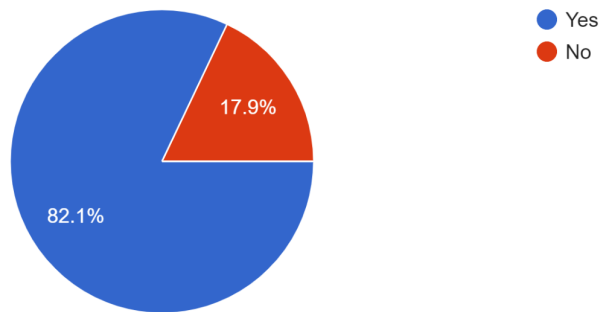| Sl No. | Status | Frequency | Percentage |
|--------|--------|-----------|------------|
| 1 | Yes | 96 | 82.1 |
| 2 | No | 21 | 17.9 |
| | **Total** | 117 | 100 |

**Source : Primary Data**

The data provided is to determine people's perception of whether mutual fund investment is good or not. Out of 117 respondents, 96 or 82.1% of them believed that mutual fund investment is good while 21 or 17.9% of the respondents believed otherwise.

The interpretation of this data suggests that the majority of people who participated in the survey have a positive view of mutual fund investment. This indicates that mutual fund investment is considered a viable and attractive investment option among the respondents. However, it is important to note that this data is based on a small sample size and may not reflect the views of the entire population.

**Graph no 3.25**

117 responses



**Respondents' view on the risk that affects Mutual Funds**

Respondents' view on the risk that affects Mutual Funds are analysed and the results are presented in Table no 3.26

**Table no 3.26**

| Sl No. | Type of risk | Frequency | Percentage |
|--------|--------------|-----------|------------|
| 1 | Systematic Risk | 56 | 47.9 |
| 2 | Unsystematic Risk | 61 | 52.1 |
| | **Total** | 117 | 100 |

**Source : Primary Data**

Out of the 117 respondents, 47.9% believe that systematic risk affects mutual funds, while 52.1% believe that unsystematic risk affects mutual funds. Systematic risk is the risk that affects the entire market, while unsystematic risk is specific to a particular company or industry. The results suggest that respondents are aware of the different types of risks that can affect mutual funds and have different opinions on which risks are more significant. This information can be useful for

mutual fund managers to understand the risk perception of investors and tailor their investment strategies accordingly.

**Graph no 3.26**

117 responses



- Systematic Risk
- Unsystematic Risk

52.1%

47.9%
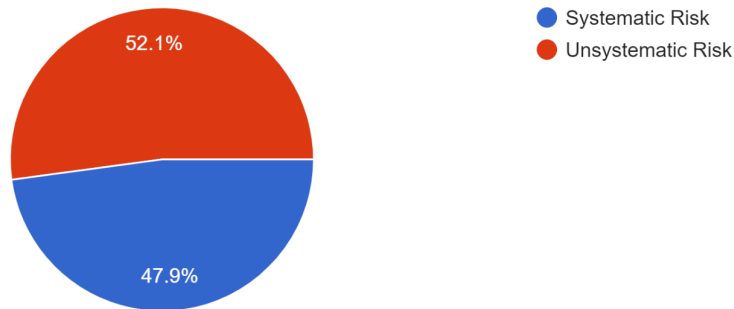
## 3.3 APPENDIX

### Questionnaire

1. What is your age?
2. What is your gender?
3. What is your current employment status?
4. What is your highest level of education completed?
5. What is your annual household income?
6. For what purpose have you planned to invest?
7. Which Investment option will you choose for investing your funds?
8. Based on the following statements, which investment option will you prefer?
   - Gold ETF
   - Fixed Deposits
   - Mutual funds
   - Real estate
   ➢ Suitable for long-term
   ➢ Low risk
   ➢ High returns
9. How did you come to know about mutual funds?
10. Which feature of the Mutual Fund captured your attention to invest in it?
11. Which is your Preferable channel while investing in mutual funds?

12. Which form of MF do you prefer?

13. Type of mutual fund that will be chosen

14. Which is your preferable sector while investing in Mutual Funds?

15. Which type of Mutual Fund plan do you prefer?

16. How important is the reputation of a mutual fund company when choosing to invest in a mutual fund?

17. How important is the past performance of a mutual fund when choosing a mutual fund?

18. Based on the following statements select the preferable option that is suitable for Mutual Fund

- Total transparency
- Information is easily available

19. How long do you prefer to invest in Mutual Funds?

20. How often do you review your investments?

21. Are you satisfied with your present holdings?

22. Preferred channel of returns every year

23. Percentage of returns expected

24. If the return from your mutual fund investment is less than you expected, what will you do?

25. Do you think that mutual fund investment is a good investment vehicle for small investors to participate in the capital market?

26. What do you think, which risks usually affect Mutual Funds?*

- Systematic risk is the risks inherent to the entire market segment as interest rates.
- Unsystematic risks are specific risks as NEWS that affects specific stock.

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UNIT IV

## SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

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This chapter deals with the major findings, suggestions and conclusions based on the analysis that was made and also the reasons were discussed.

### 5.1 FINDINGS OF THE STUDY

1. First, we find out that the majority of the investors fall into the income bracket of Rs. 700000 to 900000 per annum.

2. The majority of respondents were found to be employed, self-employed or part-time employed.

3. By many investors a mutual fund is preferred because of its lower risk and transaction cost feature.

4. Financial advisors have played an important role in educating people about mutual funds when compared to any other channel.

5. Most of the people who have opted to invest have primarily invested in the intention to provide family financial security and also for other plans.

6. Investors agreed that the complete transparency and ease of available information from the MF providers give confidence for the investors to invest in Mutual Funds.

7. The investors usually prefer investing at once i.e. lump sum than SIP. SIP was the preferred mode of investment for a majority of respondents.

8. The most common frequency of investment was found to be monthly, with a significant proportion of respondents investing quarterly as well.

9. Investors feel that being safe is the right way and have chosen banks to be the safe place to invest.

10. The perception of mutual funds for the respondents is that it is investing in a mutually co operative group.

11. Investors are not into risk taking hence they have chosen both debt and equity portfolios.

12. We find out that when it comes to receiving the returns on investment everyone invested chooses to save or gain more money.

13. Respondents had a positive view of mutual funds, with the majority stating that they were satisfied with their holdings.

14. Dividend reinvestment was found to be the preferred channel of returns every year, followed by growth in NAV and dividend payout.

15. Diversified equity funds, gold funds, and more are preferred.

16. The investors preferred investing in stocks or funds related to gold, equity, and banking sectors than any other sectors.

17. The reputation of the Mutual fund company that they are investing in and its past performance are considered very important among the respondents.

18. Majority loved to invest in an average timeframe of 5-10 years rather than expecting a longer or shorter timeframe.

19. The study also found that respondents expected returns in the range of 10-15%, with a minority expecting higher returns.

20. Overall, the findings suggest that mutual funds are a popular and satisfactory investment option for a majority of respondents and that they are aware of the risks associated with the perks.

## 5.2 SUGGESTIONS/RECOMMENDATIONS:

1. Awareness on mutual funds is very much required.

2. Proper practice of viewing the market is needed to be shown to many of the new investors.

3. More attractive schemes introduced in the market to the people would be very beneficial.

4. The most vital problem spotted is ignorance. Investors should be made aware of the benefits. Nobody will invest until and unless he is fully convinced. Investors should be made to realize that ignorance is no longer bliss and what they are losing by not investing.

5. Mutual Fund Company needs to give the training of the Individual Financial Advisors about the Fund/Scheme and its objective, because they are the main source to influence the investors.

6. Younger people aged under 35 will be a key new customer group into the future, so making greater efforts with younger customers who show some interest in investing should pay off.

7. Customers with graduate level education are easier to sell to and there is a large untapped market there. To succeed however, advisors must provide sound advice and high quality.

8. Systematic Investment Plan (SIP) is one the innovative products launched by Assets Management companies very recently in the industry. SIP is easy for a monthly salaried person as it provides the facility to do the investment in EMI. Though most of the prospects and potential investors are not aware about the SIP. There is a large scope for the companies to tap the salaried persons.

**5.3 CONCLUSION**

Running a successful Mutual Fund requires complete understanding of the peculiarities of the Indian Stock Market and also the psyche of the small investors. This study has made an attempt to understand the financial behavior of Mutual Fund investors in connection with the preferences of Brand (AMC), Products, Channels etc. I observed that many people have a fear of Mutual Funds. They think their money will not be secure in Mutual Funds. They need the knowledge of Mutual Fund and its related terms. Many people do not have invested in mutual funds due to lack of awareness although they have money to invest. As the awareness and income is growing the number of mutual fund investors are also growing.

"Brand" plays an important role for the investment. People invest in those Companies where they have faith or they are well known with them. There are many AMCs but only some are performing well due to Brand reputation. Some AMCs are not performing well although some of the schemes are giving good returns because of not awareness about Brand. Reliance, UTI, SBIMF, ICICI Prudential etc. are well known brands, they are performing well and their Assets Under Management is larger than others whose Brand names are not well known like Principle, Sunderam, etc.

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