



A

Project Report On

**“A Study of Investors Preference about Mutual
Fund with Special Reference to SBI Mutual Fund”**

**In Partial Requirement for the Award Of
Master Degree in Commerce**

Submitted By

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Under The Guidance Of

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(M.Com., M.Phil , SET , NET , Ph.D)

To,

The Principal,

Anekant Education Society's

Tuljaram Chaturchand College Of Arts, Science and Commerce,

Baramati (Autonomous)

Dist.: Pune

Academic Year 2022-2023

Affiliated To,

Savitribai Phule Pune University, Pune.



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Certificate

This is to certify that Mr./Mrs. Agarwal Govind Rajesh
Class M.com (II) Semester IV Division A has successfully completed
the project entitled " A Study of Investors Preference about Mutual
Fund with Special Reference to SBI Mutual Fund"

----- during the academic year 2022-23 as a partial fulfillment for
award of the degree 'Master of Commerce' and submitted to Tuljaram Chaturchand College
of Arts, Science and Commerce, Baramati, Autonomous, affiliated to Savitribai Phule Pune
University, Pune.

The said project is a result of original project work completed by Mr./Mrs. Dr. Megha R. Badve
----- under my supervision and guidance in the subject 'Advanced
Accounting and Taxation' and to the best of my knowledge and belief the work embodied in
this has not formed earlier the basis for the award of any degree or similar title or any other
examining body.


Dr. Megha R. Badve
Project Guide


Dr. Janardhan K. Pawar
Head, Department of Commerce

Declaration

I hereby declare that this Project Report entitled "A STUDY OF INVESTORS PREFERENCE ABOUT MUTUAL FUND WITH SPECIAL REFERENCE TO SBI MUTUAL FUND" in SBI Mutual Fund submitted in the partial fulfillment of the requirement of Master of Commerce (M.COM) of Tuljaram Chaturchand College Of Arts, Science & Commerce, Baramati is based on primary & secondary data found by me in various departments, books, magazines and websites & Collected by me in under guidance Dr. Megha Badve.

Place: Baramati

Date:



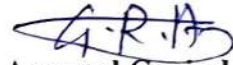
Mr. Agarwal Govind Rajesh
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Place: Baramati

Date :



Mr. Agarwal Govind Rajesh

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All About Mutual Funds

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- ❖ **By Structure**
- ❖ **By Nature**
- ❖ **Equity Fund**
- ❖ **Debt Funds**
- ❖ **By Investment Objective**
- ❖ **Other Schemes**
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Chapter 1- Introduction

1.1 Introduction of Mutual Fund And Its Various Aspects

Mutual fund is a trust that pools the savings of a number of investors who share a common financial goal. This pool of money is invested in accordance with a stated objective. The joint ownership of the fund is thus "Mutual", i.e. the fund belongs to all investors. 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 the capital appreciations realized are shared by its unit holders in proportion the number of units owned by them. Thus a Mutual Fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost. A Mutual Fund is an investment tool that allows small investors access to a well-diversified portfolio of equities, bonds and other securities. Each shareholder participates in the gain or loss of the fund. Units are issued and can be redeemed as needed. The fund's Net Asset value (NAV) is determined each day.

Investments in securities are spread across a wide cross-section of industries and sectors and thus the risk is reduced. Diversification reduces the risk because all stocks may not move in the same direction in the same proportion at the same time. Mutual fund issues units to the investors in accordance with quantum of money invested by them. Investors of mutual funds are known as unit holders.

1.1 Concepts of Mutual Funds

Concept of Mutual Fund

↓

Many investors with common financial objectives pool their money

↓

Investors, on a proportionate basis, get mutual fund units for the sum contributed to the pool

↓

The money collected from investors is invested into shares, debentures and other securities by the fund manager

↓

The fund manager realizes gains or losses, and collects dividend or interest income

↓

Any capital gains or losses from such investments are passed on to the investors in proportion of the number of units held by them

When an investor subscribes for the units of a mutual fund, he becomes part owner of the assets of the fund in the same proportion as his contribution amount put up with the corpus (the total amount of the fund). Mutual Fund investor is also known as a mutual fund shareholder or a unit holder.

Any change in the value of the investments made into capital market instruments (such as shares, debentures etc.) is reflected in the Net Asset Value (NAV) of the scheme. NAV is defined as the market value of the Mutual Fund scheme's assets net of its liabilities. NAV of scheme calculated by dividing the market value of the scheme's Assets by total no. of units issued to the investors.

1.2 History of The Indian Mutual Fund Industry

The mutual fund industry in India started in 1963 with the formation of Unit Trust of India, at the initiative of the Government of India and Reserve Bank. Though the growth was slow, but it accelerated from the year 1987 when non-UTI players entered the Industry. In the past decade, Indian mutual fund industry had seen a dramatic improvement, both qualities wise as well as quantity wise. Before, the monopoly of the market had seen an ending phase; the Assets Under Management (AUM) was Rs67 billion. The private sector entry to the fund family raised the Aim to Rs. 470 billion in March 1993 and till April 2004; it reached the height if Rs. 1540 billion.

The Mutual Fund Industry is obviously growing at a tremendous space with the mutual fund industry can be broadly put into four phases according to the development of the sector. Each phase is briefly described as under.

First Phase – 1964-87

Unit Trust of India (UTI) was established on 1963 by an Act of Parliament by the Reserve Bank of India and functioned under the Regulatory and administrative control of the Reserve Bank of India. In 1978 UTI was de-linked from the RBI and the Industrial Development Bank of India (IDBI) took over the regulatory and administrative control in place of RBI. The first scheme launched by UTI was Unit Scheme 1964. At the end of 1988 UTI had Rs.6,700 crores of assets under management.

Second Phase – 1987-1993 (Entry of Public Sector Funds)

1987 marked the entry of non- UTI, public sector mutual funds set up by public sector banks and Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC). SBI Mutual Fund was the first non- UTI Mutual Fund established in June 1987 followed by Canbank Mutual Fund (Dec 87), Punjab National Bank Mutual Fund (Aug 89), Indian Bank Mutual Fund (Nov 89), Bank of India (Jun 90), Bank of Baroda Mutual Fund (Oct 92). LIC established its mutual fund in June 1989 while GIC had set up its mutual fund in December 1990. At the end of 1993, the mutual fund industry had assets under management of Rs.47,004 crores.

Third Phase – 1993-2003 (Entry of Private Sector Funds)

1993 was the year in which the first Mutual Fund Regulations came into being, under which all mutual funds, except UTI were to be registered and governed. The erstwhile Kothari Pioneer (now merged with Franklin Templeton) was the first private sector mutual fund registered in July 1993.

The 1993 SEBI (Mutual Fund) Regulations were substituted by a more comprehensive and revised Mutual Fund Regulations in 1996. The industry now functions under the SEBI (Mutual Fund) Regulations 1996. As at the end of January 2003, there were 33 mutual funds with total assets of Rs. 1,21,805 crores.

Fourth Phase – since February 2003

In February 2003, following the repeal of the Unit Trust of India Act 1963 UTI was bifurcated into two separate entities. One is the Specified Undertaking of the Unit Trust of India with assets under management of Rs.29,835 crores as at the end of January 2003, representing broadly, the assets of US 64 scheme, assured return and certain other schemes. The second is the UTI Mutual Fund Ltd, sponsored by SBI, PNB, BOB and LIC. It is registered with SEBI and functions under the Mutual Fund Regulations. consolidation and growth. As at the end of September, 2004, there were 29 funds, which manage assets of Rs.153108 crores under 421 schemes.

1.3 Advantages & Disadvantages Of Mutual Fund

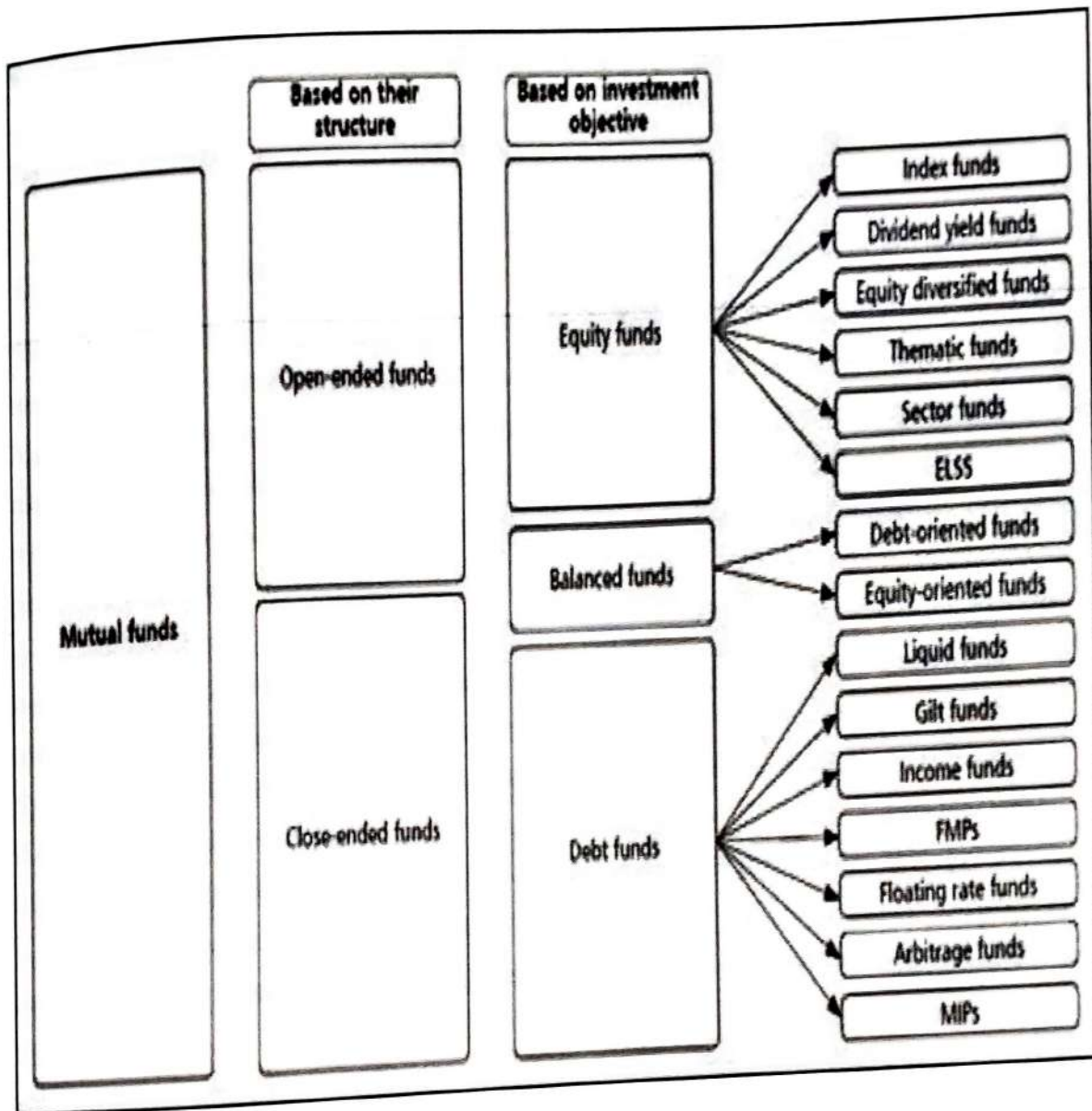
1. Advantages Of Mutual Fund

- Portfolio Diversification
- Professional management
- Reduction / Diversification of Risk
- Liquidity
- Flexibility & Convenience
- Reduction in Transaction cost
- Safety of regulated environment
- Choice of schemes
- Transparency

2. Disadvantage Of Mutual Fund

- No control over Cost in the Hands of an Investor
- No tailor-made Portfolios
- Managing a Portfolio Funds
- Difficulty in selecting a Suitable Fund Scheme

Categories of Mutual Fund



Mutual funds can be classified as follows:-

❖ Based on their structure:

Open-ended funds: Investors can buy and sell the units from the fund, at any point of time.

Close-ended funds: These funds raise money from investors only once. Therefore, after the offer period, fresh investments cannot be made into the fund. If the fund is listed on a stocks exchange the units can be traded like stocks (E.g., Morgan Stanley Growth Fund).

Recently, most of the New Fund Offers of close-ended funds provided liquidity window on a periodic basis such as monthly or weekly. Redemption of units can be made during specified intervals. Therefore, such funds have relatively low liquidity.

Based on their investment objective:-

Equity funds: These funds invest in equities and equity related instruments. With fluctuating share prices, such funds show volatile performance, even losses. However, short term fluctuations in the market, generally smoothens out in the long term, thereby offering higher returns at relatively lower volatility. At the same time, such funds can yield great capital appreciation as, historically, equities have outperformed all asset classes in the long term. Hence, investment in equity funds should be considered for a period of at least 3-5 years. It can be further classified as:

- i) **Index funds-** In this case a key stock market index, like BSE Sensex or Nifty is tracked. Their portfolio mirrors the benchmark index both in terms of composition and individual stock weightages.
- ii) **Equity diversified funds-** 100% of the capital is invested in equities spreading across different sectors and stocks.
- iii) **Dividend yield funds-** it is similar to the equity diversified funds except that they invest in companies offering high dividend yields.
- iv) **Thematic funds-** Invest 100% of the assets in sectors which are related through some theme.
e.g. -An infrastructure fund invests in power, construction, cements sectors etc.
- v) **Sector funds-** Invest 100% of the capital in a specific sector. e.g. - A banking sector fund will invest in banking stocks. vi) **ELSS-** Equity Linked Saving Scheme provides tax benefit to the investors

Balanced fund: Their investment portfolio includes both debt and equity. As a result, on the risk-return ladder, they fall between equity and debt funds. Balanced funds are the ideal mutual funds vehicle for investors who prefer spreading their risk across various instruments. Following are balanced funds classes:

Debt-oriented funds -Investment below 65% in equities.

Equity-oriented funds -Invest at least 65% in equities, remaining in debt.

Debt fund: They invest only in debt instruments, and are a good option for investors averse to idea of taking risk associated with equities. Therefore, they invest exclusively in fixed-income instruments like bonds, debentures, Government of India securities; and money market instruments such as certificates of deposit (CD), commercial paper (CP) and call money. Put your money into any of these debt funds depending on your investment horizon and needs.

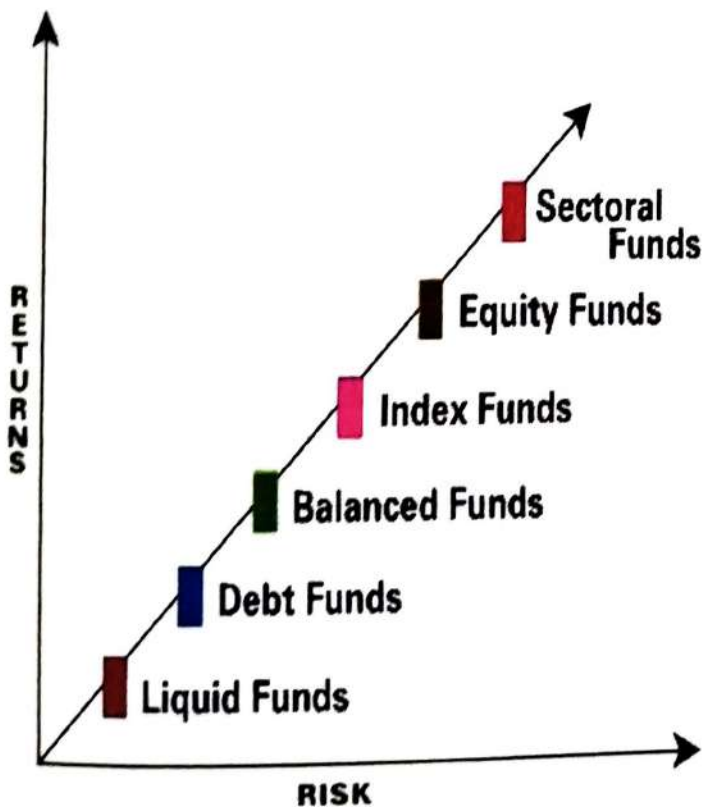
- i) **Liquid funds**- These funds invest 100% in money market instruments, a large portion being invested in call money market.
- ii) **Gilt funds ST**- They invest 100% of their portfolio in government securities of and T-bills.
- iii) **Floating rate funds** - Invest in short-term debt papers. Floaters invest in debt instruments which have variable coupon rate.
- iv) **Arbitrage fund**- They generate income through arbitrage opportunities due to mispricing between cash market and derivatives market. Funds are allocated to equities, derivatives and money markets. Higher proportion (around 75%) is put in money markets, in the absence of arbitrage opportunities.
- v) **Gilt funds LT**- They invest 100% of their portfolio in long-term government securities. vi) **Income funds LT**- Typically, such funds invest a major portion of the portfolio in long- term debt papers.
- vii) **MIPs**- Monthly Income Plans have an exposure of 70%-90% to debt and an exposure of 10%-30% to equities.
- viii) **FMPs**- fixed monthly plans invest in debt papers whose maturity is in line with that of the fund.

1.5 Investment Strategies & Risk V/S Return

Investment Strategies

1. **Systematic Investment Plan:** under this a fixed sum is invested each month on a fixed date of a month. Payment is made through postdated cheques or direct debit facilities. The investor gets fewer units when the NAV is high and more units when the NAV is low. This is called as the benefit of Rupee Cost Averaging (RCA)
2. **Systematic Transfer Plan:** under this an investor invest in debt oriented fund and give instructions to transfer a fixed sum, at a fixed interval, to an equity scheme of the same mutual fund.
3. **Systematic Withdrawal Plan:** if someone wishes to withdraw from a mutual fund then he can withdraw a fixed amount each month.

Risk V/S. Return:



1.6 Objective & Scope of the Study:-

1. To find out the Preferences of the investors for Asset Management Company.
2. To know the Preferences for the portfolios.
3. To know why one has invested or not invested in SBI Mutual fund
4. To find out the most preferred channel.
5. To find out what should do to boost Mutual Fund Industry.

Scope of the study:-

A big boom has been witnessed in Mutual Fund Industry in recent times. A large number of new players have entered the market and trying to gain market share in this rapidly improving market. The study will help to know the preferences of the customers, which company, portfolio, mode of investment, and options for getting return and so on they prefer. This project report may help the company to make further planning and strategy.

1.7 Limitations:

1. Some of persons were not responsive.
2. Possibility of error in data collection because many investors of may have not given actual answers of my questionnaire.
3. The research is confined to a certain parts and may not adequately represent the whole market of mutual fund.
4. The research is limited for only three years.

Chapter no: 2 REVIEW OF LITERATURE

1. Three mutual fund investing benefits you may not know - Pradip Chakrabarty

At A Time When Bank Savings Interest Rates Offers Only Between 4 -7 Percent; Liquid Funds On An Average Have Given Returns Ranging 8 – 9.50% In The Past One Year Which Is Almost Double Than Bank Savings Bank Account Rates. As The Convenience Is Same It May Be Suggested To Maintain The Minimum Required Balance In Your Savings Bank Account And Invest The Surplus In Liquid Fund And Avail The Facility Of This Card. You May Then Use This Card the Same Way You Will Use Your Bank Debit Card

2 Comparing mutual fund returns with fixed deposit returns in bull and bear markets - Dwaipayan Bose

We Will Go Back To Risk Perception. Ultimately, The Investor's Perception of Risk influences his or her risk appetite. As Discussed In Our Article, Measuring Risk Tolerance Of Investors, The Investment Decision Of The Investor Should Be Governed By His Or Her Risk Tolerance And Not Risk Appetite. However, When It Comes to Actual Decision Making, One Cannot Wish Away the Influence of the Investor's Perception of Equity Markets on Their Decision Making. In This Article, We Have Shown That If the Investor Remains Invested For A Sufficiently Long Time Horizon, Equity Funds Can Give Good Returns Despite Difficult Market Conditions

3 How Mutual Fund SIPs have created wealth over the last 15 years: Large Cap and Diversified Equity - Dwaipayan Bose

We Have Seen How Sips In Large Cap And Diversified Equity Funds Over The Long Term Have Created Wealth For The Investors. Sips Benefit From The Power Of Compounding, And Therefore The Earlier We Start Our SIP, The Greater Is The Potential For Wealth Creation. However, It Is Important To Select A Good Fund For Our Sips. Your Financial Advisers Can Help You Select A Good Fund That Is Suitable For Your Risk Profile. As Your Risk Profile Changes Over Time, You Should Re-Balance Your Portfolio To Align With Your Risk Profile. Tomorrow, We Will Discuss How Sips In Small and Midcap Funds Have Created Wealth for the Investors.

5. **SBI Prudential Select Large Cap Fund: Potential to deliver strong returns:-**

SBI Prudential Select Large Cap Fund Has Consistently Been A Good Performer Since Its Inception. In The Last One Year, The Fund Has Underperformed Versus Its Top Performing Peers. However, As Discussed A Number Of Times In Our Blog, Recent Past Performance Is Not Indicative Of Future Performance Of A Fund, Because Market Conditions Change Over Time. The Underperformance Of SBI Prudential Select Large Cap Fund Can Be Attributed To The Large Cap Cyclical Focus Of This Fund. Funds With Focused Portfolios Tend To Outperform / Underperform By A Bigger Margin Depending On Market Conditions, But Over The Long Term These Funds Can Give Excellent Returns And Create Wealth For Their Investors, If Their Investment Themes Play Out. We Have Discussed Various Factors, Related to the Investment Themes of SBI Prudential Select Large Cap Fund, Which Can Enable This Fund to Deliver Strong Returns In The Future, and With the Recovery in Indian economy and Equity Market. Investors Should Consult With Their Financial Advisors If SBI Prudential Select Large Cap Fund Is Suitable For Their Investment Portfolios.

5. How SIPs in best mid and Small Cap Equity Mutual Funds created wealth: - Prada Chakra arty

In This Article, We Have Seen How Best Equity Mutual Funds Sips Of Mid And Small Funds Have Created Wealth For The Investors Who Started Sips 10 Years Back And Stay Invested In It. Sips Inculcate A Habit Of Savings And Benefit From The Power Of Compounding, And Therefore The Earlier We Start Sips And Longer We Stay Invested, The Greater Is The Potential For Wealth Creation. However, It Is Important To Select Right Funds For Your Sips.

We Have Also Seen That Sips In Best Mid And Small Cap Equity Mutual Funds Can Generate The Best Return But It Is Not Suitable For Investors Who Cannot Take High Risk. SIP Is A Powerful Wealth Creation Tool And Investors Must Select Funds Based On Their Risk Appetite And Investment Horizon. 5 Years Should Be The Minimum Investment Horizon If You Are Investing In Equity Funds Either Through Sips Or Lump Sum.

Before Selecting Best Equity Mutual Funds Sips For Meeting Your Long Term Investment Needs, You Must Consult Your Financial Adviser Who Can Help You Select The Right Funds That Is Suitable According To Your Risk Profile.

Chapter No: 3 Research Methodology & Hypothesis

Research Methodology

This report is based on primary as well secondary data, however primary data collection was given more importance since it is overbearing factor in attitude studies. One of the most important users of research methodology is that it helps in identifying the problem, collecting, analyzing the required information data and providing an alternative solution to the problem .It also helps in collecting the vital information that is required by the top management to assist them for the better decision making both day to day decision and critical ones.

Data sources:

Research is totally based on primary data. Secondary data can be used only for the reference. Research has been done by primary data collection, and primary data has been collected by interacting with various people. The secondary data has been collected through various journals and websites.

Duration of Study: The study was carried out for a period of one month, from 15th March to 4th April 2019.

Sampling:

Sampling procedure:

The sample was selected of them who are the customers/visitors of State Bank of India, Chipitola main branch and Sanjay palace branch, irrespective of them being investors or not or availing the services or not. It was also collected through personal visits to persons, by formal and informal talks and through filling up the questionnaire prepared. The data has been analyzed by using mathematical/Statistical tool.

Sample size:

The sample size of my project is limited to 200 people only. Out of which only 120 people had invested in Mutual Fund. Other 80 people did not have invested in Mutual Fund.

Sample techniques:

Data has been presented with the help of bar graph, pie charts, line graphs etc.

Hypothesis

The following are the Hypothesis tested on the five dimensions with respect to age groups

- H₁** : Mutual Fund Product Awareness is the same among respondents of Different age groups.
- H₂** : Awareness of Asset Management Company Reputation is the same Among respondents of different age groups.
- H₃** : Understanding of Mutual Fund Risks is the same among respondents Of different age groups.
- H₄** : Quality of Investment Advisors is the same among respondents of Different age groups.
- H₅** : Understanding Asset Management Company Services is the same Among respondents of different age groups.

Chapter No: 4 Company Profile

4.1 Introduction to SBI Mutual Fund

The SBI Mutual Fund Trustee Company Private Limited was constituted as a Trust under the provisions of the Indian Trust Act 1882. It is registered with the Securities and Exchange Board of India (SEBI). SBI Mutual Fund is a joint venture between the State Bank of India and Amundi, a European asset management company which a subsidiary is jointly created by Credit Agricole and Society General. The corporate headquarter of the SBI Mutual Fund, which is India's largest bank sponsored mutual fund, is based out of Mumbai. It is also the first bank-sponsored fund that launched an offshore fund, Resurgent India Opportunity Fund.

About SBI Mutual Funds

SBI MF has been credited with successfully managing the country's offshore funds since the year 1988. The SBI Funds Management is also one of the first banks to come up with an offshore fund. The aim of the SBIMF is to offer its investors the opportunity for long-term growth in a diverse array of stock of Indian companies.

The dedicated fund house is known for its enterprising approach to risk-management backed by a highly experienced risk management team and financial experts. The SBI mutual funds are constructed with the help of extensive investment research to outperform the industry benchmarks. The Fund House also engages in an active management style to achieve this. The schemes that are offered are as diverse as can be and the blend of the products – large, mid and small cap or sector specific, are designed to leverage the growth opportunities of Indian equities.

There are several benefits of investing in SBI Mutual Funds: The SBI Funds Management has comprehensive experience and expertise and is one of the major advisers to pension funds, financial institutions and asset management companies. The products offered are picked based on empirical research and potential, and for the most part, carry a CRISIL rating of three or more. SBIMF over the years has excelled at understanding the objective and needs of its investor and has catered to their risk-return expectations.

There is a wide spectrum of funds that SBI offers, to suit investors' appetite for high to moderate to low risk. Depending on your personalized requirements, you can pick from a wide range of custom sized investment plans to meet your investment needs.

SBI MF offers both domestic funds and offshore funds.

SBI Funds Management Pvt. Ltd. is one of the leading fund houses in the country with an investor base of over 4.6 million and over 20 years of rich experience in fund management consistently delivering value to its investors. SBI Funds Management Pvt. Ltd. is a joint venture between 'The State Bank of India' one of India's largest banking enterprises, and Society General Asset Management (France), one of the world's leading fund management companies that manages over US\$ 500 Billion worldwide.

Today the fund house manages over Rs 28500 crores of assets and has a diverse profile of investors actively parking their investments across 36 active schemes. In 20 years of operation, the fund has launched 38 schemes and successfully redeemed 15 of them, and in the process, has rewarded our investors with consistent returns. Schemes of the Mutual Fund have time after time outperformed benchmark indices, honored us with 15 awards of performance and have emerged as the preferred investment for millions of investors. The trust reposed on us by over 4.6 million investors is a genuine tribute to our expertise in fund management. SBI Funds Management Pvt. Ltd. serves its vast family of investors through a network of over 130 points of acceptance, 28 Investor Service Centers, 46 Investor Service Desks and 56 District Organizers. SBI Mutual is the first bank-sponsored fund to launch an offshore fund – Resurgent India Opportunities Fund.

Growth through innovation and stable investment policies is the SBI MF credo.

4.2 Products of SBI Mutual Fund

Equity schemes

The investments of these schemes will predominantly be in the stock markets and endeavor will be to provide investors the opportunity to benefit from the higher returns which stock markets can provide. However they are also exposed to the volatility and attendant risks of stock markets and hence should be chosen only by such investors who have high risk taking capacities and are willing to think long term. Equity Funds include diversified Equity Funds, Sectorial Funds and Index Funds. Diversified Equity Funds invest in various stocks across different sectors while sectorial funds which are specialized Equity Funds restrict their investments only to shares of a particular sector and hence, are riskier than Diversified Equity Funds. Index Funds invest passively only in the stocks of a particular index and the performance of such funds move with the movements of the index.

- **Magnum COMMA Fund**
- **Magnum Equity Fund**
- **Magnum Global Fund**
- **Magnum Index Fund**
- **Magnum Midcap Fund**
- **Magnum Multicap Fund**
- **Magnum Multiplier plus 1993**
- **Magnum Sectorial Funds Umbrella** ➤ **SBI Arbitrage Opportunities Fund**
- **SBI Blue chip Fund**
- **SBI Infrastructure Fund - Series I**
- **SBI Magnum Tax gain Scheme 1993**
- **SBI ONE India Fund**
- **SBI TAX ADVANTAGE FUND - SERIES I**

Debt schemes :-

Debt Funds invest only in debt instruments such as Corporate Bonds, Government Securities and Money Market instruments either completely avoiding any investments in the stock markets as in income funds or Gilt funds or having a small exposure to equities as in monthly income plans or children's plan. Hence they are safer than equity funds. At the same time the expected returns from debt funds would be lower. Such investments are advisable for the risk-averse investor and as a part of the investment portfolio for other investors.

- Magnum Children's benefit Plan**
- Magnum Gilt Fund**
- Magnum Income Fund**
- Magnum Insta Cash Fund**
- Magnum Income Fund- Floating Rate Plan**
- Magnum Income plus Fund**
- Magnum Insta Cash Fund -Liquid Floater Plan**
- Magnum Monthly Income Plan**
- Magnum Monthly Income Plan- Floater**
- Magnum NRI Investment Fund**

Balanced Schemes

Magnum Balanced Fund invests in a mix of equity and debt investments. Hence they are less risky than equity funds, but at the same time provide commensurately lower returns. They provide a good investment opportunity to investors who do not wish to be completely exposed to equity markets, but is looking for higher returns than those provided by debt funds.

4.3 Top SBI Fund Managers

The SBIMF has a mix of highly experienced and knowledgeable management team that has been responsible for consistently delivering value to its investors. As a joint venture between SBI and AMUNDI, the fund houses some of the top fund managers of the country managing the mutual funds' department.

a. Top Fund Managers: SBIMF Equity

- i. **Mr. R. Srinivasan** Mr. Srinivasan is the Head of Equity at SBIMF of which he has been a part of since May 2009. With more than 25 years of experience, he also directly manages a number of funds.
 - ii. **Ms. Sohini Adnani** Ms. Adnani is a Fund Manager and has been with SBIMF since 2010, bringing with her over 11 years of research experience in the financial domain.
 - iii. **Mr. Richard D'Souza** Mr. D'Souza is a Fund Manager with SBI MF managing the thematic funds, with over 17 years of experience in the financial services industry. He joined SBIMF in the year 2010.
 - iv. **Mr. Dinesh Balachandran** A CFA, Mr. Balachandran is a Fund Manager with SBIMF with over 10 years' experience. He has been with SBIMF since 2012.
 - v. **Mr. Anup Upadhyay** A CFA, Mr. Upadhyay is Head of Research at SBIMF and is a Fund Manager for Equity Opportunity Fund and SBI IT Fund.
- #### b. Top Fund Managers: SBIMF Debt
- i. **Mr. Rajeev Radhakrishnan** Mr. Radhakrishnan is Head of Fixed Income at SBIMF and also a Fund Manager. He is a CFA and has been a part of the SBIMF Fixed Income team since 2008.
 - ii. **Mr. Dinesh Ahuja** Mr. Ahuja has been with SBIMF since 2010 and is a Fund Manager in the Fixed Income Funds. He has been in this industry since 1998.
 - iii. **Mr. R. Arun** A FRM Charter holder of Global Association of Risk Professionals, Mr. Arun brings to SBIMF extensive expertise and knowledge. He is a Fund Manager and has been with SBIMF since 2009.

iv. **Ms. Mansi Sajeja** A Charter holder of the CFA Institutes, Ms. Sajeja is a Credit Analyst and a Fund Manager with the SBIMF which she joined in the year 2009.

v. **Mr. Lokesh Mallya** With over 9 years' experience in the Indian fixed income market and a CFA and FRM Charter holder, Mr. Mallya is a Credit Analyst with SBIMF which he joined in 2014.

Competitors Of SBI Mutual Fund

Some of the main competitors of SBI Mutual Fund in Dehradun are as Follows:

- ❖ SBI Mutual Fund
- ❖ Reliance Mutual Fund
- ❖ UTI Mutual Fund
- ❖ Birla Sun Life Mutual Fund
- ❖ Kotak Mutual Fund
- ❖ HDFC Mutual Fund
- ❖ Sundaram Mutual Fund
- ❖ LIC Mutual Fund
- ❖ Principal
- ❖ Franklin Templeton

Awards And Achievements

SBI Mutual Fund (SBIMF) has been the proud recipient of the ICRA Online Award - 8 times, CNBC TV - 18 Crisil Award 2006 - 4 Awards, The Lipper Award (Year 2005-2006) and most recently with the CNBC TV - 18 Crisil Mutual Fund of the Year Award 2007 and 5 Awards for different schemes.

2010



ICRA
MUTUAL FUND AWARDS 2010

2009



ICRA
MUTUAL FUND AWARDS 2009



Lipper Award -
The Lipper India Fund Awards 2009

2008



Outlook Money
NDTV Profit Awards 2008



Lipper Award -
The Lipper India Fund Awards 2008



ICRA
Mutual Fund Awards 2008

2007



Outlook Money -
NDTV Profit Awards 2007



CNBC
Awaaz Consumer Awards 2007



Lipper Award -
The Lipper India Fund Awards 2007



ICRA
MUTUAL FUND AWARDS 2007



CNBC TV18 - CRISIL
Mutual Fund of the Year Award 2007

2006



CNBC
Awaaz Consumer Awards 2006



Lipper Award -
The Lipper India Fund Awards 2006



CNBC TV18 - CRISIL
Mutual Fund of the Year Award 2006



ICRA
MUTUAL FUND AWARDS 2005

Chapter 5:- Data Analysis And Interpretation

5.1 Introduction

The objective of the research is to provide set of factors which are to be in individuals that interprets Small Investor's Perception on Mutual Funds. To achieve this objective, the factors, which have come across during the literature survey has been listed. On completion of CFA (Confirmatory Factor Analysis), the questionnaires have been floated for final survey. This chapter explains the analysis and interpretation of the results that has been incorporated. It also covers, testing of all Hypotheses and the outcome supported with the theory base.

5.2 Data Analysis

Data collection, analysis and interpretation of results are the critical and core section in the research process. The aim of analyze is to organize, classify and to summarize the data that has been collected, such that they can be comprehended and interpreted to give the solutions to the queries that triggered the research. Without interpretation, analysis of findings is not fulfilled and interpretation cannot be preceded without analysis. Both are directly correlated. In this chapter, based on the objectives stated earlier, a detailed analysis of the collected data has been done. Hypothesis was tested based on the findings of the study, and the interpretations and conclusions were drawn.

5.3 Reliability:-

Research requires dependable measurement. Measurements are reliable to the extent that they are repeatable and that any random influence which tends to make measurements different from occasion to occasion or circumstance to circumstance is a source of measurement error. Reliability is the degree to which a test consistently measures whatever it measures. Errors of measurement that affect reliability are random errors and errors of measurement that affect validity are systematic or constant errors.

5.4 Split-Half Reliability

Split Half Reliability requires only one administration. Especially, appropriate when the test is very long. The most commonly used method to split the test into two is using the odd-even strategy. Since longer tests tend to be more reliable, and since split-half reliability represents the reliability of a test only half as long as the actual test, a correction formula must be applied to the coefficient. Split-half reliability is a form of internal consistency reliability.

5.5 Investor Perception on Mutual Fund With Respect to Demographic Factor

Table No: 5.1

Distribution of Respondents on Age

	Number of Respondents	Percentage
Less than 30 Years	28	8.4
31 to 40 Years	100	29.9
41 to 50 Years	155	46.4
51 to 60 Years	19	5.7
Above 60 Years	32	9.6
Total	334	100.0

Table 5.1 shows that thirty eight percent of the respondents are less than 40 years of age, forty six percent of the respondents are in the age group of 41 – 50 years and the remaining fifteen percent is above 50 years of age. Graph 4.1 shows the age group wise distributions.

Graph No 5.1
Age Group Wise Distributions

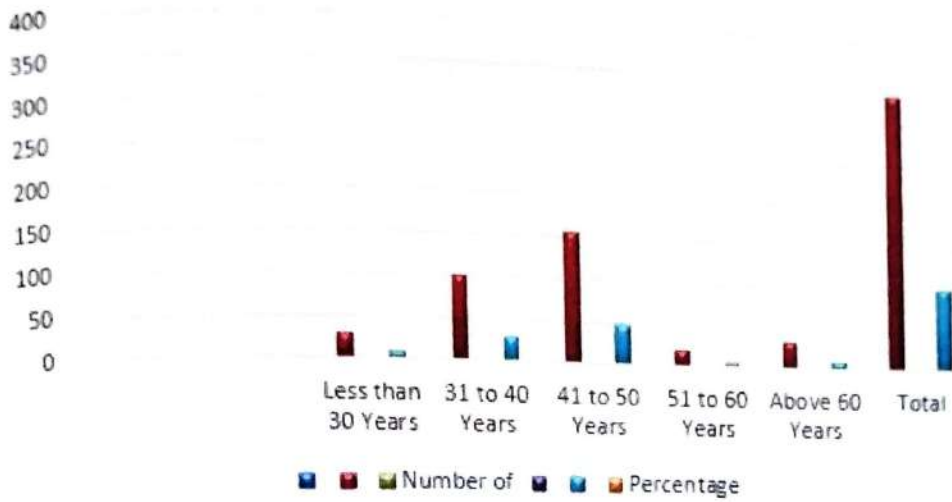
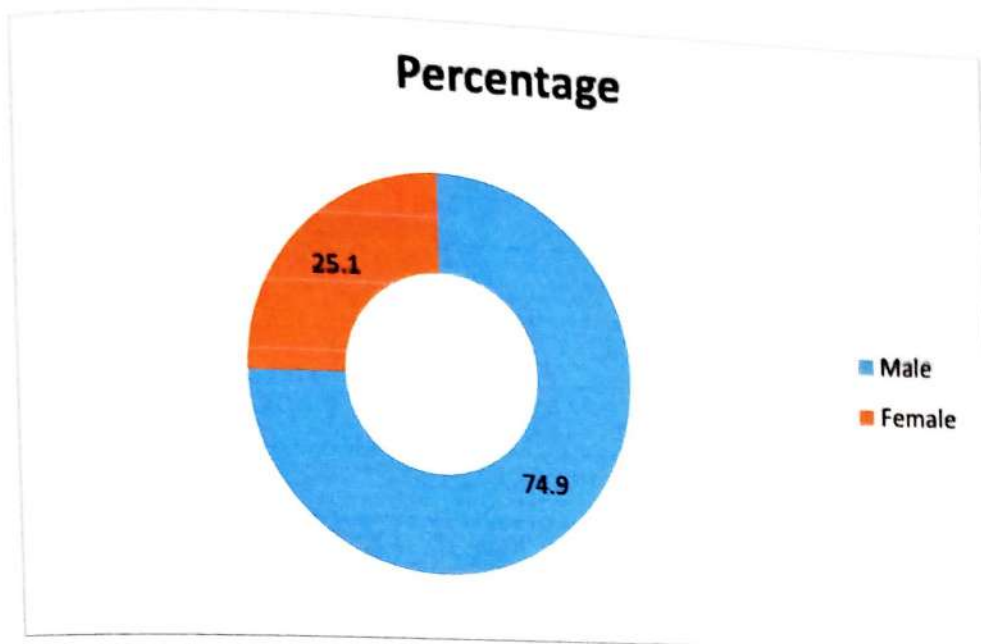


Table 5.2
Distribution of Respondents on Gender

Gender	Number of Respondents	Percentage
Male	250	74.9
Female	84	25.1
Total	334	100.0

Table 5.2 shows that more than two-third of the respondents is male Respondents and only one-third is female respondents. Graph 4.2 shows the distribution of Gender.

**Graph No 5.2
Distribution of Gender**



**Table 5.3
Distribution of Respondents on Educational Qualification**

S.No.	Educational / Academic Qualification	Number of Respondents	Percentage
1	Matriculation/SSLC	44	13.2
2	HSC/Intermediate	51	15.3
3	Graduate	41	12.3
4	Post Graduate	82	24.6
5	Professional	97	29.0
6	Others	19	5.7
	Total	334	100.0

Table 5.3 shows that twenty nine percent of the respondents have Professional degree, twenty four percent have graduate degree as their educational qualification and six percent of the respondents have other degrees as their educational qualification. Graph 4.3 shows the Educational wise distributions.

Graph No 5.3
Distribution of Respondents – Educational Wise

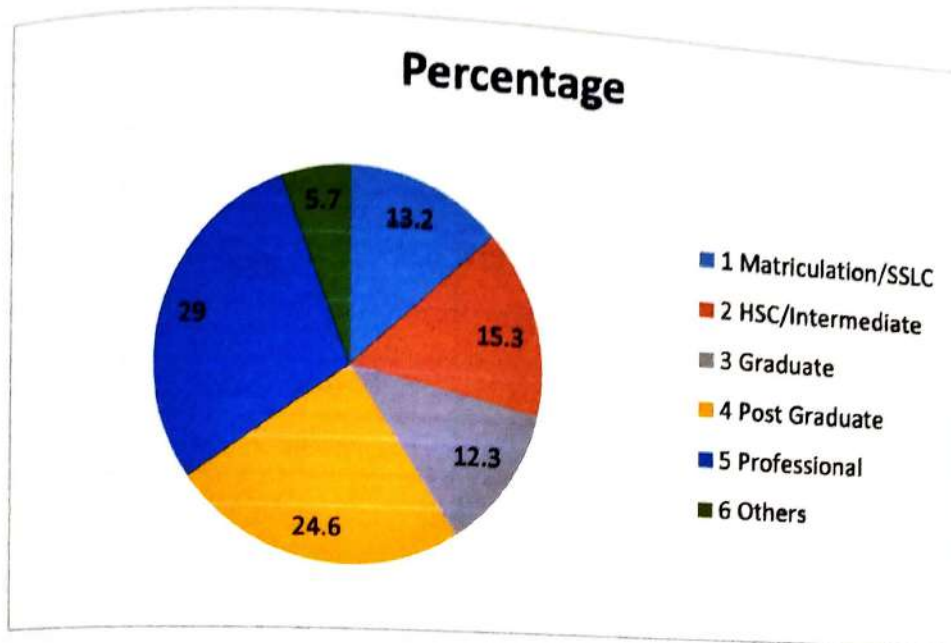


Table 5.4
Distribution of Respondents on Occupation

S.No.	Occupation	Number of Respondents	Percentage
1	Service	41	12.3
2	Business	29	8.7
3	Professional	16	4.8
4	Salaried	199	59.6
5	Retired	32	9.6
6	Self employed	17	5.1
	Total	334	100.0

Table 5.4 shows that fifty nine percent of the respondents belong to salaried category, twelve percent of the respondent belongs to service category; nine percent of the respondent belongs to business category. Graph 4.4 shows the distribution of respondents in occupation wise.

Graph 5.4
Distribution of Respondents – Occupation

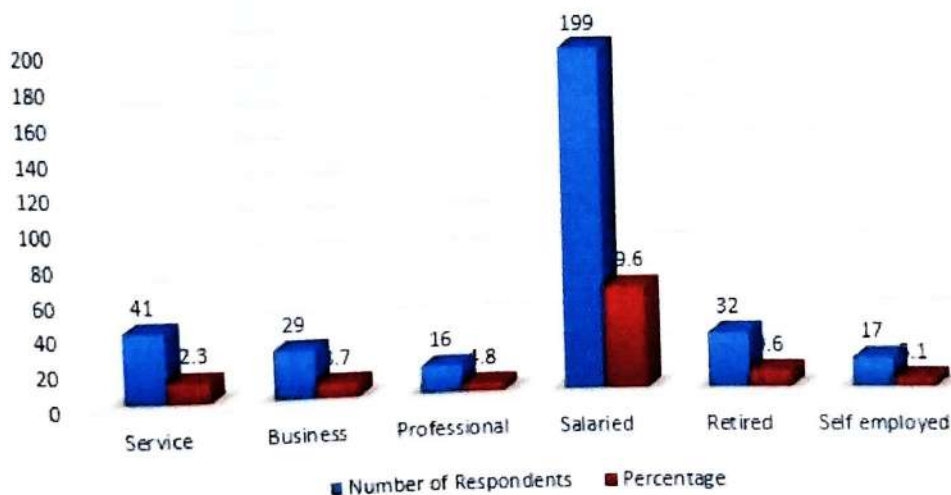


Table 5.5
Distribution of Respondents on Working Sector

S.No.	Working Sector	Number of Respondents	Percentage
1	Private	219	65.6
2	Public	43	12.9
3	Banks	35	10.5
4	Government	37	11.1
	Total	334	100.0

Table 5.5 shows that sixty six percent of the respondents belong to private sector, eleven percent of the respondent belongs to government sector.

Graph No 5.5
Distribution of Respondents – Working Sector

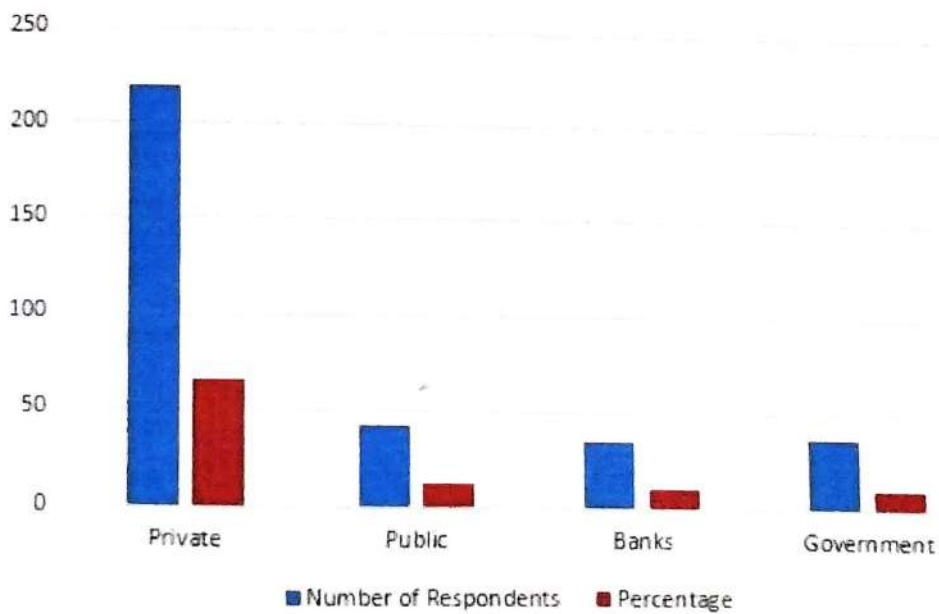


Table 5.6
Distribution of Respondents on Marital Status

Marital Status	Number of Respondents	Percentage
Married	226	67.7
Unmarried	108	32.3
Total	334	100.0

Table 5.6 shows that sixty eight percent of the respondents are married and thirty two percent of the respondents are unmarried.

Table 5.7
Distribution of Respondents on Family Type

Type of Family	Number of Respondents	Percentage
Joint	125	37.4
Nuclear	209	62.6
Total	334	100.0

Table 5.7 shows that sixty three percent of the respondents have the Family type as nuclear and thirty eight percent of the respondents having the family type as Joint.

Graph 5.7
Distributions of Respondents – Family Type

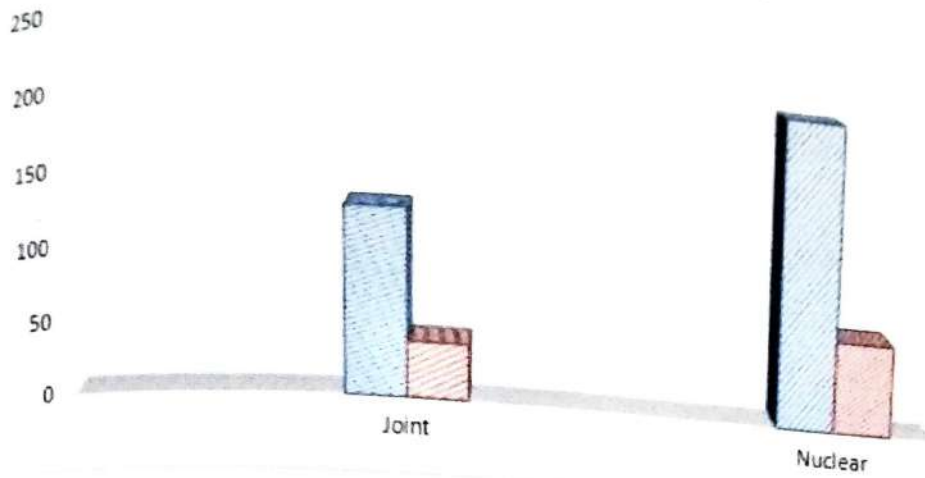


Table 5.8
Distribution of Respondents having Number of Dependents

Family Members	Number of Respondents	Percentage
2	209	62.6
3	125	37.4
Total	334	100.0

Table 5.8 shows that sixty three percent of the respondents have number of dependents as two dependents and thirty seven percent of the respondents having the number of dependents as three dependents.

Table 5.9
Distribution of Respondents by Income wise Classification

Monthly Income (Rs.)	Number of Respondents	Percentage
10001-30000	114	34.1
30001-60000	220	65.9
Total	334	100.0

Table 5.9 shows that sixty six percent of the respondent belongs to Rs. 30001- Rs. 60000 income group and thirty four percent of the respondent belong to Rs. 10001- Rs. 30000 income group. Family income from Rs. 30001- Rs. 60000 and four percent of the respondents have the family income from Rs. 60001- Rs. 100000.

Table 5.10
Distribution of Respondents on Frequency of Savings

Frequency of saving	Number of Respondents	Percentage
Monthly	239	71.6
Quarterly	53	15.9
Half yearly	42	12.6
Total	334	100.0

Table 5.10 shows that seventy two percent of the respondents save their money every month, thirteen percent of the respondents save their money by every half yearly.

Table 5.11
Distribution of Respondents Savings Objective

Savings Objective	Yes		No		Total	
	Number of Respondents	Percentage	Number of Respondents	Percentage	Number of Respondents	Percentage
Child Education	226	67.7	108	32.3	334	100.0
Marriage	41	12.3	293	87.7	334	100.0
Retirement	120	35.9	214	64.1	334	100.0
Asset Purchase	125	37.4	209	62.6	334	100.0
All of the above	152	45.5	182	54.5	334	100.0

Table 5.11 shows that sixty eight percent of the respondents chooses child education as their savings objective, forty six percent of the respondents chooses all of the above (Child Education, Marriage, Retirements and Asset Purchase) as their savings objective, , and twelve percent of the respondents choose marriage as their savings objective.

Table 5.12
Respondents Ranking on Long Term Investment Preference

PF / Saving Scheme	Life Insurance	Gold / Silver	Chits	Real Estate
Rank1	Rank2	Rank3	Rank4	Rank5
62.0%	58.0%	56.0%	53.0%	50.0%

Table 5.12 shows that sixty two percent of the respondents ranked PF / Saving Scheme as their long term investment as the first preference and fifty eight percent of the respondents ranked Real Estate as their long term investment as the last preference.

Table 5.13
Respondents Ranking on Short Term Investment Preference

Bank Deposits	Company Deposits	Mutual Fund Units	Shares
Rank1	Rank2	Rank3	Rank4
61.0%	55.0%	55.0%	36.0%

Table 5.13 shows that sixty one percent of the respondent's ranked bank Deposits as their short term investment as the first preference and thirty six percent of the respondents ranked shares as their short term investment as the last preference.

Table 5.14
Table showing sources of income for investing in Mutual Funds

S.No.	Particulars	Number of Respondents	Percentage
1	Present income	182	54.5
2	Past savings	152	45.5
	Total	334	100.0

Table 5.14 shows that fifty five percent of the respondents invest in Mutual funds from their present income and forty six percent of the respondents invest in mutual funds from their past savings.

Table 5.15
Table showing investors who expects Minimum rate of return to invest in Mutual Funds

S.No.	Particulars	Number of Respondents	Percentage
1	< 10 %	110	32.9
2	10% - 20%	175	52.4
3	21% - 30%	49	14.7
	Total	334	100.0

Table 5.15 shows that fifty two percent of the respondents expect ten Percent to twenty percent returns on mutual funds and fifteen percent of the respondents expect twenty one percent to thirty percent returns from mutual funds.

Table 5.16
Table showing preference of investors on time frame to invest in mutual funds

S.No.	Particulars	Number of Respondents	Percentage
1	< 1 Year	89	26.6
2	1 - 2 Years	215	64.4
3	2 - 3 Years	30	9.0
	Total	334	100.0

Table 5.16 shows that sixty five percent of the respondents prefer one to Two years to invest in mutual funds, twenty seven percent of the respondents prefer less than 1 year to invest in mutual funds and nine percent of the respondents prefer two to three years to invest in mutual funds.

Table 5.17
Table showing the Intermediaries preferred by investors to invest in mutual funds

S.No.	Particulars	Number of Respondents	Percentage
1	Direct investment	29	8.7
2	Brokers	256	76.6
3	Banks	7	2.1
4	Mutual fund Website	42	12.6
	Total	334	100.0

Table 5.17 shows that seventy seven percent of the respondents prefer Brokers as intermediary to invest in mutual funds, thirteen percent of the respondents prefer mutual fund website as intermediary to invest in mutual funds, nine percent of the respondents prefer direct investment as intermediary to invest in mutual funds and two percent of the respondents prefer banks as intermediary to invest in mutual funds.

Table 5.15 shows that fifty two percent of the respondents expect ten Percent to twenty percent returns on mutual funds and fifteen percent of the respondents expect twenty one percent to thirty percent returns from mutual funds.

Table 5.16
Table showing preference of investors on time frame to invest in mutual funds

S.No.	Particulars	Number of Respondents	Percentage
1	< 1 Year	89	26.6
2	1 - 2 Years	215	64.4
3	2 - 3 Years	30	9.0
	Total	334	100.0

Table 5.16 shows that sixty five percent of the respondents prefer one to Two years to invest in mutual funds, twenty seven percent of the respondents prefer less than 1 year to invest in mutual funds and nine percent of the respondents prefer two to three years to invest in mutual funds.

Table 5.17
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S.No.	Particulars	Number of Respondents	Percentage
1	Direct investment	29	8.7
2	Brokers	256	76.6
3	Banks	7	2.1
4	Mutual fund Website	42	12.6
	Total	334	100.0

Table 5.17 shows that seventy seven percent of the respondents prefer Brokers as intermediary to invest in mutual funds, thirteen percent of the respondents prefer mutual fund website as intermediary to invest in mutual funds, nine percent of the respondents prefer direct investment as intermediary to invest in mutual funds and two percent of the respondents prefer banks as intermediary to invest in mutual funds.

Table 5.18

Distribution of Respondents who prefers the Investments in Mutual Funds

S.No.	Particulars	Number of Respondents	Percentage
1	Equity fund	95	28.4
2	Debt fund	84	25.1
3	Balanced fund	141	42.2
4	Commodity	14	4.2
	Total	334	100.0

Table 5.18 shows that forty two percent of the respondents prefer Investments in balanced fund among mutual fund investments, twenty eight percent of the respondents prefer investments in equity fund among mutual fund investments, twenty six percent of the respondents prefer investments in debt fund among mutual fund investments and four percent of the respondents prefer investments in commodity fund among mutual fund investments.

Table 5.19

Distribution of Respondents who prefers the option Investments in Mutual Funds

S.No.	Particulars	Number of Respondents	Percentage
1	Growth option	47	14.1
2	Dividend Payment option	128	38.3
3	Dividend re-investment option	145	43.4
4	Monthly income scheme	14	4.2
	Total	334	100.0

Table 5.19 shows that forty three percent of the respondents prefer dividend reinvestment option in mutual fund investments, thirty eight percent of the respondents prefer dividend payment option in mutual fund investments; fourteen percent of the respondents prefer

growth option in mutual fund investments followed by four percent of the respondents prefer monthly income scheme option in mutual fund investments.

Table 5.20
Distribution of Respondents who prefers the frequency of returns from Mutual Funds

S.No.	Particulars	Number of Respondents	Percentage
1	Monthly	237	71
2	Quarterly	57	17.1
3	Half yearly	36	10.8
4	Annual	4	1.2
	Total	334	100.0

Table 5.20 shows that seventy one percent of the respondents prefer Monthly returns from mutual fund investments, seventeen percent of the respondents prefer quarterly returns from mutual fund investments, eleven percent of the respondents prefer half yearly returns from mutual fund investments, and one percent of the respondents prefer annual returns from mutual fund investments.

Table 5.21
Distribution of Respondents who prefers the Equity Fund Types from Mutual Funds

S.No.	Particulars	Number of Respondents	Percentage
1	Large cap equity fund	30	9.0
2	Mid cap equity fund	14	4.2
3	Small cap equity fund	14	4.2
4	Sector specific	37	11.1
	NA	239	71.6
	Total	334	100.0

Table 5.21 shows that eleven percent of the respondents prefer sector specific equity fund types in mutual funds, nine percent of the respondents prefer larger cap equity fund types from mutual funds and four percent of the respondents prefer small cap and mid cap specific equity fund types from mutual funds.

Table 5.22
Distribution of Respondents who prefers the Specific Sectors to Invest in Mutual Funds

S.No.	Particulars	Number of Respondents	Percentage
1	IT	222	66.5
2	FMCG	52	15.6
3	Media	30	9.0
4	Banking	29	8.7
5	Pharma	1	0.3
	Total	334	100

Table 5.22 shows that sixty seven percent of the respondents prefer IT sector funds, sixteen percent of the respondents prefer FMCG sector funds, nine percent of the respondents prefer Banking and Social Media sector funds and less than one percent of the of the respondents prefer Pharma sector funds.

Table 5.23
Respondents Ranking on Investment Objective to Invest in Mutual Funds

Tax Exemption	Risk Diversification	Capital Appreciation	Professional Management	Flexibility
Rank1	Rank2	Rank3	Rank4	Rank5
59.6	58.1	52.7	50.3	49.1

Table 5.23 shows that majority of the respondents sixty percent ranked Tax exemption as their objective of investment in mutual funds in the first place and forty nine percent of the respondents ranked flexibility as their last item in objective of investment in mutual funds.

From the above, it is evident that most of the respondents prefer mutual fund as their short term investment next to bank deposits. The respondents invest in mutual funds from their present income and prefer one to two years to invest in mutual funds. Most of them prefer brokers as intermediaries to invest in mutual funds; the respondents prefer investments in

balanced fund and prefer dividend reinvestment option with monthly returns from mutual fund investments. They prefer sector specific equity fund types specifically IT sector funds. They ranked tax exemption as their objective of investment in mutual funds in the first place.

5.5.1 Factors Affecting Mutual Fund Product Awareness among Investors

The following factors are listed as part of Mutual Fund Product Awareness among Investors.

- Mutual Fund yields / gives maximum returns.
- Easy entry and exit to and from MF with Minimum Initial Investment options.
- Investment Philosophy / Objective of the Fund is important while investing Fund with good Capital Appreciation and NAV value is attractive
- Uniqueness of the Mutual Fund (Scheme) and innovative features attracts to invest in Mutual funds

Table 5.24
Respondents Awareness on Mutual Fund Products

Mutual Fund Product Awareness	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Mutual Fund yields / gives Maximum Return	0	0.0	0	0.0	2	0.6	70	21.0	262	78.4	334	100.0
Easy entry and exit to and from MF with Minimal Initial Investment options	0	0.0	0	0.0	7	2.1	74	22.2	253	75.7	334	100.0
Investment Philosophy / Objective of the Fund is important while investing	0	0.0	2	0.6	5	1.5	55	16.5	272	81.4	334	100.0
Fund with good Capital appreciation and NAV value is attractive	0	0.0	2	0.6	11	3.3	67	20.1	254	76	334	100.0
Uniqueness of the Mutual Fund (Scheme) and innovative features attracts to invest in Mutual funds	0	0	0	0	6	1.8	75	22.5	253	75.7	334	100

It is evident from Table 5.24 that nearly 99 percent of respondents either

Strongly agree or agree to the statement "mutual fund yields / gives maximum return". For the statement "easy entry and exit to and from mutual funds with minimal initial investment options", 76 percent strongly agreed, 22 percent agreed and about two percent remained neutral to the statement. It is evident from Table 4.27 that nearly 88 percent of respondents either strongly agree or agree to the statement "that investment philosophy / objective of the fund are important while investing". For the statement "fund with good capital appreciation and NAV (Net Asset Value) value is attractive" 76 percent strongly agreed, 20 percent agreed, three percent remains neutral and less than one percent disagreed to the statement.

It is evident from Table 5.24 that nearly 98 percent of respondents either strongly agree or agree to the statement "uniqueness of the mutual fund (scheme) and innovative features attracts to invest in mutual funds".

5.5.2 Factors Affecting Awareness of Asset Management Company Reputation among Investors

The following factors are listed as part of Awareness of Asset Management Company Reputation among Investors

1. Investment in mutual funds will be made based on the AMC Reputation or Brand Name
2. Investments will be made based on Company's past performance/track record
3. Customized Goal Planner options based on the individual needs are getting provided by AMC
4. Guiding Investors about Projection of Economic Factors that may affect Fund Performance in next 12 months

Table 5.25
Respondents Awareness on Asset Management Company Reputation

Awareness of Asset Management Company Reputation	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Investment in mutual funds will be made based on the AMC Reputation or Brand Name	0	0.0	0	0.0	0	0.0	104	31.1	230	68.9	334	100.0
Investments will be made based on Company's Past performance/track record	0	0.0	3	0.9	5	1.5	77	23.1	249	74.6	334	100.0
Customized Goal Planner options based on the individual needs are getting provided by AMC	0	0.0	0	0.0	0	0.0	67	20.1	267	79.9	334	100.0
Guiding Investors about Projection of Economic Factors that may affect Performance in next 12 months	0	0.0	0	0.0	7	2.1	80	24	247	74.0	334	100.0

Table 5.25 shows that sixty nine percent of the respondents strongly agree that investment in mutual funds will be made based on the AMC reputation or brand name, and thirty one percent of the respondents agree that investment in mutual funds will be made based on the AMC reputation or brand name.

Seventy five percent of the respondents strongly agree that investments will be made based on company's past performance/track record, twenty three percent of the respondents agree that investments will be made based on company's past performance/track record, two percent of the respondents remain neutral to this statement and nearly one percent of the respondents disagree that investments will be made based on company's past performance/track record.

Eighty percent of the respondents strongly agree that customized goal planner options based on the individual needs are getting provided by AMC and twenty percent of the respondents agree that customized goal planner options based on the individual needs are getting provided by AMC

Seventy four percent of the respondents strongly agree that guiding investors about projection of economic factors that may affect fund performance in next 12 months and nearly two percent of the respondents remain neutral to this statement.

5.5.3 Factors Affecting Understanding of Mutual Fund Risks among Investors

The following factors are listed as part of Understanding of Mutual Fund Risks among Investors

1. Investment in Mutual Fund helps to diversify risks
2. Fund Managers are better place to manage portfolio
3. The value of its investments may decline because of market risk
4. The value of an investment declines because of political changes or instability in the country
5. Change in currency value against global market may impact investments
6. Disclosure of Standard / Scheme Specific Risk Factors

Table 5.26
Respondents Awareness on Understanding Mutual Fund Risks

Understanding of Mutual Fund Risks	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Investment in Mutual Funds helps to diversify risks	0	0.0	0	0.0	2	0.6	86	25.7	246	73.7	334	100.0
Fund Managers are in a better place to manage a portfolio	0	0.0	0	0.0	1	0.3	77	23.1	256	76.6	334	100.0
The value of its investments may decline because of market risk	0	0.0	0	0.0	9	2.7	53	15.9	272	81.4	334	100.0
The value of an investment declines because of political changes or instability in the country	0	0.0	0	0.0	3	0.9	73	21.9	258	77.2	334	100.0
Change in currency value against global market may impact investments	0	0.0	0	0.0	10	3.0	60	18.0	264	79.0	334	100.0
Disclosure of Standard / Scheme Specific Risk Factors	0	0.0	0	0.0	9	2.7	78	23.4	247	74.0	334	100.0

Table 5.26 shows that seventy four percent of the respondents strongly Agree that investment in mutual fund helps to diversify risks, twenty six percent of the respondents agree that investment in mutual fund helps to diversify risks and nearly one percent of the respondents remain neutral to this statement.

Seventy seven percent of the respondents strongly agree that fund Managers in better place to manage portfolio, twenty three percent of the respondents agree that fund managers are better place to manage portfolio and nearly less than one percent of the respondents remain neutral to this statement.

Eighty one percent of the respondents strongly agree that the value of its investments may decline because of market risk; sixteen percent of the respondents agree that the value of its investments may decline because of market risk and three percent of the respondents remain neutral to this statement.

Seventy seven percent of the respondents strongly agree that the value of An investment declines because of political changes or instability in the country; twenty two percent of the respondents agree that the value of an investment declines because of political changes or instability in the country and nearly one percent of the respondents remain neutral to this statement.

Seventy nine percent of the respondents strongly agree that change in Currency value against global market may impact investments; eighteen percent of the respondents agree that change in currency value against global market may impact investments and three percent of the respondents remain neutral to this statement.

Seventy four percent of the respondents strongly agree that disclosure of standard / scheme specific risk factors; twenty three percent of the respondents agree that disclosure of standard / scheme specific risk factors and nearly three percent of the respondents remain neutral to this statement.

5.5.4 Factors Affecting Respondents Awareness on Qualities of Investment Advisors

The following factors are listed as part of Respondents Awareness on Qualities of Investment Advisors

1. Investment Advisors needs to have good relationship including good rapport with investment.
2. Investment Advisor should have General awareness about the markets
3. Investment Advisor should make specific recommendations and tailor plans to suit needs for investing
4. Investment Advisor should not be biased on his approach

5. Investment Advisor should redraw the investment strategies from time to time, keeping investors preferences
6. Disclosure of Repurchase / Redemption / Switch Procedures / Penalties

Table 5.27
Respondents Awareness on Qualities of Investment Advisors

Qualities of Investment Advisors	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Investment Advisors needs to have good relationship including good rapport with investors	0	0.0	0	0.0	2	0.6	86	25.7	246	73.7	334	100.0
Investment Advisor should have General awareness about the markets	0	0.0	0	0.0	0.3	77	23.1	256	76.6	334	100.0	
Investment Advisor should make specific recommendations and tailor plans to suit needs for investing	0	0.0	0	0.0	9	2.7	53	15.9	272	81.4	334	100.0
Investment Advisor should not be biased on his Approach	0	0.0	0	0.0	0.9	73	21.9	258	77.2	334	100.0	
Investment Advisor should redraw the investment strategies from time to Time, keeping investors preferences.	0	0.0	0	0.0	10	3.0	60	18.0	264	79.0	334	100.0
Disclosure of Repurchase / Redemption / Switch Procedures / Penalties	0	0.0	0	0.0	1.5	81	24.3	248	74.3	334	100.0	

Table 5.27 shows that seventy four percent of the respondents strongly

Agree that an investment advisor needs to have good relationship including good rapport with investors; twenty six percent of the respondents agree that an investment advisor needs to have good relationship including good rapport with investors and nearly one percent of the respondents remain neutral to this statement.

Seventy seven percent of the respondents strongly agree that an Investment advisor should have general awareness about the markets; twenty three percent of the respondents agree that investment advisor should have general awareness about the markets and less than one percent of the respondents remain neutral to this statement.

Eighty one percent of the respondents strongly agree that an investment Advisor should make specific recommendations and tailor plans to suit needs for investing; sixteen percent of the respondents agree that investment advisor should make specific recommendations and tailor plans to suit needs for investing and three percent of the respondents remain neutral to this statement.

Seventy seven percent of the respondents strongly agree that an Investment advisor should not be biased in his approach; twenty two percent of the respondents agree that an investment advisor should not be biased in his approach and nearly one percent of the respondents remain neutral to this statement.

Seventy nine percent of the respondents strongly agree that an Investment advisor should redraw the investment strategies from time to time, keeping investor's preferences; eighteen percent of the respondents agree that an investment advisor should redraw the investment strategies from time to time, keeping investor's preferences and three percent of the respondents remain neutral to this statement.

Seventy four percent of the respondents strongly agree that an investment advisor should disclose of repurchase / redemption / switch procedures / penalties; twenty four percent of the respondents agree that an investment advisor should disclose of repurchase / redemption / switch procedures / penalties and nearly two percent of the respondents remain neutral to this statement.

5.5.5 Factors Affecting Respondents Awareness on Understanding Asset Management Company Services

The following factors are listed as part of Respondents Awareness on Understanding Asset Management Company Services

1. Daily disclosure of NAV (Net Asset Value)
2. Disclosure of Deviation of Investment from Original Pattern
3. Grievance Redressal Machinery by AMC (Asset Management Company)
4. Mutual Fund Investment can be made through online (Websites) – without help of brokers
5. Disclosure of Investor's Rights & Services

Table 5.28
Respondents Awareness on Understanding Asset Management Company Services

Understanding Asset Management Company Services	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Daily disclosure of NAV (Net Asset Value)	0	0.0	0	0.0	6	1.8	76	22.8	252	75.4	334	100.0
Disclosure of Deviation of Investment from Original Pattern	0	0.0	0	0.0	0	0.0	75	22.5	259	77.5	334	100.0
Grievance Redressal Machinery by AMC (Asset Management Company)	0	0.0	0	0.0	8	2.4	73	21.9	253	75.7	334	100.0
Mutual Fund Investment can be made through online (Websites) – without help of brokers	0	0.0	0	0.0	5	1.5	82	24.6	247	74.0	334	100.0
Disclosure of Investor's Rights & Services	0	0.0	2	0.6	9	2.7	95	28.4	228	68.3	334	100.0

Table 5.28 shows that seventy five percent of the respondents strongly agree that an asset management company should disclose NAV (Net Asset Value) daily; twenty nine percent of the respondents agree that an asset management company should disclose NAV (Net Asset Value) daily and nearly two percent of the respondents remain neutral to this statement.

Seventy eight percent of the respondents strongly agree that an asset Management Company should disclose the deviation of investments from the original pattern and twenty three percent of the respondents agree that an asset management company should disclose the deviation of investments from the original pattern

Seventy six percent of the respondents strongly agree that an asset Management Company should have grievance Redressal machinery; twenty two percent of the respondents agree that an asset management company should have grievance Redressal machinery and nearly two percent of the respondents remain neutral to this statement.

Seventy four percent of the respondents strongly agree that an asset management company should leverage the technology by making the investors invest in mutual funds through online / websites without the help of brokers; twenty five percent of the respondents agree that an asset management company should leverage the technology by making the investors to invest in mutual funds through online / websites without the help of brokers and nearly two percent of the respondents remain neutral to this statement.

Sixty eight percent of the respondents strongly agree that an asset Management Company should disclose investor's right and services; twenty nine percent of the respondents agree that an asset management company should disclose investor's right and services; three percent of the respondents remain neutral to this statement and one percent of the respondents disagree that an asset management company should disclose investor's right and services.

5.5.6 Summary on Factors Affecting Investor Perception on Mutual Funds

Statements related to five dimensions of the current study namely Mutual Fund Product Awareness, Awareness of Asset Management Company Reputation, Understanding of Mutual Fund Risk, Qualities of Investment Advisors and Understanding Asset Management Company Services are included in the Questionnaire.

For each statement the respondents is expected to choose one of the five options namely Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree.

A Score of 1 is given for Strongly Disagree a Score of 2 is given for Disagree

A Score of 3 is given for Neutral a Score of 4 is given for Agree

A Score of 5 is given for Strongly Agree

Every respondent is assessed on the basis of the survey obtained in each

One of the five dimensions. Overall summary statistics such as the mean value and standard deviation is given in the Table 4.29 and Table 4.30.

Table 5.29
Overall Summary Statistics

Factors	Mean	SD
Product Awareness	4.75	0.35
Company Awareness	4.73	0.30
Understanding of MF	4.75	0.29
Quality of Investment Advisors	4.76	0.29
Understanding Asset Management	4.72	0.32

Table 5.30
Overall Summary Statistics - Percentage

Factors	Mean	SD
Product Awareness	95.03	6.97
Company Awareness	94.6	6.00
Understanding of MF	95.06	5.84
Quality of Investment Advisors	95.11	5.79
Understanding Asset Management	94.46	6.41

As for the variations in responses are concerned, respondents are more consistent in their responses in understanding of Mutual Fund Product and Quality of Investment

Advisor: Variations are found to be higher in the dimensions Product Awareness and Understanding Asset Management Company.

Chapter 5:- Findings, Suggestions and Conclusion

5.1 Findings:-

- In the Age Group of 41-50 years were more in numbers. The second most Investors were in the age group of 31-40 years and the least were in the age group of 51-60 years.
- Most of the Investors were Professionals, Graduate or Post Graduate, and below HSC there were very few in numbers.
- In Occupation group most of the Investors were Govt. employees, the second most Investors were Private employees & Retired persons and the least were associated with Professionals & Self-employed.
- In family Income group, between Rs. 30,001- 60,000 were more in numbers, the second most were in the Income group of more than Rs.30, 000 and the least were in the group of below Rs. 10,000.
- About all the Respondents had a Saving A/c in Bank. 61% Invested in Fixed Deposits, Only 55% Respondents invested in Mutual fund.
- Mostly Respondents preferred High Return while investment, the second most Preferred Low Risk then liquidity and the least preferred Trust.
- Among Respondents only 60% had invested in Mutual Fund and 40% did not have invested in Mutual fund.
- Out of 80 Respondents 81% were not aware of Mutual Fund, 13% told there is not any specific reason for not invested in Mutual Fund and 6% told there is likely to be higher risk in Mutual Fund.
- Most of the Investors had invested in Reliance or UTI Mutual Fund, SBI Prudential has also good Brand Position among investors, SBIMF places after SBI Prudential according to the Respondents.
- Out of 55 investors of SBIMF 64% have invested due to its association with the Brand SBI, 27% Invested because of Advisor's Advice and 9% due to better return.
- Most of the investors who did not invested in SBIMF due to not Aware of SBIMF, the second most due to Agent's advice and rest due to Less Return.
- For Future investment the maximum Respondents preferred Reliance Mutual Fund, the second most preferred SBI Prudential, SBIMF has been preferred after them.

- 60% Investors preferred to Invest through Financial Advisors, 25% through AMC (means Direct Investment) and 15% through Bank.
- 65% preferred One Time Investment and 35% preferred SIP out of both type of Mode of Investment.
- The most preferred Portfolio was Equity, the second most was Balance (mixture of both equity and debt), and the least preferred Portfolio was Debt portfolio.
- Maximum Number of Investors Preferred Growth Option for returns, the second most preferred Dividend Payout and then Dividend Reinvestment.
- Most of the Investors did not want to invest in Sectorial Fund, only 21% wanted to invest in Sectorial Fund.

5.2 Suggestions:-

- The most vital problem spotted is of 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.
- Mutual funds offer a lot of benefit which no other single option could offer. But most of the people are not even aware of what actually a mutual fund is? They only see it as just another investment option. So the advisors should try to change their mindsets. The advisors should target for more and more young investors. Young investors as well as persons at the height of their career would like to go for advisors due to lack of expertise and time.
- 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.

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 of people have fear of Mutual Fund. They think their money will not be secure in Mutual Fund. They need the knowledge of Mutual Fund and its related terms. Many of people do not have invested in mutual fund 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 important role for the investment. People invest in those Companies where they have faith or they are well known with them... Some AMCs are not performing well although some of the schemes of them are giving good return because of not awareness about Brand. Reliance, UTI, SBIMF, SBI Prudential etc. they are well known Brand, they are performing well and their Assets Under Management is larger than others whose Brand name are not well known like Principle, Sundaram, etc.

Distribution channels are also important for the investment in mutual fund. Financial Advisors are the most preferred channel for the investment in mutual fund. They can change investors' mind from one investment option to others. Many of investors directly invest their money through AMC because they do not have to pay entry load. Only those people invest directly who know well about mutual fund and its operations and those have time.

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