



"A Study On Investors Perception Towards Mutual Fund Investment"

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1.1 Theoretical background of the Mutual fund:

In the financial industry, the talk of the day is “mutual fund”. Of late, mutual funds have become the favorite to the millions of people in the modern world. In the modern world mutual funds are attracting small & small individuals to invest in this because of the high dividends declaration, high portfolios, and best funds to invest, more facilities to the investors like SIP, STP, and FMS etc.

Mutual fund is a mechanism for pooling the resources by issuing units to the investors & investing funds in securities in accordance with the objectives as disclosed in the offer document.

Investments in securities are spread across a wide-cross section of industries & sectors & 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 the money invested by them. Investors of mutual funds are known as unit holders.

The investors in proportion to their investments share the profits or losses. The mutual funds normally come out with a number of schemes with different investment objectives, which are launched from time to time. A mutual fund is required to be register with Securities & exchange board of India (SEBI), which regulates securities markets before it can collect funds from the public.

1.1.1 Role of Mutual fund:

Mutual funds perform different roles for the different constituents that participate in it.

Their primary role is to assist investors in earning an income or building their wealth, by participating in the opportunities available in various securities and markets. It is possible for mutual funds to structure a scheme for different kinds of investment objectives. Thus, the mutual fund structure, through its various schemes, makes it possible to tap a large corpus of money from investors with diverse goals/objectives.

Therefore, mutual funds offer different kinds of schemes to cater to the need of diverse investors. In the industry, the words ‘fund’ and ‘scheme’ are used inter-changeably. Various categories of schemes are called “funds”. In order to ensure consistency with what is experienced in the market, this workbook goes by the industry practice.

However, wherever a difference is required to be drawn, the scheme offering entity is referred to as “mutual fund” or “the fund”.

The money that is raised from investors, ultimately benefits governments, companies and other entities, directly or indirectly, to raise money for investing in various projects or paying for various expenses.

The projects that are facilitated through such financing, offer employment to people; the income they earn helps the employees buy goods and services offered by other companies, thus supporting projects of these goods and services companies. Thus, overall economic development is promoted.

As a large investor, the mutual funds can keep a check on the operations of the investee company, and their corporate governance and ethical standards.

The mutual fund industry itself, offers livelihood to a large number of employees of mutual funds, distributors, registrars and various other service providers.

Higher employment, income and output in the economy boosts the revenue collection of the government through taxes and other means. When these are spent prudently, it promotes further economic development and nation building.

Mutual funds can also act as a market stabilizer, in countering large inflows or outflows from foreign investors. Mutual funds are therefore viewed as a key participant in the capital market of any economy.

1.1.2 Advantage of mutual fund for investors

- **Professional Management**

Mutual funds offer investors the opportunity to earn an income or build their wealth through professional management of their investible funds. There are several aspects to such professional management viz. investing in line with the investment objective, investing based on adequate research, and ensuring that prudent investment processes are followed.

Investing in the securities markets will require the investor to open and manage multiple accounts and relationships such as broking account, Demat account and others. Mutual fund investment simplifies the process of investing and holding securities.

• Affordable Portfolio Diversification

Investing in the units of a scheme provide investors the exposure to a range of securities held in the investment portfolio of the scheme in proportion to their holding in the scheme. Thus, even a small investment of Rs. 500 in a mutual fund scheme can give investors proportionate ownership in a diversified investment portfolio.

As will be seen later, with diversification, an investor ensures that “all the eggs are not in the same basket”. Consequently, the investor is less likely to lose money on all the investments at the same time. Thus, diversification helps reduce the risk in investment. In order to achieve the same level of diversification as a mutual fund scheme, investors will need to set apart several lakhs of rupees. Instead, they can achieve the diversification through an investment of less than thousand rupees in a mutual fund scheme.

• Economies of Scale

Pooling of large sum of money from many investors makes it possible for the mutual fund to engage professional managers for managing investments. Individual investors with small amounts to invest cannot, by themselves, afford to engage such professional management.

Large investment corpus leads to various other economies of scale. For instance, costs related to investment research and office space gets spread across investors. Further, the higher transaction volume makes it possible to negotiate better terms with brokers, bankers and other service providers.

Mutual funds give the flexibility to an investor to organize their investments according to their convenience. Direct investments may require a much higher investment amount than what many investors may be able to invest. For example, investment in gold and real estate require a large outlay. Similarly, an effectively diversified equity portfolio may require a large outlay. Mutual funds offer the same benefits at a much lower investment value since it pools small investments by multiple investors to create a large fund. Similarly, the dividend and growth options of mutual funds allow investors to structure the returns from the fund in the way that suits their requirements.

Thus, investing through a mutual fund offers a distinct economic advantage to an investor as compared to direct investing in terms of cost saving.

• Liquidity

At times, investors in financial markets are stuck with a security for which they can't find a buyer – worse, at times they can't find the company they invested in. Such investments, whose value the investor cannot easily realize in the market, are technically called illiquid investments and may result in losses for the investor.

Investors in a mutual fund scheme can recover the market value of their investments, from the mutual fund itself. Depending on the structure of the mutual fund scheme, this would be possible, either at any time, or during specific intervals, or only on closure of the scheme. Schemes, where the money can be recovered from the mutual fund only on closure of the scheme, are compulsorily listed on a stock exchange.

In such schemes, the investor can sell the units through the stock exchange platform to recover the prevailing value of the investment.

- **Systematic Approach to Investments**

Mutual funds also offer facilities that help investor invest amounts regularly through a Systematic Investment Plan (SIP); or withdraw amounts regularly through a Systematic Withdrawal Plan (SWP); or move money between different kinds of schemes through a Systematic Transfer Plan (STP). Such systematic approaches promote investment discipline, which is useful in long-term wealth creation and protection. SWPs allow the investor to structure a regular cash flow from the investment account.

1.1.3 Limitations of mutual fund

- **Lack of portfolio customization**

Some brokerages offer Portfolio Management Schemes (PMS) to large investors. In a PMS, the investor has better control over what securities are bought and sold on his behalf. The investor can get a customized portfolio in case of PMS.

On the other hand, a unit-holder in a mutual fund is just one of several thousand investors in a scheme. Once a unit-holder has bought into the scheme, investment management is left to the fund manager (within the broad parameters of the investment objective). Thus, the unit-holder cannot influence what securities or investments the scheme would invest into.

- **Choice overload**

There are multiple mutual fund schemes offered by 42 mutual funds – and multiple options within those schemes which makes it difficult for investors to choose between them. Greater dissemination of industry information through various media and availability of professional advisors in the market helps investors handle this overload.

In order to overcome this choice overload, SEBI has introduced the categorization of mutual funds to ensure uniformity in characteristics of similar type of schemes launched by different mutual funds. This will help investors to evaluate the different options available before making informed decision to invest.

- **No control over costs**

All the investor's money is pooled together in a scheme. Costs incurred for managing the scheme are shared by all the Unit-holders in proportion to their holding of Units in the scheme. Therefore, an individual investor has no control over the costs in a scheme.

SEBI has however imposed certain limits on the expenses that can be charged to any scheme. These limits, which vary with the size of assets and the nature of the scheme, are discussed later.

1.1.4 Types of mutual fund

- **Open-Ended Funds:**

An open-ended fund or scheme is one that is available for subscription & repurchase on continuous basis. These schemes do not have a fixed maturity period. Investors can conveniently buy & sell units at net asset value (NAV) related prices which are declared on a daily basis. The key feature of open-ended scheme is liquidity.

The main features of the open-ended scheme

- ✓ There is complete freedom / flexibility, for an investor to enter in /out at any time as & when he / she desires.
- ✓ These funds are not traded publicly, but the fund is ready to repurchase them & Resell them at any time.
- ✓ The fund managers have to be careful in managing investment because to met the sudden redemptions made by the investors.

- **Close Ended Funds:**

A close-ended fund or scheme has a stipulated maturity period e.g 5-7 years. The fund is open for subscription only for a specified period at the time of the launch of the scheme. Investors can invest in the scheme at the time of initial public issue & thereafter they can buy & sell the units of the scheme on the stock exchanges where the units are listed. In order to provide an exit route, to the investors some close-ended funds give an option of selling back the units to the mutual fund through periodic repurchase at NAV related prices. SEBI regulations stipulate that at least one of the two exit routes is provided to the investor i.e either repurchase facility or through listing on stock exchanges. These mutual funds schemes disclose NAV generally on weekly basis.

The main features of the close-ended scheme

- ✓ The period/ the target amount of the fund is definite & fixed beforehand.
- ✓ Once the target is reached allotment of the units are closed.
- ✓ These units are traded publicly through stock exchange & generally there is no repurchase facility by the fund.
- ✓ The main objective of the fund is capital appreciation.

✓ The fund manager can manage the fund efficiently & profitably without the necessity of maintain & liquidity of fund before maturity.

• **Equity Funds:**

The aim of such scheme is to provide capital appreciation over the medium to long-term. Such schemes normally invest a major part of there corpus in equities. These schemes provide different options to the investors like dividend option, capital appreciation etc& the investors can choose an option depending on their preferences. The investors must indicate the option in the application form. The mutual funds also allow the investors to change the option at a later date. Growth schemes are good for investors having a long-term outlook seeking appreciation over aperiod of time.

• **Liquid Funds:**

These funds are also income funds & their aim is to provide easy liquidity, preservation of capital & moderate income. These schemes invest exclusively in safer short-term instruments such as treasury bills, certificates of deposit, commercial paper & inter-bank call money, government securities, etc.

Returns on these schemes fluctuate much less compared to other funds. These funds are appropriate for corporate & individuals as a means of parkthere surplus Funds for short periods.

• **Tax savings Funds:**

These schemes offer tax rebates to the investors under specific provisions of income tax act 1961, as the government offers tax incentives for investment in specified avenues. e.g. Equity linked saving schemes (ELSS). Pension schemes launched by mutual funds also offer tax benefits. These Schemes are growth oriented & invest pre-dominantly in equities. There growth Opportunities & risks associated are like any equity-oriented scheme.

• **Index Funds:**

Index funds replicate the portfolio of a particular index such as the BSE, Sensitive index, S&P NSE 50 INDEX (NIFTY), etc. these schemes invest in the securities in the same weightage comprising of an index. NAV's of such schemes would rise or fall in accordance with the rise or fall in the index, though not exactly by the same percentage due to some factors known as "Tracking error" in technical terms. Necessary disclosures in this regard are made in the offer document of the mutual fund scheme. There are also exchange traded index funds launched by mutual funds which are traded on the stock exchanges

● **Gilt fund:**

These funds invest exclusively in government securities. Government securities have no default risk. NAV's of these schemes also fluctuate due to change in interest rates & other economic factors as in the case with income or debt oriented schemes.

1.1.5 Actively managed funds & passive funds

- **Actively managed funds**

Actively managed funds are funds where the fund manager has the flexibility to choose the investment portfolio, within the broad parameters of the investment objective of the scheme. Since this increases the role of the fund manager, the expenses for running the fund turn out to be higher. Investors expect actively managed funds to perform better than the market.

- **Passive funds**

Invest on the basis of a specified index, whose performance it seeks to track. Thus, a passive fund tracking the S&P BSE Sensex would buy only the shares that are part of the composition of the S&P BSE Sensex. The proportion of each share in the scheme's portfolio would also be the same as the weightage assigned to the share in the computation of the S&P BSE Sensex. Thus, the performance of these funds tends to mirror the concerned index. They are not designed to perform better than the market. Such schemes are also called index schemes. Since the portfolio is determined by the index itself, the fund manager has no role in deciding on investments. Therefore, these schemes have low running costs.

- **Exchange Traded Funds (ETFs)**

Exchange Traded Funds are also passive funds whose portfolio replicates an index or benchmark such as an equity market index or a commodity index. The units are issued to the investors in a new fund offer (NFO) after which they are available for sale and purchase on a stock exchange. Units are credited to the investor's demat account and the transactions post-NFO is done through the trading and settlement platforms of the stock exchange. The units of the ETF are traded at real time prices that are linked to the changes in the underlying index.

1.1.6 Concept of Equity, Debt, Hybrid

- **Equity**

Equity represents ownership in the company (that has issued the shares) to the extent of shares held. Shareholders participate in the management of the company by exercising the voting rights associated with the shares held. They also participate in the residual profits of the company i.e. the profits remaining after all the dues and claims against the company have been met in the form of dividends. In periods of high revenues and profits, the shareholders benefit from high dividends that may be paid to them. However, there is no assurance given to equity holders either that a dividend will be paid or the amount of dividend. A company may not pay a dividend to its shareholders even if there are distributable profits if the management decides to use the profits for expansion plans, paying off debt and other financial activities that is expected to increase the value of the shares of the company. Apart from dividends, equity

investors benefit from the appreciation in the value of the shares.

Investment in equity is investment in a growth-oriented asset. The primary source of return to the investor is from the appreciation in the value of the investment. Dividends are declared by the company when there are adequate profits and provide periodic income to the shareholders.

- **Debt**

Debt represents the borrowings of the issuer. Debt as an asset class represents an income-oriented asset. The major source of return from a debt instrument is regular income in the form of interest. The interest is typically known at the time of issue and may be guaranteed either by an undertaking of the government or by security created on the physical assets of the issuer.

The terms of the issue will determine the conditions such as the coupon or interest payable on the debt, the tenor of the borrowing after which the borrower/issuer has to return the principal to the lenders/investors, the security against the assets of the borrower offered as collateral, if any, and other terms.

- **Hybrid**

Hybrid funds invest in a combination of asset classes such as equity, debt and gold. The combination of asset classes used will depend upon the investment objective of the fund. The risk and return in the scheme will depend upon the allocation to each asset class and the type of securities in each asset class that are included in the portfolio. The risk is higher if the equity component is higher. Similarly, the risk is higher if the debt component is invested in longer-term debt securities or lower rated instruments.

1.1.7 Key constituents of a mutual fund

- **Sponsor:**

The company, which set up the mutual fund, is called “sponsor”. A sponsor who organizes & markets the fund therefore, initiates a mutual fund. It pre-specifies the objective of the fund, the risks associated, the costs involved & board rules for entry into & exit from the fund. The sponsor needs approval from the market regulatory (SEBI).

- **Trustee**

The sponsor establishes trustees of the mutual fund to hold its property for the benefits of the unit holders. They carry the crucial responsibility of safeguarding the interest of the investors. The trustees are vested with the general powers of superintendence & direction over AMC.

➤ **Asset Management Company (AMC)**

AMC approved by SEBI manages the various funds by making investments in various securities. SEBI regulations require that 2/3 rd of the directors of trustee company or board of trustees must be independent i.e. they should not be associated with the sponsor. All mutual funds should register with SEBI before they launch any scheme. However UTI is not registered with SEBI (AS ON JANUARY 2002.)

1.1.8 Regulatory environment of mutual fund in India

➤ **Securities and Exchange Board of India**

Securities and Exchange Board of India (SEBI) is the regulatory authority for securities markets in India. It regulates, among other entities, mutual funds, depositories, custodians and registrars and transfer agents in the country

The applicable guidelines for mutual funds are set out in SEBI (Mutual Funds) Regulations, 1996, as amended till date. Some aspects of these regulations are discussed in various sections of this workbook. An updated and comprehensive list of circulars issued by SEBI can be found in the Mutual Funds section of SEBI's website: www.sebi.gov.in. Master Circulars, which capture the essence of various circulars issued upto a specified date, may be downloaded from www.sebi.gov.in.

➤ **Self-Regulatory Organizations (SRO)**

In the developed world, it is common for market players to create Self-Regulatory Organizations, whose prime responsibility is to regulate their own members. The statutory regulatory bodies set up by the Government only lay down the broad policy framework, and leave the micro-regulations to the SRO. For instance, the Institute of Chartered Accountants of India (ICAI) regulates its own members.

The securities exchanges in India such as the NSE, BSE and MSEI are vested with self-regulatory responsibilities. They regulate the firms listed on their stock exchange and also their trading members.

➤ **AMFI Code of Ethics (ACE)**

One of the objectives of the Association of Mutual Funds in India (AMFI) is to promote the investors' interest by defining and maintaining high ethical and professional standards in the mutual fund industry.

The AMFI Code of Ethics (ACE) sets out the standards of good practices to be followed by the Asset Management Companies in their operations and in their dealings with investors, intermediaries and the public.

SEBI (Mutual Funds) Regulation, 1996 requires all Asset Management Companies and Trustees to abide by the Code of Conduct as specified in the Fifth Schedule to the Regulation. The AMFI Code has been drawn up to supplement that schedule, to encourage standards higher than those prescribed by the Regulations for

the benefit of investors in the mutual fund industry.

➤ **AMFI's Code of Conduct for Intermediaries of Mutual Fund**

AMFI has also framed a set of guidelines and code of conduct for intermediaries (known as AMFI Guidelines & Norms for Intermediaries (AGNI)), consisting of individual agents, brokers, distribution houses and banks engaged in selling of mutual fund products.

1.1.9 Offer document

➤ **New Fund Offer(NFO)**

Units in a mutual fund scheme are offered to public investors for the first time through a NFO. The offer is made through a legal document called the Offer Document. The following are a few key steps leading to the NFO:

- The AMC decides on a scheme to be taken to the market. This is decided on the basis of inputs from the Chief Investment Officer (CIO) on investment objectives that would benefit investors, and inputs from the Chief Marketing Officer (CMO) on the interest in the market for the investment objectives
- The AMC prepares the draft Offer Document for the NFO. This needs to be approved by the Trustees and the Board of Directors of the AMC.
- ✓ The trustees have to give an undertaking that the scheme is a new product and not a minor modification of an existing scheme.
- The documents are then filed with SEBI. The observations that SEBI makes on the draft Offer Document need to be incorporated. In case no modifications are suggested by SEBI within 21 working days of filing the same, the AMC can issue the offer document in the market.

➤ **Scheme Information Document (SID)**

A Scheme Information Document is one of the many fund provide files and has nearly all of the records approximately a mutual fund scheme. It consists of information like minimal subscription amounts, go out and access loads, SIP information, fund managers and their experience, threat level, the scheme's objective, etc.

➤ **Statement of Additional Information (SAI)**

A Statement of Additional Information (SAI) is a supplementary report delivered to a mutual fund's prospectus that carries extra facts approximately the fund and consists of similarly disclosure concerning its operations.

1.1.10 Distributional channel of mutual fund

1.1.10.1 Traditional Distribution Channels

➤ Individual

In the past, individual agents distributed units of Unit Trust of India and insurance policies of Life Insurance Corporation (LIC). These individual agents facilitated investments in Government's small savings schemes and also sold fixed deposits and public issues of shares of companies, either directly, or as a sub-broker of some large broker.

UTI, LIC or other issuers of the investment product (often referred to in the market as "product manufacturers") usually advertised through the mass media, while an all-India field force of agents approached investors to get application forms signed and collected their cheques. Earlier, the agents were familiar with the investors' families and were often viewed as an extension of the family.

➤ Institutional Channels

The changing competitive context led to the emergence of institutional channels of distribution for a wide spectrum of financial products. This comprised:

- Brokerage firms and other securities distribution companies, who widened their offering beyond company fixed deposits and public issue of shares.
- Banks, who started viewing distribution of financial products as a key avenue to earn fee-based income, while addressing the investment needs of their customers.
- Non-banking finance companies (NBFC) with multiple branches.

Some of these institutional distributors/channels operated within states; many went national. A chain of offices manned by professional employees or affiliated sub-brokers became the face of mutual fund distribution. Brand building, standardized processes and technology sharing became drivers of business for these institutions – unlike the personal network, which generated volumes for the individual agents. Investors also benefit from the investment research and other services that these institutions provide to their clients.

1.1.10.2 Newer Distribution Channels

➤ Internet

The internet gave an opportunity to mutual funds to establish direct contact with investors. Investors can now access the website of the mutual fund and deal directly with the fund. Direct transactions afford scope to optimize on the commission costs involved in distribution. Other electronic/internet based modes of conducting financial and non-financial transactions include those offered by banks, financial institutions, distributors, registrar and transfer agent, electronic platforms provided by stock exchanges such as NSE's MFSS and BSE's StAR platform.

➤ Stock Exchanges

The institutional channels have had their limitations in reaching out deep into the hinterland of the country. A disproportionate share of mutual fund collections has tended to come from corporate and institutional investors and from urban centers, rather than retail individuals for whose benefit the mutual fund industry exists. Stock exchanges, on the other hand, have managed to ride on the equity cult in the country and the power of communication networks to establish a cost-effective all India network of brokers and trading terminals. This has been a successful initiative in the high volume low-margin model of doing business, which is more appropriate and beneficial for the country

➤ Distribution through Banks

Mutual funds have built relationships with PSU banks that have a wide reach in the non-urban centers to distribute mutual fund products through them. Also private and foreign banks actively participate in the distribution process of mutual fund product.

1.2 INDUSTRY PROFILE:

1.2.1 General Review of Mutual fund

A mutual fund is a professionally managed investment vehicle that pools money from numerous investors to invest in a diversified portfolio of securities such as stocks, bonds, money market instruments, or a combination of these assets. These funds are managed by skilled portfolio managers who make investment decisions on behalf of the investors, aiming to achieve the fund's investment objectives.

One of the key benefits of mutual funds is diversification. By investing in a variety of assets, mutual funds spread risk and reduce the impact of poor performance from any single investment. This diversification is particularly advantageous for individual investors who may not have the resources to build a well-diversified portfolio on their own.

Mutual funds offer investors access to professional management and expertise. Portfolio managers conduct research, analyze market trends, and make investment decisions, which can potentially lead to better returns compared to individual investors managing their own portfolios.

Additionally, mutual funds provide liquidity, allowing investors to buy or sell their shares on any business day at the fund's net asset value (NAV). This liquidity feature offers flexibility to investors who may need to access their funds quickly.

Investors can choose from a wide range of mutual fund types, including equity funds, bond funds, money market funds, balanced funds, and specialty funds, catering to various investment objectives, risk tolerances, and time horizons.

However, mutual funds come with certain drawbacks. They typically charge fees and expenses, including management fees, administrative fees, and operational expenses, which can erode returns over time. Additionally, investors have limited control over the specific securities held within the fund, as investment decisions are made by the fund manager.

Overall, mutual funds offer a convenient and accessible way for investors to participate in the financial markets, benefiting from professional management and diversification. However, investors should carefully consider their investment goals, risk tolerance, and fees before investing in any mutual fund.

1.2.2 History of mutual fund

The origin of the concept of mutual funds dates back to the very dawn of commercial history. It is said that “Egyptians & Phoenicians” sold their shares in vessels & Caravans with a view to spreading the risk attached with these risky ventures. However, the real credit of introducing modern concept of “MUTUAL FUNDS” goes to foreign & colonial government trust of London established in 1868. There after a large number of close-ended mutual funds were formed in the USA in 1930’s followed by many countries in Europe, the Far East & Latin America. In most of the countries both open & closed-ended types were popular.

In the United States, mutual funds constitute the fourth largest financial force after bank, insurance companies & pension funds. The funds aggregate assets of over \$ 300 billion. In 1984 \$ 300 billion were invested by mutual funds were active, managing the investment in over 21 million shareholders accounts.

In India, the mutual fund industry has been languishing for years despite the fact that the oldest institution the “UNIT TRUST OF INDIA” was set up way back in 1964. It is a open-ended scheme it got approval by the RBI in 1963 & it issued units on 1st FEBRUARY 1964. Until 1987 it has enjoyed the monopoly. Next generation mutual funds came into being by entry of PUBLIC SECTOR BANKS after the amendment of the “BANKING REGULATION ACT IN 1983” which empowered the RBI to permit the banks to play non-banking financial business such as leasing, mutual funds etc. under section 6 of this act & later followed by the private & foreign players.

1.2.3 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 the. The history of mutual funds in India can be broadly divided into four distinct phases

First Phase – 1964-87

Unit Trust of India (UTI) was established on 1963 by an Act of Parliament. It was set up 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 cores 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 Canara bank 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 cores.

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

With the entry of private sector funds in 1993, a new era started in the Indian mutual fund industry, giving the Indian investors a wider choice of fund families. Also, 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.

The number of mutual fund houses went on increasing, with many foreign mutual funds setting up funds in India and also the industry has witnessed several mergers and acquisitions. As at the end of January 2003, there were 33 mutual funds with total assets of Rs. 1,21,805 crores. The Unit Trust of India with Rs.44,541 crores of assets under management was way ahead of other mutual funds.

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 Specified Undertaking of Unit Trust of India, functioning under an administrator and under the rules framed by Government of India and does not come under the purview of the Mutual Fund Regulations.

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. With the bifurcation of the erstwhile UTI which had in March 2000 more than Rs.76,000 crores of assets under management and with the setting up of a UTI Mutual Fund, conforming to the SEBI Mutual Fund Regulations, and with recent mergers taking place among different private sector funds, the mutual fund industry has entered its current phase of consolidation and growth. As at the end of September, 2004, there were 29 funds, which manage assets of Rs.153108 crores under 421 schemes.

1.2.4 Evolution of mutual fund

The evolution of mutual funds spans several centuries, beginning in the 18th century with the concept of pooled investment funds in Europe. However, the modern mutual fund industry as we know it today began to take shape in the early 20th century in the United States.

The concept of mutual funds evolved from the idea of collective investment trusts, which were established in Europe in the 18th century. These trusts allowed investors to pool their money together for investment purposes, with the trust being managed by a professional trustee. However, it wasn't until the early 20th century that the modern mutual fund structure emerged.

In 1924, the first modern mutual fund, the Massachusetts Investors Trust, was established in the United States by MFS Investment Management. This fund was designed to provide individual investors with access to a diversified portfolio of stocks, managed by professional investment managers. The Massachusetts Investors Trust introduced the concept of open-end mutual funds, where investors could buy and sell shares directly from the fund itself at the net asset value (NAV) per share.

Throughout the 20th century, the mutual fund industry experienced significant growth and innovation. The introduction of federal regulations, such as the Investment Company Act of 1940, provided a regulatory framework for mutual funds, establishing guidelines for their operation and protecting investors' interests.

In the 1970s and 1980s, the industry saw the emergence of index funds pioneered by John Bogle, founder of Vanguard Group. Index funds aimed to replicate the performance of a specific market index, such as the S&P 500, at a lower cost compared to actively managed funds. This innovation democratized investing by offering low-cost investment options to a broader range of investors.

The late 20th and early 21st centuries witnessed further expansion and diversification of mutual funds. New types of funds, such as bond funds, money market funds, and international funds, were introduced to meet the evolving needs of investors. Additionally, advancements in technology facilitated easier access to mutual funds through online platforms and mobile applications.

In recent years, there has been a growing focus on environmental, social, and governance (ESG) investing within the mutual fund industry. ESG funds incorporate sustainability criteria into their investment strategies, aligning with investors' growing interest in socially responsible investing.

Overall, the evolution of mutual funds has been characterized by innovation, regulatory oversight, and increasing accessibility, shaping the investment landscape and providing investors with diverse opportunities to achieve their financial goals.

1.2.5 Profile of mutual fund

Mutual funds are investment vehicles that pool money from multiple investors to invest in various securities such as stocks, bonds, money market instruments, or a combination of these assets. They are managed by professional portfolio managers or investment firms who make investment decisions on behalf of the investors. Mutual funds offer a convenient and accessible way for individuals to invest in the financial markets, providing diversification, professional management, and liquidity.

One of the key features of mutual funds is diversification. By pooling money from multiple investors, mutual funds can spread their investments across a wide range of assets, reducing the impact of poor performance from any single investment. This diversification helps to mitigate risk and potentially improve

returns over the long term.

Mutual funds offer investors access to professional management and expertise. Portfolio managers conduct research, analyze market trends, and make investment decisions, aiming to achieve the fund's investment objectives. This professional management can potentially lead to better investment outcomes compared to individual investors managing their own portfolios.

Mutual funds provide liquidity, allowing investors to buy or sell their shares on any business day at the fund's net asset value (NAV). This liquidity feature offers flexibility to investors who may need to access their funds quickly, providing an alternative to investing directly in individual securities, which may lack liquidity.

2.1 Company history



Money Maze Wealth Advisors was founded in July 2018. They conclude that good wealth management necessitates not only a knowledge of money but also a knowledge of people. As a result, before they invest your money, they'll first invest in our relationship.. Their dedicated financial planning and investment teams work closely with individuals, families and their advisers, providing them with innovative products and services. They pride themselves on helping people get to where they want to be in life by making the most of their wealth. They are bound to no corporate group, so offer unbiased recommendations from a broad universe of investment opportunities. They are serving a diverse and international client base. Money Maze serves about 300+ happy customers across the globe with an AUM of around Rs.200cr.

MONEY MAZE is a one stop solution for all the Financial Needs as they provide a platter of Financial Products and design the products as per the client's requirements.



Money Maze Wealth Advisors is the Authorized Partner of MOTILAL OSWAL FINANCIAL SERVICES LTD. *(India's Leading Financial Institution).



A. K. CAPITAL SERVICES LIMITED

BUILDING BONDS

Money Maze Wealth Advisors is the Authorized partner of A K CAPITAL Investments which is the India's leading & specialized Bond dealers.

Challa Surendra(Founder & CEO)

Mr. Challa Surendra is a holder of MBA finance. He has over 20 years of investment and risk management experience.. He specializes in portfolio construction and allocation and risk management. His work experience spans across organizations like Karvy Stock Broking, Indiabulls Financial Services, IFCI Financial Services and Motilal Oswal Financial services ltd. His Previous assignment was with Motilal Oswal Financial Services Ltd as South Regional Head for Investment Products where he has conducted Various Sessions on investment products and need of that for the investors. He created a strong work force, put in efficient systems and introduced proven processes. He has successfully introduced investment products to the market by various innovative marketing strategies. His core values on client relationship management with investorcentric have made him venture Money Maze.

2.2 Vision and mission

Vision

- The main vision is to provide best quality financial services on commodities, Exchange currency equity and so on to clients and investor in Across the globe
- To be one of the topmost preferable financial services company inthe country
- To create sustainable growth in long term investor to their clients in business and be contributor to maintain corporate responsible in the economy.
- It aims to inspire and launch their own set of plans, policy, decisions, and actions to lead and control the bank in order to change the world.

Mission

- To improve our performances by developing latest technology andimplementing in the society continuously.
- To provide effective quality of training to employee to meet theirobjective and goals in significant ways.
- To have positive impact towards its stake holders as well as society.

●To maintain our position as a market leader in terms of financial advisory services.

●Company to understand the needs and requirements of their clients and must fulfil their requirements effectively I economy.

●Company feel free to share their investment strategies and experience to all the investors without considering the age factor for their better future.

2.4 Product and service profile

Products are:

- Equity
- Mutual funds
- Insurance
- Commodities
- Portfolio management
- Corporate FD

Service Are:

- Wealth management
- Financial planning
- Insurance planning
- Retirement Planning

2.5 Competitor profile and analysis

●Sharekhan's financial service Pvt. Ltd

Sharekhan has been recognized as one of the biggest impartial retail brokerages in India, also the 3rd largest firm, in terms of customer base by putting back ICICI Direct and HDFC Securities. It has pioneered itself in online trading. The company is also engaged in offering a wide range of financial services and products, including various securities such as brokerage, mutual fund distribution, loan against shares, ESOP financing, IPO financing and wealth management.

●Kotak Securities Limited:

Kotak Securities Ltd is also engaged in offering stock broking services in India. The company prominently functions in two segments namely, Broking and Other Related Activities; & Trading and Principal Investments. It also offers other secondary market broking services, such as cash equity, equity and currency derivative, mutual fund, initial public offering, exchange trading fund, bond, gold exchange trading fund, stock lending and borrowing mechanism, and future, as well as online trading services. The company is also engaged in providing portfolio management services; and depository participant services. Adding to

this, it also offers various products of primary market and insurance. Currently, the company is operating through a network of 1,281 branches and satellite offices.

●JM Financials Limited

JM Financial Ltd has been considered as one of the India's projecting financial services groups, engaged in offering a variety of businesses to companies, financial establishments, retail investors, high net-worth individuals. The company is also known for their diverse businesses like Investment Banking, Equity, Debt, Commodity Sales, Wealth Management, Portfolio Management Services, Asset Management, Financing and Lending and Housing Finance.

The company has also been pioneered in framing several strategies, for a broad client base, which has been spread across India and thus the company has advanced great experience and expertise. Each and every idea established by the company is considered to be unique, catering to the needs of the customer and also supported by their superior execution to render extreme benefits.

The company has equipped a skilled professional, who bring in diverse talents, information and involvement to the workplace, by greatly contributing to the development of the businesses. Currently, the company is honored to be recognized by several national and international accolades leading to insightful guidance and implementation of skills. Thus, they are now striving hard to return back to the society, what they have received by them, by supporting various issues related to various sectors like education, health care, skill development, entrepreneurship promotion, disaster relief and animal welfare.

●Zerodha:

It is one of the prominent Indian financial service company, a associate of NSE, BSE, MCX, MCX-SX, engaged in offering trade and formal broking services, trading of currencies and commodities, benefits of mutual funds, and bonds etc. The company is also well recognized for its new discount pricing model and technology, implemented in the company for the first time. It has its physical presence in all major Indian cities, with its headquarters at Bangalore.

As of 2019, Zerodha Ltd has been considered as one of the major retail stock broker firm in India by its dynamic client base, and also witnessed in contributing upwards of 10% of its daily trade volumes across Indian stock exchanges.

2.6 Nature of business

Nature of Business	Finance
Company Founder	Mr. Challa Surendra
Registered Address	#53/A, 1st floor, 9th cross, JP Nagar 1st phase, Bengaluru, Karnataka-560078
Industry	Financial Services
Year of Formation	July 2018

2.7 Current Challenges

- Improve Performance of operation in an organization with positivemanner accordingly.
- Implement statutory rules, regulation, and policy to control avoidfrauds and errors in organization.
- Provision of satisfaction of work and promoting the career of theemployees in organization.
- Responsible to meet customer needs.

2.8 Values

“A good company culture creates happier employees & when this culture becomes a part of a person core value system at work the results are revolutionary.” At Moneymaze wealth advisors, we aim to imbibe such values.

Our five START values are the bedrock of our organization:

- **Speed**– Act with speed to deliver desired results.
- **Team**– Be a team player and leader in all situations. Always put teambefore individual.

- **Accountability**– Take ownership of your actions in all situations. Be answerable to your commitments
- **Results Matter** – Evaluate performance only with results. Results must be measurable and driven by numbers.
- **Trust**– Be knowledgeable and service oriented, and be trustworthy among all stakeholders”.

2.9 Future plans etc.

- To establish more branches in the coming year 2020 across India
- To facilitate rural areas to develop by providing an opportunity for self-employment opportunity in the economy.
- Engage with semi-urban and rural customers for long time to provide proper financial advice to achieve better standard of living
- Introduction of paperless and cashless transaction methods to the customers effectively in the market.
- To be most preferable financial services company in India.

2.10 SWOT ANALYSIS:

SWOT analysis refers to a framework, which is used by the company to analyse a company's competitive position by recognising its Strengths, Weakness, Opportunities and Threats in the market. Precisely, SWOT analysis is considered as a foundational assessment model in the market, which is used by the companies to measure- what an organisation can do and cannot do, by identifying its potential opportunities and threats.



STRENGTHS:

- Diverse range of financial products:- Moneymaze as a wide range of financial products such as Shares, Debentures, Futures, Options, Commodities, Mutual Funds and Foreign exchange shares.
- Known for transparent functioning:- Moneymaze is known for its honest functioning without any discrepancies. All the trade activities goes on smoothly without any fraudulent activities in an open market.
- Customer Loyalty:- They have been continuously handling customers portfolio for a long time and have maintained a good rapport with them. Many customers are loyal to their service and invest more in their advisory
- Strong Technical Support:- The employees are well trained regarding how to use and handle the stock market trading account of customers and manage their portfolio with the use of various Fundamental analysis tools.
- Good at handling client's intimation or call confirmation for trading:- They handle and maintain good customer relationship by attending their queries on time and advice for further investments.

WEAKNESS:

- Less penetration in rural areas:- This is because many people in the rural areas will not be aware of stock market and trading. This acts as a major drawback for all the financial advisory and brokerage firms.
- Lack of awareness due to low publicity:- There is no much publicity for financial advisory firms as compared to other firms which majorly leads to reduced investments from the public.
- People with conservative mind sets prefer gold investment:- Some customers only prefer investment in gold because they don't want to invest in other securities and they think that gold will give maximum returns compared to other investments which acts as a weakness for the firm

OPPORTUNITIES:

- Earning Urban Youth looking for investment options:- Nowadays many of the youths prefer to invest in stock market rather than any other instruments because of more returns which acts as a opportunity.
- Introducing new online certification course on Indian Stock Market:- This mainly helps for people who are in search for stock market trading training. They have started a new platform mainly to encourage the new comers in the stock market
- Adding new clients to Capital Markets:- Bringing the new clients to the existing portfolio will add a base to the existing market and helps in increasing the business for long run to a greater extent.
- Tapping the growing market opportunities:- Moneymaze adopts all the new opportunities available in the market and expands their business in long run to capture more clients and attention in the market.

THREATS:

- Stringent economic measures by Government and RBI:- Rigid policies and regulations acts as a major drawback for the growth of financial advisory firms and services. It is a threat for the growth of business.
- Tough competition in market:- There are many of the competitive firms presently functioning in the market for financial advisory and services that acts a major competition for Moneymaze
- Existence of foreign finance firms in India:- Foreign firms entry acts as a threat for the expansion of business because they hamper the growth of financial advisory and services.

3.1 Statement of the problem

The examine on investor`s belief in the direction of mutual fund, mutual fund in India are monitored and controlled via way of means of Securities change Board of India (SEBI), which performs a position in shielding the hobby of traders with inside the economy. The important danger concerned in mutual fund is underperformance. When investor thinks to make investments specially magnificence of asset, he might count on the go back that benchmark of asset provides. The different hassle with mutual fund is fashion drift, in which cash invested in huge cap fund starts off evolved to mid-cap stocks, or in the event that they spend money on a long-time period debt fund it begins off evolved to make investments big quantity are invested in coins instruments. Change of various fund managers may additionally results in detail of danger to your portfolio and in the event that they placed their cash on foundation of abilities if fund manager, who might also additionally determine to transport on, influences you with inside the danger respectively and non- stop extrude of fund manager may additionally reason fashion drift.

3.2 Need of study

For investor who're busy and doesn`t have time to discover and examine in shares and bonds, have feasible funding options like mutual finances. Mutual finances are very reasonably-priced compared to the fee of the shares with inside the market. Mutual fund diversifies the funding amassed from buyers in diverse sectors to minimize risk, a group of expert fund make an in-intensity studies to make investments cash in right sectors in market. Mutual fund establishments examine the critical company statistics which can't be diagnosed through the people in economy.

3.3 Scope of the study

The study is to follow up the investor`s priorities, preference, and awareness about different mutual fund schemes. The research conducted on various programs and comparison of pre and post conditions of target group. Participation of female in dealings with financial must be encouraged. Mutual fund is the simplest and convenient way to raise investment and return on investment effectively in the economy. The research would release the results of investor`s attitude towards mutual funds, investment pattern in the economy.

3.4 Review of literature

1.Gupta [1974]

Through Sharpe, Treynor and Jensen methods, he analysed and measured the performance of mutual funds Institutions from 1962 to 1971. It under study the choice of market index performance irrespectively. As the results all the indicated models provide similar results and he concluded by saying that, funds with high volatility have high performance.

2.Michael C. Jensen [1967]

Jensen conducted the study based on mutual funds from 1956 to 1964 on 115 mutual funds. As the result it was not able to predict prices of outperform of the securities in the market to buy the securities and hold on, hence it refused management expenses to be free. But there was little evidence kept to predict the performance of company through random chance.

3.Ariff and the Johnson [1990]

They made a study in Singapore and found that performance of Singapore unit is evaluated significantly, in an average based on risk adjusted half of the performing funds are above the market and remaining are below the market.

4.James McDonald [1974]

He analysed the positive relationship between the objectives and their risk and. They conducted study between return and risk. As the results he found that aggressive funds are more experienced with better results in the economy.

5.Sapar and Narayan [2003]

Through relative performance index, Sharp's ratio, Jensen ratio, Fama measures it enables to ascertain and analyse the performance of Indian mutual funds with a sample of 279 open ended schemes. As the results they suggested that most of mutual funds scheme in India with sample of 60 were able to satisfy expectations of investors in the market by providing more return for their investment.

6.Agarwal Deepak and Patildar Deepak [2009]

They conducted a research for fund manager in mutual fund to analyse information about fund manager and fund levels investors. It resulted that actual performance affected either by investment and savings routine of people and on the other side confidence and loyalty of the fund manager in India respectively in the market.

7.Vincent A. Warther [1995]

He conducted study based on security returns which are highly correlated with unexpected cash flow in mutual funds. As the results unexpected flow equal to 1% of stock is correspondents to 5.7% in price index of stock. They found the indication and have documentation of positive correlated securities of funds with return of 32%. It resulted with evidence of negative relations between returns and subsequent flows and evidence of positive relation between flows and returns.

8. Padma. J [1968]

It is a type of professional management investment vehicle which pools the money from the investors to make investment in mutual funds. All the investments are regulated and available to public in economy. In mutual funds there are merits as well as demerits compared to directly investing in the securities. The study increases awareness about the product effectively and some measures are made to select proper mutual funds to maximize the revenue.

9. Sadhak's Book [1997]

In India, investment practices and Marketing strategies is highly analytical, systematic, and logical dealing in financial securities. In this book most of the researches are in written forms which are more useful of the researchers. He made an attempt to present the marketing strategies of mutual funds.

10. Ippolito's [1989]

He conducted a study to estimate and measure the mutual fund industries risk free adjusted which was higher than zero [0] and alpha before charges that found that performance is not related to the expenses and impossible to predict the turnover.

11. Treynor and Mazuv [1996]

They involved in a study to evaluate the performance of around 57 managers in terms of abilities and they found that fund managers are not able to guess the market. As the results investors were completely depend upon fluctuations in the market, due to the fund manager's abilities', rate of return was not impossible to predict in economy.

12. Raod.N. [2006]

He conducted a test to measure performance of the open-ended equity mutual funds schemes in 1st April 2005 to 31 March 2006 to ascertain the investment styles and test the hypothesis. As the results he analysed that growth plan scheme have generated more return than dividend plans, and he classified 422 open ended equity mutual fund schemes into 6 investment styles.

13. Prabhakaran and Jayabalan [2010]

They both are involved in evaluating the performance of mutual funds schemes. They have taken 24 schemes from the sample as per priority of response of people in Dharmapuri [TN]. As results they suggest to provide the quality services to the investors what they expected respectively to make investors satisfaction in the economy.

14. R. Kothari [1973]

In this study he analyses the impact of various demographic variables on attitude of investors in mutual funds. It mostly focuses on delivering in providing a best quality of benefits to investors. As the results as per the research he clearly says that most of the investors don't have attitude toward mutual funds investments in economy.

15. Jack Treynor [1965]

Jack developed the model to evaluate the volatility measure performance of mutual funds to define average excess return on portfolio in the economy. This was followed by Sharpe to measures variability's which are divided by standard deviation of portfolio respectively.

3.5 Research Questions

- 1.Name
- 2.Gender
- 3.Age of investor
- 4.What is your occupation
- 5.Annual income of investors
- 6.What are the factors to which you give priority when you invest?
- 7.Which scheme do you like to invest?
- 8.How long you prefer to invest your funds
- 9.Which among the following create more awareness about mutual fund
10. Rate your experience of investment in mutual fund
11. When you invest in mutual fund which of investment do you prefer?
12. How aware are you about mutual fund
13. What is your return expectation on your investment?
14. What is your risk appetite?
15. Are you a regular or a new investor in mutual fund?
16. Which features attract you the most while choosing a specific mutualfund?
17. How you wish to invest in mutual funds?
18. From where you purchase mutual fund
19. In mutual fund specifically how much will you invest? (Yearly)

3.6 Objectives of the study

The major objective of study is to ascertain the perception, expectations, preference of investors regarding to mutual funds in the economy.

- To develop and build the awareness of mutual funds in minds of people.

- To know and understand the desirable features of mutual fund scheme.

- To provide guidance for investors which enhance them to select qualitative mutual funds schemes effectively in the economy

- To promote and recommend business practices that to be followed by the members and other parties in the activities of mutual fund institutions in the field of financial services and capital market

- To understand the perception relating to liquidity and investment decision of investors.

3.8 Research methodology

Research conducted through collecting the required data from primary and secondary sources of data.

Primary Data:

It is the data which is collected the information or data from a structured survey method using questionnaire like who wish to invest in mutual and other investment option. Sources of primary data are observation, interview, experiments, survey, etc.

The survey method was administered on 100 respondents through online and from direct personal interviews. The research was conducted in Bangalore city. Data is collected by respondents through questionnaire which are related to market study on investors perception of Mutual fund.

Secondary Data:

It is the data, where the data collected is already existed and published in the economy. Sources of secondary data are collected from magazines, Internet, Articles, Newspaper, company websites, etc.

3.9 Data collection

- Primary Data
- Secondary Data
 - Company Website
 - Company Profile
 - Company Records

3.10.6 Limitations of the study

Here only sample size of 100 is considered and in case of higher samplesize findings may differ.

- The respondent opinion may be biased
- Investment trends in mutual funds may change rapidly in theeconomy.
- In the study, I focused only on educated group in the society.
- Difficult to Analyze the impact of demographic factors influencinginvestor’s decision.

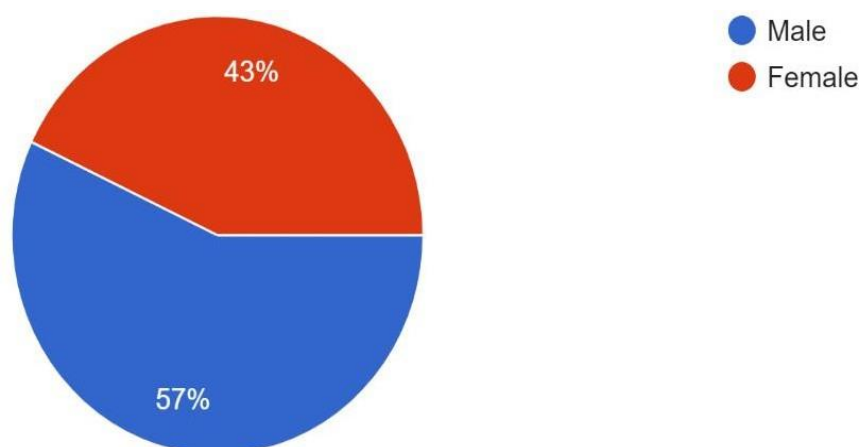
4.1 Anslysis and Interpretation of Data

4.1.1 Total number of respondents 100.

Table no - 4.1

Gender	Respondents
Male	67
Female	33
Total	100

Graph no - 4.1



ANALYSIS:

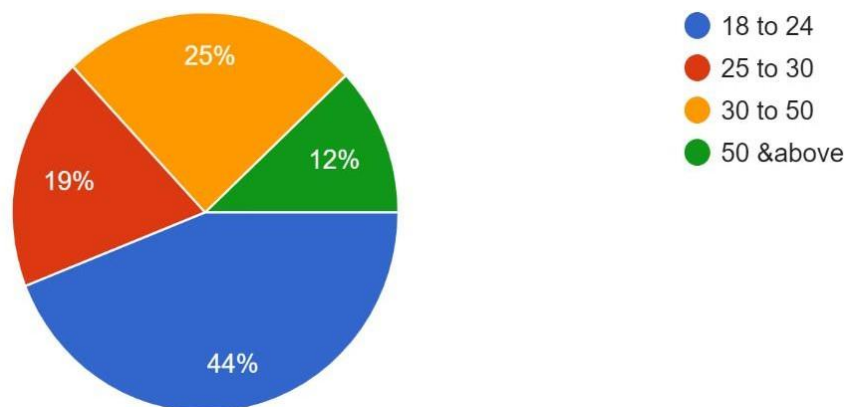
From the above table shows that out of the total 100 responses of people, 57% people responded are male and other 43% respondents are female. Most of people in the economy don't know about the financial securities in the market.

INTERPRETATION:

This pie chart could represent the gender distribution of investors in a particular mutual fund. The chart shows that 57% of the investors are male, indicated by the blue segment, while 43% of the investors are female, represented by the red segment. This suggests that there is a higher proportion of male investors compared to female investors in this mutual fund. Understanding the gender distribution can help in tailoring marketing strategies, investor education programs, and customer service approaches to better meet the needs of the predominant investor group.

4.1.2 Age of investor**Table - 4.2**

Age	Respondents
18 to 24	44
25 to 30	19
30 to 50	25
50 & above	12
Total	100

**Graph no - 4.2****ANALYSIS:**

The above table and graph indicates that, from the total 100 respondents, 44% of respondents falls under age of 18-24 years old, 19% of respondents falls under the age of 25-30 years, 25% of respondents falls under age of 30-50 years and remaining 12% of respondents are more than the age of 50 years.

INTERPRETATION:

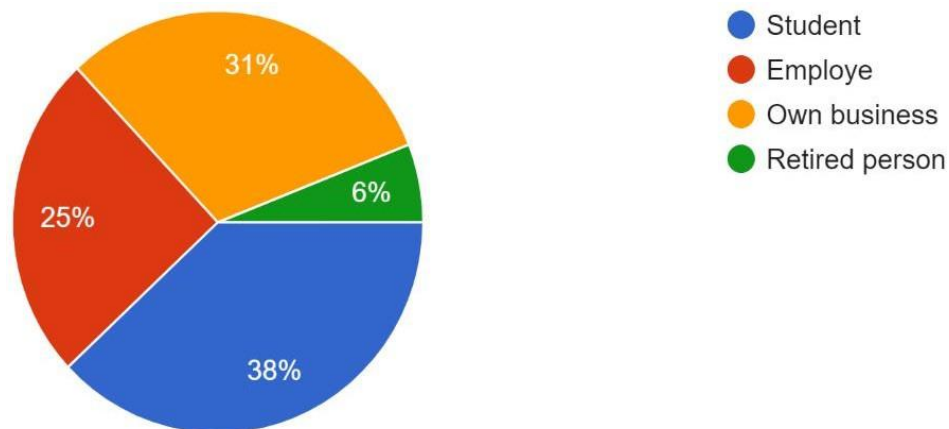
The pie chart represents the age distribution of 101 investors in a mutual fund. The largest segment, constituting 44% of the total respondents, indicates a strong interest in mutual funds among younger investors. This suggests that younger individuals are keen on starting their investment journeys early, potentially focusing on long-term growth. Comprising 19% of the respondents, this group is also significant

but smaller compared to the youngest age group. Investors in this age range may have started to accumulate more capital and are possibly diversifying their investment portfolios. Making up 25% of the total, this group is likely to be more financially stable and looking for investment opportunities to grow their wealth and prepare for future financial goals, such as retirement. Representing 12% of the respondents, this segment is the smallest. These investors might be more conservative, focusing on preserving their wealth and generating income rather than seeking high- risk growth opportunities.

4.1.3 Occupation of investors

Table - 4.3

Occupation	Respondents
Student	38
Salaried	25
Own business	31
Retired Person	6
Total	100



Graph no - 4.3

ANALYSIS:

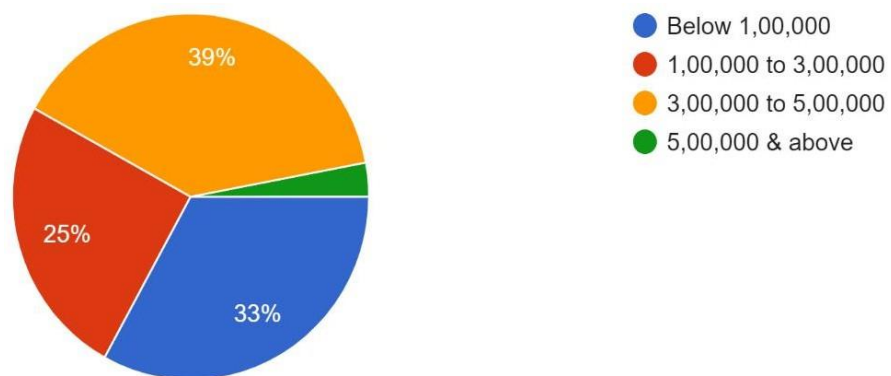
From the graph and table shows the occupation of the people in the economy who are the customers in the market, out of the total 100 response from people, 38 are Students, 25 are in Salaried, 31 are Own business, and 6 are retired persons of respondents.

INTERPRETATION:

From the analysis of table and graph we can interpret that, majority of respondents are from Students group. In the market Young generations are the investors who prefer more to invest in financial services like Shares, Debentures, mutual funds, Insurance and others in the economy.

4.1.4 Annual income of investors**Table - 4.1.4**

Annual Income [in lakhs]	Respondents
Below 1 lakhs	33
1 lakhs to 3 lakhs	25
3 lakhs to 5 lakhs	39
5 lakhs & above	3
Total	100

**Graph no - 4.1.4****ANALYSIS:**

From the given table, we can show that out of the total 100 respondents, 33% of respondents have annual income below 1 lakhs, 25% of respondents have annual income of Rs 1 lacs to Rs 3 lacs, 39% of respondents have annual income of Rs 3 lacs to Rs 5 lacs and 3% of respondents have annual income more than Rs 5 lacs.

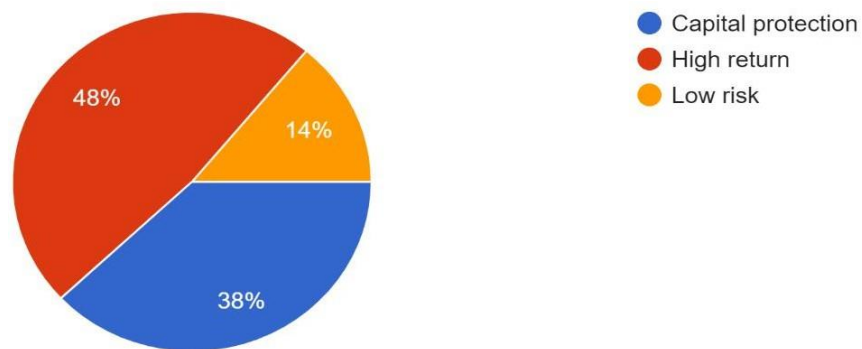
INTERPRETATION:

By analysing the table, we can interpret that, the annual income between Rs 3 lakhs to Rs 5 lakhs are more interested compare to respondents. By analysis we can determine the investment capabilities of the investors depend upon their income earned in the economy respectively.

4.1.5 Respondents priority of Investors

Table no - 4.1.5

priority of Investors	Respondents
Capital protection	38
High return	48
Low risk	14
Total	100



Graph no - 4.1.5

ANALYSIS:

From the graph and table shows the priority of the people in the economy who are the customers in the market, out of the total 100 response from people, 38 are prefer Capital protection, 48 are Prefer highreturn ,14 are prefer low risk.

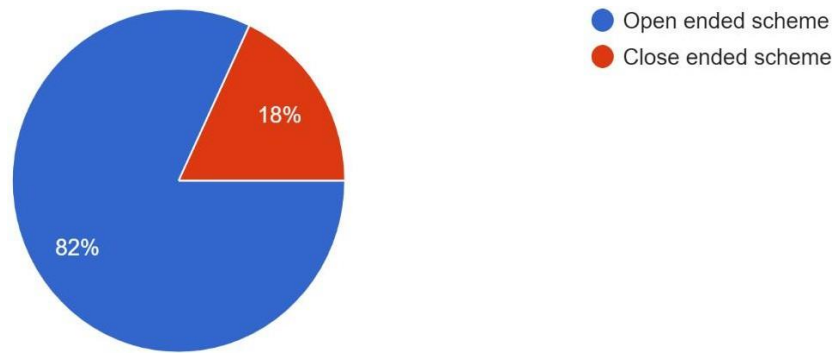
INTERPRETATION:

By the Analyzing the table, we can interpret that, the majority of investors prefer high returns. in the market,

4.1.6 Respondents preference of scheme

Table no - 4.1.6

preference of scheme	Respondents
Open ended Scheme	82
Close ended Scheme	18
Total	100



Graph no - 4.1.6

Analysis:

The above data shows that 82% of people respond to open- end scheme and 18% of people respond to closed- end scheme through survey.

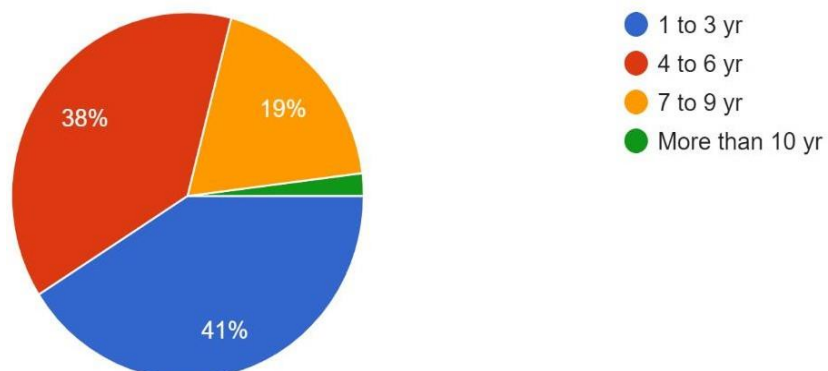
Interpretation:

In the table we can notice that open-end scheme is the scheme majority of respondents accepted in mutual funds. As open end is more convenience in the market to sell the securities majority of people prefer to invest in open end scheme only.

4.1.7 Respondents investment duration preference

Table no - 4.1.7

Year	Respondents
1 to 3yr	41%
4 to 6 yr	38%
7 to 9yr	19%
More than 10 yr	2%
Total	100



Graph no - 4.1.7**Analysis:**

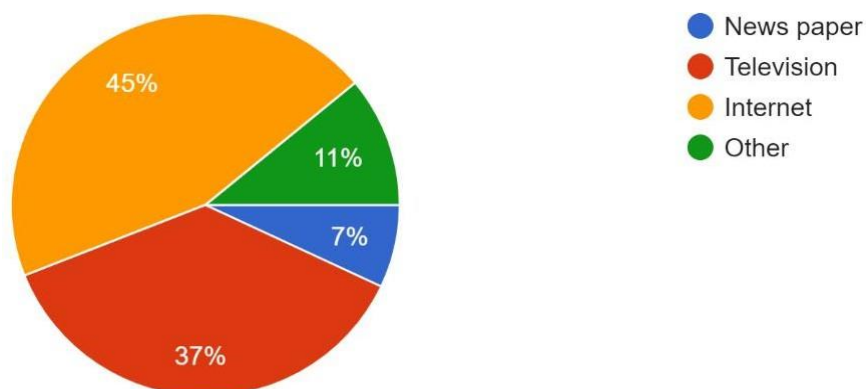
From the above diagram we can analyse and say that, 41% of people responded to invest for long time between 1-3 years, 38% of people responded to invest between 4-6 years, 19% of people responded to invest between 7-9 years, 2% of people responded to invest for more than 10 years in mutual funds.

Interpretation:

Through analysing the above table we can interpret that, most of the people responded to invest for 1- 3 years in mutual funds. As per analysis we can indicate that investors don't get good return for their investment investing for short period of time, they make hold their money for long period of time to get fair income on their investment.

4.1.8 Respondents aware about mutual fund**Table no - 4.1.8**

Particulars	Respondents
News paper	7%
Television	37%
internet	45%
other	11%
Total	100

**Graph no - 4.1.8****Analysis:**

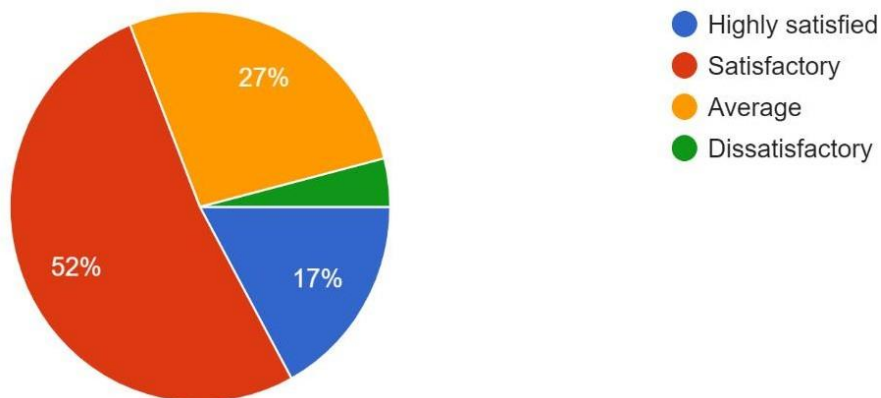
From the above table we can indicate that 7% of respondents are aware of mutual funds through newspapers and journal, 45% of respondents are well aware about mutual fund through internet, 37% from total respondents are aware from Television, 11% of respondents aware of others like friends and relatives.

Interpretation:

From the above graph and table we can interpret that majority of people are well aware of mutual through internet. Company must provide effective information about pros and cons of all listed company in security market through all mode of internet to the investors in the economy.

4.1.9 Respondents satisfaction about mutual fund**Table no - 4.1.9**

Particulars	Respondents
Highly satisfied	17
satisfied	52
Average	27
dissatisfactory	4
Total	100

**Graph no - 4.1.9****Analysis:**

From the above table and graph we can analyse, out of 100 respondents 17 respondents are highly satisfactory, 52 respondents are satisfactory, 27 respondents are average, 4 respondents are dissatisfactory.

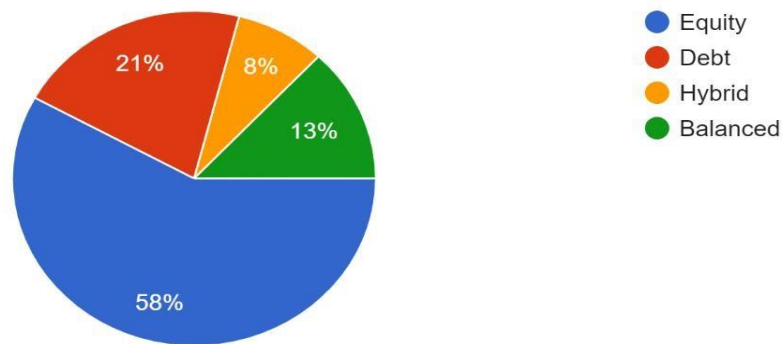
Interpretation:

From the analysis we can interpret that highest percentage of respondents rate their experience falls in satisfactory. People in India are not aware of mutual funds more, moneymazepromote financial services providing at less price in the economy to make more effective and increase the volume of the sales in the economy.

4.1.10 Respondents investment preference

Table no - 4.1.10

Particulars	Respondents
Equity	58
Debt	21
Hybrid	8
Balanced	13
Total	100



Graph no - 4.1.10

Analysis:

From the above tables and graph we can analyze that, out of 100 respondents 58% of respondents opted mutual funds for invest in equity, 21% of respondents opted for Debt, 8% of respondents opted for Hybrid and 13% of respondents opted for balanced.

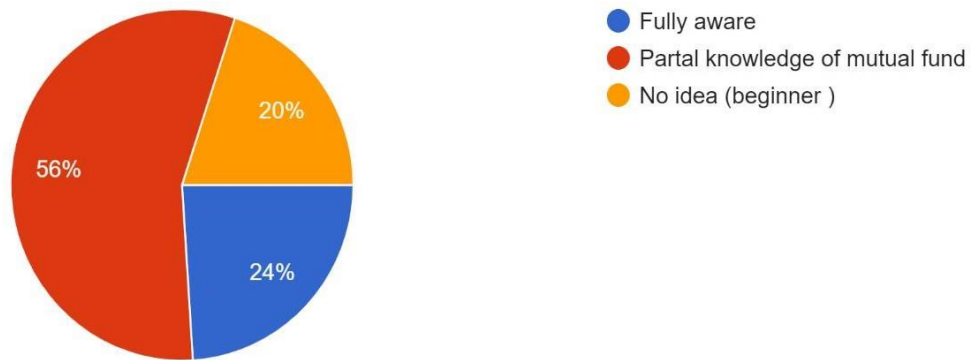
Interpretation:

From the analysis of table we can interpret that, majority of respondents opted to invest in equity in mutual funds respectively. In our country most of the people prefer to invest their savings in order to get high return on their investment in the market.

4.1.11 Respondents Aware about mutual fund

Table no - 4.1.11

Particulars	Respondents
Fully Aware	24
Partal Knowledge of mutual fund	56
No idea (beginner)	20
Total	100



Graph no - 4.1.11

Analysis:

From the above tables and graph we can analyse that, out of 100 respondents 24% of respondents Fully aware of mutual fund market, 56% of respondents partial knowledge of mutual fund, 20% of respondents beginner to the mutual fund market.

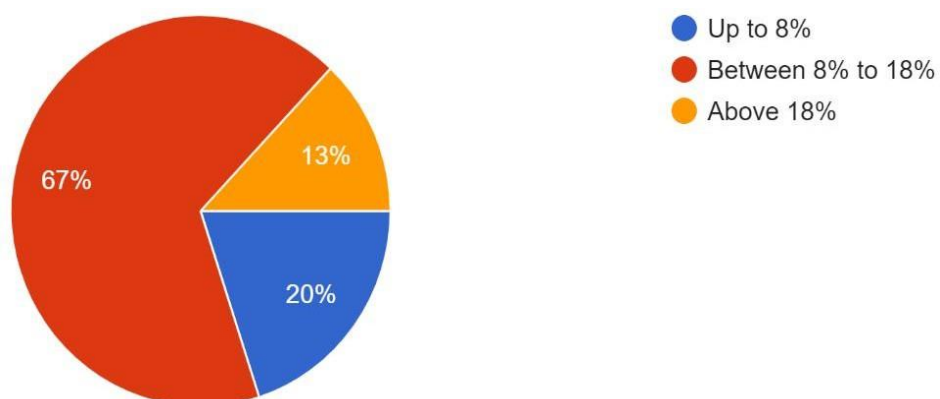
Interpretation:

From the analysis of table we can interpret that, majority of respondents aware partial knowledge of mutual fund.

4.1.12 Respondents expecting return on investment

Table no - 4.1.12

Particulars	Respondents
Up to 8%	20
Between 8% to 18%	67
Above 18%	13
Total	100



Graph no - 4.1.12**Analysis:**

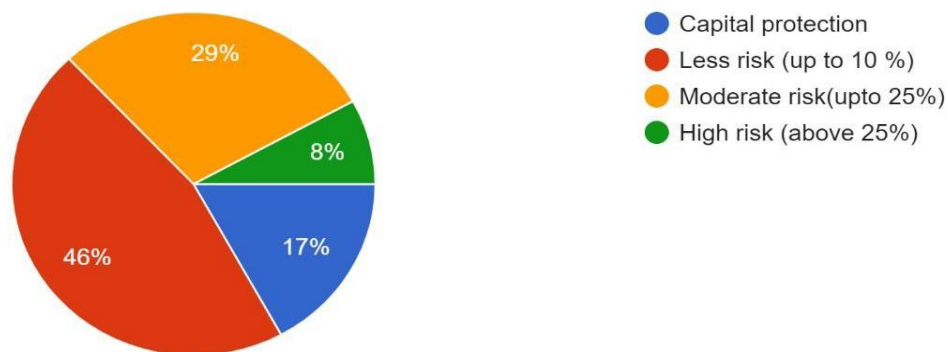
From the above table and graph we can analyse that 20% of respondents expect upto 8% return ,67% of respondents expect between 8% to 18% return, 13% of people expect Above 18% return on investment.

Interpretation:

By analysing we can interpret that the more respondents are expecting between 8% to 18% return on investment.

4.1.13 Respondents Risk appetite**Table no - 4.1.13**

Particulars	Respondents
Capital protection	17
Less risk (up to 10%)	46
Moderate risk (up to 25%)	29
High risk (Above 25%)	8
Total	100

**Graph no - 4.1.13****Analysis:**

From the above table and graph we can analyse that 17% of respondents rated that Capital protection ,46% of respondents rated that risk associated is low, 29% of people rated risk associated is moderate and only 8% of respondents rated risk associated is high with mutual funds.

Interpretation:

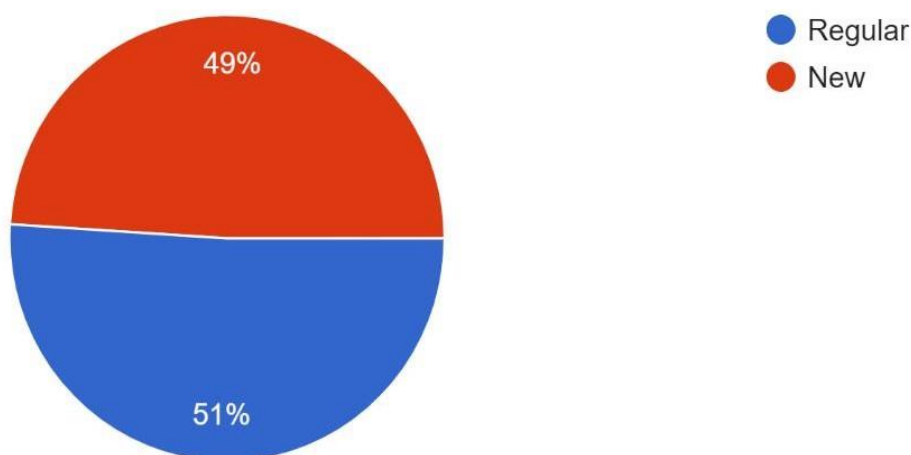
By analysing we can interpret that the more respondents rated risk involved is low in mutual funds. Country like India, most of the people lack behind to invest in financial services in the economy, hence

provide certain guarantee for their investment made for long time in the economy respectively.

4.1.14 Respondents regular or new

Table no - 4.1.14

Particulars	Respondents
Regular	51
New	49
Total	100



Graph no - 4.1.14

Analysis

From the above table and graph we can analyse that 51% of respondents are regular investors and 49% of respondents are new investors in market

Interpretation:

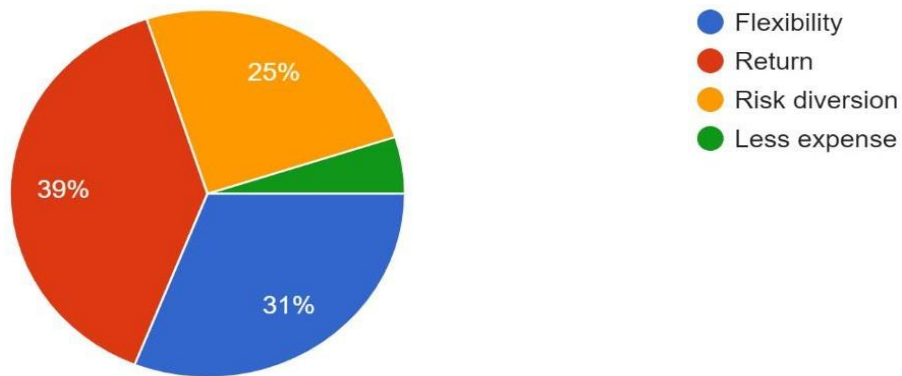
By analysing we can interpret that the more respondents rated Regularly investing in mutual fund, also more new investors entering in market.

4.1.15 Respondents attracting feature in mutual fund

Table no - 4.1.15

particulars	Respondents
Flexibility	31
Return	39
Rish Diversion	25
Less expense	2

Total	100
--------------	------------



Graph no - 4.1.15

Analysis:

From the above table and graph we can analyse that 31% of respondents rated that choosing mutual fund for flexibility ,39% of respondents choosing mutual fund for rreturn , 25% of people for risk diversion and only 2% of respondents coose mutual fund for less expense.

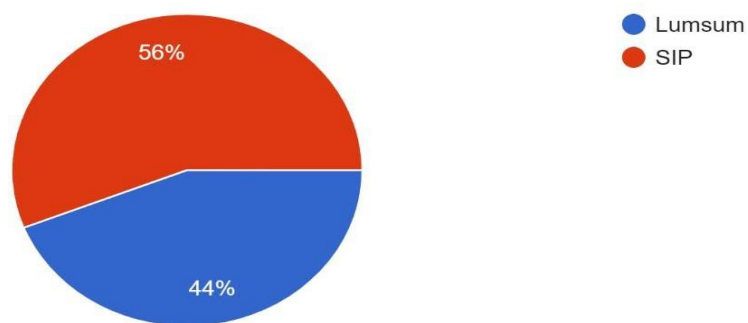
Interpretation:

By analysing we can interpret that the more respondents choosingsmutual fund for return on investment.

4.1.16 Respondents investment mode

Table no - 4.1.16

Particulars	Respondents
Lumsum	44
SIP	56
Total	100



Graph no - 4.1.16

Analysis:

From the above table we can analysed that 56% of the respondents are invest in mutual fund systematically,

and 44% in one-time investors.

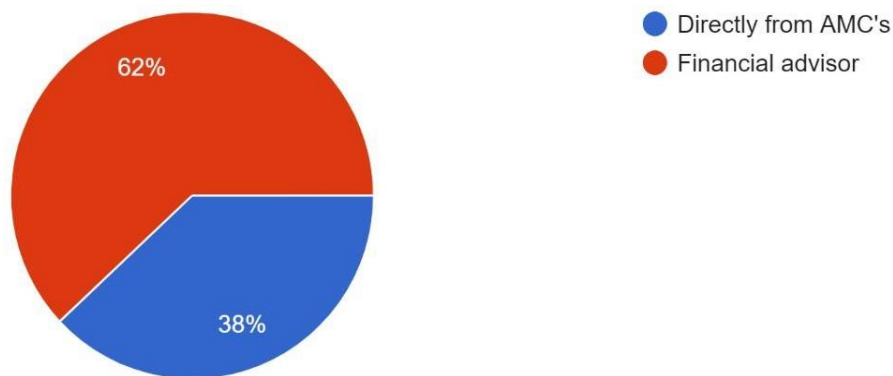
Interpretation:

Majority (56%) of the respondents are investing in mutual fund systematical

4.17 Respondents purchase from mutual funds

Table no - 4.1.17

Particulars	Respondents
Directly From AMC's	38
Finance Advisor	62
Total	100



Graph no - 4.1.17

Analysis:

From the chart of table we can analyzed that, 38% of respondents purchased mutual funds Directly from AMC , 62% of respondents purchased directly from Finance advisor.

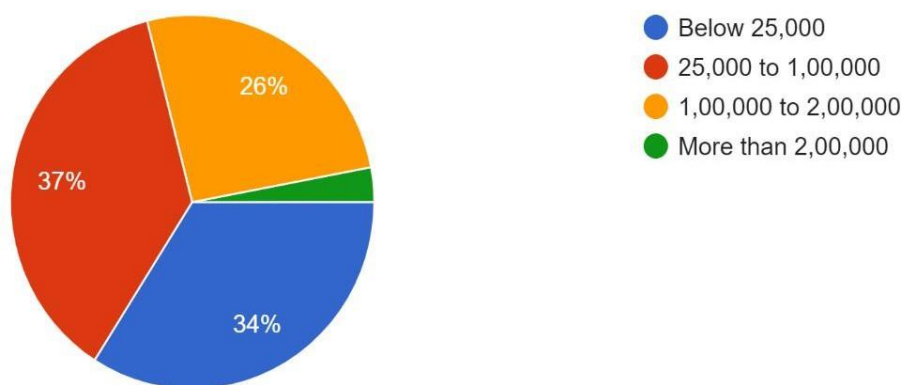
Interpretation:

By analyzing we can interpret that majority of respondent's purchase the mutual funds with Finance Advisors, also from AMC's directly to purchase mutual funds. The company much provide effective information related to financial services in order to retain the customers respectively in the economy.

4.1.18 Respondents Yearly investment

Table no - 4.1.18

Particulars	Respondents
Below 25.000	34
25.000 lakhs to 1 lakhs	37
1 lakhs to 2 lakhs	26
2 lakhs & above	3
Total	100



Graph no - 4.1.18

Analysis:

From the chart of table we can analyzed that, 34% of respondents yearly invest below Rs.25,000 in mutual funds, 37% of respondents yearly invest Rs.25,000 to Rs.1,00,000 , 26% of respondents yearly invest Rs.1,00,000 to Rs2,00,000 , 3% of respondents yearly invest more than Rs.2,00,000 .

Interpretation:

By analyzing we can interpret that majority of respondents yearly invest between Rs.25,000 to 1,00,000 in mutual funds, a common or middle class group investors look for Tax exemptions and safety for their investment made in the mutual funds.

5.1 Summary of findings:

- Most of the investors are aware and have knowledge of mutual but they are unwilling to invest in mutual funds.
- A common or middle class group investors look for Tax exemptions and safety for their investment made in the mutual funds.

- There are more than 1200 mutual fund schemes, but all the scheme are not aware to the investors in the economy.
- Majority of the people in the economy are focused on investing only in sectors because of balanced income plan, more liquidity and capital appreciation.
- Most of the investors invest in mutual funds because of low risk compared other stocks like Shares, Debentures, etc.
- Money invested in the mutual funds are for long period may be some times more than 1 to 3 years also by the investors in the economy.
- In Bangalore, age group between 18-24years of investors are more in numbers who are interested in dealing with mutual funds.
- Among 100 respondents, nearly 62% of investors are purchase mutual fund from Finance advisors and remaining 38% of investors purchase from AMC's
- Investors get sources of information about the mutual funds through newspapers, Television, Internet, Financial advisors, etc.
- Most of the investors are male who are most interested in mutual funds as compared to females in the economy.

5.2 Suggestion:

- Collection of bad debts should be more effective so that it will affect the profit of the company in positive way more efficient way of bad debts has to be incorporated to gain profits.
- Company must provide credit facilities to the investors who make intraday transaction

to the financial services in order to promote sales and maximize the profit in the company

5.3 Conclusion:

This project study was successfully completed with finding the strength, capabilities and stability of Money maze wealth advisors in Bangalore respectively. During the study of project help me to learn about the marketing techniques of the Money maze and also perceptions of customers towards services / product offered by the company to their customers.

In our country mutual funds have becoming one of the most attractive ways to invest from middle class group next to the are preference to invest in fixed deposits because they feel that there is no risk involved in losing their money in fixed deposits. Apart from this investor are facing severe problem while selecting mutual funds because of high risk involved in investing in mutual funds.

Today there is lot of opportunities available in the markets for investors like wealth management services but it is very costly in the market. At the study We noticed that fund manager is a person who plays a in important role selecting and timing of issues respectively.

As the results in order to secure and retain investors, companies are expected to ensure regular updates of relevant information required and must give assurance of safety and other monetary benefits to investors in

the market.

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ANNEXURE

1.Name

2.Gender

- Male
- Female

3.Age of investor

- 18 to 24
- 25 to 30
- 30 to 50
- 50 &above

4.What is your occupation

- Student
- Employe
- Own business
- Retired person

5.Annual income of investors

- Below 1,00,000
- 1,00,000 to 3,00,000
- 3,00,000 to 5,00,000
- 5,00,000 & above

6.What are the factors to which you give priority when you invest?

- Capital protection
- High return
- Low risk

7.Which scheme do you like to invest?

- Open ended scheme

- Close ended scheme

8. How long you prefer to invest your funds

- 1 to 3 yr
- 4 to 6 yr
- 7 to 9 yr
- More than 10 yr

9. Which among the following create more awareness about mutual fund

- News paper
- Television
- Internet
- Other

10. Rate your experience of investment in mutual fund

- Highly satisfied
- Satisfactory
- Average
- Dissatisfactory

11. When you invest in mutual fund which of investment do you prefer?

- Equity
- Debt
- Hybrid
- Balanced

12. How aware are you about mutual fund

- Fully aware
- Partial knowledge of mutual fund
- No idea (beginner)

13. What is your return expectation on your investment?

- Up to 8%
- Between 8% to 18%
- Above 18%

14. What is your risk appetite?

- Capital protection
- Less risk (up to 10 %)
- Moderate risk (upto 25%)
- High risk (above 25%)

15. Are you a regular or a new investor in mutual fund?

- Regular
- New

16. Which features attract you the most while choosing a specific mutual fund?

- Flexibility
- Return
- Risk diversion
- Less expense

17. How you wish to invest in mutual funds?

- Lumpsum
- SIP

18. From where you purchase mutual fund

- Directly from AMC's
- Financial advisor

19. In mutual fund specifically how much will you invest? (Yearly)

- Below 25,000
- 25,000 to 1,00,000
- 1,00,000 to 2,00,000
- More than 2,00,000