

A Dissertation Report submitted in partial fulfilment of the requirements for the Degree of  
Master of Business Administration



**ALLIANCE**  
**UNIVERSITY**  
**Alliance School of Business**

**Bengaluru**

**A Study on:**

**“Investor’s Perception towards Mutual Funds as an Investment Avenue”**

**Submitted by**

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**Under the Guidance of Prof.**

Dr Anurag Shukla



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I confirm that this report titled “Investor’s Perception towards Mutual Funds as an Investment Avenue” truly represents my work undertaken as a part of my dissertation. I certify that this report represents my ideas in my own words and where others' ideas or words have been included, I have adequately cited and referenced the original sources. I also certify that I have adhered to all principles of academic honesty and integrity and have not misrepresented or fabricated or falsified any idea/data/fact/source in my submission. The work has not been submitted to any other Institute for any degree or diploma. I understand that any violation of the above will be cause for disciplinary action by the Institute and can also evoke penal action from the sources which have thus not been properly cited or from whom proper permission has not been taken when needed.

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This is to certify that **Mr. Sanjay R V** Regn. No. **2023MMBA01ASB069** has completed the dissertation titled **“Investor’s Perception towards Mutual Funds as an Investment Avenue”** under my guidance as part of the dissertation, serving as partial fulfilment of the requirements for the degree of Master of Business Administration.

Signature of Faculty Guide:

Name of the Faculty Guide: **Dr Anurag Shukla**

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## **ABSTRACT**

There are numerous investment options accessible nowadays. We would classify or group them to make our lives easier. There are numerous investment opportunities available in India for investors. Some are marketable and liquid, while others are not; some are also highly dangerous, while others are essentially risk-free. People must select Proper Avenue from among them based on their specific demands, risk preferences, and expectations. Some investment options include bank deposits, fixed deposits, PPF, NSC, post office savings, government securities, equity share market, life insurance, corporate bonds and debentures, real estate, gold and silver. A variety of investment opportunities exist in India, depending on the amount of the investment and financial goals.

The current study uses a descriptive research approach to characterize the features of a group and make predictions about a specific phenomenon related to an attitude. The information was gathered via a standardized questionnaire from Bangalore-based mutual fund investors. The sample size was comprised of 72 investors.

In this research, a researcher has selected both primary data collection methods in which structured questionnaires and also used secondary methods for basics and supplement information from books and articles, and sites.

## TABLE OF CONTENTS

SL. No	Topic	Page NO
1	<b>Chapter-1 Introduction of Mutual Funds.</b> <ul style="list-style-type: none"> <li>• Theory of Mutual Fund</li> <li>• Investment Option Available</li> <li>• Why select Mutual Fund</li> <li>• Comparative analysis mutual fund</li> </ul>	<b>09-26</b>
2	<b>Chapter 2- Literature Review</b> <ul style="list-style-type: none"> <li>• Literature Review (research papers)                             <ul style="list-style-type: none"> <li>• Problem statement</li> <li>• Theoretical Framework</li> </ul> </li> </ul>	<b>27-30</b>
3	<b>Chapter 3 – Research Methodology</b> <ul style="list-style-type: none"> <li>• Research methodology (Type of research, Data collection, Methods of data analysis)                             <ul style="list-style-type: none"> <li>• Research Objectives, Design</li> <li>• Sample Size &amp; Technique                                     <ul style="list-style-type: none"> <li>• Hypotheses</li> </ul> </li> </ul> </li> </ul>	<b>31-33</b>
4	<b>Chapter 4 – Data Analysis and Interpretation</b> <ul style="list-style-type: none"> <li>• Data analysis</li> </ul>	<b>34-46</b>
5	<b>Chapter 5 – Findings, Conclusions and Suggestions</b> <ul style="list-style-type: none"> <li>• Summary of Findings                             <ul style="list-style-type: none"> <li>• Conclusions</li> </ul> </li> <li>• Suggestions and Recommendations</li> </ul>	<b>47-48</b>
6	<b>Reference</b>	<b>49-50</b>
7	<b>Annexure</b>	<b>51-52</b>

## LIST OF TABLES

<b>SL no</b>	<b>Table no</b>	<b>Particulars</b>	<b>Page no</b>
1	Table.1	Participant Demographic Features	35
2	Table.2	Respondents Annual Income	36
3	Table.3	Respondents Preferred Financial Products	37
4	Table.4	Investment Trends of Participants in Mutual Funds	38
5	Table.5	Opinions of respondent toward mutual fund as best investment option	39
6	Table.6	Respondents Opinion for Preferable Period of Investment	40
7	Table.7	Important Factor that Respondents Choose Before an Investment	41
8	Table.8	Respondents Anticipation of risk Towards mutual fund	42
9	Table.9	How long Respondents like to hold their Mutual fundInvestment	43
10	Table.10	Opinion of the Respondent on Investment Plan in Mutual Fund	44
11	Table.11	Respondents action After less return in investment	45
12	Table.12	Respondents' satisfaction with Investment Option (Mutual Fund)	46

## LIST OF GRAPHS

SL no	Fg.no	Particulars	Page no
1	Fg.1.1	Why select mutual fund	16
2	Fg1.2	Types of Mutual Fund	17
3	Fg1.3	Structure Of Mutual Fund	22
4	Fg.1	Participant Demographic Features	35
5	Fg.2	Respondents Annual Income	36
6	Fg.3	Respondents Preferred Financial Products	37
7	Fg.4	Investment Trends of Participants in Mutual Funds	38
8	Fg.5	Opinions of respondent toward mutual fund as best investment option	39
9	Fg.6	Respondents Opinion for Preferable Period of Investment	40
10	Fg.7	Respondents Important Factor to choose Before an investment	41
11	Fg.8	Respondents Anticipation of risk Towards mutual fund	42
12	Fg.9	How long Respondents like to hold their Mutual fund Investment	43
13	Fg.10	Opinion of the Respondent on Investment Plan in Mutual Fund	44
11	Fg.11	Respondents action After less return in investment	45
12	Fg.12	Respondents' satisfaction with Investment Option (Mutual Fund)	46

# **Chapter 1 – Introduction**

## **Introduction to Mutual Fund**

Modern financial markets offer the surplus fund investor various kinds of investments. He may invest his funds in the bank deposits, corporate bonds, as well as in holding low-risk securities having a huge return. In some cases, he also invests in the company's stocks when risks are highly raised and returns become comparably enormous. The newest trends in the inventory market indicate that the typical retail investor consistently incurs losses periodically because of declines that occur quite often. As individuals acknowledged this reality, they started employing specialists in the stock markets to invest for them. The services consequently evolved into a type of wealth management from different types of institutions. This, nonetheless, turned out to be costly enough even for minor investors.

## **Concept of Mutual Fund**

A mutual fund is a form of collective investment where investors contribute their funds according to a specified investment goal. The individual stake of the investor in the fund will be proportionate to his share of the investment money. A mutual fund is that trust, which pools the resources and invests them in various financial assets to create savings for investors by managing funds, minimizing risks, and improving income and capital appreciation for distribution to members as specified in the trust deed. The fund operates like a company and, according to Company Law, the fund manager should skillfully handle the funds offered by the investors so that they can produce results while being charged with some reasonable management fee.

Fund houses are formed to provide a low-income group with an easy avenue to acquire financial assets. They are focusing on retail investors with limited capital to invest, and those offerings are aimed at enhancing an investor's portfolio by providing stable income and growth, security, liquidity, and intended opportunities for managed diversification.

## **Definition**

"Mutual funds are savings and investment accumulation instruments formulated to pool together small-investors and sometimes large-investors capital to invest on their behalf and hence distribute the profits accordingly." It is an investment option that involves combining an individual's money. In exchange, you along with the other investors jointly hold stakes in the fund. Assets are distributed to the fund according to the investment goal within the fund's investment portfolio. Aggressive growth funds primarily aim to achieve long-term capital gains by investing in stocks of rapidly expanding small firms or industries. Capital appreciation funds are often referred to as aggressive growth funds. This research would be helpful for evaluating mutual funds as a possible investment option. The proposed project will aim at providing comprehensive knowledge of the mutual fund to the investor and potential investor for guiding them in making a wise investment decision.

## **What Does Investment Mean?**

Income earned and saved for later use expenditure of incomes are spent, and the balance preserved. Your earnings should not be idle; instead, use the hope of acquiring it later as an investment. This is an investment.

### **These are the reasons to invest.**

One should earmark funds for

- From your idle resources.
- Save a few dollars for something or a future goal in life.
- Prepare for an unknown future.

Another very important reason for prudent investment is protection against inflation. Inflation is the velocity of increase in cost of living. Cost of living refers to the expenses incurred in obtaining every requirement required for day-to-day life. Inflation decreases the purchasing power of money.

**When To Begin Investing:**

The sooner one starts investing, the more advantageous it is. By investing early, you allow your investments more time to grow, and the idea of compounding increases your earnings annually by accumulating both the principal and the interest or dividends produced.

The three fundamental principles for every investor are:

- Start investing early
- Contribute consistently
- Focus on long-term investments instead of short-term ones.

**Investment Choices Offered:**

Many investment opportunities are available these days. We would categorize or organize them to simplify our lives. India offers a wide range of investment options for investors. Some are sellable and easily tradable, whereas others are not; some can be very risky, while others are mostly safe. Individuals should choose the Appropriate Route from the options available, considering their unique needs, risk tolerance, and forecasts. Investment options can be broadly categorized in the following manner.

**Available Investment Opportunities:**

A savings account is one of the types of a deposit account, which generates interest. Deposits of amounts placed in it are free to withdraw on the discretion of the depositor by depositing in a bank or financial institution. Generally, low-interest-generating accounts are safe and reliable, making them appropriate for holding money directly or immediately for its use. The following are some of the most popular personal profiles in deposits. Their account was accompanied with the features of checking with a high degree of flexibility for making deposits and withdrawals.

**Bank Fixed Deposit:**

It is a banking or a non-banking financial institution product which provides an investor with an interest higher than what is paid on a regular savings account for a certain maturity date. Often, there is no need to open a new account. In India, it is called term deposit or fixed deposit. Compared with fixed deposits and Demand deposits indicate that he cannot withdraw cash from fixed deposits before the completion of the specified time period. The interest range varies

from 4% to 7.50%. An FD may be from 7, 15 or 45 days up to 1.5 years and it may go long up to 10 years.

### **Advantages of Fixed Deposits**

- Customers can access loans secured by their FDs for 80 to 90 percent of the deposited amount. The loan's interest rate might range from 1 to 2 percent higher than the rate offered on the deposit.
- These can be initiated for individuals living in India for a duration as short as 7 days.
- The money placed in a fixed deposit will definitely yield more interest than a savings account. Tax obligation: Banks will withhold taxes on fixed deposits if the interest paid to a customer at any bank goes beyond Rs. 10,000 within a year.

### **Public Provident Fund (PPF):**

The Public Provident Fund was introduced in 1968 by the National Savings Institute, which operates under the Ministry of Finance. It's a resource for financial savings and tax advantages in India. The investments are rather modest, providing fairly decent returns as well as income-tax exemption benefits for the whole plan. Eligibility: A person residing in India can establish an account under the Public Provident Fund, allowing them to receive returns that are not subject to tax.

### **Investments and Advantages:**

To open and maintain a PPF account, a person must earn at least \$500 each year. Each PPF account holder can deposit a maximum of 1.5 lacs into their PPF account (including accounts where they serve as a legal guardian) every financial year. Deposits over 1.5 lacs in a financial year do not generate any interest. The payment can either be paid in one substantial lump sum at once or through annual installments. Quarterly interest rate for PPF accounts. Interest earned for every year is paid along with the interest due on March 31. Interest for each month is determined by identifying the lowest balance recorded from the fifth day of the month until the end of that month.

### **Tenor:**

The lock-in duration lasts 15 years, after which the subscriber can request a rollover for any one or more periods of five years.

**Withdrawal:**

The duration of the lock-in period will be 15 years. At the end of the lock-in period, the amount will be withdrawn on the maturity date. Partial withdrawals are allowed, but only after the seventh year of the accounting period. The partial withdrawable limit before maturity is 50 percent of the balance at the end of the fourth year prior or at the end of the previous year, depending on which amount is less. After a 15-year investment period is finished, the entire PPF sum along with interest can be withdrawn without tax.

**National Savings Certificate:**

The Government Small Savings Bond of India, along with NSCs or National Savings Certificates, primarily constitute small savings and tax-saving investment options in the nation. This is a component of India's Postal Savings System. These certificates may be provided to an adult either for personal use, as a guardian for a minor, for a trust, or together with another adult from any post office across India. The duration of NSC is five years. NSCs have an annual interest rate of 7.9%, compounded twice a year and disbursed at maturity. Consequently, Rs. A sum of Rs. 100,000 increases Rs. 144,231 following a period of five years. The smallest investment required is Rs. 100 without any restrictions on larger investments. The amount of investment can be in multiples of Rs. 100, Rupees. Rs. 500, 1,000, INR. Five thousand, and ten thousand rupees. You can get an NSC registered in your name or for a child. Investments made according to section 80C of the Income-tax act are eligible for deductions. All interest accrued on NSC, except for the interest received in the last year, is considered reinvested under section 80C and therefore qualifies for deduction. NSC certificates may serve as collateral for loans from financial institutions. The certificates are transferable.

**Savings through the Post Office:**

There are several savings options through the post offices in India, and many of these have caught attention from customers. These consist of the Post Office Monthly Income Scheme Account, the 5-year Post Office Savings Account, the Senior Savings Scheme, the 15-year Public Provident Fund Account, and the Sukanya Samriddhi Account. All these techniques are completely secure, and there's no requirement to invest large sums for them. Some offer tax benefits, while others provide returns as tax-free. According to your requirements, you must know about a few plans.

### **Government Bonds:**

**It is a bond or any form of debt issued by a government that ensures payment upon the security's maturity date. Government bonds are viewed as low-risk investments because they are backed by the government's ability to tax.**

### **Characteristics:**

- **Government Securities are issued at their face value, have a sovereign guarantee, and therefore entail no risk of default.**
- **These Government Securities can be traded by investors in the secondary market.**
- **The face value is used to determine the interest on government bonds.**
- **Income derived from these Government Securities is exempt from TDS.**
- **These government securities can be kept in dematerialized format.**
- **The interest rates for these Government Securities will be constant throughout the instrument's entire term and cannot be changed.**
- **Government Securities can be cashed in at maturity for their face value.**
- **The maturity duration for Government Securities ranges from 2 to 30 years.**
- **Most government securities are deemed acceptable for the SLR, or Statutory Liquidity Ratio.**

### **The market for equity shares:**

A stock market, equity market, or share market denotes a group of individuals engaged in the buying and selling of shares typically referred to as equities. Common securities traded in the stock market consist of public or private shares that are listed on an exchange. The stock market represents a high-growth sector, providing investors with opportunities for considerable returns that enhance overall portfolio gains. Investments in the stock can be made directly by purchasing shares on the exchange.

### **Life insurance schemes:**

Life insurance is an important component of any personal financial plan because it affords protective coverage in the type of policy a person wants. Life insurance helps in giving protection for the entire lifetime of the person insuring. Because human life's value cannot be quantified, the insurance company provides monetary recompense through a claim that the

policy pays when the policy is completed. If an employee dies, life insurance will compensate for the income loss. During the death of the insured, the insurance money will be paid to the mourning family of the deceased. The amount covered in the insurance will be calculated on different grounds such as the policy holder's age, the amount he is currently earning, his health conditions, and various other consideration made by the insurer. The premium for the insurance will be set by the insurance company based upon the information that an individual will provide to them. A life insurance policy is technically a long-term contract. The duration of the contract will depend on the age of the insured. During the contract period, payments of premiums are done continually. To those who haven't paid their payment obligations will be given a surrender refund strictly according to the terms of the insurance policy.

### **Corporate Bonds & Debentures:**

The two terms can be utilized interchangeably: bonds and bonds. In the Indian market, the term bond refers to the debt issued by government and quasi-government entities, financial institutions, as well as public sector companies. Debt refers to obligations generated by private enterprises. Bonds: Bonds issued by the government. Or companies that are publicly owned. Debt Securities: Financial instruments released by private corporations. When a bond is bought, it essentially entails providing funds to a government, municipality, corporation, or another public entity often referred to as the issuer. The issuer must pay a constant interest rate during the bond's term in exchange for that loan. Finally, upon maturity, the issuer is obligated to repay the principal sum borrowed.

### **Real Estate Industry:**

Real estate employs capital to purchase properties that could either be held for a long time, leased, or sold, and in such cases, there is some kind of risk to finance. In the category of residential property is vacant land, individual houses, condominiums, and townhouse units, which are either single-unit homes or multiple-unit homes, either owned or rented.

Commercial real estate consists of all non-residential property, including office buildings, storage facilities, and retail areas. They may be alone or located in shopping malls. Industrial property examples include factories, industrial zones, mines, and agricultural lands. They are usually larger and situated close to important transit points like train lines.

### Gold and Silver:

India is the biggest consumer of gold globally. In India, gold is the main material used to create jewellery. Gold serves as a financial asset, continually providing investors with outstanding returns, versatility, safety, and liquidity.

### Some reasons for choosing a mutual fund:

The risk return trade-off implies that the investors who accept more risk will get better returns. It also implies that the reverse applies in terms of lower-risk instruments yielding lesser returns. For instance, the investor chooses Bank FD, which gives reasonable returns and reasonable amounts of risk. But if he continues investing into capital-protected funds and income bonds, then they would give him a relatively higher return as compared to bank deposits although the associated risks would rise accordingly.

The reason is that mutual funds, being the investor's first choice of investment, present professional management and diversification, as well as ease and liquidity. This is because the collected funds can be placed into low-risk bonds and more speculative bonds meant to yield more in the stock market. Hedge funds are a highly speculative investment as most of the activities occur in the derivatives market. The derivatives market is viewed as being highly volatile.

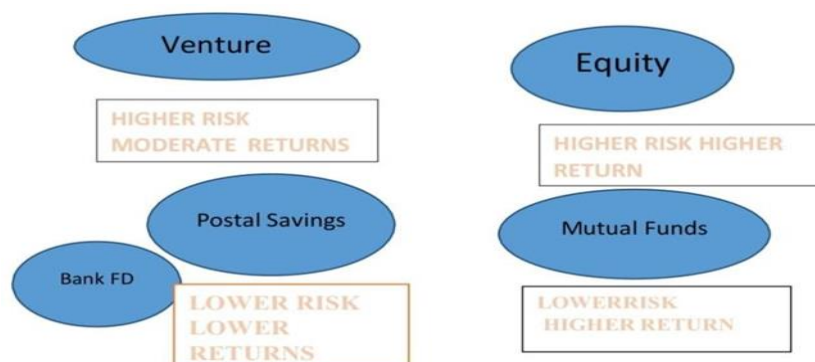


Figure.1.1: Why select Mutual Fund

## Various types of plans in mutual fund offerings by India:

A diverse assortment of Mutual Fund Schemes exists that can meet various requirements such as financial situation, risk tolerance, and return aspirations, among others. Therefore, mutual funds are categorized into different types. A mutual fund is an assortment of different stocks from which an investor can choose their preference. There are different kinds of mutual fund programs. Classifying mutual funds into these **categories has become simpler.**

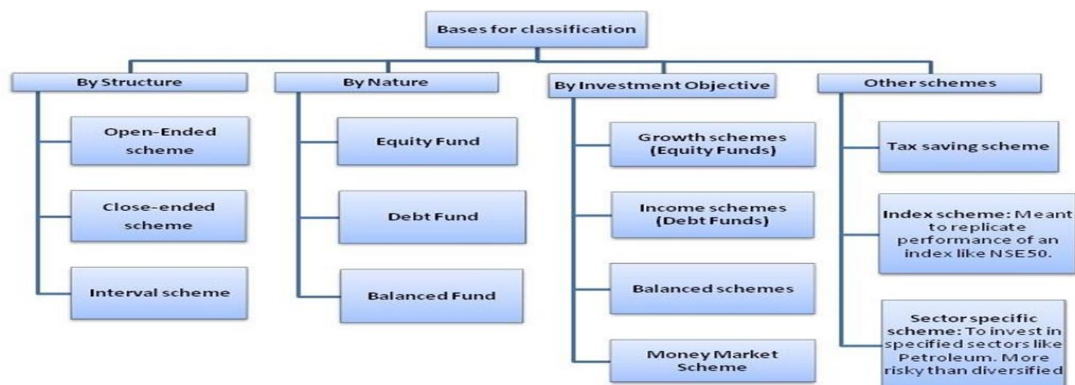


Figure.1.2: Types of mutual fund in India

### A. By Structure

#### Flexible Plans

An open-ended fund is a program that allows individuals to invest at any time throughout the year. There is no specific date for its expiration. Units are purchased and sold at the prices indicated by Net Asset Value. The defining characteristic of open-ended plans is their liquidity.

#### Close-Ended Plans

Close-ended funds work under the determined period of time, which ranges from 3 to 15 years. The Fund allows subscriptions only in special periods. Investors may enter the Programmer during the first offering, and they are subsequently allowed to trade shares of the programmer on any registered stock exchange. To ensure that investors are able to exit the fund, some closed-end funds allow selling of shares to mutual funds by periodic repurchase at prices based on NAV. According to SEBI regulations, it can be said that an investor should be accessible to at least one of the two exit options available.

## **B. Interval Methods**

### **Interval Schemes:**

It encompasses all the features of both open-ended and closed-ended schemes as well. The units may be obtained or sold on the stock exchange, or they might be available for buying or trading at prices linked to NAV during specified time frames.

### **Innately Equity Fund:**

The majority of this money is allocated to equity shares by these funds. The shape that the fund assumes can vary under various schemes and would rely on the viewpoint maintained by the fund manager regarding a specific stock. The Equity Funds are additionally categorized into the following types according to their investment goals as follows:

- Adaptable Equity funds.
- Funds focused on mid-cap companies.
- Industry-Specific Funds
- The investment plans linked to equity fall into the extended duration category; hence, equity funds carry a high level of risk relative to potential returns.

## **Debt Investments**

The aim of these Funds is to invest in debt instruments. The primary issuers of debt securities include government entities, corporations, banks, and financial organizations. Investing in debt securities guarantees low risk for the funds and provides stable returns to investors. Debt funds can additionally be classified as:

- Gift Funds: Investment of their principal in securities issued by the government, often referred to as Government of India debt securities. The Funds are free from Default risk but are subject to Interest Rate risk. These plans provide enhanced security mainly due to their investment in government-backed assets.
- Income Funds: Invest a considerable share in different debt instruments such as bonds, corporate debentures, and government securities.

- **MIPs:** Devote a major part of their overall funds to debt securities while maintaining a small allocation in stocks. It makes use of both the equity market and the debt market. This plan ranks somewhat above the other debt options in terms of risk and return.
- **Short Term Plans (STPs):** This plan is mainly designed for a period of three to six months. Investments mainly include short-term instruments such as CDs and CPs. The corpus also designated a segment for corporate debentures.
- **Liquid Funds:** These are liquid funds specifically created to preserve liquidity and protect the capital, rather than just being money market funds. These funds direct resources toward short-term financial instruments such as treasury bills, interbank money markets, commercial papers, and certificates of deposit. These resources are designated for a timeframe of 1 day to 3 months, intended to meet the short-term cash management requirements of companies. The risk-reward matrix for these approaches is minimal, and they have consistently been regarded as the safest within all categories of mutual funds.

**C. Depending on investment objective:**

- **Income Schemes:** They are frequently known as debt schemes. They generate relatively stable and anticipated returns for investors. Typically, these plans allocate funds to fixed income assets, which encompass bonds and corporate debentures. In these plans, capital growth may not be a prudent option.
- **Balanced Schemes** strive to provide growth while also generating income by regularly distributing a portion of the income and capital gains they produce. These strategies allocate the investments.
- **Money Market Schemes** are introduced to provide liquidity effortlessly, along with capital protection combined with decent returns. Typically, they invest the money in low-risk, short-term assets like treasury bills, certificates of deposit, commercial paper, and interbank call loans.

- **Load Fund Investments:** It applies a fee for each transaction, both purchases and redemptions. This implies that whenever you purchase or sell shares in that fund, a fee will be subtracted from your funds. Typically, the charges incurred at entry and exit will range from 1% to 2%. Payment for the load would be favored if the fund has a strong performance record.
- **No-Load Funds:** It is one that does not impose any commission fees for buying or selling. In other words, no commission is due when buying or selling units in the fund. The above illustrates a benefit of a no-load fund since the total amount is completely invested.

## **ALTERNATIVE PLANS**

- a. **Tax Relief Schemes:** It offers tax advantages to investors through tax deductions as outlined in taxation legislation, which are released periodically. According to Sec.88 of the Income Tax Act, investments in an Equity Linked Savings Scheme qualify for a rebate.
- b. **Index schemes:** The indexing framework is created to mimic the efficiency of certain indices. For instance, it mirrors the performance of the BSE Sensex and NSE 50. These strategies include solely those stocks that make up an index within a portfolio. Currently, the share of each stock in the total percentage is precisely equivalent to its weight in that stock index. As a result, this approach is expected to yield nearly identical results to the index.
- c. **Sector-Specific Programs:** These refer to financial investments or enterprises that allocate funds directly into securities pertinent to the particular sector or industry outlined in the offering materials. It comprises pharmaceuticals, software, fast-moving consumer products, oil shares, and more. The earnings of these funds rely entirely on how well their particular sectors or industries perform. These investments could yield greater results, but they carry more risk in comparison to diversified funds.

## **Selection Criteria of Mutual Fund:**

### **Objective:**

The very first thing, which needs to be remembered before investing in a fundraiser, is to check whether your objective goes in sync with the reason for holding the fundraising event. It is because any problems will give a direct blow to your expected profits. You need to select plans, which are tailored according to your requirements and necessities. These include benefit plans, children's plans, sector-wise plans, and many more.

- **Your risk capacity and ability:** This determines which strategy is to be pursued. People who can't undertake a high amount of risk have no other option but accept liability plans since that one is relatively less risky. Aggressive speculators can follow the value-investing strategy. The more aggressive speculators may follow that particular strategy that aims at specific industries or sectors.
- **History of the fund manager and the program:** When you place your hard-earned money in someone's care for management, it becomes essential that they handle it effectively. Equally crucial is the need to choose a support home with a strong track record. Additionally, it needs to be effective and clear regarding its activities. Monitor the execution of the plan in relation to important market indicators and rival companies. Consequently, it will illustrate to you, over an extended period, how the plot functioned under different conditions of display.
- **Expensive think:** The AMC charge though tamed, you do factor in the cost ratio of the maintenance before putting in your money. This is generally because the figures are taken from your investments. The following section stack or exit stack too will consume part of your returns. That a good expense ratio can be justified if it were by outperforming returns. It is extremely important in debt management, as it will gobble up a lot of fees from your lowly earnings.

## **Structure of a Mutual Fund:**

India provides legal framework under which Common Support has to be established. The law governing open-end and close-end stores in India is known as unit Trusts, and under this framework a Shared Fund is to create both open-ended and close-ended plans. The SEBI Regulations, 1996, provides legal framework under which any Shared Finance in India must operate.

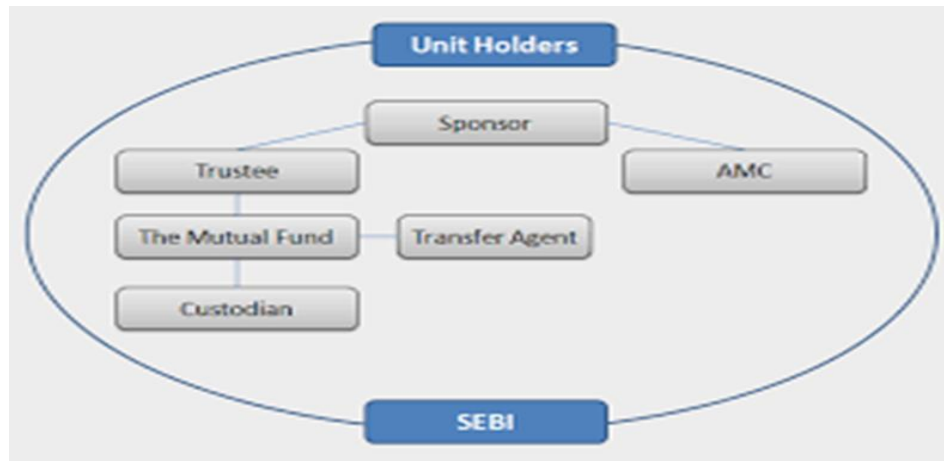


Figure1.3: Structure of mutual fund

**Fund Provider:**

Support, SEBI defines it as any single individual either on his own or along with another corporate body forms a Common Causality. A promoter of the company is related to funding support as he is registered with SEBI. The support results in the conviction and forms a Board of Trustees. The Resource Administration Company is also termed as the financial protectors in the support. It will also appoint a manager to supervise the store assets either directly or through the trustees. All of the activities operate according to the rules and regulations defined by SEBI. As articulated by SEBI, the applicant must contribute at least 40% of the Resource Management Company's net worth and must not have a negative financial history for the five years prior to the registration date.

**Mutual funds based on trust:**

In India, it was created by the Open Trust Act of 1882. Tukituki functions as a sort of creator of the trust by providing initial capital and appointing a trustee to manage the trust assets for the advantage of the entity's owners, who serve as the trust's beneficiaries. The amount of subsidy provided is what motivates finance professionals to invest their money into a mutual fund by purchasing "shares" generated under different plans established by the funds to show their dedication to the investments. It appears that the funding ought to function as a practical "pass through." The Funding Trust, as per the Indian Trust Act, holds no authority; nevertheless, the trustee or trustees possess legal powers, indicating that all actions of the trust are carried out by them. From a technical standpoint, speculators or unit holders are regarded as the beneficial owner.

### **Trustees:**

The Believe is founded through a document referred to as the Believe Deed, and its funds are transferred to the trustees. A trust - shared financing - can be managed by a board of directors - a variety of individuals or a trust firm - a corporation. The majority of Indian stores are managed by curator pages. Even though trustee boards operate under the Indian Trust Act, which acknowledges trusts as legal organizations, they also adhere to the Companies Act, 1956. The board or the company Believe functions as an independent body that protects the interests of its shareholders. The managers do not directly supervise security. The name of this creation is Resource Management Firm. They make sure that the AMC administers the fund in accordance with the specified objectives and as outlined by SEBI's guidelines.

### **The Companies for Asset Management:**

The Asset Management Company will serve as the main investor in Believe, operating on behalf of and under the authority and guidance of the Trustees. Can AMC must be registered and authorized by SEBI to function as an AMC. The net worth of the AMC for a Common Support shall never be less than Rs. One hundred million. The AMC's managers, regardless of independence, should possess adequate financial management experience and show strong willpower, a requirement that should also apply to other senior AMC staff. The AMC is not allowed to serve as a Trustee for any other Common Fund. In addition to serving as a finance director, it may also participate in any or all advisory and financial consulting services, provided these activities are operated independently from the AMC's resources, including personnel and are based on activities. The AMC consistently acts in the best interest of the unit-holders and provides regular reports to the trustees regarding its activities.

### **Custodial and Depository Services:**

It involves investing in the financial market where large volumes of securities are bought and sold. The real physical transfer and subsequent secure storage of such securities may require specific procedures or measures. The Board of Trustees will appoint a custodian for the secure handling of securities or involvement in any clearing system via registered depository organizations for the Common Support, and it will execute its responsibilities in accordance with its contract with the Shared Finance. The overseer will function as an independent legal body and be registered with SEBI. After the idea of dematerializing offers is integrated into the system, the Vault member holds the dematerialized offers, whereas the overseer maintains control of the physical securities. Consequently, these transfers are provided or accepted by the

custodian or the fund member according to the AMC's instructions, but ultimately under the supervision and responsibility of the Trustees.

### **Investment Bank:**

The activities of a Finance are characterized by day-to-day cash management primarily relating to the buying and selling of units, which include investments, collections from sale of investments and settlement of its liabilities on operational costs. In this respect, the banker to the Fund largely decides the quality of benefit derived by the support concerning timely settlement among others.

### **Transfer Agents:**

The exchange specialists distribute and gather the Shared Support units while also carrying out additional tasks, including preparing documents for the exchange and managing investor information. A support organization can either carry out its function internally and charge the plan in a competitive market service fee rate. If an external exchange operator is utilized, the support investor will regard the operator as the main point of contact, as all services provided by a fund to investors are designed to rely on the exchange specialist.

### **Mutual Fund Fees and Expenses:**

In addition to some other costs, mutual funds involve some expense and fees for participating investors. A mutual fund will incur expenses such as the transaction fees for an investor, fees arising from investment guidance, and other expenses due to marketing and distribution.

## **1. Brokerage Commissions**

### **1. Purchasing Commission**

It could be viewed as a form of commission that some retailers charge their customers at the time when they are making their share purchase. A buy cost is different from a front-end sales commission in that a cost is added to the house (instead of to a broker) and normally is charged off to amortize some store costs incurred in connection with the purchase.

### **II. Redemption Commission**

This is another type of fee that some mutual funds impose on their investors for buying or redeeming their shares. Unlike this presumptuous sales charge, the exchange fee gets forwarded to the custodian-not a broker-and this fee typically covers the payroll expense

incurred in processing shareholder's exchange.

### **III. Exchange Fee:**

Some mutual funds have an exchange fee imposed on shareholders who roll over into another fund in the same family or class of funds.

## **3. OTHER OPERATING EXPENSES:**

### **I. Costs of Transactions**

The costs associated with these arise from the replacement of reserve assets. There is a tendency for merchants with a quick turnover, or those operating in less liquid markets or markets less attractive, to incur higher costs of transaction. Unlike the True Cost Proportion, these costs are not normally reported. It is a unique form of surcharge that some dealers impose on their investors when they sell or retire their common stock. Unlike a sales commission that is meant to yield and help a salesperson, an expense recovery is ascribed to maintenance (and not a broker) and is typically paid for any maintenance cost incurred in relation to a shareholder's recovery.

### **II. Transfer Charge**

A fee charged by specific funds to investors when they rollover, or transfer to, another fund in the same family of funds or "family of funds."

## **4. Recurring Charges**

### **I. Management Fee**

The expense incurred on the fund's assets that covers the management fees for the portfolio of investments. This includes all expenses incurred by the investment advisor. Administrative expenses, along with "Other Costs," include management fees as well. Occasionally, these are called maintenance charges.

### **II. Account Fee:**

Some accounts charge a pre-stipulated amount as an account fee that goes directly into recovering the cost involved with keeping accounts. For example, account maintenance charges are levied where the balance in accounts is below a certain amount.

### **III. Other Overheads:**

Transaction Cost: These are costs related to trading the assets of the fund. Transaction costs

tend to be much higher for funds that experience high turnover or those investing in relatively less liquid markets. However, these costs are not ordinarily reported separately from the Total Expense Ratio.

## **Comparison of Various Mutual Funds:**

The mutual fund industry in India began with the formation of unit trusts in 1963, established through a parliamentary legislation. At present, India has 44 Asset Management Companies, with 35 in the private sector, and all AMC's must register with SEBI and AMFI. In the private sector, while Kothari Pioneer started in 1993 and joined with Franklin Templeton in 2002, SBI took the initiative in 1987. Indeed, the fund companies have been providing multiple schemes tailored to the diverse requirements of the investors. The returns of four real estate mutual funds—SBI, LIC, ICICI, and Franklin Templeton—are analyzed with a risk-return framework across debt, equity, and balanced schemes. BSE Sensex served as the benchmark index along with the risk-free return during the study period, represented by SBI fixed deposit rates.

## **Information Regarding the Selected AMC's:**

### **I. SBI Fund Management Pvt. Ltd.**

SBI Funds Management primarily focuses on managing private equity investments in addition to providing consulting services; the firm mainly serves individuals, particularly high-net-worth individuals.

### **II. LIC Mutual Fund Asset Management Pvt. Ltd.**

It commenced functioning as LIC Nomura Mutual Fund and is currently an investment advisor for LIC Mutual Fund.

### **III. ICICI Prudential Asset Management Firm Limited**

This asset management firm connects the savings-investing divide in India by generating long-term wealth for a diverse group of clients through efficient and attainable investment options.

### **IV. Franklin Templeton Investment Management (India) Pvt. Ltd.**

Franklin Templeton in India offers a robust selection of investment choices for individuals and businesses via managed equity, bond, and balanced mutual funds customized to meet their goals.

## Chapter 2- Literature Review

Summary of the Mutual Fund Sector in India the mutual fund sector has become one of the rapidly expanding industries in the Indian capital and finance markets. These are vital investment tools for savers, individual and family, that enable them to avail themselves of the opportunities in the capital market by deploying the savings of such savers in various investment opportunities. The Indian market saw the introduction of the mutual fund industry for the very first time in 1964. They, along with offering the complete benefits of risk spreading and stable returns, also gave professional fund management to the retail investors. Since then, the industry has grown moderately on both counts of number of funds and the investor base, and more so, its overall market reach. Government policies of liberalization, privatization, and globalization were instrumental enough in making entry from the private sector and even new entrants possible, thus transforming this field into the highly competitive financial services industry of today.

This signified the time when the Unit Trust of India entered the mutual fund industry, established in 1963 through a joint initiative by the Reserve Bank of India and the Indian Government. The goal of UTI was to educate small and inexperienced investors who were keen on buying shares and different financial products from major corporations. That was once a monopoly for UTI. In fact, the longest running product is the Unit Scheme 1964. Today, however, over 100 mutual fund companies operating in India have a wide variety of funds in offer, catering to the different needs of the investor.

### **Problem Statement**

This research is going to test the awareness of the customers toward mutual funds and analyze how the individuals distribute their savings across investments like the equity markets, fixed deposits, insurance, and postal savings. It does an analysis to get to understand the variables that are influencing the attitudes of the investors toward mutual funds as an investment and if there are any inhibitions that are stopping potential investors from considering mutual funds a lucrative investment opportunity.

## **Literature Review**

**2018, Sridevi** carried out an assessment of mutual funds by concentrating on specifically selected mid-cap and small-cap funds. It aims to analyze the current state of mutual funds in India, evaluate the risk-return traits alongside market variations, and comprehensively assess the performance of the selected funds using portfolio analysis techniques.

**Jayalakshmi and Ayesha Fatima (2021)** conducted a comparative study with regard to the performance of mutual funds in private compared to public sectors. According to this study, generally, a private sector mutual fund performs better compared to those that are regulated by the public sector. They aim to analyze differences between selected public and private schemes and investigate investor perceptions of mutual funds.

**Maheswari (2020)** looked at the specific mutual funds in India, focusing more on Sharpe and Treynor models. The objective of the study was to compare returns from security markets against returns realized by fund returns over the study period to derive insights for high performing mutual fund investment options for investors.

**Agarwal et al. (2017)** reviewed the performance of 100 mutual funds from 2013 to 2016 wherein the scope includes various schemes available in the market such as equity schemes, tax saving funds, and large-cap funds. Their analysis stated that 90 percent of the fund outperforms, especially the short and long-term debt, ELSS, and mid/small-cap funds. They argued that equity-based funds have higher Value at Risk (VAR) than debt funds, and any mutual fund that has more management costs does not necessarily result in lesser returns.

**Prof. Madhukumar and Aparna Ravichandran (2018)** compared large-cap to mid-cap mutual fund performance, and they found that the mid-caps usually reflected higher values of beta and standard deviation, which meant that they were more volatile than large-caps.

**Banerjee et al. (2017)** studied the factors influencing individual investment choices. It was found that investors, especially from the age bracket of 30-50 years, are more open towards open-ended schemes and consider company reputation and fund manager history important. Younger investors showed a greater risk-taking propensity, and market-driven investments influenced their choices as well.

**Bal and Paul (2012)** have noted the impact of the economic slowdown on mutual funds. It was an extremely difficult year in 2008-09 because of the financial crisis all around the world. However, it was the same industry that bounced back in 2009-10. In this case, it was more so due to government measures and SEBI's regulations.

**Bandi, 2017** studied the perception of financial advisors towards mutual fund investments in Micro SIPs. It is seen that advisors preferred to take collections in a monthly cycle as opposed to other periods and favored Micro SIPs for both individual savings and clients' savings.

**Singh, 2012** analyzed SEBI's regulatory role in mutual fund segments; it called for further improvements so that more transparency and confidence in the minds of investors could be achieved.

**Jain (2012)** analyzed the performance of 45 equity-based schemes from public and private companies between 1997 and 2012, concluding that private sector funds generally outperformed public sector funds during this period.

**Thakkar (2012)** pointed out the growth of gold ETFs from 2006-2012, where private sector funds dominated this segment, while UTI Mutual Fund was less popular.

**Zaheeruddin, Sivakumar, and Reddy (2013)** compared three financial sector mutual funds: HDFC, Birla Sunlife, and ICICI Prudential. The study revealed that Sharpe, Treynor, and Jensen measures showed that the efficiency of ICICI Prudential was better than the rest.

**Gandhi et al. (2016)** determined that the popularity of tax-saving schemes, such as Canara Robeco Equity Tax Saver, increased many investors towards such products with tax benefits. A few had fairly good information ratios, which demonstrated effective management.

**Tarok Paul in 2012** had examined the gap between expectation and experience of mutual fund investors in Guwahati. It was reported to be highly significant.

**Rao and Rao, 2010** analyzed the investment trends of various investor groups and categories of funds. Non-equity funds remained the majority for the biggest group of corporates due to security and liquidity reasons.

**Bhaskar Biswas** has compared the investment performance of ten of the best and worst diversified equity mutual funds over the period 2009 through 2012 with particular emphasis on standard deviation, beta, and the Sharpe ratio.

**Baliyan et al. (2017)** compared performances across HDFC, Reliance, ICICI Prudential, Birla Sun Life, UTI, and SBI mutual funds; the authors found that HDFC as well as ICICI is safe, while Reliance is riskier. Therefore, it is risky and therefore needs marketing.

## **Chapter 3- Research Methodology**

Mutual funds rank among the most favored investment options currently accessible for both institutional and individual investors. There are various factors related to market, fund type and investment strategies on which their performance depends. The aim of this paper of research methodology is to present a discussion of factors influencing mutual fund performance as well as elements that contribute towards success or failure.

The research methodology starts with literature review to identify some critical factors that may influence fund performance, by reviewing relevant studies, and industry reports. Founded on this, the study then continues to carry out an empirical analysis of investment trends of funds under investigation: a sample of various sizes, types of investment, and market conditions.

In simple words, research methodology is a step-by-step procedure to solve research problems; it is also widely referred to as the science of carrying out research systematically.

### **Research Design:**

This paper highlights essential elements that affect investors' choices, preferences, and satisfaction to examine their view of mutual funds as an investment alternative.

### **Research Approach:**

This study adopts a descriptive method, intending to portray the profile of investors and illuminate their perspectives on mutual funds. This method is selected as it offers an extensive insight into the existing opinions and choices of mutual fund investors.

### **Data Collection Methods:**

#### **Primary Data:**

A research design serves as a blueprint guiding data collection and analysis. In this study, primary data will be collected using a standardized questionnaire. The following analytical tools will be applied to interpret the data.

The following tools of analysis will be used.

- Percentage calculation
- Graphs and Charts
- Tabular formats

### **Secondary Data:**

This type of information is already collected and may be available from other sources for use; hence, its collection becomes cheaper and faster compared with primary data. When primary data does not exist, then secondary sources become a goldmine.

Secondary sources of data would include:

Newspaper and news channels, websites, magazines, books, libraries, and research work done earlier.

### **Sample Size and Sampling Technique:**

**Sample Size:** For the study, it has been planned to use a sample size of 76 investors; it is reasonable to capture the deepest insight into a mix of diversified perceptions and attitudes about mutual funds among the target population.

**Sampling Technique:** Convenience sampling is one of the non-probability sampling techniques wherein for this study, practical considerations make access easy and available respondents who are willing participants. It ensures that the sample includes mutual fund investors based at Bangalore; therefore, the data collected would be pertinent in targeting the people.

### **Research Objectives:**

- To investigate investor choices among alternatives such as fixed deposits, post office plans, bonds, the stock market, mutual funds, and insurance.
- To evaluate investors' understanding of mutual funds.
- To Overall investor inclination towards investments conducted in India.

## **Assumptions:**

### **Hypothesis 1**

H0: Mutual funds are not considered a preferred investment option.

H1: Mutual funds are considered a preferred investment option.

### **Hypothesis 2**

H0: Systematic Investment Plans (SIP) in mutual funds are not seen as the best investment strategy.

H1: Systematic Investment Plans in mutual funds are seen as the best investment strategy.

### **Hypothesis 3**

H0: Investors do not prefer mutual funds for investment.

H1: Investors prefer mutual funds for investment.

## **Chapter 4- Data Analysis and Interpretation**

Examination and interpretation of vast data sets should reveal significant insights and patterns: Data analysis is the process of cleaning, transformation, and modeling applied on several steps leading towards the final goal that is enabling a knowledgeable decision based on the information collected.

Interpretation, conversely, is the act of explaining the outcomes derived from data analysis in a manner that is comprehensible to others. This involves pinpointing essential discoveries, making inferences from the data, and articulating them in a clear and succinct manner.

A thorough comprehension of the foundational data and research inquiries is essential for successful data analysis and interpretation. Moreover, selecting the appropriate analysis, visualization, and statistical testing methods is crucial for precise data analysis and interpretation.

Furthermore, interpreting data is informed by a comprehensive awareness of data constraints, possible biases, and the dependability of outcomes. A crucial aspect of data analysis and interpretation is the clear communication of findings to stakeholders.

Overall, analyzing and interpreting data are crucial abilities for making knowledgeable choices. Through the efficient analysis and interpretation of data, businesses, governments, and individuals can enhance their decision-making and reach their objectives.

# 1. Participant Demographic Features

Table 4.1: Participant Demographic Features

Age of Respondent	No. Of Respondent	Percentage
0-20	11	14.5%
21-30	55	72.4%
31-40	5	6.6%
41- above	5	6.6%
Total	76	100%

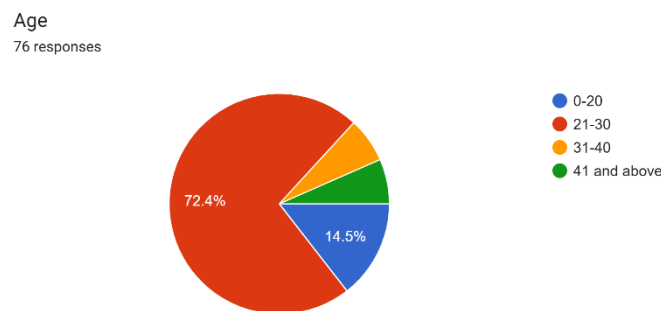


Figure 4.1: Participant Demographic Features

## **Interpretation**

A person's age can influence their investment preferences and decision-making processes. The participants were categorized by age in the table. The majority (72.4%) of the participants were aged between 21 and 30 years, with the next largest group being those aged 0-20 years. There were less participants who were younger than 20. Individuals aged 21 to 30 showed a greater willingness to take part in the survey compared to those over 41.

## 2. Respondents Annual Income

High-income earners are likely to have higher disposable income for investing and, therefore, would invest more in mutual funds than low-income earners. Secondly, high-income earners will have greater risk capacity and thus be more comfortable investing larger amounts in mutual funds.

Table 4.2: Respondents Annual Income

Annual Income	No of Respondent	Percentage
Below 100000	26	34.2%
100000-300000	31	40.8%
300000-500000	16	21.1%
Above 500000	3	3.9%
Total	76	100%

What is your annual income?  
76 responses

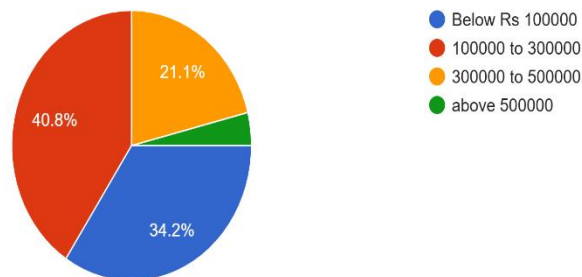


Figure 4.2: Respondents Annual Income

### **Interpretation**

A person's earnings are among the elements that can affect their investment choices in a mutual fund. The participants were categorized according to Annual Income as illustrated in the table. A majority (40.8%) of the participants reported an annual income ranging from 100,000 to 300,000. There are fewer individuals with an annual income of 300,000-500,000.

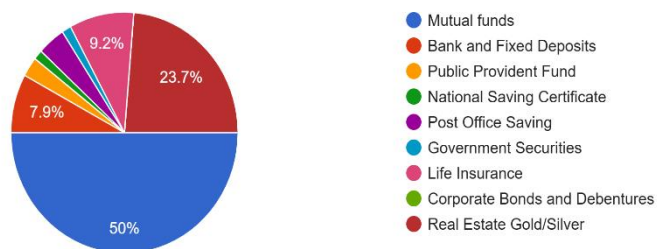
### 3. Chosen financial products of the respondent

An investor might have various motivations for putting money into a specific kind of financial product. A survey of participants' current holdings offers insight into the different financial products favored by investors.

**Table 4.3: Respondents Preferred Financial Products**

Investment Avenues	No. of Respondent	Percentage Shared
Mutual funds	38	50%
Bank and Fixed Deposits	6	7.9%
Public Provident Fund	2	2.6%
National Saving Certificate	1	1.3%
Post Office Saving	3	3.9%
Government Securities	1	1.3%
Life Insurance	7	9.2%
Corporate Bonds & Debentures	-	-
Real Estate & Gold / silver	18	23.7%

What is your preferred Investment Avenue?  
76 responses



**Figure 4.3: Respondents Preferred Financial Products**

#### Interpretation

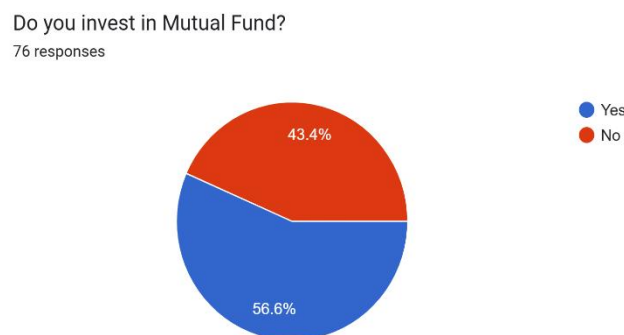
The table indicates that most respondents possess mutual funds (50%), with bank and term deposits at 7.9%, followed by gold and silver holdings at 23.7% and life insurance at 9.2%. All other financial products were experiencing a decline. Consequently, most of the participants select mutual funds.

#### 4. Trends in Investments of Mutual Funds Participants

The world always looks forward to India as its future gigantic market for investment, as India, with its high savings and investment rate comparatively with other economies around the world, has been appealing to the worldwide investors. In this unpredictable market, mutual funds have surfaced as a transparent and affordable investment option that attracts considerable investor interest and contributes to the industry's growth. The Indian financial sector is continuously changing, consistently influenced by regulatory modifications urging market participants like asset management firms and distributors to re-evaluate their strategies and adopt business models that provide lasting benefits to both the investor and the broader economy.

**Table 4.4: Trends of Respondents Investment in Mutual Fund**

Option	Respondent Opinion	Percentage Share
YES	43	56.6%
NO	33	43.4%
Total	76	100%



**Figure4.4: Investment Trends of Participants in Mutual Funds**

#### Interpretation

From the table and figure, it can be evidently seen that most preferred investments in mutual funds. The "Yes" respondents make up 56.6% while the "No" respondents make up 43.4%.

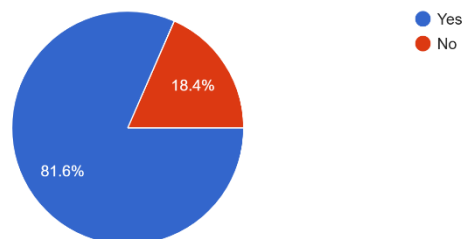
## 5. Perceptions of the respondent toward mutual funds as an investment option

This was the beginning point of mutual funds, which changed how the world allocated its investments. Investment funds furnished the average person with the opportunity to do better than the traditional investment methods in expecting returns on their investment.

**Table 4.5: Opinions of respondents about mutual fund as best investment avenue**

Best Investment Avenue	Opinion from Respondent	Percentage Share
YES	62	81.6%
NO	14	18.4%

Is mutual fund is to be considered as best investment avenue?  
76 responses



**Figure 4.5 Opinions of respondents about mutual fund as best investment avenue**

### Interpretation

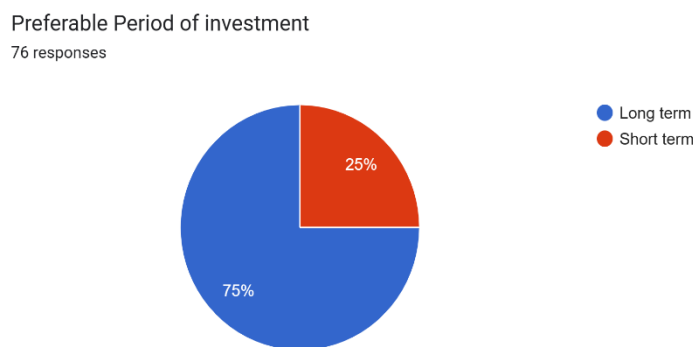
Based on the data presented above, 81.6% of those surveyed think mutual funds represent the best investment choice, whereas 18.4% feel mutual funds are not the optimal investment choice.

## 6. Respondents Opinions for Preferable Period of Investment

The majority of participants favor long-term investment strategies, suggesting they possess a robust confidence in the market's future growth prospects and are prepared to endure short-term fluctuations to reach their financial objectives. This might also suggest that they possess a longer investment time frame and are less worried about temporary market changes.

**Table 4.6: Respondents opinion for preferable period of investment**

Preferable Period of investment	No of respondent	Percentage
Long Term	57	75%
Short Term	19	25%
Total	76	100%



**Figure 4.6 Respondents opinion for preferable period of investment**

### **Interpretation**

Interpreting the data to support long-term investment strategies may also suggest that respondents value the possibility of greater returns more than immediate profits. Seventy-five percent of respondents prefer long-term investment instead of short-term investment.

## 7. Important Factor that respondents Choose Before an investment

Most respondents prioritize safety in their investments, suggesting a tendency toward risk aversion. They likely prefer low-risk investment options that provide stability and security, with a greater focus on protecting their initial investment and preserving capital rather than taking on higher risks for potentially greater returns.

Table 4.7: Respondents Important Factor to choose Before an investment

Factor respondent choose before	No of respondent	Percentage
Safety of investment	46	60.5%
Liquidity	10	13.2%
Opportunity For steady growth	20	26.3%
Total	76	100%

Important Factor to you before choosing an investment  
76 responses

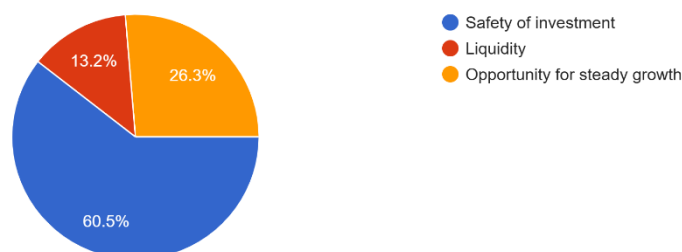


Figure 4.7: Respondents Important Factor to choose Before an investment

### Interpretation

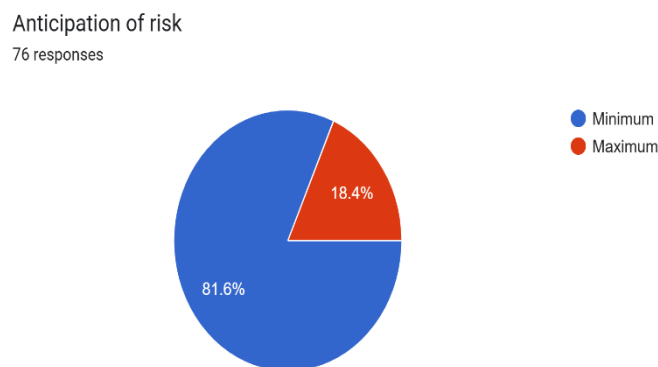
It is essential to note that respondents who prioritize investment safety may be more conservative investors, showing a lower willingness to take risks. In fact, 60.5% of respondents choose mutual funds because they view them as a secure investment option.

## 8. Respondents Anticipation of risk towards Mutual fund

The majority of respondents prefer minimal risk when investing in mutual funds, suggesting a greater level of risk aversion and a preference for investments that provide stability and security.

**Table 4.8: Respondents Anticipation of risk towards Mutual Fund**

Anticipation Of risk	No of respondents	Percentage
Minimum	61	81.6%
Maximum	14	18.4%
Total	76	100%



**Figure 4.8: Respondents Anticipation of risk towards Mutual Fund**

### Interpretation

A preference for minimal risk may also suggest that respondents have a shorter investment time horizon or more immediate financial needs, leading them to prioritize capital preservation. The vast majority (81.6%) of respondents perceive mutual funds as a minimal-risk investment option.

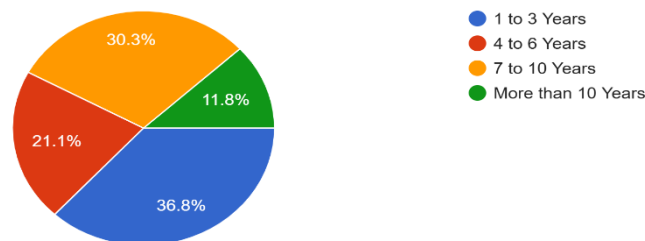
## 9. How long Respondents like to hold their Mutual Fund Investments

The majority of respondents prefer to hold their fund investments for 7-10 years, which may indicate that they have a longer investment time horizon and are more focused on growing wealth over time. This time horizon can allow for greater potential returns and also help mitigate the impact of short-term market fluctuations.

**Table 4.9 How long Respondents like to hold their investment**

Period for holding Investment	No of Respondents	Percentage
1 -3 years	28	36.8%
4-6 years	16	21.1%
7-10 years	23	30.3%
More than 10 years	9	11.8%
Total	76	100%

How long would you like to hold your Mutual Funds' Investments?  
76 responses



**Figure 4.9: How long Respondents like to hold their investment**

### **Interpretation**

According to the data, supporters of keeping fund investments for 1-3 years can also point to the fact that the respondents are more strategic in their investments and are ready to commit to achieve their financial goals in the short term. They may also be more willing to tolerate long-term market volatility in pursuit of a short-term return. The majority (36.8%) of respondents prefer to invest for 1-3 years.

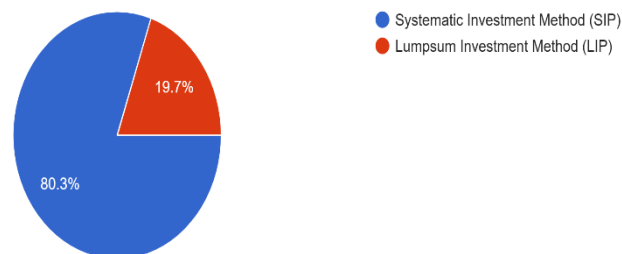
## 10. Opinion of the Respondent on Investment Plan in Mutual Fund

A SIP is one type of investment plan that helps you invest in mutual funds. It's the method of making fixed amounts of money on a regular basis as the name goes. It can be in the form of monthly, quarterly, or six-monthly investments. One can deposit all money at once and this can be called as LIP: lump sum investment. They also spend the entire amount in mutual funds. Lump Sum: A lump sum fund investment means you invest the total money available to you in a mutual fund plan.

**Table 4.10: Opinion of the Respondent on Investment Plan in Mutual Fund**

Mutual Fund Investment Plan No	No. Of Respondent	Percentage Share
Systematic Investment Plan	61	80.3%
lumpsum investment Plan	15	19.7%

In which Investment Plan to you prefer to invest in mutual fund?  
76 responses



**Figure 4.10: Opinion of the Respondent on Investment Plan in Mutual Fund**

### Interpretation

Most respondents prefer systematic plans and received information mainly through banks and financial advisors. Most Share of the systematic investment program constitutes 80.3%, while that of the one-time investment plan constitutes 19.7%.

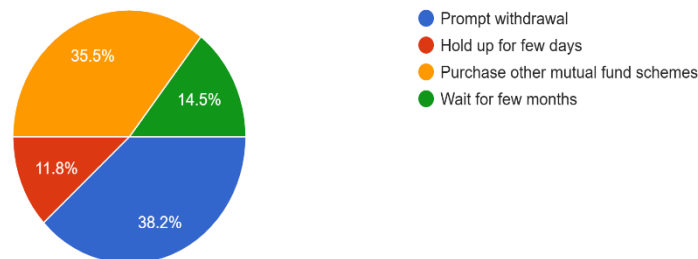
## 11. IF the return from your mutual fund investment is less than you expected, what will you do?

Most of the respondents prefer to buy other mutual fund schemes if the return on their current investment is lower than expected, which may indicate that they are actively trying to maximize their return and are willing to make changes in their investment portfolio to achieve their financial goals.

**Table 4.11: Respondents action After less return in investment**

When the return from mutual fund is less	No of respondents	Percentage
Prompt withdrawal	29	38.2%
Hold up for few days	9	11.8%
Purchase another mutual fund schemes	27	35.5%
Wait for few months	11	14.5%

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



**Figure 4.11: Respondents action After less return in investment**

### Interpretation

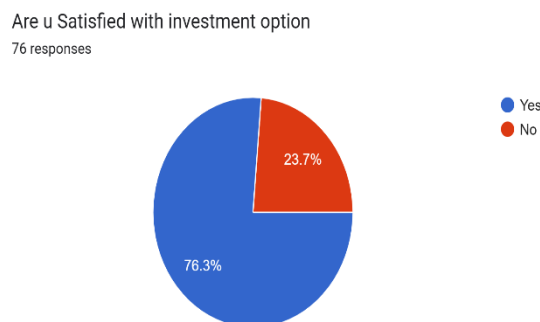
Data supporting the purchase of other fund schemes may also indicate that respondents are more confident in the market's potential to generate returns and are willing to take an active approach to managing their investments to capture these values to burn. The majority (38.2%) of the respondents choose Prompt Withdrawal.

## 12. Respondents Satisfaction with Investment Option (Mutual Fund)

The majority of respondents express their satisfaction with the investment opportunity of their fund, which may indicate that they have a positive investment experience and are achieving their financial goals. It may also indicate that they feel their investment is performing well and earning a satisfactory return on investment.

**Table 4.12 Respondents Satisfaction with investment option (Mutual fund)**

Respondents Satisfaction with Investment Option	No of Respondent	percentage
Yes	58	76.3%
No	18	23.7%



**Figure 4.12: Respondents Satisfaction with investment option (Mutual fund)**

### **Interpretation**

Satisfaction with the fund's investment opportunities can further indicate that respondents feel more confident in the return potential of the market and are also more satisfied with the level of risk involved when investing. Most, or 76.4% respondents, were satisfied with investing in the mutual fund.

## **Chapter 5- Findings and Suggestions**

### **FINDINGS:**

- The survey revealed that the majority of respondents were male. This information is valuable for future studies, as male and female perceptions of mutual funds and other investments may differ.
- The data clearly shows that only a small number of respondents were below 20 years old, with most falling within the 20-30 age range. Age is a critical factor in investment planning, influencing preferences and risk tolerance.
- Among respondents, 55% were students, as they are typically in the phase of learning about mutual funds and other securities. Professionals and business people had greater exposure to investing.
- A significant portion, 34%, of respondents reported an annual income of Rs 100,000 or below, primarily because most respondents were students.
- Understanding respondents' savings levels helps gauge their investment potential.
- Recognizing investor perceptions is crucial for any mutual fund company seeking to improve performance and expand its reach.

### **SUGGESTIONS:**

- Since television advertisements are a major attraction, mutual fund companies should focus heavily on promoting their products through television.
- Suggestion and complaint boxes should be available at each branch for improved customer feedback.
- Investment strategies should align with investor goals.
- Investors should consider stock exposure based on their age to align with their financial objectives.
- Investors are encouraged to aim for long-term capital growth and diversify their asset allocation.
- Long-term investing should be promoted by mutual funds, educating investors on the benefits of a long-term approach to mitigate the impact of short-term market fluctuations.
- Mutual funds should increase portfolio diversity by investing across a broader range of asset classes and regions to reduce risks and improve returns.

- Investment funds should embrace technology, using tools like artificial intelligence and machine learning to identify investment opportunities and provide personalized advice to investors.

### **CONCLUSION:**

Over the years, investors' understanding of mutual funds has deepened. With increased awareness and education on the benefits, investors are more open to mutual funds, recognizing the advantages of diversification, professional management, and a range of investment opportunities.

However, some obstacles remain. Limited transparency, high fees, and market fluctuation risks may deter certain investors. To address these issues, fund companies should focus on enhancing information accessibility, reducing fees, and managing risks more effectively.

Overall, mutual funds hold significant potential as an investment vehicle. As the financial market grows more complex, investors must stay informed and seize emerging opportunities. With adequate education, support, and a sound investment strategy, mutual funds can play a vital role in helping investors reach their financial goals.

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**WEBSITE:**

[www.utimf.com](http://www.utimf.com)

[www.reliancemutual.com](http://www.reliancemutual.com)

[www.amfiindia.com](http://www.amfiindia.com)

## Annexure

### QUESTIONNAIRE ON INVESTORS ATTITUDE TOWARDS MUTUAL FUNDS PERSONAL PROFILE:

1. Name of the Investor:
  
2. Age:
  - 0-20
  - 21-30
  - 31-40
  - 41 and above
  
3. Gender:
  - Male
  - Female
  
4. What is your preferred Investment Avenue?
  - Mutual funds
  - Bank and Fixed Deposits
  - Public Provident Fund
  - National Saving Certificate
  - Post Office Saving
  - Government Securities
  - Life Insurance
  - Corporate Bonds and Debentures
  - Real Estate Gold/Silver
  
5. Do you invest in Mutual Fund?
  - Yes
  - No
  
6. Is mutual fund being to be considered as best investment avenue?
  - Yes
  - No
  
7. In which Investment Plan to you prefer to invest in mutual fund?
  - Systematic Investment Method (SIP)
  - Lumpsum Investment Method (LIP)

8. What is your annual income?
  - Below Rs 100000
  - 100000 to 300000
  - 300000 to 500000
  - above 500000
  
9. Preferable Period of investment
  - Long term
  - Short term
  
10. Important Factor to you before choosing an investment
  - Safety of investment
  - Liquidity
  - Opportunity for steady growth
  
11. Anticipation of risk
  - Minimum
  - Maximum
  
12. How long would you like to hold your Mutual Funds' Investments?
  - 1 to 3 Years
  - 4 to 6 Years
  - 7 to 10 Years
  - More than 10 Years
  
13. If the return from your mutual fund investment is less than you expected, what will you do?
  - Prompt withdrawal
  - Hold up for few days
  - Purchase other mutual fund schemes
  - Wait for few months
  
14. Are u Satisfied with investment option
  - Yes
  - No

# Investor's Perception towards Mutual Funds as an Investment Avenue

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