



Study on Profile of Mutual Fund Investors in India

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INTRODUCTION

A MUTUAL FUND is a professionally controlled organization of collective investments that collects cash from many traders and puts it in shares, bonds, brief time period cash market instruments, and /or different securities. Mutual fund now represents because the maximum suitable funding possibility for maximum traders. As the monetary market comes to be extra state-of-the-art and complex, investor desires a monetary middleman which presents the specified knowledge, expert understanding on a success funding. The fund supervisor, additionally referred to as portfolio supervisor trades the fund underlying securities, understanding capital profits or losses, the funding proceeds are then exceeded alongside to the man or woman traders. Anybody, irrespective of what their age, or profits have to and may put money into mutual finances. Mutual finances are an smooth and less expensive manner for an man or woman to seize the cash that is to be crafted from shares and bonds, without shopping for them directly. Investing in mutual finances is an appropriate manner to shop cash for the quick time period and long-time period future, including for, retirement, a car, a home, a holiday and extra.

REVIEW OF LITERATURE

Ajay Shah and Susan Thomas (1994) studied the overall performance assessment of 11 mutual fund schemes and conceded that besides one scheme different schemes earn inferior go back than the marketplace in general.

R.A Yadav and Biswadeep Mishra (1996) have evaluated overall performance of 14 mutual price range scheme the use of month-to-month facts. The take a look at concluded that the price range as an entire achieved properly in phrases of non-danger adjusted degree of common returns and the fund supervisor of increase schemes followed a conservative funding policy.

Amitabh Gupta (2000) has tested overall performance of Indian mutual price range in phrases of six overall performance measures the use of weekly NAV facts for 73 mutual fund schemes from 1994-1999, he located that the schemes have proven a blended overall performance for the duration of the period.

Sadhak (2003) investigates the making techniques and funding exercise of Indian mutual fund.

Gupta (2002) examines the increase, regulatory framework and overall performance assessment of Indian mutual fund and said negative overall performance.

RESEARCH METHODOLOGY

The gift article is associated with overall performance assessment of various funds, purchasers' attention and mind-set that is primarily based totally on records series from special human beings making an investment their cash withinside the Mutual Fund. Sources of Data-

A) Primary Sources

B) Secondary Sources

A) Primary Source: For gathering the number one records survey became performed to discover the belief level, product attributes, logo attention, logo loyalty etc. The records are accrued in Bhubaneswar due to the fact it's miles industrial and knowledgeable metropolis of Orissa. The records are accrued thru questionnaire.

B) Secondary Source: includes all records from Mutual fund Staff, special websites, Books, Brochure, Magazines, Newspapers.

Objectives of Study

- I- To take a look at the Investor's belief toward the Mutual Fund.
- II- To take a look at how the Respondents are encouraged through elements of Mutual Funds?
- III- To understand how Respondents opt for maximum on the time of funding through taking term/term into consideration?
- IV- To take a look at the Respondent desire to maintain their financial savings in distinct sectors of funding avenue:
- V- How traders reply toward the Mutual Fund schemes of various Mutual Fund companies?
- VI- To understand why traders to opt to Invest in Mutual Fund?
- VII- To take a look at how age element is accountable for (SIP- MF).

DATA ANALYSIS AND INTERPRATATION

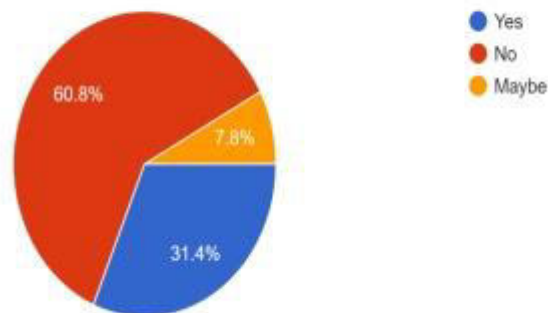
Have you ever invested in mutual fund?

Table-1

Reply	No of Respondents
INTERESTED	16
NOT INTERESTED	30
MAYBE	5

Have you ever invested in mutual fund?

51 responses

**Fig-1****Interpretation**

On the basis of above analysis through table and diagram it is found that the people are not really much interested in mutual fund because of the risks in the market and one third of the people they are going with mutual fund after a analysis. Some of them they are not aware about the analysis.2

ii. How do you came to know about mutual fund?

Table-2

Factors	Investments
Advertisement	56.9%
Peer groups	13.7%
Banks	17.6%
Parents	2%
Financial Advisor	9.8%

Have you ever invested in mutual fund?

51 responses

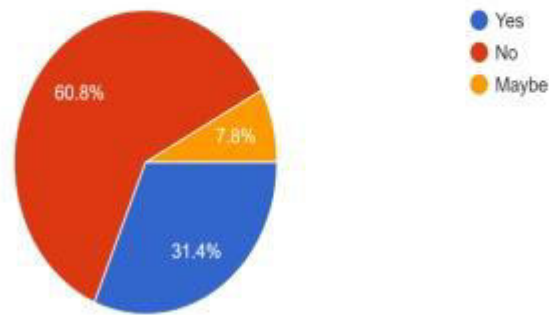


Fig-2

Interpretation:

The above analysis shows that the awareness of mutual fund in the peoples are getting by advertisements, peer groups, banks ,financial advisor and parents. As we can see on the above matrix the awareness of the finance management and most awareness of mutual fund are provided the advertisement. So Maximum respondents are preferring capital gain over otherfactors and preference is regular income.

iii. Annual Income:

Table-3

Annual income	People participate
Below 100000	71.1%
100k-300k	10.5%
300k-500k	15.8%
Above 500k	3.6%

What is your annual income ?

38 responses

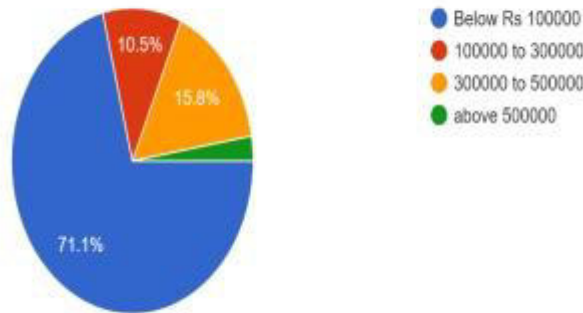


Fig-3:

Interpretation

As we can see here Maximum respondents are preferring for small amount like below 100k the reason behind it what we have find it the risk and the. Hence investors preferred to keep their money in long term basis through different equity schemes and also short- t e r m basis through various debt schemes.

iv.Respondents prefer to keep their savings in different sectors of investment avenue:

Table-4

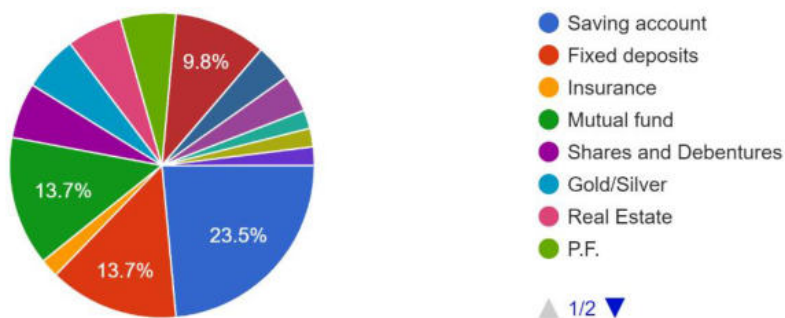
Sector	Investors Preference
Mutual Funds	25.4%
Fixed deposits	13.7%
Saving account	23.5%
Share and Debentures	3.2%
Share Market	21.51%
Others	4.00%

Interpretation

From the above analysis we can say most of the respondents are preferring to invest mutual fundsthat is 25.4%. The percentage in case of other sectors are less in comparison to mutual funds.

What kind of investment you prefer most?

51 responses



V. Best describes your level of investment knowledge about financial markets and products

Which statement best describes your level of investment knowledge about financial markets and products?

50 responses



Interpretation

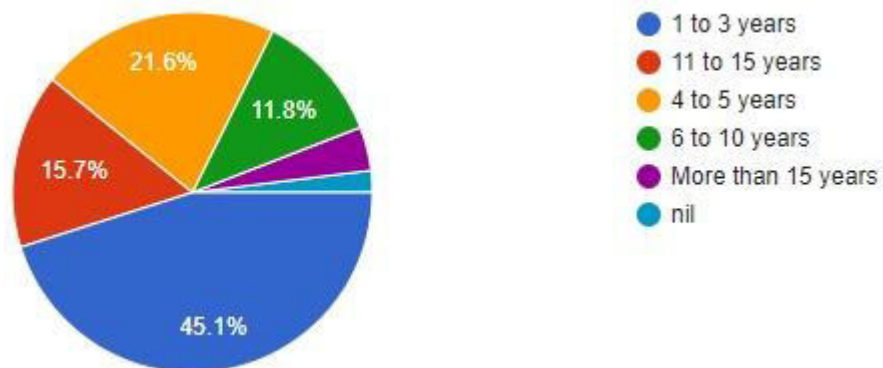
Majority of preference goes to UTI MF being the oldest and govt. regulated Mutual Fund followed by MF as principal trustee is the largest bank operating over India. Preference towards other based on the fund’s past performance and marketing potential of the IMC operating in the Bhubaneswar city. Also, the graph shows that the gradual shift of the mindset of people towards the private MF dueto aggressive marketing, variety of schemes and return potential.

vi. Duration of Investment in Mutual Fund:

Table-6

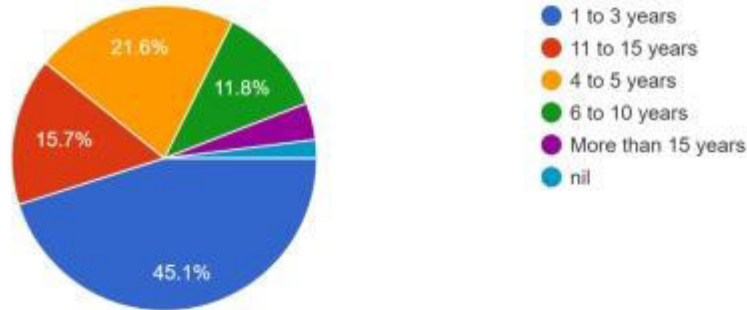
Category	No. of respondents
Return Potential	12
Diversification	4
Transparency	3
Verity of Schemes	6
Tax Benefit	5

Fig-6



For how long do you plan to invest these funds before you begin withdrawing a substantial portion from your portfolio (e.g., a withdrawal of more than half)?

51 responses



Interpretation

After analyzing the respondents query maximum of the respondent consider the return potential for mutual fund are the main reason of their investment as some of the equity schemes have performed exceedingly well and have beaten the respective benchmark by wide margins. Equity schemes like Magnum Comma Fund, Magnum Tax gain and Magnum Balanced Fund have won ICRA awards because of good performance.

VII. Different Age Groups (SIP-MF):

Table-7

Age Group	No. Of Respondent
<=30	35
31-40	10
41-50	6
>50	4

Age

51 responses

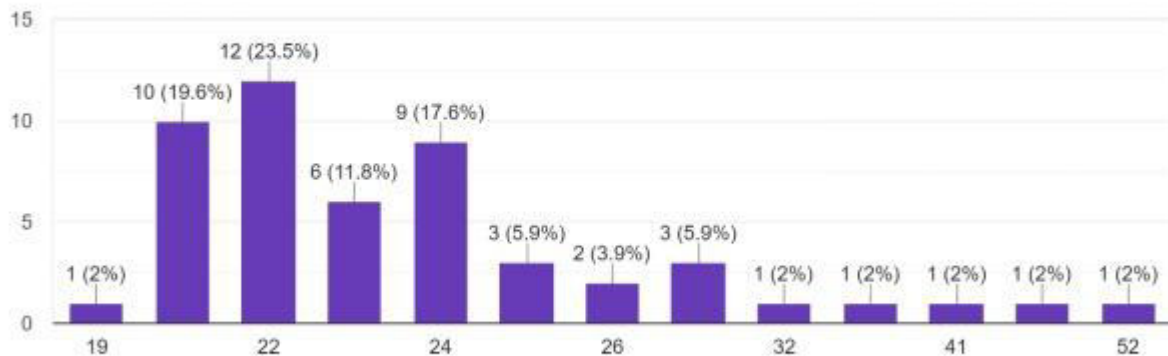


Fig-7

Interpretation

On the basis of above analysis more number of investors is preferred for investing through Systematic Invest Plan (SIP) on the age group of 31-40.

8. Investment by aware of people Interpretation

If we look at total population only 60% people are aware of mutual fund. But one important thing here is that the entire 60% do not have investment in mutual fund. Out of these 38% public has investment in mutual fund and the remaining 62% public do not want to take risk or they do not know the procedure of investment in mutual fund or they do not know how to get liquidate it and how they will be benefitted.

Interpretation

On the basis of above analysis through table and diagram it is found that the investors under the age group of 31-40 is more interested in involving in Mutual Fund Sector. In this age group maximum respondents are business men and private employees.

ii. Preferable Mutual fund Scheme:

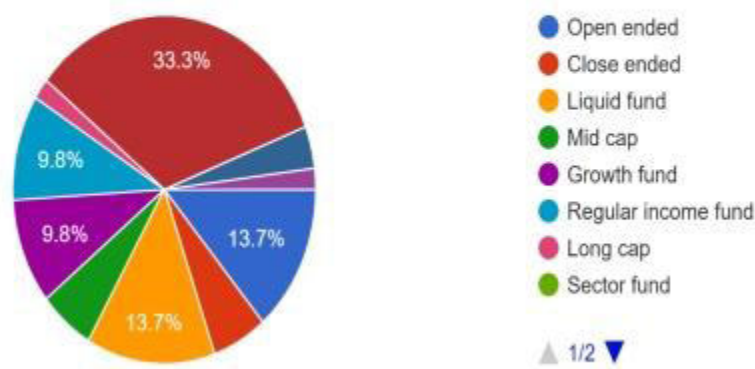
Table-2

Scheme	Investments
Open ended	13.7%
Close ended	5.6%
Liquid Fund	13.7%
Regular Income Fund	5.9%

Fig-2

Which mutual fund scheme have you used?

51 responses



Interpretation:

The above analysis shows open ended and close ended with secured future is 13.7% for the purpose of investment. So Maximum respondents are preferring ca over other factors and preference is regular income.

iii. Primary Investment Objective:

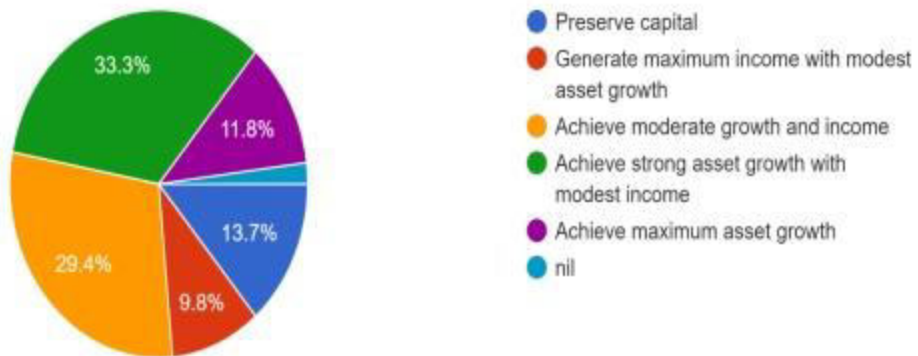
Table-3

Primary Investment	Investor Preference
Preserve Capital	33.95%
Mid Term	25.03%
Short Term	41.02%

Fig-3

What is your primary investment objective?

51 responses



Interpretation

As we can see here Maximum respondents are preferring for short term and long term rather than midterm. Hence investors preferred to keep their money in long term basis through different equity schemes and also short-term basis through various debt schemes.

iv. Respondents prefer to keep their savings in different sectors of investment avenue:

Table-4

Sector	Investors Preference
Mutual Funds	40.02%
Banks	20.125%
Postal	6.03%
Life Insurance	8.32%
Share Market	21.51%
Others	4.00%

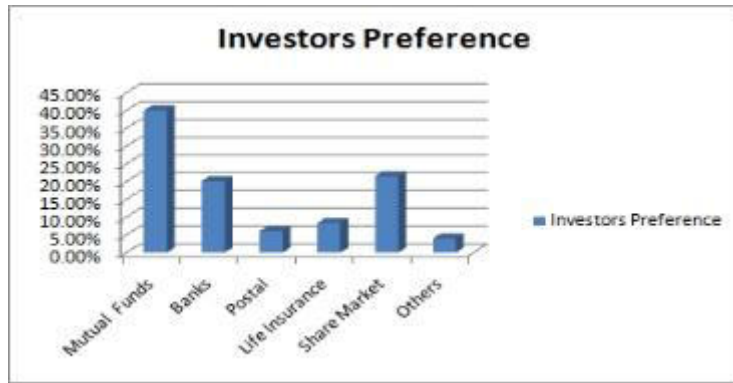


Fig-4:

Interpretation

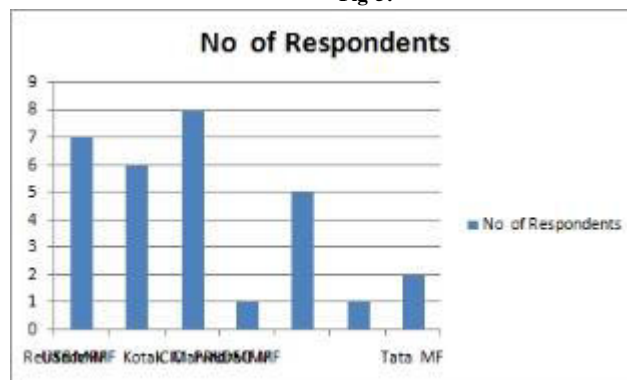
From the above analysis we can say most of the respondents are preferring to invest mutual funds that is 40.02%. The percentage in case of other sectors are less in comparison to mutual funds.

V. Preference of Mutual Fund schemes of different Mutual Fund companies:

Table-5

Category	No of Respondents
SBI MF	7
Reliance MF	6
UTI MF	8
Kotak Mahindra MF	1
ICICI PRU MF	5
HDFC MF	1
Tata MF	2

Fig-5:



Interpretation

Majority of preference goes to UTI MF being the oldest and gov. regulated Mutual Fund followed by MF as principal trustee is the largest bank operating over India. Preference towards other based on the fund's past performance and marketing potential of the IMC operating in the Bhubaneswar city. Also, the graph shows that the gradual shift of the mindset of people towards the private MF due to aggressive marketing, variety of schemes and return potential.

CONCLUSION

Due to simultaneous lifestyles of variety of channels the primary troubles being confronted through AMC is of handling the a couple of channels in turning in quality carrier to the clients. There want to be extra emphasize positioned on promotional sports to accumulate the logo photograph and additionally product awareness campaigns want to be said a variety of clients aren't nonetheless privy to the variety of alternatives to be had below MF's and nonetheless have a take a observe it as equity-primarily based totally investment.

In conclusion, for merchandise like MF with very low logo enchantment and intake values will ought to rely closely on vendors to push their product thru as they can't differentiate themselves from their competition and being in margins to the business. Indeed, Mutual budget might also additionally constitute the best opportunity in which the traders can spend money on an intelligent, assorted style in securities of rebellion sectors.

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