PROJECT REPORT ON

Systematic plans of Mutual funds

(How does it help in enhancing the liquidity in the Indian Stock market?)

BY

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UNDER THE GUIDANCE OF

DR. DEBABRATA SHARMA

SUBMITTED TO

BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

YEAR 2023-2025

BHUBANESWAR- 751021, ODISHA

INTERNAL GUIDE CERTIFICATE

This is to certify that **Ms Arpita Mohanty**., bearing university registration no **2306258027** of 2023-25 batch, has completed her summer internship at **Odisha Capital Market** from tto **03/06/2024** to **17/07/2024** under the supervision of **MR. BIPIN DUTTA** and has submitted this project report under my guidance in partial fulfilment of the requirements for award of the degree of Master of Business Administration at Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar. To the best of my knowledge and belief, this project report has been prepared by the student and has not been submitted to any other institute or university for the award of any degree or diploma.

Place: Bhubaneswar

Signature of the Internal Guide

Date:

DR. DEBABRATA SHARMA

Assistant Professor (Finance)

EXTERNAL GUIDE CERTIFICATE

This is to certify that **Arpita Mohanty**, a student of the Master of Business Administration (MBA) at Biju Patnaik Institute of Information Technology and Management Studies (BIITM), has successfully completed the Summer Internship Project titled "**Systematic plans of Mutual funds (How does it help in enhancing the liquidity in the Indian Stock market?)**" under my guidance and supervision.

The project was undertaken as a part of the student's Summer Internship during the period at **Odisha Capital Market** from **03/06/2024** to **17/07/2024**. I confirm that the said project is the independent work of the student and has been carried out for the partial fulfilment of the requirements of the MBA program.

Arpita Mohanty has shown a commendable level of diligence and sincerity in completing this project. The project report is a genuine effort to explore the theoretical concepts learned during the course and apply them in a real-world business setting. We have found the report to be satisfactory in terms of content, analysis, and presentation. We believe that this work demonstrates the student's understanding of the subject matter and their ability to apply theoretical knowledge to practical situations.

We wish the student all the best in their future endeavours.

Place: Bhubaneswar **MR. BIPIN DUTTA**

Date: **Odisha Capital Market, Bhubaneswar**

DECLARATION

I, **Ms Arpita Mohanty** bearing university registration no. **2306258027** (2023-2025 batch), hereby declare that the project report titled **Systematic plans of Mutual funds (How does it help in enhancing the liquidity in the Indian Stock market?)** is based on my internship at **ODISHA CAPITAL MARKET,** during the period **03/06/2024** to **17/07/2024** and is an original work done by me under the supervision of **MR. BIPIN DUTTA** and **DR. DEBABRATA SHARMA.** This report is being submitted to Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar, affiliated to Biju Patnaik University of Technology, Odisha, in partial fulfilment of the requirements for the award of the degree of Master of Business Administration. This project report has not been submitted to any other institute/university for the award of any degree or diploma.

Place:

Date: Signature

ACKNOWLEDGEMENT

My acknowledgment begins with thanking my academic supervisor **DR. DEBABRATA SHARMA** who has provided me with suggestions for making this final internship report and provided me with the format for making and preparing the whole report. I would like to thank sir for his generous cooperation and regular supervision that made me confident about the desired outcome of my internship report.

I would like to show my warm-hearted gratitude to the whole department of **ODISHA CAPITAL MARKET,** which has provided me with a great deal of information, adequate data and finally cooperated with me for the accomplishment of the whole report successfully. I would like to thank each member. I am especially grateful to **BIPIN DUTTA** for invaluable support and direction that lead me to the successful completion of my internship report. I have done my whole internship period under this supervision and am grateful to him for helping me each step of work at the office.

OBJECTIVE OF STUDY

- To give a brief idea about the benefits available from Mutual Fund investment.
- To study which schemes are chosen by investor for investing money in mutual fund.
- To study about preference of investors for entry into mutual fund
  - Lump-sum
  - Systematic investment plan
- To identify factor considered by investors while investing in mutual fund.

RESEARCH METHODOLOGY

Research Methodology is a way to systematically solve the research problems. It may understand as a science of study how research is done scientifically.

There are two types of research methodology:-

i. Primary data
ii. Secondary data

In this report primary data has been used.

Primary Data- Primary survey has been done through questionnaire among 100+ investors investing in different investment asset classes to get their feedbacks related to investment.

Analysis on feedbacks received from investors has been done using appropriate models.

EXECUTIVE SUMMARY

Mutual funds have emerged as a strong financial intermediary and are the fastest growing segment of the financial services sector in India. Mutual funds play a very significant role in channelizing the saving of millions of individuals. A mutual fund is the most suitable investment for the common person as it offers an opportunity to invest in a diversified, professionally managed portfolio at a relatively low cost. There are wide varieties of mutual fund schemes that fulfil to investor's needs.

SIP (systematic investment plan) is a method of investing a fixed sum, regularly, in a mutual fund. It is similar to regular saving schemes like a recurring deposit. SIP allows you to buy units on a given date each month, so that you can device an investment plan for yourself.

Mutual Funds have not only helped family's tap into the success of Indian Industry but have also contributed to the India growth story. As information and awareness is rising more and more people are enjoying the benefits of investing in mutual funds.

TABLE OF CONTENTS

INTRODUCTION

1.1 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, through the growth was slow. But it accelerated from the year 1987 when non-UTI players entered the industry.

In the past decade, Indian mutual fund industry had seen a dramatic improvement both qualities wise as well as quantity wise, before, the monopoly of the market had seen an ending phase; the assets under management (AUM) was rs67 billion. The private sector entry to the fund family raised the aim to rs.470 billion in march 1993 and till April 2004 ; it reached the height if Rs.1540 billion. The mutual fund industry is obviously growing at a tremendous space with the mutual fund industry can be broadly put into four phases according to the development of the sector. Each phase is briefly described as under.

1. First phase:

Unit trust of India (UTI) was established on 1963 by an act of parliament by the Reserve bank of India and functioned under the regulatory and administrative control of the reserve bank of India. In 1978 UTI was de-linked from the RBI and the industrial development bank of India (IDBI) took over the regulatory and administrative control in place of RBI. The first scheme launched by UTI was unit scheme 1964. At the end of 1988 UTI had Rs.6700 Cores of assets under management.

2. Second phase – 1987-1993 (entry of public sector funds)

1987 marked the entry of non-UTI, public sector mutual funds setup by public sector banks and life insurance corporation of India (LIC) and general insurances corporation of India (GIC). SBI mutual fund was the first non-UTI mutual fund established in June 1987 followed by can bank mutual fund (Dec 87). Punjab national bank mutual fund (Aug. 89). Indian bank mutual fund (Nov 89). Bank of India (Jun90), bank of Baroda mutual fund (Oct 92), LIC established its mutual fund in June 1989 while GIC had setup its mutual fund in December 1990. At the end of 1993, the mutual fund industry had assets under Management of Rs. 47,004 Crores

3. Third phase – 1993-2003 (entry of private sector funds)

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

The 1993 SEBI regulations were substituted by a more comprehensive and revised mutual fund regulation in 1996. As at the end of January 2003. There were 33 mutual funds with total assets of Rs. 1, 21,805 Crores.

4. Fourth phase – (since February 2003 – April 2014)

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 schemes, assured return and certain other schemes.

The second is the UTI mutual fund ltd, sponsored by SBI, PNB, BOB and LIC. It is registered with SEBI and functions under the mutual fund regulations. Consolidation and growth. As at the end of September, 2004. There were 29 funds, which manage assets of Rs.153108 Crores under 421 schemes.

5. Fifth phase – (since May 2014)

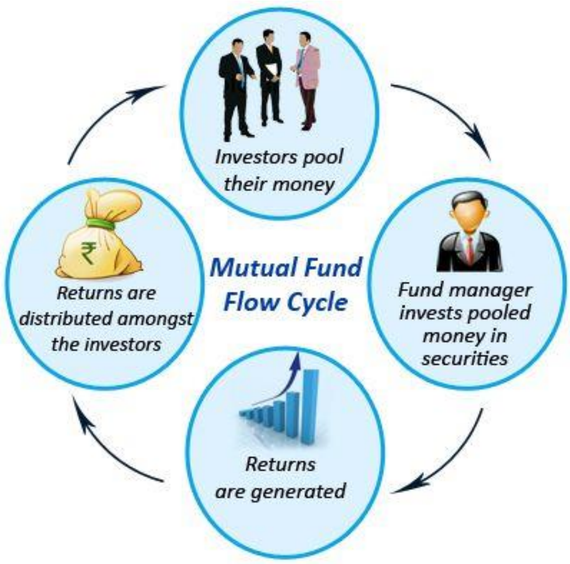
Taking cognizance of the lack of penetration of MFs, especially in tier ll and tier lll cities, and the need for greater alignment of the interest of various stakeholders, SEBI introduced several progressive measures in September 2012 to "re-energize" the Indian mutual fund industry and increase MFs penetration.

MF distributers have also had a major role in popularizing systematic investment plans (SIP) over the years. In April 2016, the no. of SIP accounts has crossed 1 crore mark and as on 30th April, 2021 the total no. of SIP accounts are 3.80 crore.

1.2 MUTUAL FUND

Mutual funds have arisen as one of the widely favoured investment instruments which providing investors the juncture to go in the financial markets with a varied portfolio that is administered by professionals. Mutual fund investing is a time-tested method for accumulating wealth, protecting one's retirement, and stocking up on emergency funds. Mutual funds, also known as investment trusts, are pooled investment vehicles in which several people may pool their money to pursue a shared investing strategy.

An investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets. MF are operated by money managers, who invest the funds capital and attempt to produce capital gains and income for the funds investors. A mutual fund portfolio is structured and maintained to match the investment objectives stated in its prospectus.



What are the advantages of Mutual Funds?

1. **Professional Management:** Mutual funds are managed by professional asset managers who have years of experience in the financial markets.
2. **Diversification:** Mutual funds are invested in variety of securities, which helps reduce or mitigate the risk. This diversification helps protect the investor’s portfolio from market volatility.
3. **Liquidity:** Mutual funds are highly liquid investments, which means that investors can easily buy and sell their units at any time.
4. **Affordable:** Mutual funds are affordable investments that allow investors to start with small amount of money.

5. **Safe and Transparent:** Mutual funds are regulated by the Securities and Exchange Board of India (SEBI), which ensures that they operate in a safe and transparent manner.
6. **Quick and hassle-free process:** Initiating and diversifying your mutual fund portfolio can be a quick and straight-forward process.

Classification of mutual fund

(1) Based on their structure:

- Open-ended funds

Investors can buy and sell the units from the fund, at any point of time.

- Close-ended funds

These funds raise money from investors only once. Therefore, after the offer period, fresh investments cannot be made into the fund. If the fund is listed on a stocks exchange the units can be traded like stocks. Recently, most of the new fund offers of close-ended funds provided liquidity window on a periodic basis such as monthly or weekly. Redemption of units can be made during specified intervals. Therefore, such funds have relatively low liquidity.

- Interval schemes

Interval funds combine the features of open-ended and close-ended schemes. They are open for sale or redemption during pre-determined intervals at NAV related prices.

(2) Based on investment objective

- Growth funds

Such schemes normally invest a majority of their corpus in equities. It has been proven that returns from stocks, have outperformed most other kind of investments held over the long term. It is ideal for investors with long term outlook seeking growth over a period of time.

- Income funds

The aim of income funds is to provide regular and steady income to investors. Such schemes generally invest in fixed income securities such as bonds, corporate debentures and government securities. Income funds are ideal for capital stability and regular income.

- Balanced fund

The aim of balanced funds is to provide both growth and regular income. Such schemes periodically distribute a part of their earning and invest both in equities and fixed income securities in the proportion indicated in their offer documents. In a rising stock market, the NAV of these schemes may not normally keep pace, or fall equally when the market falls. These are ideal for investors looking for a combination of income and moderate growth.

BANKS V/S MUTUAL FUNDS:

Mutual funds are now also competing with commercial banks in the race for retail investor's savings and corporate float money. The power shift towards mutual funds has become obvious. The coming few years will show that the traditional saving avenues are losing out in the current scenario. Many investors are realizing that investments in savings accounts are as good as locking up their deposits in a closet. The fund mobilization trend by mutual funds indicates that money is going to mutual fund in a big way.

Category	**Banks**	**Mutual funds**
Returns	Low	High
Risk	Low	Moderate
Investment Options	Less	More
Network	High penetration	Low but improving
Liquidity	At a cost	Better
Interest calculation	Minimum balance between 10th & 30th of every month	Everyday
Guarantee	Maximum Rs.1 lakh on deposits	None

1.3 SYSTEMATIC INVESTEMENT PLAN

A systematic investment plan (SIP) is good tool that retail investors can utilize to optimize their investment strategy. SIP is nothing but a simple method of investing a fixed sum of money in a specific investment scheme. On a regular basis, for a pre-determined period of time. A recurring deposit with the post office or a recurring deposit with a bank also a SIP. Systematic investment plan was already famous and proven in mutual fund context but now SIP has also come directly into equity stocks which is essentially individual stocks. Equity SIP is a new facility through which you can buy a script for a regular interval over a period of time for specified amount or for a specified quantity. Investing in mutual fund is not everybody's cup of tea. Being dependent on factors such as a fluctuating stock market and risking your hard-earned money for a measly profit does not really help. If you are a disciplined investor however, and are interested in mutual funds, then the equity systematic investment plan (SIP) would work well for you.

An overview

What is popular known as a mutual fund, in reality, a business type? In the mutual fund business, there are almost 30-40 companies and firms that are referred to as the fund houses.

These are registered and have got the allowance to operate mutual fund schemes through a government regulatory body, known as the securities and exchange board of India (SEBI).

It is such schemes that are purchased and sold daily by investors, who are the common people. Basically, it works as

Mutual fund > fund house > individual scheme > investors.

LITRETURE REVIEW

Academics in India and abroad have spent a lot of time delving into the subject of how to measure a mutual fund's success

1. Challenges and Opportunities for Mutual Fund Investment and the Role of Industry 4.0 to Recommend the Individual for Speculation

By: Sanjay Kumar, Meenakshi Srivastava & Vijay Prakash

Year: 2023

There is tremendous pressure on mutual fund investment firms and investors experienced during the investment to outperform and moderate risk for their assets. But due to the large fluctuation relative to the investment company and another factor affecting overall GDP, it has now become more complex to predict future mutual fund returns. The fund managers managing the portfolio must know all the different options for investment and how to choose them for the purpose of achieving the overall objectives. Industry 4.0 plays an important role in taking care of business while we invest money in the mutual fund industry. In this paper, we briefly introduce the mutual fund with state of an art review of different aspects of the analysis and performance measures associated with the mutual fund investments. We introduce the application of Artificial Intelligence, Machine Learning, and Neural networks and present a draft for a mutual fund recommendation model for optimal investment decisions for individuals. We will also target upcoming changes and identify possible areas for improvement including deployment of industry 4.0 recommendations in the field of Mutual Fund Investment. A case study of three mutual funds was taken into consideration and some conclusions are drowning from this study. In the future, we can enhance the prediction model using other advanced technologies.

2. Factors Affecting Investment in Mutual Funds

By: Varun Sagar Singal and Dr. Rishi Manrai

Year: 2018

Mutual funds act as a medium for retail investors to invest their savings in the professional funds management system, irrespective of the sum invested. It enables masses to enter the Indian Financial Market with much more ease. Indian Mutual Funds industry is growing rapidly which is reflected with the growth in assets under management under various AMC's year on year. Investment in mutual funds is less risky when compared to investment in equities market. Less risk combined with moderate returns and professional management act as a magnet for the risk averse investors to invest their savings in the financial markets. This project aims at finding out the factors affecting investment decision on mutual funds and the impact of behavioural factors on an investor. This project also aims at finding about the factors that prevent the people to invest in mutual funds. The findings will help mutual fund companies to identify the areas required for improvement and can also improve their marketing strategies. It will help the MF companies to create new and innovative product according to the orientation of investors. Investor perception cites a significant impact on the investment decision making process. It is important to understand few basic factors such as level of awareness and impact of date of inception of the fund which play a significant role in guiding the investment decision making process of a retail investor.

3. Mutual Fund characteristics and Investment performance in India

By: Sonal Babbar and Sanjay Sehgal

Year: 2018

In this study, we examine the role of fund characteristics in determining mutual fund performance in India. The data comprises of 237 open-ended Indian equity (growth) schemes during the period April 2007 to March 2013. Using daily dividend adjusted net asset values (NAVs), the risk-adjusted performance is estimated employing conditional version of Carhart (1997) four factor model in a time series regression framework. A range of fund characteristics, namely, the size of fund, growth in size of fund, expense ratio, portfolio turnover, NAV and age of fund, are examined in predictive model in a panel data regression framework that may determine the future performance of the fund. The Hausman specification test is conducted to decide if individual effects are random or fixed. The results of panel regression, based on fixed effects estimator, show that the size of fund, growth in size of fund and NAV negatively affect one period ahead risk-adjusted performance in India, while the age of fund has a positive impact. Expense and portfolio turnover ratios do not play a significant role. Identification of significant fund characteristics offer valuable insights to investors as it will allow them to make prudent selection of mutual funds and make judicious investment decisions.

4. Identification of Factors Influencing Investors' Perception Towards Investment in Mutual Fund

By: Sharma, C Pooja

Year: 2019

Mutual funds have opened new vistas to millions of investors by virtually taking investment to their doorstep. In India, retail investors in general rely on the information which neither provides hedge against inflation nor have positive real returns. He finds himself to be an odd man out in the investment game. Mutual funds have come, as a much needed help to these investors. Thus, the success of mutual funds is in essence the outcome of the collective endeavours of proficient fund managers and vigilant investors. Therefore, in the present circumstances, it is imperative to recognize the requirements of mutual funds investors along with their inclination for mutual funds schemes and their performance evaluation. This research study has an objective to analyse the perception of investors towards mutual funds as an investment avenue. The survey is undertaken on 100 educated investors of Delhi/NCR and the findings revealed that the major factors that influence buying behaviour of mutual funds investors are fund characteristics, creditability, convenience, success factors, and fund family. The study will be enormously valuable for academicians, AMC's, brokers, distributors and other potential investors.

5. Indian Mutual Fund Market: Retail Investor's Investment Insight

By: Dr. Pooja Chaturvedi Sharma

Year: 2014

Indian mutual fund has gained a lot of popularity from the past few years. Earlier only UTI enjoyed the monopoly in this industry, but with the passage of time, many new players entered the market. As the time has passed, this industry has become a buzzword in the Indian financial system. Mutual Funds, which have come out as strong financial intermediaries, are playing a vital part in the process. They have not only endowed stability to the financial system, but have also lent assistance to rationalize the process of resource allocation. On matching up with other contemporary financial instruments, mutual funds put forward a dependable, uncomplicated and a better fitting in approach of investment. Therefore, it is very important to know the investors' interest, or, lack of it, in this industry as Indian investors find it difficult to familiarize them with this investment avenue still. The foremost rationale for this lack of appeal in mutual funds is the low customer awareness level. This paper discusses the introduction, evolution of mutual fund market along with the range of different expenses, various parties involved in this market segment. This paper has opted for literature review as a course to discuss the probable reasons for lack of investor awareness along with suggestions for raising awareness levels of investors. This study will add value to the body of knowledge in this field, from the point of view of researchers and academicians.

QUALITATIVE STUDY

5.1 Why and where to invest? Is it stocks or securities?

Investing involves choosing where to put your money with the goal of growing it over time. There are many factors to consider before you invest, including your risk tolerance, investment Mutual Funds: An alternative investment vehicle goals, and time horizon. Here's a breakdown to help you decide:

Why Invest?

- **Grow your wealth:** Investing can potentially earn you higher returns than traditional savings accounts. Over time, with reinvesting earnings (compounding), your money can grow significantly.
- **Meet financial goals:** Investing can help you achieve long-term goals like retirement, a child's education, or a down payment on a house.
- **Protect against inflation:** Inflation reduces the buying power of your money over time. Investing can help your money outpace inflation and maintain its value.

Where to Invest?

There are many investment options, but two common choices are:

- **Stocks:** Represent ownership in a company. When a company does well, the stock price typically increases, and you can potentially profit by selling your shares at a higher price. Stocks generally carry higher risk but also have the potential for higher returns.
- **Securities:** This is a broad term encompassing various financial instruments like stocks, bonds, mutual funds, and exchange-traded funds (ETFs).

Mutual funds and ETFs are essentially baskets containing a variety of stocks or other securities. They offer diversification, which means your investment isn't tied to the performance of one single company. This can help spread out your risk.

Choosing Between Stocks and Mutual Funds/ETFs:

- **Risk Tolerance:** If you're comfortable with potentially higher risk for potentially higher rewards, then individual stocks might be an option. However, if you prefer a more diversified approach with lower risk, then mutual funds or ETFs might be a better fit.
- **Investment Knowledge:** Selecting individual stocks requires research and knowledge of the companies you're considering. Mutual funds and ETFs are managed by professionals, so you don't need to pick specific stocks yourself.

How to Invest:

- **Research.** Investors need to understand the vehicles they are putting their money into. Whether it is a single share of a well-established company or a risky alternative investment endeavour, investors should do their homework.
- Before investing, individuals should ensure they have enough capital to pay monthly expenses and have already built up an emergency fund.
- **Understand liquidity restrictions.** Some investments are less liquid than others and may be more difficult to sell. An investment, like a Certificate of Deposit (CD), may be locked for a certain period and cannot be easily liquidated.
- **Tax implications.** Investors should understand the cost of short-term and long-term capital gains tax rates.
- **Determine Risk.** Investing incurs risk. Investors may end up with *less* money than what they started with. Investors uncomfortable with this idea can (1) reduce their investment to only what they are comfortable losing or (2) explore ways to mitigate risk through Diversification.

- **Lone investment instrument may not provide better return or may warrant high risk depending upon the nature of instrument**

Here's why:

- **Lack of Diversification:** Putting all your eggs in one basket means you're heavily exposed to the performance of that single instrument. If the company's stock price falls, the entire value of your investment could drop significantly. Diversification, spreading your money across different asset classes (stocks, bonds, real estate, etc.), helps mitigate risk.

- **Potential for Missed Opportunities:** The market offers a vast array of investment options. Sticking to just one might cause you to miss out on potentially better returns from other sectors or asset classes that are performing well.
- **Risk-Reward Mismatch:** Some investments, like high-growth stocks, offer the potential for high returns, but they also come with high risk. Other instruments, like government bonds, are very safe but offer lower returns. A single instrument might not align with your risk tolerance.

Here's an analogy: Imagine a single fruit tree. If there's a bad harvest or a disease, you lose your entire fruit supply. But if you have an orchard with different types of trees, a bad season for one type might be balanced by a good season for another.

There can be exceptions, though. Here are some cases where a lone instrument might be suitable:

- **Short-term investment:** If you're saving for a short-term goal (less than a year) and prioritizing safety, a high-yield savings account could be a good option.
- **Specific investment thesis:** If you have strong research and conviction about a particular company or asset class, you might choose to invest heavily in it. However, this requires in-depth knowledge and carries significant risk.

Remember, a well-balanced portfolio with a mix of investments is generally considered a safer and more strategic approach for most investors.

- **Better return may be assured as well as risk can be diversified if one takes a basket of different stocks or securities for investment.**

A basket of different stocks or securities, often called a diversified portfolio, offers several advantages over a single investment:

- **Improved Return Potential:** By including a variety of stocks and securities in your basket, you're essentially placing bets on multiple sectors and industries. When some investments go down, others might go up, potentially offsetting losses and smoothing out your overall returns. This allows you to capture gains from a broader range of the market's performance.

- **Reduced Risk:** Diversification is a key strategy for managing investment risk. When you don't have all your eggs in one basket, a downturn in a particular company or sector won't devastate your entire portfolio. The diversification helps spread out the risk and provides some stability.
- **Tailoring to Risk Tolerance:** You can customize your basket's composition to match your risk tolerance. A higher percentage of stocks might offer the potential for higher returns but also comes with greater risk. Including bonds or other fixed-income securities can bring down the overall risk profile of your basket.

- **An investor with a meagre size of savings cannot go for an investment portfolio of securities ranging 30-40 different stocks.**

An investor with a limited amount of savings might not be able to afford a traditionally diversified portfolio of 30-40 individual stocks. Here's why:

- **Cost per Share:** Many stocks trade for high prices per share, making it difficult to acquire a meaningful number of shares in each company with a small amount of money. To achieve true diversification with 30-40 stocks, you'd need to spread your capital quite thin.
- **Transaction Costs:** Buying and selling individual stocks often incurs transaction fees, which can eat into your returns if you're only buying a small number of shares each time. These fees can become significant with frequent trading or with a large number of holdings.

Here are some alternative options for smaller investors to consider that can still provide diversification benefits:

- **Index Funds:** These are mutual funds or ETFs (Exchange-Traded Funds) that track a particular market index, like the S&P 500. By investing in a single index fund, you're essentially buying a small piece of ownership in all the companies in that index. This provides instant diversification with a single investment, and many index funds have very low fees.

- **Fractional Shares:** Some investment platforms allow you to purchase fractional shares of stocks. This means you can invest in a company even if the price per share is high, and it allows you to spread your investment across more companies without needing a huge amount of capital.
- **Robo-advisors:** These are automated investment platforms that use algorithms to create and manage a diversified portfolio for you based on your goals and risk tolerance. They typically invest in a mix of ETFs and index funds, offering diversification with a low minimum investment.

- **What is the right, affordable and low risk investment option?**

When it comes to low-risk investments, stocks generally are not the best option. Stocks can fluctuate in price significantly, so while they have the potential for high returns, they also come with a higher chance of losing money.

5.2 Mutual Funds: An alternative investment vehicle

AIFs represent a diverse category of investment vehicles that deviate from traditional asset classes like stocks and bonds. These funds encompass a broad range of assets, including private equity, hedge funds, real estate, commodities, and more. In a sense, AIFs are privately pooled investment vehicles that collect funds from sophisticated investors.

AIFs are known for their flexibility in investment strategies and structures, often employing complex techniques to generate alpha and mitigate risk. Is a mutual fund an alternative investment? No, a mutual fund is not typically considered an alternative investment.

A Mutual fund is an investment fund that pools money from many investors to purchase securities. Mutual funds are often classified by their principal investments: money market funds, bond or fixed income funds, stock or equity funds, or hybrid funds. Funds may also be categorized as index funds, which are passively managed funds that track the performance of an index, such as a stock market index or bond market index, or actively managed funds, which seek to outperform stock market indices but generally charge higher fees.

5.2.1 Systematic Investment Plans of Mutual Funds

A systematic investment plan (SIP) is a vehicle offered by mutual funds to help investors save regularly. It is just like a recurring deposit with the post office or bank where you put in a small amount every month. The difference here is that the amount is invested in a mutual fund.

Systematic investment plan (SIP) is a method of investing in mutual funds wherein an investor chooses a mutual fund scheme and invests the fixed amount his choice at fixed intervals.

SIP investment plan is about investing a small amount over time rather than investing one- time huge amount resulting in a higher return.

SIP mainly helps us to get addicted to an investment principle-

- Income - savings = expenditure, instead of following the principle of-

- Income – expenditure = savings.

SIP helps investors to overcome the problem of „when" to invest in the equity markets as irrespective of the state of the market an investor is always invested. SIP takes away the decision-making and converts it into a mechanized one. The lowering of risk, by entering at different time periods, however has the disadvantage of "averaging" out returns.

A very important aspect to be kept in mind is the entry and exit load charged by all mutual funds. In a normal investment most funds either charge entry load or exit load. But in a SIP along with an entry load charged for each instalment, an exit load is charged if the program is withdrawn before a specified period. This period could vary from six months to two years. This double whammy will reduce the returns in the short term. This makes SIP an inflexible investments program and expensive if withdrawn prematurely due to unforeseen emergencies.

Finally, when considering SIP, investors should note that it does not assure a return and continue investing without interruption as missing a few instalments could lead to termination of the SIP. When an investor chooses to invest in mutual funds via an SIP, he makes investments in smaller denominations at regular intervals of time rather than making a single lump sum investment.

SIP allows you to invest a fixed amount regularly, so when funds NAV is more you get less units and when funds NAV is higher you get less units, so over a longer time frame, SIP will lower the average purchase cost of an investments.

As an investor, when you extend the investment period, you can earn profit on your current profit, and accumulate more wealth. This reiterates the fact that investing fresh capital at periodic intervals raises the accumulated investment.

When to invest in SIP?

SIP investment can be started anytime ensuring minimum risk with the correct suitable scheme plan for the investor. It is very important for the investor to choose the scheme which suits his long-term goals well. Hence, there is no suitable time frame within which an investor should start a SIP investment plan, the sooner the better.

Types of systematic investment plan:-

(1) Top-up SIP

This SIP allows you to increase your investment amount periodically giving you the flexibility to invest when you have a higher income or available amount to be invested. This is also helps in making the most out of the investments by investing in the best and high performing funds at regular intervals.

(2) Flexible SIP

As the name suggests this SIP plan carries flexibility of amount you want to invest.an investor can increase or decrease the amount to be invested as per his own cash flow needs are preferences.

(3) Perpetual SIP

This SIP plan allows you to carry on the investments without an end to the mandate date. Generally, an SIP carries an end date after 1 year, 3 year or 5 years of investment. The investor can hence, withdraw the amount invested whenever he wishes or as per his financial goals.

5.2.2 Key features of Systematic Investment Plans

(1) Small and regular investment

Systematic investment plan helps you achieve your bigger financial goals even with a small sum of amount invested every periodic interval. SIP is lighter on your wallet. It allows you to invest a small amount as per your wallet size with as low as Rs.500 with periodic intervals of investments such as weekly, fortnightly, monthly, quarterly. It is a simple and affordable way for beginners to start investing in mutual fund schemes.

(2) Disciplined investment

Investors often fail to maintain the habit of investing over the period of time. A dedicated approach and focus is the key to any investment. As the name says, systematic investment plan is a system to invest a particular amount regularly. This naturally brings a discipline to your investing habits. Inculcating a habit of investing with a regular investment of a small sum is practically much easier than investing lump sum amount every year. It is recommended to start an SIP if you haven't yet inculcated the discipline of investing.

(3) Ease of investing

SIP can be implemented in two ways; online and offline SIP. Traditionally, you can invest in SIP by filling up a mandate, however, in the current digital wave, you can invest in SIP via invest online platforms. Invest online portal avails you a paperless transactions with quicker transactions and hassle free procedures. You can opt to link your portfolio to your bank account, so that you can enable uninterrupted automatic investments. Usually, salaried employees choose to map their SIP accounts to their salary accounts so that the process continues to be regular and linear. This rectifies the issues of regularity failures. You need to be a KYC complaint to start investing.

(4) Power of compounding

The biggest force that drives investments ahead is the power of compounding. Although, systematic investments are smaller, investors can benefit higher with the power of compounding. Starting to invest early can build opportunities of higher returns. Simply, the small amounts that you invest every month generate returns over the invested period and similarly the returns upon the previous investment gets added to your new investments.

5) Rupee cost averaging

Nobody can time the market, not even half of the times. However, SIP does not require you to time the market. Rupee cost averaging is an automatic market timing mechanism. Since the investments in SIP are made at regular intervals, more units are bought in declining market and hence when the markets head upwards, the value of your investments grows in sync. As the SIP thrives on volatility, the divergence in returns between SIP and lump sum widens.

5.2.3 Advantages

- SIP can be started with a minimum investment of Rs 500/- per month or RS 1000/- per month.

- It is good and effective way of creating wealth for long term.

- ECs facility is available in case of investment through SIP.

- A small withdrawal from the account doesn't affect the bank balance of an individual as compared to a hefty withdrawal.

- It can be for a year, two years, three years etc. if a person at any point of time couldn't be able to continue its SIP. He may give instructions at least 25 days before to the fund house. His SIP be discontinued.

- All type of funds except liquid funds, cash funds and other funds who invest in very short fixed return investment offers the facility of SIP.

- Capital gains, if applicable, are taxed on a first-in-first-out basis.

- As the investment made through SIP are not at one time. Some units bought at high price and some at low price. So chances of making gain through SIP is higher than the one time investment.

5.2.4 Disadvantages

(1) No downside protection

Investors should remember that despite of all the advantages that SIPs have, they are subject to market risks and do not protect investors from making a loss or ensure those profits in falling markets.

(2) Portfolio risk remains

SIPs are also subject to security risk. Mutual fund schemes investing in portfolios that turns out to generate negative returns are bound to make investors incur a loss even if the investment is made through SIPs.

(3) Ideal profile of investors

Investors opting to invest through an SIP option should: have a long-term investment horizon, be willing to invest regularly, keep patience; and who cannot invest enough amount at one go before opting for SIPs.

SIP option available for all types of funds. This arises the need for investors to do a title homework in order to get the maximum returns out of their investments.

(4) Defining the investment objective

Investors should invest with a clear objective in their mind. It helps to figure out an indicative time period for which the investments would have to be made.

(5) Determining the investment surpluses

Investors should estimate the amount that they can afford to invest on a periodical basis. Investors should be conservative while making this estimate as an over estimated periodical investment amount may turn out to be a burden for investors.

(6) Selecting an appropriate scheme category

Before investing investors should take risk-return profile of a scheme into consideration. Investors should choose a scheme that suits their investment objective, for example: equity funds are recommended to investors who have a high risk taking capacity, debt funds for risk averse investors and balanced funds for investors with moderate risk taking capacity.

(7) Ignore the market savings

In the short term, sentiments drive the movements in the market. Therefore, investors should not let a short term correction or fall in the markets to bother them.
As long as the long term prospects are intact, the investments are safe.

(8) Periodical review of investments

After selecting an appropriate scheme and making investment in it, investors should continuously monitor the performance of similar schemes to the one in which the investment is done. This enables investors to compare the performance of their scheme with corresponding schemes and make necessary adjustments, if required.

5.3 Important Terminology

- **Net Asset Value (NAV):**

This is like the share price of a mutual fund. It represents the per-unit value of the fund, calculated by dividing the total value of all the fund's assets (stocks, bonds, etc.) by the number of outstanding shares. A higher NAV indicates the fund's performance is positive.

How is NAV calculated?

NAV is calculated typically at the **end of each business day** by the fund house. Here's the basic formula:

- **NAV per unit = (Total Assets - Liabilities) / Number of Outstanding Shares**
- Total Assets: This includes the market value of all the securities held by the fund (stocks, bonds, etc.) on that day.
- Liabilities: These are any expenses incurred by the fund, like management fees.
- Number of Outstanding Shares: This is the total number of units currently held by investors in the fund.

Where to find NAV?

Mutual funds typically publish their NAVs daily on their websites and financial news platforms.

❖ **Exit Load:**

This is a fee charged by the fund house (AMC) if you redeem your units within a specific period from purchase (usually a few years). It discourages frequent withdrawals and aims to keep investors invested for the long term.

Here's a breakdown of exit loads:

- **Purpose:** Discourage short-term trading and promote long-term investment horizons. This benefits the fund by reducing redemptions that can disrupt the fund manager's strategy and helps existing long-term investors by minimizing fluctuations caused by short-term buying and selling.
- **Structure:** Exit loads are typically a percentage of the redemption amount. The exact percentage and the applicable timeframe can vary depending on the specific mutual fund scheme. Some funds may have tiered exit loads, where the fee reduces as the 30
- **Impact:** When you redeem your units with an exit load, the fee is deducted from your total redemption proceeds, reducing your overall returns.

Not all mutual funds have exit loads. There are plenty of options with no exit fees or minimal fees after a short period.

❖ **Redemption Price:**

The redemption price of a mutual fund is the price at which you sell your units back to the fund house. It's directly tied to the fund's Net Asset Value (NAV) on the day you submit your redemption request.

Here's a deeper look at redemption price:

- **Calculation:** Redemption Price = NAV per Unit on Redemption Date.
- **NAV Connection:** As mentioned earlier, NAV reflects the per-unit value of the fund's assets. So, the redemption price essentially reflects the net value you receive per unit based on the fund's performance at that specific time.

- **Process:** When you redeem your units, the fund house calculates the total value based on the redemption price and the number of units you're selling. This amount is then credited to your account, minus any applicable exit load (if present).

❖ **Repurchase Price:**

Repurchase price, in the context of mutual funds, refers to the price at which you buy new units of a particular scheme. It's essentially the flip side of the redemption price.

Here's a breakdown of repurchase price:

- **Direct Link to NAV:** Just like the redemption price, the repurchase price is directly tied to the fund's Net Asset Value (NAV) on the day you invest.
- **Calculation:** Repurchase Price = NAV per Unit on Purchase Date
- **Investment Price:** The repurchase price signifies the price per unit you pay when you buy new units into the mutual fund scheme.

Understanding the Connection:

- Think of it as buying a share of the fund's net assets. The NAV reflects the collective value of all the fund's holdings on that specific day. So, the repurchase price represents your proportional ownership based on the current NAV.

❖ **Switch:**

In the realm of mutual funds, a switch allows you to move your investment within the same fund house (AMC) from one scheme to another. Think of it like exchanging your holdings within the same investment family.

Here's a closer look at switching mutual funds:

- **Core Function:** It enables you to adjust your investment strategy based on your evolving financial goals or risk tolerance. For example, you might switch from an equity fund to a debt fund if you near retirement and want to prioritize capital preservation.

- **Benefits:**
    - **Flexibility:** Provides the freedom to adapt your portfolio within the AMC without having to redeem and reinvest, potentially avoiding capital gains tax implications (depending on the type of funds being switched).
    - **Cost-effective:** Switching typically comes with minimal or no charges compared to redeeming and then investing in a new fund (though check the specific fund house policy for any fees).

❖ Shut-out Period:

A shut-out period is a specific timeframe **unique to closed-end funds** where you cannot redeem your units after you've invested. It essentially restricts investor redemptions during this initial period.

Here's how shut-out periods work:

- **Purpose:** They are designed to give the fund manager time to invest the capital raised during the fund offering (IPO) and implement the fund's investment strategy. This allows the manager to buy and sell securities without the pressure of immediate redemptions, which could disrupt their investment strategy.
- **Duration:** The shut-out period can vary depending on the specific closed-end fund, but it typically lasts for a short period, often **30 to 60 days** after the fund offering closes.
- **Impact on Investors:** During this period, your investment is locked in, and you cannot sell your units back to the fund house. However, you can still buy and sell units on the stock exchange **after** the shut-out period ends, just like any other stock. The price on the exchange will fluctuate based on market forces and investor sentiment.

5.4 How NAV matters to investment?

NAV (Net Asset Value) is a crucial factor to consider when investing in mutual funds. It reflects the **intrinsic value** of a fund per unit, essentially the net worth of all its holdings divided by the total number of outstanding shares. Here's how NAV's highs and lows impact your investment:

NAV Highs & Lows:

- **Low NAV:**
    - **Potential Benefit:** A low NAV might seem attractive as you can buy more units for your investment.
    - **Reality Check:** Low NAV doesn't necessarily translate to higher returns. It simply reflects the current value of the fund's underlying assets. These assets could be undervalued but have growth potential, or they could be genuinely underperforming.

Myth 1 - Busted: Low NAV ≠ More Units = More Dividends

The number of units you purchase doesn't directly affect the dividend amount. Dividends are declared based on the fund's **profit**, not the number of units you hold. A low NAV fund might pay a lower dividend compared to a high NAV fund if it's generating less profit.

Myth 2 - Busted: High NAV ≠ Reached Potential

A high NAV indicates the fund's assets have increased in value. This doesn't necessarily mean the fund has reached its full potential. The fund manager's skill and the overall market conditions will determine if the NAV continues to rise.

Does NAV Reflect the Best Estimate of Net Market Value?

NAV provides a **relatively accurate** estimate of a fund's net market value, but it's not perfect. Here's why:

- **Valuation of Assets:** Some assets, like unlisted stocks, are harder to value precisely. Their inclusion in the NAV might involve estimations, leading to minor discrepancies.
- **Market Fluctuations:** NAV is typically calculated daily based on the closing price of the assets. If the market moves significantly between the close and your purchase,the actual net value might be slightly different.

In Conclusion:

While NAV isn't the sole factor for investment decisions, it offers valuable insights. Here's how to leverage it effectively:

- **Compare NAVs:** Use NAV to compare similar mutual funds and understand their relative value. However, don't solely rely on NAV for choosing the best fund. Consider the fund's investment objective, past performance, and risk profile.
- **Track NAV Movement:** Monitor the NAV over time to gauge the fund's performance. A rising NAV generally indicates positive performance, while a falling NAV suggests a decline. However, short-term fluctuations are normal, so focus on the long-term trend.

5.5 How SIP causes increase liquidity in Indian stock markets?

Systematic Investment Plans (SIPs) contribute to liquidity in the Indian stock market through several key points:

1. Consistent Inflows:

- SIPs facilitate a steady flow of fresh capital into the market. As mentioned, net monthly SIP inflows grew significantly from Rs. 4,100 crore in January 2017 to Rs. 17,600 crore in December 2023. This consistent inflow of new money adds liquidity to the market.

2. Broader Participation:

- SIPs enable a wider range of investors to participate in the stock market. The industry added 12 million new investors in the past two years, many likely through SIPs. This broader participation increases the pool of buyers and sellers, contributing to market liquidity.

3. Long-Term Investment Horizon:

- SIPs typically encourage a long-term investment approach. This means the money stays invested for a longer period, rather than flowing in and out quickly. This stability in investment helps maintain liquidity over time.

4. Diversification:

- SIPs often invest in diversified mutual funds, spreading the capital across various sectors and companies. This helps distribute buying pressure across the market, improving overall liquidity.

5. Reduced Volatility:

- SIPs, by their very nature, average out the cost of investment due to regular fixed investments. This helps reduce the impact of market volatility on overall investment value. A more stable investor base contributes to a more liquid market.

In essence, SIPs bring in a steady stream of new money from a growing investor base, encouraging long-term investment and promoting diversification. This combination of factors enhances liquidity in the Indian stock market.

Additional Points:

1. The growth of SIP AUM (Asset under Management) at a CAGR of 39% in the past six years further underscores the increasing popularity of SIPs and their contribution to liquidity.
2. While the overall AUM of mutual funds is still a fraction of bank deposits, the rapid growth suggests a shift towards equity participation through SIPs, potentially increasing liquidity in the future.

It's important to note that:

- The information provided focuses on 2023 data. Market conditions can change, and SIP contributions might fluctuate.
- Liquidity is influenced by various factors beyond SIPs, such as foreign investments and institutional participation.

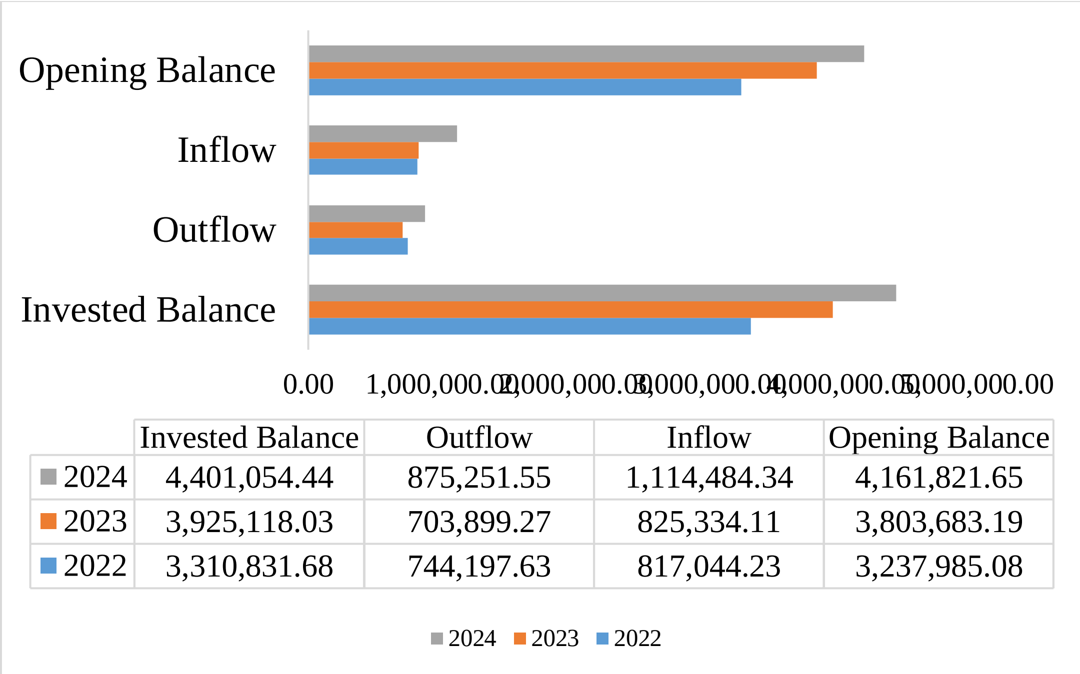
Overall, SIPs play a significant role in enhancing liquidity in the Indian stock market by bringing in consistent inflows, encouraging broader participation, and promoting long-term investment strategies.

CASE STUDY/ DATA ANALYSIS

1. Collect data preferably from SEBI bulletin for the last 2 years and 3 months relating to amount of capital mobilized by Mutual Fund Industry under their different schemes from the investors. Ascertain what size of the capital out of such mobilized capital on yearly basis, has been invested in stock market by the mutual fund industry as a whole. The available data may be furnished in tabular form in a segregated manner as under:

Year/ Period	Opening Balance on beginning of the year	Inflow of Capital during the Year/Period	Outflow of capital during the year/ Period	Invested Balance at the end of the Year/ Period
2022	3,237,985.08	817,044.23	744,197.63	3,310,831.68
2023	3,803,683.19	825,334.11	703,899.27	3,925,118.03
2024	4,161,821.65	1,114,484.34	875,251.55	4,401,054.44

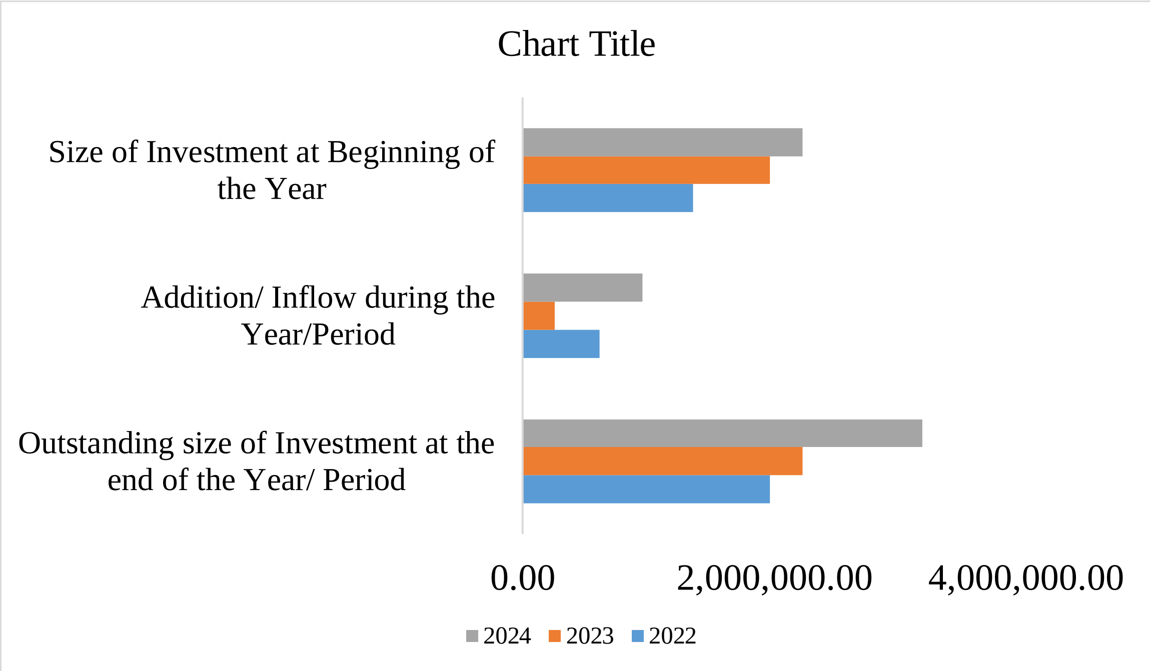
- Graph on the basis of above information



1.1 Details of Investment in stock market out of mobilised capital during last 2 years by Mutual Fund Industry.

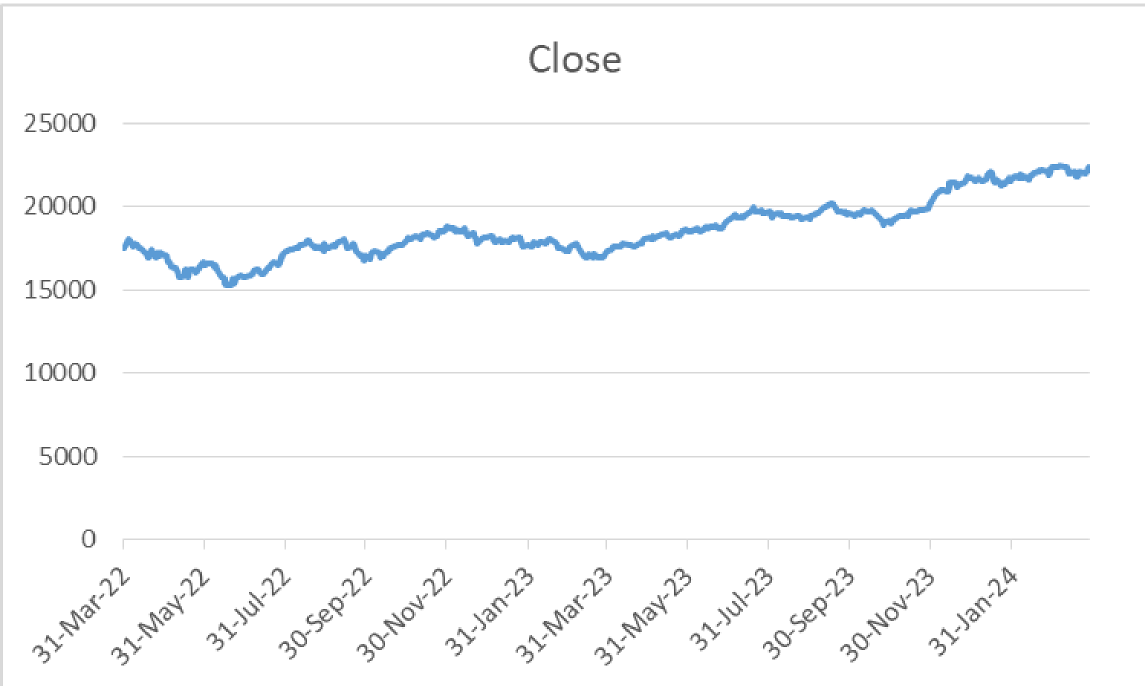
Year/ Period	Size of Investment at Beginning of the Year	Addition/ Inflow during the Year/Period	Outstanding size of Investment at the end of the Year/ Period
2022	1,353,626.9	614,401.31	1,968,028.21
2023	1,968,028.21	255,562.95	2,223,591.16
01.01.24 to 31.03.24	2,223,591.16	955,219.19	3,178,810.35

- Design a graph on the basis of above information

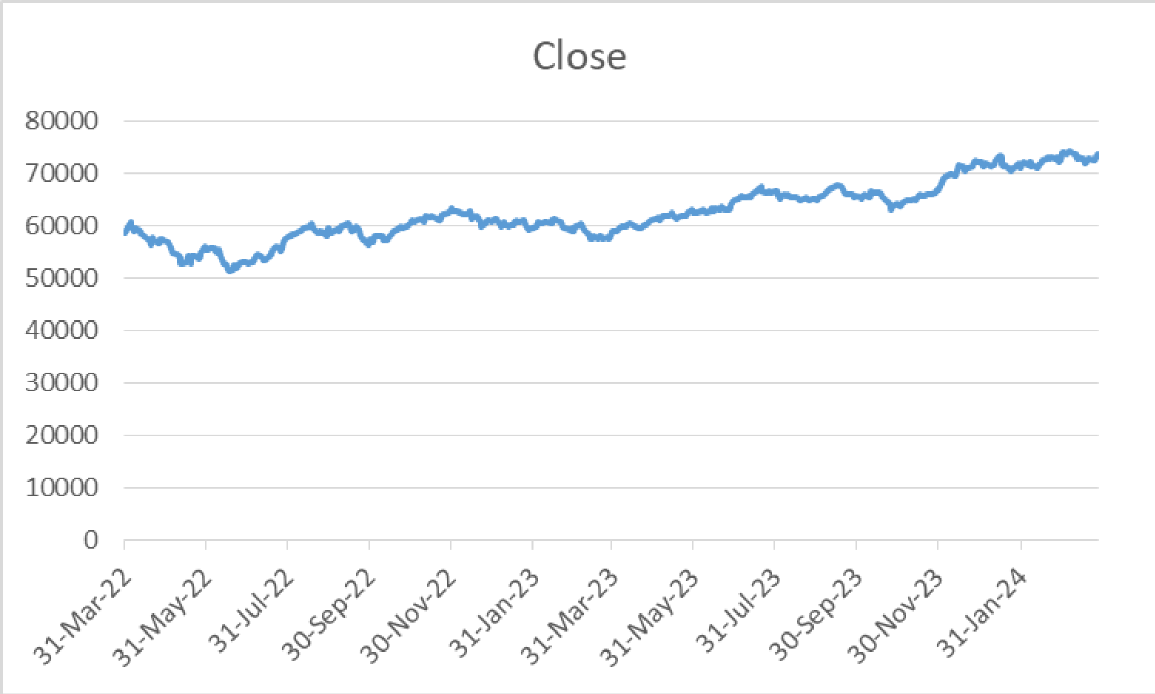


1.2 Draw two parallel chine charts, one is for BSE from 2022 to 31.03.2024 considering its flagship index – SENSEX and the other is for NSE from 2022-31.03.2024 considering its flagship index – Nifty50.

NSE Line chart



BSE Line chart

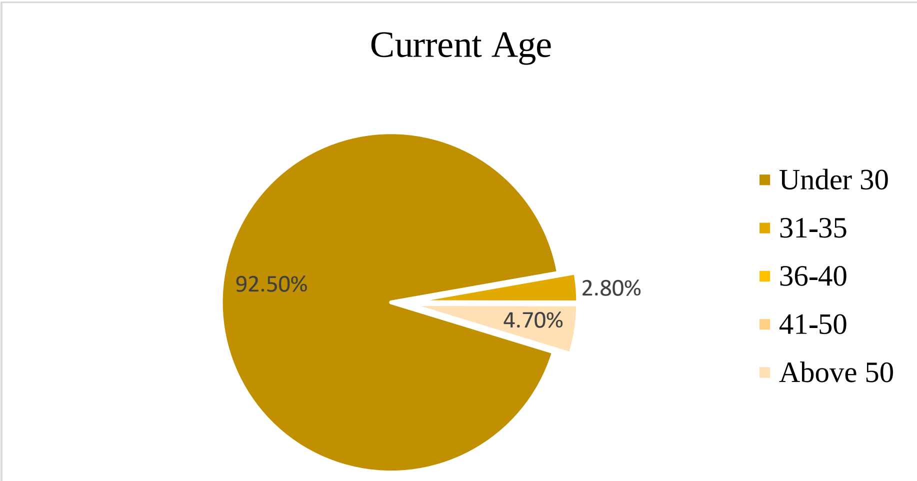


1.3 Details of Investment in NSE/ BSE 100 by Mutual Fund out of total investment in stock market during last 2 years.

Year/ Period	Size of Investment at Beginning of the Year	Addition/ Inflow during the Year/Period	Outstanding size of Investment at the end of the Year/ Period
2022	17,710.75	-50.4	17,660.35
2023	17043	143.15	17186.15
01.01.2024 to 31.03.2024	22747.55	173.15	22920.70

6.1 Primary Data Analysis:

1. Your current age is within which of the following categorie

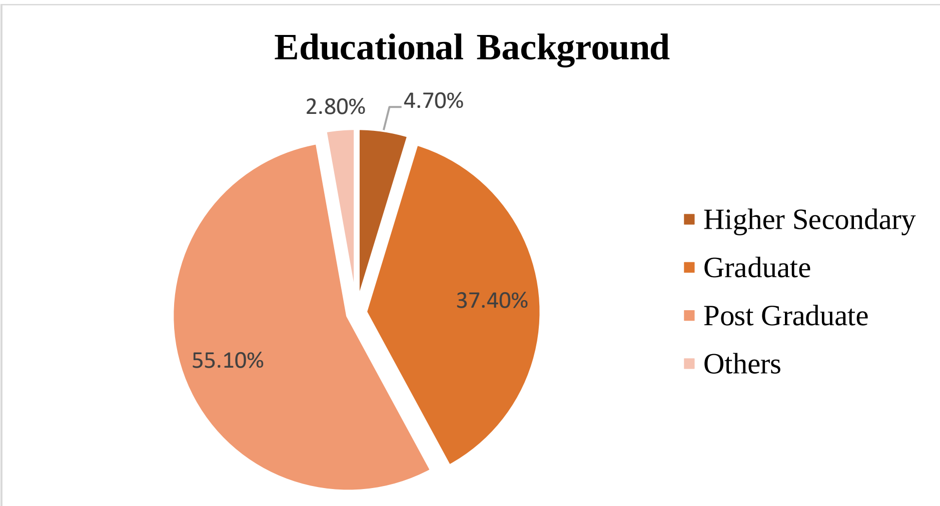


Interpretation:

The above chart indicates that Out of 107 respondents:

- 99 respondents are under 30
- 3 respondents are between 31-35
- 5 respondents are above 50.

2. What is your educational background:

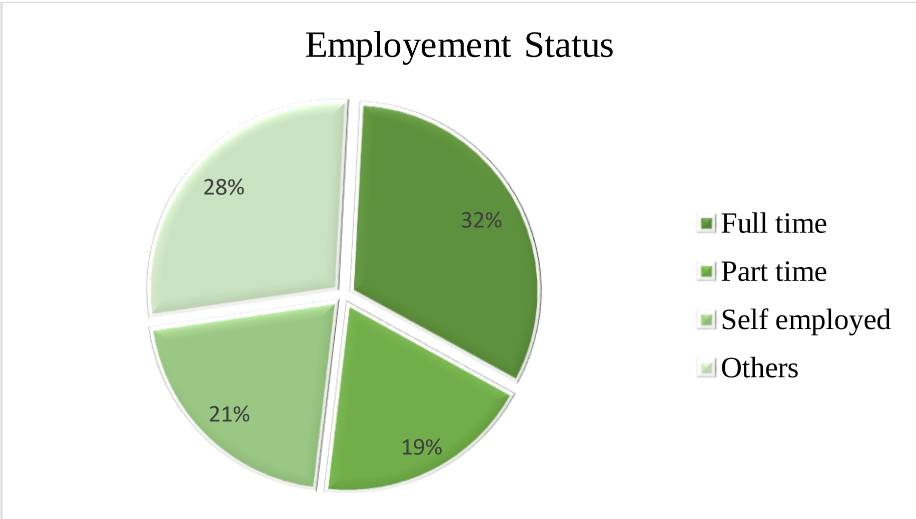


Interpretation:

The above chart indicates that out of 107 respondents:

- 5 respondents have completed higher secondary
- 40 respondents are graduate
- 59 respondents are post graduate
- 3 others include – 1 graduating and 2 MBA.

3. Your employment status:

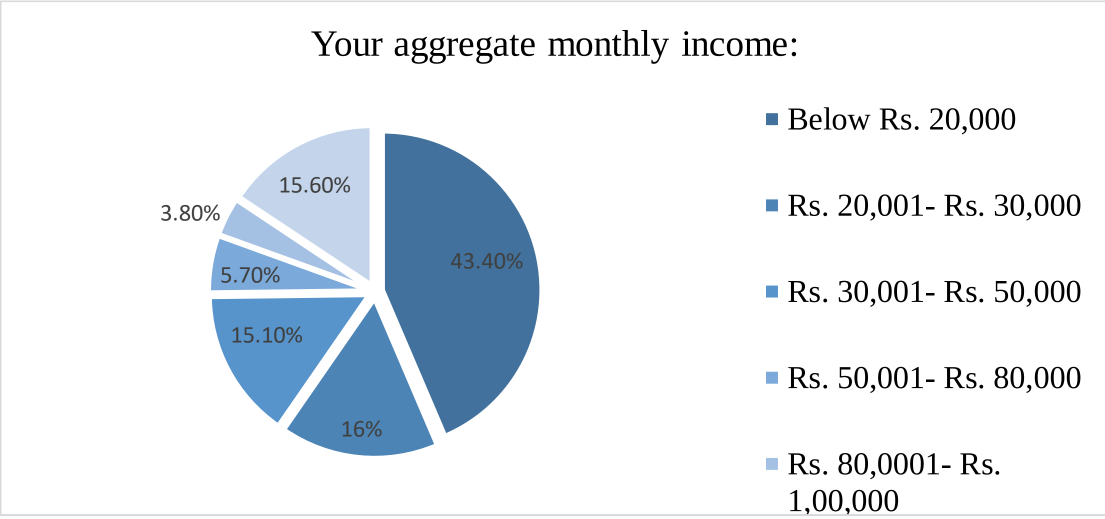


Interpretation:

The above chart indicates that out of 107 respondents:

- 34 respondents indicates full time
- 20 respondents indicates part time
- 23 respondents are self employed
- 30 others include – 21 are students, 9 are unemployed.

4. Your aggregate monthly income:

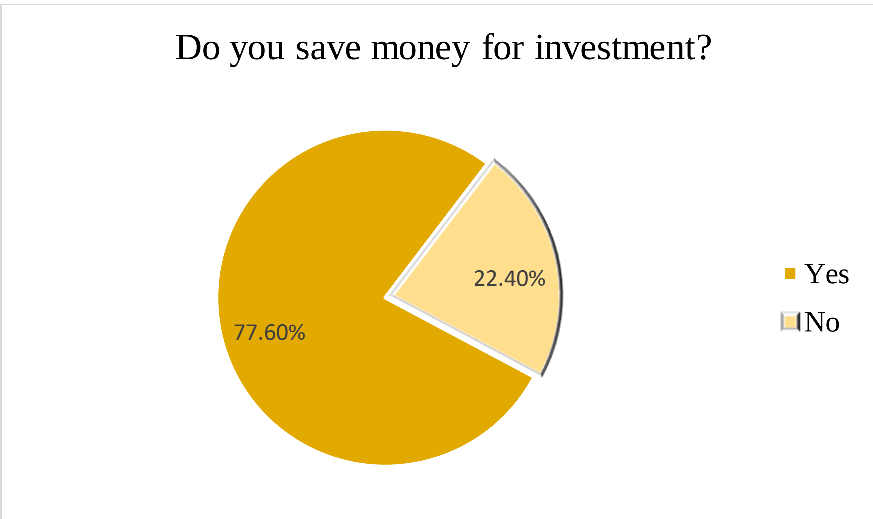


Interpretation:

The above chart shows that out of 107 respondents:

- 47 respondents income is below Rs. 20,000
- 17 respondents income is between Rs. 20,001- Rs. 30,000
- 16 respondents income is between Rs. 30,001- Rs. 50,000
- 6 respondents income is between Rs. 50,001- Rs 80,000
- 4 respondents income is between Rs. 80,001- Rs. 1,00,000
- And 17 others income is null now as their not employed yet.

5. Do you save money for investment?

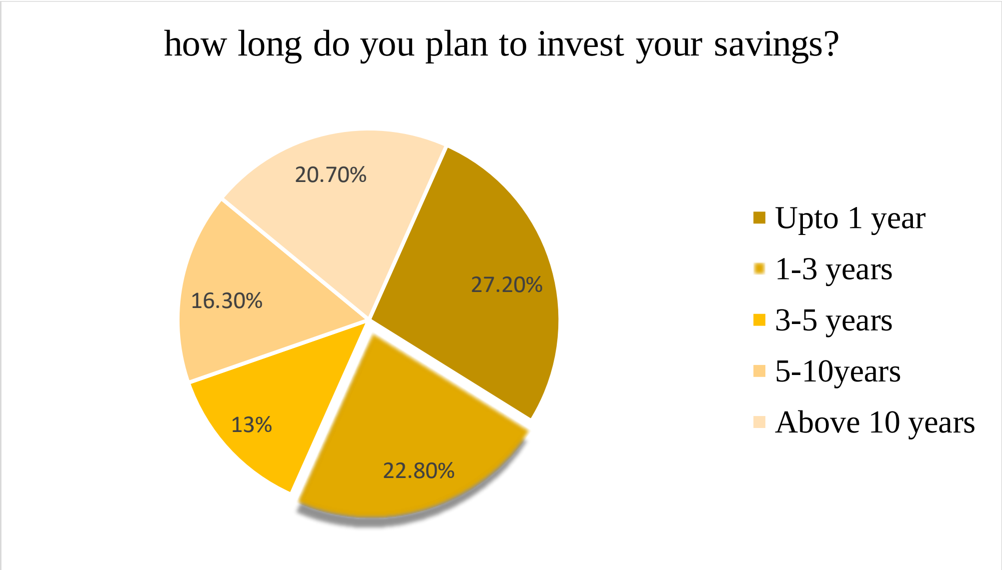


Interpretation:

The above chart represents that out of 107 respondents:

- 83 respondents save for investment
- And rest 24 others don't save money for investment.

If yes, how long do you plan to invest your savings?

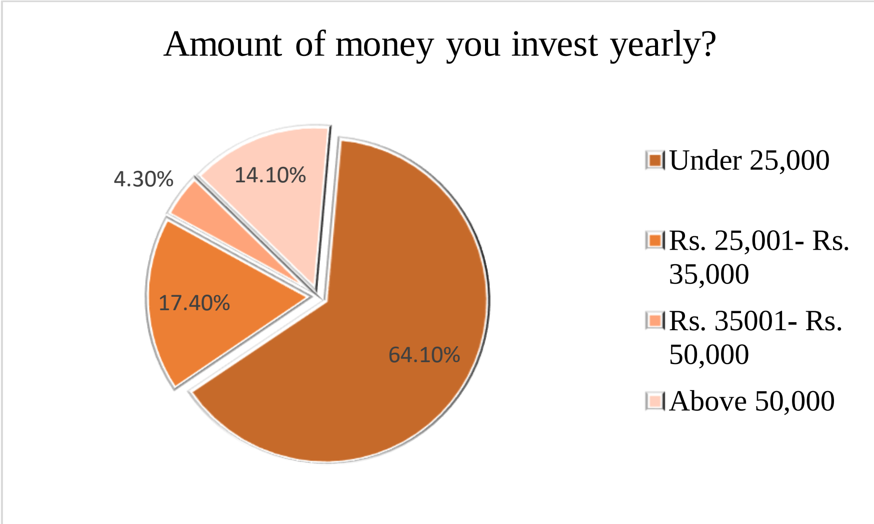


Interpretation:

The above chart represents that out of 107 respondents, 92 respondents plan to invest their savings out of which:

- 25 respondents plan to invest their savings up to 1 year
- 21 respondents plan between 1 to 3 years
- 12 respondents plan between 3-5 years
- 15 respondents plan between 5 to 10 years
- And rest 19 respondents plan to invest their saving for more than 10 years.

6. What amount of money do you invest yearly?

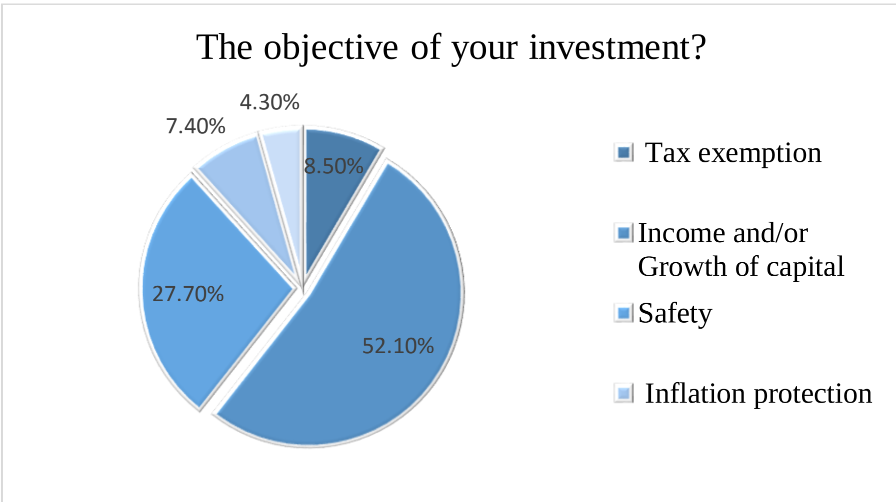


Interpretation:

The above chart represents that out of 107 respondents, 93 responded to the question and out of which:

- 60 respondents invest under Rs. 25,000 yearly
- 16 respondents invest between Rs. 25,001- Rs. 35,000
- 4 respondents invest between Rs. 35,001- Rs. 50,000
- And rest 13 invest above 50,000 yearly.

7. What is the objective of your investment?

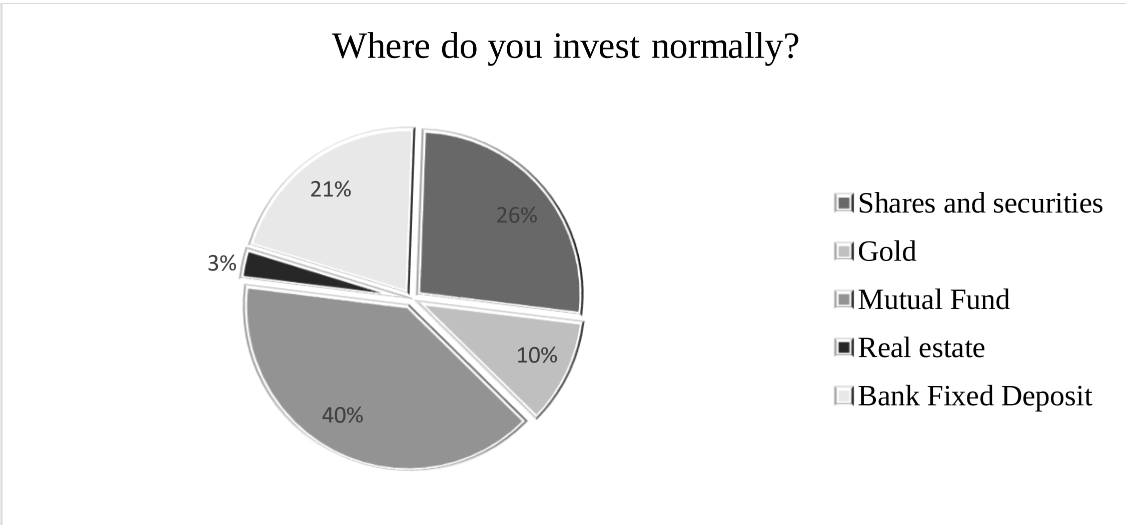


Interpretation:

The above chart represents that out of 107 respondents, 94 respondents responded to the question out of which:

- 8 respondents invest money for tax exemption
- 49 respondents invest money for income and/or growth of capital
- 26 respondents invest for safety
- 7 respondents invest money for inflation protection
- And rest 4 invest for Marketability/ liquidity

8. Where do you invest normally?

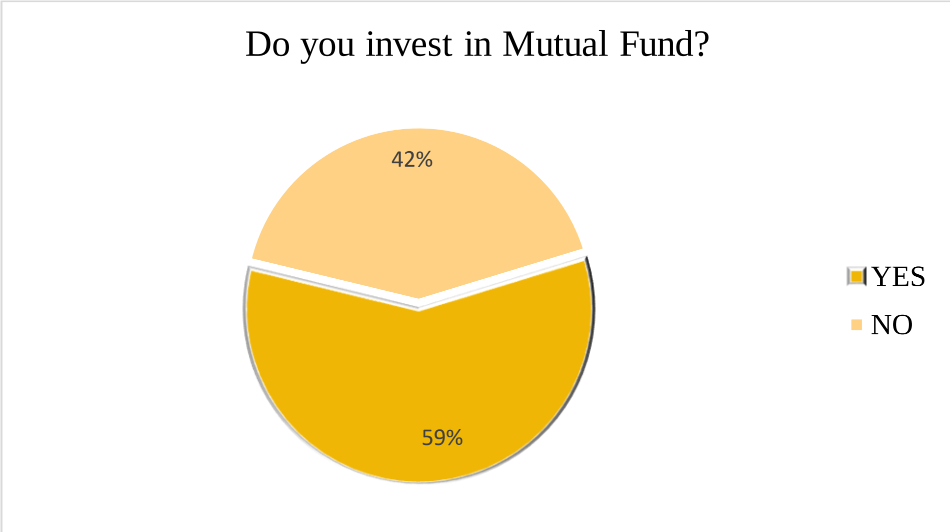


Interpretation:

The above chart represents out of 107 respondents:

- 28 respondents invest in share and securities
- 11 respondents invest in gold
- 43 respondents invest in mutual fund
- 3 respondent invest in real estate
- And rest 22 respondents invest in bank fixed deposit.

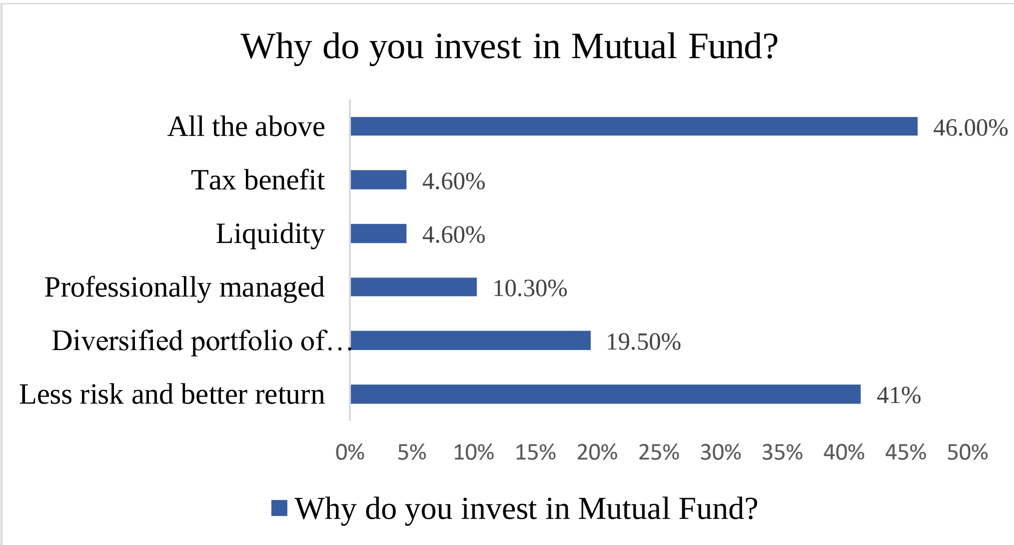
9. Do you invest in Mutual Fund?



Interpretation:

The above chart represents that out of 107 respondents, 63 respondents invest in mutual fund and 44 respondents don’t invest in mutual fund.

10. Why do you invest in Mutual Fund?



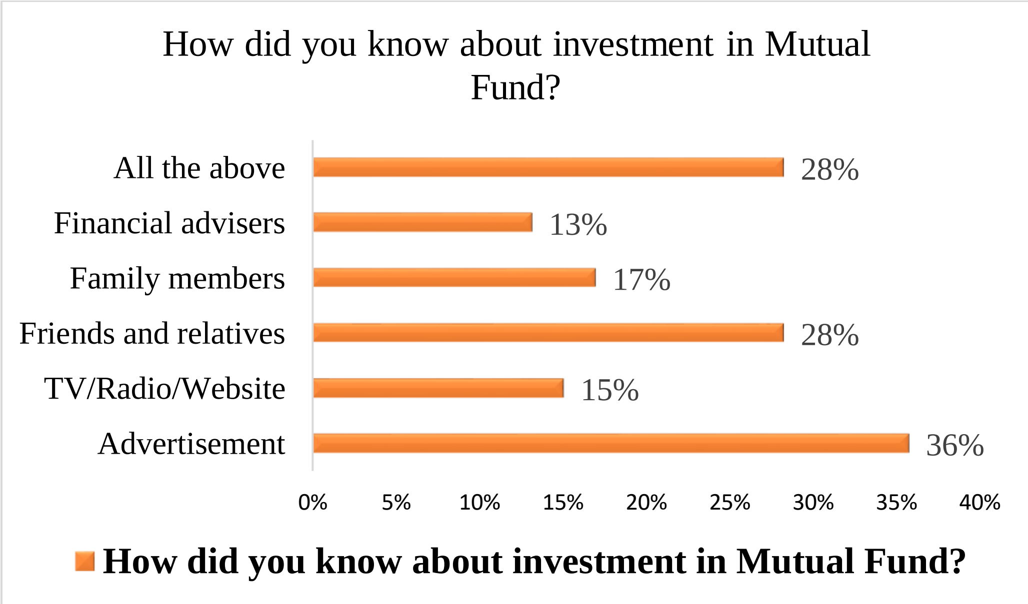
Interpretation:

The above chart represents that out of 107 respondents, 87 respondents answered the question out of which:

- 36 respondents invest money due to less risk and better return

- 17 respondents invest money due to Diversified portfolio of several securities with lesser investment
- 9 respondents invest as it is professionally managed
- 4 respondents invest due to liquidity
- 4 respondents invest due to tax benefit
- Rest 40 respondents invest due to all.

11. How did you know about investment in Mutual Fund?

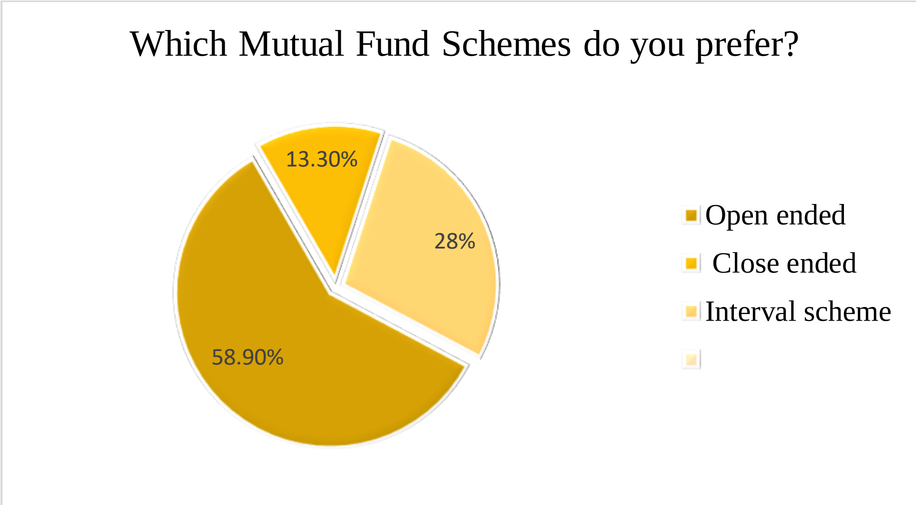


Interpretation:

The above chart represents that out of 107 respondents:

- 38 respondents know about mutual fund through advertisement
- 16 respondents know about mutual fund through financial advisers
- 30 respondents know about mutual fund through family members
- 18 respondents know about mutual fund via friends and relatives
- 14 respondents know about mutual fund through TV/radio/website
- Rest 31 respondents know about mutual fund from all the above sources.

12. Which Mutual Fund Schemes do you prefer?

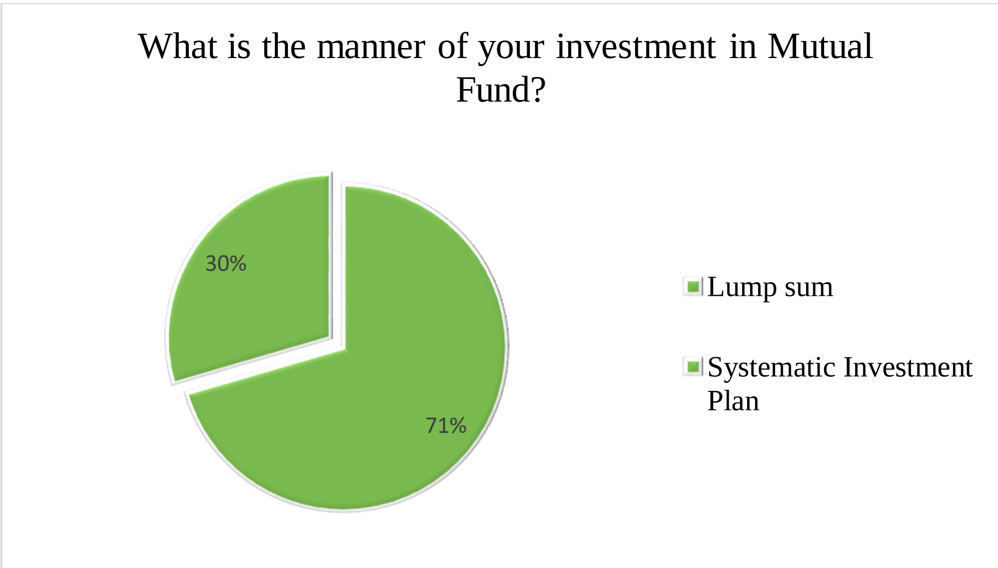


Interpretation:

The above chart indicates that out of 107 respondents, 90 responded to the question and out of which:

- 53 respondents prefer open-ended
- 12 respondent prefer close ended
- 25 respondents prefer interval schemes.

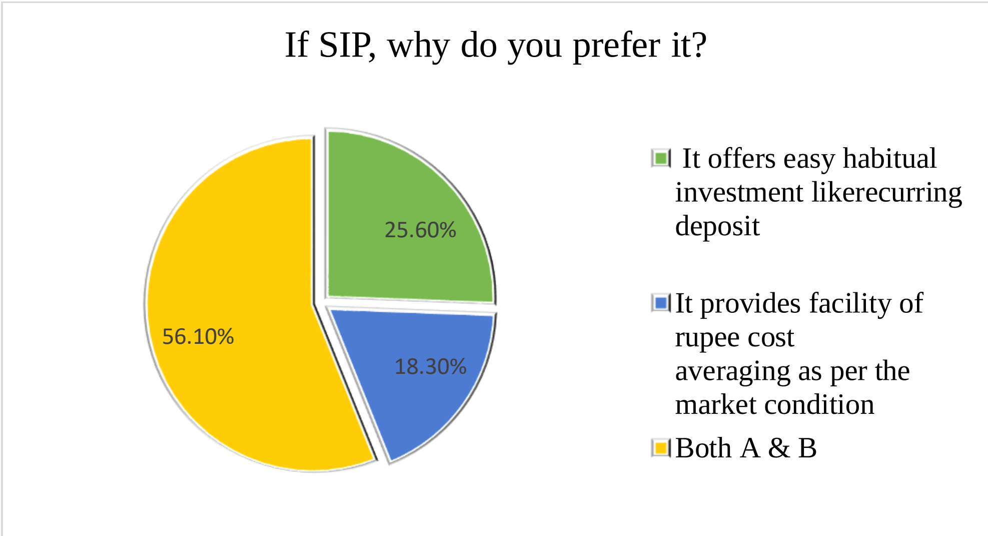
13. What is the manner of your investment in Mutual Fund?



Interpretation:

The above chart indicates that out of 107 respondents, 88 respondents attended the question out of which 62 prefer Systematic investment plan and rest 26 prefer Lump sum.

14. If SIP, why do you prefer it?

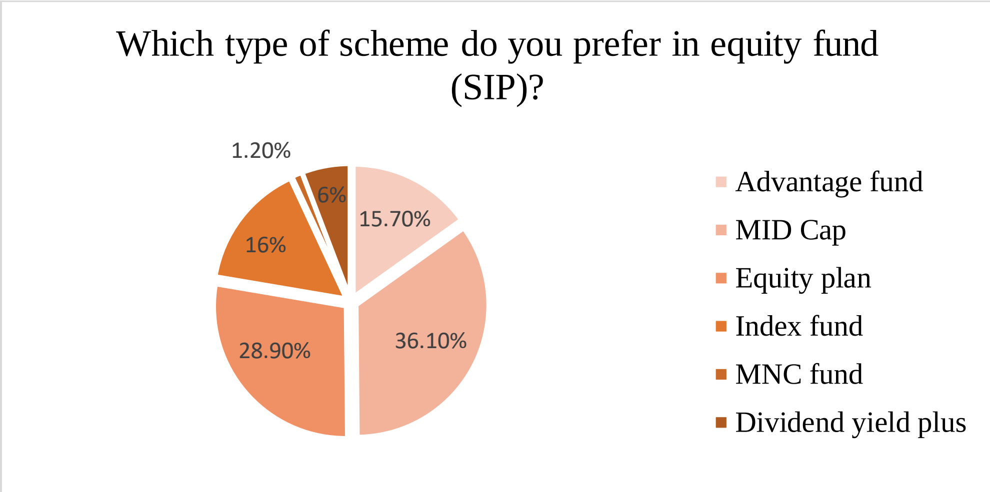


Interpretation:

The above chart represents that out of 107 respondents, 82 answered the question out of which:

- 21 respondents prefer SIP because it offers easy habitual investment like recurring deposit
- Other 15 respondents prefer SIP because it provides facility of rupee cost averaging as per the market condition
- And rest 46 prefer because of the both the reasons.

15. Which type of scheme do you prefer in equity fund (SIP)?

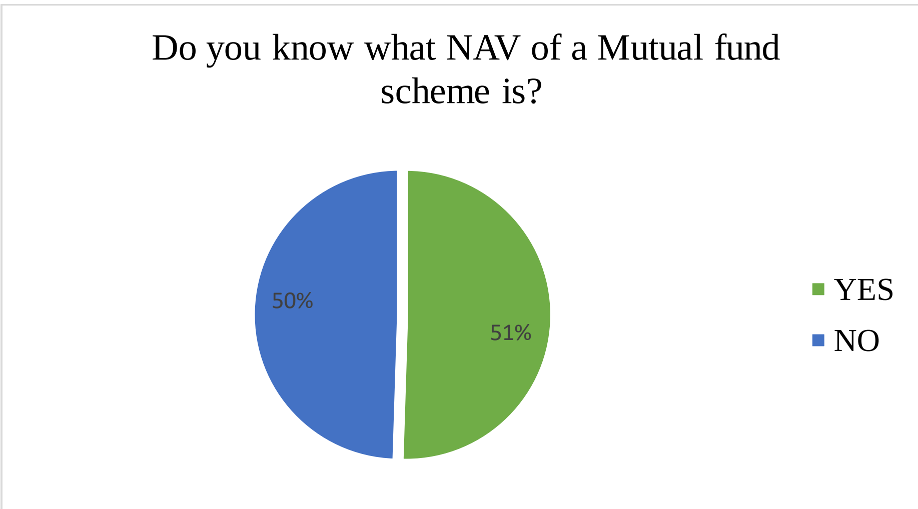


Interpretation:

This chart represents that out of 107, 83 respondents responded to the question out of which:

- 13 respondents prefer Advantage fund scheme
- 30 respondents prefer MID cap
- 24 respondents prefer Equity plan
- 10 respondents prefer Index fund
- 1 respondent prefer MNC fund
- 5 respondents prefer Dividend yield plans.

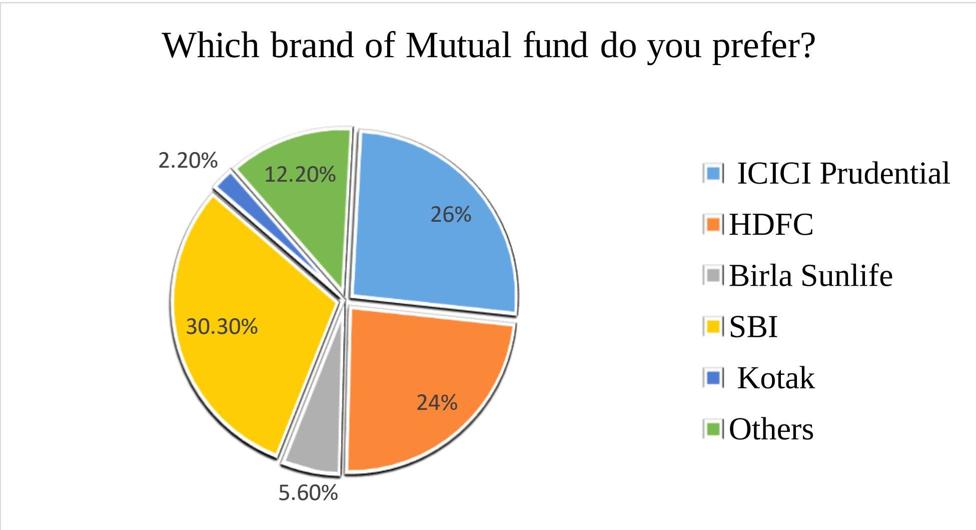
16. Do you know what NAV of a Mutual fund scheme is?



Interpretation:

The above chart shows that out of 107 respondents, 54 respondents know what NAV is and other 53 respondents don't know.

17. Which brand of Mutual fund do you prefer?

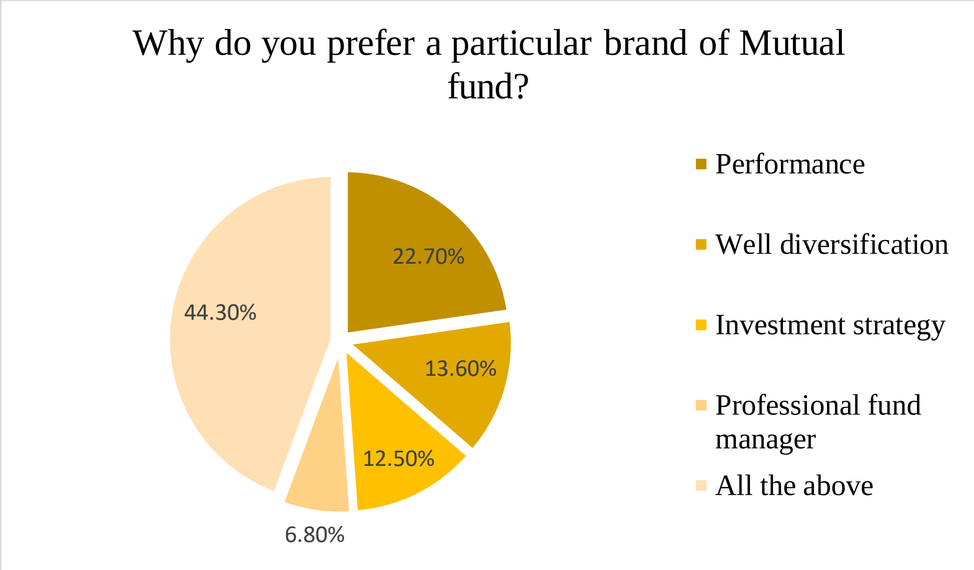


Interpretation:

The above chart shows that 89 respondents responded to this question out of which:

- 23 respondents prefer ICICI Prudential and other 21 prefer HDFC
- 5 respondents prefer Birla Sunlife
- 27 respondents prefer SBI
- 4respondents prefer Kotak
- And other remaining prefer other brands like UTI, Multiple, Quant, PGIM India NAVI, Tata, Parag etc.

18. Why do you prefer a particular brand of Mutual fund?

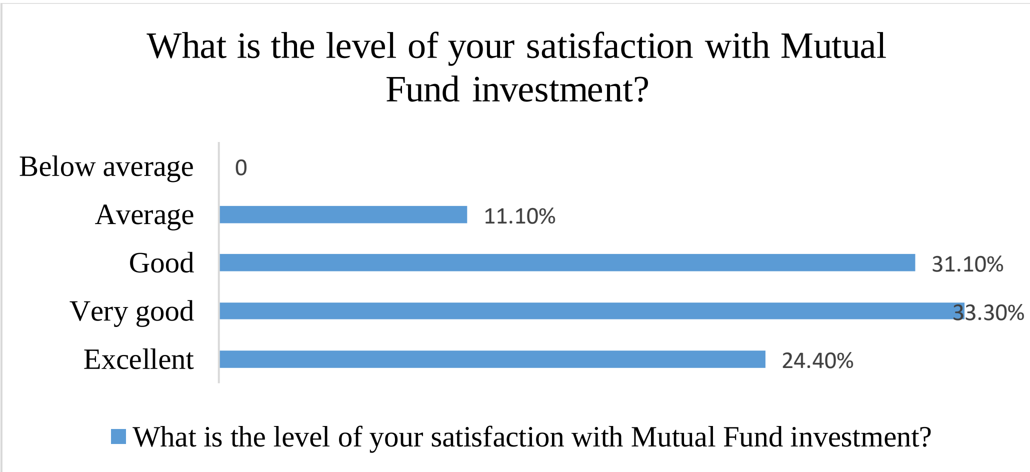


Interpretation:

The above chart shows that:

- 20 respondents prefer a particular brand for its performance
- 12 respondents prefer due to well diversification
- 11 respondents prefer due to investment strategy
- 6 respondents prefer due to Professional fund manager
- And rest 39 respondents prefer due to all the above reasons.

19. What is the level of your satisfaction with Mutual Fund investment?



Interpretation:

The above diagram represents that:

- 22 respondents found mutual fund excellent
- 30 respondents found mutual fund very good
- 28 respondents found it to be good
- 10 respondents found it to be average.

CONCLUSION

- Majority people under 30 invest in mutual fund.
- Majority full time employed are invest in mutual fund.
- Many people have a regular invest in mutual fund.
- Investor choose systematic investment plan rather than lump-sum for investment.
- Majority of people invest in mutual fund for income and/or growth of capital.
- Most People have a knowledge of a mutual fund by sources of advertisement.
- Majority people prefer SBI mutual fund, because of its performance.
- Major people time horizon of investment are 3 years.
- In study of this project each factors are different score, different dimension and different mean.

FINDINGS

The finding of the study provides some information that from the total sample of 107:

- Study on systematic investment plan out of 107 respondents 99 respondent are under the age of 30 and rest are above the age 30.
- In study of this project majority investor are full time employed.
- In study of this project 47 respondent monthly income are below Rs. 20,000.
- Out of 107 respondent majority respondent are regularly invest in mutual fund.
- Out of 107 respondent majority respondent are invest in systematic investment plan.
- Most of people are aware source by advertisements. Out of 107 respondent 40 people are source of advertisement.
- In this study out of 107 respondents 50.5% respondents are aware about NAV in mutual fund.
- Out of 107 respondent majority 53 respondent are invest in open-ended fund.
- Out of 107 respondent less people are invest in balanced scheme.
- Majority of people prefer SBI mutual fund because of its performance, well diversification and invest strategy.
- In study of this project each factors are different score, different dimension and different mean.