INTERNSHIP PROJECT REPORT

Academic Year 2022-2023

"A study on impact of promotional tools buying Mutual funds' investments through GIM Wealth"

SUBMITTED BY:

Bipul Amaresh Shil

B.com (Honours) VI Semester

PROJECT GUIDE:

Dr. Ranjana Sahu

Shiksha Mandal, Wardha's

G.S. College of Commerce & Economics

Nagpur

NAAC Accredited 'A' Grade Autonomous Institution

GAURANG INSURANCE MARKETING & VALUE CREATION PVT. LTD.

Date: 18/04/2022

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Mr. Bipul Amaresh Shil, a student of B.com (Honours) Sem-IV, G. S. College of Commerce & Economics, Nagpur has successfully completed his Summer Internship Program from "12th January 2022" to "15th March 2022" under our guidance. During the period of his internship he was found punctual, hardworking and inquisitive.

We wish his every success in life.

For "Gaurang Insurance Marketing & Value Creation Pvt. Ltd. Company"

Gaurang Insurance Marketing & Value Creation Pvt. Ltd. * Nagpur

Authorised Signatory

Shiksha Mandal, Wardha's
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CERTIFICATE

This is to certify that the said internship project report titled **"A Study on Impact of promotional tools buying mutual funds investments through GIM wealth"** has been completed & submitted by **Mr. Bipul Amaresh Shil** as a part of partial fulfillment of the mandatory requirement for the degree of B. Com (Honours) at G.S. College of Commerce & Economics, Nagpur for the Academic Year 2022-2023 under the able guidance of Dr. Ranjana Sahu.

Date: 12-04-2023

Place: Nagpur

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Project Guide

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I perceive this opportunity as a big milestone in the development of my career and will strive to use the gained knowledge and exposure in the best possible way. I am thankful to GIM Wealth Pvt Ltd. for giving me an exposure to learn and grow on a platform.

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Date: 12-04-2023

Place: Nagpur

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Chapter 1

GIM WEALTH

Gaurang Insurance Marketing & Wealth Management Pvt. Ltd.

www.gimwealth.com

INTRODUCTION

GIM Wealth aim is to assist clients with dedication and integrity so that they exceed their expectations and build enduring relationships. GIM wealth offer technology based services for our clients to effectively monitor their portfolio and help.

GIM wealth was founded by Sameer Deshpande in 2016. After the 25 years of experience in financial services and insurance industry.

- He is a specialist in financial planning, and has a deep understanding in equity, debt, and insurance market. He is a AFP (Associate Financial Planner), A graduate in commerce and has a diploma in business management. He has also qualified no. of NISM certification modules.

- In GIM WEALTH there are 3 directors of company 1. Sameer Deshpande, 2. Gargee Deshpande, 3. Supriya Deshpande.

  Gargee Deshpande is the Co-founder of GIM wealth, with numerous years of experience in the industry. With various professional and academic accolades to her name, she endeavors to give the investors an access to global opportunities with her technology driven methods.

  Supriya is a cofounder of GIM WEALTH. She is a post graduate in commerce along with 10 years of experience in financial service industry...

Mr. Sameer Y. Deshpande

Miss Gargee S. Deshpande

Mrs. Supriya Deshpande

GIM wealth have 15 partner do act as a franchise morder In all over India max in Maharashtra. And outside India GIM wealth have 2 franchise 1st in Dubai and 2nd in U.S.

- They provide services of LIFE INSURANCE, MUTUAL FUND, GENERAL INSURANCE, FIXED DEPOSITE, and HOUSING LOAN.

- In a era of constant changing and volatile financial Market, Investors need an Qualified/ Trained and unbiased professional to assist them in achieving their short term and long term Investment goal.

- motto of the company -- company believe in developing long term wealth building relationship with a solid foundation of client's trust and faith, which requires a thorough understanding of the intricacies of financial world, when it comes to the institution as well as an individual.
  GIM Wealth aim to provide unbiased guidance about investment vehicles in the debt and equity spheres.

There sole watchword is to simplify and manage our client's investment needs so that they can focus on other more meaningful facts of their institution and life.

- company Triumphs – In the past three years company have earned a lot of accolades one of them being the Champion of the SIP Club at the National level and we have also successfully conducted various Investor Awareness Program, the recent one being the

'Financial Literacy Program to empower the individual investors' at the Rotary Club of Chandrapur.

- 5 employee are currently working in GIM Wealth office and 1500+ customers were handling by them. And 75 lac + Aum (Assets under Management) they were handling in mutual fund industry.

- GIM WEALTH Company is AMFI registered.
  GIM wealth is distributor ' it take fund from customer and it give to the AMC

Address – The main head office is located in Gaurang Insurance Marketing and Value Creation Pvt.Ltd.

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Mutual Fund

Concept of Mutual Fund

Mutual fund is a vehicle to mobilize moneys from investors, to invest in different markets and securities, in line with the investment objectives agreed upon, between the mutual fund and the investors. In other words, through investment in a mutual fund, an investor can get access to markets that may otherwise be unavailable to them and avail of the professional fund management services offered by an asset management company.

Mutual fund allow small investors to access professionally managed portfolio of equities, bonds and other securities.

Mutual fund Company also known as the Asset management company

How Mutual fund Works

Mutual fund unlike stocks, do not invest only in a particular security but invest in several investment option to provide the investor best possible returns.

Mutual fund collect small amount from numerous individual and then invest in different portfolios, the investors get return on their invested amount accordingly.

Investors need not to pick the stocks as the FUND MANAGER does the research already and pick the best performing instruments that have potential to offer high returns

Mutual funds work by pooling money together from many investors. That money then gets used to purchase stocks, bonds and other securities.

Because mutual funds invest in a collection of companies, they offer instant.

IMPORTANTS benefits of mutual fund

AS mutual fund is different than only in stock so it has many important such as:-

1. Diversification –
   One of the most prominent advantage of investing in mutual funds it is diversification. it is the process of spreading a given investment over multiple assets classes. Diversification helps us create an assorted portfolio that segregates the headwinds experienced in various sectors. Money is invested in a mixtures of assets according to one's risk appetite.
   E.g.- equity – oriented mutual fund would generally comprise of 60-70% investment in that equities, and the remaining part 30-40% is in debt securities .

2. Professional management –
   A lot of investors are do not have the time or resources to conduct their research and purchase individual stocks. This is where the professional management becomes quite useful. Several people invest in mutual funds for the professional expertise it provides to one's investment. The fund manager gone continuously monitors the investment and portfolio adjusted accordingly to meet its objective . So that's this is the professional management is one of the most crucial important advantage of mutual fund.

3. Tax benefit –

   The tax benefit is associated with a particular kind of mutual fund is perhaps what most investors to this investment vehicle. To encourages investments are in mutual funds, that the government of India offers several taxes benefits.

4. Highly liquid –

   One can easily sell mutual funds meet their financial needs. Upon liquidation, in bank account money is deposited in few days. And also there are some mutual funds that provide faster disbursal. They are called funds having instant redemption facility, wherein the money is transferred to your bank on the same day.

5. Easy investment –

It is very easy to invest in mutual funds, i.e. you can do this either online or offline. You simply need to visit your Asset management company's website and submit the necessary documents to start on your investment journey.

Moreover, you can visit your AMC in person and sign the physical documents to get started. And in this way it's easy of investment makes mutual funds are preferable avenues.

These are the important benefits of mutual fund .

Features of Mutual Funds

a. Investors purchase standard units of fixed value at the inception of a fund.

b. Most funds also offer investors opportunity to enter after inception at prevailing value of the units.

c. Each fund has its own investment objective.

d. Depending on the objective, the investment avenues targeted by each fund will be different.

e. Investors chose between various funds based on their own personal investment objectives.

f. Funds are managed by professional fund managers for a fee.

g. The value of a unit at any given point would depend upon the value of the various investments made by the fund at that point in time.

Role of Mutual Funds –

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

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

Therefore, the mutual fund offers schemes. In the industry, the words 'fund' and 'scheme' are used inter-changeably. Various categories of schemes are called "funds". In order to ensure consistency with what is experienced in the market, this Workbook goes by the industry practice. However, wherever a difference is required to be drawn, the scheme offering entity is referred to as "mutual fund" or "the fund".

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

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

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

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

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

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

Sip

A systematic investment plan (SIP) is an investment strategy designed to help investors achieve their financial goals by regularly investing a predetermined amount of money into a portfolio of investments, such as stocks, bonds, mutual funds, or exchange-traded funds (ETFs). SIPs generally involve setting up an investment account with a broker or mutual fund company and making regular, periodic investments into that account. While SIPs are often used to save for retirement, they can also be used to save for any long-term financial goal.

A Systematic Investment Plan (SIP), is a facility offered by mutual funds to the investors to invest in a disciplined manner.

SIP facility allows an investor to invest a fixed amount of money at pre-defined intervals in the selected mutual fund scheme.

The fixed amount of money can be as low as Rs. 500, while the pre-defined SIP intervals can be on a weekly/monthly/quarterly/semi-annually or annual basis.

By taking the SIP route to investments, the investor invests in a time-bound manner without worrying about the market dynamics and stands to benefit in the long-term due to average costing and power of compounding.

SIPs are a great way to invest because they help investors to save regularly and build wealth over time.

SIPs can help to reduce the risk of investing in the stock market because investors are investing smaller amounts over time, thus reducing the risk of any individual stock or fund dropping in value.

SIPs also allow investors to automate their investments so they don't have to worry about making regular deposits.

Most mutual fund companies and brokers have the ability to set up automatic investments on a regular basis.

Benefits of SIP Investing

1) Power of compounding :-
   When you invest regularly through SIP and invest for the long term, the benefits are magnified by the compounding effect. Compounding effect ensures that you earn returns not only on your principal amount (actual investment) but also on the gains on the principal amount i.e. your money grows over time as the money you invest earns returns. And the returns also earn returns.

2) Low initial investment :-
   You can invest in mutual funds through a SIP with just Rs. 500 per month. This can be an affordable way to invest each month without hurting your wallet. You can increase your monthly investment amount with a rise in your income via SIP step-up feature. Mutual fund houses allow investors to top up their SIPs on a regular basis. So, even if you start with Rs. 500 or Rs. 1,000 every month, you can invest more over the years. This strategy can help you reach your investment goals at a faster rate.

3) Rupee cost averaging :-
   Rupee cost averaging is a concept where you purchase more units when the Net Asset Value (NAV) of the fund is low, and lesser units when the NAV is high. Essentially, it averages out your purchasing costs over the tenure of the investment period. You don't need to worry about how to time the market when you invest through a SIP.

4) Convenience :-
   SIP can be a convenient mode of investing. Like most investors, you may not have the time for extensive market research and analysis to adjust or balance your portfolio. So, once you pick a good fund, you can give standing instructions to the bank and let the SIP take care of your monthly investments.

5) Portfolio Diversification :-
   SIPs allow you to diversify your portfolio by investing in different types of assets. This reduces the risk of loss while maximizing returns.

6) Tax Benefits:
   SIPs offer tax advantages, which can help you save money in the long run.

Lump sum

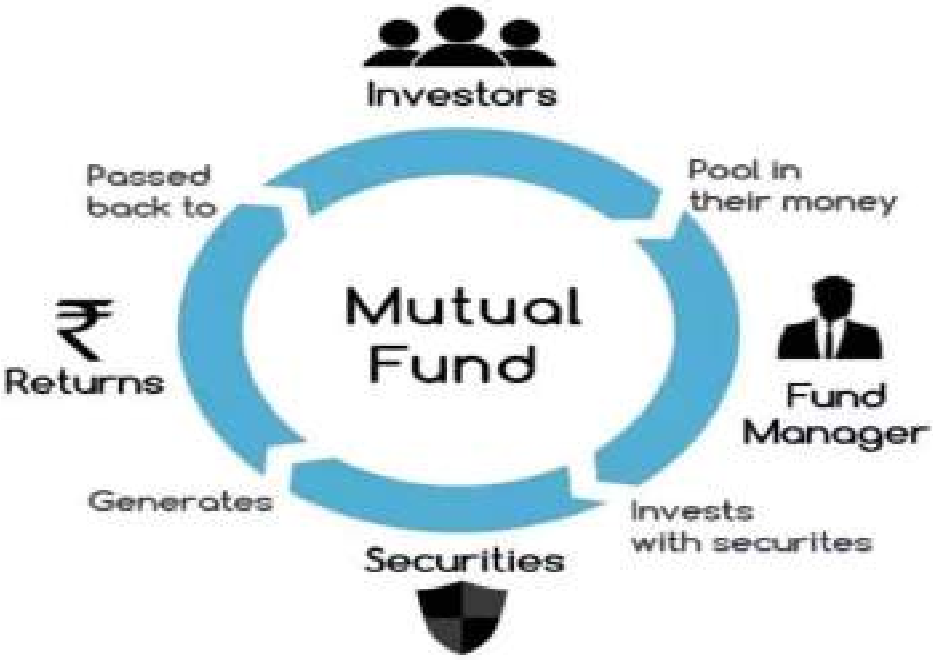
When you invest in a mutual fund in a lump sum, it means a single, bulk amount locked into a one-time mutual fund investment. This is as opposed to spreading it out over time, like in SIP.

SIPs usually perform better in unfavorable markets, whereas Lump sum investments in ELSS draw higher returns when the market is in a steady condition

A lump sum investment is when the depositor invests a significant sum of money on a particular mutual fund scheme. SIP or Systematic Investment Plan, on the other hand, entails the investment of smaller amounts on a monthly basis.

Lump sum investments are particularly preferred by a majority of investors, as there are lesser variables involved and returns are generally on the higher side. To find out the estimated returns on your lump sum mutual fund investment

Cycle of mutual fund



Mutual funds work by pooling money together from many investors. The fund manager then invests the money in various securities, such as stocks and bonds, according to the fund's stated investment goals. The fund manager may buy and sell securities, as well as collect dividends and interest payments, over the course of the fund's life. The fund's portfolio of investments is adjusted periodically to ensure that it continues to meet the fund's stated investment goals. Then the fund manager generate returns and passed back to the investors.

chapter 2

PROJECT OVERVIEW

Objectives of study

The study that is taken covers the following objectives

a. To give a brief idea about the benefits available from Mutual Fund investment.
b. To give an idea of the types of mutual fund available.
c. To give the Advantage of mutual fund.
d. To explore the recent developments in the mutual funds in India.
e. To do comparative analysis of various balanced & liquid funds of different AMCs
f. To developing long term wealth.

Needs of the study

The main purpose of doing this project is to

a. To essential in order to gain a better understanding of how these financial instruments work and how they can benefit investors.
b. Investors can gain the knowledge necessary to make educated decisions about investments.
c. To create a diversified portfolio with the potential to meet their long-term goals.

d. To Understanding of asset allocation: A thorough understanding of asset allocation strategies is essential for studying mutual funds. This includes knowing the different types of asset classes, such as stocks, bonds, and cash, and how they interact with each other to generate returns.
e. Knowledge of fund fees: Investors need to be aware of the various fees associated with mutual funds, such as management fees, transaction costs, and sales charges. It is important to understand how these fees impact the overall performance of the fund.

f. Knowledge of fund performance: To properly study mutual funds, investors need to understand how various funds have performed over time. This includes looking at both the short-term and long-term performance of the fund, as well as its risk-adjusted returns.

g. Understanding of the fund manager: Knowing the background and experience of the fund manager is important for understanding how a fund is managed and how it will perform in the future.

SCOPE

The scope of the study is *

a. To understand the basics of mutual fund industry.

b. To know about the sector allocation of the find.

c. To understand the best way to select the fund for investing.

d. Details about top 3 large cap mutual fund schemes.

e. The investment management companies started to offers mutual funds.

f. Investors can choose a fund that fits their personal goals and financial needs.

g. Analyzing the role of mutual funds in helping to diversify portfolios.

h. Exploring the impact of taxes, inflation, and other economic factors on mutual fund investments.

i. Understanding of the different types of mutual funds such as index funds, balanced funds, sector funds, and equity funds.

j. Comparing the benefits and risks associated with investing in mutual funds to other investment options.

LIMITATION

a. Official data may change over a period, making difficulties for comparison.

b. Due to time constraints it may not be able to conduct a comprehensive study of mutual fund.

c. It may not access the same type of research and analysis tools used by the fund professionals, which could limit our ability to make meaningful contributions to the fund.

Chapter 3

ADVANTAGES OF MUTUAL FUND –

1. Professional Management –

   Mutual funds offer investors of the opportunity to earn an effective income or build their wealth through professional management of their investible funds. There are several aspects to such professional management i.e. investing in line with the investment

   Objective, investing based on adequate research, and ensuring that prudent investment processes are followed.

2. Affordable Portfolio Diversification –

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

3. Economies of Scale –

   The pooling of large sums of money from so many investors makes it possible for the mutual fund to engage professional managers to manage the investment. Individual investors with small amounts to invest cannot, by themselves, afford to engage such professional management. Large investment corpus leads to various other economies of scale. For instance, costs related to investment research and office space get spread across investors.

4. Tax Deferral –

   As will be discussed in Chapter 6, mutual funds are not liable to pay tax on the income they earn. If the same income were to be earned by the investor directly, then tax may have to be paid in the same financial year. Mutual funds offer options, whereby the investor can let the moneys grow in the scheme for several years. By selecting such options, it is possible for the investor to defer the tax liability. This helps investors to legally build their wealth faster than would have been the case, if they were to pay tax on the income each year.

5. Tax benefits –

   Specific schemes of mutual funds (Equity Linked Savings Schemes) give investors the benefit of deduction of the amount subscribed (upto Rs. 150,000 in a financial year), from their income that is liable to tax. This reduces their taxable income, and therefore the tax liability.

6. Investment Comfort –

   Once an investment is made with a mutual fund, they make it convenient for the investor to make further purchases with very little documentation. This simplifies subsequent investment activity.

7. Regulatory Comfort –

The regulator, Securities & Exchange Board of India (SEBI), has mandated strict checks and balances in the structure of mutual funds and their activities. These are detailed in the subsequent Chapters. Mutual fund investors benefit from such protection.

8. Systematic Approach to Investments –

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

'These are the main Advantage of mutual fund'.

DISADVANTAGE :-

1. High Fees: Mutual funds typically come with a variety of fees, including management fees, administrative fees, and sales charges. These fees can quickly add up and eat into your returns.

2. Underperformance: Mutual funds can sometimes underperform the market and other investments due to a variety of factors, such as high fees and poor management.

3. Lack of Control: When you invest in a mutual fund, you have little control over the investments that are made. The fund manager makes all of the decisions on what investments to make and when to make them.

4. Tax Efficiency: Mutual funds are not always the most tax-efficient investment option. When the fund manager makes trades, it can create capital gains that are passed on to the investors. This can lead to a higher tax bill.

Analysis, outcome & learning

WEEK 1

Company provide financial services, like life insurance, mutual funds , health insurance , fixed deposit , etc.

Application and Resume submission –

The goal of writing a resume is to showcase your experience, education, and skills in a standardized format which is easy for recruiters to read.The purpose of a resume is to introduce yourself to employers, present your qualifications, and secure an interview. The goal of writing a resume is to showcase your experience, education, and skills in a standardized format which is easy for recruiters to read. Generally, the internships consist of 2–3 rounds. I have made it to the 5th round for a few interviews. But overall, considering both the edge cases in my case, three rounds turned out to be an ideal max number of rounds for the internship.

Interviews –

After the application is reviewed, it may be contacted to participate in a formal interview.

Background check –

As many mutual fund companies require a background check. GIM Wealth is also checked my background. For e.g. - they see the regularity of my college my family background.

Reference checks –

GIM WEALTH companies may contact my references to learn more about me .

Offer call –

After all the process finally I get the offer letter from GIM wealth company .

The internships offered by mutual fund companies typically involve assisting fund managers with the day-to-day operations of the company. This can include researching potential investments, analyzing financial data, preparing performance reports, and providing customer service. Interns may also be asked to help develop marketing plans and create presentations.

Learning as an intern

Learning about mutual fund investing and the principles of asset allocation.

In details –

Mutual fund

A mutual fund is a collective investment vehicle that collects & pools money from a number of investors and invests the same in equities, bonds, government securities, money market instruments. The money collected in mutual fund scheme is invested by professional fund managers in stocks and bonds etc.

Principle of asset allocation

Asset allocation refers to diversification of your investment portfolio across different asset classes, e.g. equity, debt, gold etc. Asset allocation aims to balance risk and returns based on your risk appetite, investment tenure and financial goals.

Learn about the different types of mutual funds and their associated risks.

Equity Funds

Equity funds primarily invest in stocks, and hence go by the name of stock funds as well. They invest the money pooled in from various investors from diverse backgrounds into shares/stocks of different companies. The gains and losses associated with these funds depend solely on how the invested shares perform (price-hikes or price-drops) in the stock market. Also, equity funds have the potential to generate significant returns over a period. Hence, the risk associated with these funds also tends to be comparatively higher.

Debt Funds

Debt funds invest primarily in fixed-income securities such as bonds, securities and treasury bills. They invest in various fixed income instruments such as Fixed Maturity Plans (FMPs), Gilt Funds, Liquid Funds, Short-Term Plans, Long-Term Bonds and Monthly Income Plans, among others. Since the investments come with a fixed interest rate and maturity date, it can be a great option for passive investors looking for regular income (interest and capital appreciation) with minimal risks.

Money Market Funds

Investors trade stocks in the stock market. In the same way, investors also invest in the money market, also known as capital market or cash market. The government runs it in association with banks, financial institutions and other corporations by issuing money market securities like bonds, T-bills, dated securities and certificates of deposits, among others. The fund manager invests your money and disburses regular dividends in return. Opting for a short-term plan (not more than 13 months) can lower the risk of investment considerably on such funds.

Hybrid Funds

As the name suggests, hybrid funds (Balanced Funds) is an optimum mix of bonds and stocks, thereby bridging the gap between equity funds and debt funds. The ratio can either be variable or fixed. In short, it takes the best of two mutual funds by distributing, say, 60% of assets in stocks and the rest in bonds or vice versa. Hybrid funds are suitable for investors looking to take more risks for 'debt plus returns' benefit rather than sticking to lower but steady income schemes.

Based on Investment Goals

Here are the **different types of mutual funds** based on investment goals:

Growth Funds

Growth funds usually allocate a considerable portion in shares and growth sectors, suitable for investors (mostly Millennial) who have a surplus of idle money to be distributed in riskier plans (albeit with possibly high returns) or are positive about the scheme.

Income Funds

Income funds belong to the family of debt mutual funds that distribute their money in a mix of bonds, certificate of deposits and securities among others. Helmed by skilled fund managers who keep the portfolio in tandem with the rate fluctuations without compromising on the portfolio's creditworthiness, income funds have historically earned investors better returns than deposits. They are best suited for risk-averse investors with a 2-3 years perspective.

Liquid Funds

Like income funds, liquid funds also belong to the debt fund category as they invest in debt instruments and money market with a tenure of up to 91 days. The maximum sum allowed to invest is Rs 10 lakh. A highlighting feature that differentiates liquid funds from other debt funds is the way the Net Asset Value is calculated. The NAV of liquid funds is calculated for 365 days (including Sundays) while for others, only business days are considered.

Tax-Saving Funds

ELSS or Equity Linked Saving Scheme, over the years, have climbed up the ranks among all categories of investors. Not only do they offer the benefit of wealth maximization while allowing you to save on taxes, but they also come with the lowest lock-in period of only three years. Investing predominantly in equity (and related products), they are known to generate non-taxed returns in the range 14-16%. These funds are best-suited for salaried investors with a long-term investment horizon.

Aggressive Growth Funds

Slightly on the riskier side when choosing where to invest in, the Aggressive Growth Fund is designed to make steep monetary gains. Though susceptible to market volatility, one can decide on the fund as per the beta (the tool to gauge the fund's movement in comparison with the market). Example, if the market shows a beta of 1, an aggressive growth fund will reflect a higher beta, say, 1.10 or above.

Capital Protection Funds

If protecting the principal is the priority, Capital Protection Funds serves the purpose while earning relatively smaller returns (12% at best). The fund manager invests a portion of the money in bonds or Certificates of Deposits and the rest towards equities. Though the probability of incurring any loss is quite low, it is advised to stay invested for at least three years (closed-ended) to safeguard your money, and also the returns are taxable.

Fixed Maturity Funds

Many investors choose to invest towards the of the FY ends to take advantage of triple indexation, thereby bringing down tax burden. If uncomfortable with the debt market trends and related risks, Fixed Maturity Plans (FMP) – which invest in bonds, securities, money market etc. – present a great opportunity. As a close-ended plan, FMP functions on a fixed maturity period, which could range from one month to five years (like FDs). The fund manager ensures that the money is allocated to an investment with the same tenure, to reap accrual interest at the time of FMP maturity.

Pension Funds

Putting away a portion of your income in a chosen pension fund to accrue over a long period to secure you and your family's financial future after retiring from regular employment can take care of most contingencies (like a medical emergency or children's wedding). Relying solely on savings to get through your golden years is not recommended as savings (no matter how big) get used up. EPF is an example, but there are many lucrative schemes offered by banks, insurance firms etc.

Based on Structure

Mutual funds are also categorised based on different attributes (like risk profile, asset class, etc.). The structural classification – open-ended funds, close-ended funds, and interval funds – is quite broad, and the differentiation primarily depends on the flexibility to purchase and sell the individual mutual fund units.

Open-Ended Funds

Open-ended funds do not have any particular constraint such as a specific period or the number of units which can be traded. These funds allow investors to trade funds at their convenience and exit when required at the prevailing NAV (Net Asset Value). This is the sole reason why the unit capital continually changes with new entries and exits. An open-ended fund can also decide to stop taking in new investors if they do not want to (or cannot manage significant funds).

Closed-Ended Funds

In closed-ended funds, the unit capital to invest is pre-defined. Meaning the fund company cannot sell more than the pre-agreed number of units. Some funds also come with a New Fund Offer (NFO) period; wherein there is a deadline to buy units. NFOs comes with a pre-defined maturity tenure with fund managers open to any fund size. Hence, SEBI has mandated that investors be given the option to either repurchase option or list the funds on stock exchanges to exit the schemes.

Interval Funds

Interval funds have traits of both open-ended and closed-ended funds. These funds are open for purchase or redemption only during specific intervals (decided by the fund house) and closed the rest of the time. Also, no transactions will be permitted for at least two years. These funds are suitable for investors looking to save a lump sum amount for a short-term financial goal, say, in 3-12 months.

Based on Risk (spacing)

The **mutual fund types** based on risk are:

Very Low-Risk Funds

Liquid funds and ultra-short-term funds (one month to one year) are known for its low risk, and understandably their returns are also low (6% at best). Investors choose this to fulfil their short-term financial goals and to keep their money safe through these funds.

Low-Risk Funds

In the event of rupee depreciation or unexpected national crisis, investors are unsure about investing in riskier funds. In such cases, fund managers recommend putting money in either one or a combination of liquid, ultra short-term or arbitrage funds. Returns could be 6-8%, but the investors are free to switch when valuations become more stable.

Medium-risk Funds

Here, the risk factor is of medium level as the fund manager invests a portion in debt and the rest in equity funds. The NAV is not that volatile, and the average returns could be 9-12%.

High-Risk Funds

Suitable for investors with no risk aversion and aiming for huge returns in the form of interest and dividends, high-risk mutual funds need active fund management. Regular performance reviews are mandatory as they are susceptible to market volatility. You can expect 15% returns, though most high-risk funds generally provide up to 20% returns.

Specialized Mutual Funds

These mutual funds are based on specific industries:

Sector Funds

Sector funds invest solely in one specific sector, theme-based mutual funds. As these funds invest only in specific sectors with only a few stocks, the risk factor is on the higher side. Investors are advised to keep track of the various sector-related trends. Sector funds also deliver great returns. Some areas of banking, IT and pharma have witnessed huge and consistent growth in the recent past and are predicted to be promising in future as well.

Index Funds

Suited best for passive investors, index funds put money in an index. A fund manager does not manage it. An index fund identifies stocks and their corresponding ratio in the market index and put the money in similar proportion in similar stocks. Even if they cannot outdo the market (which is the reason why they are not popular in India), they play it safe by mimicking the index performance.

Funds of Funds

A diversified mutual fund investment portfolio offers a slew of benefits, and 'Funds of Funds' also known as multi-manager mutual funds are made to exploit this to the tilt – by putting their money in diverse fund categories. In short, buying one fund that invests in many funds rather than investing in several achieves diversification while keeping the cost down at the same time.

Emerging market Funds

To invest in developing markets is considered a risky bet, and it has undergone negative returns too. India, in itself, is a dynamic and emerging market where investors earn high returns from the domestic stock market. Like all markets, they are also prone to market fluctuations. Also, from a longer-term perspective, emerging economies are expected to contribute to the majority of global growth in the following decades.

International/ Foreign Funds

Favored by investors looking to spread their investment to other countries, foreign mutual funds can get investors good returns even when the Indian Stock Markets perform well. An investor can employ a hybrid approach (say, 60% in domestic equities and the rest in overseas funds) or a feeder approach (getting local funds to place them in foreign stocks) or a theme-based allocation (e.g., gold mining).

Global Funds

Aside from the same lexical meaning, global funds are quite different from International Funds. While a global fund chiefly invests in markets worldwide, it also includes investment in your home country. The International Funds concentrate solely on foreign markets. Diverse and universal in approach, global funds can be quite risky to owing to different policies, market and currency variations, though it does work as a break against inflation and long-term returns have been historically high.

Real Estate Funds

Despite the real estate boom in India, many investors are still hesitant to invest in such projects due to its multiple risks. Real estate fund can be a perfect alternative as the investor will be an indirect participant by putting their money in established real estate companies/trusts rather than projects. A long-term investment negates risks and legal hassles when it comes to purchasing a property as well as provide liquidity to some extent.

Commodity-focused Stock Funds

These funds are ideal for investors with sufficient risk-appetite and looking to diversify their portfolio. Commodity-focused stock funds give a chance to dabble in multiple and diverse trades. Returns, however, may not be periodic and are either based on the performance of the stock company or the commodity itself. Gold is the only commodity in which mutual funds can invest directly in India. The rest purchase fund units or shares from commodity businesses.

Market Neutral Funds

For investors seeking protection from unfavorable market tendencies while sustaining good returns, market-neutral funds meet the purpose (like a hedge fund). With better risk-adaptability, these funds give high returns where even small investors can outstrip the market without stretching the portfolio limits.

Inverse/Leveraged Funds

While a regular index fund moves in tandem with the benchmark index, the returns of an inverse index fund shift in the opposite direction. It is nothing but selling your shares when the stock goes down, only to repurchase them at an even lesser cost (to hold until the price goes up again).

Asset Allocation Funds

Combining debt, equity and even gold in an optimum ratio, this is a greatly flexible fund. Based on a pre-set formula or fund manager's inferences based on the current market trends, asset allocation funds can regulate the equity-debt distribution. It is almost like hybrid funds but requires great expertise in choosing and allocation of the bonds and stocks from the fund manager.

Gift Funds

Yes, you can also gift a mutual fund or a SIP to your loved ones to secure their financial future.

Exchange-traded Funds

It belongs to the index funds family and is bought and sold on exchanges. Exchange-traded Funds have unlocked a new world of investment prospects, enabling investors to gain extensive exposure to stock markets abroad as well as specialized sectors. An ETF is like a mutual fund that can be traded in real-time at a price that may rise or fall many times in a day.

As a tax-paying citizen, Section-80C of the Indian Tax Act allows you some breather – a deduction of up to 150,000 from your total annual income.

Research current market trends and analyze performance data of mutual funds.

The value of assets held by individual investors in mutual funds increased from Rs. 17.18 lac cr in February 2021 to Rs. 21.02 lac cr in February 2022, an increase of 22.32%.

Here How I learn analyze the performance of a mutual fund

Step 1: Determine the sector weights for both the fund and the index.

Step 2: Calculate the contribution of each sector for the fund by multiplying the sector weight by the sector return. Repeat for the index.

Step 3: Calculate the rate of return for the fund by adding the contribution of each sector together.

Analysis of various balanced & liquid funds of different AMCs

There is a wide range of balanced funds available in India from different Asset Management Companies (AMCs). These funds invest in a mix of equity and debt to offer investors returns that are higher than what they can expect from debt instruments while providing a cushion against market volatility.

Some of the well-known balanced funds offered by various AMCs are ICICI Prudential Balanced Fund, HDFC Balanced Fund, Reliance Balanced Fund, Birla Sun Life Balanced Fund, SBI Magnum Balanced Fund, Franklin India Balanced Fund, Kotak Balanced Fund, UTI Balanced Fund and Canara Robeco Balanced Fund.

These balanced funds invest in a mix of equity and debt. Depending on the risk profile of the fund, the fund manager decides the asset allocation between equity and debt. Generally, the equity portion of the fund ranges from 65%-75%. The remainder is invested in debt instruments.

The performance of these funds over time can vary significantly. While some funds may have performed well in the past, others may have delivered average returns. It is recommended that investors review the past performance of the funds before investing.

In addition to balanced funds, investors can also consider investing in liquid funds. Liquid funds are a type of debt funds that

Week 3

To study Marketing strategies, Distribution Channels, Working and structure of Mutual Funds.

Attend the meetings

At a meeting of a mutual fund company, the board of directors and other key stakeholders discuss the company's current performance and its future objectives. They may review the company's financial position and make decisions about investments, operations, and other strategic initiatives. They also might review the performance of the fund's portfolio and evaluate changes that need to be made. The board and other key stakeholders might also discuss any regulatory or legal issues related to the fund, as well as any risks or opportunities that could impact the fund's performance.

Attend the seminars

I attend all the seminar's that are conducted by companies.

Company typically conduct seminars to help educate investors on their products and services.

These seminars often cover topics such as the basics of investing, understanding risk, selecting funds, tax implications, portfolio diversification, and retirement planning. Attend both online and offline.

Such as - Axis Asset Management Co. Ltd, ICICI Prudential Asset Management Company Limited, SBI .

I spend time to researching investment opportunities, analyzing financial data.

Developing strategies for new fund offerings.

TASKS

1. After completing all the training sessions, meetings and seminar. The company has assigned me the task to interact with the customer and inform, guide them about mutual fund policies and try to sell SIP, liquiloan, fixed deposit accordingly.
2. After interacting with the potential customers we were assigned the task of cold calling friends, family members, and neighbors.
3. And after cold calling I filled the form of potential customers .
4. Deal with the customers.
5. When dealing with customer service, I was remain calm and level-headed throughout the process. This will help customer better understand the problem and help me come to a resolution more quickly.
6. When I was dealing a customer, I Provide the customer service representative with as much detail as possible. This will help them understand the issue more quickly and accurately.
7. In the dealing period that I was solving many problems of customer in the understanding process.
8. In dealing with customer service it can be a lengthy process, so it is important to remain patient throughout the process.
9. In the customer services that I was make sure to resolve the customer problem that they are faces.
10. It was a new experience for me and I have to performing it very well.
11. From the given task attending out off 20 customer that I was completed 11 customer to add in the family member of our GIM WEALTH COMPANY.

And they are basically from Maharashtra

During all this process there was an guidance behind me and he was an experienced employee of that company. He is my mentor during this internship

Week 4

LEARNING & OUT COMES

Role of customer service:

The first step in teaching an intern about customer service is to explain the importance of providing excellent customer service. Explain that customer service is the cornerstone of a successful mutual fund company, and that it is essential that customers feel valued and respected.

Educate on customer communication:

Learn how to effectively communicate with customers. Explain the importance of using a polite and professional tone and maintaining a customer-focused attitude. To be patient and understanding with customers, even in difficult situations.

Discuss how to address customer issues:

Learn how to handle customer complaints and inquiries. And also learn how to identify the root cause of customer issues and how to provide a solution that meets the customer's needs.

Demonstrate customer service techniques:

Show how to greet and welcome customers, how to listen to their concerns, and how to follow up after their inquiries or complaints have been addressed.

Provide customer service training:

Provide the additional training on how to provide excellent customer service. This can include role-playing scenarios, customer service simulations, and customer service best practices.

Monitor and evaluate performance:

Performance to ensure that we are providing the best customer service possible. Provide feedback and coaching to help the intern develop their customer service skills.

How I deal with that customer in another way is :-

1. Be professional and courteous. I Treat customers with respect and courtesy. Listen to their questions and concerns, and answer them to the best of my ability.

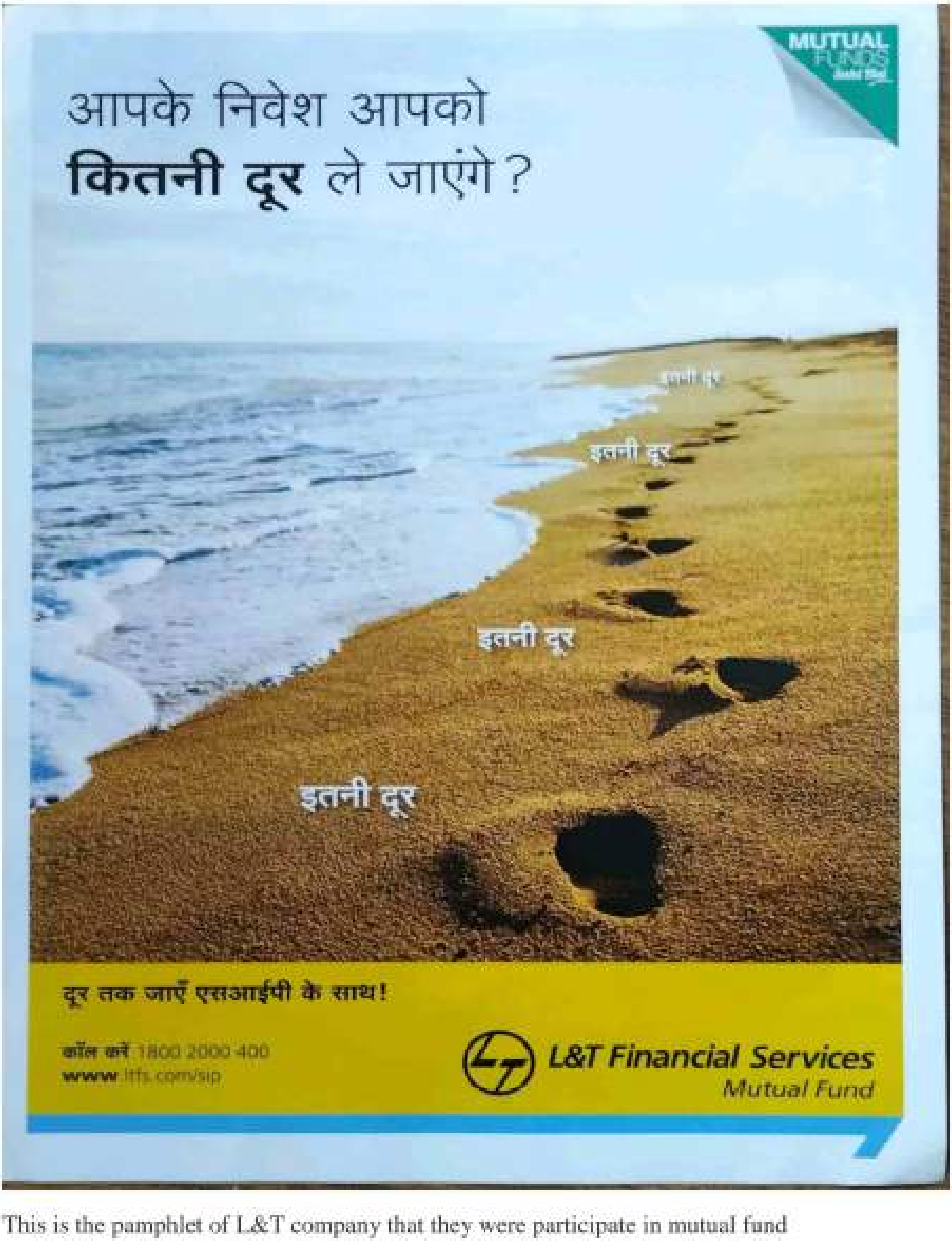
2. Provide accurate and up-to-date information to the customer. I was always Make sure customers are well informed about products, services, and market conditions.

3. I develop a relationship with customers. Get to know them and understand their needs and preferences. This will help me provide better service.

4. Offer personalized advice. Tailor my advice to each customer's individual needs and goals.

5. Follow up. Check in periodically to ensure customers are satisfied and that their investments are performing as expected.

6. Send customers updates on new products and services. This will help keep them informed and engaged.



This is the pamphlet of L&T company that they were participate in mutual fund

This is my first photo with Sameer Deshpande sir. When I was get the first customer deal successfully .

Employee of GIM WEALTH COMPANY.

After completing my internship. Finally I got the certificate from the company

CHAPTER 4

Conclusion

Mutual funds are a popular investment avenue among investors in large cap equity mutual fund like invest in the Larsen & toubro , SBI , DSP.

Systematic investment plan (SIP) is the best way to invest as an investor.

I conclude that while investing we should see the consistency level of the fund not the return given by it. Because in future there maybe ups and downs in the returns of the fund.

Mutual funds have emerged as the best in terms of variety, flexibility, diversification, liquidity as well as tax benefits, so it is a best investment vehicle.

Mutual funds have the capability to provide solutions to most investors' financial needs.

My study is expected to see the performance evaluation framework for mutual funds in India.

The financial advisors at GIM WEALTH provide financial products as per their clients' needs and future goals by conducting market research. All these make GIM to have an edge over its competitors.

There is a lot of opportunity in the mutual fund industry, the GIM WEALTH has to create more awareness among the public and give more advertisements in the print and digital media.

CHAPTER 5

SUGGESTION

Recommendations:

Equity returns have the potential of being much higher but can be volatile. However, the volatility of equity is a relatively short-term phenomenon.

For periods exceeding three to five years, equity investments are extremely likely to give strong positive returns.

This is especially true if stick to a broad selection of the relatively large-cap Companies and if you invest gradually, as in through an SIP. Speaking in terms of risk, this means that instead of saying that equity has higher risk, we should actually be saying that equity's risk drops over time and at a long enough timescale.

I come to conclusion result that investor should not only focus on Return and Rank, it must be focus on consistency of the fund. For better result in long term.

Like wise on this data analysis L&T Is more consistency fund in two quarter.

HOW TO READ 'GIM WEALTH' WATCH PERFORMANCE SCORE CARD .

Large Cap:-

Fund having percentage holding of large cap stock more than or equal to 70% of the portfolio.

Rank:-

✓ Higher the return, Higher the rank

✓ Scheme with the highest return will have the first rank.

✓ If a scheme has higher ranks (Rank 1 or 2)

In all the given periods, then that scheme is considered to be a good performing as well as consistent scheme.

Quartile:-

Performance for the period is differentiated in four quartiles.

First quartile represents best performing schemes (top 25% schemes), While last or fourth quartile represents relatively worst performing schemes for the period.

If a scheme remains in first or second quartile for all the given periods, then the performance of the scheme is considered as consistent & above average.

CHAPTER 6

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