A Project Report on

"A Study of investor awareness and attitude toward mutual fund with reference of Nagpur city ",

Submitted to

Department of Management Sciences & Research (DMSR)

G.S. College of Commerce and Economics, Nagpur

(An Autonomous Institution)

Affiliated to:

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

In partial fulfilment for the award of the degree of

Master of Business Administration

Submitted by

RUPA PATEL

Under the Guidance of

Dr. Archana Dadhe

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NAAC Accredited "A" Grade Institution

Academic Year 2023-24

Department of Management Sciences and Research,
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NAAC Accredited “A” Grade Institution

Academic Year 2023-24

CERTIFICATE

This is to certify that **Ms. Rupa Patel** has submitted the project reporttitled, **"A Study of investor awareness and attitude toward mutual fund with reference Nagpur city "**, under the guidance of **Dr. Archana Dadhe** towards the partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degreeexamination.

It is certified that he/she has ingeniously completed his/her project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Accredited "A" Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

Dr. Archana Dadhe **Dr.Madhuri.V.Purohit**

(Project Guide) **(MBA Coordinator)**

Place: Nagpur

Date:

Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited “A” Grade Institution

Academic Year 2023-24

DECLARATION

I**, Rupa Patel** here-by declare that the project with title **"A Study of investor awareness and attitude toward mutual fund with reference of Nagpur city"**, has been completed by me under the guidance of **Dr. Archana Dadhe** in partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION**degree examination as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Accredited "A" Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

This project was undertaken as a part of academic curriculum and has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Rupa Patel

Place: Nagpur

Date:

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NAAC Accredited "A" Grade Institution

Academic Year 2023-24

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I would like to thank **prof. Uday Dhomane** for his constant support & guidance throughout the project.

Last but not the least, I am very much thankful to all those who helped me directly and indirectly in successful completion of my project.

Rupa Patel

Place: Nagpur

Date

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I. CHAPTER

INTRODUCTION

Introduction of mutual fund

There are a lot of investment avenues available today in the financial market for an investor with an investable surplus. We can invest in Bank Deposits, Corporate Debentures, and Bonds where there is low risk but high return. We may invest in Stock of companies where the risk is high and the returns are also proportionately high. The recent trends in the Stock Market have shown that an average retail investor always lost with periodic bearish tends. People began opting for portfolio managers with expertise in stock markets who would invest on their behalf. Thus we had wealth management services provided by many institutions. However they proved too costly for a small investor. These investors have found a good shelter with the mutual funds.

DEFINITION

"Mutual funds are collective savings and investment vehicles where savings of small (or sometimes big) investors are pooled together to invest for their mutual benefit and returns distributed proportionately".

"A mutual fund is an investment that pools your money with the money of an unlimited number of other investors. In return, you and the other investors each own shares of the fund. The fund's assets are invested according to an investment objective into the fund's portfolio of investments. Aggressive growth funds seek long-term capital growth by investing primarily in stocks of fast-growing smaller companies or market segments. Aggressive growth funds are also called capital appreciation funds".

What is an Investor?

Investor is someone who puts their money into various assets with the aim of generating a financial return. They may buy stocks, bonds, real estate, or other assets, depending on their investment goals and risk tolerance. The overarching objective is typically to grow their wealth over time through smart financial decisions.

An **investor** is a person who allocates financial capital with the expectation of a future return (profit) or to gain an advantage (interest). Through this allocated capital the investor usually purchases some species of property. Types of investments include equity, debt, securities, real estate, infrastructure, currency, commodity, token, derivatives such as put and call options, futures, forwards, etc. This definition makes no distinction between the investors in the primary and secondary markets. That is, someone who provides a business with capital and someone who buys a stock are both investors. An investor who owns stock is a shareholder.

Where to Invest?

Stocks or Equities: A share of stock is a piece of ownership of a public or private company. The investor may be entitled to dividend distributions generated from the company's net profit. The stock's value can also grow and sell for capital gains. The two primary types of stocks to invest in are common and preferred.

Bonds or Fixed-Income Securities: An investment that often demands an upfront investment, and pays recurring interest over time, called a coupon payment. At maturity, the investor receives the capital invested into the bond. Like debt, bond investments are a mechanism for governments and companies to raise money.

Index Funds or Mutual Funds: Index and mutual funds aggregate specific investments to craft one investment vehicle. An investor can buy shares of a single mutual fund that owns shares of multiple companies. Mutual funds are actively managed while index funds are often passively managed. This means that the investment professionals overseeing the mutual fund are trying to beat a specific benchmark, while index funds attempt to imitate a benchmark.

Real Estate: Real estate investments are investments in physical, tangible spaces that can be utilized. Land can be built on, office buildings can be occupied, warehouses can store inventory, and residential properties can house families. Real estate investments may encompass acquiring sites, developing sites for specific uses, or purchasing ready-to-occupy operating sites.

Commodities: Raw materials such as agriculture, energy, or metals are commodities. Investors can invest in tangible commodities, like owning a bar of gold, or choose alternative investment products that represent digital ownership such as a gold ETF. Oil and gas are considered commodities.

Cryptocurrency: A blockchain-based currency used to transact or hold digital value. Cryptocurrency companies can issue coins or tokens that may increase in value. These tokens can be used to transact with. Cryptocurrency can be staked on a block chain where investors agree to lock their tokens on a network to help validate transactions. These investors are rewarded with additional tokens.

Collectibles: Collecting or purchasing collectibles involves acquiring rare items in anticipation of those items increasing in value and demand. From sports memorabilia to comic books, these physical items often require substantial physical preservation, considering that older items usually carry higher value.

What is investment?

The money you can earn is spent and the rest saved for meeting future expenses. Instead of keeping the saving idle you may like to use saving in order to get returns on it in the future. This is called investment.

Why should one invest?

One needs to invest to:

- Earn return on your idle resources
- Generate a specific sum of money for a specific goal in life
- Make a provision for an uncertain future

One of the important reasons why one needs to invest wisely is to meet the cost of inflation. Inflation is the rate at which the cost of living increases. The cost of living is simply what it costs to buy the goods and services you need to live. Inflation causes money to lose value because it will not buy the same amount of good or a service in the future as it does now or did in the past.

What is mutual fund?

A mutual fund is a pool of money from numerous investors who wish to save or make money just like you. Investing in a mutual fund can be a lot easier than buying and selling individual stocks and bonds on your own. Investors can sell their shares when they want.

Professional Management. Each fund's investments are chosen and monitored by qualified professionals who use this money to create a portfolio. That portfolio could consist of stocks, bonds, money market instruments or a combination of those.

Fund Ownership. As an investor, you own shares of the mutual fund, not the individual securities. Mutual funds permit you to invest small amounts of money, however much you would like, but even so, you can benefit from being involved in a large pool of cash invested by other people. All shareholders share in the fund's gains and losses on an equal basis, proportionately to the amount they've invested.

When to start investing:

The sooner one start investing the better. By investing early you allow your investments more time to grow, whereby the concept of compounding increases your income, by accumulating the principal and interest or dividend earned on it, year after year. The three golden rules for all investor are:

- Invest early
- Invest regularly
- Invest for long term and not short term

Concept of mutual fund

A mutual fund is a common pool of mey into which investors place their contributions that are to be invested in accordance with a stated objective. The ownership of the fund is thus joint or "mutual"; the fund belongs to all investors. A single investor's ownership of the fund is in the same proportion as the amount of the contribution made by him or her bears to the total amount of the fund.

Mutual Funds are trusts, which accept savings from investors and invest the same in diversified financial instruments in terms of objectives set out in the trusts deed with the view to reduce the risk and maximize the income and capital appreciation for distribution for the members. A Mutual Fund is a corporation and the fund manager's interest is to professionally manage the funds provided by the investors and provide a return on them after deducting reasonable management fees.

The objective sought to be achieved by Mutual Fund is to provide an opportunity for lower income groups to acquire without much difficulty financial assets. They cater mainly to the needs of the individual investor whose means are small and to manage investors portfolio in a manner that provides a regular income, growth, safety, liquidity and diversification opportunities for a small investors.

SBI MUTUAL FUND

SBI Mutual Fund is one of the largest and most trusted mutual fund houses in India. It is a joint venture between the State Bank of India, which is India's largest public sector bank, and Amundi, a leading European asset management company.

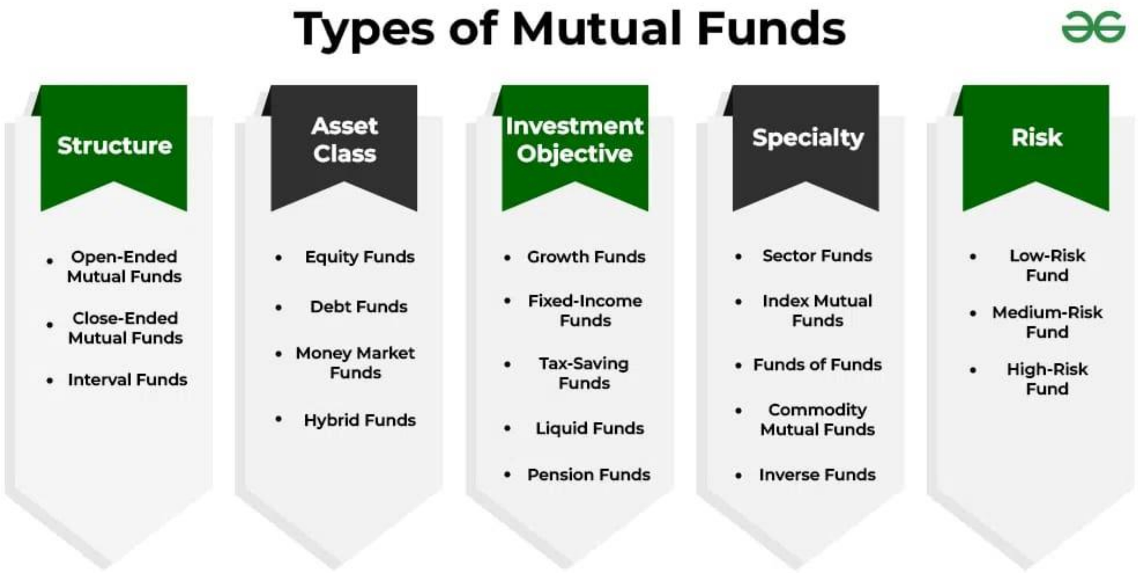
Established in 1987, SBI Mutual Fund has been a pioneer in the Indian mutual fund industry, offering a wide range of investment options to suit the diverse needs of investors. It offers a comprehensive suite of mutual fund products across various categories such as equity, debt, hybrid, and thematic funds.

SBI Mutual Fund is known for its strong research capabilities, experienced fund managers, and robust risk management practices. It aims to provide long-term wealth creation solutions to its investors while adhering to the highest standards of transparency and integrity.

With a customer-centric approach, SBI Mutual Fund emphasizes investor education and awareness, ensuring that investors make informed investment decisions. It also offers convenient online platforms and mobile apps for easy access to its products and services.

Overall, SBI Mutual Fund has established itself as a trusted partner for investors seeking professional management of their investments and access to the potential of India's growing economy.

Types of mutual fund



1. <u>On the Basis of Structure</u>

<u>A. Open-Ended Mutual Funds</u>

Open-Ended Mutual Funds are the ones that can be purchased and sold as per the need and convenience of the investors. They are sold at the prevailing Net Asset Value (NAV) and are considered highly liquid investments. The units of this fund are bought and sold on a continuous basis so, the Net Asset Value (NAV) is calculated on the daily basis, when the markets close. There is no limit to the amount of investment and can be easily managed through Systematic Investment Plans (SIPs).

<u>B. Close-ended Mutual Funds</u>

Close-ended Mutual Funds can be bought only till the New Fund Offer (NFO) is opened. Further, they come with a fixed maturity date and can be redeemed only on the expiry of such date. This means there is a restriction in the entry and exit of the investors in this type of fund and hence, cannot be managed through Systematic

Investment Plans (SIPs). In order to compensate for the lack of liquidity, close-ended mutual funds trade on the stock exchange.

C. Interval Funds

Interval Funds pop up to bridge the gap between Open-Ended Mutual Funds and Close-Ended Mutual Funds. With the features of both types of mutual funds, interval funds are offered to new investors only during the New Fund Offer (NFO) period and then can be repurchased only by the existing Mutual Fund House at regular intervals during the tenure of the fund Interval Funds comes with a maturity date like a Close-Ended Mutual Funds. However, investors can manage and adjust their holdings by selling them on the Stock Exchange.

2. On the Basis of Asset Class

Asset Class means grouping the securities having similar characteristics and are falls under the same Laws and Regulations. Depending on the type of asset class, Mutual Funds are divided into:

A. Equity Funds

Equity Funds invest in the equity shares of different companies. The Mutual Fund Company pools the money of different investors together and then invests them into the equity shares of the different companies as per the investment goal of the investors. Equity Funds are associated with high risk and the return depends on the performance of these shares on the stock exchange.

B. Debt Funds

Debt Funds invest the money of the investors in fixed-income securities like debentures, bonds, and treasury bills. These securities offer fix interest and come with a maturity date. Debt funds are suitable for investors willing to take a low risk and want to earn a regular income. Fixed Maturity Plans (FMPs), Gilt Funds, Liquid Funds, Short-Term Plans, Long-Term Bonds, and Monthly Income Plans are some of the fixed-income instruments in which debt funds invest.

C. Money Market Funds

Money Market Funds invest in money market instruments like bonds, T-bills, commercial paper (CP), and certificates of deposits (CDs). Money Market Funds are short-term investments with a maturity period of up to 1 year. These funds are the highly liquid and safest form of investment that yields better returns with minimal risk.

D. Hybrid Funds

As the name suggests, Hybrid Funds are a combination of equity and debt. It invests in a portfolio that consists of equity and debt securities in a specific ratio. Generally, Hybrid funds invest in equities and debt in a ratio of 40:60. The return and risk associated with each type are balanced against each other.

3. On the Basis of Investment Objective

Investors with different investment objectives can opt for any of the following mutual fund types:

A. Growth Funds

Growth Funds invest in shares and growth sectors that appear promising enough to yield high returns with capital appreciation opportunities. However, everything has a bad side as well, so this fund is associated with a high degree of risk factor making it suitable for people ready to bear the risk.

B. Fixed-Income Funds

Fixed-Income Funds are a type of debt fund that invest money of the investors in a portfolio consisting of debentures, bonds, securities, and certificates of deposits that yields a fixed return. The fund manager under this fund ensures capital protection along with offering regular income at minimum risk.

C. Tax-Saving Funds

Tax-Saving Funds are the ones that help in wealth maximization along with saving taxes. Such funds enjoy deduction under section 80 of the Income Tax Act and are known as Equity Linked Saving Scheme (ELSS). Tax-saving funds have gained popularity in recent years not just because it offers tax-saving benefits, but also because it comes with a minimum lock-in period of only 3 years.

D. Liquid Funds

Liquid Funds also belong to a category of debt funds and invest in debt and money market instruments for a very short period of 91 days. The main motive is to provide high liquidity with low risk and moderate return. The maximum investment amount is up to ₹ 10,00,000 under this fund. The Net Asset Value (NAV) for these funds is calculated for the whole year (365 days) including the holidays and Sundays.

E. Pension Funds

Pension Funds is a long-term hybrid fund that offers a regular return to investors after retirement. The equity component of the fund yields a high return while the debt component balances the risk of investment. Pension Funds are made to secure the after-retirement life and investors have the option to withdraw the return in lum-sum or fixed proportion or in a combination of both.

4. On the Basis of Specialty

On the basis of a specific sector, SEBI has categorized the following Mutual Funds as specialty funds:

A. Sector Funds

Sector Funds are designed to make investments in a particular sector only like the Production sector, Banking, Automobiles, IT, and pharma sector. Since these funds invest in specific and few securities, they are associated with high risk and high return factors. Investors should keep track of all the changing trends related to the sector to minimize the risk.

B. Index Mutual Funds

Index Mutual Funds are the types of mutual funds that track the securities and their corresponding ratio in the market index and make asset allocations accordingly. They are best for passive investors and require low management. Index mutual funds opt for an investment portfolio that is at least 95% similar to the index tracking result.

C. Funds of Funds

Funds of Funds also known as Multi-Manager Funds are designed to avail the benefits of diversified investment by investing in a single fund rather than investing in several.

This means the Fund of funds invests in other mutual funds and the return depends on the performance of the target fund. Funds of Funds are considered safer as the portfolio is diversified and adjusted regularly by the managers to balance the risk.

D. Commodity Mutual Funds

Commodity Mutual Funds invest in physical commodities like gold, silver, oil, or agricultural products or invest in companies involved in their production, exploration, or distribution, with an aim to track the price movements of the underlying commodity. The return depends on the performance of the commodity or the company dealing in the commodity. This fund offers the benefits of diversified investment with a good return.

E. Inverse Funds

Inverse Funds Also known as Leveraged Funds is a sister of an Index fund. The difference between the two is that Index Fund makes asset allocations in accordance with the benchmark index, but inverse fund works in the opposite direction, i.e., it focuses on selling more securities when the value falls just to buy them again at more low cost and to hold them till the price of the security rises again.

5. On the Basis of Risk

Risk is an integrated part of any type of investment, so the Mutual funds are divided on the basis of the degree of risk involved:

A. Low-Risk Fund

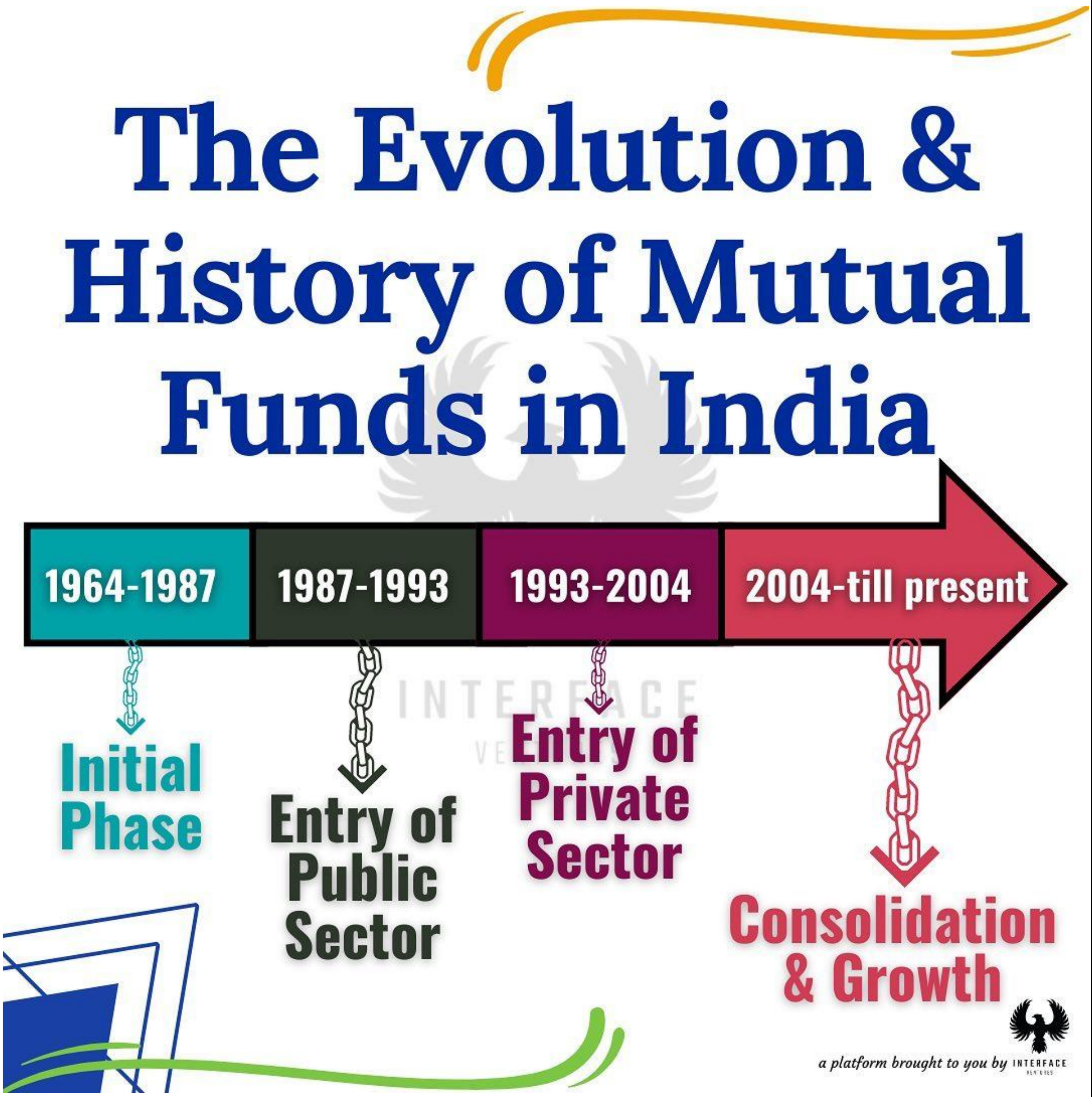
A low-risk fund invests in a liquid fund or short-term fund that is known for its low risk and moderate return. However, a low-risk fund doesn’t claim No-Risk, there is always some risk involved. Low-risk funds do not have any lock-in period and are highly liquid. This fund includes debt funds, money market instruments, government Bonds, Ultra short-term investments, and so on. This fund is suitable for people with a minimum risk-taking attitude.

B. Medium-Risk Fund

Medium-Risk Fund targets the hybrid portfolio that consists of the combination of both equity and debt fund. The hybrid fund yields high returns along with balancing the risk of investment. The lock-in period of a moderate-risk fund is generally three to five years.

C. High-Risk

Risk Fund earns more return as compared to any other funds. However, the return on such funds is unpredictable and uncertain. It is often disbelieved that High-risk funds mean equity funds, but debt funds with a low rating are also considered high-risk funds.


The Evolution & History of Mutual Funds in India
1964-1987
1987-1993
1993-2004
2004-till present
Initial Phase
Entry of Public Sector
Entry of Private Sector
Consolidation & Growth
a platform brought to you by INTERFACE

HISTORY OF MUTUAL FUND IN INDIA

A strong financial market with broad participation is essential for a developed economy. With this broad objective India's first mutual fund was establishment in 1963, namely, Unit Trust of India (UTI), at the initiative of the Government of India and Reserve Bank of India 'with a view to encouraging saving and investment and participation in the income, profits and gains accruing to the Corporation from the acquisition, holding, management and disposal of securities'. In the last few years the MF Industry has grown significantly. The history of Mutual Funds in India can be broadly divided into five distinct phases as follows:

FIRST PHASE – 1964-1987

The Mutual Fund industry in India started in 1963 with formation of UTI in 1963 by an Act of Parliament and functioned under the Regulatory and administrative control of the Reserve Bank of India (RBI). 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. Unit Scheme 1964 (US '64) was the first scheme launched by UTI. At the end of 1988, UTI had ₹ 6,700 crores of Assets Under Management (AUM).

SECOND PHASE – 1987-1993 – ENTRY OF PUBLIC SECTOR MUTUAL FUNDS

The year 1987 marked the entry of public sector mutual funds set up by Public Sector banks and Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC). SBI Mutual Fund was the first 'non-UTI' mutual fund established in June 1987, followed by Can bank Mutual Fund (Dec. 1987), Punjab National Bank Mutual Fund (Aug. 1989), Indian Bank Mutual Fund (Nov 1989), Bank of India (Jun 1990), Bank of Baroda Mutual Fund (Oct. 1992). LIC established its mutual fund in June 1989, while GIC had set up its mutual fund in December 1990. At the end of 1993, the MF industry had assets under management of ₹47,004 crores.

THIRD PHASE -1993-2003 –ENTRY OF PRIVATE SECTOR MUTUAL FUNDS

The Indian securities market gained greater importance with the establishment of SEBI in April 1992 to protect the interests of the investors in securities market and to promote the development of, and to regulate, the securities market. In the year 1993, the first set of SEBI Mutual Fund Regulations came into being for all mutual funds, except UTI. The erstwhile Kothari Pioneer (now merged with Franklin Templeton MF) was the first private sector MF registered in July 1993. With the entry of private sector funds in 1993, a new era began in the Indian MF industry, giving the Indian investors a wider choice of MF products. The initial SEBI MF Regulations were revised and replaced in 1996 with a comprehensive set of regulations, viz., SEBI (Mutual Fund) Regulations, 1996 which is currently applicable.

MFs increased over the years, with many foreign sponsors setting up mutual funds in India. Also the MF industry witnessed several mergers and acquisitions during this phase. As at the end of January 2003, there were 33 MFs with total AUM of ₹1,21,805 crores, out of which UTI alone had AUM of ₹44,541 crores.

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, viz., the Specified Undertaking of the Unit Trust of India (SUUTI) and UTI Mutual Fund which functions under the SEBI MF Regulations. With the bifurcation of the erstwhile UTI and several mergers taking place among different private sector funds, the MF industry entered its fourth phase of consolidation. Following the global melt-down in the year 2009, securities markets all over the world had tanked and so was the case in India. Most investors who had entered the capital market during the peak, had lost money and their faith in MF products was shaken greatly. The abolition of Entry Load by SEBI, coupled with the after-effects of the global financial crisis, deepened the adverse impact on the Indian MF Industry, which struggled to recover and remodel itself for over two years, in an attempt to maintain its economic viability which is evident from the sluggish growth in MF Industry AUM between 2010 to 2013

FIFTH (CURRENT) PHASE –SINCE MAY 2014

Taking cognisance of the lack of penetration of MFs, especially in tier II and tier III 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.

In due course, the measures did succeed in reversing the negative trend that had set in after the global melt-down and improved significantly after the new Government was formed at the centre.

Since May 2014, the Industry has witnessed steady inflows and increase in the AUM as well as the number of investor folios (accounts).

II. CHAPTER
COMPANY PROFILE

Overview

Founded in 1806, Bank of Calcutta was the first Bank established in India, and over a period of time, evolved into State Bank of India (SBI). SBI represents a sterling legacy of over 200 years. It is the oldest commercial Bank in the Indian subcontinent, strengthening the nation's trillion-dollar economy and serving the aspirations of its vast population. The Bank is India's largest commercial Bank in terms of assets, deposits, branches, number of customers and employees, enjoying the continuing faith of millions of customers across the social spectrum. SBI, headquartered at Mumbai, provides a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies and institutional customers through its various branches and outlets, joint ventures, subsidiaries and associate companies.

History of SBI

On 1 July 1955, the Imperial Bank of India became the State Bank of India. In 2008, the **Government** of India acquired the Reserve Bank of India’s stake in SBI so as to remove any conflict of interest because the RBI is the country’s banking regulatory authority.

The roots of State Bank of India lie in the first decade of the 19th century when the Bank of Calcutta later renamed the Bank of Bengal, was established on 2 June 1806. The Bank of Bengal was one of three Presidency banks, the other two being the Bank of Bombay (incorporated on 15 April 1840) and the Bank of Madras (incorporated on 1 July 1843). All three Presidency banks were incorporated as joint stock companies and were the result of royal charters. These three banks received the exclusive right to issue paper currency till 1861 when, with the Paper Currency Act, the right was taken over by the Government of India. The Presidency banks amalgamated on 27 January 1921, and the re-organised banking entity took as its name Imperial Bank of India. The Imperial Bank of India remained a joint-stock company but without Government participation.

Pursuant to the provisions of the State Bank of India Act of 1955, the Reserve Bank of India, which is India’s central bank, acquired a controlling interest in the Imperial Bank of India. On 1 July 1955, the Imperial Bank of India became the State Bank of India. In 2008, the Government of India acquired the Reserve Bank of India’s stake in SBI so as to remove any conflict of interest because the RBI is the country’s banking regulatory authority.

Awards of SBI

- India’s Best Annual Report Awards-2022 by Free Press Journal.
- Three Gold Awards at ET Human Capital Awards
- HR Leader of the Year – Large Scale Organisations
- Excellence in Business Continuity Planning & Management

- Most Valuable Employer during COVID-19
- SBI won two Awards from NASSCOM -DSCI
- Best Security Operations Centre of the Year
- Gold category in Public Sector Bank in Outlook Money Awards 2022

SBI values and commitments

Customer-Centric Approach

SBI's commitment to its customers is unwavering. With a diverse range of financial products and services, including savings accounts, loans, insurance, and investment opportunities, SBI caters to the diverse financial needs of individuals, businesses, and institutions.

Financial Inclusion

SBI has played a vital role in driving financial inclusion across India. With a focus on reaching the unbanked and underbanked regions, SBI has facilitated access to banking services, especially in rural areas, contributing to economic growth and empowerment.

Technological Innovation

In a rapidly evolving digital age, SBI has embraced technology to enhance customer experiences. From online banking to mobile apps, SBI provides convenient and secure digital platforms for seamless banking transactions.

International Presence

SBI's international presence spans across numerous countries, catering to the needs of NRIs and international trade. Through its 200+ foreign offices spread across 36 plus countries, SBI serves as a bridge connecting India with the global economy.

SBI Mutual Fund

Mutual fund name	**SBI mutual fund**
Asset management company name	SBI Funds management ltd.
AMC Setup date	June 29,1987
AMC incorporation date	February 7, 1992
Sponsor name	State bank of India and AMUNDI
Trustee organization	SBI Mutual Fund Trustee Company Private Limited
CIO	Mr. R Srinivasan(Equity) and Mr. Rajeev Radhakrishnan (Fixed Income)
MD and CEO	Mr. Vinay M Tones
Compliance Officer	Ms. Vinay Datar
Investor Service Officer	Mr. CA Santosh
Total AUM {as of end of last quarter}	Rs.627589 Cr.

IDENTITY

With 36 years of rich experience in fund management, we at SBI Funds Management Ltd. (SBIFML) bring forward our expertise by consistently delivering value to our investors. We have a strong and proud lineage that traces back to the State Bank of India (SBI) - India's largest bank. We are a Joint Venture between SBI and AMUNDI (France), one of the world's leading fund management companies. A shareholder agreement in this regard has been entered on April 13, 2011 between SBI & AMUNDI Asset Management. Accordingly, SBI currently holds 62.344% stake in SBIFML, 36.614% stake is held by AMUNDI Asset Management through a wholly owned subsidiary, Amundi India Holding and 1.042% stake is held by others. Initially Amundi India Holding’s stake was held by Society General Asset Management S.A. (“SGAM”), a subsidiary of Society General S.A (“SG”) which was transferred to Amundi in June 2011 with due approval of SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996. AMUNDI Asset Management shall provide strategic support to the Company. SBI & AMUNDI Asset Management shall jointly develop the Company as an asset management company of international repute by adopting global best practices and maintaining international standards.

VISION

"To be the most trusted and respected Asset Manager."

MISSION

“Ethical, Responsive and Innovative Partner in Investment Solutions"

SERVICES

Investors are our priority. Our mission has been to establish Mutual Funds as a viable investment option to the masses in the country. Working towards it, we developed innovative, need-specific products and educated the investors about the added benefits of investing in capital markets via Mutual Funds. Today, we have been actively managing our investors' assets not only through our investment expertise in domestic mutual funds, but also offshore funds, Alternate Investment Funds and portfolio management advisory services for institutional investors.

III. CHAPTER

LITERATURE REVIEW

REVIEW OF LITERATURE

Review of literature is very important to give better understanding and insight necessary to develop a broad conceptual framework in which a particular problem can be examined. It helps in the formation of specific problem and helps acquaint the investigator to what is already known in relation to the problem under review and it also provides a basis for assessing the feasibility of the research. Review of literature is important to a scholar in order to know what has been established and documented as there are critical summaries of what is already known about a particular topic. Therefore a review of literature helps in relating the present study to the previous ones in the same field.

The review of some of the literature related to the performance of mutual fund is shown below:-

Anand and Murugaiah

Year (2004)

Had studied various strategic issues related to the marketing of financial services. They found that recently this type of industry requires new strategies to survive and for operation. For surviving they have to adopt new marketing strategies and tactics that enable them to capture maximum opportunities with the lowest risks in order to enable them to survive and meet the competition from various market players globally.

Ramamurthy and Reddy

Year (2005)

Conducted a study to analyse recent trends in the mutual fund industry and draw a conclusion that the main benefits for small investors' due to efficient management, diversification of investment, easy administration, nice return potential, liquidity, transparency, flexibility, affordability, wide range of choices and a proper regulation governed by SEBI. The study also analysed about recent trends in mutual fund industry like various exit and entry policies of mutual fund companies, various schemes related to real estate, commodity, bullion and precious metals, entering of banking sector in mutual fund, buying and selling of mutual funds through online.

Desigan et al

Year (2006)

Conducted a study on women investors’ ’ perception towards investment and found that women investors’ ’ basically are indecisive in investing in mutual funds due to various reasons like lack of knowledge about the investment protection and their various investment procedures, market fluctuations, various risks associated with investment, assessment of investment and redressal of grievances regarding their various investment related problems. Savings is a habit specially embodied into women. Even in the past, when women mainly depended on their spouses’ income, they used to save to meet emergencies as well as for future activities. In those days, women did not have any awareness about various investment outlets. But as time passed, the scenario has totally changed.

Gupta and Jain

Year (2008)

on the basis of an all-India survey of 1463 households found the preferences of investors among the major categories of financial assets, such as investment in shares, indirect investment through various types of mutual fund schemes, other investment types such as exchange-traded gold fund, bank fixed deposits and government savings schemes. The study provides interesting information about how the investors’ attitude towards various investment types are related to their income and age, their portfolio diversification practices, and the over-all quality of market regulation as viewed by the investors themselves.

Jasmeen

Year (2009)

has found in her study, ‘Investment Choice of Individual Investors’ that majority investors preferred low risk investment but considerable number have gone for high risk investments. This could be possible because of awareness created among Indian individual investors regarding investment climate and infused confidence among investors by being ethical and transparent. The study also indicated that the association between profile of respondents' age, gender, religion, qualification, income and profession and the risk taken while making investment is not significant.

Singh and Jha

Year (2009)

Conducted a study on awareness & acceptability of mutual funds and found that consumers basically prefer mutual fund due to return potential, liquidity and safety and they were not totally aware about the systematic investment plan. The invertors' will also consider various factors before investing in mutual fund.

Aparna Samudra and Bhurghate

Year (2012)

Carried out a study to understand the investment behaviour among the middle class investors from Nagpur. The study was carried out to examine the preference of the investment instruments and investment pattern of the middle class households along with the objective of 52 investment. The investment options considered for the study were Bank deposits, shares, mutual funds, real estate, Kisan Vikas Patrika and post office deposits. A sample size of 300 households was used for the study. Statistical tools like percentage and mean were used for carrying out the analysis. The study found that bank deposit was the most preferred investment option followed by life insurance Investment in provident fund and post office deposit were at the third and fourth place. This is similar to the findings of Nupur Gupta and Vijay Agarwal (2013).Real estate was found to be the least preferred investment avenue. Investment in equity was not figuring in the preferred investment avenue across all age categories.

Joseph and Prakash

Year (2014)

Have revealed in their paper 'A Study on Preferred Investment Avenues among the People and the Factors Considered for Investment', that to have an insight into different investment avenues available and to understand the preferred investment avenue among the people of Bangalore City. In the present day world, new financial products are available. It has become difficult and confusing to choose the best options due to lack of proper financial knowledge to the common man to decide the factors which are considered for making sound investment decisions. It is further analysed that investors are not much aware about investment in stock exchange and equity and are more inclined towards traditional investments like bank deposits, insurance, post office savings etc. Awareness programs should be introduced by the government and stock broking firms to make people aware about investment options with their merits n demerits so right decisions are taken for their personal finance.

IV. CHAPTER

RESEARCH METHODOLOGY

RESEARCH AND METHODOLOGY

This method involves collecting numerical data to quantify attitudes, opinions, behaviors, and other variables related to investor awareness and attitude towards SBI Mutual fund.

RESEARCH DESIGN-

This design involves collecting data from a sample of investors at a single point in time to understand their current awareness levels and attitudes towards SBI Mutual fund.

RESEARCH APPROACH-

Conducting surveys is an effective approach to gather data on investor awareness and attitudes. Surveys can be administered through various channels such as online questionnaire.

RESEARCH INSTRUMENT-

A structured questionnaire would serve as the primary research instrument. It would include both closed-ended questions and open-ended questions.

DATA ANALYSIS METHOD-

The data analysis of this research was represented on qualitative as well as quantative manner.

Population- Nagpur location-

PROBLEM STATEMENT

Researchers studying investor awareness and attitudes toward mutual funds may face challenges in obtaining representative data, defining and measuring key concepts, establishing causality, and navigating ethical considerations with reference of Nagpur city.

NEED OF THE STUDY-

1. The main purpose of doing this project was to know about mutual fund and its functioning. This helps to know in details about mutual fund
2. The research involves only a general study related to the investment awareness of investor toward mutual funds.
3. Many people may not be aware of how mutual funds work, their benefits, risks, and suitability for various financial goals.
4. Awareness of mutual funds helps individuals understand their role in economic development and growth.

OBJECTIVE OF STUDY-

1. To study the investors perception toward investing in mutual funds.

2. To learn about investor's preferences for mutual fund investment.

3. To find out which age group and income level favor mutual fund over other investing avenues.

4. To study the attitude of the investors ON other investing avenues.

HYPOTHESIS OF STUDY-

H0: There is no significance relationship between investor awareness and attitude toward preference of mutual fund.

H1: There is a significant relationship between investor awareness and attitude toward preference of mutual fund.

LIMITATION OF STUDY-

1. The research is limited to the city of Nagpur.

2. The sample size shall be limited to no more than 59 people.

3. The study's time frame was constrained.

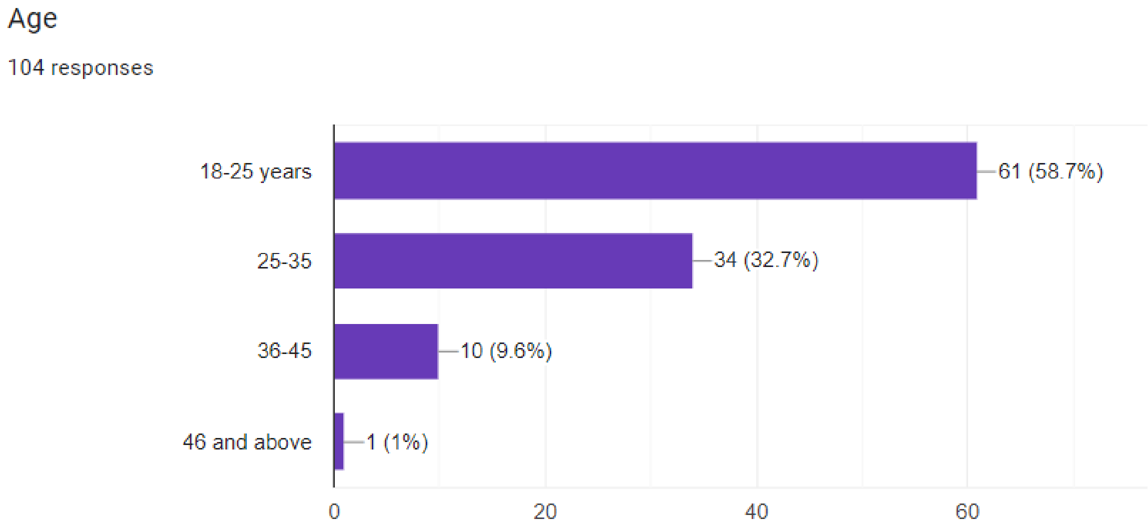
4. The researcher will have to rely on information provided by respondents, which may or may not be entirely accurate.

V. CHAPTER

DATA ANALYSIS

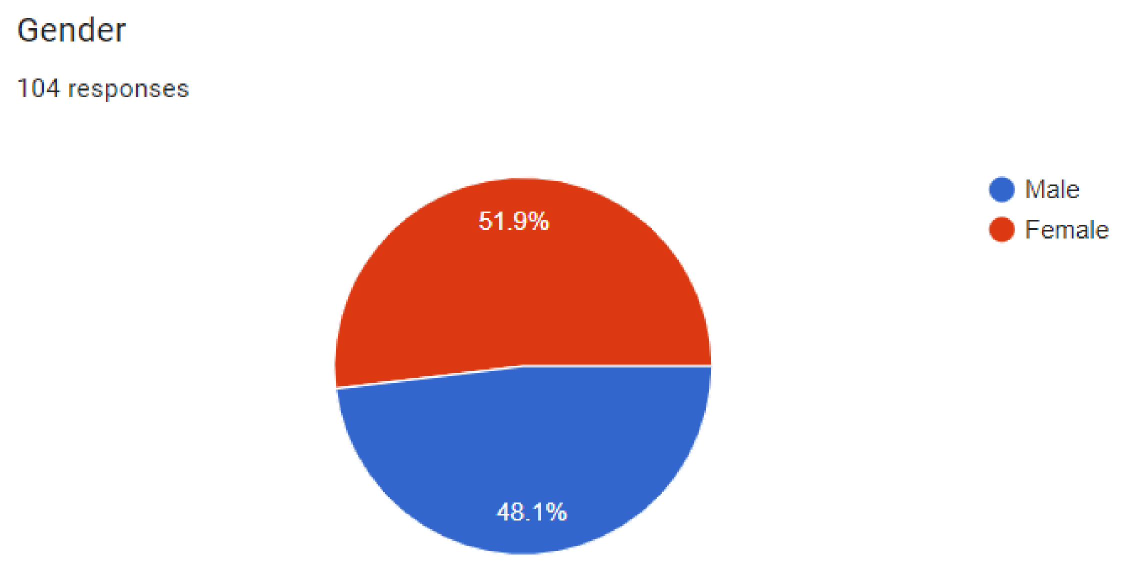
&INTERPRETATION

Age wise Respondent



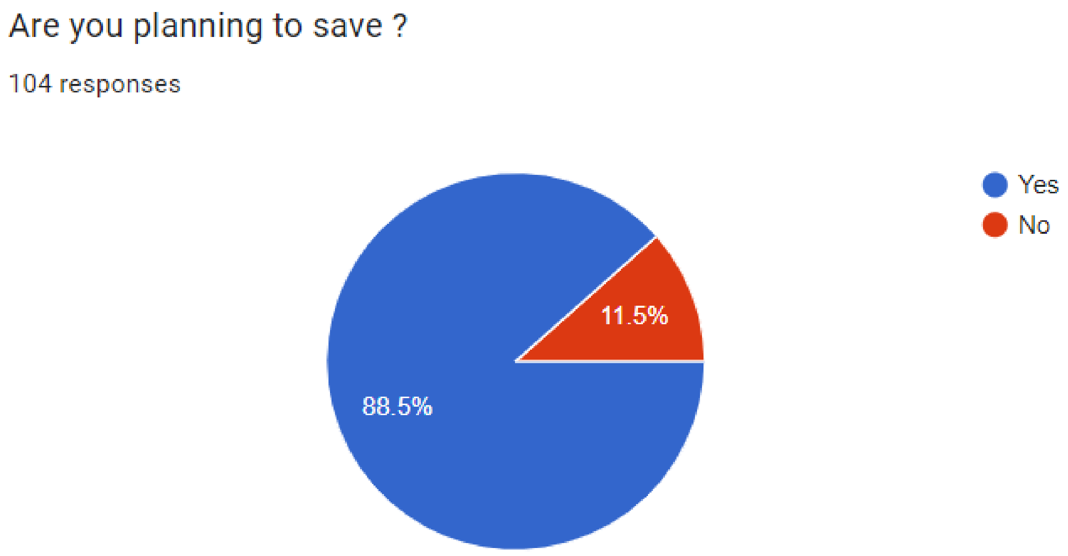
Investment preference and decision-making process could change as an individual grows older. Respondents were classified in terms of age, which is presented in table. Majority of the respondents (58.7%) were from the age group of 18-25 years, Respondents from the 18-25 age groups were more willing to participate in the survey as comparison above 46 years.

Gender



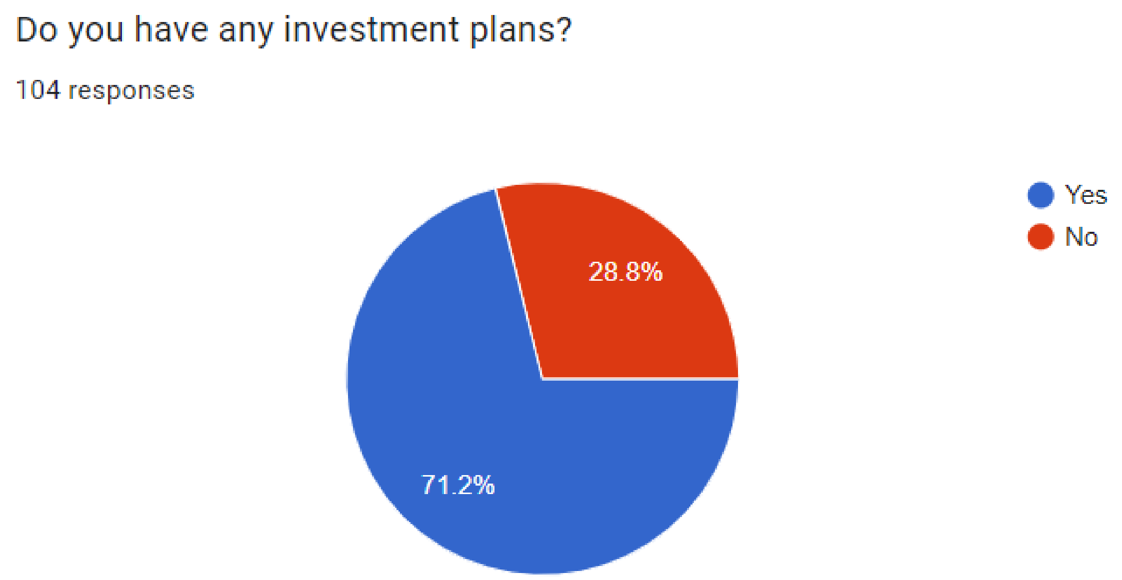
Out of 104 respondents 58.7 % respondents are below 25 years age, 21.6% respondents are belonging age of 25-35, 13.7% respondents are belonging age group of above 36-45, and 2% respondents have age above 46. Above chart shows that majority of female.

Are you planning to save?



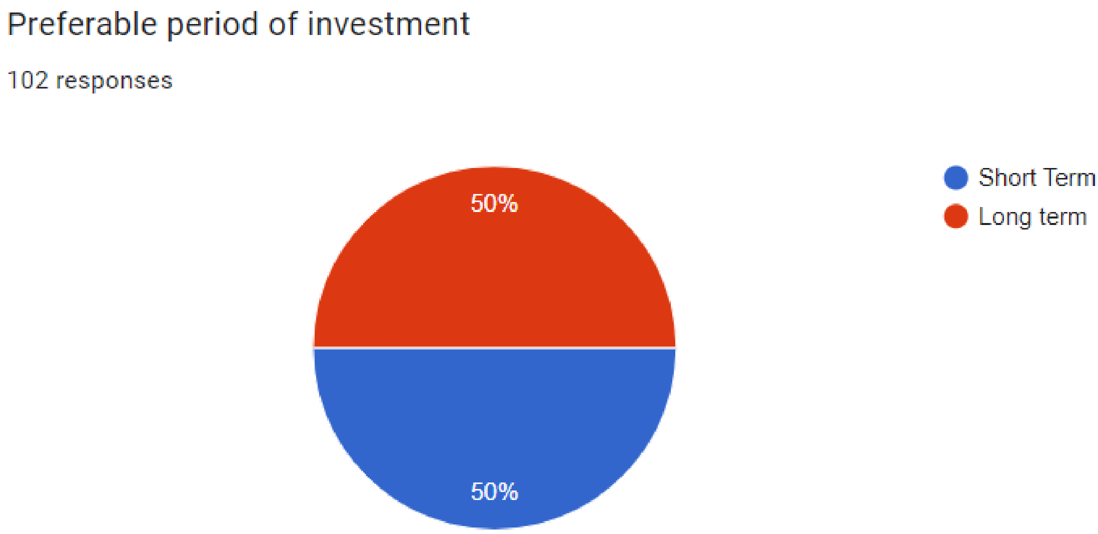
The conclusion drawn from the pie chart indicating that 88.5% of the public wants to save money for their future, while 11.5% do not, suggests a strong inclination towards financial planning and future security among the majority. This underscores a significant awareness and positive attitude towards investment, particularly in vehicles like mutual funds, which can serve as effective tools for long-term financial growth and stability.

Do you have any investment plan?



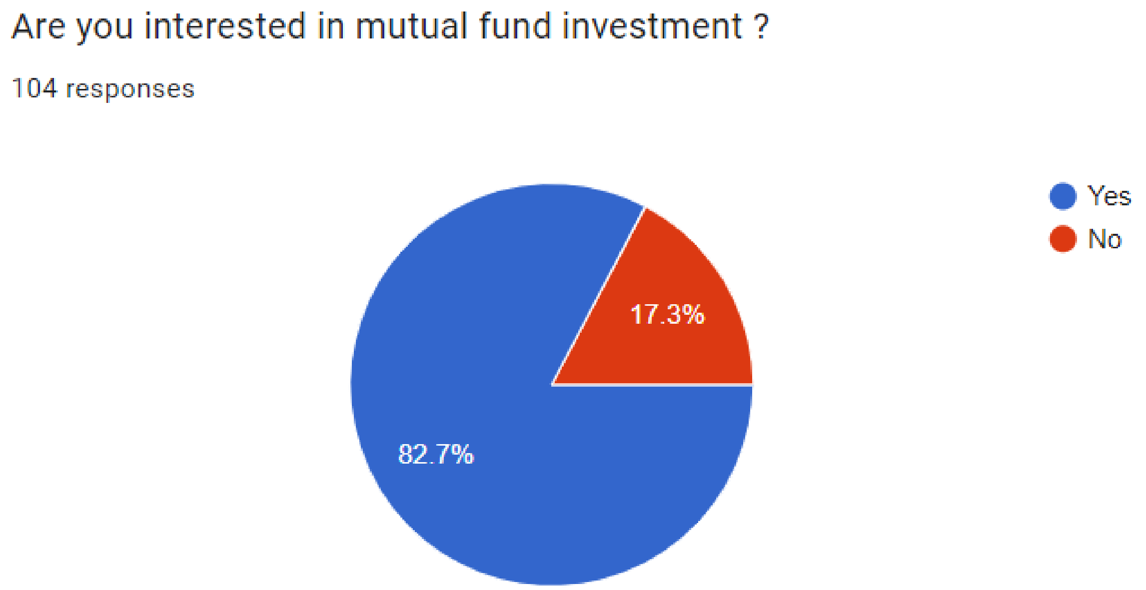
In the study on investor awareness and attitude toward mutual funds, it was discovered that 71.2% of people surveyed had investment plans, while the remaining 28.8% did not. This indicates a significant portion of the population is actively considering or engaging in investment activities, with a notable minority yet to develop such plans.

Preferable period of investment



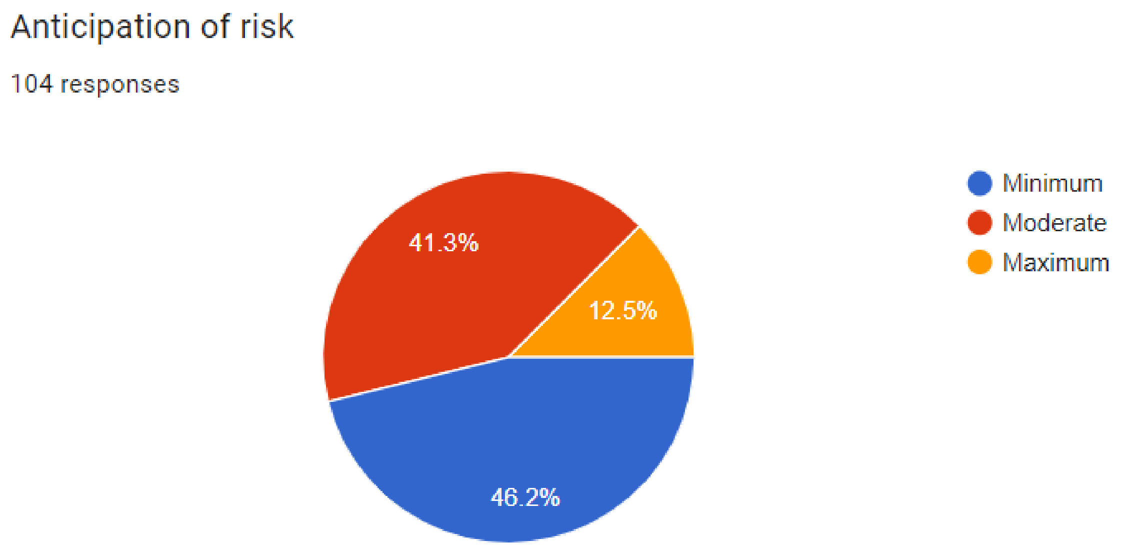
In the study of investor awareness and attitude toward mutual funds, it's found that 50 % of the population favors short-term investments while the other 50% leans towards long-term investments. This divide underscores the diversity in investor preferences, with some prioritizing quick returns and others focusing on sustained growth over time.

Are you interested in mutual fund investment



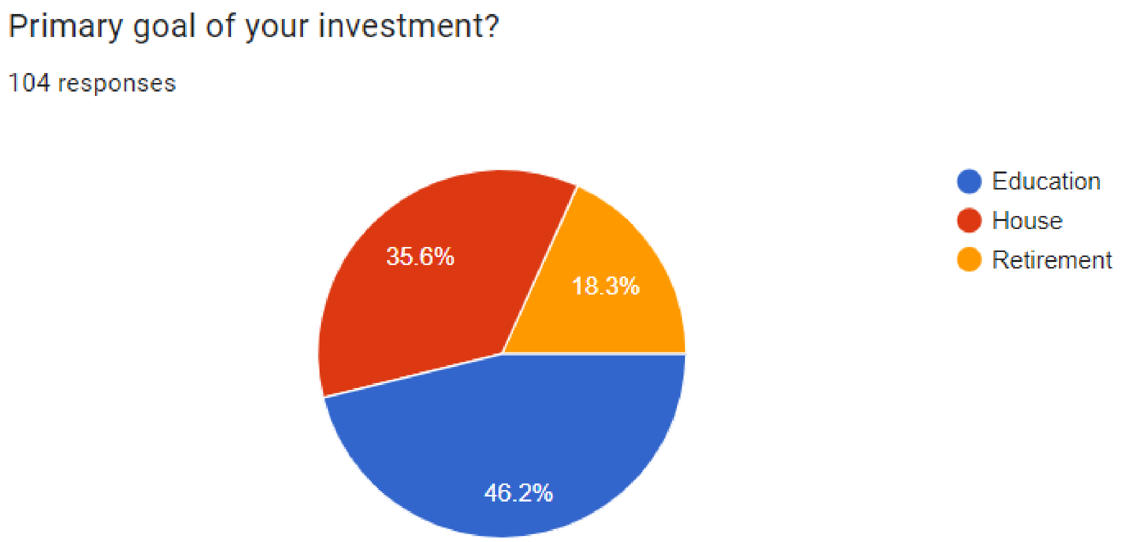
With 82.7% of people showing interest in mutual funds, it's evident that they appeal to a significant majority. Mutual funds offer a diversified investment option, pooling funds from multiple investors to invest in various securities like stocks, bonds, or other assets. This diversification helps spread risk and potentially enhances returns. However, it's crucial to note that 17.3% of people aren't interested, possibly due to preferring other investment avenues or lacking understanding of mutual funds' benefits. Overall, mutual funds remain a popular choice for many seeking to grow their wealth through diversified investments.

Anticipation of Risk



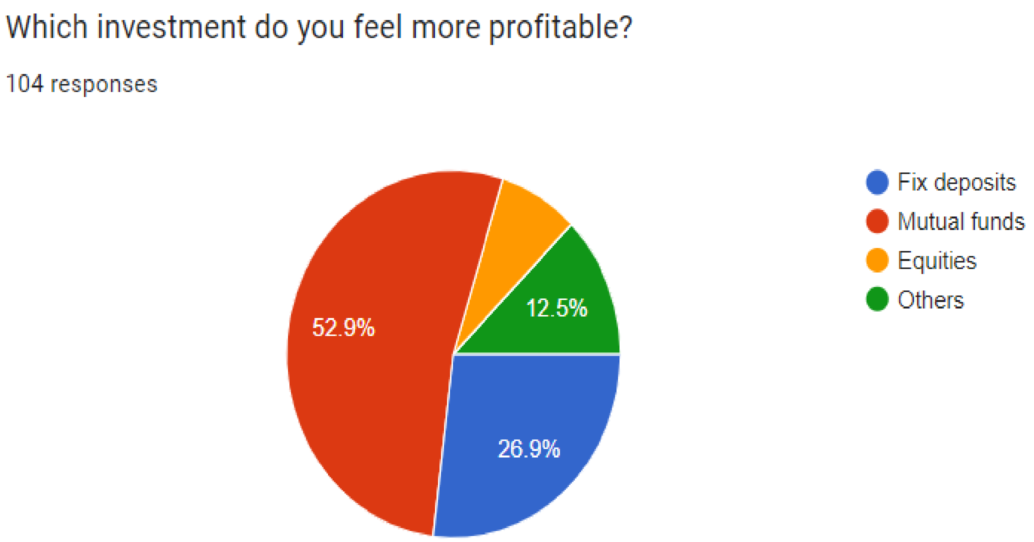
As we can see that in pie chart 46.2% of people think the anticipation of risk is minimum, 41.3% think it's moderate, and 12.5% think it's maximum, it suggests varying degrees of perception regarding how much risk is anticipated in a given situation. This kind of data can be valuable for understanding public attitudes towards risk management or decision-making processes.

Primary goal of your investment?



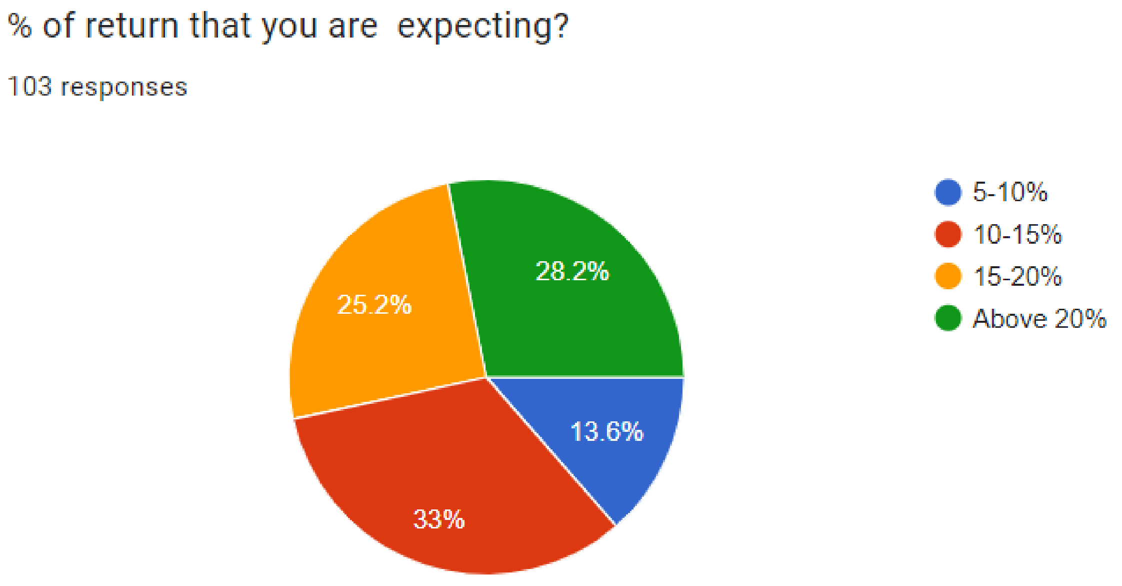
As we can see that in pie chart Investing 46.2% in education ensures future opportunities and personal growth through learning. Allocating 35.6% for housing secures stability and a place to call home, with potential for appreciation. Setting aside 18.3% for retirement builds a financial safety net for comfortable golden years.

Which investment do you feel more profitable?



Among the surveyed options, mutual funds seem to be perceived as the most profitable investment, with 52.9% of respondents voting in favor. Fixed deposits follow with 26.9%, while equities trail behind with 12.5%. The remaining 7.7% of respondents opted for other investment options. However, it's important to note that the perceived profitability of an investment can vary depending on individual financial goals, risk tolerance, and market conditions.

% return that you are expecting?



In the above pie chart

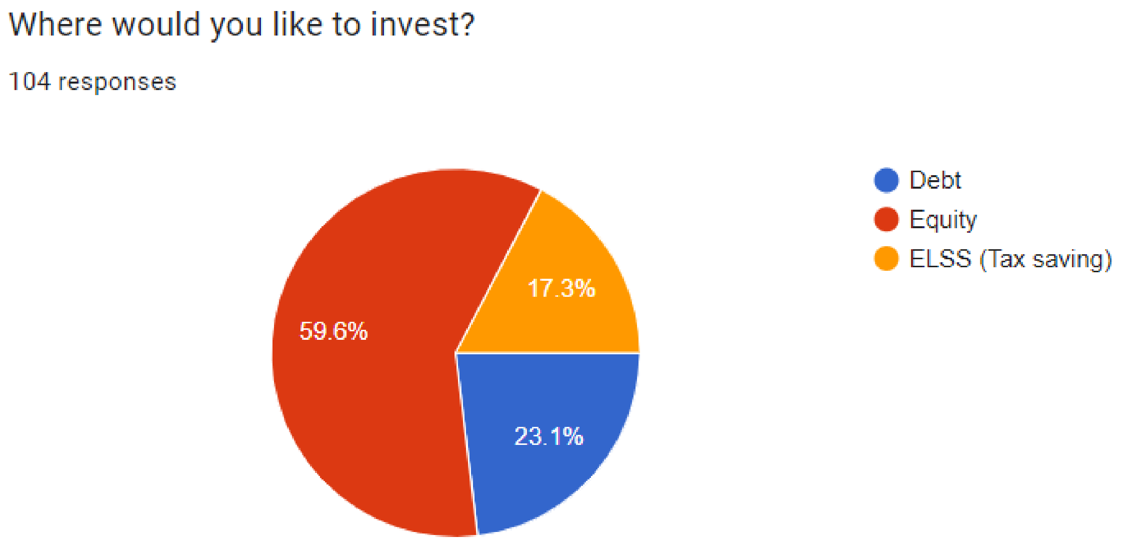
- 13.6% aim for a 5-10% return

- 33% target a 10-15% return

- 25.2% are seeking a 15-20% return

- 28.2% are looking for returns above 20%

Where would you like to invest ?



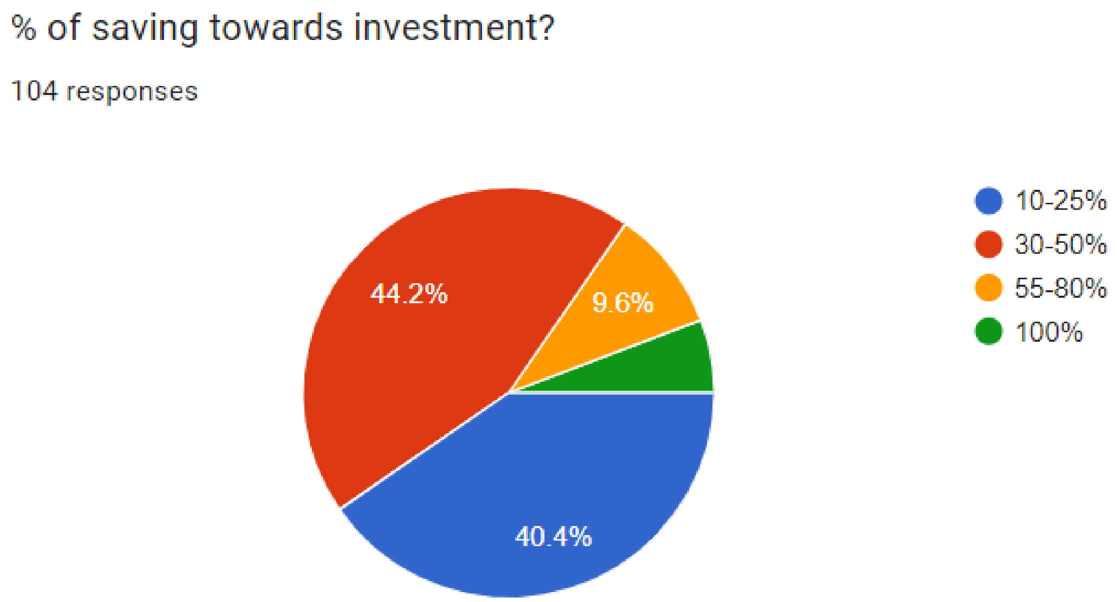
Among the surveyed individuals:

- 23.1% prefer investing in debt.

- 59.6% favour investing in equity.

- 17.3% opt for ELSS (tax-saving) investments.

% of saving toward investment?



In the above pie chart

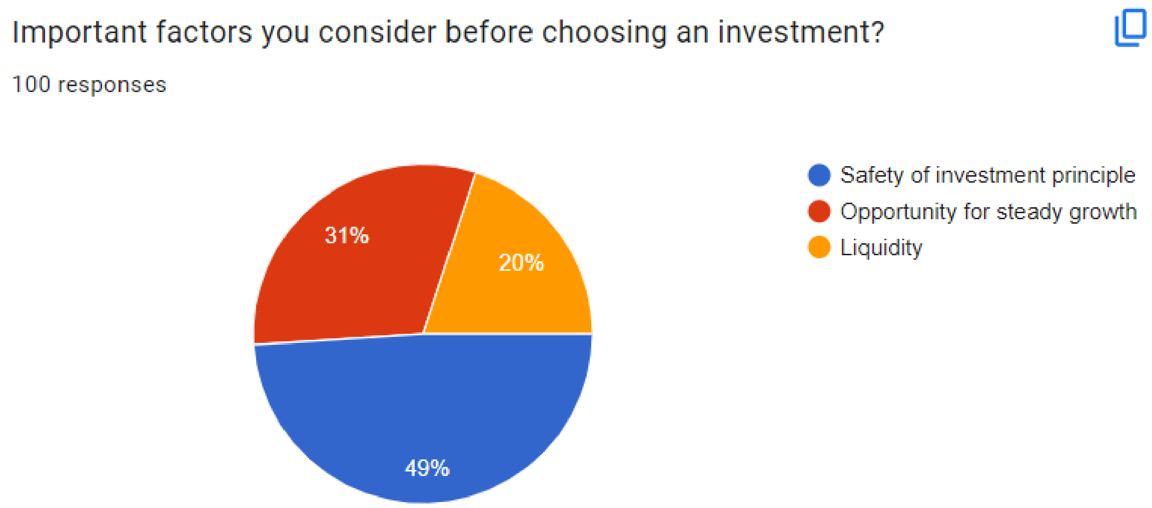
- 40.4% plan to save 10-25% of their income towards investment.

- 44.2% aim to save 30-50%.

- 9.6% intend to save 55-80%.

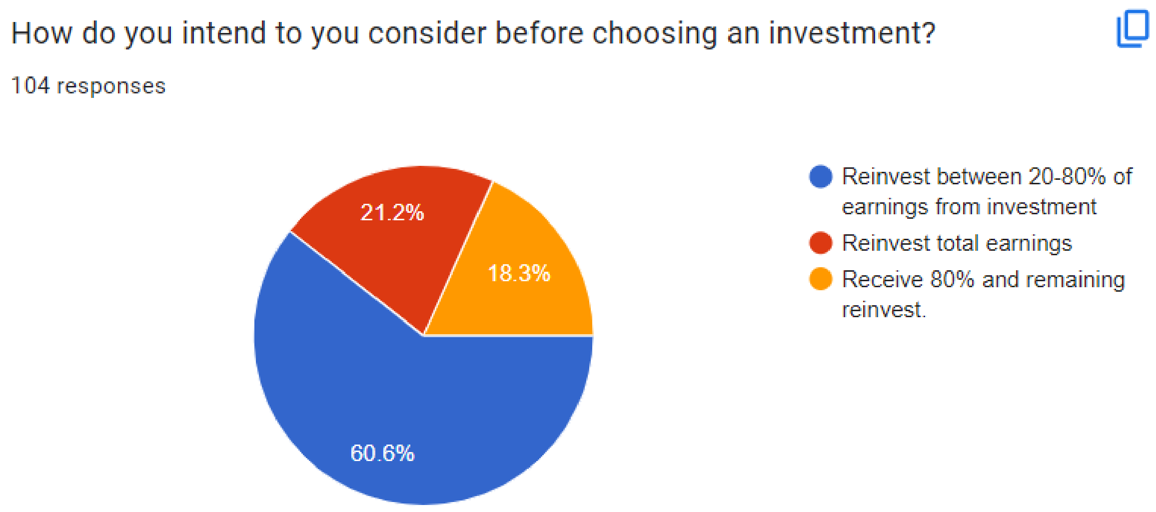
- 5.8% plan to save 100%.

Important factors you consider before choosing an investment?



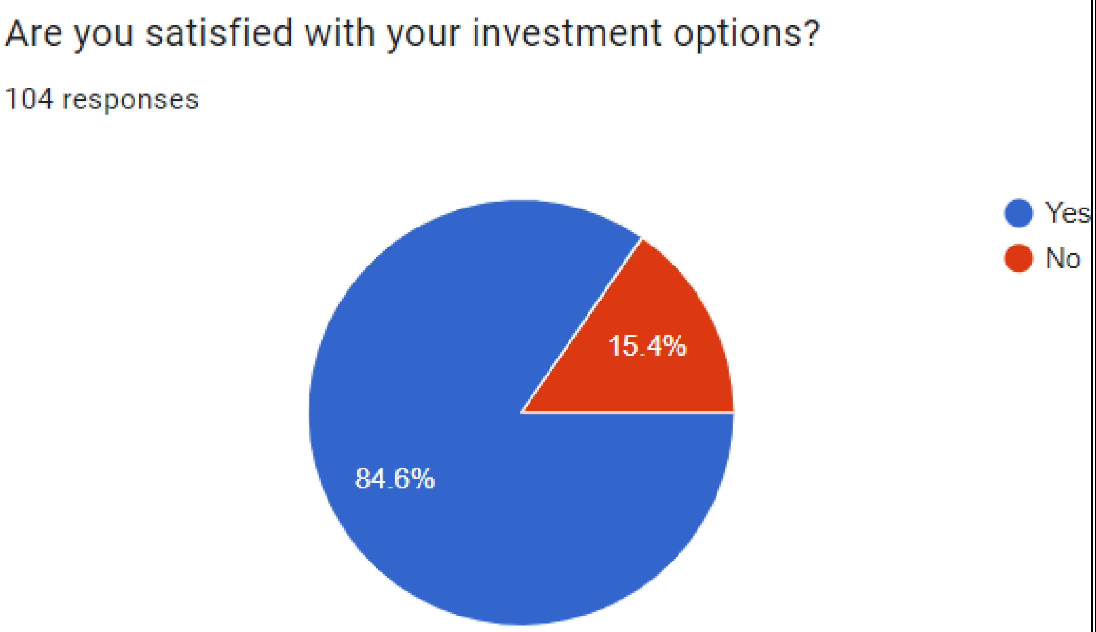
When considering investment options, individuals weigh various factors to align with their financial goals and risk tolerance. For 49% of respondents, the paramount concern is the safety of their investment principle, prioritizing stability and security over potentially higher returns. Meanwhile, 31% seek investments offering steady growth prospects, aiming to balance risk with long-term profitability. Additionally, 20% prioritize liquidity, valuing the ability to quickly access funds when needed. These diverse perspectives underscore the importance of aligning investments with individual financial objectives and risk preferences.

How do you intend to you consider before choosing an investment?



In considering investment strategies, the majority, comprising 60.6% of respondents, aim to reinvest a portion, ranging between 20% to 80%, of their earnings from investments. Meanwhile, 21.2% opt to reinvest their total earnings, emphasizing a commitment to capital growth. On the other hand, 18.3% prefer to receive 80% of their earnings and reinvest the remainder, reflecting a balanced approach between enjoying returns and reinvestment for future growth.

Are you satisfied with your investment options?



The satisfaction level with investment options is notably high, with 84.6% of respondents expressing contentment. This indicates a strong confidence in their chosen investment avenues. However, 15.4% report dissatisfaction, suggesting room for improvement or a need for reassessment of investment strategies to better align with individual financial goals and risk tolerance.

VI. CHAPTER

FINDING AND SUGGESTION

Finding

- From the study it was found out of 104 respondents that majority of the investors are female (58.1%) and less numbers of males (42.9%) are investing as an investor.
- Majority of the investors are young and they have just started their career. It might be possible that this respondent does not have complete knowledge of mutual fund.
- Out of 104 respondents 26.9% Investors preferred fixed deposit, 52.9% mutual fund, 10.2% Equities, 7.7% other It shows that Mutual fund has gained popularity among the investors and they also prefer it is as an Investment.
- Majority of the investors consider high returns, low risk factor and company image while investing their money.
- From this study found that few investors have full awareness about mutual fund.
- Out of the 104 respondents 59.6% investors are invest their money in Equity mutual fund (growth & dividend), 23.1% investors are investing their money in Debt fund and few investors are using tax benefit (ELSS) scheme in mutual fund.
- Out of 104 respondents 84.6% of investors are satisfied with their investment option and other 15.4% investors are not satisfied with their investment option.

Suggestion

• Proper guidelines must be provided to Business, agricultural people for improving their awareness regarding investments.

• Dealers can create more awareness regarding mutual fund to increase investor's attitude towards mutual fund

• Dealers can have a friendly approach with investors to promote investor's decision making power on mutual

• More awareness programme to be given to low income groups (up to 10000) to promote investment in mutual fund.

• More awareness programme to be given to lower education level people (That is Higher Secondary, SSLC and Below SSLC)

VII. CHAPTER

CONCLUSTION

In conclusion, the objective which is set to study the Investors perception toward investing in mutual funds as per the sample size and test which is applied to the study. found that the investors are choosing or feeling confident in investing in mutual fund because they think that mutual fund is minimum risky than other investment option. Investors are increasingly gravitating towards mutual funds due to several factors. Mutual funds offer diversification, professional management, and ease of access, making them attractive to a wide range of investors. Additionally, mutual funds provide options catering to various risk appetites and investment goals, further widening their appeal. Overall, the trend suggests a growing preference for mutual funds among investors seeking convenience, diversification, and professional management for their investments.

Null Hypothesis (H0): There is no significance relationship between investor awareness and attitude toward preference of mutual fund.

Alternative hypothesis (H1): There is a significant relationship between investor awareness and attitude toward preference of mutual fund.

After the analysis of data, it can be concluded that null hypothesis is rejected as there is significant relationship between investor awareness and attitude toward preference of mutual fund.

VIII. CHAPTER
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ANNEXURE

1. Are you planning to save?
    a) Yes
    b) No

2. Do you have any investment plan?
    a) Yes
    b) No

3. Preferable investment plan?
    a) Short term
    b) Long term

4. Are you interested in mutual fund investment ?
    a) Yes
    b) No

5. Anticipation of risk ?
    a) Minimum
    b) Moderate
    c) Maximum

6. Primary goal of your investment?
    a) Education
    b) House
    c) Retirement

7. Which investment do you feel more profitable?
    a) Fix deposit
    b) Mutual fund
    c) Equities
    d) Other

8. % of return are you expecting ?
    a) 5-10%
    b) 10-15%
    c) 15-20%
    d) 20- above

9. Where would you like to invest ?
    a) Debt
    b) Equity
    c) ELSS (tax saving)

10. % of saving towards investment?
    a) 10-25%
    b) 30-50%
    c) 55-80%
    d) 100%

11. Important factors you consider before choosing an investment?
    a) Safety of investment principle
    b) Opportunity for steady growth
    c) Liquidity

12. How do you intend to you consider before choosing an investment?
    a) Reinvest between 20-80% of earnings from investment
    b) Reinvest total earnings
    c) Receive 80% and remaining reinvest.

13. Are you satisfied with your investment options?
    a) Yes
    b) No