Chapter 5

Major Findings
The percentage of savings parked by graduates in mutual funds is found to be less compared to postgraduates. So as education level increases, people tend to invest more in mutual funds. Also it was found that as monthly income increases, the percentage of investment in mutual fund also increases.

2. The motive of investment (Tax planning, Income, Capital Appreciation) in Mutual funds is determined by Age, education and Monthly income of the investor. The below 30 age group is invest in mutual funds, majorly for tax planning and capital appreciation. The motive of investment of 40-50 & 50-60 age group is majorly income and capital appreciation. Therefore higher the age, the motive of investment shifts from tax planning to income and capital appreciation. It was found that respondents with higher education level invest in mutual funds for capital appreciation. The lower the monthly income, the motive of investment in mutual funds is tax planning, higher the monthly income, the motive is capital appreciation.

3. Monthly income determines the type of investment in Mutual funds. Respondents with lower income invest more in debt and those with higher income invest more in equity funds.

4. Age, place of residence and monthly income, determines the major concerns of investment in Mutual funds. Risk was the major concern for below 30 age group. The higher age group was found to be aware of liquidity and management fees, but the senior age group was found to be concerned with returns majorly. It is inferred that urban investors were aware and concerned with all attributes of mutual funds, but major thrust was on return and risk. It was inferred that, investors with lower monthly income, are concerned with return and risk, as income increases, the percentage of investment in mutual fund increases, and investors also learn about liquidity
invest more in Public Mutual funds.

6. Education level of respondents is a significant attribute in the selection of Information source for mutual fund investments. It is inferred that the information source to target the group with higher education are mutual fund agents and media. Whereas the respondents with lower education level, depend more on information from colleagues and agents. Their exposure and awareness from media is less.

7. Age of respondents is a significant attribute in perceiving the satisfaction level of service offered by Mutual Funds. Higher the age, expectation sof investors increase and the satisfaction level with services offered by mutual funds decrease. Only 25% of the investors in the age group are satisfied with the services offered by mutual funds.

8. The expectation of returns from Mutual Funds is not dependent on any specific demographic profile. All respondents irrespective of their demographic profile look forward to good returns from Mutual Funds.

Factors affecting the choice of public and private mutual fund investments

1. Information source and preference for Public and Private Mutual Funds, have a significant impact, the mutual fund companies should carefully market their products. It was found that major investors in public mutual funds, get information from colleagues, rather than from the media. Where as in the case of private mutual funds, major source of influence is mutual fund agents. 72% respondents who invest in public mutual funds, 29% are influenced by colleagues, 32% by Mutual fund agents and 11% by Media. Of the 28% respondents who invest in Private mutual funds, only 1% is influenced by colleagues, 25% by Mutual fund agents and 2% by media.
capital appreciation.

3. Public mutual funds are a choice for **debt investments** and private mutual funds are perceived to be good for **equity investments**. This is true since public mutual funds invest mostly in government securities. Of the 72% respondents who invest in public mutual funds, 30% invest in Debt funds, 26% invest in Hybrid funds and 13% invest in Equity funds. The second set with respect to Private funds. Of the 28% respondents who invest in Private mutual funds, of investment of public funds. 07% invest in Debt funds, 9% invest in Hybrid funds and 12% invest in Equity funds.

4. **Return and risks** are major concerns in mutual fund investments. Aggressive investors prefer private mutual funds and Conservative investors prefer investment in Public Mutual funds. Of the 72% respondents who invest in public mutual funds, the concern of 23 % is return, 46% is risk, 1% is liquidity and 2% is management fee. Of the 28% who invest in private funds, the concern of 24% is return and 4% is risk.

5. **Service expectations** are equally important for investors of both public and private mutual funds. Of the 72% respondents who invest in public mutual funds, only 24% is satisfied. Of the 28% who invest in private mutual funds, only 10% is satisfied with the service.

6. Of the 72% respondents who invest in public mutual funds, 58% is satisfied with the returns. Of the 28% who invest in private mutual funds, only 6% is satisfied with the Returns.
2. There is no significant difference in the returns between the select debt funds from 2003 to 2013.

3. Therefore there is no significant difference in the returns between the select hybrid funds from 2003 to 2013. But the mean return of private funds is more than mean returns of public funds.

4. Therefore there is no significant difference in the dividends between the select equity funds from 2003 to 2013. But private funds have paid out more dividends.

5. Therefore there is significant difference in the dividends between the select debt funds from 2003 to 2013. Private funds have paid out more dividends.

6. Therefore there is significant difference in the dividends between the select hybrid funds from 2003 to 2013. Private funds have paid out more dividends.

7. It is found that percentage change in NAV is more in Private equity funds compared to public mutual fund over the years.

8. Among equity fund only 2 funds have beta more than one, whereas 6 private fund have beta more than one. Therefore private mutual funds are found to be more volatile than market, compared to public mutual funds. Among debt funds, private fund are found to have a higher standard deviation. Among hybrid fund also, private funds are found to be more volatile than market.

9. The greater a portfolio's Sharpe ratio, the better its risk adjusted performance has been. While a high and positive Sharpe Ratio shows a superior risk-adjusted performance of a fund, a low and negative Sharpe Ratio is an indication of unfavorable performance. Among the funds considered, public funds are found to have a lower Sharpe ratio.
private fund has R-Squared value 1, which shows that public funds are less volatile and more in sympathy with market.

12. There is significant difference in the expense ratio between the private and public funds from 2003 to 2013. Private sector funds also have significantly high expense ratio compared to public sector funds in Equity and hybrid category.