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"A Study on Individual Perception & Consumer Behaviour on SBI Mutual Fund"

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ABSTRACT

The purpose of this study, "A Study on Individual Perception & Consumer Behaviour on SBI Mutual Fund, Nagpur," is to investigate how investors see and use SBI mutual funds. It seeks to ascertain the factors that impact their choices, the difficulties they encounter, and their level of mutual fund option awareness.

The study, which is based on a survey of 100 investors, finds that although many people are aware of the advantages of mutual funds—such as increased returns, diversification, and professional management—a sizable portion are hesitant to invest because they lack the necessary knowledge, find it difficult to choose funds, or depend on agents for advice. Despite lower returns, many investors still Favor more conventional choices like fixed deposits because they think they are safer.

To help investors make wise decisions, the report highlights the need for increased awareness, simpler investment procedures, and better financial education. Financial organizations and legislators can create more effective plans to persuade more people to choose mutual funds as an intelligent and convenient investment choice by better understanding investor behaviour.

The study also emphasizes how marketing initiatives, individualized financial advising services, and streamlined paperwork can be quite helpful in closing the gap between investor interest and participation. In the long run, mutual funds will be a more popular investment option if investor confidence is increased through transparency, digital accessibility, and regulatory assistance.

CHAPTER: 01

INTRODUCTION

INTRODUCTION TO MUTUAL FUNDS IN INDIA

With the establishment of the Unit Trust of India (UTI) by the Indian government in 1963, mutual funds were first made available in India. UTI dominated the market and was the sole mutual fund accessible for more than 20 years. But in 1987, public sector banks like Punjab National Bank, Canara Bank, and State Bank of India joined the market, giving investors more choices.

When the Indian government opened the mutual fund market to private firms in 1993 as part of the Liberalization, Privatization, and Globalization (LPG) reforms, it marked a significant turning point. Because of the increased competition and innovation brought about by this action, mutual funds are now more widely available and appealing to individual investors.

Kothari Pioneer was the first private mutual fund in India. It subsequently merged with Franklin Templeton, launching a fiercely competitive and quickly expanding mutual fund market.

WHAT IS A MUTUAL FUND?

Professional fund managers oversee a mutual fund, which is a pooled investment in which numerous people contribute money. Depending on the goal of the fund, this money is
invested in a variety of instruments, including stocks, bonds, and other assets.

Diversification is one of the main benefits of mutual funds; rather than putting all of their money into one stock or bond, investors spread their money over a variety of assets, which lowers risk. Furthermore, professionals who keep an eye on market developments and make investment choices on behalf of clients oversee mutual funds. They take a tiny management fee in exchange, and that amount is subtracted from the returns.

In India, mutual funds have grown in popularity as an investment option due to their quick liquidity, professional management, and diversity. Mutual funds offer a straightforward and efficient method for everyone, regardless of experience level, to increase wealth over time while successfully managing risk.

DEFINITION:

A mutual fund is a kind of investment in which several investors combine their funds to form a larger fund. Professional fund managers then oversee this fund, allocating the funds to various assets such as stocks, bonds, and other securities in accordance with the fund's goal.
Units or shares of the fund are owned by each investor, and the performance of the fund determines their returns.

Mutual fund types serve a variety of financial objectives. Aggressive growth funds, for instance, make investments in rapidly expanding industries or businesses with the goal of generating large returns over time. These funds, usually referred to as capital appreciation
funds, are appropriate for investors who are prepared to assume greater risk in exchange for possibly larger returns.

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When private entities were permitted to enter the mutual fund market in 1993, the industry made significant progress as the funds gained popularity. As a result of the increased
competition, innovation, and investment options, mutual funds are now a popular choice among Indians. Mutual funds now provide both novice and seasoned investors with an easy, adaptable, and professionally managed means of increasing their wealth.

Because they provide expert administration, diversity, economies of scale, ease of use, and

liquidity, mutual funds are a well-liked investment choice. Investors do not require extensive financial expertise because professional fund managers make investing decisions.

Mutual funds do have some disadvantages, though. Because investors must pay a variety of fees, including purchase, redemption, management, and transaction costs, high costs are a big worry. Potential returns may occasionally be limited by over-diversification, and overall profits may be lowered by tax consequences. They also differ in type: debt funds concentrate on bonds, equity funds invest in stocks, and balanced funds provide a combination of the two.

Mutual funds offer a multitude of solutions to meet various financial objectives. Before choosing to invest, it is essential to comprehend the risks, expenses, and goals. Investors can choose a fund that fits their risk tolerance and financial needs by carefully weighing these aspects.

Numerous reputable businesses that provide a variety of investment opportunities for various investor types may be found in India's mutual fund sector. Reliance Mutual Fund, UTI
Mutual Fund, ICICI Prudential Mutual Fund, HDFC Mutual Fund, and Birla Sun Life Mutual Fund are a few of the leading mutual fund providers. These businesses have built a solid
reputation by providing a range of investment plans that are suited to different financial objectives and consistently producing returns.

Among these, investors frequently view Reliance Mutual Fund as a dependable and well-

liked option. Because of its extensive investment possibilities and solid track record, this fund company enjoys a high level of trust. But it's important to keep in mind that market
performance is subject to change and that previous performance does not ensure future profits. Even a fund with strong performance now might not continue to have the same outcomes down the road.

When making financial selections, investors should therefore exercise caution and knowledge. When selecting a mutual fund, it's crucial to consider variables including risk levels, market circumstances, and expense ratios rather than just solely on historical
performance. Investors can successfully manage possible risks and maximize returns by making well-considered, research-supported decisions.

WHY SELECT MUTUAL FUND?

The key to investing is striking a balance between risk and return. The overall idea is straightforward: you can potentially earn larger returns if you're ready to take on more risk; if you select safer investments, your returns will often be lower. A bank's fixed deposit (FD), for instance, is a low-risk investment with consistent but modest returns. An investor may receive marginally higher returns than an FD, but at a little higher risk, if they opt for profit bonds or capital-protected funds.

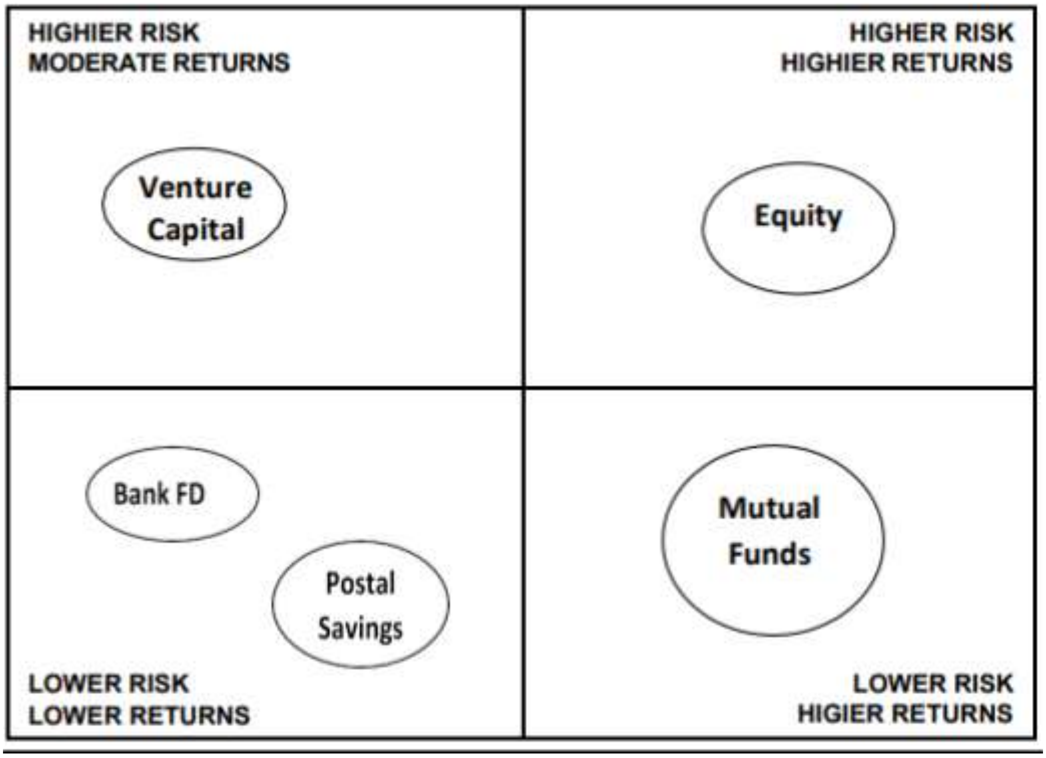
Mutual funds are popular among investors because they provide expert management, diversification, and quick access to funds, all while offering a fair risk-return balance.

It's crucial to keep in mind, though, that mutual funds are not risk-free. Although some funds make investments in low-risk debt instruments, many also make investments in the volatile stock market.

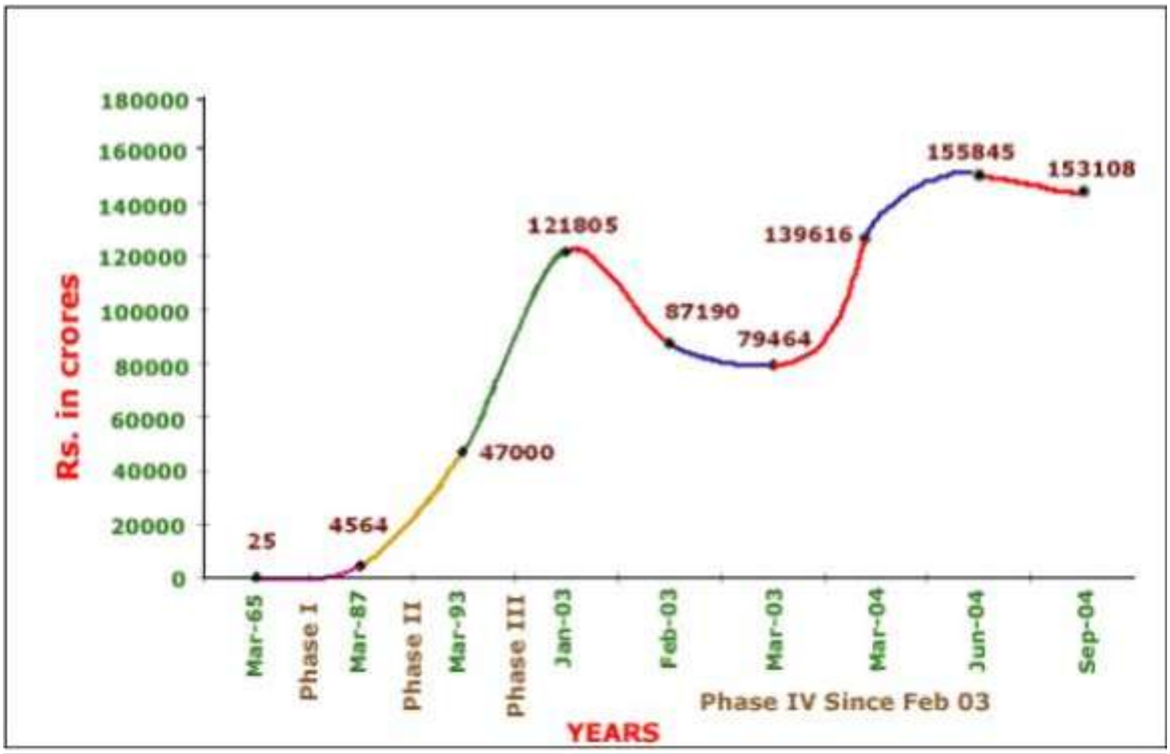
Hedge funds, which invest in derivatives and other intricate financial products, are available to individuals seeking even greater profits. These funds are only appropriate for seasoned investors due to their high risk and market volatility.

Your financial objectives, risk tolerance, and investing schedule will ultimately determine which investment is best for you. Even if mutual funds are a clever approach to increase money, it's crucial to do your homework and make informed investments based on your risk tolerance.

RETURN RISK MATRIX



The graph indicates the growth of assets under management over the years GROWTH IN ASSETS UNDER MANAGEMENT



ADVANTAGES OF MUTUAL FUND

Many people now use mutual funds as their primary investing option, particularly those who lack the time or resources to constantly monitor the market. They provide a number of benefits that simplify and increase accessibility to investment.

1. **Portfolio Diversification:** Diversification is one of the main benefits of investing in mutual funds. Your investment is distributed among a number of assets rather than being concentrated in one or two stocks. This implies that even with a modest sum, you are exposed to a wide range of investments, something that would often take far more money if you were making your own investments. Because diversification reduces risk, if one investment underperforms, the portfolio's other investments can assist compensate.

2. **Professional Management:** The experience of professional fund managers can help even investors with large sums of money. To aid in the fund's growth, these professionals thoroughly investigate investment prospects and make wise choices. They frequently outperform an individual managing their own investments due to their expertise and experience. In today's dynamic and intricate global markets, the majority of investors lack the time and specialized knowledge necessary to consistently choose the best investments.

3. **Reduction/Diversification of Work:** When an investor invests directly, he bears all the risk of possible loss, whether he deposits money with a bank or company, purchases a share or debenture on his own, or invests in any other way. Potential losses are shared with other investors when they invest in the fund pool. The risk reduction is one of the most important benefits of a collective investment vehicle like the mutual fund.

4. **Convenience and Flexibility:** Investor services provided by mutual fund management firms are many and unavailable to direct market investors. It is simple for investors to switch between schemes, obtain up-to-date market data, and more.

5. **Liquidity:** Frequently, investors own bonds or shares that they are unable to sell quickly, easily or directly. When customers purchase units in a fund, they can often cash their investments whenever they choose by selling the units to the fund (if the fund is open-ended) or the market (if the fund is close-end). Investment liquidity is unquestionably a major advantage.

DISADVANTAGES OF MUTUAL FUND

1. **No Control over Cost:** The fact that investors have no direct control over the

expenses related to their investment is one drawback of mutual funds. Even if their investment value declines, management fees are assessed for the duration that they remain in the fund. One of the main advantages of mutual funds is that these fees support competent management and research. Furthermore, investors can be required to pay distribution fees, which they wouldn't have to pay if they were making their own investments. But this is just the cost of the professional management and ease of use that mutual funds offer.

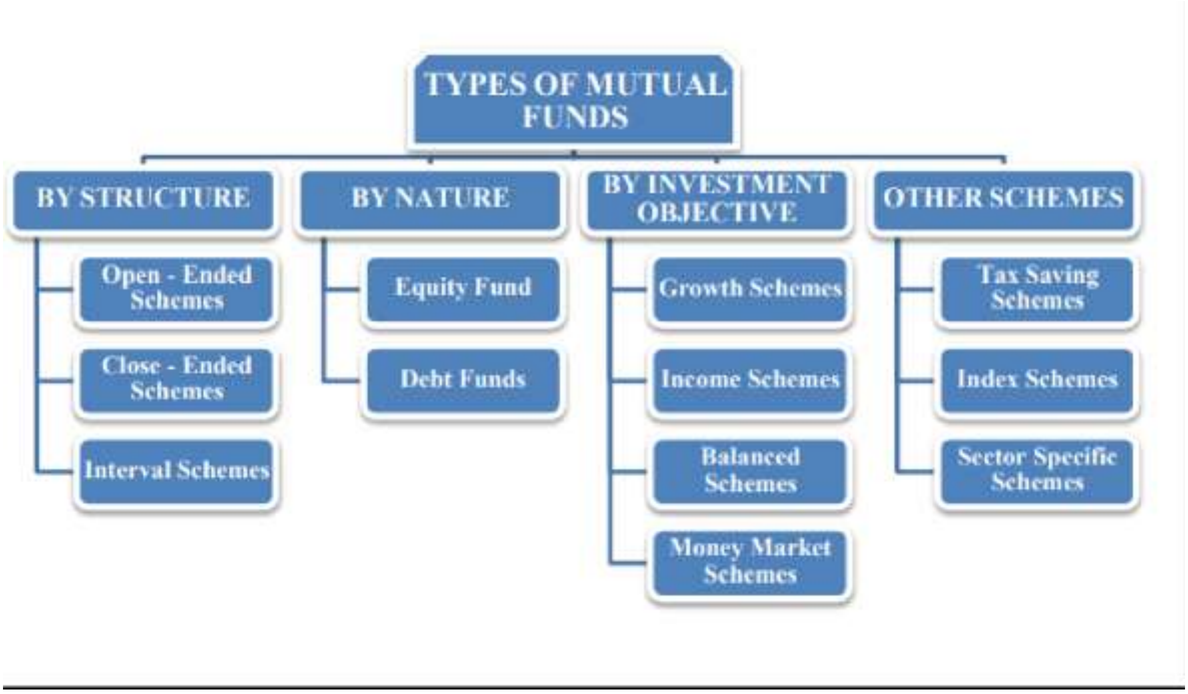
2. **No Tailor-Made Portfolio:** Choosing individual stocks, bonds, and other securities as well as constructing their portfolios are entirely within the power of investors who handle their own funds. However, these choices are made by qualified fund managers when investing in mutual funds. For extremely wealthy people or big businesses with particular investing objectives, this could feel restricting, however the majority of mutual fund companies provide a wide range of products. This gives investors the flexibility to build a portfolio that fits their requirements and tastes by enabling them to mix and match different schemes within the same fund family.

3. **The Wisdom of Professional Management:** That's correct, there is no benefit to this. Although they collect fees, the typical mutual fund manager is no more skilled at stock selection than the typical amateur.

4. **Dilution:** Mutual funds distribute their investments over a large number of stocks, which lowers risk but also lessens the effect of the performance of any one stock.
Because there are so many equities in the portfolio, even if a few top holdings do extraordinarily well, their gains will be diluted. Even if certain individual equities are doing really well, this could not significantly increase the mutual fund's overall returns.

5. **No Control:** When you invest in a mutual fund, you're more like a passenger than the driver. In contrast to choosing your own stocks, where you are in charge of every choice, a mutual fund is run by experts who choose where to put your money. As a result, investing is simpler and takes less time, but you also have less control over the particular decisions that are made.

TYPES OF MUTUAL FUND SCHEMES



A. BY STRUCTURE :

1. **Open - Ended Schemes:** A mutual fund that has no entrance or exit limitations and permits investors to purchase and sell units at any time of the year is known as an open-end fund. Open-end funds are accessible for investment forever, in contrast to closed-end funds, which have a set maturity date.

2. **Close - Ended Schemes:** Only during a predetermined time frame, generally at launch, are closed-end funds available for investment. They have a set maturity duration, usually between three and fifteen years. Like shares, units are then available for purchase or sale on the stock exchange.

3. **Interval Schemes:** The features of open-end and closed-end mutual funds are combined in interval schemes. Investors have the option to buy or sell units at predetermined intervals at NAV-based prices, just like in an open-end fund, but they can also trade units on the stock exchange like in a closed-end fund. This arrangement offers investors a handy choice by striking a balance between
stability and flexibility.

B. BY NATURE:

1. **Equity Funds:** Equity funds invest mostly in equities, which entail greater risk but also have the potential for large profits. The market environment and the fund manager's strategy determine their structure.
There are several kinds of equity funds:

- **Diversified funds** are held in a variety of industries.
- **Mid-Cap Funds:** Contribute to expanding mid-sized businesses.
- Focus on industries with **sector funds**.
- Tax benefits under Section 80C are provided via **ELSS (Tax-Saving Funds).**

These funds are risk-tolerant and have growth potential, making them perfect for long-term investors.

2. **Debt Funds:** Through their investments in corporate and government debt instruments, debt funds provide steady returns at minimal risk. They are perfect for those who prefer safety to large profits.
Different kinds of debt funds:

- **Gilt funds:** are investments in government securities that are sensitive to changes in interest rates but carry no default risk.
- **Income Funds:** A combination of government securities, corporate debentures, and bonds for consistent income is known as an income fund.
- **MIPs:** Monthly Income Plans, or MIPs, are primarily debt-based with a tiny amount of equity that provide stability and room for growth.
- **STPs:** Focusing on short-term debt instruments, short-term plans (STPs) are best suited for periods of three to six months.
- **Liquid Funds:** Funds that are liquid Investing in highly liquid short-term assets is the safest way to provide quick access to cash.

Conservative investors seeking low-risk returns will love these ETFs.

3. **Balanced Funds:** A combination of growth and stability is provided by balanced funds, which invest in both stocks and fixed-income instruments. They are a fantastic option for investors seeking a well-balanced risk-reward strategy because the loan component offers consistent returns while the equity component aids in capital appreciation.

C. BY INVESTMENT OBJECTIVE:

1. **Growth Schemes (Equity Funds) –** With an emphasis on building wealth over the long term, these funds mostly invest in stocks. They have a tremendous
potential for growth even though they could go through brief ups and downs.

2. **Income Schemes (Debt Funds):** These funds invest in bonds and fixed-income instruments with the goal of producing consistent and steady income. Despite their minimal risk, they offer more conservative returns.

3. **Balanced Schemes –** These funds, which invest in both stocks and fixed-income assets, combine stability and growth. They seek to offer capital growth and consistent returns at a moderate risk.
4. **Money Market Funds:** These funds invest in short-term, low-risk securities such as commercial paper and treasury bills with the goal of preserving capital and providing easy liquidity. For investors looking for steady

profits with little risk, they are perfect.

Load Funds: When you purchase or sell units, these funds impose a nominal cost (1-2%). Even if they are expensive, if they provide substantial returns over time, they might still be worthwhile.

No-Load Funds: These ensure that your full investment works for you without deductions because they don't impose entry or exit fees like load funds do.

D. OTHER SCHEMES:

1. **Tax-Saving Schemes (ELSS):** These funds let investors increase their wealth while avoiding taxes. Section 88 of the Income Tax Act provides tax incentives for investments made in Equity Linked Savings Schemes (ELSS).

2. **Index funds:** These are designed to mimic the performance of a stock market index, such as the NSE 50 or the BSE Sensex. They guarantee results that closely resemble general market patterns by investing in the same stocks as the index.

3. **Sector-Specific Funds:** These funds concentrate on a specific industry or sector, including energy, FMCG, IT, or pharmaceuticals. Since their performance is reliant on the expansion of that industry, they carry a larger risk but also a bigger potential return. Investors must keep an eye on market developments and make prudent investments.

CHAPTER: 02

LITERATURE REVIEW

1. A Naik, SG Pramod (2020):

According to the authors, mutual funds have become a popular choice for investors in India since they provide superior returns and expert management when compared to more conventional investing options. Investor preferences are examined in the study, along with their selection of asset management firms, investing strategies (lump sum vs. SIP), and fund options (growth vs. dividend). The writers point out that mutual funds are becoming increasingly important in creating wealth and advancing India's economy as financial literacy rises.

2. SB Mabel (2022):

According to the authors, India’s insurance sector is expanding, but many people are still unaware of its benefits. Private businesses are attempting to expand their customer base by offering a variety of life insurance plans and premium choices. This study examines people's knowledge of life insurance, the factors that affect their decisions, and their level of satisfaction with their plans. Additionally, it collects customer feedback to fill in any gaps and assist the sector go better.

3. R Sharma (2013):

According to the authors, a Mutual Fund is a convenient way for individuals to invest, even with a small amount of money. It functions by combining the funds of several individuals who have similar financial objectives. Depending on the goals of the fund, this pooled money is then managed by experts and invested in a variety of securities, such as stocks, bonds, or money market instruments. Through capital growth and income gained, investors get returns commensurate with their investment. Mutual funds are a great alternative for regular investors since they offer a diverse and reasonably priced investing option.

4. DK Shah (2020):

To purchase a variety of securities, the authors point out that mutual funds are a well- liked investment choice in which the capital of several investors is combined and professionally managed. Mutual funds are now a crucial component of personal financial planning, even though they offer advantages and disadvantages when compared to direct investing.

The way that customers see and invest in mutual funds—more especially, SBI Mutual Funds in Nadiad—is the main subject of this study. The researchers used convenience sampling and a structured questionnaire to gather data from surveys and previous studies. In addition to examining investor awareness, preferences, and satisfaction levels, the study makes recommendations for enhancing financial literacy and assisting investors in making better decisions that will optimize returns.

5. **S Saha (2011):**

It is essential to comprehend consumer behaviour while assessing any product, particularly in the financial industry. Although statistical data, technical analysis, and fundamental analysis are the mainstays of traditional research, investor expectations are a significant factor in deciding an investment's success.

This study measures the expectations, preferences, and considerations that investors consider before making an investment in mutual funds. It also examines the level of knowledge that individual investors have about mutual funds. Between November 2008 and January 2009, a survey was carried out in Kolkata to obtain information.

CHAPTER: 03

COMPANY PROFILE

भारतीय स्टेट बैंक
State Bank of India

The State Bank of India (SBI) is a major force in international finance and the biggest public sector bank in India. It is the only Indian bank to appear on the Fortune Global 500 list (2020), coming in at number 221 and ranking 43rd among the largest banks in the world. Its headquarters are in Mumbai, Maharashtra.

SBI controls most loans and deposits in India, accounting for 25% of total deposits and 23% of assets. With about 250,000 workers, it is also one of India's largest employers.

SBI's history began in 1806, when the Bank of Calcutta was established. Later, it joined forces with the Bank of Madras and the Bank of Bombay to become the Imperial Bank of India.

When the Indian government took over in 1955, it changed its name to the State Bank of India (SBI) and the Reserve Bank of India (RBI) bought a 60% share. Through several mergers and acquisitions over the years, SBI has grown and developed into the financial giant it is today.

CHAPTER: 04

RESEARCH METHODOLOGY

1. OBJECTIVES OF THE STUDY:

- To study investor's view towards SBI mutual fund investment
- To study investment awareness about various mutual fund available.
- To study the impact of agent in selecting the right mutual fund.
- To study the interest in Lump sum/ STP Investment.

2. TYPE OF RESEARCH:

This study is categorized as descriptive research because it aims to describe the behaviour of retail investors and gain insight into their preferences and opinions regarding the different investment options that are available.

3. SAMPLE SIZE:

The sample size was 100 investors.

4. **SAMPLING PROCEDURE:** Convenience sampling was used since, with the help of a few stock brokers, only clients who appeared cooperative and were
available during trading sessions received copies of the questionnaire to complete.

5. SOURCES OF DATA:

- **Primary Data:** A survey approach was employed to collect primary data for this study, with the primary data collecting tool being a questionnaire.

With the assistance of stockbrokers, the questionnaires were distributed, and the 50 chosen respondents were given a thorough explanation of the study's objectives. Their answers gave the researcher insightful information that helped with the data analysis. 10 thoughtfully crafted
questions that were all in line with the study's goals made up the

questionnaire, guaranteeing that the data gathered was pertinent and useful.

- **Secondary Data:** The study's primary subject was supported by the secondary data, which was sourced from reputable websites and specific financial journals.

6. HYPOTHESIS:

The following are the study's hypotheses:

- One of the greatest choices for investments and asset growth is the SBI Mutual Fund.
- Due to the complexity of documentation and a lack of understanding, investors typically Favor brokers over direct acquisitions.

SCOPE OF PROJECT:

The purpose of this study is to identify the investment behaviour of retail investors, their opinion towards mutual funds in comparison to other investment avenues. The study will be beneficial to the organization, as this study focusing on retail investors; will reveal an opportunity to utilize potential investible funds.

LIMITATIONS OF THE STUDY:

- Sample size of 100 is a limitation; the findings may differ with higher sample size.
- Only educated group is targeted here.

CHAPTER: 05

DATA INTERPRETATION

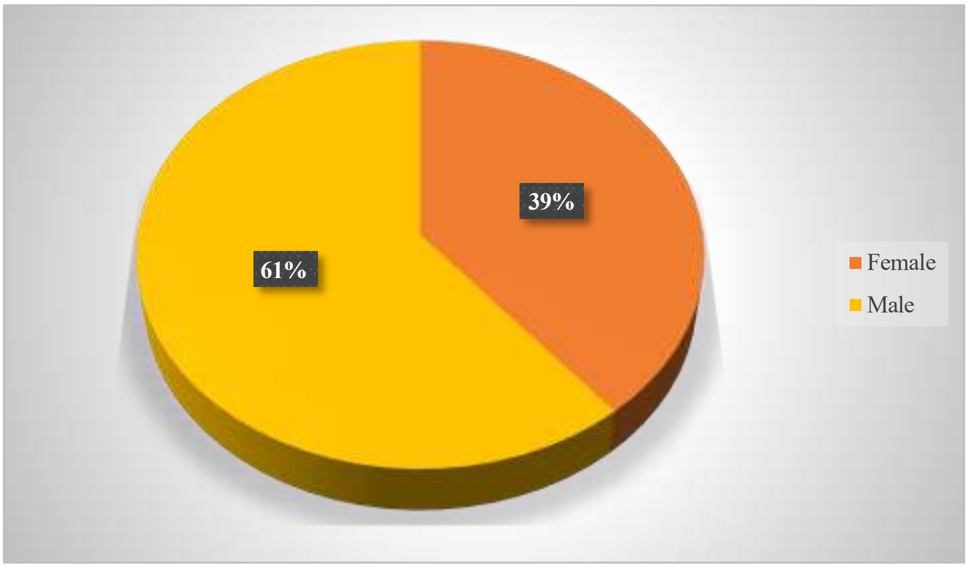
Number of Responses-

Total Number of Responses collected were 100.

GENDER

Gender	*Frequency*	*Percentage*
Female	39	39%

Male	61	61%
Grand Total	**100**	**100%**

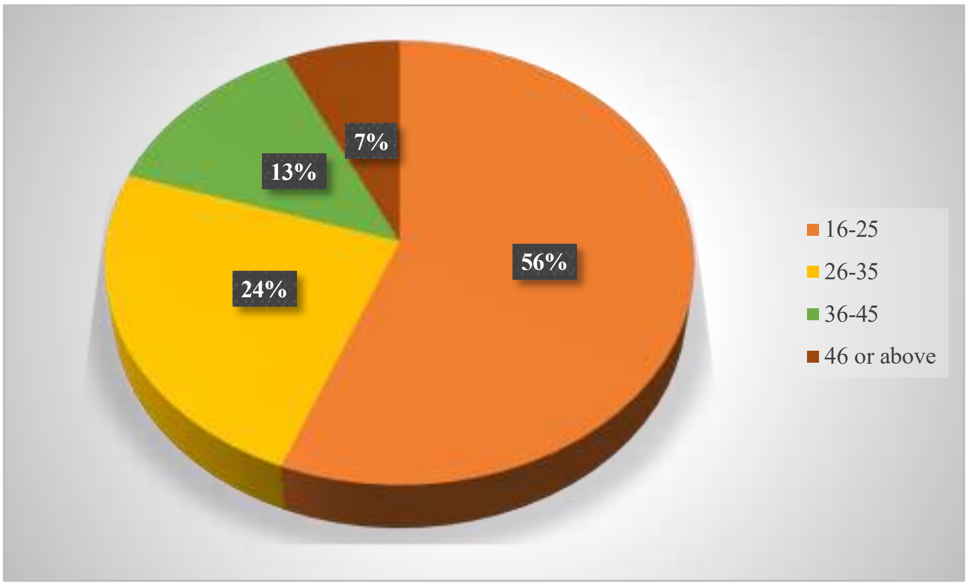


Interpretation:

Among the responses collected, 61% were male, while 39% were female. This distribution provides insight into the demographic composition of the respondents.

AGE

Age	***Frequency***	***Percentage***
16-25	56	56%
26-35	24	24%
36-45	13	13%
46 or above	7	7%
Grand Total	**100**	**100%**



Interpretation:

The age distribution of the respondents indicates that the majority, 56 individuals, fall within the 16-25 age group, followed by 24 respondents in the 26-35 category. The number of participants decreases further with age, as 13 respondents belong to the 36-45 age group, while only 7 respondents are aged 46 or above.

YOU BELONG TO WHICH CATEGORY?

You belong to which Category?	*Frequency*	*Percentage*
Businessperson	20	20%
Freelancer	1	1%
Govt. Employee	17	17%
Lawyer	1	1%
Professional Pvt. Firm Employee	21	21%
Salaried	1	1%
Self Employed	33	33%
Student	6	6%
Grand Total	**100**	**100%**

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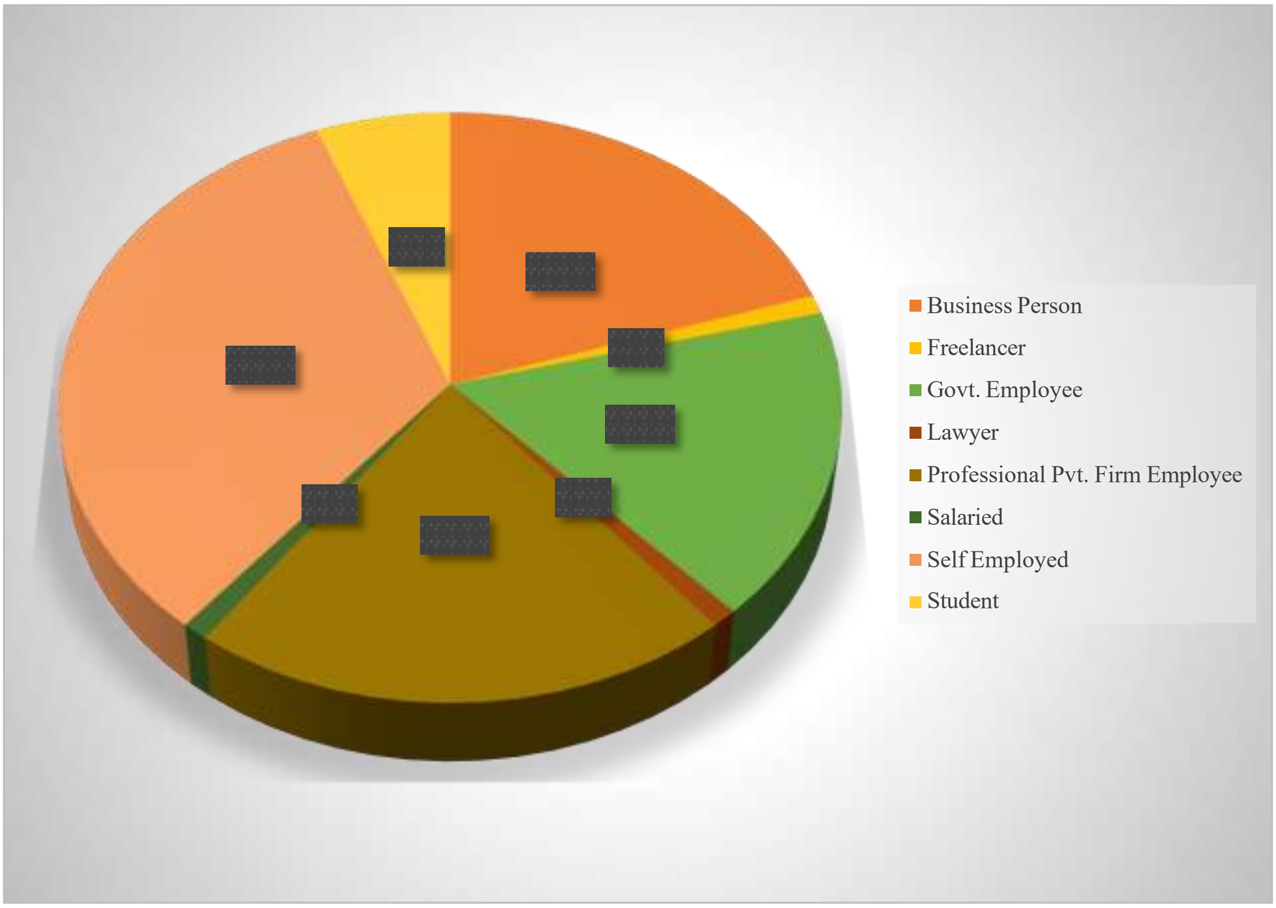


Interpretation:

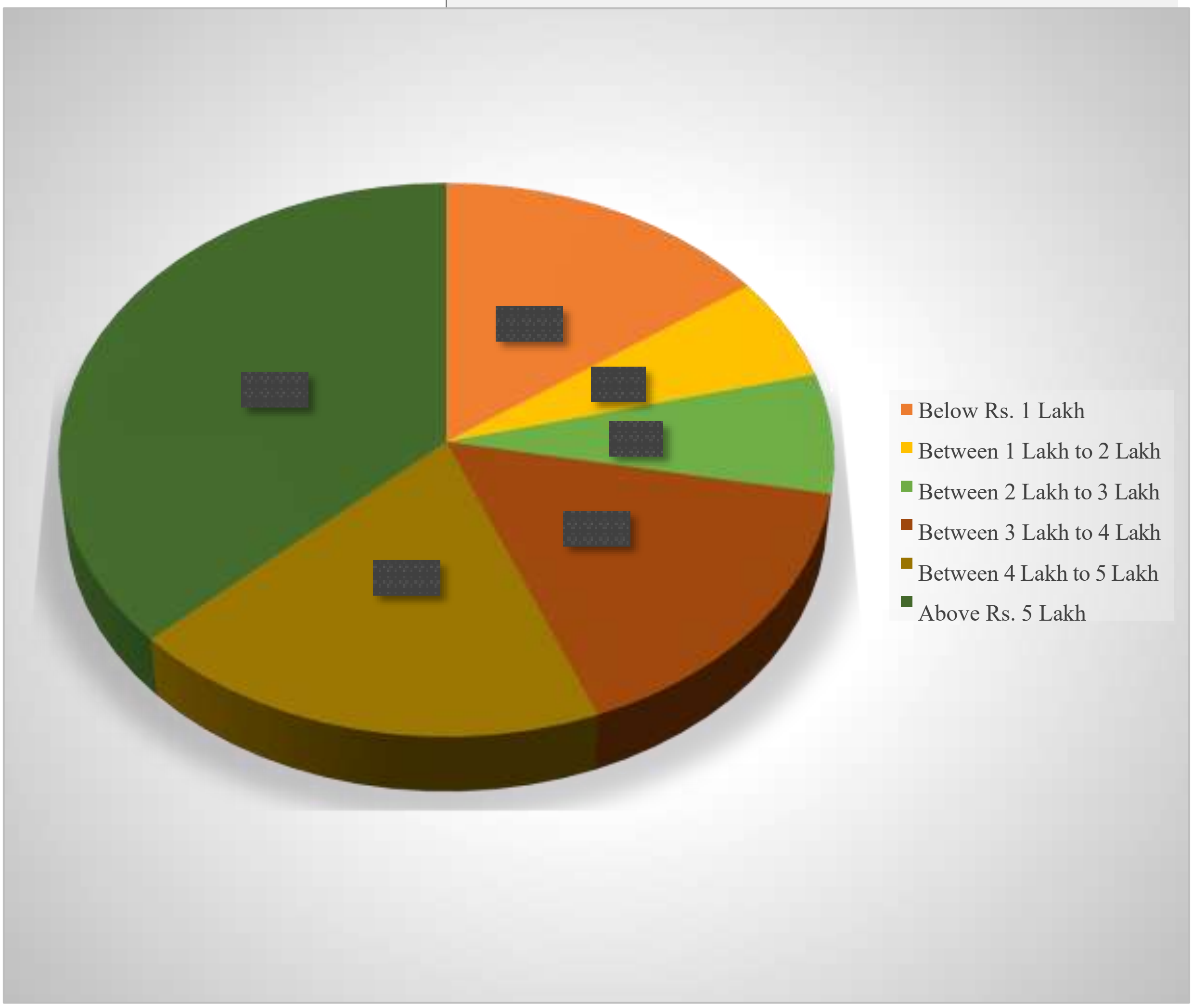
The respondents come from diverse professional backgrounds. The largest group, comprising

33 individuals, identifies as self-employed, followed by 21 respondents working as employees in private firms. Additionally, 20 respondents are businesspersons, while 17 are government employees. Students make up a smaller portion, with 6 participants, whereas freelancers, lawyers, and salaried individuals each account for a single respondent.

YOUR ANNUAL INCOME IS IN THE RANGE OF:

Your Annual Income is in the Range of:	*Frequency*	*Percentage*
Below Rs. 1 Lakhs	15	15%
Between 1 Lakh to 2 Lakh	6	6%

Between 2 Lakh to 3 Lakh	7	7%
Between 3 Lakh to 4 Lakh	16	16%
Between 4 Lakh to 5 Lakh	19	19%
Above Rs. 5 Lakhs	37	37%
Grand Total	**100**	**100%**

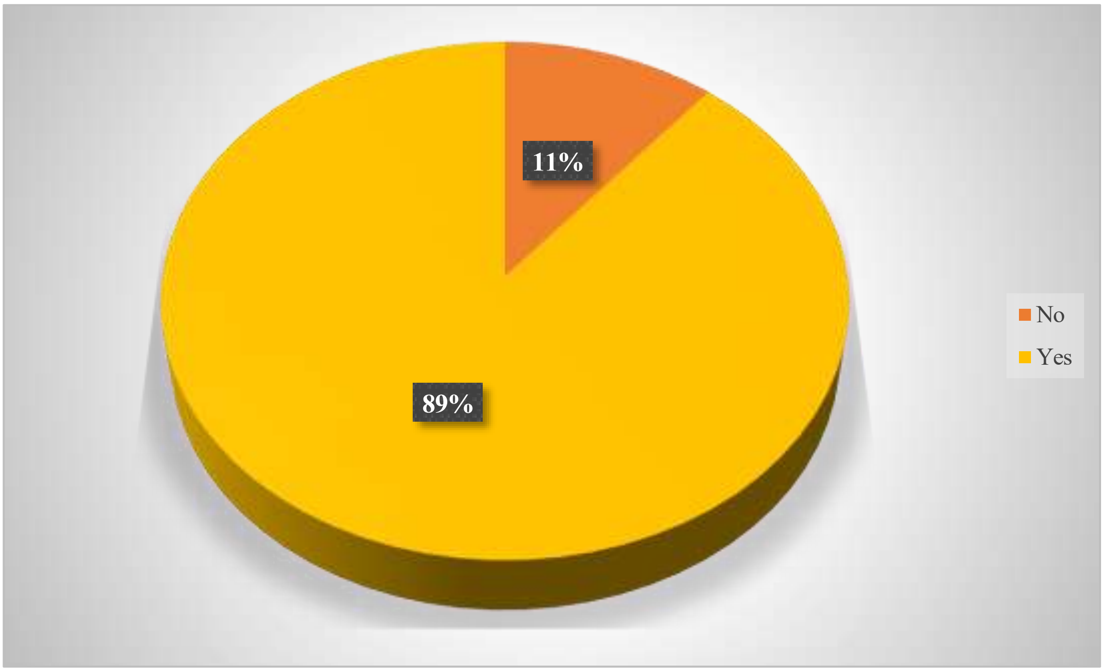


Interpretation:

The annual income distribution of respondents varies across different ranges. The largest group, consisting of 37 individuals, earns above Rs. 5 lakhs annually, followed by 19 respondents in the Rs. 4-5 lakh range. Additionally, 16 participants fall within the Rs. 3-4 lakh bracket, while 7 and 6 respondents earn between Rs. 2-3 lakh and Rs. 1-2 lakh, respectively. The smallest group, with 15 individuals, reports an annual income below Rs. 1 lakh. This data indicates that a significant portion of respondents earn above Rs. 5 lakhs, with fewer individuals in the lower income brackets.

HAVE YOU INVESTED IN SBI MUTUAL FUND?

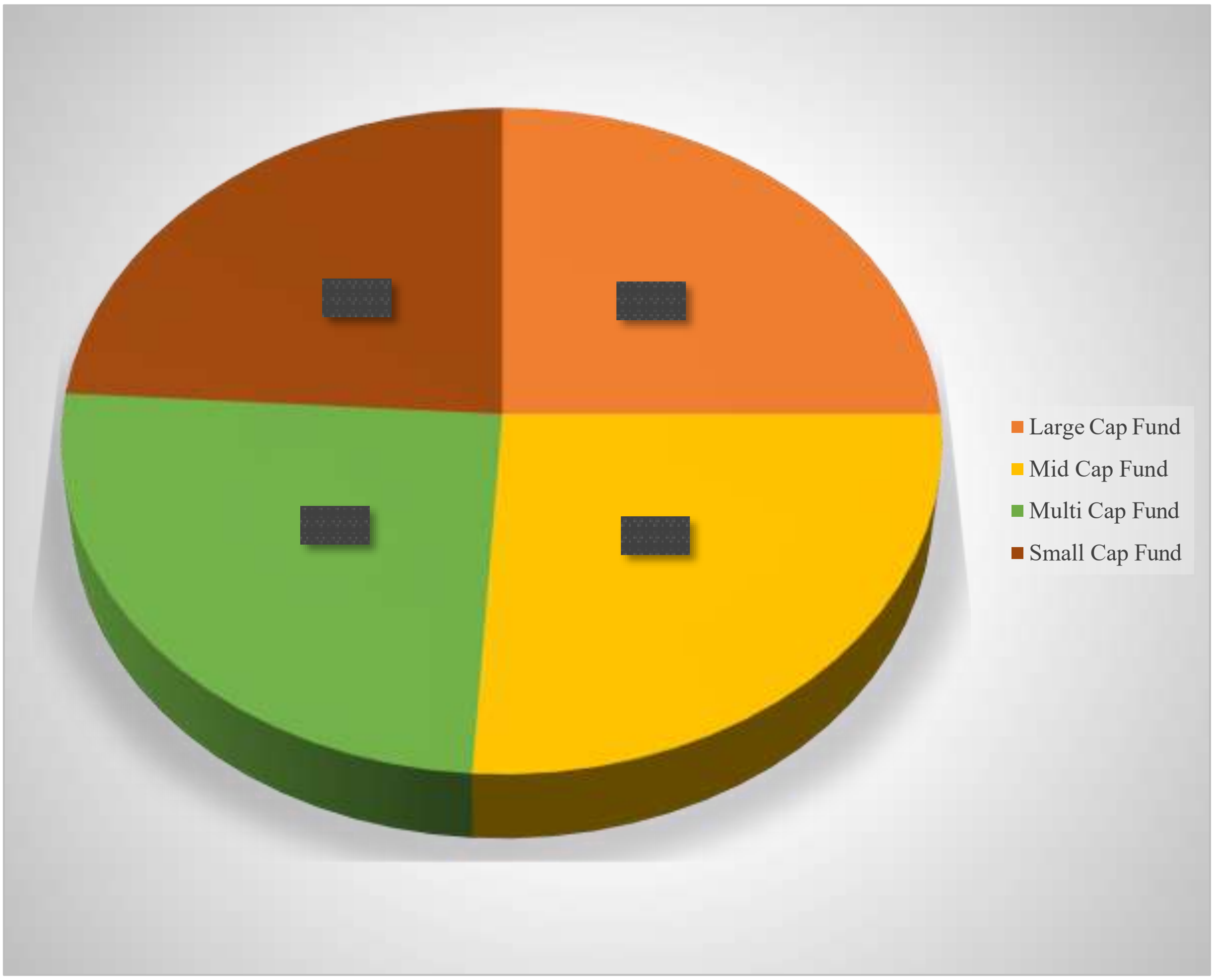
Have you invested in SBI Mutual Fund?	*Frequency*	*Percentage*
No	11	11%
Yes	89	89%
Grand Total	**100**	**100%**



Interpretation: The survey results indicate that a significant majority of respondents, 89 individuals, have invested in SBI Mutual Fund, while only 11 respondents have not. This suggests a strong preference for SBI Mutual Fund among the participants

WHICH SBI MUTUAL FUND SCHEME HAVE YOU USED?

Which SBI mutual fund scheme have you used?	***Frequency***	***Percentage***
Large Cap Fund	25	25%
Mid Cap Fund	26	26%
Multi Cap Fund	25	25%
Small Cap Fund	24	24%
Grand Total	**100**	**100%**



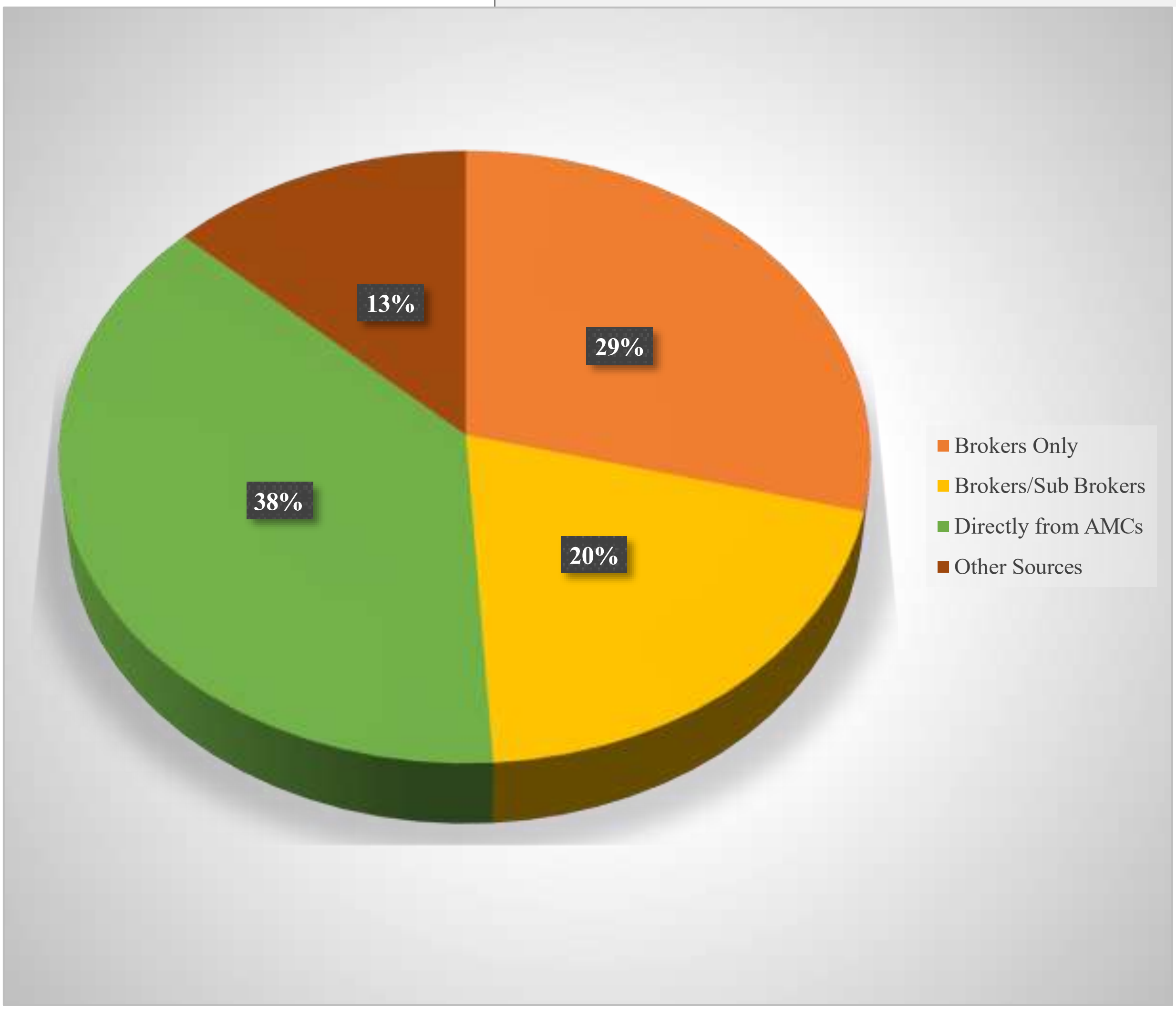
Interpretation:

The distribution of SBI Mutual Fund investments among respondents is balanced across different schemes. The Mid Cap Fund has the highest participation, with 26 respondents investing in it, followed closely by the Large Cap Fund and Multi Cap Fund, each with 25 investors. The Small Cap Fund is chosen by 24 respondents. This indicates a well-diversified investment preference among participants, with no single category overwhelmingly dominating the choices.

WHERE FROM YOU PURCHASE SBI MUTUAL FUND?

Where from you purchase SBI Mutual Fund?	***Frequency***	***Percentage***
Brokers Only	29	0.29
Brokers/Sub Brokers	20	0.2

Directly from AMCs	38	0.38
Other Sources	13	0.13
Grand Total	**100**	**100%**

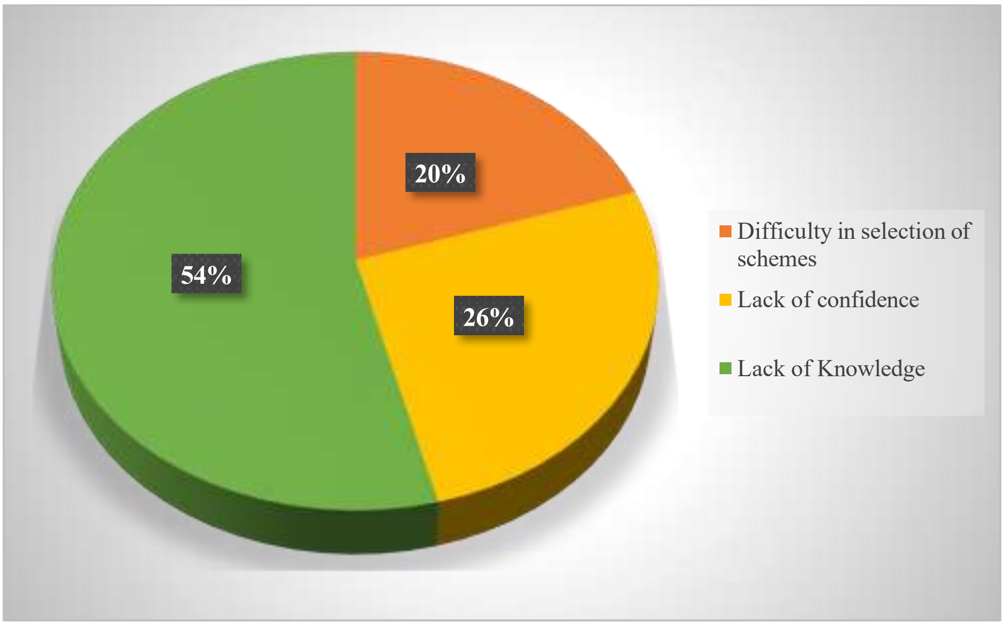


Interpretation:

The survey results indicate that respondents purchase SBI Mutual Funds through various channels. The most preferred method is directly from Asset Management Companies (AMCs), with 38 respondents opting for this approach. Brokers alone facilitate purchases for 29 respondents, while 20 individuals rely on both brokers and sub-brokers. Additionally, 13 respondents acquire their mutual funds through other sources. This distribution highlights a strong preference for direct investment through AMCs, though brokers also play a significant role in fund purchases.

WHICH FACTOR PREVENT YOU TO INVEST DIRECTLY IN SBI MUTUAL FUND?

Which factor prevent you to invest directly in SBI mutual fund?	***Frequency***	***Percentage***
Difficulty in selection of schemes	20	20%
Lack of confidence	26	26%
Lack of Knowledge	54	54%
Grand Total	**100**	**100%**



Interpretation:

The survey results reveal that the primary barrier to directly investing in SBI Mutual Funds is a lack of knowledge, as cited by 54 respondents. Additionally, 26 individuals attribute their hesitation to a lack of confidence, while 20 respondents find the selection of schemes challenging. This suggests that better financial education and guidance could encourage more direct investments in SBI Mutual Funds.

WHERE DO YOU GATHER INFORMATION ABOUT THE PERFORMANCE OF DIFFERENT MUTUAL FUND SCHEME?

Where do you gather information about the performance of different mutual fund scheme?	***Frequency***	***Percentage***
Brokers	23	23%
Financial Institution	24	24%
Internet	28	28%
Magazines	7	7%
TV	18	18%
Grand Total	**100**	**100**

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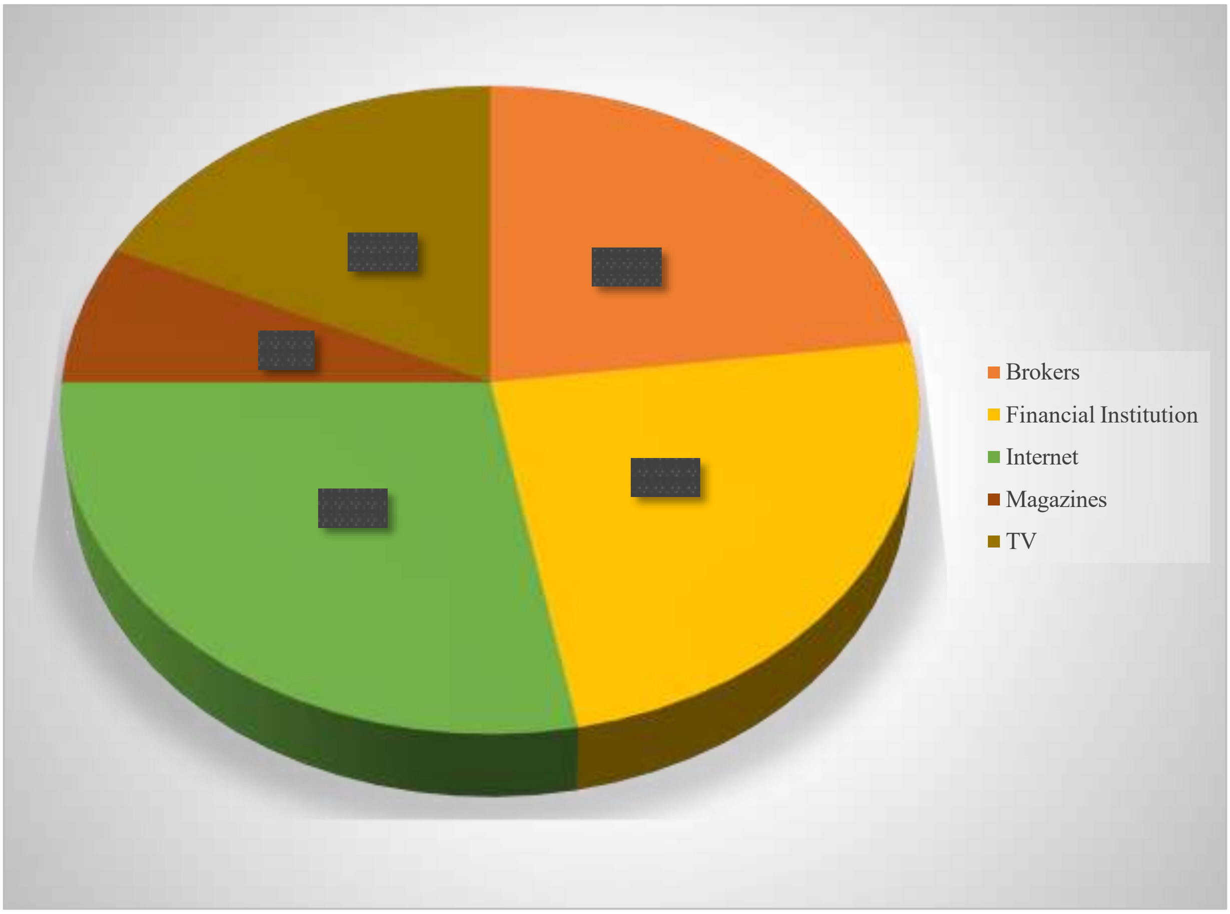


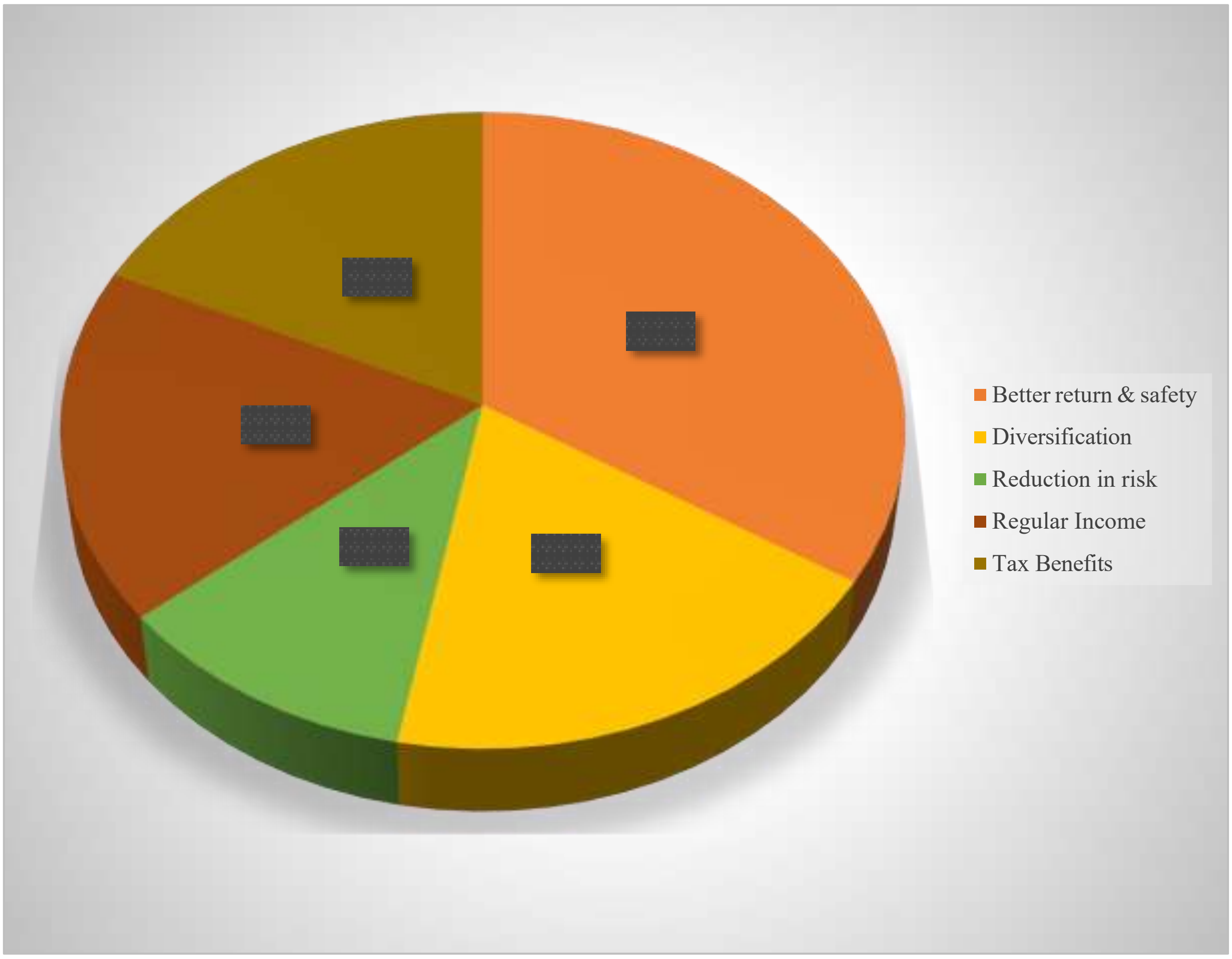
Interpretation:

The survey results show that respondents primarily gather information about the performance of different mutual fund schemes from the internet, with 28 individuals relying on online resources. Financial institutions are the next most common source, with 24 respondents using them for information. Brokers provide insights for 23 respondents, while 18 individuals turn to TV for updates. Magazines are the least popular source, with only 7 respondents using them. This indicates a growing reliance on digital platforms for financial information.

WHICH FEATURES OF THE SBI MUTUAL FUND AWARE YOU MOST?

Which features of the SBI mutual fund aware you most?	***Frequency***	***Percentage***
Better return & safety	34	34%
Diversification	19	19%
Reduction in risk	11	11%

Regular Income	18	18%
Tax Benefits	18	18%
Grand Total	**100**	**100%**



Interpretation:

The survey results highlight that the most recognized feature of SBI Mutual Funds among respondents is the combination of better returns and safety, with 34 individuals emphasizing this aspect. Diversification is noted by 19 respondents, while 18 individuals are aware of the regular income and tax benefits offered by these funds. Additionally, 11 respondents recognize the reduction in risk as a key feature. This suggests that better returns and safety are the primary factors that attract investors to SBI Mutual Funds.

CHAPTER: 06

FINDINGS

Key Findings of the study are:

1. **Investor Awareness and Preferences:** Most of the respondents (89%) have invested in SBI Mutual Fund, with the Mid Cap Fund being the most preferred scheme, followed closely by the Large Cap Fund and Multi Cap Fund. The most recognized feature of SBI Mutual Funds among respondents is the potential for better returns and safety (34 respondents), highlighting the importance of risk management and security in investment choices.

2. **Investment Channels:** A significant portion of respondents (38%) prefers purchasing SBI Mutual Funds directly from Asset Management Companies (AMCs), reflecting a preference for direct investments over intermediaries. However, brokers still play a notable role, with 29 respondents relying on them exclusively. The internet is the most frequently used source of information regarding mutual fund performance, with 28 respondents turning to online platforms for updates.

3. **Barriers to Direct Investment:** A lack of knowledge is the primary factor preventing respondents from investing directly in SBI Mutual Funds, with 54 participants citing this as a major barrier. This highlights a need for greater financial education and awareness.
Other barriers include lack of confidence (26 respondents) and difficulty in selecting appropriate schemes (20 respondents).

4. **Investor Demographics and Income:** Most of the respondents are self-employed (33%) or employed in private firms (21%). A considerable number of respondents (37%) earn above Rs. 5 lakhs annually, indicating that higher-income individuals are more likely to invest in mutual funds. Younger age groups (16-25) dominate the respondent pool, with 56 participants in this age range, which could suggest that younger individuals are more inclined toward mutual fund investments.

5. **Impact of Agents on Investment Decisions:** While many respondents prefer direct investment options, brokers and financial institutions still influence decisions. The study finds that brokers play a significant role in providing information and guiding investment decisions, which indicates the need for more transparency and support for investors in making independent decisions.

6. **Investment Preferences and Features**: The survey found that investors are highly interested in the returns and safety that SBI Mutual Funds offer. Diversification and tax benefits also hold significant appeal, with many respondents citing them as essential features of mutual funds.
Regular income and reduction of risk are also important factors for investors, but they are not as highly prioritized as returns and safety.

Major Findings:

1. High Participation in SBI Mutual Fund: A significant majority of respondents (89%) have invested in SBI Mutual Fund, indicating a strong preference for the brand among investors.

2. Popular Mutual Fund Schemes: The most preferred schemes among respondents are the Mid Cap Fund (26 respondents), followed closely by the Large Cap Fund and Multi Cap Fund, each with 25 respondents. The Small Cap Fund is also popular, with 24 respondents investing in it.

3. Channels of Investment: Most respondents (38%) prefer purchasing SBI Mutual Funds directly from Asset Management Companies (AMCs). Brokers are the second most common investment channel, with 29 respondents relying on them exclusively.

4. Barriers to Direct Investment: A lack of knowledge is the primary barrier preventing respondents from investing directly in SBI Mutual Funds, with 54 respondents citing this as their main concern. Other barriers include a lack of confidence (26 respondents) and difficulty in selecting the right schemes (20 respondents).

5. Information Sources: The internet is the most used source for gathering information about mutual fund performance, with 28 respondents relying on online resources.

Financial institutions and brokers are also key sources, with 24 and 23 respondents using these channels, respectively.

6. Investment Features: The most recognized feature of SBI Mutual Funds is the combination of better returns and safety, highlighted by 34 respondents. Diversification, tax benefits, and regular income are also seen as attractive features, with 19, 18, and 18 respondents acknowledging these aspects, respectively.

7. Demographic Insights: Most respondents are self-employed (33%) or employed in private firms (21%). The income distribution shows that 37% of respondents earn above Rs. 5 lakhs annually, with 16-25-year-olds making up the largest age group (56 respondents).

8. Influence of Brokers: Despite a strong preference for direct investments through AMCs, brokers and financial institutions play a significant role in guiding investment decisions, indicating that agents still hold a notable influence on investor choices.

CHAPTER: 07

SUGGESTIONS

1. Increase Financial Literacy: Given that most respondents cited a lack of knowledge as a barrier to investing directly in SBI Mutual Funds, it is crucial to enhance financial literacy. Offering educational resources, workshops, or online tutorials can empower investors to make informed decisions about mutual fund investments and reduce reliance on brokers.

2. Simplify Investment Process: Simplifying the process of selecting schemes and investing directly through AMCs could help reduce the complexity that some investors face. A user-friendly online platform with detailed information on different schemes, their benefits, and risks could encourage more direct investments.

3. Leverage Digital Platforms: Since a significant number of respondents use the internet as their primary source of information, it would be beneficial for SBI Mutual Funds to strengthen their online presence. This could include offering comprehensive tools, calculators, and interactive guides to help investors track performance and choose the right fund based on their goals.

4. Promote Direct Investment Channels: While brokers remain an important channel, promoting direct

investment through AMCs could help reduce intermediary costs and increase the investor's control over their investments. Providing incentives, such as lower fees or personalized assistance, could encourage more investors to bypass brokers and invest directly.

5. Target Younger Investors: With a significant portion of respondents being in the 16-25 age group, SBI Mutual Fund could target younger investors with tailored products and educational campaigns. Offering beginner-friendly schemes and leveraging digital marketing channels could increase the attractiveness of mutual funds among younger generations.

6. Enhance Trust and Confidence: Many respondents cited a lack of confidence as a reason for not investing directly in SBI Mutual Funds. To address this, SBI could offer transparency in its operations, provide detailed information on fund performance, and highlight successful investor stories to build trust and confidence in their schemes.

7. Diversify Investment Options: As the study shows that diversification is a key feature appreciated by investors, SBI Mutual Fund could focus on offering more diversified products catering to different risk appetites. Regularly introducing innovative schemes that provide balanced returns while reducing risks can attract a broader audience.

8. Expand Communication Channels: Since TV and magazines were less commonly used as sources of information, focusing on more popular communication channels such as digital media, social media platforms, and financial apps can help reach a wider audience. Engaging content through blogs, webinars, and podcasts could also be effective.

CHAPTER: 08

CONCLUSION

The study provides valuable insights into investor behaviour and preferences towards SBI Mutual Fund investments. It reveals a strong inclination towards investing in mutual funds, with SBI being a preferred choice for many. Most respondents are aware of the benefits that SBI Mutual Funds offer, particularly in terms of better returns, safety, and diversification. However, barriers such as lack of knowledge and confidence in direct investments still hinder broader participation.

The findings highlight the importance of simplifying the investment process, increasing financial literacy, and promoting direct investment channels to reduce reliance on brokers. Additionally, with the growing role of digital platforms, there is a clear opportunity to enhance online presence and communication strategies to engage younger investors and provide them with the necessary tools for making informed decisions.

In conclusion, by addressing the challenges identified in the study and implementing the suggested strategies, SBI Mutual Fund can strengthen its position in the market, build greater trust among investors, and encourage more direct investments, ultimately fostering a more informed and confident investor base.

CHAPTER: 09

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ANNEXURE

1. Gender

- **Male**
- **Female**

2. Age

- **16-25**
- **26-35**
- **36-45**
- **46 and Above**

3. You belong to which Category?

- **Govt. Employee**
- **Professional Pvt. Firm Employee**
- **Self Employed**
- **Business Person**

4. Your Annual Income is in the Range of:

- **Below Rs. 1 Lakh**
- **Between 1 Lakh to 2 Lakh**
- **Between 2 Lakh to 3 Lakh**
- **Between 3 Lakh to 4 Lakh**
- **Between 4 Lakh to 5 Lakh**
- **Above Rs. 5 Lakh**

5. Are you invested in SBI Mutual Fund?

- **Yes**
- **No**

6. Which SBI mutual fund scheme have you used?

- **Multi Cap Fund**
- **Large Cap Fund**
- **Mid Cap Fund**
- **Small Cap Fund**

7. Where from you purchase SBI Mutual Fund?

- **Directly from AMCs**
- **Brokers Only**
- **Brokers/Sub Brokers**
- **Other Sources**

8. Which factor prevent you to invest directly in SBI mutual fund.?

- **Lack of Knowledge**
- **Lack of confidence**
- **Difficulty in selection of schemes**
- **Others**

9. Where do you gather information about the performance of different mutual fund scheme?

- **Financial Institution**
- **Brokers**
- **TV**
- **Magazines**
- **Internet**

10. Which features of the SBI mutual fund aware you most ?

- **Diversification**
- **Better return & safety**
- **Regular Income**
- **Tax Benefits**
- **Reduction in risk**