Preface

The purpose of the study is to determine the Indian capital market has been increasing tremendously during last few years. With the reforms of economy, reforms of industrial policy, reforms of public sector and reforms of financial sector, the economy has been opened up and many developments have been taking place in the Indian money market and capital market. In order to help the small investors, asset management mutual fund industry has come to occupy an important place.

Small investors face a lot of problems in the share market, limited resources, lack of professional advice, lack of information etc. Assets management mutual funds companies have come as a much needed help to these investors. It is a special type of institutional device or an investment vehicle through which the investors pool their savings which are to be invested under the guidance of a team of experts in wide variety of portfolios of corporate securities in such a way, so as to minimize risk, while ensuring safety and steady return on investment. It forms an important part of the capital market, providing the benefits of a diversified portfolio and expert fund management to a large number, particularly small investors.

Asset management activities and responsibilities impact on a wide range of roles within an organization are not confined to a specific department. However, in a large organization, effective asset management will benefit from the existence of recognized asset management personnel with expertise in specific areas.

But also capable of meeting this challenge. As assets management mutual funds are managed by professionals, they are considered to have a
better knowledge of market behaviors. Besides, they bring a certain competence to their job. They also maximize gains by proper selection and timing of investment. Another important thing is that the dividends and capital gains are reinvested automatically in mutual funds and hence are not frittered away. The automatic reinvestment feature of a mutual fund is a form of forced saving and can make a big difference in the long run. The mutual fund operation provides a reasonable protection to investors. As mutual funds creates awareness among urban and rural middle class people about the benefits of investment in capital market, through profitable and safe avenues, mutual fund could be able to make up a large amount of the surplus funds available with these people.

The assets management mutual fund companies attracts foreign capital flow in the country and secures profitable investment avenues abroad for domestic savings through the opening of off shore funds in various foreign investors. Lastly another notable thing is that mutual funds are controlled and regulated by SEBI and hence are considered safe. Due to all these benefits the importance of mutual fund has been increasing. An asset management company invests its clients pooled fund into securities that match its declared financial objectives. Asset management companies provide investors with more diversification and investing options than they

Would have by themselves. Mutual function funds, hedge funds and pension plans are all run by asset management companies. These companies earn income by charging service fees to their clients.

At the same time, managing the everyday operations and activities of a company is also a part of the services provided by the asset management companies. The asset management companies provide their services with a
particular aim. According to this aim, these companies make use of the available resources to the fullest extent and these activities ensure sharp rise in the profitability of the client's investment. In addition, reducing different types of cost related to the business is also an aim of the asset management companies.

A mutual fund manager's goal is to steadily maintain and grow an investor's wealth. Whether a mutual fund or a hedge fund, an asset management company typically charges investors layers of fees. Investors should become familiar with the fee structure of an asset management Company before placing any money there so that there are no surprises.

While this can provide greater opportunity, it also can limit the options of each individual investor to investments in which the company feels confidant. Once an investment plan is generated and implemented, asset management companies then monitor the strategy and provide clients with regular earnings and performance statements. The study is divided into seven chapters.

Chapter one gives an overview of the assets management mutual companies in India how the working process and there institutional investors.

Chapter two —show about the research methodology which i accepts and sources of data and hypothesis.

Chapter third- Highlight the regulatory framework of mutual fund industry.

Chapter fourth —providing the information about the mutual funds industry in India.

Chapter fifth show the HDFC mutual fund working in India.

Chapter sixth highlights the data analysis and interruptions

Chapter seventh says that summary and conclusion and after given some suggestions for present study.