Findings, Suggestions and Conclusions

The present chapter discusses about the findings and suggestions of the study. This chapter is subdivided into three sections. The first section shows the findings and suggestions based on growth of mutual funds. The second section presents the findings and suggestions based on performance evaluation of UTI and ICICI mutual fund companies in comparison with benchmark index, inter comparison between UTI and ICICI mutual fund companies and pre recession, recession, and post recession period performance of UTI and ICICI mutual fund companies. The third section deals with the findings and suggestions based on the survey conducted to know the perceptions of the investors about UTI and ICICI mutual fund companies.

6.1 Analysis of secondary data for Growth of Mutual Funds reveals the following findings.

6.1.1 Sector wise Resource Mobilisation

- There are forty six asset management companies are working actively.
- Private sector mutual funds are dominating with higher resource mobilization of funds
- In 2009-10 the Gross mobilization funds are the highest Rs. 1,00,19,022, redemption also the highest Rs.99,35,942.
- The CAGR of redemption of funds is 44.32%, net flow CAGR -1.15% and assets at the end of the period CAGR are 13.92% during the study period.
- A trend in the private sector, public sector and UTI funds in the increase and decrease of funds in resource mobilization was similar pattern based on boom, recession and recovery of economy.
- Funds mobilized by public sector funds with and with our UTI showed a significant difference and UTI has made a remarkable contribution.
- Private sector funds (394593 crore) are 10.85 times higher than public sector funds (36364 crore) during the study period shows, private sector funds are successful in attracting investors with innovative schemes.
- ICICI funds (52,078.60 crore) are 52.65 times higher than UTI funds (-989.00 crore) during study period shows ICICI Mutual fund company is very successful in getting funds.
6.1.2 Scheme wise Resource Mobilisation

Trends in net resources mobilized and assets under management to the total funds

- Debt funds from 182 percent to 118 percent of total funds from 2000-01 to 2012-13.
- Equity funds from 323 percent to -19 percent of total funds from 2004-05 to 2012-13 with a fall in -14 during recession period 2008.
- Balanced funds from -75 percent in 2000-01 to .28 percent in 2012-13 with little fluctuations.
- Exchange traded funds started from -2 percent in 2007-08 to 1.57 percent in 2012-13.
- Fund of funds started in the year 2008-09 with 778 crore and by 2012-13 it has shown -474 crore.
- Total Scheme-wise resource mobilisation and assets under management has increased to 76,539 crore in 2012-13 from 9,128 crore in 2000-01. During recession they decreased to -29,296 crore.

6.1.3 Trends in No. of schemes of mutual fund companies

- The overall growth rate is very high for Gold ETF funds (1300 percent) and very low for balanced funds (-16.67 percent)
- Number of schemes is increased to 1294 in 2013 from 592 in 2006
- During the entire period of the study more than 50 percent total number of scheme issued by Mutual Fund Company is debt scheme.
- Majority number of schemes is around 75-80 percent are of income schemes and equity schemes.
- A Minority number of schemes are around 2-3 percent are Exchange Traded Funds and Fund of Funds investing overseas schemes.

6.1.4 Type-wise Resource Mobilisation and Assets under Management by Mutual Funds

- The CAGR for closed ended funds 17.70 percent, open ended 17.81 percent and interval funds are -58.2 percent.
Assets under management of the open ended funds dominate the assets under management of the close ended funds.

Total assets under management has increased to 76,539 crore in 2012-13 from 9,128 crore 2000-01

6.1.5 Trends in Transactions on Stock Exchanges by Mutual Funds

- Mutual Funds made a net investment of 4,50,711 crore in the secondary market in April 2013 compared to an investment of 7,167 crore in 2001-02
- Mutual Funds invested 4,73,460 crore in debt market in April 2013 as against of 10,963 crore invested in 2001-02
- Mutual Funds invested -22,749 crore in debt market in April 2013 as against of -3,796 crore invested in 2001-02

6.1.6 Trend in Global Mutual funds in comparison with India

- The growth in total net assets of world is 23 percent where as in India it is 96 percent
- The trend in net sale of mutual funds of the world is -30.16 percent and the trend in net sale of mutual funds of India is -11 percent.
- The growth of total number of mutual funds of world is 21.7 percent, where as in India the growth of total number of mutual funds is around 51.
- India has only 1 percent of assets under management in the total world assets under management.
- Indian mutual fund industry is growing better in comparison with world mutual fund industry, but even today Indian mutual fund is very little in the world’s segment.
  - *It is proved that the null hypothesis is rejected as the growth and development of Indian mutual Fund Industry is evident in the study*

6.1.7 Suggestions:

- The following suggestions are made to make the mutual fund industry more active.
- Public sector mutual fund companies have to focus on innovative schemes and should develop effective portfolio strategies to attract more investors.
✓ Redemption of funds is very high efforts need to be taken by the mutual fund companies to make investors to retain investments in mutual funds for a long time.
✓ UTI has to introduce a variety of schemes to enhance its mobilization of funds.
✓ During the study period, it is found that the majority of the scheme issued by the Mutual Funds Company is income/debt scheme. This indicates that more efforts have to be made by the mutual funds to create awareness among the investors regarding the exchange traded fund and fund of investing overseas.
✓ It is suggested that mutual fund companies should increase the assets under management scheme wise in balanced funds, exchange traded fund and fund of fund investing overseas with attractive return by the investors.
✓ The Mutual Funds Company should properly maintain its investment portfolio to provide better services to its unit holders.
✓ It is suggested that the Mutual Funds Company should issue various innovative schemes other than debt scheme as infrastructure development fund, exchange traded fund, balanced fund with minimum risk and the maximum return.
✓ The Asset Management Companies should concentrate more on the research studies to be carried out in the scenario of macro environmental changes as impact of mutual funds on capital markets is vital.
✓ It is necessary to develop supportive environment for the development of closed ended schemes.
✓ Development of efficient capital markets is very essential to attract more mutual fund investments in equity markets.
✓ Efforts need to taken by fund managers so that the redemption of funds can be reduced.
✓ Though Indian mutual fund industry is growing its share in world mutual fund is very less, hence the government should initiate promotion efforts and awareness programmes about mutual fund investments.

6.1.8 Conclusion
Most of the investors are averse of mutual funds due the volatility. It should be insisted that the investor can expect a maximum return out of their investment, but they should not be greedy on it. Young investors are interested to invest in tax saving mutual funds. Number of motivations cum awareness programs should be organized by the AMCs along with the regulatory authorities. For
the purpose of awareness and protection SEBI and AMFI along with the AMCs have organized many awareness programmes. But it is very less for the total population of investors in the securities market. There are various factors with affect the investment behavior, perception and risk-return analysis, etc., To bridge the gaps between the investors and investment, AMCs can organize a number of programmes which explain the risk, return, merits, demerits and other features of the product and also they can restructure their existing practices and innovate more new ways to deliver better service. Then mutual fund investments have emerged as important players in the Indian equity market

6.2 Analysis of secondary data for performance evaluation of mutual funds reveals the following.

From the descriptive statistics of benchmark index, BSE 100

It is found that market standard deviation representing total risk is very high in the year 2008, recession year. In 2007 also the market total risk found to be higher. The least risk is in the year 2012, representing the markets are recovered. The average risk is 1.501087.

The Sharpe ratio, return premium over market risk, of 0.99514 is the highest in the year 2001 and least of -0.10820 is in recession year of 2008 and the average Sharpe return is 0.157955.

The Trenor ratio, return premium over total risk, 0.26632 is the highest in the year 2009, the least of -0.30730 is in the year 2008. The average Trenor return is 0.046558.

6.2.1 The following table gives the findings of performance of UTI and ICICI mutual in comparison with benchmark, BSE 100.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the fund</th>
<th>Beta</th>
<th>Standard Deviation</th>
<th>Sharp e</th>
<th>Treyno r</th>
<th>Alpha</th>
<th>Coefficient of correlation</th>
<th>Coefficient of determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>UTI Balanced Growth Fund</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2</td>
<td>UTI Balanced Income Fund</td>
<td>X</td>
<td>✓</td>
<td>X</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>3</td>
<td>UTI CCP Balanced Plan</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
### Performance Evaluation of Mutual Funds - A Study with Reference to UTI and ICICI Prudential Mutual Funds

<table>
<thead>
<tr>
<th>No.</th>
<th>Fund Name</th>
<th>Performance Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>UTI Mahila Dividend</td>
<td>X X X X X X X X</td>
</tr>
<tr>
<td>5</td>
<td>UTI MIP Income</td>
<td>X X X X X X X X</td>
</tr>
<tr>
<td>6</td>
<td>UTI G-Sec Income</td>
<td>X X X X X X X X</td>
</tr>
<tr>
<td>7</td>
<td>UTI Bond Fund - regular-growth</td>
<td>X X X ✓ X X X X</td>
</tr>
<tr>
<td>8</td>
<td>UTI Gilt Advantage PF fund</td>
<td>X X X ✓ X X X X</td>
</tr>
<tr>
<td>9</td>
<td>UTI Liquid Fund - Growth</td>
<td>X X ✓ X X X X X</td>
</tr>
<tr>
<td>10</td>
<td>UTI Tax Plan Growth</td>
<td>X X X ✓ X X X X</td>
</tr>
<tr>
<td>11</td>
<td>UTI Pharma and Health Fund</td>
<td>X X X ✓ X X X X</td>
</tr>
<tr>
<td>12</td>
<td>UTI Master Share - growth</td>
<td>X X X X X ✓ X X</td>
</tr>
<tr>
<td>13</td>
<td>UTI Nifty Index - Growth</td>
<td>X ✓ X ✓ ✓ ✓ X X</td>
</tr>
<tr>
<td>14</td>
<td>UTI Master Index- Growth</td>
<td>X ✓ X ✓ X X X X</td>
</tr>
<tr>
<td>15</td>
<td>UTI Master Plus 91 Growth</td>
<td>X X X ✓ X X X X</td>
</tr>
<tr>
<td>16</td>
<td>UTI Equity Growth</td>
<td>X X X ✓ X X X X</td>
</tr>
<tr>
<td>17</td>
<td>UTI Services Industries- Growth</td>
<td>X X X ✓ X X X X</td>
</tr>
<tr>
<td>18</td>
<td>UTI Master Value-Growth</td>
<td>X X X ✓ X X X X</td>
</tr>
<tr>
<td>19</td>
<td>UTI Spread</td>
<td>X X X X X X X X</td>
</tr>
<tr>
<td>20</td>
<td>UTI Banking Sector</td>
<td>✓ ✓ ✓ X X X X X</td>
</tr>
</tbody>
</table>

Note: Indication ✓ - More than market  X – less than market

Source: Secondary Data Analysis

- The market Beta is higher for all the funds’ beta except beta of UTI Banking sector fund.
- The market standard deviation is also higher for all the funds’ standard deviation except standard deviation of UTI Banking sector fund, UTI Nifty Index – Growth fund, UTI Master Index- Growth fund, UTI Balanced Income Fund.
- The market Sharpe ratio is higher than only UTI Liquid Fund’s Sharpe ratio.
- The market Trenor ratio is higher for 11 mutual funds’ trenor ratio and lower for 9 mutual funds’ trenor ratio.
- Market alpha is higher only for UTI Master Plus 91 Growth, UTI Balanced Income Fund, UTI Nifty Index – Growth fund, UTI Master Index- Growth fund.
- Market coefficient of correlation and coefficient of determination are higher for all the funds indicating funds have still a possibility for better diversification.
### Table 6.2
Performance of ICICI Prudential Mutual Funds in Comparison with Market (BSE 100)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the fund</th>
<th>Beta</th>
<th>Standard Deviation</th>
<th>Sharpe</th>
<th>Treynor</th>
<th>Alpha</th>
<th>Coefficient of correlation</th>
<th>Coefficient of determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ICICI MIP Income</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2</td>
<td>ICICI Pru Balanced Dividend</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>3</td>
<td>ICICI Balanced Growth</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>4</td>
<td>ICICI Child care Study</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>5</td>
<td>ICICI Child care Gift plan</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>6</td>
<td>ICICI Pru Income - Regular Growth</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>7</td>
<td>ICICI Gilt Fund Investment Dividend</td>
<td>X</td>
<td>X</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>8</td>
<td>ICICI Gilt Advantage PF</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>9</td>
<td>ICICI Prudential Liquid</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>10</td>
<td>ICICI Prudential Index</td>
<td>X</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>ICICI Top 100 Growth</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>12</td>
<td>ICICI Technology Dividend</td>
<td>X</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>13</td>
<td>ICICI Dynamic Growth</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>14</td>
<td>ICICI Tax Growth</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>15</td>
<td>ICICI FMCG Growth</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>16</td>
<td>ICICI Top 200 Growth</td>
<td>X</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>17</td>
<td>ICICI SPICE Fund</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>18</td>
<td>ICICI Services</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>19</td>
<td>ICICI Prudential Value</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>20</td>
<td>ICICI Arbitrage</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Note: Indication ✓- More than market X – less than market

Source: Secondary Data Analysis
The market Beta is higher for all the funds’ beta.
The market standard deviation is higher for standard deviation of ICICI Prudential Index fund, ICICI Technology Dividend fund and ICICI Top 200 Growth fund and lower for all other funds.
The market Sharpe ratio is higher for all the funds’ Sharpe ratio.
The market Trenor ratio is higher for 5 mutual funds’ trenor ratio and lower for 15 mutual funds’ trenor ratio.
Market alpha is higher only for ICICI MIP Income fund and ICICI Pru Balanced Dividend.
Market coefficient of correlation and coefficient of determination are higher for all the funds indicating funds have still a possibility for better diversification.

6.2.2 The following gives the findings of ranking based on Beta, Standard deviation, Sharpe ratio and Trenor ratio of twenty funds each of UTI and ICICI Mutual Funds.

As per Beta

- UTI SPREAD fund and ICICI Prudential arbitrage fund got first rank – very low risk
- UTI Banking fund and ICICI Pru Index fund got twentieth rank -very high risk.

As per Standard Deviation,

- UTI Liquid fund and ICICI Prudential Liquid fund got first rank - very low risk
- UTI G Sec income and ICICI Technology got twentieth rank-very high risk.

As per Sharpe,

- UTI Liquid fund and ICICI Dynamic fund got first rank - very high return
- UTI Banking fund and ICICI Liquid fund got twentieth rank - very low return

As per Trenor,

- UTI Liquid fund and ICICI Liquid fund got first rank - very high return
- UTI Mahilafund andICICI Dynamic fund got twentieth rank - very low return

Overall performance - Type of funds of UTI and ICICI

- UTI and ICICI Debt funds are giving good returns with low risk
- UTI and ICICI Hybrid funds are giving moderate returns with moderate risk
PERFORMANCE EVALUATION OF MUTUAL FUNDS - A STUDY WITH REFERENCE TO UTI AND ICICI PRUDENTIAL MUTUAL FUNDS

- UTI and ICICI Equity funds are giving good returns with low risk and few funds high risk with lower returns

6.2.3 Performance Evaluation of Mutual Funds during Pre Recession, Post Recession and Recession Period - 2008

BSE 100 (Market proxy):

Pre recession period

- Half of risk of recession period as standard deviation (1.47505) and beta is assumed as always 1.
- Positive Sharpe and Trenor ratios (0.10391 and 0.14479)

Recession period

- Very high total market risk as high standard deviation (2.8417) and beta is assumed as always 1.
- Negative Sharpe and Trenor ratios (-0.1082 and -0.3073)

Post recession period

- Half of risk of recession period as standard deviation (1.41486) and beta is assumed as always 1.
- Positive Sharpe and Trenor ratios (0.02149 and 0.05987)

UTI and ICICI Mutual Fund Company:

Hybrid/Balanced funds

Pre recession period - Compared to market,

- Risk is very less as standard deviation and beta is below the market standard deviation and beta.
- Positive Sharpe and Trenor ratio for majority of funds but compared to market the return is low
- Overall the balanced funds have less risk and less return.
**Recession period** - Compared to market,

- Risk is less as standard deviation and beta is below the market standard deviation and beta.
- Negative Sharpe and Trenor ratio for majority of funds but compared market the return is low.
- Overall performance is moderate.

**Post recession period** - Compared to market,

- Risk is very less as standard deviation and beta is below the market standard deviation and beta.
- Negative Sharpe and Trenor ratio for a few of funds but compared market the return is low.
- Overall few funds have shown better recovery from recession impact with less risk and more return.

**Debt/Income Funds**

**Pre recession period** - Compared to market,

- Risk is very much less as standard deviation and beta is below the market standard deviation and beta.
- Negative Sharpe and Trenor ratio for majority of funds and compared market, the return is very low and
- Overall the debt funds have less risk and very less return.

**Recession period** - Compared to market,

- Risk is very much less as standard deviation and beta is below the market standard deviation and beta.
- Positive Sharpe and Trenor ratio for majority of funds and compared market the return is high
- Overall the debt funds show superior performance than market performance.

**Post recession period** - Compared to market,

- Risk is very much less as standard deviation and beta is below the market standard deviation and beta.
Negative Sharpe and Trenor ratio for few funds and compared market, the return is very low and
Overall the debt funds have less risk and very less return.

**Equity/growth Funds**

**Pre recession period** - Compared to market,

- Risk is very less as standard deviation and beta is below the market standard deviation and beta.
- Positive Sharpe and Trenor ratio for majority of funds but compared market the return is low and
- Overall the equity funds have less risk and less return.

**Recession period** - Compared to market,

- Risk is less as standard deviation and beta is below the market standard deviation and beta.
- Negative Sharpe and Trenor ratio for majority of funds but compared market the return is very high
- Overall performance is good.

**Post recession period** - Compared to market,

- Risk is less as standard deviation and beta is below the market standard deviation and beta.
- Positive Sharpe and Trenor ratio for majority of funds and compared market the return is high and
- Overall the equity funds have shown better performance with low risk ad high return during post recession period.

- *It is proved that the null hypothesis two is rejected as there is a significant difference between UTI, ICICI Prudential funds’ performance and Market performance with respect to risk, return, fund managers’ ability and diversification and*
- *It is proved that the null hypothesis three is rejected as there is a significant difference between UTI and ICICI Prudential funds’ performance with respect to risk, return, fund managers’ ability and diversification*
Suggestions:

- Investment in UTI liquid fund is advised as low risk with high return.
- Invest in UTI Nifty Index – Growth, UTI banking fund, UTI Master Index- Growth if the investor is risk averse as it is high risk and high return fund.
- Prefer UTI Balanced growth fund to UTI Balanced Income fund to invest in as it is low risk is high return fund.
- Suggested funds to invest are UTI Bond Fund -regular-growth, UTI Gilt Advantage PF fund, UTI Tax Plan Growth UTI Pharma and Health Fund, UTI Equity Growth, UTI Master Value- Growth as the funds outperformed the market.
- ICICI MIP Income, ICICI Pru Balanced Dividend are good for investment as fund managers’ stock picking skills and Trenor ratio is good,
- Suggested funds to invest are ICICI Gilt Fund Investment Dividend, ICICI Dynamic Growth and ICICI Top 200 Growth as the funds outperformed the market.
- Invest in debt funds for regular income and they have given positive returns even in recession period especially in UTI and ICICI gilt and liquid funds.
- Do not invest in debt funds during boom period as they give negative returns compared to market returns.
- Risk avoiders are suggested to invest in debt funds and can utilise tax benefit also.
- Balanced funds are preferred funds as they give more return with low risk compared to market risk especially UTI Mahila and ICICI Child Care Study funds.
- During pre recession, recession and post recession the balanced funds have moderate performance as they avoid extremes very high risk or very low return.
- Equity funds are best suited for risk aversion investors as they provide high return against high risk and during recession period also equity funds provide returns are better than market returns.
- Suggested to invest UTI SPREAD fund and ICICI Arbitrage fund as low risk and high return fund
- UTI Pharma and Health Fund and ICICI FMCG Growth funds are suggested to invest in as moderate risk and high return funds.
✓ UTI Liquid Fund - Growth, ICICI Dynamic Growth, ICICI Prudential Value, UTI SPREAD and ICICI Child care Study are suggested as per Sharpe Ratio.
✓ UTI Balanced Growth, UTI Balanced Income, UTI CCP Balanced Plan, UTI Mahila Dividend and UTI MIP Income are suggested as per Trenor Ratio

**Conclusion:**

The study results indicate that ICICI Prudential, a private sector fund overall performance is better comparatively but few funds, UTI Liquid fund, UTI sector funds like UTI Pharma and UTI FMCG UTI Mahila funds are performing extremely good. ICICI dynamic fund, Child care funds are able to give more reward to variability. Majority of the funds of both UTI and ICICI mutual funds are performing moderately and a few funds are low performers. Hence the portfolio managers of the funds should carry extensive research instead Of Depending on personal intuition and should improve timing and Stock selection abilities. Fund managers should adopt active strategies to attract the customer and diversification of the business.

**6.3 Survey is conducted to capture investors’ perception pattern, reveals the following**

**6.3.1 Profile of investors:**

- The high percentage (35.6) of respondents is from 20-29 age group and the least percentage (10) of respondents is from 50-59 age group and the least percentage (10) of respondents is.
- The high percentage (50) of respondents is graduates and the least percentage (6) of respondents is illiterates.
- The high percentage (44) of respondents is salaried employees and the least percentage (9.2) of respondents is from agriculture.
- The high percentage (43.2) of respondents belong to above ₹2,00,000 income group and the least percentage (10) of respondents belong to ₹50,001-1,00,000 income group.
- The high percentage (42) of respondents save above ₹20,000 and the least percentage (4) of respondents save ₹2,001-5,000.

**Suggestions:**
✓ The mutual fund companies have to innovate and target new products to youth as majority of the population belong to 20-29 age group.
✓ Schemes of mutual fund companies have to concentrate on needs of educated families as majority of the respondents are educated.
✓ Salaried employees and business men should be focused for promoting mutual fund schemes as many respondents are from this occupation.
✓ Efforts should be taken to encourage or motivate lower income respondents to invest in mutual fund.
✓ New schemes of mutual funds should facilitate investors of small savings to channelize their investments into mutual funds.

6.3.2 Attitude of Investors towards Investments
- “Safety” is the primary objective followed by the objective of ‘Regular income’ for investing in mutual funds.
- High percentage (54.4) of investors has a risk tolerance of moderate risk and very low percentage (2.4) is for zero risk.
- Majority of the investors (40 percentage) have return expectation of 16%-20%, and few (2) have above 5% to 10% return.
- 49.2 percent of the investors like to invest in open-ended Mutual fund schemes, whereas 28 percent prefer Closed-ended ones.
- Investors (45.6) preferred growth schemes compared to income schemes.
- Long term strategy (40.4) is the main reason for choosing mutual fund.

Suggestions:
✓ Assurance of safety and regular income is to be provided to keep the trust of investors by the mutual fund companies.
✓ New schemes have to focus on moderate risk with more returns as majority of investors not preferring to take high risk but expecting more returns.
✓ More choice of open ended schemes with growth option should be innovated to attract investors.
6.3.3 Investors’ Perceptions towards UTI and ICICI Prudential Mutual Funds

Reason for Choosing Mutual Fund Company

- ‘Reliability’ is the primary reason followed by ‘Proven expertise’ for choosing UTI mutual fund.
- ‘Professional expertise’ is the primary reason followed by ‘Proven expertise’ for choosing ICICI mutual fund.

Suggestions:

- UTI and ICICI companies are suggested to keep the reliability by maintaining more transparency and good governance.
- It is also suggested that the fund managers always should prove their ability so as to retain the existing investors and get new investors.

6.3.4 Current Status of Mutual Fund Company

- The current status of UTI is better (45.6) and good (36.8) of UTI mutual fund.
- The current status of ICICI is good (43.2) and better (40.8) of ICICI mutual fund.
- The current status of UTI is below average (1.6), average (10.8) whereas the current status of ICICI is below average (0) and average (10.4)

Suggestions:

- It is suggested to expand the business through new schemes as majority of the investors have positive perception about the current status of UTI and ICICI Mutual funds.
- UTI has to improve its performance as 12.4 percent of respondents felt the current status is average is higher than that of ICICI prudential fund. It shows private sector has better image.

6.3.5 Factors influence the perceptions of investors of towards UTI Mutual Fund Company

- The highest percent (71.2) of investors accepted that UTI gives best returns.
- The highest percent (66.8) of investors agreed that UTI maintains transparency and discloses timely information.
- The highest percent (61.2) of investors felt that investment in UTI is safe.
The highest percent (53.2) of investors agreed that UTI contributed more to the development of Indian capital markets.

The highest, (48.8) percent of the investors agreed UTI is meeting the objectives for what the fund is established.

The highest, (34.8) percent of investors agreed and 33.6 percent of investors neither agreed nor disagreed that UTI schemes outperformed the market.

32.4 percent of investors accepted that UTI has well diversified portfolio of securities. Equal percentage 32.4 percent of investors disagreed upon that.

The least percentage of many factors are below 10 percent indicates very less investors perceived UTI is not performing well in various factors except the perception of UTI has well diversified portfolio of securities and UTI has met the objectives for what the fund is established.

The influence of demographic factors, occupation, annual income and annual savings of the investors on the perceptions of the factors of UTI Mutual Fund is given below.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Occupation</th>
<th>Annual Income</th>
<th>Annual Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best returns from UTI</td>
<td>Significant</td>
<td>Significant</td>
<td>Significant</td>
</tr>
<tr>
<td>Money invested in UTI is very safe</td>
<td>Significant</td>
<td>Significant</td>
<td>Significant</td>
</tr>
<tr>
<td>UTI has met the objectives for which it is established</td>
<td>Significant</td>
<td>Significant</td>
<td>Significant</td>
</tr>
<tr>
<td>UTI has well diversified portfolio of Securities</td>
<td>Significant</td>
<td>Significant</td>
<td>Significant</td>
</tr>
<tr>
<td>UTI schemes outperformed the market returns</td>
<td>Significant</td>
<td>Significant</td>
<td>Significant</td>
</tr>
<tr>
<td>UTI –development of Indian capital market</td>
<td>Significant</td>
<td>Significant</td>
<td>Significant</td>
</tr>
<tr>
<td>UTI discloses all relevant information time to time</td>
<td>Significant</td>
<td>Significant</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Primary Data Analysis

**Suggestion:**

Occupation, annual income level and annual savings of the investors make a significant impact on different perceptions about UTI mutual funds, hence the fund managers have to deem these aspects when they innovate and introduce new funds.
6.3.6 Factors influence the perceptions of investors of towards ICICI Mutual Fund

- The highest, 64.8 percent of investors agreed that investment in ICICI is safe.
- The highest, 64.4 percent of investors agreed that ICICI gives best returns.
- The highest, 61.6 percent of investors agreed that ICICI contributed more to the development of Indian capital markets.
- The highest, 61.6 percent of investors agreed that ICICI maintains transparency and discloses timely information.
- The highest, 39.2 percent of investors agreed that ICICI schemes outperformed the market returns.
- The highest, 36.4 percent of investors agreed and strongly agreed that ICICI has well diversified portfolio of securities.
- The highest, 36 percent of the investors had no opinion ICICI is meeting the objectives for what the fund is established.
- The least percentage of many factors are below 10 percent indicates very less investors perceived ICICI is not performing well in various factors except the perception of ICICI has well diversified portfolio of securities.

The influence of demographic factors, occupation, annual income and annual savings of the investors on the perceptions of the factors of ICICI Mutual Fund is given below.

Table 6.4

<table>
<thead>
<tr>
<th>Factors</th>
<th>Occupation</th>
<th>Annual Income</th>
<th>Annual Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best returns from ICICI</td>
<td>Significant</td>
<td>Significant</td>
<td>Significant</td>
</tr>
<tr>
<td>Money invested in ICICI is very safe</td>
<td>Significant</td>
<td>Significant</td>
<td>Significant</td>
</tr>
<tr>
<td>ICICI has met the objectives for which it is established</td>
<td>Significant</td>
<td>Significant</td>
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</tr>
<tr>
<td>ICICI has well diversified portfolio of Securities</td>
<td>Significant</td>
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<td>ICICI schemes outperformed the market returns</td>
<td>Significant</td>
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<td>Significant</td>
<td>Significant</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Primary Data Analysis
Suggestion:

Occupation, annual income level and annual savings of the investors make a significant impact on different perceptions about ICICI mutual funds, hence the fund managers have to deem these aspects when they innovate and introduce new funds.

6.3.7 Problems of Mutual Fund Company

Huge differences between market quotes and NAVs and UTI facing problems of mobilizing resources are the major problems and loss of investors’ confidence, UTI is not able to repurchase are minor problem as per the perception of investors of different occupation.

UTI is not able to mobilize resources for scheme, huge differences between the market quotes and NAVs, UTI has inability to invest funds immediately are major problems and loss of confidence of investors, ability to repurchase are minor problems as per the perception of investors of different income levels.

Mobilization of resources, huge differences between market values and NAVs, UTI has inability to invest funds immediately are major problems and loss of investors’ confidence and UTI is unable to repurchase are minor problems as per the perception of investors of different saving levels.

Huge differences between market quotes and NAVs, and ICICI facing problem of inability to repurchase are major problems and loss of investors’ confidence and ICICI is not able to mobilize the resources of the scheme are minor problems as per the perception of investors of different occupation.

ICICI is not able to invest funds immediately, ICICI is not able to repurchase are major problems and confidence of investors, inability to mobilize the resources and huge difference between the market value and NAVs are minor problems as per the perception of investors of different income levels.

‘Inability to invest funds immediately’, ‘Unable to repurchase’ and huge difference between Market quotes and NAVs are major problems and loss of investors’ confidence and mobilization of resources are minor problems as per the perception of investors of different saving levels.
Suggestions: as per occupation, annual savings and annual income categories of investors felt the major problem is, ‘Huge differences between market quotes and NAVs and Mobilization of resources’.

6.3.8 Suggestions for improvement of Mutual Fund chosen by the investors

UTI has to manage the appropriate portfolio, UTI has to strengthen the network and change of risk behavior are the major suggestions and minimization of government role is a minor suggestion as per the perception of investors of different occupation.

Management of appropriate portfolio and strengthening of network of operations are major suggestions and manage risk behavior and minimization of government role is minor suggestions as per the perception of investors of different income levels.

Management of appropriate portfolio and strengthening a network of operations of UTI are major suggestions and manage risk behavior and minimization of government role is minor suggestions as per the perception of investors of different saving levels.

ICICI’s network of operations has to be strengthened is a major suggestion and management of appropriate portfolio, the role of government has to be minimized, risk behavior has to be changed for the improvement ICICI are minor suggestion as per the perception of investors of different occupation.

Strong network of operations and change of risk behavior are major suggestions and minimized government role improves performance of ICICI is a minor suggestion as per the perception of investors of different income levels.

‘Strengthening of network of operations’ and ‘change of risk behavior’ are major suggestions and management of appropriate portfolio is a minor suggestion as per the perception of investors of different saving levels.

6.3.9 Future of Mutual funds in India

The majority of the respondents perceived that the future would be better and minority of respondents felt it would be excellent and average as per occupation.
The majority of the respondents perceived that the future would be excellent, better and good and minority of respondents felt it would be excellent and average as per income. The majority of the respondents perceived that the future would be excellent and better and minority of respondents felt it would be average as per savings.

- **It is proved that the null hypothesis four is rejected as there is a significant relation between UTI and ICICI Prudential funds’ performance with respect to risk, return, fund managers’ ability and diversification**

**Conclusion:**

Investors strongly agreed that the funds invested in UTI and ICICI Mutual Fund Company are very safe and assure for returns. Majority of investors are satisfied by the both the companies fund’s performance and expect that both companies have to overcome the problems of mobilization of resources, huge differences between the market quotes and NAVs and inability to invest funds immediately. Investors will develop more confidence if both companies try to follow suggestions of investors to manage the appropriate portfolio and to strengthen the network and change of risk behavior.