CHAPTER – VII

FINDINGS, SUGGESTIONS AND CONCLUSION OF THE STUDY

Objective: The chapter sums up the entire thesis, followed by the findings, suggestions, conclusion and further scope for research.

Present research proposes to identify critical gaps in the existing framework for mutual funds and further extend it to understand realizing the need of redesigning existing mutual fund services. As per the survey of AMFI there are 5.3 million investors in the year 2011. Therefore, the study on these investors' selection criteria help in many findings of their behavior, accordingly AMCs may modify to attract the untapped investors in India.

This chapter consists of three parts i.e., Findings, Suggestions and Conclusion.

Part –I

This part is about the findings of mutual fund industrial growth, fund performance and findings of the data collected through questionnaires in different perceptions like preferences and specific reasons for criteria of a particular fund and awareness and satisfaction levels, risk attitude.

FINDINGS OF THE STUDY:

First part of the findings includes findings on the basis of secondary data like industrial growth and performance.

The second part of the findings has been sub divided into five sections as follows:

Findings of Demographic Profile, Income and Magnitude of Savings, Preference towards different types of Mutual Funds, Risk Perception of the mutual fund investors and finally investors' knowledge levels. The details of the findings are given below:

FINDINGS OF THE INDUSTRIAL GROWTH AND PERFORMANCE:

- World Savings Scenario in financial assets is drastically improving compared to physical and debt assets.
- The increase of household savings was even sharper for the rural sector also. Economy picked up very well by showing 33.7% gross domestic savings as a percentage of GDP. Growth rate in GSDP A.P. also increased from 30% to 85.8% in the past 10 years.
- Assets of mutual funds in India constituted less than 5% of GDP which is still low compared to other Asian and global countries.
- AUM of all the Mutual funds decreased to `5, 92,249 crores at the end of 31.3.2011 from Rs6, 13,980 crores in the previous year due to continuous bearish trend of stock market.
- Total number of folios when considered, there was a decline of 1.95% during FY, 2011.
- When sector funds returns are compared to the related benchmark of the stock index, mutual funds are performing better, especially when the period of investment is more than one year.
- When Standard Deviation of some funds are compared to the stock index standard deviation, risk is lesser in case of funds.
- Similarly when Sharpe ratio is compared (which gives relative measure of return/risk) performance of funds is superior to benchmark index.
- It is observed that actively managed funds, even though expenses may be higher compared to the passively managed funds, are giving good returns.

- It is also found that when the period of investment is higher, the returns are comparatively better than shorter period of investment, in case of close-end schemes.
- While investing, one should consider both NAV and also total returns. They cannot completely rely on the ranks based on either NAV/ returns.
- MPT statistics are helpful to the investors considering both return and risk combination.
- Fund managers' strategies, published in the fact book may be analysed so that the investor may choose according to one's objectives.
- Costs of Equity/debt oriented schemes must be considered and calculated separately which helps in finding out net returns, instead of gross returns.
- During and after recession also equity funds are not performing well with negative returns except FMCG sector.
- TNA of MMMFs is decreased during and after recession.
- The returns of top equity funds range between 10% and 40%.
- Returns of top all types of funds ranges between 13% and 42%.
- Similarly debt funds returns ranges between 7% and 18% and balanced funds between 7% and 13%.
- Gold ETFs are giving very high returns ranging between 26% and 35%.
- MIP returns for one year are very higher compared to 5 years returns.
- SIP returns are very good in all types of plans like ELSS, Balanced, etc., with so many times of higher returns than Non-SIP returns.

FINDINGS OF DEMOGRAPHIC PROFILE:

The demographic profile of the study is representative of major demographic features like gender, age, income, occupation, marital status, nationality, number of children, economic status, etc. Distribution of retail mutual fund investors in the present study 67.2% are males, which lead the researcher to suppose that male investors may not hesitate to invest in innovative instruments like mutual funds. There are 49.8% respondents out of 500 belong to the age group of 25-35 years. Hence it can be inferred that more number of investors belonging to the age group of 25-35 years consider investing in mutual funds as a better option than other age groups. There are 38.4% graduates. Most of the Mutual fund investors' are qualified at least till graduation. Undergraduates and others are less in number who understood about Mutual funds.

Majority of respondents belong to moderate income group of 1.5-2.5 lakhs rupees representing 54% of the sample size. Perhaps this may indicate that middle income group is moving away from traditional investments and experimenting with new instruments like mutual funds because of the fall in interest rates of fixed deposits in banks.

68.2% of the total respondents are fixed income people. A major sample size of 58.2% is married individuals may indicate that married respondents are aware of the need of savings and investments as it would provide a better future for themselves and their children. Hence they may look out for alternative investment avenues like mutual funds. In fact 74% of the respondents are single earners in their family. By this it may be assumed that the family may have very less percentage to save which is channelized into mutual fund investments. According to the sample, 40% of the respondents have school going children which may indicate that the respondents with school going children may save more than other respondents but there are other factors which might influence savings like for instance number of children. The sample profile thus consists of married male with single children and under the fixed income group of `1.5 and `2.5 lakhs per anum. The fact is that 74% of the sample is single earners. These are the sample of mutual fund investors considered.

A predominant percent of investors is being males between the age group of 25-35 years from where the investment starts.

It was found that salaried graduates and post graduates income below 3.5 lakhs were the ones who are investing in mutual funds because of the steady, assured and timely income.

A major part of the respondents fall under the single income category. (as the role of women in earning is still initial stages.)

INVESTMENT PATTERN:

The study reveals that Pension Plan and Provident Fund Savings are the most popular savings instrument among individual investors of Visakhapatnam, as it is one of the few financial products, which enable an average salaried person to get reasonable and regular returns, along with safety of capital. The next interesting avenue is found to be insurance schemes which have two aspects.

With majority of the respondents being in salaried class, the first preference of investment is in pension and PF funds. With contribution from employer and the employee this pension funds to be the primary investment option. With the retirement age is being fixed especially for salaried class, pension scheme investments are suggested in order to assure periodic inflows after the salaries are discontinued.

Bonds were also prioritized especially for the age 25-35 category investors as they are comparatively riskless with 5 to 10 years maturity facilitating this class of investors.

Investment in life insurance covers the two most important aspects, they are securing the future and also returns with more importance given to security of the uncertainly associated with life. With majority being single earners investment in life insurance became inevitable.

SAVINGS PERCENTAGE:

Savings constitute 5-10% of the income because the majority of the population fall in the scope of salary below 3.5 lakhs and therefore savings is very limited. With growing cost of living and continuous increase in inflation, the savings percentage is slowly and steadily decreasing.

PREFERENCE AMONG SHORT TERM INVESTMENT:

Savings deposits were preferred the most among the short term investment options. The low risk, if not no risk at all, associated along with easy assess ability and liquidity made this option the most acceptable form of investment. Population largely belongs to salaried class who has their salaries deposited in a savings account, which basically forms their most preferred option. Point to be noticed here is that all transactions both in business and normal ones are routed through bank now-a-days. With such growing account holders the most easily and assessable option for them are savings deposits.

PREFERENCE AMONG LONG TERM INVESTMENT:

In long term investment options the investors below the age of 35 years with annual income of less than `3 lakhs preferred equity shares as the returns are expected to be high. The risk factor is negated by investing for a longer period and booking profit when their expected price is reached in market. Mutual funds still have to gain popularity when coming to investments in long term aspects among the investors as even fixed deposits are preferred over respondents.

PREFERENCE OF INVESTMENT PERIOD:

The objective of investment is primarily driven by the need or want of the investor. These differences in preferences amongst investors can be seen in the equal distribution.

SPECIFIC NEEDS:

Owning the house is one of the most important requirements especially for the people below 35 years. Keeping this in view these class of salaried population goes for investment which help to fulfill this requirement.

With the retirement age is being fixed especially for salaried class, pension scheme investments are suggested after in order to assure periodic inflows after the salaries are discontinued.

FINDINGS OF INVESTOR PREFERENCES REGARDING MUTUAL FUNDS:

OBJECTIVE:

With lesser risk and greater diversification options mutual funds have emerged as a preferable profit making option. Expectations of regular returns have attracted the investors to opt for mutual funds. Mr. M. Damodaran, Chairman of UTI, has summed the psyche of a typical Indian Investor in three words; Yield, Security and Liquidity. The study also shows the investors' need for 'Good Return' is highest among other features, followed by Safety, Liquidity, Tax Benefit, Capital Appreciation, Professional Management and Diversification Benefits. Investors have a plethora of options ranging from Growth schemes to Fixed Income schemes. Now-days investors are not offered just plain vanilla schemes but an assorted basket to tune with their risk appetite. MF scheme preference for majority of investors is 'Growth Scheme'. The preference for growth or any other scheme is also influenced by stock market conditions prevailing at the time of investment decision. The prevailing market conditions have prompted investors to look for growth schemes. Income schemes have become unattractive due to dropping interest rates. This further indicates the growing alertness of investors.

SCHEME PREFERENCE:

Analysis of scheme preference by nature of operation reveals the popularity of 'Open- Ended' scheme. In India majority of schemes are Open- Ended as investors can buy or sell units at NAV related prices. The emergence of an array of savings and investment options and the dramatic increase in the popularity of Mutual Funds, in the recent years in India, has opened up an entirely new area for value creation and management.

INFLUENCING FACTORS:

The investors investing in mutual fund give more importance to the NAV as it indicates funds/schemes which are somewhat synchronized with the investors needs and objectives, which influence investments in mutual funds.

Savings Objective of the majority of Individual Investors is ' to own a house and then trying to save for retirement , thus throwing light on the nature of risk averse investors. AMC can attract a pool of investors by designing products for Risk-Averse investors especially for housing facilities and retirement plans like pension plans.

INVESTORS PREFERENCE OF OPEN END OVER CLOSE END FUNDS:

Investors who invest for specific needs and objectives opt for close ended funds as lock-in-periods allow them to accumulate the required amount. Investors with needs such as owning a house, retirement plans opted for close ended funds.

With limited income, as majority are below the salary of `3 lakhs per anum, investing in lump sum amounts doesn't work out to be feasible for these investors, hence they opt for Open-ended schemes.

INVESTORS SELECTION AMONG VARIOUS FUNDS:

The young investors below the age of 34 years prefer Equity funds as these funds promise more returns yet with a comparatively lesser risk than that of investing directly in equities. These investors are able to maximize their returns with a diversified portfolio which makes them less prone to volatility and adverse industry fluctuations. With long term preference in investment period, the investors are able to match a balance in high returns and their objectives. With longer periods of investment the fund is allowed to have time to correct any unfavorable fluctuations and also enables it to grow.

INVESTORS CRITERIA IN SELECTION OF A SCHEME OF AMC:

Advisors play an important role in financial services sectors. With the number of products being so many, the role of advisers becomes more and more demanding. The investors reliance on these advisers surprisingly being very low. In selecting a scheme the investors prefer the top performers as well as past returns as one of the most important criteria. Investors look for past returns and try to relay it for future returns. The top performing schemes of AMCs is the easiest way of evaluating the scheme by the investor. These AMCs have proven their record for over a period of time.

FINDINGS – RISK PROFILE OF RESPONDENTS:

- Equity funds are the most preferred choice amongst the investors as these are safer, highly liquid and easier to understand compared with equity.
- The investors' perception towards Closed ended funds is that they are less risky.
- The investors do agree that returns are associated with the levels of risk.
- During financial crisis mutual fund investors would like to shift (64.6%) to other investment opportunities where there may not be volatility impacts. Investors do believe that mutual funds are not risk-free especially during market downward trend. The next best alternative they want to shift is bank deposit. (40%). Also investors believe in gold and insurance schemes to escape from crisis risk.
- Investors understand the risk return concept. The higher the risk they are taking, the higher the returns are expected by them.

FINDINGS REGARDING AWARENESS AND SATISFACTION LEVEL OF THE INVESTORS:

- 63% of the investors depend on financial planner advice before they invest. Investors are trying to improve their knowledge about different schemes and their risk-return association to gain maximum returns.
- 75% of the investors/ respondents do not know that there are 36 investment companies (at the time of collecting information through questionnaires). They are aware of only top 5 or 6 companies like Reliance, HDFC, ICICI, SBI, UTI and HSBC as per the mentioned list in open-end investors.

- Among the respondents nearly 56% try to follow fact books before they invest which indicates that information in these books must cover all important points like returns in the past, expected returns and also comparative returns of other funds and its' benchmark.
- More than 60% of the respondents are aware of the education programmes conducted by AMFI.
- 40-45% of the respondents is able to understand the published portfolio and is also trying to update. They are managing their money and are able to advice others (56%). This shows that majority of the investors are good at mutual funds management. The reason may be that the data is collected in tier 2 city i.e. Visakhapatnam.
- 55% of the respondents gave positive reply regarding performance of mutual funds. They are satisfied towards the returns, schemes and performance.
- More than 65% are trying to find out the performance of mutual funds i.e., by following NAV, ratings given by CRAs, calculating net returns, access to the comparative tables and graphs in the internet.
- 70% are aware that mutual funds are protected as per SEBI guidelines. They also are of the opinion that if at all additional protection is provided with more structural reforms, mutual funds industry may have a bright future.
- More than 60% of the respondents are satisfied with the services provided by the agents, which infers that agents' services are almost up to the mark.

FINDINGS FROM SECONDARY DATA:

- Among the mutual funds, it is expected that debt oriented schemes will continue to dominate the mutual fund industry satisfying the needs of yield security and liquidity fairly well besides being attractive from the tax point of view.
- Investors in cities are gradually awakening to other potential investment areas like equity, mutual funds, apart from the traditional bank fixed deposits, National Savings Certificates from Government of India, gold and real estate.
- When new funds are launched, the returns for first two years are more because of preferential treatment. This is at the expense of other funds in the family. But, these are reaching average returns after two years.
- People prefer open-end schemes to close-end schemes because they can be bought and sold at NAV. It is possible to acquire capital gains by selling at higher NAV and buying at lower NAV.
- Investors act more rational who are investing in open-end schemes.
- Investors are more sensitive to fees.
- Mutual funds have significant preference for low transaction costs.
- Most investors appear to be naïve, with a little knowledge of the investment strategies or financial details of their investments.
- Penetration levels in India are low as compared to other global economies.
- A recent report on Mutual Fund Investments in India published by research and analytics firm, Boston Analytics, suggests investors are holding back from putting their money into mutual funds due to their perceived high risk and a lack of information on how mutual funds work. This report is based on a survey of approximately 10,000 respondents in 15 Indian cities and towns as of March, 2010.

SUGGESTIONS:

Suggestions to Mutual Fund Companies:

- **Disclosure of Risk**: The funds should disclose the level of risk associated with investment in the fund return in offer documents and in comparative levels of returns and risk in the annual reports for the sake of prospective and existing investors.
- **Educating the agents**: While investing the agents/salesmen should clearly explain the investors all the features both positive as well as negatives associated with a fund. Primarily, the agent/salesmen should first understand the purpose/ need for the investment by the investor.
- **Simple Terminology**: The details both facts and figures should be in plan English and the figures must be explained, for example when Sharpe ratio is mentioned, they should clearly tell it's significance and how it is related with risk and how to assess(eg., higher, the ratio, higher the better instrument).
- **Regional Languages**: The fact books may be printed also in regional languages so that penetration in rural areas may be achieved.
- **Customer Care Divisions**: Along with internet access the customers' queries about any schemes should be answerable and attract through well suitable counseling.
- **Educating the public and the investors**: Workshops or seminars explaining the importance and risk factor associated with different classes of assets may be conducted from time to time for the existing investors. At the same time awareness programmes more in all areas and more in number should be conducted for the public.

- **Understanding the Psychology of the Investors**: AMCs should put extra effort in studying and understand the psychology of investors in order to provide better schemes and better service.
- **Simple words in annual reports**: The annual reports which are given to the respondents must be with very clear and simple points which even a common investor may understand. The figures given alpha, Sharpe, beta, standard deviation may not reach the ordinary investors with no finance knowledge. These figures may be converted to simple points in plain English.
- **Lack of Awareness and information**: Mutual funds offer comprehensive life cycle financial planning and not immediate returns. A recent report on Mutual Fund Investments in India published by research and analytics firm, Boston Analytics, suggests investors are holding back from putting their money into mutual funds due to their perceived high risk and a lack of information on how mutual funds work. This report is based on a survey of approximately 10,000 respondents in 15 Indian cities and towns as of March 2010.

Suggestions to the investors:

- **Understand the purpose of investment**: The first point to analyze before investing in a fund is to find out whether the objective matches with the scheme. It is necessary, as any mismatch of the same would directly affect the prospective probable returns. For example, a scheme that invests heavily in large-cap stocks is not suited for a conservative equity investor. He should be better off in a scheme, which invests mainly in blue chips. Similarly, one should pick up schemes that meet your specific needs. Examples: pension plans, children's plans, sector-specific schemes, etc. Mutual funds proved to be the most preferential financial avenue provided it is put forth before investors in the desired form.

- As per the survey it is found that most of the specific needs are own house, children's education and retirement plans. So one whose plan is to buy a new house may plan for such schemes which give good returns in the three years. On who is investing for children's college education in 15 years, or to plan retirement in 30 years should choose the scheme accordingly. The length of time has much impact on the level of the risk tolerance.
- **Low risk tolerance**: Those investors with less risk tolerance should go for debt schemes, as they are relatively safer, when compared to empowered schemes like equity. Aggressive investors can go for equity investments. Investors that are even more aggressive can opt for schemes that invest in specific industry or sector.
- **Track Record**: Investors should go through the scheme's track record, performance against relevant market benchmarks and its competitors.
- **Period of Investment**: One should look at covering the volatility exposure which can be done by holding onto the investment for longer periods which also enables the scheme to gain.
- **Cost Factor**: Though the AMC fee is regulated, one should look at the expense ratio of the fund before investing. This is because the money is deducted from the returns. A higher entry load or exit load also will eat into the actual returns. A higher expense ratio can be justified only by superlative returns. It is very crucial in a debt fund, as it will give a very few percentages of returns.

- **Points to be considered while investing in NFOs:** At the time of NFO, one can buy units at par. However, it is not always advantageous to buy a mutual fund during NFO. One should always wait and see the performance before investing in it. One can buy units of an open-end scheme anytime at NAV-related price. The units can be either purchased directly or via internet.
- **Points to be considered while departing from the scheme:** One should sell or redeem units or repurchase proceeds within 10 days of the redemption or repurchase. Most funds charge an exit load when the period of exit is less than six months. One may sell it when the target is achieved or when the personal needs and objectives are changed due to some changes in one's life. It is also prudential to sell when the fund is taken over by other funds. One may also exit when expenses are increased.
- **Awareness of fund manager**: The investors who are aware of professionalism of Fund Managers, it is advisable to follow them by shifting over to those funds to get good returns.
- **Number of Funds to be held**: The number of schemes one should select may depend on investor's goals. If the investor has both short- and long-term goals, better to invest in different types for each time frame.
- **Diversification**: The more amounts one has to invest, the greater is the ability to afford diversification among different asset classes and investment styles. Asset allocation is the way in which one gives weight age to each asset class. Each has its own characteristics in terms of value fluctuation, level of market risk, and ability to outpace inflation. Many financial planners usually suggest a minimum of three mutual funds

- **Amount and Diversification**:
- The investors who can afford to invest at least Rs 1, 00,000-Rs 1, 50,000 can select a well-diversified portfolio with just six to eight funds and those who invest more than `10,00,000 as suggested by some experts they should select not more than a dozen funds.
- **Index Fund**: One could achieve the same result as equity, much more cost-effectively by simply buying an index fund, which gives maximum returns with less risk, because the fund portfolio is according with the index, but not an individual stock.
- **Continuous Monitoring**: Investors should continuously monitor their portfolio and revise their funds by updating according to the market position, so that returns can be maximized.
- **Sources of information for awareness:** Other than websites and magazines which will give the current data on the funds, one should also review the prospectus, which is available free with just a phone call. A fund's prospectus describes the fund's investment objective, types of securities it invests in, and the risks these investments involve. The prospectus is intended to help to understand exactly what one is investing in. Fund prospectuses also tell the funds' performance, fees and expenses, and other information that investors should have when looking for mutual funds.
- **Other factors to be considered while investing**: One should hunt for top-performing funds, not only focusing on the funds' latest performance. A common mistake of picking funds is buying the "latest" hottest fund, which may be risky. Along with NAV, one should also look for funds that consistently provide above-

average investment returns in the same fund category for the past three, five and 10 years. Lower volatility is evidenced by funds that are ahead of their peers during bull markets, while not falling more than the averages in bear markets.

- **Direct purchase from the AMC**: In addition to sales charge, mutual fund charges various management fees. Everything else being equal, lower total fees and expenses result in higher returns.
- **Starting small for first time investors**: Finally, first-time mutual fund investors are often advised to start small, and all investors can practice diversification to lower risk.
- **Tax Saving Funds**: When markets are up it is advisable to invest in tax saver, which are giving good returns compared to many other schemes.
- **Systematic Investment Plan (SIP):** Since SIP returns are according to CAGR, investors with no knowledge, not abundant money and do not have time to update going through the performance, SIP is the best alternative. This gives maximum returns with minimum risk. This works out very well as a longer period investment avenue.
- Even though the literacy rate and urban living population is more than 50% in the city of Visakhapatnam, complete information relating to mutual funds is not made available even among the investors who invest in mutual funds are unclear about how they function and how to manage them. So proper information must be provided to the investors in order to increase the loyalty among the investors.
- Advertisement Campaigns must be conducted in rural areas to increase awareness among rural investors as there is more than 40% population lives in rural areas of Visakhapatnam.
- Agents Commission to be increased so ;that they may be encouraged and motivated to meet more number of investors.

- Small Rollover Schemes may be introduced which suits the people in rural areas which is potential in Visakhapatnam.

Suggestions to the Government:

- **Unclaimed mutual fund dividend:**

  As per the survey conducted in the year 2011 by AMFI, total unclaimed dividend and redemptions lying with mutual funds was Rs 496 crores. It has requested the Government to utilize income earned on unclaimed dividend funds for Investors education. Government accepted the suggestion and the funds were made available.

  Future:

  The number of Indian listed mutual funds may substantially exceed the number of Indian listed stocks, with more mutual funds being added every month. It has already happened in the United States of America. The investors are bewildered by the choice of funds that they have-it has becoming a tough to fathom and analyze which fund one ought to invest in as it is difficult to figure out which stock he wants to invest in.

Conclusion:

The critical gaps identified in the study also provide the key information input regarding the discrepancies in existing framework of mutual funds which can be extremely beneficial to AMCs in designing more lucrative solutions to suit investor's expectations. CII – KPMG conducted a "Voice of customers" survey to help understand the buying behavior of existing and potential investors in mutual funds and to obtain feed back on their wish list from various stakeholders including fund houses, distributors, service providers and the regulation factors found for mutual fund investment are that the number or types of schemes availability is very much with which investors are becoming confused and a complex decision. Also the KYC norms are complicated which is restricting the potential customers and also lack of professional or quality advice. Drivers of purchase of Mutual funds were found to be tax benefits, consistency in fund performance and brand equity.

With majority of the countries in the grip of financial crisis and economic slowdowns, countries with largely savings orientation have weathered these phenomena. This safe side stance by these countries however is changing with the country's own economic conditions as inflation and depreciating currency value forcing radical measures and policies. In this scenario the investors with their traditional patterns of investments and savings are forced to venture out for newer and better options in the market. A country like India, where safer and riskless options are chosen and preferred for investments are slowly and steadily paving way to new hybrid investment options. In this wake of growing urge and need for investment options with comparatively less riskier than the conventional Equity options, the investors have shown interest towards the Mutual Funds. This fact is certainly identified by the Mutual Fund companies as the number of schemes with various options and benefits they are tailoring it certainly seems that the wave of Mutual Fund investment is taking over. The rapid pace of engagement worldwide has helped in serving to reinforce the mutual funds which made it as investors' preferred option of investing with a scope of higher returns and diversification.

The growing numbers of AMC's and with each AMC having numerous schemes the choice of investors in selecting one has become an magnanimous task involving intricacies and judgments. With Indian investors looking at Mutual Funds as a commodity product the AMC's are following consumer product distribution model.

The Indian investors preference when it comes to investing still lies with riskless options and pre-dominantly with Gold, is now venturing out and investing in Mutual Funds. The need and objectives are matched with schemes' characteristics. Each scheme is chosen with a specific intent. Security and assurance with average risk tolerance makes the Mutual Funds a preferable option. The ability and scope for varying risk and returns options based upon the investors' preference and psychology the AMC's offer a varied variety of schemes catering to this.

The growing number of AMC's and incalculable schemes flooding the markets and bombarding the investors the need for a body to monitor this and also its functions rose tremendously. With investors' protection and proper channeling of investment the government from time to time is taking proactive measures, hence installing and invigorating the investors' belief and assurance.

The awareness of Mutual Funds is certainly gaining its ground though still vast areas have to be covered. The responsibilities of AMC's and other broking firms increasing more than what it was a decade ago brought about radical changes in the investing patterns. The growing needs and wants, combined with future uncertainties, need for assured periodical returns with lesser risks has given rise to a growing number of young investors. Though the Mutual Funds are prone to market conditions and require continuous monitoring they are less volatile than their counterparts.

The uncertain future with global finance and economic crisis combined with growing needs of investors with low risk seeking nature, Mutual Funds certainly are making their way into the next generation's preferred investment.