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THE DEVELOPMENT OF MUTUAL FUND INDUSTRY IN VIEW TO RAISING OF FINANCIAL MARKET

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Abstract

To begin our investigation, we explore the physical and non-physical elements impacting mutual fund distribution and penetration in India. We have collected qualitative and quantitative data from fund managers on the characteristics and factors influencing their geographic presence in the nation using a questionnaire survey. Studies have shown that distribution channels, such as mutual fund companies, have a major influence on fund penetration, which is why it may be more productive to approach growing fund penetrationby focusing on raising financial literacy instead.

Keywords: Mutual funds; Indian mutual fund industry; penetration; Assets underManagement

1. Introduction

Mutual funds combine the money of a set of people and, as a result, return a profit over time. An investing expert known as a fund manager or portfolio manager oversees this pool of funds. It is his/her responsibility to invest the funds in various securities such as bonds, stocks, gold, and other assets in order to maximize profits. The investment gains (or losses) are split among

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the investors in accordance with their contributions to the fund. Mutual funds combine money from multiple investors to invest in different kinds of securities, such as stocks, bonds, money market funds, and other securities. Investment managers that oversee mutual funds utilize theirknowledge to spot prospective chances to invest in new funds that could result in gains or income for fund investors. The prospectus's investing objectives are met through portfolio development and maintenance.

Professional fund managers oversee investments made through mutual funds for small and individual investors. Each investor's share of profits and losses is based on the amount they invested, in proportion to both. In mutual funds, different asset classes are combined to create a full portfolio. The value of the fund is frequently determined by changes in the portfolio's market capitalization, which takes into account the profitability of every underlying asset.

While numerous studies have been conducted on mutual fund growth and financial success in India (Boston Analytics, 2010; PWC, 2013), the causes for low mutual fund penetration outside of India's top fifteen cities have received less attention. The research investigates the causes of disparities in the mutual fund sector in industrialized nations. In general, no difference is made between the various portions of the nations depicted in such work (Khorana et al., 2005). Despite the fact that such research may aid policymakers in identifying the optimum interregional macroeconomic circumstances for establishing an efficient mutual fund sector, variations in mutual fund penetration within a nation are rarely addressed.

Funds have gained recognition for the unique benefits they provide to their investors. Advantages include the ability to diversify and to invest in stock and debt markets at a cheap cost, plus the ability to liquidate quickly. Mutual funds, with these perks, are commonly expected by households with financial assets in excess of 28% of their worldwide GDP to shift to one of the country's most successful mutual funds (World Bank, 2012). More importantly, the PWC (2013) found that, compared to the Indian 15 (T-15) cities, asset distribution is skewed substantially in favors of India's T-15 cities. 87% of the country's total AUM is concentrated in just 15 locations. Delhi, Mumbai, Bangalore, Chennai, and Kolkata are the country's top five cities in terms of total AUM, and account for 85% of total AUM among the T-15 cities (PWC, 2013It's vital to figure out what's generating this lack of investor participation. This disparity might be caused by a number of factors. According to cross-country study, laws, norms, and governance, supply side variables, demand side factors, and technological obstacles all have an

influence on the development of the mutual sector in a certain nation (Khorana et al. 2005).

Mutual funds have existed for almost a century and play an important role in global financial markets. In the United States, the first modern mutual fund was established in 1924, and there were over 700 funds in operation right before the Great Recession. The government- sponsored Unit Trust of India was the first mutual fund firm in India, and it remained the only mutual fund available to investors until public sector banks were authorized to manage mutual funds in the 1980s. The assets of the industry did not greatly increase until the mid-1990s, whenthe private sector was permitted to compete.

Despite a large increase, mutual funds are not a dominant power in the Indian financial markets. In contrast to India, mutual funds account for only 3% of all equity capital invested inthe market in the United States, whereas they account for more than 30% of all capital invested in the United States. The Indian mutual fund industry manages $87.5 billion in assets, accounting for around 0.4 percent of total assets managed countrywide (Kale, & Panchapagesan, 2012). Given the scarcity of long-term investments in rising nations such as India, where family assets are frequently substantial, it is believed that mutual funds would become more popular once they are available. Furthermore, illiterate Indian investors would be expected to contributeto economic advancement by outsourcing the onerous investing process to mutual funds ratherthan attempting to do it themselves.

An investor with a varied surplus has a number of investment options in today's financial market. Low-risk, low-return investments include bank deposits, corporate debt, and bonds. One might invest in stocks of companies that have a high risk but a high return. According to current stock market trends, the vast majority of individual investors lose money over time. People started hiring stock market portfolio managers in order to invest on their own. As a result, a number of corporations have provided us with wealth management services. They were,however, unaffected by a little investment. Mutual funds have provided these investors with a safe haven. The mutual fund business has seen substantial changes in recent years, with foreign organizations entering the country and providing their experience in global fund management. In recent months, there has been a period of consolidation in India's mutual fund sector. Investors may now choose from a variety of programmes based on their specific properties.

Investors looking for a way to reduce the risk of investing in individual equities are increasingly turning to mutual funds. Putting money into a portfolio of securities chosen by fund

salespeople and presented to clients as fund equities is what it means to invest in mutual funds. You have a wide range of investment possibilities, which gives you a lot of flexibility. Securityfunds, income funds, technology funds, and growth funds are a few of the most popular fund categories. Mutual funds let you diversify your investments among a large number of different stocks while lowering the risk associated with making just one investment. As one of the most alluring ways for average people to invest their money, mutual funds have gained popularity. Inorder to provide a high level of relative safety and returns, a mutual fund pools money from hundreds of investors and invests it in a variety of assets, including stocks, bonds, andgovernment bonds. Mutual funds are currently the best solution for the vast majority of investors. It comes as no surprise that the fund sector in the US has already eclipsed banking. The Indian industry has already opened up a number of exciting investment opportunities to Indian investors.

Although mutual funds are not insured in the same way that banks are, they can provide a greaterrate of interest than banks' present 1-2 percent while being one of the safest methods to develop your money. The options for mutual fund investment are almost endless, depending on your risk tolerance. Mutual funds have become well-known as professional intermediaries. This money enables for small-dollar investments while keeping a diverse portfolio to some extent, in additionto offering expertise in stock market investing. A mutual fund is an investment vehicle that invests in both bonds and stocks. Instead of replacing stocks and bonds, it pools funds from many participants and invests them in stocks, securities, money market funds and other assets, including real estate. Like buying a little pizza, buying a mutual fund is similar to buying a mutual fund. Profits, losses, income, and expenses of the mutual fund unit is distributed proportionately to the unit owner. Investment funds (MF) gather money from individual shareholders and corporate investors and invest it on their behalf in various financial industries, sovereign debt, bonds, and equity instrument

An investor can invest in a portfolio of assets without actually owning any of them by investing in a mutual fund. It collects money from a number of sources and invests it in a varietyof financial assets. Every fund manager has their own set of investing objectives that they aim to meet. Investing in mutual funds has grown in popularity as one of the most appealing options for the average person to do so. Because mutual funds need to spread investments to maintain adequate investment returns and security, a fund collects the money of many investors and invests it in a wide range of assets, like stocks, bonds, and securities. A number of programmes

are used by the Asset Management Company to administer each Mutual Fund. Investment in Mutual Funds allows an investor to become a unit holder. After the money has been deposited in a mutual fund plan, it is subsequently invested by the fund management in a variety of equities, bonds, and money market funds. Every MF is established by a trained specialist who uses the money to build a collection of shares and equities, gilts, bonds, and money market instruments, as well as a blend of them.

There are two key reasons why Mutual Funds are popular with Indian investors. They give a better return rate than FD and the assets are managed by specialists who have the infrastructureneeded to monitor business operations and stock market perspectives. MF can be regarded as a banking industry branch. In both cases, money is withdrawn from the deposits of investors and paid as a dividend, at almost the same rate as the interest rate of the bank. In India there are about 38 MFs that operate a range of programmes that meet the expectations of their target customers.Tax relief funds, income funds, growth funds, bonds, index funds, balanced funds, cash market funds etc. are all aimed at achieving the aims of various kinds of depositors. The Indian MF industry relies on diversification, franchisee ownership, opening new shops and accumulating locations, hosting investor dinners, and holding seminars to spread awareness. This industry focuses on sophisticated structured equity instruments that appeal to high-net-worth investors. Technology, on the other hand, is used to enhance the experience. Banks and insurance companies must compete with the mutual fund business. The Reserve Bank of India and the Indian government helped establish Unit Trust of India in 1963.

A financial sector is a marketplace where various types of bonds and securities are exchanged. This covers a variety of financial instruments such as bond markets, stock prices, foreign exchange markets, equity derivatives, and so on. Because they operate as middlemen between various collectors and investors, financial markets are critical to the effective running of the capitalist system. These marketplaces effectively let money to go back and forth between collectors and investors. By managing resources and creating liquidity for commercial operations, financial markets contribute to the smooth operation of economies. In these markets, several sorts of businesses can be traded. One of the main responsibilities of financial markets is to provide openness in information in order to provide effective and appropriate market pricing. Other titles, such "Wall Street" and "capital market," are alluded to sometimes, althoughthey all relate to a same phenomenon. Simply said, companies and individuals may utilize the financial system to raise capital and produce more money to develop their business.

In the growth and development of nations around the world, the capital market is vital. The capital market of one country creates medium and long-term capital, which is vital for financial progress, as demonstrated by the positive links among long-term economic and capital growth. A well-developed financial sector helps discover prices, liquid liquidity, lower transaction costs and reinsurance. Thus, strong capital markets enhance economic productivity, investment, and growth. In the search for ways to enhance the operations of capital markets throughout the world, financial deepening has been emphasized as one of the strategies whose implementation may quicken the speed, development, and contributions of the market. Financial integration is more concerned with financial deepening. By moving cash from excess units to depository institutions, financial markets play a crucial role in the intermediation process (investors). When a country's financial internationalization is successful and efficient, the consequence is frequently a well-functioning financial sector capable of sustaining economic expansion.

As per the previous discussion, a nation's monetary depth level might have an influence on the participation of the financial market to growth in the economy. Given that capital markets' prominent and essential role in determining the rate of development and growth of a nation, the connection between financial deepening and stock market performance in a developing nation such as Nigeria must be assessed. The primary instruments being transacted on the Nigerian stock exchange were government development shares, industrial preferences, and equities.

Credit intermediation has shifted in recent years, with non-bank intermediaries, such as asset management firms, gaining ground on the banking sector's traditional dominance. The mutual fund business is India's fastest growing and most competitive industry, since it provides investors with operational flexibility and attractive returns during this time of market calm (RBI, 2017). Over the previous five years (2013-2018), assets managed by mutual funds have grown at a Compound Annual Growth Rate (CAGR) of 25%, which is equivalent to less than 11% of average scheduled commercial bank deposits (Kaila, & Singhal, 2014).

Household resources have shifted from physical assets to financial money and capital assets, from bank deposits to securities, as India's market has formalised and financialized. Individual investors lack experience in portfolio creation, stock selection, and timing, thus mutual funds pool money from a broad range of participants and spread risks by investing in an investment, bond, and/or cash-market tool portfolio. Professional portfolio managers are beginning to handle such assets by using tactical transactions to capitalise on current or expected

market situations. MFs offer a consistent source of income and capital appreciation, as well as tax advantages, to generally risk-averse lay investors. As a consequence, household preference for mutual funds over alternative investment options has grown dramatically since 2016. While India's MF penetration is low in comparison to the worldwide average (as assessed by the AUM/GDP ratio), the industry's prospects are brightened by favourable demographics, a track record of strong savings propensity, and regulatory initiatives. As effective resource allocators, MFs also play an important role in the stock, debt, and financial markets. The bulk of MF debt portfolios are made up of corporate debt instruments like as variable rate bonds, non-convertible debentures (NCDs), and PSU securities. MFs are the major lenders in the collateralized borrowing and lending obligation category of the money market, accounting for more than 60% of all loans. As large domestic institutional investors, they invest in both the primary and secondary markets, providing a hedge against price fluctuations.

2. The Policy Environment

The first investment trust in India, the Financial Association of India and China, was founded in 1869, and it marked the start of the MF industry in India. In Bombay, M/s Premchand Roychand established the first Industrial Investment Trust in 1933. Many other industrial enterprises also created trusts, which functioned as investors and mobilized cash from corporations and developers of industrial groups. In addition, in 1963, the Reserve Bank of India and the Government of India cooperated to form the Unit Trust of India, creating a solid basis for the business. In 1987, the industry began to grow, with new entries mixed with stable times.

The AMFI has concluded that there are five major phases in industrial growth. UTI was established as part of the first phase of the Unit Plan of 1964 (United States 64). (1964-1987). UTI had a total of 67.0 billion AUMS by the end of 1988. The State Bank of India MF was established in 1987 as part of the second phase (1987-1993). Many more public sector organisations, notably the Life Insurance Corporation of India and the General Insurance Corporation of India, started their own MFs in 1993, bringing the industry's AUM to 470.0 billion. With the establishment of the SEBI in 1992, a new era in the Indian MF industry started in 1993. In the third phase (1993-2003), the private sector was permitted to join the industry, resulting in India's securities markets becoming the first to provide MF products to Indian customers. With the exception of UTI, SEBI began regulating the MF sector in 1993 with the SEBI (Mutual Funds) Regulations of 1993, which were totally amended and released in 1996.

Many fusions occurred during this time, when a large number of foreign-sponsored MFs entered the market. At the end of January 2003, there were 33 mutual funds with a total AUM of
$1,218.1 billion. The fourth stage (2003-April 2014), which also began in February 2003 with the repeal of the Unit Trust of India Act 1963 and the demarcation of the UTI into a Specified Undertaking of the Unit Trust of India and the UTI Mutual Fund, frequently saw consolidations between private sector funds, resulting in further consolidation and growth of the MF industry, which had been hampered in the previous stage. The sector saw a rebound in the fifth stage (from May 2014), with ongoing growth in inflows and AUM, aided by SEBI regulatory initiatives, more access via enhanced distribution channels, and increased investor education.

In recent years, the SEBI has adopted several initiatives to build an integral and credible regulatory environment for the sector, improve the availability of MF products, reenergize distribution, ensure more openness, and address investor protection and awareness problems.

Newly formed cadre of distributors, consisting of postal workers, retired government leaders, retired teachers, and bank officers, were given certificates by the National Institute of Securities Markets (NISM) and were permitted to distribute simple and complex MF products in September 2012 as part of SEBI's initiatives. MF distributors were previously permitted to purchase and redeem MF units on behalf of their clients, with the use of approved stock exchange platforms, starting in October 2013. Previously, from August 2013, MFs may trade securities on debt exchanges' platforms on behalf of their schemes' portfolios and lower the expense of trading for Asset Management Companies (AMCs). This was accomplished by applying to be listed as a “proprietary trading member. As of April 2014, a number of distribution channels were opened up to internet-savvy customers, including internet-based investment services and the rising use of mobile-only investment vehicles. Direct plans, particularly direct plans, are allowed to purchase and redemption units directly through stock exchanges utilizing the infrastructure of recognized exchanges since October 2016.

Direct investment plans, e.g., assets placed directly in a portfolio managed by an investment manager, have access to additional provisions starting in 2012-13. Following the growth in participation in towns beyond the top 15 cities in September 2012, funds were allowed to charge a 30-basis point increase in total expense ratio (TER) if new influxes to towns beyond the top 15 cities reached 15% or 30% of the scheme's average AUMs (today's year).

3. Literature Review

All through discussion on alternate distribution techniques, Independent Financial Advisors (IFAs) play a key part in the money distribution (PWC, CII, June 2013). They talk to investors and recommend the asset allocation schemes and asset diversification methods they should use. It is consequently possible for them to have an impact on the investors' choice of investments and to provide MF solutions. This method does have its shortcomings. Unqualified IFAs have a greater risk of misleading their clients since they have no access to professional training and education. It would be difficult for financial advisors to communicate the benefits of mutual funds to investors who reside in rural towns. Although the top 15 cities are addressed, AMCs and regulators must work together to expand financial education outside these cities through campaigns and programmes on a regular basis.

Various aspects of legislation, regulatory and governance influence the financial sector's growth. In a study done by La Porta et al. (1998), they investigate the role that capital rules playin determining the confidence of investors (Thompson & Choi, 2001) and the growth of multi-country ownership and taxation, as well as the role that capital rules play in determining investorconfidence.

The expansion of the reciprocal fund sector will influence the supply-side problems which imply the features of the financial services sector. Implications, such as the concentration in the banks (Nicola & Michele, 2001), distribution network spectrum and equity restrictions (Barth et al, 2001), easy access to the financial sector as costs for the establishment of a new fund, the time necessary to set up a new fund, and the instruments for competitive and government- sponsored investment are noted on them significantly to the development of the fund.

The growth and diversification of the mutual fund business in a nation can be explained by several demand side variables. These factors include education, literacy, the availability of knowledge sources, the company's age, and so on. Different trading characteristics, like transparency and transaction costs (Chiyachantana et al., 2004), can be used to describe some aspects of the mutual fund business completely.

According to Massa et al. (1999), a number of factors have been found to be highly predictive in explaining a large amount of the observed variation. They analyzed the investor behaviour commonly found in mutual fund investment portfolios and looked for different asset
classes to be viewed as substitutes for mutual fund shares in the market. It was shown that

inflows of money market and precious metal funds are inversely related to equity fund inflows.This may be seen by the fact that over half of all mutual fund shares trade due to re-equilibrium in the two sources of cash and equity. It is apparent that the negative link between shares and metals refers to liquidity issues rather than an understanding of equity premium. In addition, flow factors explain up to 45% of the transversal variability in mutual fund returns

Ferruz and Ortiz (2005): The researcher tried to research Indian mutual funds. They investigated whether the classification they received based on the name they used to find themselves was the same as the classification they would receive if prior management were considered. Using factor analysis and clustering algorithms, the findings revealed that categorizing funds based on risk resulted in small deviations in average percent investment criteria, allowing for classification by the institutions accountable for keeping the mutual fundmarket & proper functioning and investor authentication.

Müller and Weber (2010) looked at the effects of financial literacy on mutual fund investments. They discovered that financial knowledge had little influence on the performance of active funds. Overconfidence, on the other hand, may discourage people from investing passively. The chance of buying an active fund was shown to be positively related to the beliefof being better than average at spotting superior assets, validating this theory. Furthermore, higher- than-average thinking is linked to monetary knowledge.

In the mutual fund business, there has been considerable disagreement over whether the abolition of entry loads has lowered the number of commissions distributors use to recruit new customers. A big problem for the mutual funds sector in 2009 was the regulations on new and current mutual funds, which impeded the industry's growth and also required prominent fund houses and distributors to restructure their operations and business structures in order to find a sustainable solution. Researchers (Anagol & Kim, 2012) that studied the notion that theelimination of entry charges has impeded the spread of mutual funds could not find any evidencesupporting these claims.

Anagol et al. (2013) examined a key Indian investor protection regulation that banned distribution costs that were previously designated for reciprocal fund commissions, reducing expenses associated with reciprocal fund sales. They compared pre-reform funds with high- and low-distribution levies to assess the policy impact. In contrast to industry, experts believed thatrestricted commissions would drastically affect investment in mutual funds; there was

absolutely no indication that the reform impacted the rise in assets in mutual funds.

Investors and portfolio managers working with intermediaries were investigated (mutual funds) by Zechner et al. (2011). Many financial consultants are typically available between portfolio managers and investors. In order to compensate advisers for differential pricing or marketing, portfolio managers pay large "kickbacks." Payments for kickbacks raise fund management costs and decrease returns. Competition with portfolio managers lowers kickbackbut promotes independent advisory services.

According to Khorana et al. (2005) assert that the mutual fund business is concentrated in countries with strong rules, laws, and regulations, especially when fund investors' rights are better protected, they agree with earlier results in the legal and economics literature. The small-cap sector is more prevalent in nations with lower entry barriers, as measured by the time and effort necessary to establish a new fund. While individuals with significant money and educationare more likely to work in the fund business, it is also apparent in countries where the industry is older. The fund sector is larger in many countries because defined contribution pension plansare more prevalent. These findings suggest that regulations and norms, as well as supply and demand-side variables, have an impact on mutual fund industry growth.

Mutual fund managers and fund complexes are influenced by investor reactions to mutual fund performance. It has far-reaching ramifications for global asset trading. (Keswani & Stolin, 2012) draw a few inferences from monthly fund sales and purchases in the UK via seven variousdistribution channels. Their research shows how various sorts of investors react to fund performance data, as well as the degree of nonlinearity in their reaction functions.

Investor reaction to the fund's performance has a big influence on long-term difficulties where mutual funds are invested and managed. The population of investors, on the other hand, is diverse, and the method for purchasing or reimbursing their funds may have an influence. Their findings demonstrate that how investors react to past fund performance is greatly reliant on the investors' demographics and how the fund is presented. Despite the fact that both peopleand institutions buy funds in a "convex" way, meaning they are more impacted by investment performance when a fund performs well than when it performs poorly, the effect on retail investors is considerably more evident. Flow performance correlations are steep and extremelyconvex for fund purchases made by a fund firm's associated sales force, but they are steep and very convex for fund purchases made either un-intermediated or arbitrated by independent

advisers.

The sensitivity of accumulated withdrawals to performance is much lower than that of inflows, which is consistent with the notion that investors focus mostly on their initial investments than on their subsequent monitoring. When fund performance falls below average, investor withdrawals occur more quickly than when fund performance rises above average. In this sense, institutional and retail investors behave similarly.

The performance of a mutual fund is far more important when investors are deciding whether or not to invest rather than when they are deciding whether or not to redeem. Nonetheless, some investor types act inconsistently when it comes to the components of performance that they deem essential. Individual investors, for example, pay attention to non- alpha performance aspects when buying funds but disregard them when selling, whereas insurance companies perceive them when buying but don't value them when selling.

4. Aims and Objective

The aims and objectives are:

- To analyze the factors that motivate to invest in mutual funds
- To analyze the investment in mutual funds in respect of age groups and qualifications

5. Research Methodology

Data collection involves collecting relevant information, developing a hypothesis, and analyzing it to find an answer to a research problem. The outcomes of the tests are evaluated to generate the findings. The two basic types of data gathering are primary and secondary. This paper useda convenient Sampling Method. Primary data has been collected through structured questionnaire. Questionnaire was filled by 150 respondents and analysis was done with the helpof SPSS tool. For the collection of the primary data, we have used a questionnaire. We have used Chi- square test and ANOVA test in this study. We are gathering information for this study from published journals, publications, and newspapers. For the collection of Secondary data, wehave used Journals, articles.

6. Results

According to our study's findings, the male are 76 percent, and the female are 24 percent out of 150 total respondents of this study. The contribution made by respondents, the age group of 30-

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40 yrs. is 31.33 %, while the age group of 41-50 yrs. is 30 %, while the age group of above 50 is 10 percent and while the age group of below 30 is 28.67 percent which depicts that our respondents has contributed majorly for accomplishing our report. Out of 150 respondents, 30 percent are graduate, 15.33 percent are HSC, 32.67 are post graduate and 22 percent are professional. Out of 150 respondents, 30 percent are businessman, 30 percent are professionals,
9.33 percent are retired, and 30.67 percent are service. Out of 150 respondents, married are

60.67 percent and unmarried are 39.33 percent of this study. Out of 150 respondents, 60.67 percent are joint family and 39.33 percent are nuclear family of this study. Out of 150 respondents, the range of monthly income 10000-20000 is 32.67 percent where the range 20000-30000 is 30 percent, above 30000 is 14.67 percent and less than 10000 is 22.67 percent. Out of 150 respondents, 53 respondents invest the amount between 20000- 25000 monthly while 45 respondents invest below amount of 20000. Only 10 respondents invest the amount of above 30000. 39 respondents believes that they get minimum rate of return less than 5% and 46 agree that they receive return of 10-15 percent. Liquidity in mutual fund, favorable rating and innovative features are some factors that motivates people to invest in mutual fund as per the survey.

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Table 1: Motivation factors of investment in Mutual Funds

	T	df	Sig. (2-tailed)	Mean Difference	nfidence Interval of the Difference	
					Lower	Upper
Mutual Fund products maximizes return	34.189	149	.000	3.64667	3.4359	3.8574
Investment in mutual funds is based on the reputation of the scheme.	33.176	149	.000	3.59333	3.3793	3.8074
Innovative features of Mutual Funds attract customers towards mutual funds.	33.124	149	.000	3.60000	3.3852	3.8148
Mutual Fund operation is very transparent	31.430	149	.000	3.52667	3.3049	3.7484
Investors in MutualFunds can liquidate their investments at anytime.	33.633	149	.000	3.63333	3.4199	3.8468
Easy entry and exit toand from Mutual Funds.	32.184	149	.000	3.58000	3.3602	3.7998

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Expertise of the fund managers in managing money	32.047	149	.000	3.56667	3.3467	3.7866
Favorable rating by arating agency influences the investors of mutual fund	33.874	149	.000	3.65333	3.4402	3.8664

Conclusion

India's MF sector has seen significant growth and plenty of competition throughout history. Even with the heightened dangers of investing in such assets, because of their professional management and possible greater returns, investors are continuing to use MFs. In order to protect the investor interest, a sound regulatory framework that is influenced by the aim of conserving the investor interest has also contributed to an increase in people shifting from alternative financial and physical savings methods such as certificates of deposit in favour of money funds for household saving. Furthermore, regulatory measures such as strengthening thedistribution network, improving AMC disclosure standards, and focusing more on investor awareness and education have all helped to increase MF penetration in India. In India, mutual funds have matured as an asset class, with a big base of investors and a wider geographic dispersion. As they are the largest lenders in the category of CBLOs, MFs have become major participants on the stocks and corporate bond markets in India, in addition to providing crucialliquidity support to the financial industry. Thus, as a consequence, they have increased their power to affect stocks and debt market price movements as well as the supply of money inside the country. Despite the 25% CAGR growth in the AUM in the previous five years (2013-18), an examination of the current worldwide market for money managers reveals that the levels of penetration of money managers in India must increase in order to sustainably serve retail investors.

The difficulties encountered with the Post Office's trial programmes India Post 2001, which provided mutual funds through postal channels in India's major cities, might be useful. It is necessary to investigate whether or not a deployment across communities would be cost- effective and useful. Furthermore, mutual fund sales by independent financial organizations have been recognized as uniform. Future study on the impact of sales

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agents on retail sales mightbenefit from the use of sales data analysis.

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