

A Study of Individual Perception and Consumer Behaviour on Hybrid Mutual Fund with Special Reference to Imperial Money Pvt. Ltd. Nagpur

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Abstract: *Hybrid mutual funds are types of mutual funds that invest in more than one asset class. Most often, they are a combination of Equity and Debt assets, and sometimes they also include Gold or even Real estate. The key philosophies behind hybrid funds are – asset allocation, correlation, and diversification. Asset Allocation is the process of deciding how to distribute wealth among various asset classes, and correlation is the co-movement of returns of the assets, and diversification is to have more than one asset in a portfolio. Since the sources of risk and factors affecting returns are similar for the investment options within an asset class, they tend to exhibit a high level of correlation in returns, whereas investment options across asset classes show little correlation in returns. Portfolio risk can be reduced by combining assets that have a low correlation. Hybrid mutual fund schemes diversify the investment within multiple asset classes to try and achieve maximum returns at minimum possible risk. The allocation to each asset class is decided by the fund manager basis the investment objective of the fund and the market condition.*

Keywords: Investment.

I. INTRODUCTION

Hybrid mutual funds are types of mutual funds that invest in more than one asset class. Most often, they are a combination of Equity and Debt assets, and sometimes they also include Gold or even Real estate. The key philosophies behind hybrid funds are – asset allocation, correlation, and diversification. Asset Allocation is the process of deciding how to distribute wealth among various asset classes, and correlation is the co-movement of returns of the assets, and diversification is to have more than one asset in a portfolio. Since the sources of risk and factors affecting returns are similar for the investment options within an asset class, they tend to exhibit a high level of correlation in returns, whereas investment options across asset classes show little correlation in returns. Portfolio risk can be reduced by combining assets that have a low correlation. Hybrid mutual fund schemes diversify the investment within multiple asset classes to try and achieve maximum returns at minimum possible risk. The allocation to each asset class is decided by the fund manager basis the investment objective of the fund and the market condition.

II. LITERATURE REVIEW

CMA Panigrahi et. al (2020) studied an analysis of ten equities linked saving scheme mutual funds. Using financial ratios and tools for analysis including the average return, coefficient of determination (R²), S.D, Beta, Sharpe ratio, Jensen alpha. They found a more attractive return in ELSS mutual funds and also takes a tax benefit of 1.5 lakh.

S Tripathi, Drgp Japee (2020) researched fifteen equity mutual funds of different categories based on the market capitalization of companies. Used different financial ratios for the evaluation of funds. They found the majority of equity mutual funds are performing well, but when a sharp fall in NIFTY 50 in 2019 is affecting the return of the mutual fund.

KB Sharma (2020) found that three funds have performed well and two funds had not performed well during the study period from the selected five Debt funds. The sharp fall in the NIFTY during the year 2019 has impacted the performance of all the selected funds. Statistical parameters used for performance evaluation were alpha, beta, standard deviation. S Ahmad,

D Alsharif (2019) researched on Saudi Arabian fourteen Islamic and conventional mutual funds' performance are compared based on financial ratios, tools, and people's opinions in the debate. In this research, they found Islamic mutual funds are the favourable reason it is low risk compared to conventional mutual funds and give more return. The data of the study is taken from 2013 to 2017 monthly data.

S Tripathi (2020) concluded that people are aware of a mutual fund but still, very few peoples are investing in mutual funds. Respondents are preferring equity, hybrid & debt respectively. 75% of respondents are preferring a Systematic Investment Plan(SIP). Respondents are also aware of share market functioning. Respondents know that the Asset Management Company (AMC) invest their money in Share Market. Primary data was used for research.

2.1 OBJECTIVES

- To know about the extent of awareness about hybrid mutual fund with special reference to Imperial Money Pvt. Ltd. Nagpur.
- To know about the preference of investors towards mutual fund (hybrid).
- To know about the perception of investors towards mutual fund.
- To know about the extent of satisfaction of investors towards hybrid mutual fund.

2.2 Hypothesis

Hypotheses can be considered as the expected outcomes of the study that can consider our observations for the external world. Hypotheses which we frame for our study generally describe the causal relationship between the studied variable wherein one can be considered as cause that is what process and mechanism we have used for study wherein the outcomes of the study are effect. Observations are data – what we see or measure in the real world.

- H1 – there is positive perception of investors towards mutual fund.
- H0 – there is negative perception of investors towards mutual fund.

III. RESEARCH METHODOLOGY

Sampling Methodology

The design of the sample as follow- 500 population Non probability convenience sampling.

Type of Research

Research design is selected for this research is descriptive design and universe is Nagpur city.

Method of data collection

For this paper both the primary and secondary data collection methods were taken into consideration. A self-designed questionnaire is used to collect the primary data. Secondary data was taken from various research papers, articles, Journals, Websites, and Magazines.

Data interpretation and analysis techniques

Quantitative data interpretation method and pie chart & bar graph analysis techniques to be used in research.

IV. DATA ANALYSIS & INTERPRETATION

- It is observed that out of 100 respondents 62 % of respondents are planning to save.
- Mutual fund investment is popular among investors but they invest only mutual funds, they don't know types of mutual fund which is better (equity, bonds, hybrid) for them.
- Advertisement is the source of information, from which the people gets idea about the mutual funds. Then people use the financial advisor and social media as source of information.
- Most people making investment by attracting to the better return policy of the mutual fund investment.
- There exist relationship between the level of income and period of investment.
- Most of the people prefer growth income fund and regular return fund.

V. SUGGESTIONS

- To attract the young generation awareness about the mutual fund should be spread among the school and colleges
- AMC should collect feedback from the investors; they need to inform the investors about their investment progress and the fund managers should invest the investor's money in accordance with their objectives.
- The advertisement about the mutual fund is considered as most important sources of information. So the companies should provide needed information to the people through the advertisement. Then only the common people also get adequate information.
- The investors may not have sufficient knowledge related to the schemes of mutual fund, so the managers should be expert and should provide timely information to the investors.

VI. CONCLUSION

Nowadays the investment opportunities are increasing day by day and it is needed to study about the awareness level and perception of individuals about the mutual fund. The present study highlight the relation between awareness of mutual fund with the sources of information, level of income, educational level of respondent, factors considered by investors while making mutual fund investment and types of investment selected by the investors. The mutual fund is an investment process in which the asset management company pools the investment from small investors and invests them in the schemes which is most suitable to the objectives of the investors. From the study the researcher identified that most of the investors attracted to the mutual fund because of its better return policy. The study suggest that New schemes should be introduced and to be communicated with the individuals to enhance the confidence of the existing investors and to convert potential investors to real investors. That will lead to the overall growth to mutual fund industry.

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