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Summer Internship Project Report on "A Study on Comparative Analysis Between ULIPS and Mutual Funds"

INVESTOSURE PVT LTD

Submitted in partial fulfillment of the requirements for the Two Year Full Time PostGraduate Diploma in Management

By:
Student Name: MUKUL RAJ

Enrollment No: 2019084
Batch: 2019-21
(CORPORATE SALES MANAGER)

Under the Guidance of
Faculty Mentor's Name: - I.T.S- Mohan Nagar
PROF. JYOTSANA VAID

Institute of Technology &ScienceSession: 2019-21

CERTIFICATE OF ORIGINALITY

I hereby declare that this Summer Internship Project **"THE STUDY ON COMPARATIVE ANALYSIS BETWEEN ULIPS AND MUTUAL FUNDS"** is my own work and that, to the best of my knowledge and belief, it reproduces no material previously published or written thathas been accepted for the award of any other degree of diploma, except where due acknowledgement has been made in the text.

(MUKUL RAJ)
Enrollment No. 2019084Date:

INVESTOSURE PVT. LTD

INVESTOSURE
INVEST WITH PEACE

Ref No- Investosure/HR/20

Date: 08/08/2020

TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Mukul Raj**, a bonafide student of **Institute of technology and science,Ghaziabad** has successfully completed 60 days summer internship in our organization as **a Marketing Intern** from **may 1,2020 to June 30,2020,** He has worked on a project title named.

"COMPARATIVE ANALYSIS BETWEEN MUTUAL FUNDS AND ULIPS"

During the internship he demonstrated good skills with a self-motivated attitude to learn new things.His performance was **great** and was able to complete the project successfully on time.

We wish him the very best in all his future endeavours.

For Investosure Pvt Ltd.

Warms Regards

Anjali kausar

Anjali singh Kausar
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CERTIFICATE OF APPRECIATION

ACKNOWLEDGEMENT

The summer internship program (SIP) undertaken by me at Investosure Pvt. Ltd at Institute of technology & Science was an extremely rewarding experience for me in terms of learning and industry exposure.

I would like to extend my deep gratitude towards my Faculty Mentor Prof. Jyotsana Vaid and myIndustry Mentor Mr. Aman Savita, Corporate Sales Manager at Investosure Pvt. ltd who always motivated me and helped me during the internship and gave his valuable time & guidance in every step of my project. He was like a mentor for me during 8 weeks of internship program giving me valuable inputs & much need sales exposure. I would like to thank my colleagues whowere working with me during the internship in
Investosure PVT LTD for their corporation & support during the entire training period.

Mukul Raj PGDM 2019-21
2019084

EXECUTIVE SUMMARY

- *Genesis of Study*

Every investment is made with some objective or goal and there are various types of investments options available in the market. ULIP (Unit Linked Investment Plans) and Mutual Funds are some of the investments options available in the market. This study basically focuses on the comparative analysis between ULIP and Mutual Funds as what are the difference between them and to understand the perspective of the investors for these two investment options available in the market.

- *Exact Scope*

The scope behind this study depends on understanding the perspective of the consumers towardsULIP (Unit Linked Insurance Plans) and Mutual Funds and doing the comparative analysis between these plans.

Research Methodology

This analytical research work is primarily focused to show the investors the right choice of investment forthe best returns. The researcher has observed the following in the design and the execution of this research study.

- There is abundant information available to the public with respect to the mutual fund, but in thecase of ULIP, the information available to the public is very limited, particularly the charges arenot stated explicitly.
- The research is based on the data made available on the funds of open ended equity funds,intermediate and short term funds of Mutual Fund and ULIP.
- The researcher will also focus on finding out which of the given investment options will be a fruitful choice for the investor in context of getting better returns, flexibility, tax assistance, timeperiod etc.
- The Cronbach‘s alpha was calculated for the seven statement questionnaire. Value of thecoefficient was found to be 0.906008 which indicates the reliability is higher than the value of 0.7. So, all the items in the questionnaire are highly reliable in nature.

Cronbach's Alpha	Cronbach's Alpha Based onStandardized Items	N of Items
0.906008	0.7	7

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CHAPTER ONE
INTRODUCTION

India has a diversified financial sector undergoing a rapid expansion, both in terms of strong growth of existing financial services firm and new entities entering in the market. The sector comprises of commercial banks, insurance companies, non banking companies, non banking financial companies, cooperatives, pension funds, mutual funds and other smaller financial entities.

The Financial regulator has allowed new entities such as payments banks to be created recently thereby doing it. However, the financial sector in India is predominantly a banking sector with commercial banks has covering more than 64% of the total stake covered by financial system. The Government of India has introduced several reforms to liberalize, regulate and enhance the working of this industry.

➢ *Problem & Related Issues (Need for Study)*

The Requirement for conducting this study by the researcher is to clarify the difference between the ULIP and Mutual Funds.

There are many investors who are still not aware about the difference between the two options and where he has to invest his savings for getting better returns according to his future goals. The various points on which these options will be assessed and to find out which is the better option for investment. As we know the financial services are growing rapidly and the customers and investors are also getting interested in investing their hard earned money in the capital make and such investments options therefore, it is important for the society to understand the basic difference between the two options as the investor need to know exactly where his money is invested and accordingly they are able to understand and make a wise choice as where actually they have to invest. As a investor the reasons behind one is investing may vary investor to investor as for one investor security of his funds matters the most while for the other maximum returns in minimum time will the case of concern. As for one investor will be more interested in steady and slow returns while other person has the requirement of huge sum of money in some future time may it will be for his daughter's marriage or for his child's higher education. Hence the requirement for this study is to clear out the sense of confusion in the minds of the investor and he himself is able to make choice as actually where he has to invest for fulfilling hisunderlying motive for his investment.

➢ *Literature Review*

- "A Comparative Study of ULIP and Mutual Funds investment of salaried person inUrban Area"
- By Asst. Professor Deshpande Anuya Samruddha in March 2018 :- In this study ULIP and Mutual Fund investment are compared on seven different parameters using questionnaire method of survey. Survey is conducted for the sample size of 100 salariedemployees from urban area of Nasik district. On the basis of literature review and conducted mutual fund investment is proved to be better investment over ULIP.
- Mutual Funds or ULIPS? – A Cost and Return Basis Analysis Dr. Kabirdoss Devi Assistant Professor (SG), Saveetha Engineering College: - Investors always look for good investment opportunity, which would give good returns, safety and security to their investment. The gaze of present financial distribution system and quality of advice available in the market, it is strongly believed that Mutual Fund Investment would provide good returns with portfolio matching the risk attitude of its investors. Mutual Fund is a mechanism of pooling resources from general public and investing collected funds in debt or equity instruments in accordance with the objectives as disclosed in the offer document.
- PROJECT REPORT ON COMPARATIVE ANALYSIS OF ULIP PLANS WITH MUTUAL FUNDS BY YOGITA: This research paper also talks about a comparative analysis between different investment options and in this research it was also proved thatMutual funds are far better option than ULIPS.
- Comparative analysis of ULIPs V/s Mutual Funds By Satnam Singh Associate Professor(P.G Deptt of Commerce & Business Management, S.S.M College, Dinanager) (2016) :- Some insurance advisers recommend ULIP based plans for meeting the long term goalsof the investors and some financial advisers recommend mutual fund with a term plan as a solution to meet long term goals of the customers. Each one believes one is superior toother solution.
- Insurance companies offering ULIP plans have several layers of costs and it is not easy tocomprehend total cost of the plan. But it is not difficult to read the expenses of a mutual fund. Even a novice investor can see the costs that he is paying in mutual fund as fund expenses. I don't understand why IRDA can't impose a rule on all insurance companies to use one simple fixed ratio as an expense.
- The Study of Trends in Life Insurance Sector and Growth of ULIPs in India - Mrunal Chetan Joshi: - Life Insurance sector is continuously growing sector and still in India large number of people are not insured and this sector has good potential to grow. As continuous increasing contribution of service sector in GDP growth of Insurance Sector will play its crucial role in future for the development of Indian economy. In insurance industry well defined guidelines about ULIPs and increasing rationality decision makingof investor increases the chances of development of ULIPs over traditional insurance plans. ULIP serves all the benefits of MF, but at higher cost. But at the same time ULIP also serves one of the important purposes of an investor i.e. Insurance – financial supportin future in case of casualty to investors' life, which provides it an edge over MF.

- Silender Sing and Satpal (2009) in study of Customer Satisfaction in ULIPs at and Delhi, they have observed amount of the maturity of policy is most favorite factor, whereas period of surrender of the policy is least preferred variable. This consideration is important for Life Insurance Companies to plan polices and its features in future.
- Karuna K. (2009) ULIPs like other products cannot claim to be a perfect financial solution. But, for an investor who invests judiciously and is ready to wait patiently, ULIPs is one good investment vehicle available in the Indian financial market.
- Pa. Keerthi R. Vijayalakshmi (2009) all the respondents/ Policy holders have certain level of expectations from the services that are to e delivered by an insurance company. Their expectation level varies irrespective of the demographic profile but they lookforward to excellent delivery of services.
- Mr. Khanna, Member (Actuary) IRDA (2009), ULIPs is of generally long duration (1220 years) the ups and downs in the market are natural. When the market is down it not good time to redeem the money from units, some investor see this as a good period to invest.
- Sunil Dhawan (2009) Investors in the high-risk category should give priority to equitylinked products such as ELSS or ULIP over fixed income products.

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CHAPTER TWO
INDUSTRY PROFILE WITH DATA SOURCE

- *Market Size*

The Market size of finance industry's Assets under management (AUM) has grown from Rs. 10.96 Trillion in October 2014 to 28.18 trillion in January 2020.

Another crucial component of India's financial industry is the insurance industry. The insurance industry has been expanding at a fast rate. The total first year premium of life insurance premiumhas reached Rs. 2, 14,673 crore in FY 2019. Furthermore, India's leading Bombay stock exchange will set up a joint venture with EBIX incorporation to build a robust insurance distribution in the country through a new distribution exchange platform.

- *Road Ahead*
- India is expected to become the fourth largest wealth market in the world by 2020.
- India is today one of the most vibrant economies of the world, the back of robust bankingand insurance sector.
- India's mobile wallet industry is estimated to a compound growth rate of 150% to reach $4.4 billion by 2022.

- *Financial Regulators in India*
- Independent Regulators in India in the sector of banking, insurance and capital market.
- They ensure that participants conduct their activities in accordance with the guidelinesand directives of the government
- RBI, SEBI, IRDA (Insurance Regulatory Authority of India) are the main regulators offinancial services in India.

- *Globalisation of Financial Services*
- Financial services are services provided by the financial system. These encompass all the services provided by financial instruments and financial markets.
- Globalization of financial services refers to the integration of providers of financialservices all over the world.
- Options are raising finance in domestic/foreign markets at cheaper rates or easier returns,hedging of risk.
- Facilitation of cross border transactions through participation of financial institutions spread globally competing of prices, delivery, speedetc.

- *Types of Financial Services*

- *Asset Management*
- ✓ The asset management industry of India is among the fastest growing industry in theworld.
- ✓ As of FY 16, 42 asset management companies were operating in India.
- ✓ In 2016, the country registered a record inflow of mutual funds at USD 29.74 billion perannum and in systematic investment plans, investment crossed USD 594.97 million per annum.

- *Top 5 AMS'S in India*
- ✓ Sbi Mutual Fund
- ✓ Hdfc Mutual Fund
- ✓ Icici Prudential Mutual Fund
- ✓ Reliance Mutual Fund
- ✓ Aditya Birl Sunlife Mutual Fund

- *Wealth Management*
- ✓ Over the years the HNWI in India has seen a steady CAGR of 13.8%
- ✓ By end of 2025, Global HNWI id estimated to grow over USD 100 trllion
- ✓ Advisory asset management companies and tax planning has the highest demand amongthe wealth management services

- *Life Insurance Companies*
- ✓ The life insurance segment has grown USD 10 BILLION in Fy 2002 to USD 70,5 Billionin 2020.

- *Top Insurance Players in India*
- ✓ *Lic Insurance Corporation*
- ✓ *Icici Prudential Life Insurance*
- ✓ *Sbi Life Insurance*
- ✓ *Hdfc Standard Life*
- ✓ *Max Life Insurance*

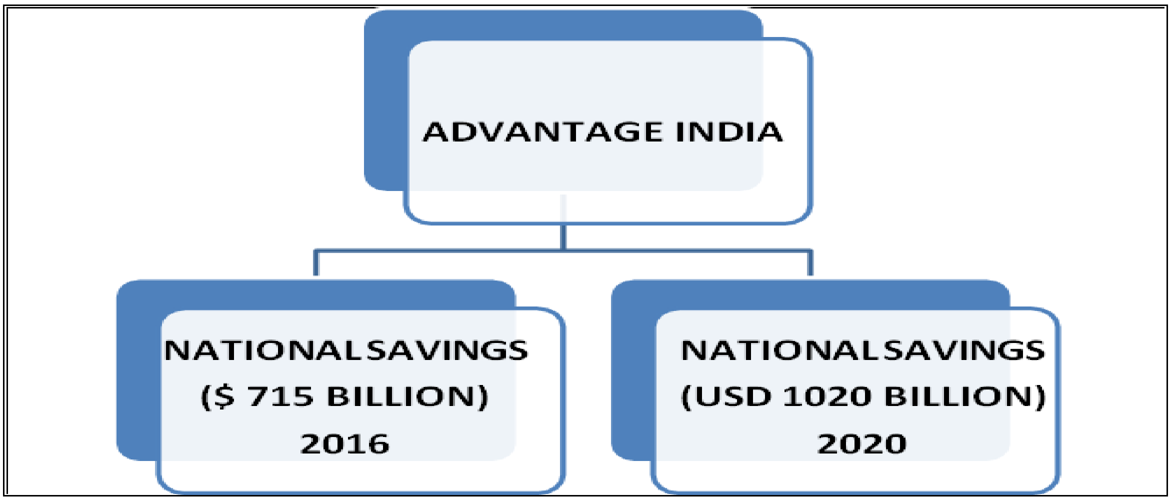

Fig 1 Advantage India

- *Merchant Banking*

Merchant bankers provide arranging support, knowledge and resources available to individual and organization for starting, expanding and sustaining their business.

- *Factoring and Forfaiting Services*

Factoring is an agreement between the form and factoring organization under which sales ledger administration and receivables collection of the firm are entrusted to an external agency called factor.

- *Leasing*

Lease is an agreement whereby the lesser conveys to the lessee the right to use an asset for an agreed period of time in return for a payment or series of payment with or without written down.

- *Securitization*

Securitization is a process of pooling and packaging of homogenous illiquid financial assets into marketable securities that can sold to investors.

- *Growing Demand*

✓ Rising incomes are driving the demand for financial services across income brackets
✓ Financial inclusion drive for RBI has expanded the target market to semi urban & Ruralareas
✓ Investment corpus in Indian insurance sector can rise to USD 1 Trillion by 2025.

- *Innovation*

✓ India benefits from a large cross utilization od channels to expand the reach of financialservices.
✓ Maharashtra will be first state to launch its mobile wallet facility allowing transferringfunds from other mobile wallets.

- *Growing Penetration*

✓ Credit insurance and investment penetration is rising in rural areas.
✓ HNWI participation is growing in the wealth management section.
✓ Lower mutual funds penetration of 5-6% reflects latent growth opportunities.
✓ SEBI allows digital wallet transactions of mutual funds worth USD 763.83

- *Policy Support*

✓ NRFIP is targeted for availing comprehensive financial services to remove rural households by2025.
✓ Government has sanctioned new banking licenses and increased the FDI limit in the insurancesector.
✓ In April 2017, SEBI allows instant credit into bank accounts, after redemption of mutual funds.

➢ *Introduction of Investosure PVT LTD*

In 2010 Mr. **Ramdhari Hooda** an ex govt. official started lending out funds to his clients on an interest basis as private fund lender in Sonipat Haryana. In 2012, Mr.Yashvir Singh who was working in Canada based PMS consultant, came back to India they started his own venture together to provide **PMS (Portfolio management Services)** as they saw that PMS are available to **HNIs (HIGH NETWORTH INDIVIDUALS),** so they entered into Financial Sector, to cater PMS services offering different types investments avenues with motive to provide more financialstability to people who finds it difficult. The PMS services are not only available for High income class people but common people who are looking forward and have an interest in investing their savings in market in search of better return on investment.

As they see this perspective as an opportunity for setting up a new venture in India and providetheir services at affordable cost. Their services includes wealth creation, portfolio managementservices etc.

➢ *Director's Message*

" Our forefathers were used to save more money despite the income was less and the fact that there were bigger families and expenses were higher as more number of people were there and earning members were less; we were able to save but our upcoming generation would not able todo even half of the saving we were able to do in our lifetime so PMS services are one of the essential needs and we want to make for not just High Network Individuals but also for commonpeople as we want everyone to have a better retirement and better life as they can achieve their financial goals with ease and they should be prepared for the uncertain situation in life ahead , aslife is full of uncertainties so we want common people to be able to sustain those uncertainties with ease."

RAMDHAARI SINGH HOODA (CEO AND MD OF INVESTOSURE)

➢ *Vision and Mission Statement*

Company's vision is to provide intelligent, affordable cost, proper asset distribution strategies to achieve their client's financial goals.

Company's mission is to gain the trust of their customers and become their family's financial partners and providing them affordable financial solutions during their entire career and evenafter their retirement

➢ *Culture and Core Values of Investosure*

At Invstosure, they believe in FUN AT WORK and WORK HARD and PARTY HARD.

➢ *Core Values*
- Team Work
- Innovation
- Intregity

➢ *Growth Over the Years*
- Over the period of time the company has grown in 5 offices in 5 different cities of India
- Over last 10 years they have also increased their customer base as during 2010 their customer base was 100-200 but now in 2020 their customer base covers more than 7000customers
- Their manpower consist of more than 260 employees in various branches in north India
- Various partners in market like MAX LIFE INSURANCE and RELIGARE HEALTHINSURANCE SERVICES.

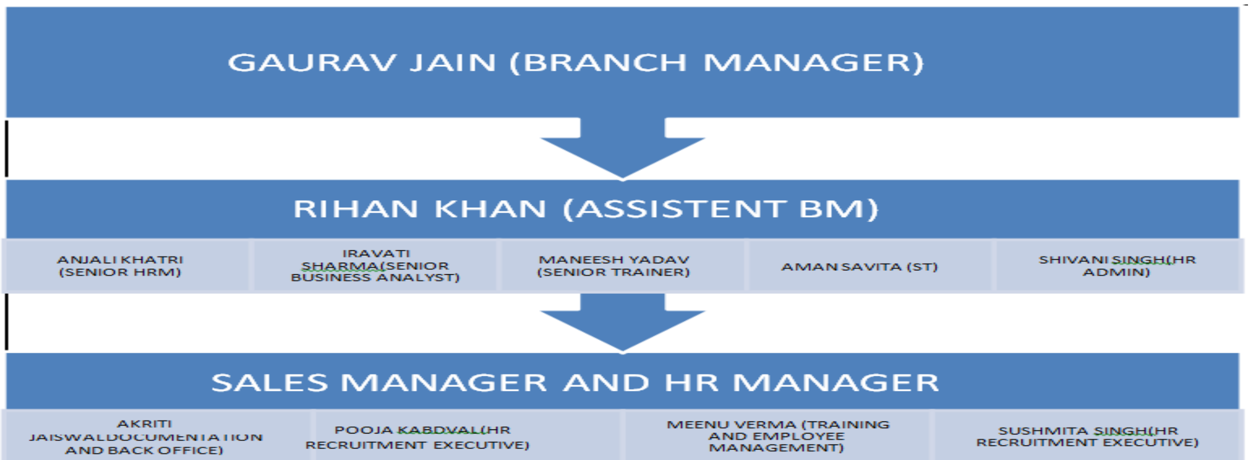

Fig 2 Noida Branch Heirarchy and Staff

CHAPTER THREE
ANALYSIS OF 3CS OF THE COMPANY
(PRODUCT, DISTRIBUTION, HR & FINANCEINTERRELATIONSHIPS), COMPETITORS & CUSTOMER

A. Factors Affecting Customer Demand Fpr Financial Services

- *Saving Levels:* - A saving culture is often associated with robust demand for financial services. According to ando and Modigliani, the lifecycle hypothesis assumesthat the prime earning years of an individual is often the period in which demand for banking services if the highest.
- *Income Levels:* - Income is defined as the payment received in exchange for laboror services pr from the sale of properties. In cross sectional studies, income levels are often observed to be directly related to financial sectors. The volume and sophisticationof the financial services demanded much higher in higher income individuals than in lower income.
- *Transaction Costs:* - Both households and firms pay transaction cost and each andevery time when they decide to buy or sell or invest in financial assets. These cost consists service charges, commissions which affect decision making
- *Risk Factors:* - There are various life stages of an individual according to which the risk taking capacity of an individual is associated and it vary during his lifetime as in his early ages of life he can take risk by investing in financial services but in later stages of life with increasing responsibilities his risk taking ability decreases.
- *Rules and Regulations Prevailing in the Country:* - The various rules and regulations prevailing in the country also affect the investing decision of the consumerregarding safety of his funds and return on investments.
- *Education Levels:*- Education and knowledge levels of the investor also affects his investing decision as for deciding where to invest he must attain the basic knowledgeof the financial system and financial services.
- *Rising Expectations and New Technologies:* - The financial services industry is a cups of substantial change. Rapidly advancing technologies, rising consumer expectations and disruptive innovations will reshape the structure of the industry across country.
- *Growth in Foreign Investment:* - Growth in India's financial sector out 2035 will be driven by expected increase in FDI and FDI partially into Indian infrastructure. This increases the trust of the consumers and they start to invest and enjoythe services of financial sector.

B. Competitors Analysis

- *SBI Capital Markets*

SBI capital markets are a wholly owned subsidiary of state bank of India (SBI). Headquartered in Mumbai. SBI CAP has 5 regional offices across India in Ahmadabad, Chennai, Hyderabad, Kolkata and New Delhi and 2 branch offices (Pune and Guwahati)and 5 subsidiaries.

- *Deologic*
- ✓ Ranked No.1 MLA with 7.2% of market share in deologic global project finance leagueloans ranking 2014.
- ✓ No.1 Financial advisor (28% of market share in the asia pacific Financial advisorrankings
- ✓ No.1 India loans mandated arranger- Market share of 75.5% (Rs. 251 billion)

- *Services*
- ✓ Financial Assistance
- ✓ Innovation
- ✓ Debt syndication
- ✓ Mergers & Acuiqisition
- ✓ Investment Banking
- ✓ Advisory

- *Avendus*

Avendus is a leading provider of financial services in India and lays emphasis on creatingcustomized solutions in the areas of asset management, credit solutions, investment banking and wealth management. They work along side with high performing entrepreneurs, wealth creators and pioneer of the new age economy in their quest to outperform.

- *Services*
- ✓ Asset Management:- Delivering steady returns through variety of focused funds withdifferentiated strategies.
- ✓ Credit Solutions: - Leveraging cross functional intellect to customize innovative flexiblecapital solutions.
- ✓ Investment Banking:- Harvesting deep expertise to deliver high quality M&A and PEadvisory services.

- *Sunderam Finance Group*

Sunderam Finance Limited is financial service providers in India. It is Chennai based and hasmore than 640 branches across country. The company offers vehicle loan, Construction Equipment loan, consumer loan, wealth management, commercial finance and infrastructure finance among others.

Sunderam business services is also global outsourcing company with over 1000 employees and over 1000 clients across three continents. There function is to provide efficiency in controlling costs and reducing costs, finding leveraging on their experiences

Sunderam Business services provide back office services for SMSF administrations, accounting firms, wealth and portfolio management companies and hospitality companies.

- *Bridge Group Solutions*

Bridge group solutions is an emerging leader in highly unorganized and diversified financial sector and aims to provide best investment solutions to the customers and also establish it footprint in this sector, with its strong research capabilities and a robust team of experts. They provide solutions that will stand straight in most situations. They help out customers foresee theirupcoming risks and help them reduce it and take well planned and calculated investment decisions through well trained teams and in depth analysis and extensive research.

- *Services*

✓ Retirement Planning
✓ Wealth Creation
✓ Wealth Management
✓ Portfolio Management
✓ Mutual Funds

C. SWOT Analysis of Investosure PVT LTD

➢ *Strength*

One of the strength which can provide benefit or which is currently providing benefit is their location and connections as a place like Delhi NCR is full of HNWI(HIGH NET WORTH INDIVIDUALS) and youth who have keen interest in investment services and their network is also growing very rapidly with theirstrong trust and other trusted business partners are coming up for investing in these services.

➢ *Weakness*

One of the greatest weaknesses of investosure Pvt Ltd company is lack of expansion plans and marketing strategies as for now it is more than ten years old company in the market and only have 5locations branch offices in Northern India only. I think this is a case of concern for a company like investosure.

➢ *Opportunities*

One of the opportunities available for investosure is the growing customer base who are interested to invest in financial services as 2025 this sector has the capability to become one of the most rapidly growing sector of India.

➢ *Threats*

There are various upcoming threats which might affect the company like investosure must overcome is the growing competition in this sector as there are various business players who are currently beating them and giving them tough competition.

CHAPTER FOUR
OBJECTIVES AND METHODOLOGY OF THE PROJECT

➢ *Objectives*

- One of the objective of the project is to understand the what is the difference betweenMutual funds and ULIPs
- To make a comparative study between mutual funds and ULIPs
- To make a comparative analysis between mutual funds and ULIPs on the basis of various factors namely **Liquidity, Flexibility, Taxability of income, Ease of choice, Returns on investment, Cost of investment, Safety of sum invested**

➢ *Methodology of the Project*

- The stages of the investigation described in the preceding paragraphs share in essence thesame methodological procedures and require similar means to achieve them.
- One of the methods used in the process of data collection was primary mode through questionnaire circulated to various respondents.
- Various graphs and statistics were used during the making of the project to show thevarious aspects of study.
- Various sources of secondary data were also used during the project for explaining various other objectives of the study and also to show the various trends in the market.
- Cronbach Alpha test was also conducted to understand the reliability of myquestionnaire.

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CHAPTER FIVE
OBSERVATIONS AND DESCRIPTION OF ISSUES RELATED TO MUTUAL FUNDS AND ULIPS

➢ *What are Mutual Funds?*

There are number of investors who want to invest in some sort of securities in order to get betterreturns which they get from their traditional savings in form of bank deposits, insurance or post office saving schemes. But the investors are worry about increment in the risk factor involved while investing in such securities traded on capital markets. The number of investors present in the market is huge but the objective of each and every investor is more or less is same. There are huge number of investors present in the market who wish to have a handsome amount of return on their equity investments only, and many others want less risky, stable and inflation adjusted returns. In today's world the financial instruments are not the only investment option available for the investors in the market but others options like precious metals like gold, and immovable properties in for of land or real estate are also preferred to be better option for investment point of view. But the problems which most of the investors face is lack of knowledge they have whileselecting the best available options for them according to their demands. The availability of various mutual fund schemes is the elucidation to the expectation of such investors.

A Mutual fund company can be considered as an investment company which gathers the funds of the investors having common investment motive. The funds which are collected by the investors at one place having widespread objective are invested in a portfolio which comprises of various investment options like equity, bond, money market instruments, real estate, gold, off shore funds etc. The selection of these investment options is done by the professional financial managers who manage the portfolio of a mutual fund scheme. Every mutual fund scheme launched by a mutual fund company has its own objective and total investment in mutual funds is divided into various units. Each investor in mutual fund scheme is called a unit holder after deducting the expenses involved in management o a portfolio. The regulating bodies clear out various guidelines related to fund management and expenses involved in it In India all mutual fund schemes are formed under a trust. The securities exchange board of India (MUTUAL FUNDS) regulation 1996 specifies various rules and regulations associated with the function of mutual funds companies in India.

- *"Mutual Fund Is A Fund Eshtablshed In Form Of A Trust To Raise Money Through The Sale Of Units To The Public Or Section Of The Public Under One Or Mor Schmes For Investing In Secirities, InclusingMoney Market Instruments" :- From A Book On Financial Services By Renuka Sharma And Kiran Mehta*

➢ *Origin and Growth of Mutual Funds*

The history of mutual funds is very old. The first ever mutual funds was founded more than 200 yearsago in 1774. It was named after Dutch merchant ANDRIAAN VAN KETWICH and it was known to be ketwich fund. After ketwich's fund more investment funds were notices in Netherlands in 1882. These practices were further perceived in France, Great Britain, Scotland, Switzerland, and The United States at the end of the 18th century. It was Philadelphia in 1907, where Alexander fund was formed which wasknown as the evolution of the mutual funds.

➢ *Mutual Funds in India*

Mutual funds in India came into existence after the formation of Unit Trust Of India in 1963.The Unit Trust Of India is made for the establishment of India mutual fund industry. During the early times of this industry the private players were not authorized to offer mutual funds schemes to general public at large. It was only after the implementation of LPG (LIBREALIZATION, PRIVATIZATION, GLOBALISATION) inIndia reforms in 1991 that the private sector and foreign institutions were also allowed to enter in Mutual Fund industry in India. The association of Mutual Fund Industry (AMFI) takes all the initiatives to promote the interest of mutual fund industry.

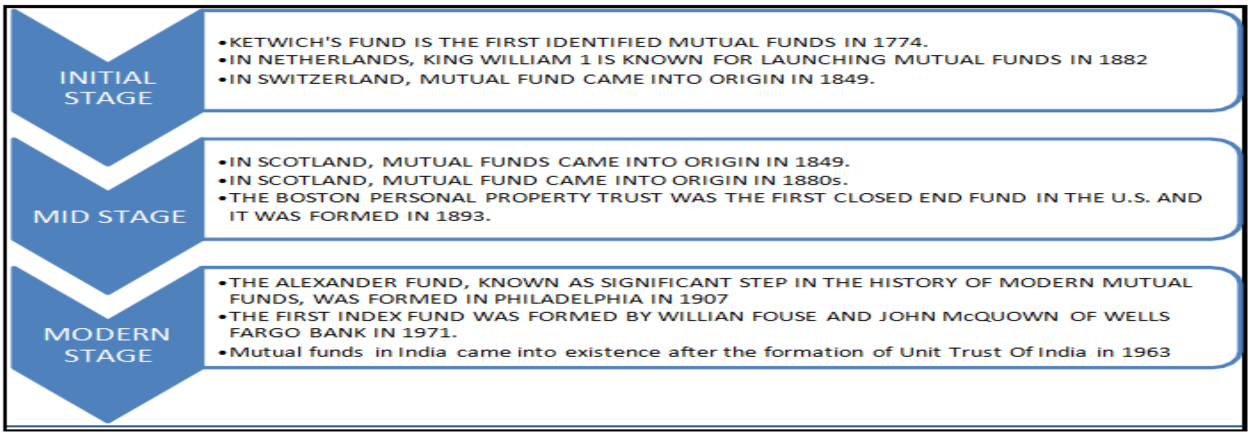

Fig 3 Timeline of Mutual Fund Industry
Chart Reference Taken from Financial Services Book by Renuka Sharma and Kiron Mehta

➢ *Evolution of Mutual Funds in India*

- *Phase 1 (1964-1987) Eshtablishment of Unit Trust of India*

UTI was established in 1963 by an act of parliament. UNIT SCHEME 64 was the first schemelaunched by UTI. Earlier UTI was formed under Regulatory and established control of reserve bank of India, but in 1978 the industrial development bank of India took over administrative control of UTI.

- *Phase 2 (1987-1993) Entry of Public Sector Banks*

In 1987, mutual funds were introduced by public sector banks (SBI was the first bank followed by CANARA bank to introduced mutual funds in 1987 Followed by Life Insurance Corporationof India in June 1989 and General Insurance Corporation of India in December 1990. Punjab National Bank (august 1989) and Indian Bank (November 1989) started their mutual funds schemes followed by Bank of India (June 1990) Bank of Baroda in 1992.

- *Phase 3 (1993-2003) Entry of Private Sector Banks*

A drastic change took place in Indian mutual funds industry when the private payers were allowed to enter in the mutual funds industry as well as various regulations for mutual funds schemes came into existence under the regulation of SEBI in 1993. In 1996, SEBI (MUTUAL FUNDS) regulations 1996 came into existence which was more comprehensive than the earlier regulations. During this phase there were in total 33 mutual funds schemes with total assets of 1,21,805 crore were prevailing in the mutual funds industry.

- *Phase 4 (2003) Growyj of SEBI and Regulation*

In February 2003, the unit trust of India was bifurcated into two separate identities. The asset representing the US 64 scheme was announced the undertaking of unit trust of India and its functioning under the administration and rules framed by Government of India. The second is theUTI mutual fund sponsoring by SBI, PNB, BOB and LIC. It is registered under SEBI and functions under the Mutual Funds Regulations of SEBI. The initiatives taken in the beginning of this phase have led to current growth and consolidation of mutual funds industry in India.

➢ *Types of Mutual Funds Schemes*

The risk taking capacity of investors with different background varies from each other. The desire for return from investment by an employee working in an MNC can be different from a small retailer. Therefore each investor has its own criteria for return and specific reasons for risk perceptions related to investments in a particular avenue. Some investors are looking for handsome returns and they agre to invest their money for a longer period of time because they want a big amount of capital gain after the accomplishment of long term and ready to bear the high level of risk also. Likewise another category of investors want a secured returns of moderatelevel and are not ready to take high risks. It is not only the difference in the expectations of returns and risk taking capacity, but there is difference in the objective of investment also. Every investor cannot have same level of investment objective, some are willing to invest in for availing the Tax benefits while others look for to be protected against the high inflation rate.

Similarly there are some other reasons of investment too. People may like to secure their old ageand look for some regular income source in form of pension. Others may be looking for regular income as a paid companies on their debt capital on high net worth companies pay in form of regular pay equity dividend. In now a days a varied range of schemes are provided by mutual fund industry which more or less fulsills the expectations of investors on a risk return time horizon scale.

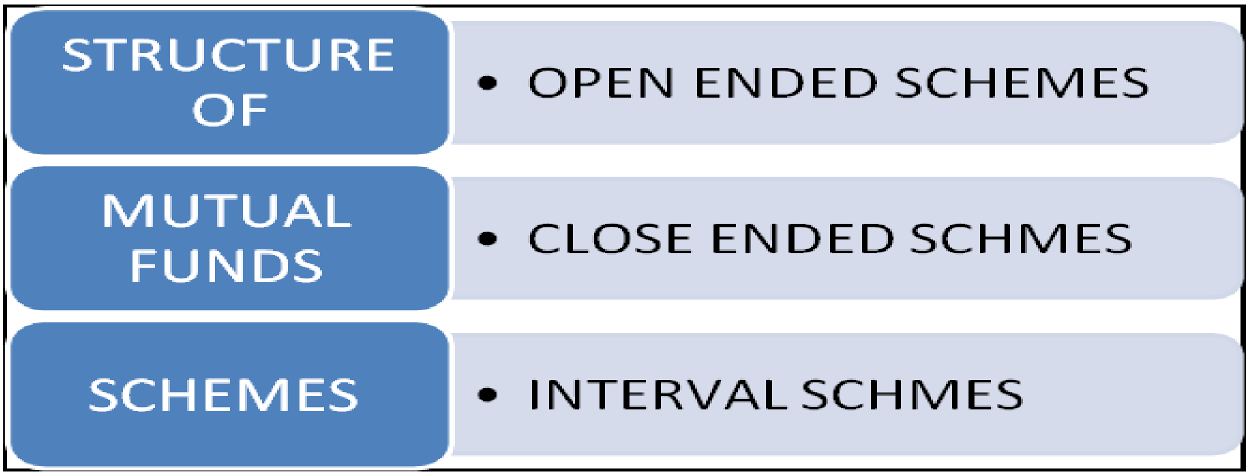

Fig 4 Structure of Mutual Funds Schemes
Source:- OFFICIAL WEBSITE OF AMFI (ASSOCIATION OF MUTUAL FUNDS OF INDIA)

- *Open Ended Schemes*

An open ended scheme gives more flexibility to the investors. Once the new fund offer is made by a mutual fund company, the mutual fund scheme is available to investors for purchase. Thereis no fixes rate of redemption for an open ended scheme and the investors can buy and sell an open ended sheme at its reported Net Asset Value (NAV). I f a mutual fund is listed over stock exchange then the buying and selling of mutual fund scheme is done as per the guidelines of capital market regulator. In India, SEBI forms all rules and regulations for for the functioning ofmutual funds industry. The mutual fund sells and repurchases the units of mutual funds if it is listed on stock exchange but in case it is not listed then the investors are free to buy or sell the units of mutual funds from Mutual Funds Company. For examples AXIS LONG TERM EQUITY FUND, BHARTI AXA tax advantage fund- Eco plan, Birla sun life life tax plan dividend option, M tax Gain fund- Dividend option, Kotak Tax Saver scheme dividend etc.

- *Close Ended Schemes*

A close ended scheme is not as flexible as open ended schemes. The redemption date of a close ended scheme is always fixed and these are not open for buying and selling by the investors round the year. These scheme are listed on stock exchanges and the buy and sell of units dependsupon the listed NAV of close ended schemes. The investors are not allowed to but the units of close ended schemes after NEW FUND OFFER (NFO). These funds are relatively flexible to manage for fund managers as these are not open for buy and sell at all the time. Under such situations the fund managers can make better strategies to manage the fund. For example, ICICI PRUENTIAL R.I.G.H.T FUNDS DIVIDEND, ING OPTIMIX RETIRE INVEST FUND SERIES 1 – DIVIDEND, UTI LOND TERM ADVANTAGE FUND, DIVIDENDOPTION, and TATA INFRASTRUCTURE TAX SAVING FUND. ETC.

- *Interval Scheme*

As it is clear from the name itself, these types of funds have features of both the above discussed categories. These types of schemes are basically close ended in nature, but these are kept open for buyand sell for a specific time period and necessasary information related to this is already mentioned in the document.

- *Types of Mutual Funds*

- *Equity Funds*

Equity funds generally in different equity shares of various companies. The equity shares how ever terms as the riskiest financial instruments as compared to other financial instruments issued by a company in the form of debt and hybrid securities. The diversification of equity can be doneby investment in equity shares of companies under same industry or in equity shares of companies from different industrial aspect. This type of decision is based on the style of fund managers and existing market scenarios. For example AXIS long term equity fund dividend, UTIequity fund, Reliance equity funds etc. Further the equity funds can be characterized as follows:-

- *Large Cap, Mid Cap and Small Caps Funds and Flexi Caps*

The large cap funds make investments in equity shares of firms having a large size. These type of companies are of comparatively high net worth and are considered safer than the others.

Likewise, the mid cap funds make investment in the funds of medium size and small cap funds generally investment in the companies of small size. Here size means the size of the firms on thebasis of Market Capitalization.

- *Diversified, Sector-Specific and Thematic Funds*

A diversified scheme invests in the equity shares of companies belonging to various different kinds of industry segments like Power, FMCG, Pharmaceuticals, IT, Telecom, etc. But in case of funds related to specific sector, the equity stocks of the companies from a particular sector are considered for the portfolio of the scheme. The examples of these funds include Real Estate funds, Power sector funds etc.

The thematic funds generally have a broader base of classification of stocks but are lesser diversified in comparison to diversified funds. For example, infrastructure, exports, and consumer goods can be a base of thematic funds.

- *Income/Dividend Yeild Schemes*

These types of schemes consider the equity stocks of a company with a very sound track record and good background in terms of paying off their dividend or income to shareholders. As these companies have a considerably good performance in the pasts, therefore the volatility of the stock prices of these companies are very less in comparison to market movements. An income dividend yield scheme in these types of equity shares to give better returns to the unit holders.

- *Equity Linked Saving Schemes*

An equity linked savings schemes is basically for the purpose of availing tax benefits to the unit holders. These schemes allocate the funds investments in those avenues where tax benefits are available. Generally, the minimum lock in period for such schemes is 3 years in India.

For example, Baroda pioneers ELSS 66, EDELWISS ELSS FUNDS, IDFC TAX ADVANTAGE (ELSS) FUNDS-GROWTH, and RELIANCE TAX SAVER (ELSS) FUNDSETC.

- *Advantage Schemes*

An arbitrage scheme allocates its funds in opposite position of stock markets and derivativemarkets in order to neutralize the price risk available in the equity stocks.

➢ *Debt Funds*

Debt securities are less risky than equity stocks. The rate of interest on debt securities is generally pre-specified and fixed. Moreover the payment of interest on the debt instrument is an obligation on the part of company raising debt funds; therefore because of these features it is called a relatively safer or less risky financial instrument. A debt fund allocates to debt securitiesof different companies. The credit rating of a debt instrument has significant impact on the selection of that debt instrument in the portfolio of a debt fund scheme

- *Fixed Maturities Debt Funds*

Generally these type of funds allocates the investment in debt instruments having maturity periodfrom medium to long term. The maturity period of such debt instruments is fixed and selection of such debt instruments is done from a wider industrial segment to take the benefits of diversification also.

- *Liquid Funds/ Moneymarket Funds*

As it is clear from the name itself these funds allocates their funds in such types of debt instruments which have short term maturity period which is generally less than 365 days. Most often treasury bills and commercial papers are considered for allocating the funds of a liquid fund scheme or money market fund scheme.

- *Gilt Funds*

Gilt funds invest in only such gilt securities offered by government. As gilt securities offered bythe government authorities and that's why the possibility of the counter party risk is almost negligible but the rate of interest in these types of securities is very high.

- *Floating Rate Funds*

The floating rate funds are those funds which allocate the portfolio into those debt instruments which offer floating rate of interest to the debt security holder. In case of debt instrument givingfloating rate of interest, a minimum rate of interest is always fixed and remaining art of floatingdepends upon the market movements and other factors.

- *High Yeild Funds/Junk Bonds Funds*

Junk bonds are debt instruments which have very poor rating which is given to them by ht e rating agencies. In order to find new investors, the companies which have junk bonds provide relatively higher rate of interest to the investors and this is why they are called high yield bonds.

- *Hybrid Funds/Balanced Funds*

A hybrid or balance funds considers both debt and equity securities to distribute the resources ofmutual funds scheme. A hybrid fund provides the benefit of both debt and equity instruments.

These funds provide return better than debt and are of moderate risk level.

- *Gold Funds*

These funds are generally characterized into Gold exchange traded funds and gold funds.These funds allocate their resources into gold or gold related securities. The gold exchange traded fundsallocate their funds to various indices based on gold and gold funds allocate their resources to theequity stocks of the companies which are relate to gold.

- *Commodity Funds*

The allocation of funds of commodity exchange traded funds or in other funds related tocommodity sector.

- *Real Estate Funds*

These funds allocate their investments in securities of companies which are relste to real estate orconstruction companies.

- *Exchange Traded Funds*

These funds allocate their investments in one or more funds listed on stock exchange. Here the fund manager pick the whole fund to invest in, therefore the cost of management of funds is veryless because lesser time and efforts are required to manage the funds.

➢ *Benefits of Investing in Mutual Funds*

- *Diversification*

One of the benefits of investing in mutual funds is that the funds are invested in diversified portfolio. This depends upon the type of mutual fund scheme investor has chosen and according to his objectives, this diversification is done on the basis of financial instruments which includesequity, debt, hybrid securities and other derivative and off shore funds.

- *Professional Management*

The portfolio of a mutual fund scheme is managed by professionals. These fund managers areexperts and they know and well aware of timing and selection of various types of investment avenues for the portfolio.

- *Liquidity*

Mutual funds also provide liquidity option to the unit holders. Majority of mutual funds, weatheran open ended fund or a close ended fund are listed on the stock exchange, and investors can buyand sell units of mutual funds depending on the structure of the scheme.

- *Divisibility*

Divisibility is another benefit of mutual fund schemes. Small investors cannot invest in the stock and other securities of companies with very large size, as the price per unit of these securities is very high. But many a times, these types of securities is very high. But because a mutual fund scheme pools together the funds of a large chunk of common investors and amount, thus collected fund is quite huge and the fund managers are capable to invest these funds in the stocksof large sized funds. Therefore, just by buying some units of these mutual funds, the investors get the benefit of large cap stocks.

- *Economies of Scale*

Economies of scale refer to getting benefit in doing bulk dealings. Mutual funds scheme invest inhuge funds in buying and selling the securities are bought and sold by individual investors, then it might cost very high in terms of doing transaction costs and other chargers. Therefore, the investors also obtain the benefits of savings of such costs by simply buying units of a mutual fund scheme rather than by investing themselves in large numbers of securities.

- *Tax Advantage*

There are mutual fund schemes like ELSS on which investors can get tax benefit. There is double tax benefit by investing in these schemes. On one hand, the taxable income of investors isreduced to the amount invested in these schemes considering the maximum limit allowed for thisby tax regulations.

- *Low Cost and High Returns*

The returns generated by mutual funds are comparatively higher because the investment is madein a diversified manner and possibility of extremity in downside risk is to reduce to a large extent. Moreover these schemes have huge amount of funds, therefore the benefit of economies of scale is also obtained by bulk investment in various investment avenues.

- *Regulation and Transparency*

The regulation of mutual funds companies is duly done by regulatory authorities in order to protect the interest of the investors. The mutual funds companies are required to disclose allnecessary information to the investors and unit holders to ensure them how their funds are allocated in different securities.

- *Convenient Administration*

Various types of risks are involved in case of stock market products like risk of bad deliveries, delay in payments and other documentations etc. But the investor is really relaxed if he is investing in mutual funds schemes and such kind of administration becomes relatively easier forthe investors.

➢ *Disadvantages of Investing in Mutual Funds*

- *Administrative Costs*

As we all know that the money collected in a mutual fund scheme is managed by professional managers popularly known as Asset Management Companies (AMC) and a huge amount is paid to AMC for its expert services, these expenses are a fixed charge on the total value of funddespite its performance. Similarly, a lot of payment is made to other service providers.

- *Cost of Fund Management*

It is not only the administrative costs which reduces the total value of fund available for unit holders, but every time a unit holder buys and sells the mutual funds he has to bear some charges called entry load and exit load. This is an additional cost charged to manage the fund other than cost occurred to meet administrative charges.

- *Over Diversification*

It is good that mutual funds are focused towards a diversified portfolio. But many times over diversification leads to poor performance of the fund. If majority of the securities included in theportfolio of the scheme are underperforming, then the benefit of selection of a few securities is neutralized and the value of total assets of the fund reduced gradually. Therefore, over diversification may result into distraction of investors towards mutual fund schemes.

- *Problems in Tax Planning*

While buying and selling the securities in a portfolio, the fund management are concerned about the profits they can earn with the dealing. The fund managers are least concerned that with their decision how the tax liability of the unit holders will be affected. Many a times a sell strategy by fund managers results in huge tax liability of the unit holders and under such circumstances it may create problem for the investors.

- *No Charge for Non-Performance*

A very good amount is charged by fund managers in order to provide their expert services to manage the fund But there is no provision to charge against the non- performance by the fundmanagers. A wrong decision by the fund managers leads to reduction in the total value of the fund.

- *No Insurance*

The performance of mutual fund has been found to be blend a underperformance and over performance. Many a times, mutual funds are underperforming than the other investment avenues. Under these conditions, there is way out to cover the risk or get such insured. The investors invest in mutual fund to reduce the risk by diversified portfolios. But if the returns from mutual fund scheme become risky, there is no tool provided by any bank or financial institution to cover such risk.

- *Trading Blocks*

Many times various trading blocks are imposed by stock exchanges to trade in mutual fund schemes which reduce the attraction towards investment in mutual funds schemes. These tradingblocs can be in the form restricted trading hours or in other forms as well.

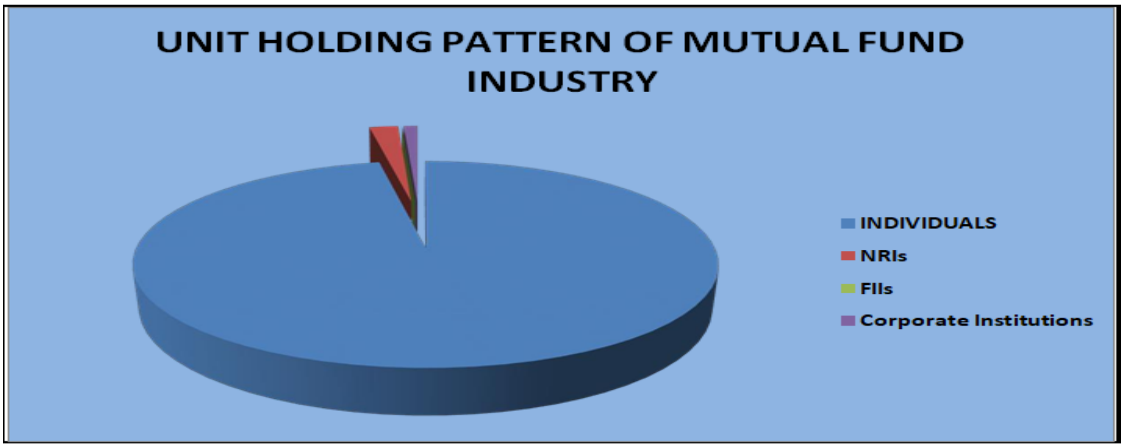

Fig 5 Unit Holding Pattern of Mutual Fund industry

➢ *Mutual Fund Trends in India*

As at June 2019, the mutual fund industry Assets under Management stood at INR 24.47 trillion. CAGRof last 10 years has been excess of 15% per year. There are in total 44 mutual fund companies offeringproducts in the market, which covers a whole wide variety of investments choices. Exchange traded funds and hedge funds are also being made available. The mutual fund market is evenly distributed between institutional and retail investors, with the latter increase in their proportion rapidly as local stock market perform well. For fund managers, there is little opportunity in institutional space for pension funds, unless they can be added to the list of approved managers for India’s National pension system.

According to industry data, the numbers of investors in mutual funds in India is around 30 million, whichrepresents less than 1.5-2% of the population. Interestingly, other related financial statistics (see below) demonstrate just where and why the potential for the Indian market remains so positive.

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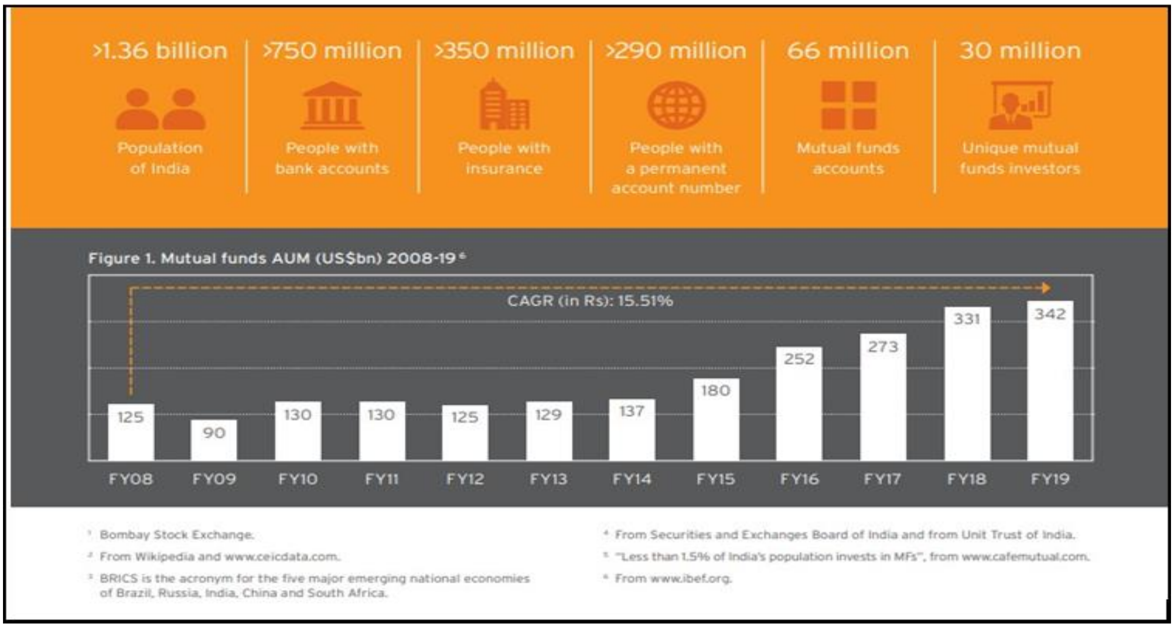

Fig 6 Mutual Fund Trends in India

➢ *HNWI, a Rapidly Growing Sector*

Within India, the numbers of high-net-worth-individuals (HNWIs) is also expected to grow rapidly over the next few years. Their wealth holdings are estimated to exceed US$2 trillion currently, and could rise to over US$3 trillion by 2020.20 It is estimated there are around 150,000 families in India with a wealth in excess of INR250 million (25 crore or US$3.5 million), and this number is expected to rise to more than 500,000 by 2025. According to reports, less than 25% of this wealth is professionally managed, leading to strong potential growth in this sector of the financial services market. To meet the demand ofthese investors, there has also been substantial growth in the numbers of private banks and private bankers operating in India. In mid-2018, it was estimated there were in excess of 2,500 private bankers in India, working for around 45 private banking firms. This includes both domestic Indian firms as well asthe larger global players.

Net worth	2009	2020	2011	2015	2020
US$ 1-5 million	1,57,000	1,83,000	2,10,000	3,15,000	5,08,127
US$ 5-30 million	36,000	43,000	50,000	84,000	13,280
Above US$30 million	17,000	21,000	26,000	40,000	56,000
Total wealth holdings of millionaires (US$ billion)	361.8	503.1	584.5	1559.1	2950.1

Fig 7 *HNWI, a Rapidly Growing Sector*

Figure 11. Mutual funds managers in India with top 5 by market share[21]

	Name	AUM (US$bn)	Market Share %	Insurance Co. or Foreign owned	Who?
1	HDFC MF	51.79	13.99%	Part foreign & Ins	Aberdeen Standard Life
2	ICICI Prudential MF	48.18	13.11%	Part foreign & Ins	Prudential (UK)
3	SBI MF	43.93	11.60%	Part foreign	Amundi
4	Aditya Birla Sun Life MF	36.28	10.07%	Part foreign & Ins	Sun Life
5	Reliance MF	31.80	9.55%	Part foreign & Ins	Nippon Life
6	Kotak Mahindra MF	23.03	6.14%	100% Indian	
7	UTI MF	22.55	6.53%	Part foreign	T Rowe Price
8	Franklin Templeton MF	17.85	4.86%	100% Foreign	Franklin Templeton
9	Axis MF	14.60	3.67%	Part foreign	Schroders
10	IDFC MF	11.75	2.83%	100% Indian	
11	DSP MF	11.09	3.20%	100% Indian	
12	L&T MF	10.50	2.90%	100% Indian	
13	Tata MF	7.66	2.22%	100% Indian	
14	Sundaram MF	4.46	1.25%	100% Indian	
15	Mirae MF	4.18	0.99%	100% Foreign	Mirae
16	Invesco MF	3.52	0.98%	100% Foreign	Invesco
17	Motilal Oswal MF	2.81	0.78%	100% Indian	
18	LIC MF	2.33	0.62%	100% Indian	
19	Canara Robeco MF	2.26	0.60%	Part foreign	Robeco
20	Edelweiss MF	1.73	0.48%	100% Indian	
21	HSBC MF	1.66	0.45%	100% Foreign	
22	Baroda MF	1.60	0.46%	100% Indian	
23	JM Financial MF	1.10	0.36%	100% Indian	
24	Principal MF	1.04	0.29%	100% Foreign	Principal
25	BNP Paribas MF	1.03	0.29%	100% Foreign	BNP Paribas

Fig. 8 Mutual Funds Managers in India with Top 5 by Markest Share

➢ *Top 10 Largest Mutual Funds in India*

Table 1 Top 10 Largest Mutual Funds in India

S no.	FUND HOUSE	FUND NAME	AUM (US$bn)
1.	HDFC MUTUAL FUNDS	HDFC Liquid	11.04
2.	ICICI PRUDENTIAL MUTUAL FUND	ICICI Prudential	9.18
3.	Aditya Birla sun life mutual fund	ABS Liquid Fund	8.31
4.	SBI Mutual Fund	SBI LIQUID	7.96
5.	SBI Mutual Fund	FUND	6.59
6.	Reliance Mutual Fund	SBI ETF NIFTY 50	6.12
7.	UTI Mutual Fund	Reliance Liquid	5.77
8.	HDFC Mutual Fund	UTI Liquid Fund	5.5
9.	ICICI Prudential Mutual Fund	HDFC BAF	4.12
10.	SBI Mutual Fund	ICICI BAF	4.06
		SBI Equity	
		Hybrid Fund	

➢ *Top 5 Largest Funds in Selected Categories*

FUNDS	FUND HOUSE	
HDFC MUTUAL FUND	HDFC LIQUID FUND	11.04
ICICI PRUDENTIAL MUTUAL FUND	ICICI PRUDENTIAL LIQUID FUND	9.18
ADITYA BIRLA SUNLIFE MUTUA FUND	ADITY BIRLA SUNLIFELIQUID FUND	8.31
SBI MUTUAL FUND	SBI LIQUID FUND	7.96
RELIANCE MUTUAL FUND	RELIANCE LIQUID FUND	6.12

Fig 9 Liquidity Funds
Source: India 2019 mutual fund report by Citi bank

FUNDS	FUND HOUSE	
HDFC MUTUAL FUND	HDFC BALANCEADVANTAGE FUND	5.50
ICICI PRUDENTIAL MUTUAL FUND	ICICI PRUDENTIAL LIQUID FUND	4.12
SBI MUTUAL FUND	SBI EQUITY HYBRID	4.06
HDFC MUTUAL FUND	ICICI Prudential Equity & Debt Fund	3.70
ICICI PRUDENTIAL MUTUAL FUND	HDFC HYBRID EQUITY FUND	2.62

Fig 10 Balance Funds
Source: India 2019 mutual fund report by Citi bank

FUND HOUSE	FUNDS	
KOTAK MUTUAL FUND	KOTAK MULTICAP FUND	3.41
ADITY BIRLA SUNLIFE MUTUAL FUND	ADITYA BIRLA SUNLIFE FRONTLINE EQUITY FUND	3.01
HDFC MUTUAL FUND	HDFC EQUITY FUND	3.00
HDFC MUTUAL FUND	HDFC MID CAP EQUITY FUND	2.99
SBI MUTUAL FUND	SBI BLUECHIP FUND	3.00

Fig 11 Equity Funds
Source: India 2019 mutual fund report by Citi bank

FUNDS	FUND HOUSE	
ICICI PRUDENTIAL MUTUAL FUND	ICICI PRUDENTIAL SAVINGFUND	2.64
ADITYA BIRLA SUNLIFE MUTUA FUND	ADITYA BIRLA SUNLIFE SAVING FUND	2.37
HDFC MUTUAL FUND	HDFC CREDIT RISK FUND	2.37
FRANKLIN TEMPLETON MUTUAL FUND	Franklin India Ultra Short Bond Fund	2.33
ADITYA BIRLA SUNLIFE MUTUAL FUND	ADITYA BIRLA SUNLIFE CORPORATE BOND FUND	2.14

Fig 12 DEBT FUND
Source: India 2019 mutual fund report by Citi bank

- *'Mutual Funds Sahi Hai' Successfully Spreading Awareness Across India*

A major factor for the Indian mutual fund industry's growth in recent years has been growing awareness of the product among investors, a chunk of credit for which goes to AMFI's investor awareness programme 'Mutual Funds Sahi Hai'. Launched in March 2017, under the guidance of SEBI, the campaign has emerged as a mouthpiece for spreading awareness and busting myths around the industry.

Creating Awareness Through Conversations

AMFI's Mutual Funds Sahi Hai campaign is aimed at making mutual funds less intimidating and part of everyday conversation and bringing them into the consideration set of savers and investors, who have traditionally shown a preference for bank deposits and physical assets.

The campaign strives to reach the common man and is being run in eight languages across different media platforms. The campaign reaches out to the masses through traditional (TV, Print, Radio, Out of home etc.), digital as well as innovative media such as jingles in Mumbailocals, integration with web series and branding long distance trains.

Further, as part of the campaign, AMFI has a microsite, www.mutualfundssahi.com, available in English and Hindi, where investors can find detailed information about mutual funds and also locate their nearest mutual fund office and mutual fund distributors.

The way forward

The campaign has hit the ground running. Increase in awareness has helped the industry add more than 5 million new investors between March 2017 and June 2018.

Other data statistics too vouch for the campaign's success. Compared with March 2017, the average AUM, as on June 2018, was up 28%, while retail AUM was up 39%. The total numberof folios saw a growth of 35%, while the monthly SIP contribution jumped 74%.

Source: AMFI

Enrollment in local colleges, 2005

	MARCH 2017	JUNE 2018	GROWTH
AVERAGE AUM(Rs million)	18.31	23.40	28%
RETAIL AUM(Rs million)	3.96	5.52	39%
Folios (million)	55.40	74.62	36%
SIP monthly contribution (Rs billion0	43.35	75.54	74%
No. of unique investors (basis PAN) (million)	11.98	17.13	43%

Fig 13 Enrollment in local colleges, 2005

- *Research*

With the success of the mass media campaign, the focus has now turned to on-ground outreachprograms.

AMFI has tied up with a leading media house to launch 'Jan Nivesh'. An initiative to educate, inspire and encourage Indians to change their financial habits and create wealth smartly by investing regularly in mutual funds, Jan Nivesh aims to make every citizen an equal participantin India's economic growth story. Along with millions of TV viewers, the Jan Nivesh initiativewill also reach out to over 50,000 people on-ground through over 200 events in over 100 citiesand towns.

AMFI will also very soon launch the next leg of the mass media campaign. In the upcoming campaign, which continues under the 'Mutual Funds Sahi Hai' banner, AMFI's objective is to reach out to the savers who still prefer bank deposits and introduce them to fixed income funds. The campaign will also communicate to the investor the nuances of mutual fund investing, whileextolling the benefits of being invested for longer term, especially when markets are volatile.

There is a long way to go, considering only 1.5% of Indian population invests in mutual funds.

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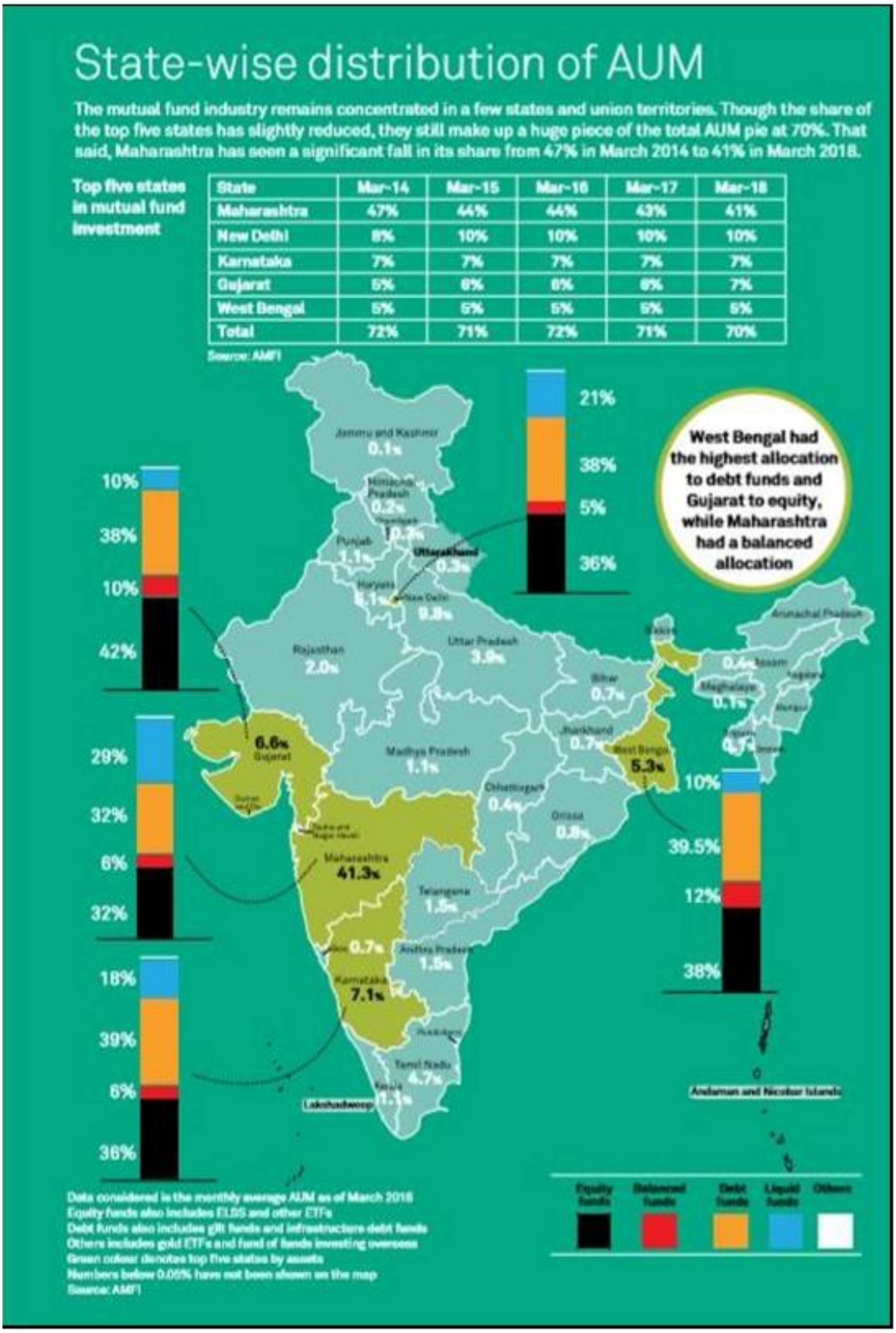


Fig 14 State Wise Distribution of AUM

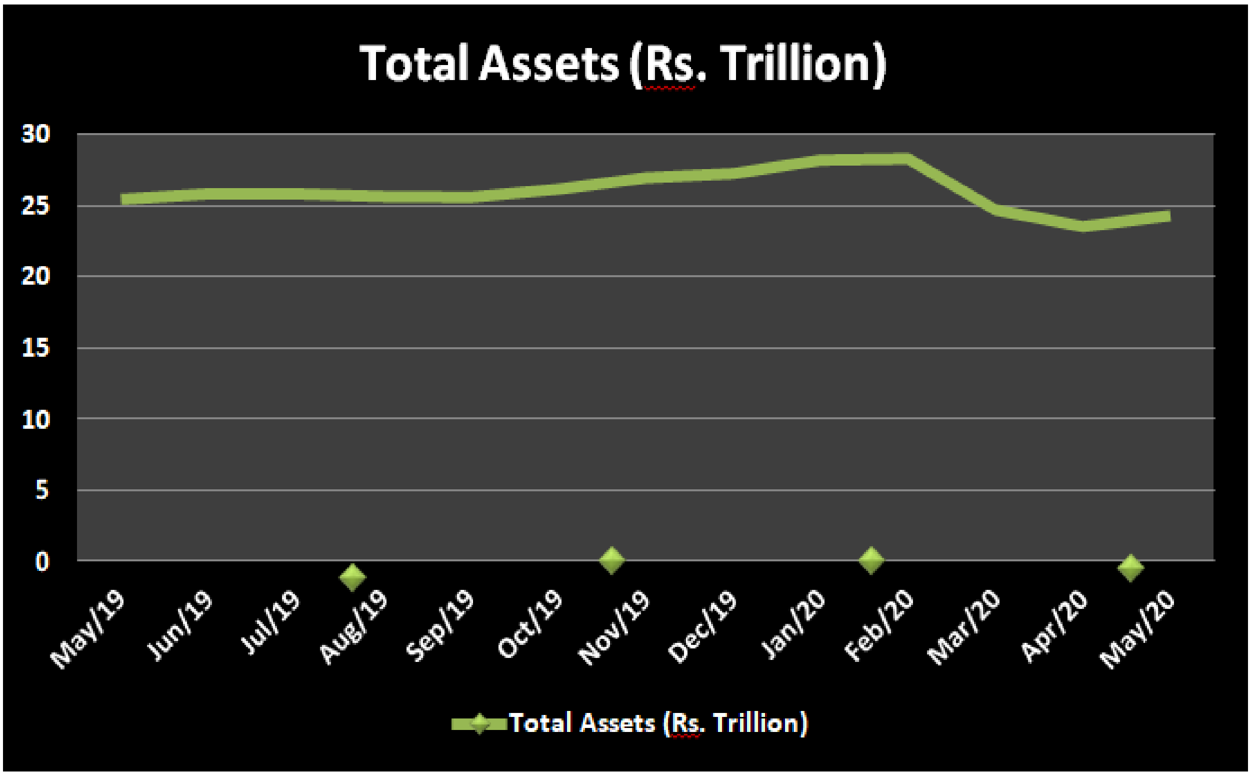


Fig 15
Source: - Crisil Digital Evolution Article August 2018

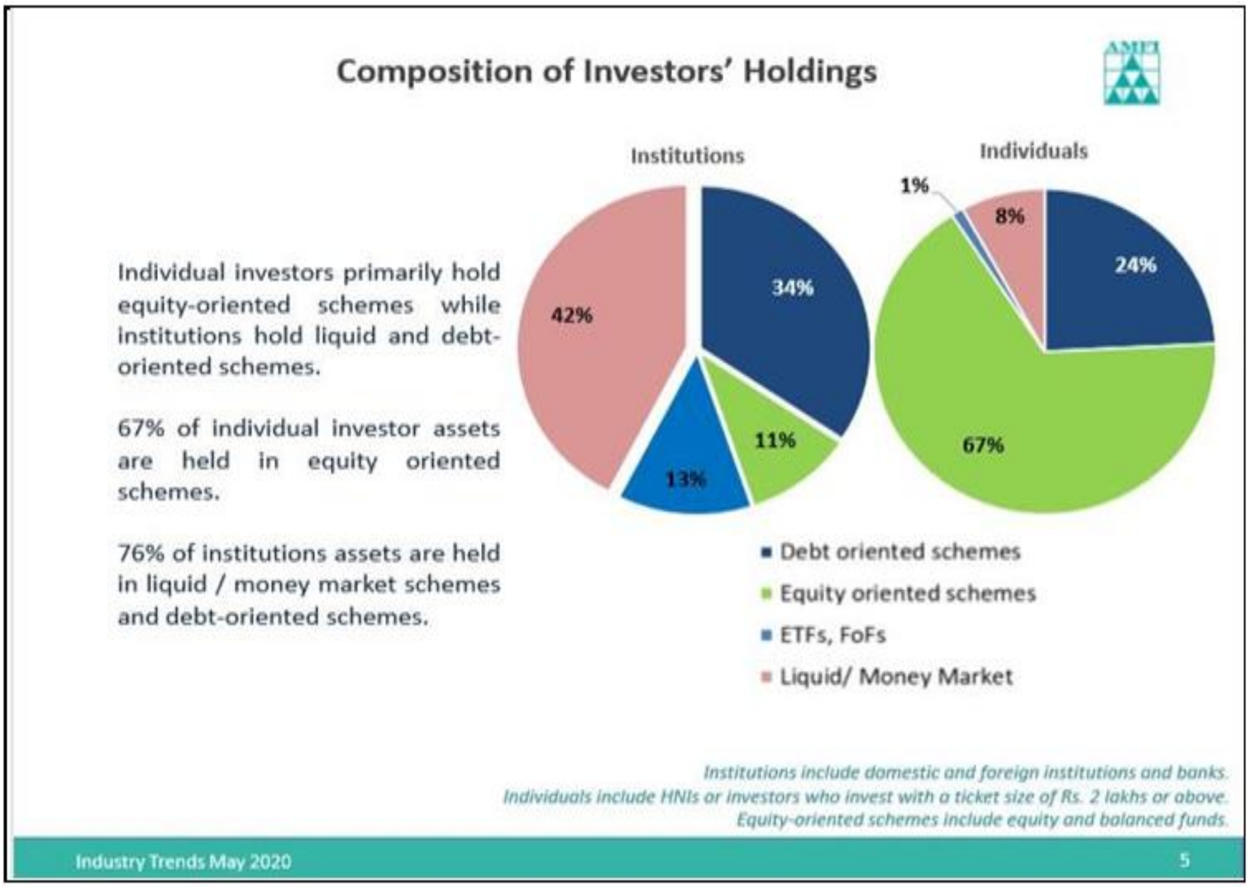
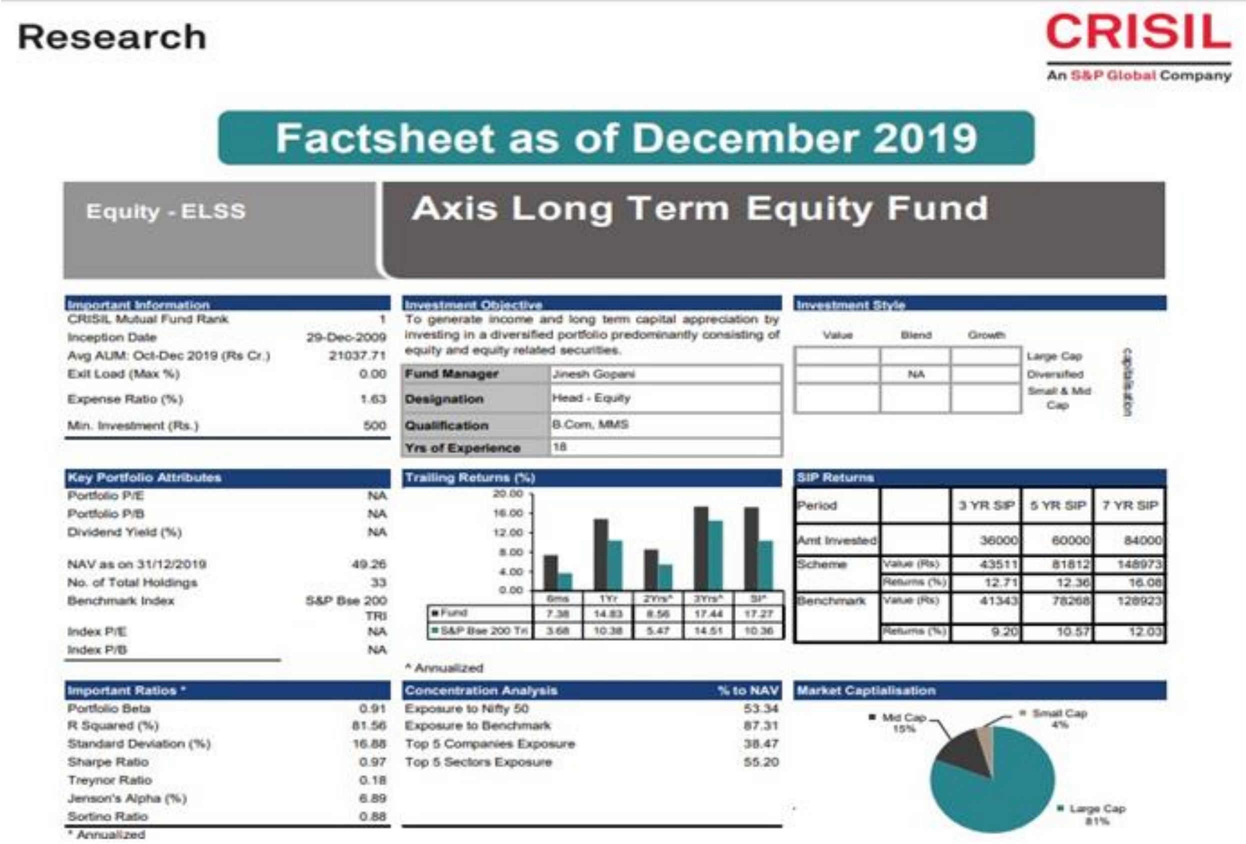


Fig 16 Assets Managed by the Indian Mutual Fund Industry have Decreased from Rs. 25.43 Trillion in May 2019 to Rs. 24.28 Trillion in May 2020. That Represents a 4.51% Decrease in Assets Over May 2019


Research
CRISIL
An S&P Global Company

Factsheet as of December 2019

Equity - ELSS

Axis Long Term Equity Fund

Important Information	
CRISIL Mutual Fund Rank	1
Inception Date	29-Dec-2009
Avg AUM: Oct-Dec 2019 (Rs Cr.)	21037.71
Exit Load (Max %)	0.00
Expense Ratio (%)	1.63
Min. Investment (Rs.)	500

Investment Objective
To generate income and long term capital appreciation by investing in a diversified portfolio predominantly consisting of equity and equity related securities.

Fund Manager	Jinesh Gopani
Designation	Head - Equity
Qualification	B.Com, MMS
Yrs of Experience	18

Investment Style

Value	Blend	Growth	
			Large Cap
	NA		Diversified
			Small & Mid Cap

capitalisation

Key Portfolio Attributes	
Portfolio P/E	NA
Portfolio P/B	NA
Dividend Yield (%)	NA
NAV as on 31/12/2019	49.26
No. of Total Holdings	33
Benchmark Index	S&P Bse 200 TRI
Index P/E	NA
Index P/B	NA

Trailing Returns (%)

	6ms	1Yr	2Yrs^	3Yrs^	SI^
Fund	7.38	14.83	8.56	17.44	17.27
S&P Bse 200 Tri	3.68	10.38	5.47	14.51	10.36

^ Annualized

SIP Returns

Period		3 YR SIP	5 YR SIP	7 YR SIP
Amt Invested		36000	60000	84000
Scheme	Value (Rs)	43511	81812	148973
	Returns (%)	12.71	12.36	16.08
Benchmark	Value (Rs)	41343	78268	128923
	Returns (%)	9.20	10.57	12.03

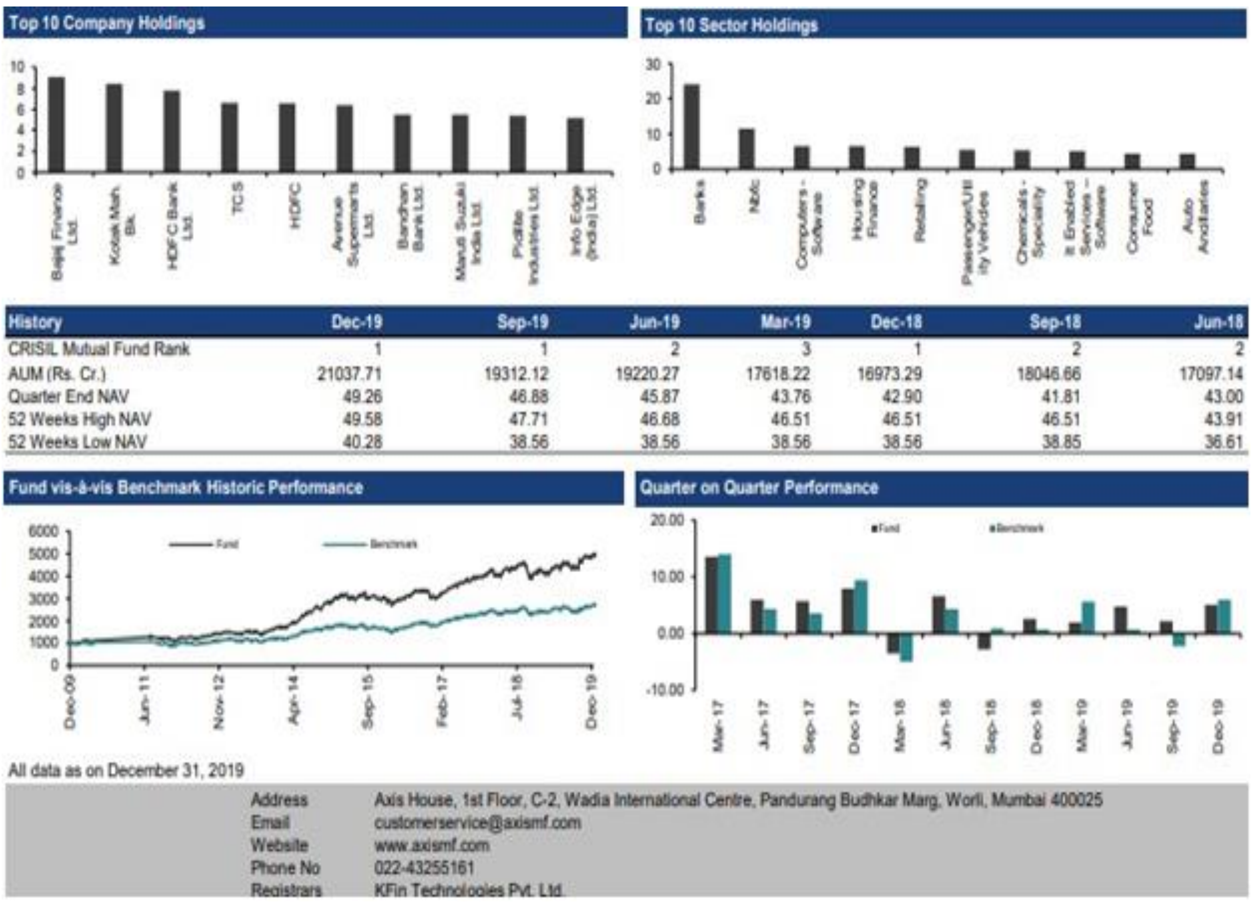
Important Ratios *	
Portfolio Beta	0.91
R Squared (%)	81.56
Standard Deviation (%)	16.88
Sharpe Ratio	0.97
Treynor Ratio	0.18
Jenson's Alpha (%)	6.89
Sortino Ratio	0.88

* Annualized

Concentration Analysis	% to NAV
Exposure to Nifty 50	53.34
Exposure to Benchmark	87.31
Top 5 Companies Exposure	38.47
Top 5 Sectors Exposure	55.20

Market Captialisation

Fig 17 Factsheet as of December 2019



History	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
CRISIL Mutual Fund Rank	1	1	2	3	1	2	2
AUM (Rs. Cr.)	21037.71	19312.12	19220.27	17618.22	16973.29	18046.66	17097.14
Quarter End NAV	49.26	46.88	45.87	43.76	42.90	41.81	43.00
52 Weeks High NAV	49.58	47.71	46.68	46.51	46.51	46.51	43.91
52 Weeks Low NAV	40.28	38.56	38.56	38.56	38.56	38.85	36.61

All data as on December 31, 2019

Address	Axis House, 1st Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai 400025
Email	customerservice@axismf.com
Website	www.axismf.com
Phone No	022-43255161
Registrars	KFin Technologies Pvt. Ltd.

Fig 18 Top 10 Compny Holdings

➢ *Introduction*

- *Unit Linked Insurance Plans (ULIP)*

A product that is offered by companies that is unlike a pure insurance policy, it gives insurance and investment to its investors under a single integrated plan. Fixed premium is to be paid by theindividual for the selected cover amount. A portion of premium is used for providing insurance coverage; the remaining portion is invested in a debt instrument. Investors are provided with the flexibility to choose between debt, equity and balanced option of their investment plans.

- *Three-in-One Deal*

✓ *Insurance:*

Life insurance cover provided by ULIPs is one of the primary benefits. By investing in a ULIP one can protect their family from uncertain events an ensure that the family is well taken care ofin the case of untimely death of the insured individual.

✓ *Financial Goals:*

Another benefit that is provided by ULIP is its ability to generate wealth through investment in equity and debt assets. Investors can choose to invest in ULIP to achieve their long term goals. They can choose from debt, equity or balance option according to their risk profile, need and investment time horizon. There is a compulsory lock-in period of five years in ULIPs.

✓ *Tax Benefits:*

Premium paid for an ULIP are eligible for tax deductions under section 80C --------------------------- According to Income tax act '1961., The maximum deduction that is allowed under this section is RS. 1,50,000. On maturity, the return from the policy are exempted from income tax under section10(10D).

➢ *Advantages of Unit Linked Insurance Plans*

Unit linked insurance plans (ULIP) are also known as Market-linked insurance plans which helpsinvestors to plan for Long term savings and protection.

Advantages of ULIPs are:

- *Flexible Investment Options:*

A whole host of high,medium and low risk ivestment is offered by ULIPs that are offered underthe same policy.. Investors can choose the appropriate policy according to the risk taking capabilities. These policies give you an option to switch between the fund options without any additional expense upto 12 switches in an year.

Flexibility is provided by ULIPs to choose either the sum assured or the premium based on your needs. Flexibility of increasing your investment portfolio through top ups are also provided byULIPs.

- *Transparency:*

Value of an investment , the charge structure and expected rate of returns, for the full tenure of policy are shared before you purchase a product.It is always advised to know about the productbefore investing your money into it.

- *Spread of Risk:*

ULIPs provides you the benefit of market-linked growth without any actual participation in thestock market. A fund manager is provided to you who will track your investments and at the same time you have the flexibility to change your funds as you progress with the plans.

- *Tax Benefits:*

The premiums that are to be paid towards a policy are exempted from the tax under section 80C.

- *Liquidity when you Need It:*

ULIPs also lets you partial withdrawal , in the case of any foreseen future events: wherein you are allowed to withdraw your funds from United Link Account after a tenure of first five years.

- *Disciplined and Regular Savings:*

Regular saving habits are inculcated with the help of ULIPs, it helps in building corpus for futureneeds.

- *Good Returns:*

Good returns are offered by ULIPs depending upon the sum that is being invested into it. Stockmarket do well if the fund is heavily invested into them.

- *Insurance Cover:*

Mortality cover is provided by ULIPs, they work in order to safeguard the funds of policy holder, if the policy holder dies unexpectedly then the nominees can make a claim for the assured sum.

- *Top-Ups:*

Excess money can be invested by the investors through a period of top ups that are provided buthe ULIPS, it is lead to tax deductions as well as tax exemptions so that the premium does not exceed 10% of the assured sum.

➢ *Disadvantages of Unit Linked Insurance Plans:*

The disadvantages of ULIPs are:

- *Expensive and Complex:*

Insurance and investment both are combined in ULIPs, the life cover turns out to be more expensive than term insurance in context to premium. They are not very transparent in terms of in terms of charges as it is not clear that how much money goes towards insurance, managementexpenses and investments, therefore they are very complex. It is also possible that the fund value might become low at the time due to higher initial charges.

- *Market Fluctuations:*

A lower amount of returns are generally anticipated in the initial years due to the market fluctuations, therefore if you are willing to invest into ULIPs for a short term then it will not bebeneficial for you.

- *Higher Cost in Initial Phase:*

In the initial stage the ULIPs cost more because while going towards the policy charges as thecharges levied on the investors are very high.

- *Lock-in Period:*

There is a lock-in period of five years during which the withdrawl of money cannot be done andit is also not sure that the fund invested will increase, it is possible that a lower amount of money is received after the lock-in period.

- *Switches are Chargeable Beyond a Point:*

Switches are chargeable for each transaction beyond a point, most of the insurers provide certainfree switches after which the transactions become payable.

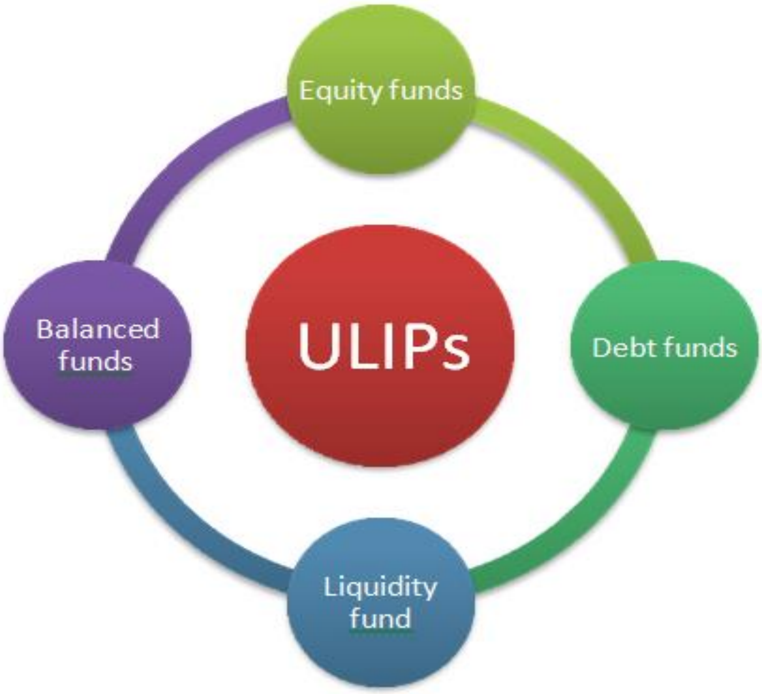


Fig 19 Funds Provided by ULIPS

➢ *Equity Funds:*
- Investments are made primarily in stocks and equities of the companies under ULIPs.
- ULIPs have the potential to give higher returns but they are risky. You are advised to invest intoonly when you have a higher risk appetite.
- The volatility of returns is higher in equity funds.

➢ *Debt Funds:*

Under these kind of funds, investors invest in debt instruments such as : Corporate bonds, debentures and government bonds. Medium and slow risk is carried bythese instruments whilethe result associated with them are moderate.

➢ *Liquidity Funds:*

Liquidity funds are for meeting short term financial goals.These types of ULIP planpark investors fund in highly liquid money market instruments such as treasury bills, certificates ofdeposits

➢ *Balanced Funds:*

In this, Balance is maintained between the debt and the equity market in terms of premium to minimise the risk for the investors.

➢ *Types of ULIPS*

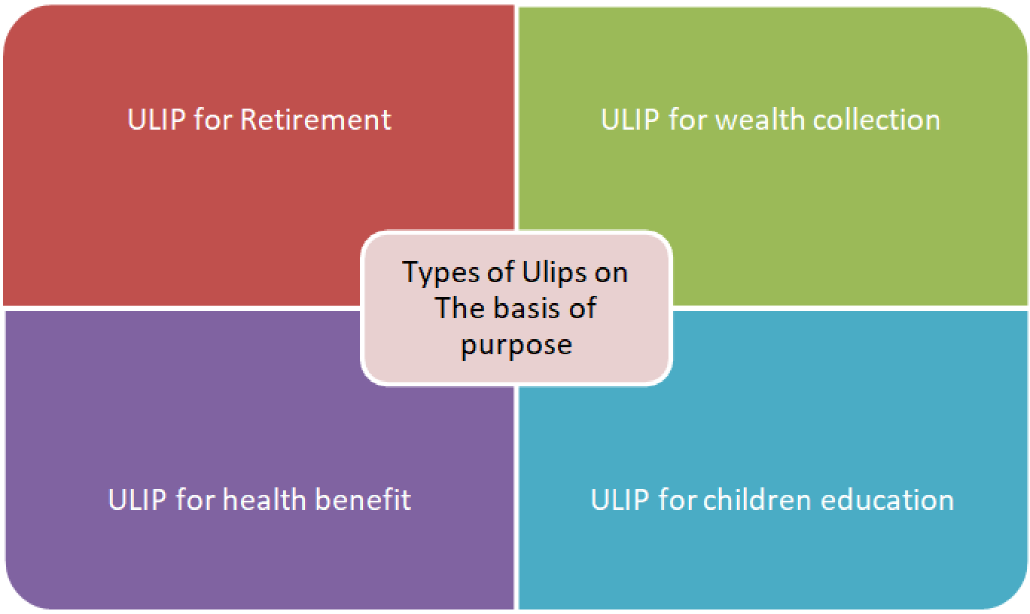


Fig 20 *On the Basis of Purposes, ULIPS are Classified as*

➢ *ULIP for Retirement:*

In this ULIP, the payment is to be done during the tenure of an employer, which is automaticallycollected in corpus amount, that is to be paid in the form of annuities to a policy holder after the retirement.

➢ *ULIP for Wealth Collection:*

This plan is for the accumulation of wealth over a period of time, such plans are generally recommended to the people who are in their late twenties and early thirties , there is flexibility tofund their any future financial goals.

➢ *ULIP for Children Education:*

Every parent want to ensure that no unforeseen event affects their child’s overall education in any condition .There are some ULIPs that provide money in small chunks in the key events of children’s life. This is to ensure that no unforeseen thing ever hinders their life.

➢ *ULIP for Health Benefit:*

Some ULIPs provide financial assistance to meet the medical contingencies, which is generallytaken up by the people who are old.

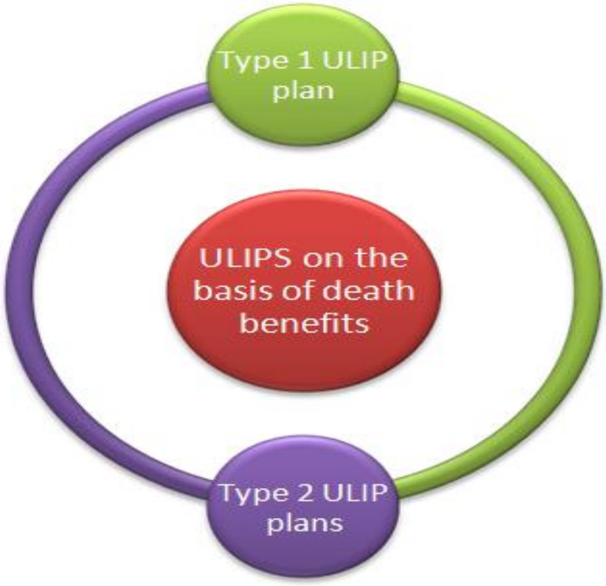


Fig 21 On the Basis of DEATH BENEFITS, ULIPS are Classified as:

➢ *Type1 ULIP Plans:*

If the policy holder dies, the nominee is the one who recieves death benefit which is either equal or higher than the sum assured or the fund value by the insurance company.

The charge of mortality in type 1 ULIP keeps reducing every year as the risk is reduced. Theriskmis the difference between the accumulated fund value and sum assured under a certain policy. It can also be said that the amount an insurance company pays from its own pocket in thecase of death of the policy holder.

➢ *Type 2 Ulip Plans:*

If a policy holder dies ,the benefits are then taken by the nominee in the case of type 2 ULIP. In this case, the benefits recieved by the nominee is equal to the sum of assured and fund value. Thepremiums for type 2 ULIPs are higher than those of type 1 ULIP plans.

Mortality rate is also considered with every policy year because the risk of death increases withincreasing age.

➢ *Features of Unit Linked Insurance Plans(ULIP)*

- *Market Linked Returns:*

An opportunity is presented by the ULIPs to earn market linked returns; A part of premium paid in an ULIP plan is invested in different market instruments. Including debt and equity in varying proportions. There is a chance that policy holder stands a chance to earn returns based on markets. The investor may use the data such as ULIP NAV to keep a tap upon returns and ensure that they stay invested.

- *Investment and Insurance Benefit:*

Triple benefit of investment is offered by UNIT LINKED INSURANCE PLANS like tax coverand tax savings. Investor gets the benefit from the comprehensive life cover based on the preference and budget reap market linked return on investment.

- *Funds for Cucial Milestone in Life:*

Some significant amount of fund is required at every step in life. They may be required for one'sbusiness, building a home or child's marriage etc. In ULIPS there is a facility to partially withdraw the money by which gives access to the investors to the much needed funds at critical stages of life

- *Financial Security Post Retirement:*

ULIPs are a good choice to add value to one's retirement portfolio. It is also necessary to have sufficient funds post retirement. To have sufficient funds post retirement one should invest in equity oriented funds.

- *Flexibility:*

ULIPs are very flexible for the policy holder. There is an option to switch between different funds to match the changing needs of people, there is also a facility to partially withdraw thefunds but it is subject to some special charges and conditions.

➢ *Why to Invest in ULIP?*

ULIP is the combination of investment and insurance in a single financial instrument. They are better than the insurance and investment separately. They also provide the option to earn marketlinked returns with a protection of life cover.

- *Transparency:*

There is a positive point about the ULIP plans is that they are extremely transparent financialinstrument. It is unlike the past policies where the things were not told properly to the policyholder, there is no hidden charge levied, it is also easy to understand ULIP NAV to historicalreturns.

- *Liquidity:*

ULIPs are a liquid financial instrument, they also facilitates the partial withdrawals of the fundsto meet the uncertain events or emergencies. ULIP NAV of each fund is generally displayed onthe website of the company; it helps to align the investment and insurance cover with overall needs.

- *Multiple Fund Option to Choose From:*

ULIPs give us multiple fund options after one gets disposed. One can choose a type of fund where the premiums will be invested. It can either be invested in debts or in equity or it can also be a combination of both in a varying ratio. ULIPS is a good choice for the people who have an appetite to take risk, one may choose to switch the fund to best adjust to the new scenario. The people who opt equity focused funds generally have a high appetite to bear the risks while othersgo for lower risk options.

- *They Help to Avoid the Everyday Hassle of Managing Stocks:*

People invest more in equity based market funds as they offer higher returns as compared to thedebt funds and therefore one does not have to monitor the stocks everyday as the insurance company takes care of it. They also have experts that help me in investing the money at a properplace; if the policy holders wish to monitor it they can easily keep a tab on their portfolio with simple tools such as ULIP NAV.

➢ *Myths About Investing in ULIP Plans:*

- *Myth 1: ULIPS are Costly due to Multiple Inherent Charges*

REALITY- People generally have a misconception about the ULIPS that it is an expensivefinancial instrument due to various charges like fund management, premium allocation etc.

Reality is that the ULIPs have been significantly changed, the investors may not be aware of the fact that IRDAI in 2010 has brought down the annual charges to 3% , for the first 10years of the holding period and extra 2.25% in the case of holding it for more than 10 year. Mortality and morbidity charges are excluded from this, the fund management charges have also come down to 1.35%. This has made ULIPs affordable.

- *Myth 2: ULIPS are Risky Financial Instruments*

REALITY- The another myth is that ULIPs are the most risky investment instrument in the equity market, which is absolutely incorrect. If anyone wants to know what is ULIP and what dothey offer a ULIP plan gives the option to invest in debt market also.

Funds are invested in equity market for those investors that have high appetite of bearing therisks; those who want the risk to be low may invest in debt market based ULIPs. ULIP Plansalso gives an option to switch from debt to equity market and vice versa according to the riskappetite of the investors.

- *Myth 3: ULIPS do not Allow the Investment of Surplus Funds*

REALITY- It is believed that ULIPs do not allow the investment of the surplus funds while thesurplus funds can be added as per the availability to an ULIP with low premium, during the tenure of the existing ULIP plan the top-up premiums can be paid any time and can also enjoy the same tax benefits as the regular premiums.

- *Myth 4: ULIPS Allow Continuation*

REALITY- People have the misconception that ULIPs cannot be discontinued at all, they are often misled by the other people. While one can discontinue his/her ULIP Plan after minimum 5year of lock in period without any payment of surrender charges.

- *Myth 5: Market Volatility Reduces the Life Cover*

REALITY- There is a confusion in the mind of the investors that the life cover decreases withthe market volatility, while it is absolutely incorrect , the life cover remains unaffected irrespective of rise and fall in thestock market.

In the case of ULIPs , if the insured person dies during the policy term, ULIPs pay either the fullamount of life cover or the fund value whichever is higher.

- *Myth 6: Health and Accident Cover is not Provided in ULIPS*

REALITY-People have misconception regarding the ULIPS is that it does not cover the health and accident cover, which is completely false. ULIPs offers twin benefits to the policy holder, an ULIP Plan has many optional rider options like other insurance instruments. Family income benefit, death benefit, hospital cash benefit etc are covered by the ULIPs

Additional cash requirements during some emergencies or uncertain situations can be taken careof by partial withdrawal of the funds while there are some restrictions on clubbing the two riderstogether.

- *Myth 7: ULIPS Offers Low Returns*

REALITY- This is again a false misconception that is being created in the mind of the people. The actual fact is that the money is invested in different funds with a varying degree of exposurein the debt and equity market, it is ensured that the growth of the funds are healthy. ULIPs are long term investments , people are attracted towards this due to the attractive returns over to longterm in addition to a life cover. Investors can also opt for a different fund allocation that may provide better returns and can monitor them by ULIP NAV.

- *Evolution of Unit Linked Insurance Plans:*

More innovative form of life insurance are known to be as Unit Linked Insurance Plans. EveryULIP provides cover against death, ULIPs are a great source of long term benefits, the people with higher risk appetite are generally the ones who invest in the equity based market whereasthe people who can only bear an average amount of risk go for investment in the debt market. ULIPs are a great combination of investment in debt and equity market.

We can say that ULIP has evolved as:

- ULIPS came into existence from 1960 onwards and it is popular in many countries of theworld.
- Unit Trust Of India offered the Unit Linked Insurance Plans(ULIP) in 1971. Out of the premiums paid by the investors some amount is kept aside for the life cover and balanceinvested in units.
- The guidelines for the ULIPs were notified by IRDA on 21st December, 2005 in India

ULIP is a fund that is market related where the premiums that are paid by the investor are invested in various fundsin debt and equity market.According to the selected funds the returnsmay vary from person to person. The costs that are being invested are purely transparent, the investment that is made by the company is known by the investor and therefore he can keep a drack by the ULIP NAV although the company monitors the invested funds.

Flexibility that is provided is greater in ter,ms of premium paid that is to be invested, it means that the premium holiday is also possible. The investor can invest the surplus money in the formsof top-ups which will increase his investment in either debt or equity market.

ULIP policies provide various advantages such as life protection, capital gains, mortality rate, flexibility, life cover, investment options, transparency etc.

UNIT LINKED INSURANCE PLANS(ULIP) is considered to be as life insurance solution that provides the investors with risk protection and flexibility in investment. The instrument by whichthe investors can monitor the growth of their invested funds are known to be as : NAV(Net AssetValue). The value of policy depends upon the assets that are underlying at that time.
Invested amount , that is paid as premium after deducting for all charges mrket.and premium forrisk under all the policies.

- *Basic Charges in ULIPS:*

- *Premium Allocation Charges*-

This is known to be the percentage of the premium towards allocation of the units., the premiumallocation is generally higher in first few years that varies from company to company.

- *Mortality Charges*-

Mortality charges are those charges to be insured against the life cover which depends upon various factors such as: amount of coverage, age, state of health etc. These charges depend uponprimarily the age

- *Fund Management Charges*-

The fund management charges are reduced or deducted for managing the funds before its evaluation and arrival at Net Asset Value (NAV). The fee charges ranges from 0.5 to 2%perannum.

- *Policy/Administration Charges*-

These are those charges which are for the plan which could be flat throughout the term of policy ar may vary at a pre determined rate. The administration charges are fix for every month where the yearly charges may vary according to the rate of inflation or as percentage of sum insured.

- *Surrender Charges*-

The charges that are deducted for the premature, partial or full encashment of units is known tobe as the surrender charges.

- *Fund Switching Charges*-

When the investors wish to switch ULIP options like from debt to equity or vice versa according to their risk appetite. Generally a certain amount of switches are allowed without any charges but after exceeding to that extent leads to these fund switching charges.

➢ *Factors to be Considered while Taking ULIP Policies:*

- *Stay Invested for a Long Time:*

From ULIPS, the investors may expect a good amount of returns from at least 5 to 8 years after investing their funds, therefore it is visible that ULIPs are the long term investment plan which isbeneficial for those who have appetite of high risk that is involved and can keep their money invested for a longer period of time.

- *Be Clear with the Charges:*

The Insurance Regulatory Development Authority (IRDA)has cleared all the misconceptions in the minds of the people about their transparency and charges and has issued certain guidelines according to which investors may know whether there are any hidden charges that will be leviedon them or not.

- *Invest as Per the Risk Profile:*

Investors must invest money into ULIPs according to there risk appetite, sometimes the investorsmay misunderstand the risk taking appetite they have. It is advised that the investors with high risk bearing appetite must opt equity market based investment while the investors who are notwilling to take high risk may opt for debt market based investments.

➢ *What is ULIP Nav?*

ULIP NAV is a basic term that stands for Net Value Asset (NAV) for each unit of ULIP everyday, generally, the insurance companies displays the ULIP NAV of each fund on their websiteunder the relevant section.

ULIP NAV is more understood on per unit basis in financial sense. It refers to the net value ofassets lying in the firm
It can also be said as:

ULIP NAV = ASSETS- LIABILITIES

- Market value of funds current assets, value of current assets and any accrued income is includedin ULIP NAV.
- The liabilities that are included in the ULIP NAV are: management charges, , current liabilities,provisions and service tax.
- To reach at the value of a single unit of ULIP NAV. Whole funds are divided by the number ofunits existing on the date of valuation.

➢ *ULIP Plans by Insurance Company*

- *HDFC Life Standard Life Insurance Company:*

HDFC is the most popular life insurance company that offers a wide range of individual or groupinsurance product meetings various needs of various customers.

- *HDFC Life Click2 Invest ULIP*-

This is an online Unit Linked Insurance Plans whose highlight is that it comes with zero policy allocation and zero policy administration charges. It gives eight fund options to investors to invest their money as per one’s risk taking capability. They allow free four switches every year Partial withdrawals are also allowed after 5 years of taking the policy.

- *Bajaj Allianz Life Insurance Company*

Bajaj allianz life insurance Company is a joint venture between allianz SE and Bajaj FinservLimited which was established in 2001.

ISSN No:-2456-2165

- *Bajaj Allianz Principal Gains*-

Non participating endowment plans that offer option of limited as well as regular premiums. Bajaj Allianz principal plans offer loyalty addition that is a guarantee at maturity and allows theinvestor to receive the benefits in installments via settlement options.

- *Bajaj Allianz Fortune Gain*-

This is for non participating individuals, this offers the option of regular and limited premiumoptions. In addition, the bajaj allianz princicopal gain policy offers loyalty at the maturity andallows the investors to recieve maturity benefits in instalments via the settlement option.

- *Bajaj Allianz Future Gain*-

It is a kind of Unit Linked Insurance Plan (ULIP) that allows maximum allocation of the premium. There is a choice that is given to the investors in investing in different portfolios thatare Investor selectable portfolio strategy and Wheel offline portfolio strategy. This plan offers 7funds so that the investors can choose from them.

- *Edelweiss Tokio Life Insurance:*

Edelweiss tokio life insurance foundation was founded in the year 2011.It is a joint venture oftwo companies- tokio marine and Edelweiss financial services.

- *Edelweiss Tokio Wealth Accumulation*-

It is a kind of non participating Unit Linked Insurance Plans that offer customized solutions to the investors to meet the accumulation requirements of the policy holders. It is a simple structure that offers policy holders a choice of multiple funds option. These funds also provides easy access to funds to the policy holders by the way of loans and partial withdrawals. Up to 2 times in a policy year.

- *Edelweiss Tokio Wealth Enhancement*-

It is a kind of Unit Linked Insurance Plans which comes with low charges of allocation and flexible payment options. Id the policy holder dies the nominee of the policy holder receives the benefit that is the fund value or sum assured amount or 105% of total premium that is being paid.

- *Aviva Life Insurance Company India Limited:*

Aviva India life insurance company is one of the leading insurance companies in India that wasfounded in 2002. Aviva is a joint venture of: Aviva group, a UK based group, which was associated with India in the year of 1834 and dabur invest corp., one of the oldest businesses inIndia.

- *Aviva I- Growth*-

This is a non participating unit linked insurance plan that is participating savings life insurance plan that offers 3 investment fund options and 3 policy terms. The total charge of the policy is aslow as 1% and the insured person has an option to redirect premium to different funds.

- *Aviva Live Smart Plan*-

This is a non traditional Unit Linked Insurance Plan that is linked to the endowment plan that offers a choice of 7 funds options such as: Growth fund, Enhancer fund, Protector fund, Balanced fund, PSU fund, infrastructure fund etc. This plan allows four partial withdrawals incompleting 5 years of a policy.

- *DHFL Pramerica Life Insurance Company Limited:*

DPLI is the other name for DHFL pramerica life insurance company limited as it is a joint venture between Prudential International Insurance Holdings Limited(PIIH), a wholly owned subsidiary of Prudential Financial Incorporation and DHFL Investment Limited that is a fully owned subsidiary of Dewan Housing Finance Cooperation Limited(DHFL), it is the 2nd largest housing finance firm.

- *DHFL Pramerica Smart Wealth Plus*-

This is a non participating Unit Linked Insurance Plans that rewards the policy holder with persistency units for continuing their policy. It is equal to the 1% of the average fund value. Toavail the policy minimum age is 8 years while the maximum age is 55 years. Maximum age atmaturity is 75 years.

- *Exide Life Insurance Company Limited:*

Exide life insurance company limited company was founded in 2001 which was headquartered in Bangalore. This is considered to be as profitable life insurance company serving over 15 lakh customers and managing assets that are of more than 14 crore of rupees.

- *Exide Life Prospering Life Insurance*

This unit linked insurance plan can be taken for 10,15 or 20 years. After the policy completesits five years of being active then the investors can make the partial withdrawals to address the liquidity requirements that may arise. The investors can withdraw from this policy anytime evenin the initial 5 years of investing.

- *Exide Life Smart Future Insurance Plans*-

This unit linked insurance plan offer the investors a choice of six different funds to invest. The tenure of this policy ranges from 15 to 30 years. It offers 2 premium payment choices-Regular paying term or Premium payment term where premiums can be paid at monthly, quarterly, half yearly or annual intervals.

- *Future Generali Life India Life Insurance Company Limited:*

This future generally india life insurance company was founded in 2008. Future generally is a joint venture of generally group, it is an international group featured in top smartest companies of the world , future groups-pioneer retailer of India and Industrial investment trust limited that isone of the leading investing companies.

- *Future Generali Pramukh Nivesh*

This as a single use Unit Linked Insurance Plan that means it is available with an option of one time lump sum payment of premium. It gives an investor options to choose from 6 different funds and the investor can therefore invest according to his risk appetite. The minimum premiumamount that is to be paid in this case is rupees 50,000, while there is no maximum limit to this premium.

- *India First Life Insurance:*

India first life insurance was established in 2009 which is headquartered in Mumbai; it is a jointventure of Bank of Baroda and Andhra Bank.

- *India First Smart Save Plan*-

This unit link insurance plan which offers a choice of investing in five fund options. This planallows the investor to switch for 24 switches every year or 2 switches per month whose minimum amount is rupees 5,000. Different payment options are also available such as single,regular or limited while payment mode ranges from single yearly and half yearly.

- *Kotak Life Insurance Limited:*

This is one of the fastest growing insurance plans in India; it covers more than 20 million livesacross India.

- *Kotak Ace Investment Plan*-

This unit linked insurance plan is an investment oriented plan and it also offers a choice of sevendifferent fund options. The premium can be paid monthly, quarterly, half yearly or yearly. The tenure of this policy ranges from 10,15,20,25 and 30 years. It can be availed by anyone whose age is from 0 to 60 years however the policy holder should be an adult that means it ranges grom 18 to 75 years.

- *Kotak Wealth Insurance Plan*-

In this unit linked insurance plan investors are provided with an alternative to use the funds that are in surplus in the form of top up premiums and therefore it provides higher additional payot atthe time of policy holder’s death or at the time of maturity. There are 5 options of policy terms: 10,15,20,25 and 30 years. The age of the policy holder must range from 18 to 65 years. While the age of getting insurance can range from 0 to 65 years. Partial withdrawals are also allowed but after completing the 5 years with your policy.

- *PNB Met Life India Insurance Company Limited:*

Punjab national bank (PNB) MetLife insurance company limited was established in 2001. Shareholders of PMB MetLife India insurance company are MetLife international holdings LLC,Jammu and Kashmir bank limited and other private investors.

- *PNB Metlife Dhan Samriddhi*-

This unit linked insurance plan offer its investors to choose from 6 different fund options andallows only 4 free switches. Partial withdrawals are allowed where 12 withdrawals are free ofcost after completing 12 withdrawals 250 rupees are chased for each transaction. Policy

- *PNB Metlife Easy Super*-

This unit linked insurance plan is non participating that is available for a period of 15-20 yearsand the premium paying fund requires its customers to pay it for the entire length of the policy.

- *PNB Metlife Smart One*-

This is an unit linked insurance plan that is non participating and is available for 10-20 years that subjects to maximum maturity age of the policy holder. The premium is to be paid once that ranges from minimum 18,000 rupees and maximum to rupees 5 lakh. The sum thst is being assured is 5 times of the single premium paid during the first policy year and in addition 1.25 times the single premium paid for remaining policy.

- *PNB Metlife Smart Platinum*-

This unit linked insurance plan allows its customer to choose from 6 distinct fund options. Premiums are payable monthly, quarterly, half yearly and yearly. The minimum amount to bepaid under this plan is rupees 30,000.

- Crisil Ulip Rankings 2020

ULIP Ranking

Offline: Wealth I – Regular - 10-year policy term

Insurance Company Name	ULIP	Cost Rank* @ 1 lakh premium	Cost Rank* @ 6 lakh premium	Large Cap Oriented					Multi Cap Oriented	Mid Cap Oriented		Debt Long Term			Debt Short Term
Edelweiss Tokio Life	Wealth Secure+ - Base	1	1	Equity Large Cap Fund	-	-	-	-	Equity Top 250	-	-	-	-	-	Bond Fund
				3	-	-	-	-	3	-	-	-	-	-	3
Edelweiss Tokio Life	Wealth Ultima	1	2	Equity Large Cap Fund	-	-	-	-	Equity Top 250	-	-	-	-	-	Bond Fund
				3	-	-	-	-	3	-	-	-	-	-	3
Reliance Nippon Life	Prosperity Plus	1	1	Life Equity Fund 3	-	-	-	-	-	-	-	Life Corporate Bond Fund 1	-	-	-
				3	-	-	-	-	-	-	-	5	-	-	-
Bajaj Allianz Life	Future Gain	2	2	Bluechip Equity Fund	Equity Growth Fund II	-	-	-	-	Accelerator Mid-Cap Fund II	-	Bond Fund	-	-	-
				3	2	-	-	-	-	4	-	3	-	-	-
Bajaj Allianz Life	Future Wealth Gain - Wealth Plus	2	2	Bluechip Equity Fund	Equity Growth Fund II	-	-	-	-	Accelerator Mid-Cap Fund II	-	Bond Fund	-	-	-
				3	2	-	-	-	-	4	-	3	-	-	-

Fig 22 ULIP Ranking First Offline

Offline: Wealth II – Regular - 10-year policy term

Insurance Company Name	ULIP	Cost Rank* @ 1 lakh premium	Cost Rank* @ 6 lakh premium	Large Cap Oriented					Multi Cap Oriented	Mid Cap Oriented	Debt Long Term			Debt Short Term
Edelweiss Tokio Life	Wealth Accumulation (Cover Plus)	1	2	Equity Large Cap Fund	-	-	-	-	Equity Top 250	-	-	-	-	Bond Fund
				3	-	-	-	-	3	-	-	-	-	3
Shriram Life	Growth Plus	2	1	Accelerator	-	-	-	-	-	-	Preserver	-	-	-
				5	-	-	-	-	-	-	2	-	-	-
HDFC Life	Sampoorn Nivesh - Classic Plus Benefit	3	3	Blue Chip Fund	Equity Plus Fund	-	-	-	Diversified Equity Fund	Opportunities Fund	Secure Managed Fund	Bond Fund	Income Fund	Conservative fund
				2	3	-	-	-	1	3	2	4	3	3
ICICI Prudential Life	Life Time Classic	3	3	Bluechip Fund	Life Growth Fund	Maximiser V	Opportunities Fund	Maximise India Fund	Multi Cap Growth Fund	-	Income Fund	Life Secure Fund	-	-
				4	5	5	4	4	5	-	1	3	-	-
Shriram Life	Wealth Plus	3	5	Accelerator	-	-	-	-	-	-	Preserver	-	-	-
				5	-	-	-	-	-	-	2	-	-	-
HDFC Life	SL ProGrowth Super II - Life Option	4	4	Blue Chip Fund	Equity Plus Fund	-	-	-	Diversified Equity Fund	Opportunities Fund	Secure Managed Fund	Bond Fund	Income Fund	Conservative fund
				2	3	-	-	-	1	3	2	4	3	3
IDBI Federal Life	Smart Growth Plan - Plus	5	3	-	-	-	-	-	-	-	Bond Fund	-	-	Income Fund
				-	-	-	-	-	-	-	4	-	-	4

*ULIPs within the same cluster rank, at premium investment of Rs 1 lakh, are arranged alphabetically

Fig 23 ULIP Ranking Second Offline

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Online: Wealth I – Regular - 10-year policy term

Insurance Company Name	ULIP	Cost Rank* @ 1 lakh premium	Cost Rank* @ 6 lakh premium	Large Cap Oriented					Multi Cap Oriented	Mid Cap Oriented	Debt Long Term			Debt Short Term
Edelweiss Tokio Life	Wealth Secure+	1	1	Equity Large Cap Fund	-	-	-	-	Equity Top 250	-	-	-	-	Bond Fund
				3	-	-	-	-	3	-	-	-	-	3
ICICI Prudential Life	Signature	1	2	Bluechip Fund	Life Growth Fund	Maximiser V	Opportunities Fund	Maximise India Fund	Multi Cap Growth Fund	-	Income Fund	Life Secure Fund	-	-
				4	5	5	4	4	5	-	1	3	-	-
Canara HSBC OBC Life	iInvestshield - Life Option	2	2	Equity II Fund	-	-	-	-	-	-	Debt Plus Fund	-	-	-
				4	-	-	-	-	-	-	3	-	-	-
Edelweiss Tokio Life	Wealth Plus	2	2	Equity Large Cap Fund	-	-	-	-	Equity Top 250	-	-	-	-	Bond Fund
				3	-	-	-	-	3	-	-	-	-	3
Future Generali India Life	Big Dreams Plan - Wealth Creation	2	2	Opportunity Fund	-	-	-	-	-	-	Income Fund	-	-	Secure Fund
				5	-	-	-	-	-	-	4	-	-	3
Reliance Nippon Life	Prosperity Plus	2	1	Life Equity Fund 3	-	-	-	-	-	-	Life Corporate Bond Fund 1	-	-	-
				3	-	-	-	-	-	-	5	-	-	-

Fig 24 ULIP Ranking First Online

Online: Wealth I – Single - 20-year policy term

Insurance Company Name	ULIP	Cost Rank* @ 8 lakh premium	Large Cap Oriented					Multi Cap Oriented	Mid Cap Oriented	Debt Long Term			Debt Short Term
Shriram Life	Growth Plus	1	Accelerator	-	-	-	-	-	-	Preserver	-	-	-
			5	-	-	-	-	-	-	2	-	-	-
ICICI Prudential Life	Elite Wealth Super	2	Bluechip Fund	Life Growth Fund	Maximiser V	Opportunities Fund	Maximise India Fund	Multi Cap Growth Fund	-	Income Fund	Life Secure Fund	-	-
			4	5	5	4	4	5	-	1	3	-	-
Reliance Nippon Life	Prosperity Plus	2	Life Equity Fund 3	-	-	-	-	-	-	Life Corporate Bond Fund 1	-	-	-
			3	-	-	-	-	-	-	5	-	-	-
Future Generali India Life	Big Dreams Plan - Wealth Creation	3	Opportunity Fund	-	-	-	-	-	-	Income Fund	-	-	Secure Fund
			5	-	-	-	-	-	-	4	-	-	3
HDFC Life	Click 2 Wealth - Invest Plus	3	Blue Chip Fund	Equity Plus Fund	-	-	-	Diversified Equity Fund	Opportunities Fund	Secure Managed Fund	Bond Fund	Income Fund	Conservative fund
			2	3	-	-	-	1	3	2	4	3	3
ICICI Prudential Life	Elite Life Super	3	Bluechip Fund	Life Growth Fund	Maximiser V	Opportunities Fund	Maximise India Fund	Multi Cap Growth Fund	-	Income Fund	Life Secure Fund	-	-
			4	5	5	4	4	5	-	1	3	-	-
IDBI Federal Life	Wealthsurance Growth SP	3	-	-	-	-	-	-	-	Bond Fund	-	-	Income Fund
			-	-	-	-	-	-	-	4	-	-	4

Fig 25 ULIP Ranking Second Online

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CHAPTER SIX
Findings, Recommendations and DataAnalysis

➢ *Interpretation of Primary Data Collected on Comparative analysis between Mutual Funds and ULIPS*

- Total number of respondents: - 125

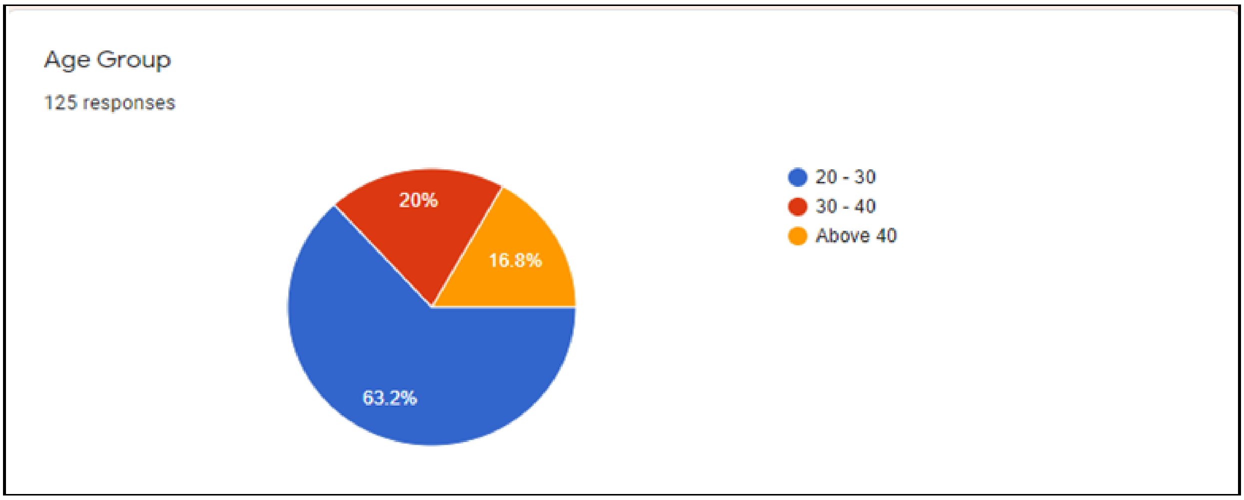

Fig 26 Age Group

- The age group of the respondents was taken between 20-30, 30-40, above 40.
- 63.2% of the respondents were of age group between 20-30 means most of the respondents are youngsters and they are very much keen on investing in financialservices and also they are ready to take risk.
- Another 20% of the respondents were between the age group of 30-40 and they areinterested in taking medium level of risk while investing in the financial services.
- 16.8% of the respondents were of age group above 40 and hence they are less interested in taking risks while investing in financial services.
- The time period during which the responses were collected between may and June 2020 during the situation of COVID-19 outbreak in the country.
- Most of the respondents belong to two states basically New Delhi and Uttar Pradesh.

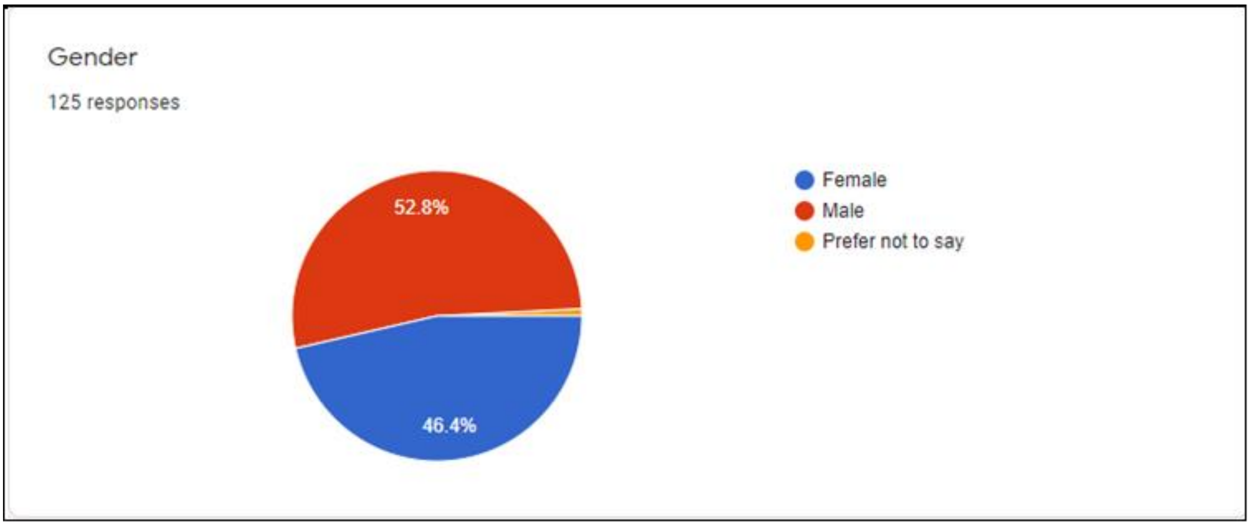

Fig 27 Gender

- 52.8% of the respondents were Male.
- 46.4% of the respondents were Female.
- Rest were preferred not to say their gender.

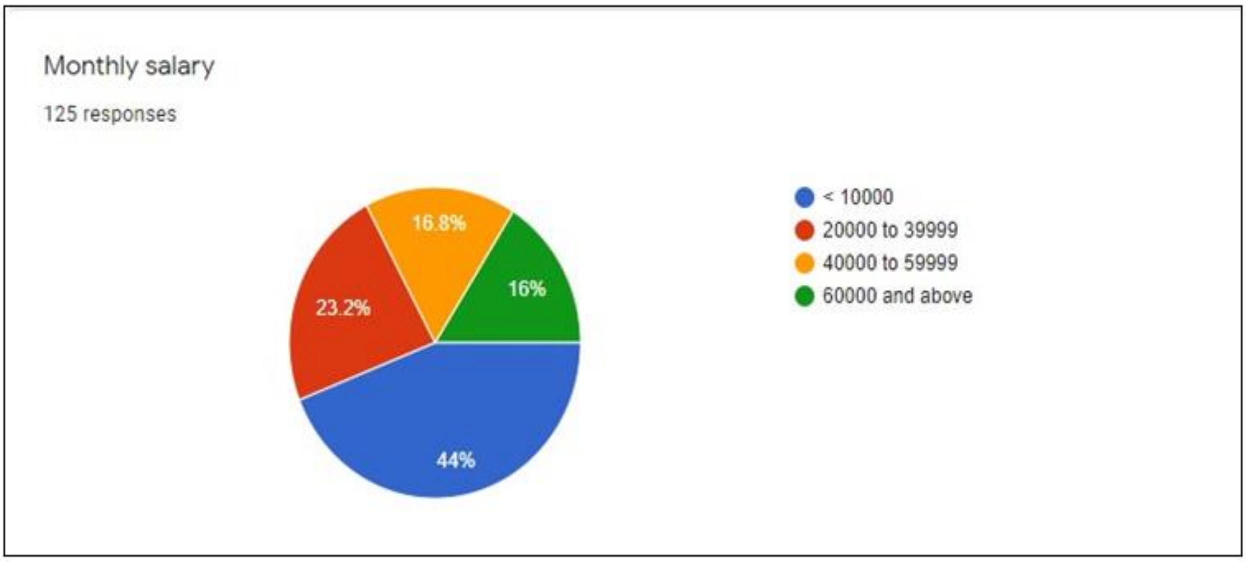

Fig 28 Monthly Salary

- Monthly salary of 44% of the respondents were earning less than INR10,000
- 23.2 % of the employees were earning between INR 20,000 TO INR 40,000
- 16% of the respondents were earning between INR 40,000 TO INR 60,000
- Other 16.8% of the respondents were earning above INR 60,000 per month

Scale the following aspects of investment option on the scale of 5, 1 – Not important at all, 2 – Not important, 3 – Not so important, 4- Important, 5 – Very important

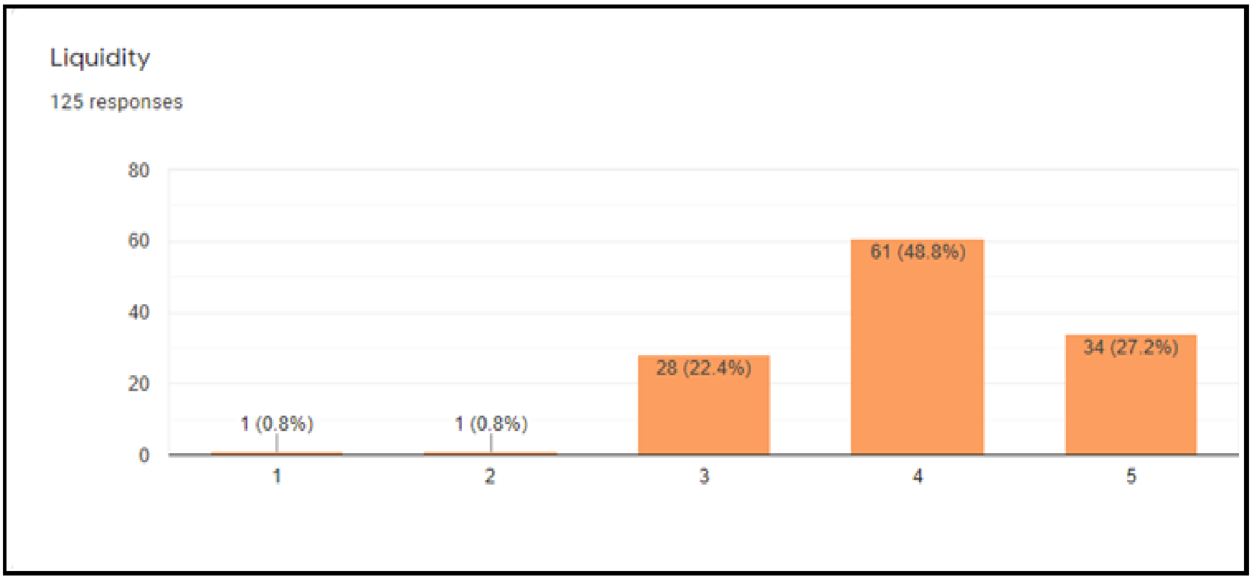

Fig 29 Liquidity

- While scaling the investments options available in the market the Respondents while investing in financial services almost 61 respondents (48.8%) give 4 out of 5 as givingimportance of liquidity while investing in financial services available.
- While 34 of the total respondents (27.2) were given utmost important for liquidity while selecting a given investment options available.
- This data proves that for most of the respondents were giving preferences for liquidityaspect while investing.
- As for sure liquidity is given a preference because the nature of most of the financial services are uncertain in nature as they depend on numerous aspects an also a person whois investing can be in requirement of money at any point of time and for this liquidity is given a preference.

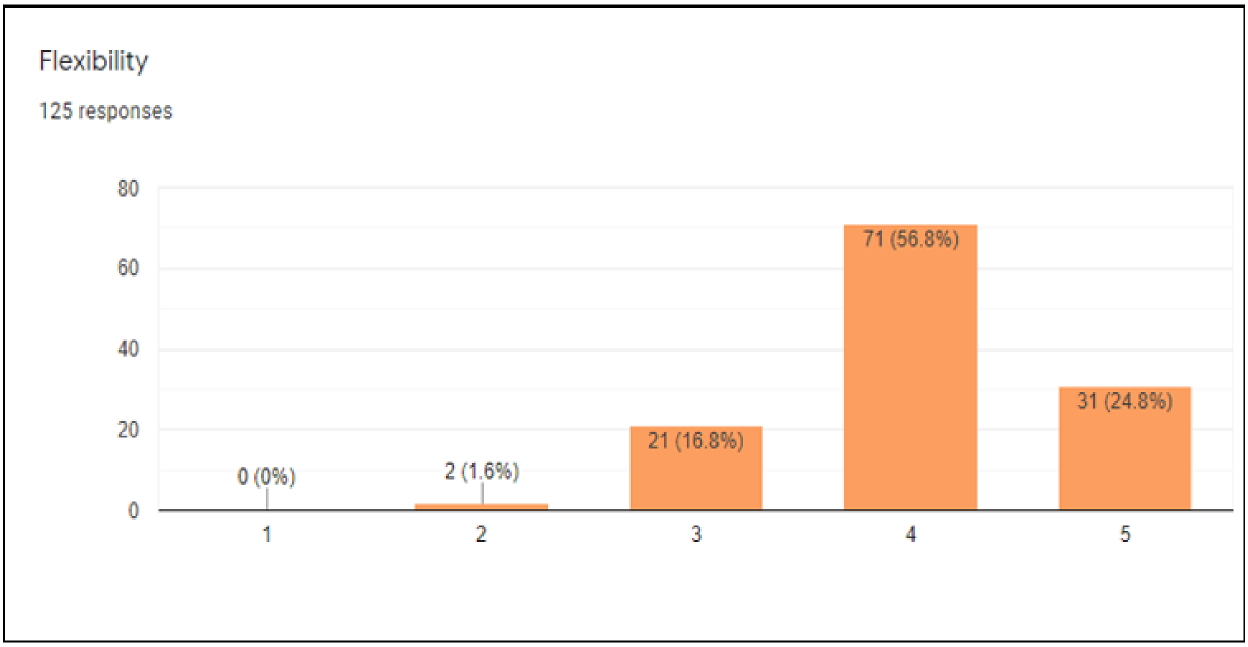

Fig 30 Flexibility

- In terms of flexibility aspect while selecting the investment criteria 71 of the total respondents (almost 57%) gives 4 out of 5 rating for this as they want flexibility featurein their investment option.
- While 31 of the total respondents (almost 25%) gives total preference to flexibility aspectwhile selecting a investment criteria.
- This clearly gives us the idea that most of the investors prefer being flexible in terms ofinvestment options like their money invested is flexible enough to adapt the changes pertaining in the market and it is less affected by this.
- This data clearly proves that almost 80% of the respondents give preference to flexibilityaspect while opting an investment option.

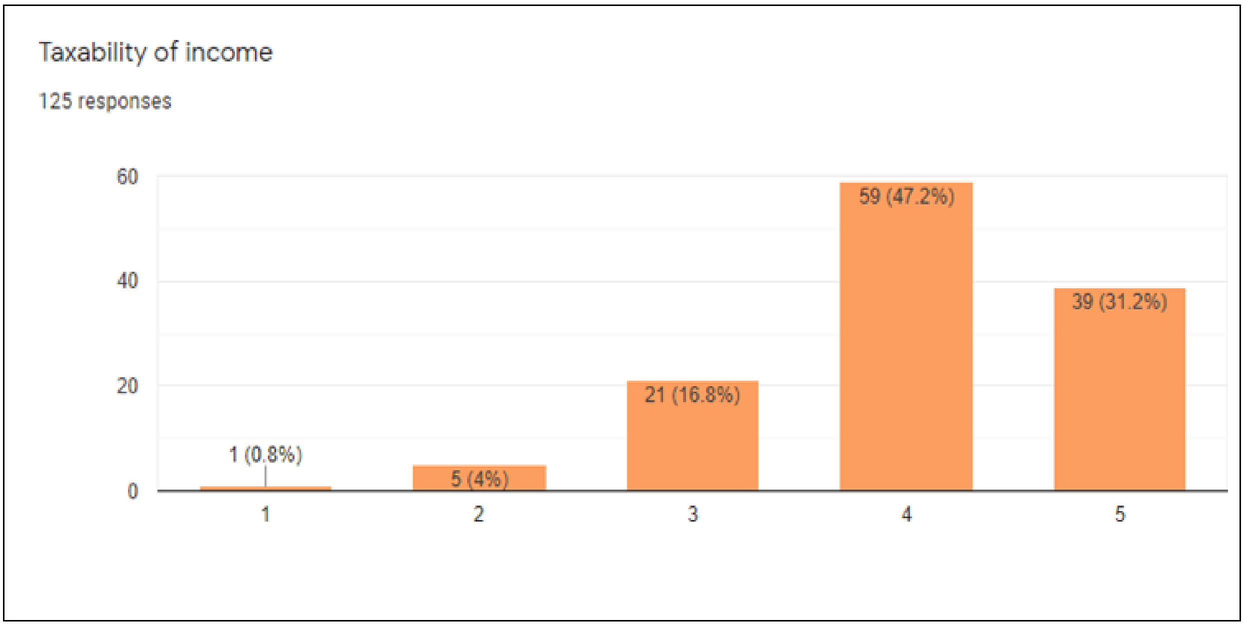

Fig 31 Taxability of Income

- Considering another aspect which is kept in mind by most of the investors, here almost 59 of the total respondents (47.2%) gives 4 out of 5 importance to taxability of incomeaspect while selecting a investment criteria
- While almost 39 of the total respondents gives 5 out of 5 importance to taxability aspectwhile selecting an investment criteria
- In total almost 80% of the respondents gives importance to taxability aspect
- As we can see that most of the investors now a day's look forward to reduce their taxableincome by taking the income tax deduction under section 80 c and 10 (10) d.
- As this is one of the greatest factor which lure the investors towards investing theirmoney in financial services.

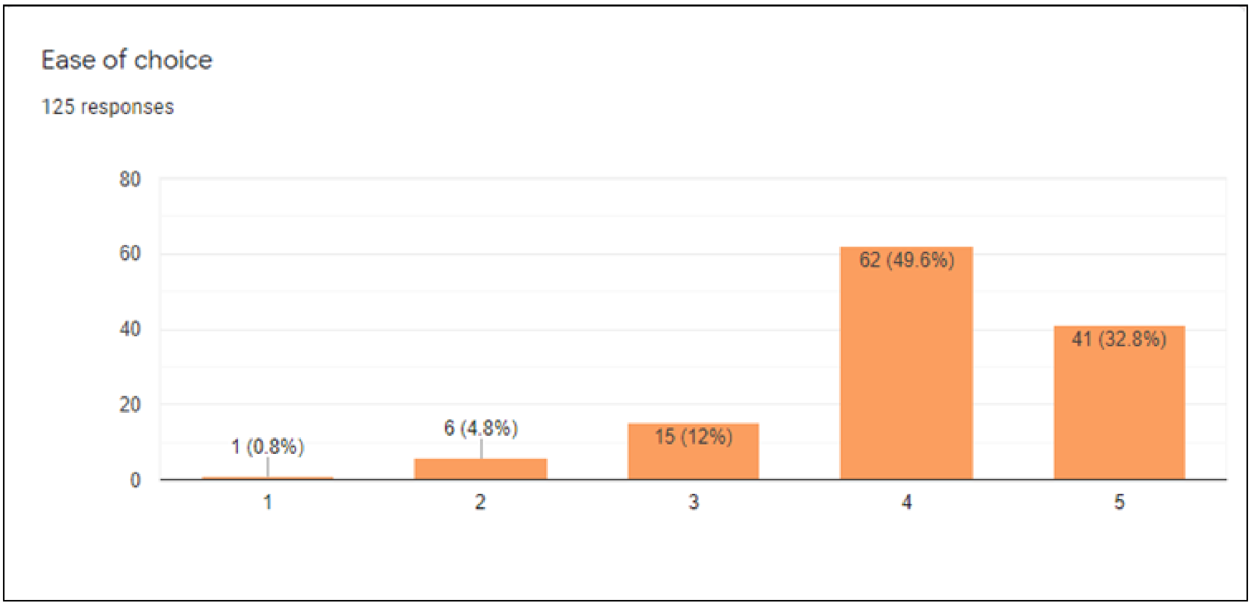

Fig 32 Ease of Choice

- In terms of Ease of choice aspect almost 50% of the respondents gives 4 out 5 to this as they don't want to do so much of paperwork and also they don't have that much of freetime for completing these formalities.
- Most of the work now a day is done on online mode so most of the respondents prefer to opt that investment option which involves less paper work.
- Almost 33% of the total respondents these 5 out of 5 to this aspect as this tells us thatthey gives very much importance to the ease of choice factor.
- Very less respondents ignore this aspect so we can conclude from the responses that Easeof choice is a great reason while the investor chooses any investment option

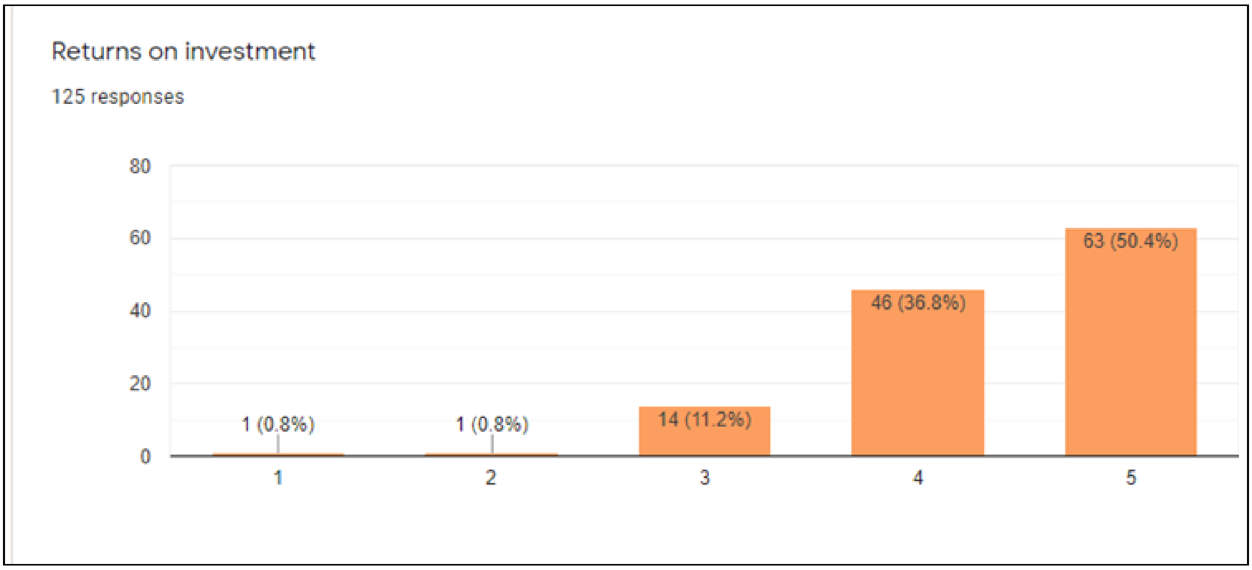

Fig 33 Returns on Investment

- Return on investment is one of the most important aspect as this one the sole reason whythe investor is interested to invest in financial services.
- Almost 87% of the total respondents give preference to return on investment criteria asinvestor gives sole importance to this.
- But the problem with such options which gives higher rate of return on investmentincludes high level of risks involved in such investment options.
- As most of the respondents were in the age group between 20-30 years of age so in suchage group one is interested in taking a level risk for earning better level of investment.
- While in the latter part of the age group which is above 40 is less interested in investing such options which carry high level of risk with better return on investment but they wantless level of risk with slow and steady level of return due to increase in the level of responsibilities.

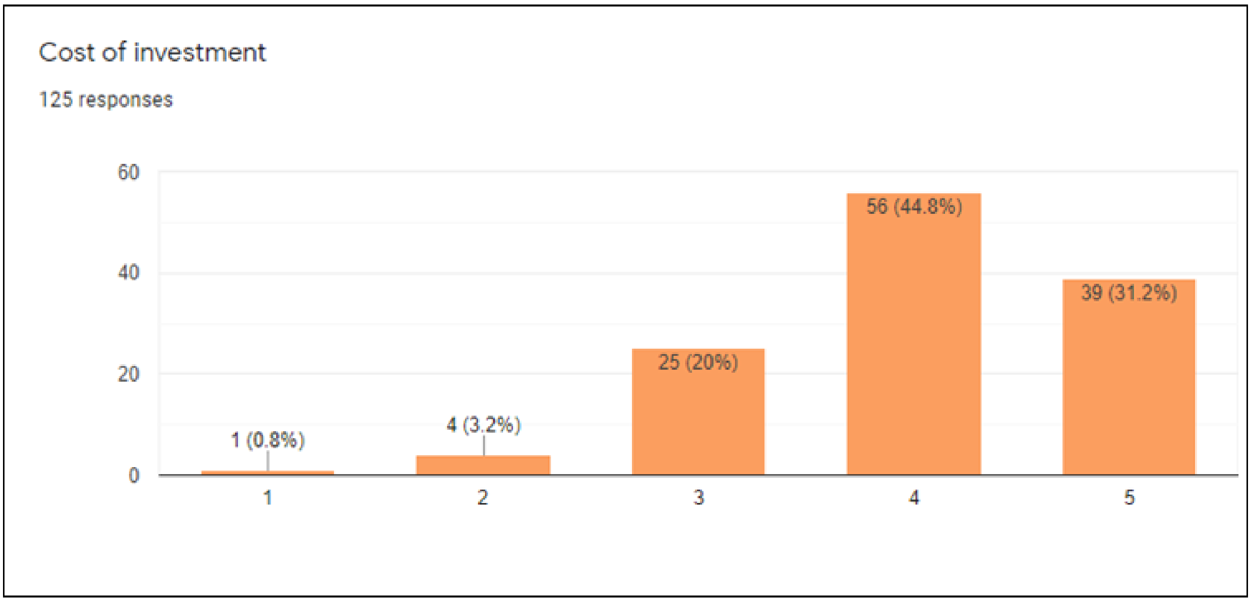

Fig 34 Cost of Investment

- Cost of investment refers to the amount of money which is incurred in that particularinvestment options
- As a investor one will surely look into this aspect, almost 45% of the respondents gives 4out of 5 to this aspect of investment that cost of investment matters to them.
- Almost 32% of the total respondents gives complete 5 out of 5 importance to cost ofinvestment criteria.
- As a investor one will surely have a fixed sum of money which he want to invest therefore the cost incurred for opting that investment options.

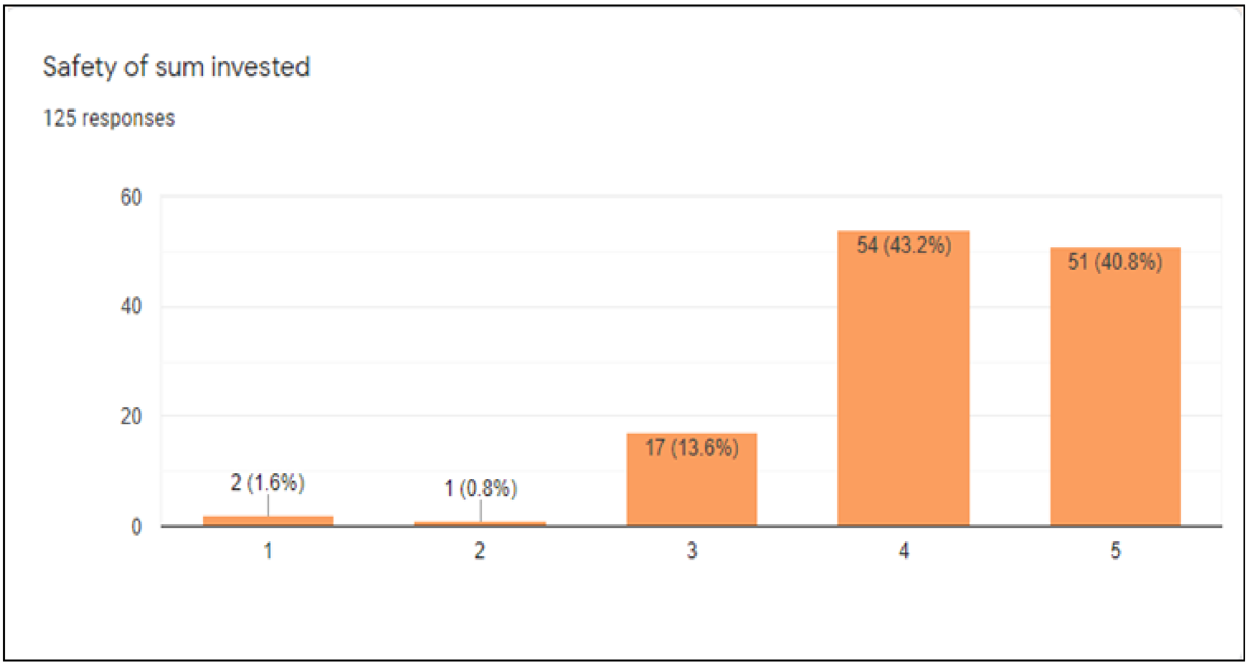

Fig 35 Safety of Sum Invested

- Safety of the sum invested means the investor will surely want a safety of the amount of money invested by him as while desiring for a level of return he wants at least he gets back the amount of money he has invested if in case his investment is not able to providehim with handsome amount of return.
- Almost 44% of the respondents gives 4 out of 5 importance to this aspect of investment
- While 41% of the total respondents gives 5 out 5 importance to this criteria means theygives complete importance for the safety of the sum invested by them in the financial services.
- In total 84% of the respondents prefers to get safety of the sum insured by them which they have invested in the financial services

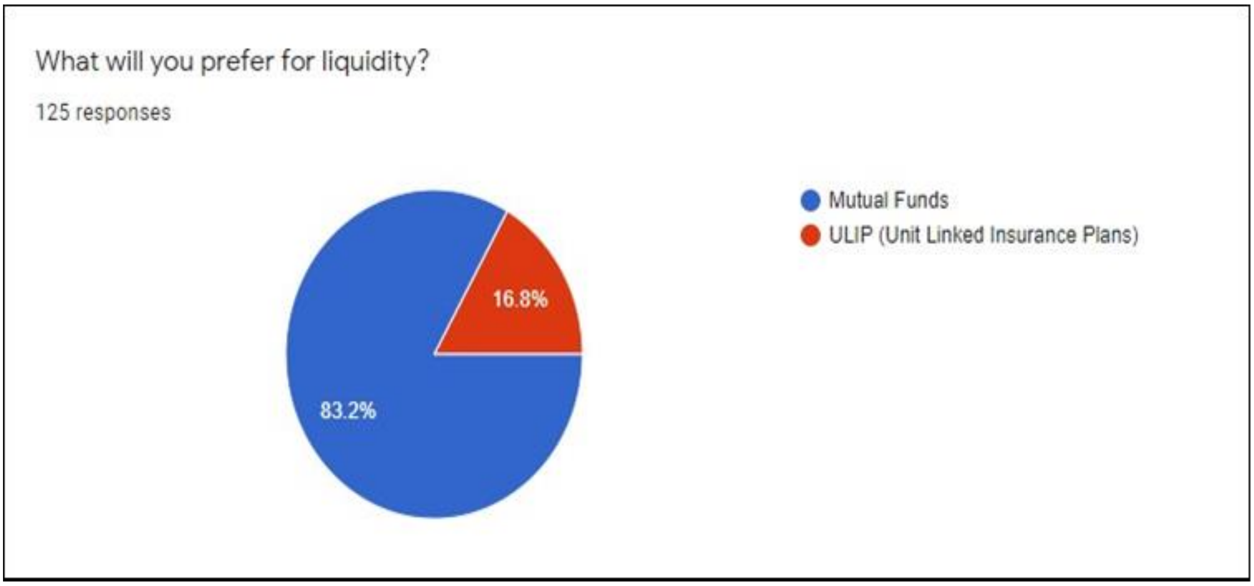

Fig 36 What will you Prefer for Liquidity

- If a respondent has to choose between two investment options namely mutual funds andULIP and the criteria will on the basis of liquidity then most of the respondents are selecting to invest their money in mutual funds.
- Reasons for this selection cab ne that both mutual funds an ULIPS are long term investments and the best part of mutual fund is one can exit them whenever he or she wishes to and another important aspect of mutual fund is that investor also has the optionto make partial withdrawals at any moment of time.
- In ULIPS the investor has to pay all the premiums in due time but in case the investor stop making timely premiums that ULIPS can prove to be a costlier deal and it even might lapse the policy and on the other hand investor can also lose all money.

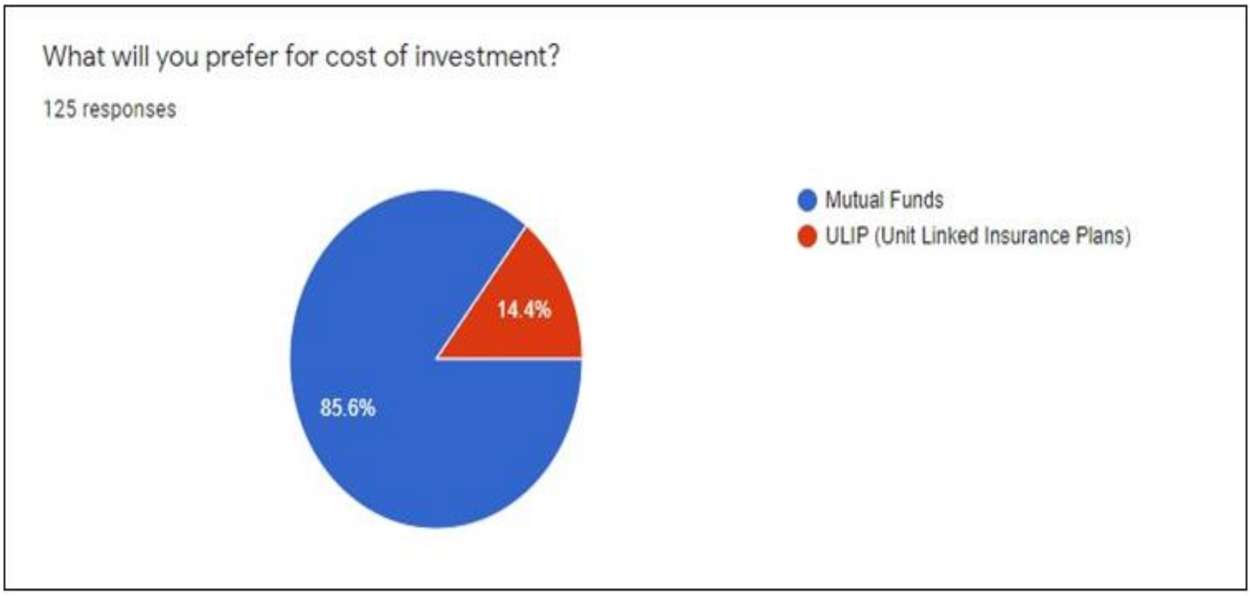

Fig 37 What will you Prefer for Cost of Investment

- Almost 86% of the respondents thinks that on the basis of cost of investment Mutual funds are a better option as compared to ULIPs.
- The reasons for such returns can be many, however according to the rules now the higher charges for ULIPs have been removed in 2010 only and even some of the ULIP options are very much flexible and they even give a good level of competition to the mutual fundschemes.
- But another point of concern is that most of the ULIPS are being done omnline now a days as same as mutual funds schemes are processed but this thing might not be in knowledge of the respondents and as compared to mutual fund companies , some of theULIPs are way cheaper
- On the other hand if a investor is wants to invest in equity oriented funds than the chargesincur by ULIPS are lesser as some of the equity oriented mutual fund scheme a charges almost 2.5% while on the other hand ULIP charges up to 1.35%.

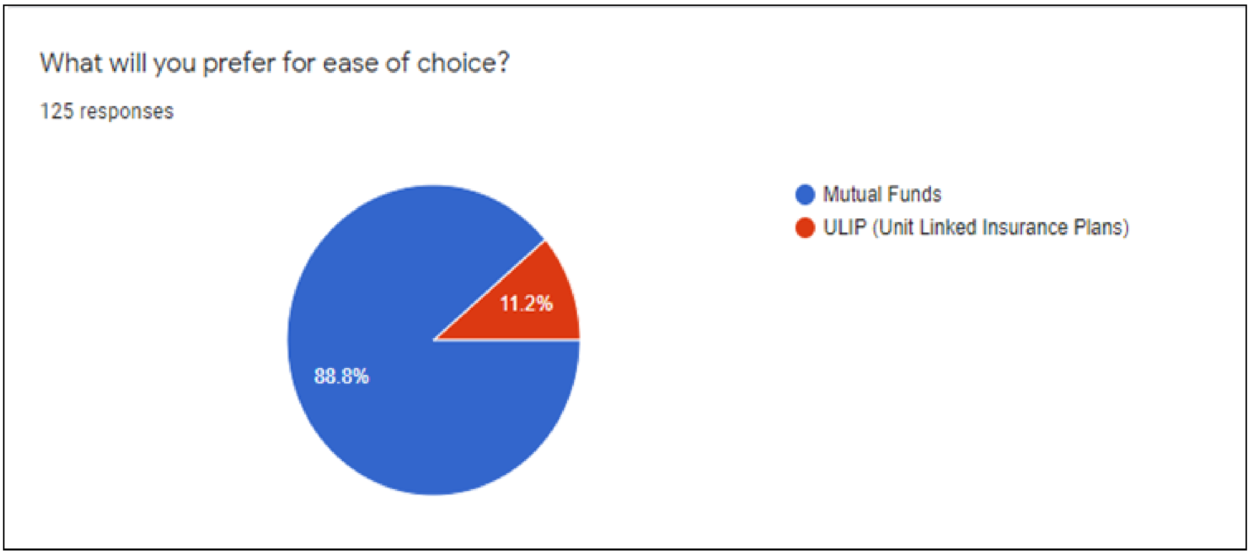

Fig 38 What will you Prefer for ease of Choice

- In this aspect of investment most of the respondents chooses mutual funds in place of ULIPs as almost 89% of the investors selects mutual funds in the basis of ease of choice.
- While investing in the mutual funds, investor is only required to fulfill the online requirements and formalities are done then a investor is free with all such work but whileinvesting ULIPs it also provide life insurance cover so for that purpose even after fulfilling all online formalities one has to complete some offline formalities also.
- Mutual funds also offer a wider choice to investors. Those looking for stable growth cango for large-cap funds and the more adventurous investors can invest in mid-cap and small-cap schemes.
- Insurers offer a wide bouquet of ULIP funds, but mostly the choice is between equity,debt and liquid funds.

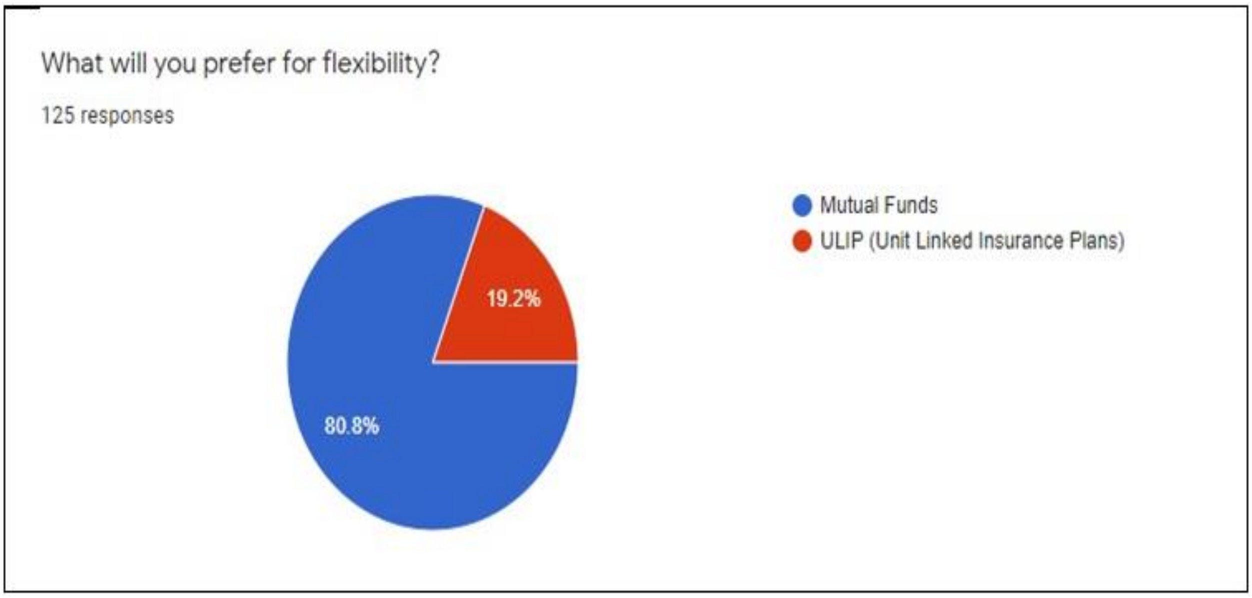

Fig 39 What will you prefer for Flexibility

- In terms of flexibility factor, most of the respondents prefers mutual funds as compared to ULIPs as they thinks that mutual funds provides them with higher level of flexibility ascompared to ULIPs.
- He can easily shift from a non per-forming scheme to a better fund. He can exit anytimehe wants or remain invested for the long term. He can make partial withdrawals or make additional investments without any problem while in ULIPs it's like investing in a close ended scheme for a very long period of time and if the investor is not abet p payback the premium installments then his policy might even lapse and his money is also lost.
- On the other hand ULIPs also allows to invest some additional amount in the current plan and offers only some level of flexibility as compared to mutual funds.
- The investor ony has the option to switch from equity to debt scheme or equity to debtschemes and for this they don't have to face any additional tax liability.

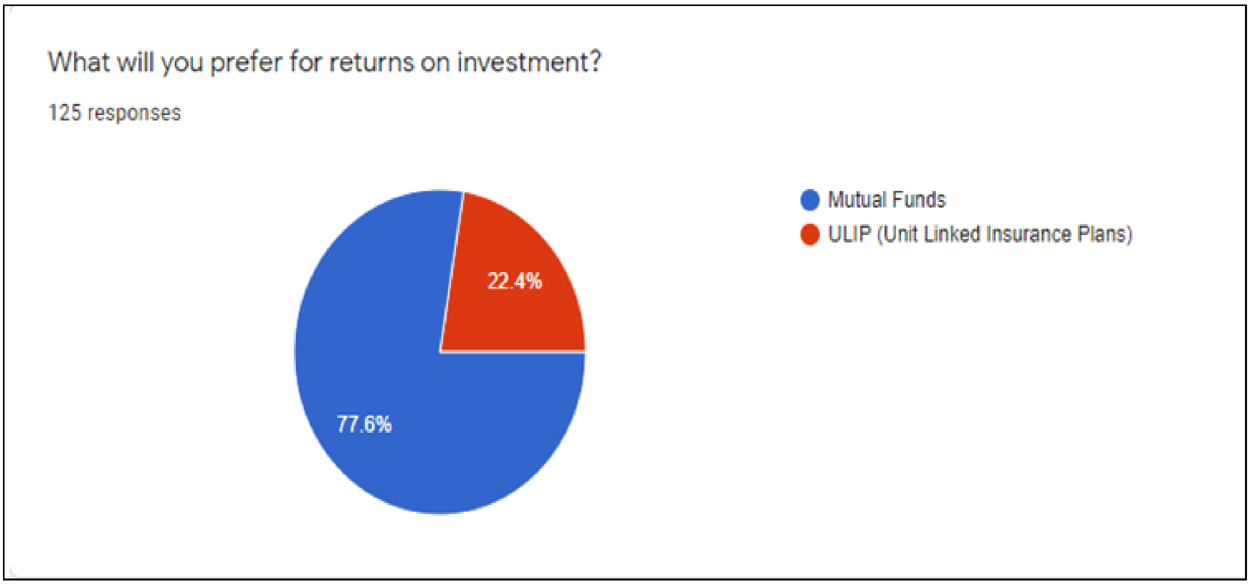

Fig 40 What will you Prefer for Returns on Investment

- In terms of return on investment respondents thins that mutual funds gives better rate of returns as compared to ULIPs and only 24% of the respondents thinks in a different way.
- The reasons for these can be that while investing in ULIPs not all 100% of the money is invested in some type of funds only 60-70% og the amount in invested in it while rest isfor insurance cover therefore the chances for better returns are less in it.
- While investing in mutual funds almost 100% of the amount is invested so in that thereare chances of getting a better rate of returns as compared to ULIPs .
- There is small gap in terms of return on investment in both option as mutual funds offers3-4% better returns than ULIPs so in terms of investing in long runs mutual funds will always pay better.

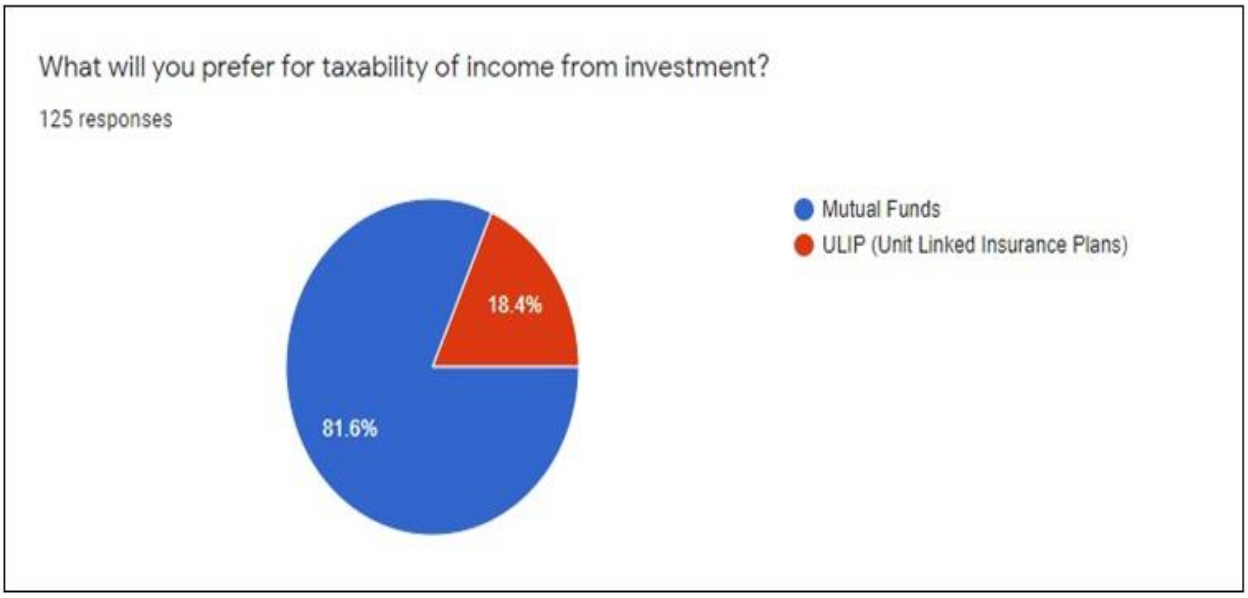

Fig 41 What will you Prefer for Taxability of Income from Investment

- In terms of taxability aspect most of the respondents thinks that mutual funds are betteroption than ULIPs.
- The reasons for this can be that ost of the respondents are between the age group of 20-30means they are youngsters and their monthly income of most of the respondents is between 10,000 – 30,000 and they investing a limited amount in mutual funds while the nce who have responded that ULIP are better investment options in terms of taxability aspect is concerned and those who are regular investors in mutual funds and ULIPs schemes know that when u are investing a handsome amount in mutual funds then the returns on the mutual fund investments are charged heavily while the income from the ULIP schemes are completely tax free.
- Therefore, ULIPs will always prove to be better options for investment in terms of taxability aspect is concerned as compared to mutual funds.

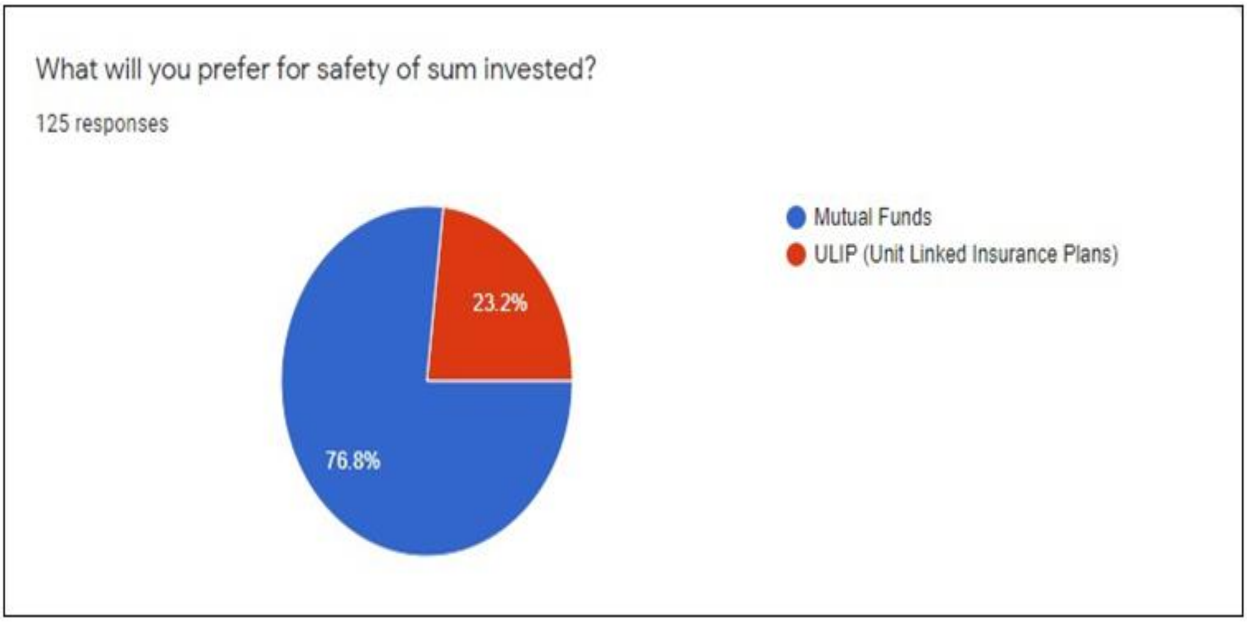

Fig 42 What will you Prefer for Safety of Sum Invested

- In terms safety of the sum invested the respondents thinks that mutual funds are better options than ULIPs as they feel that their invested amount is more secured and safe while investing in mutual funds as compared to ULIPs.
- The mutual fund companies generally provide a platform through which the investor can have a track on his portfolio through which hey can monitor the performance of their funds, they have a complete information that where there fund is invested and in what amount it is invested
- ULIPs are also tracked abut they are not shown in very detailed manner and very few of the investors and managers know that which of the ULIPs scheme is doing best currently in the market.

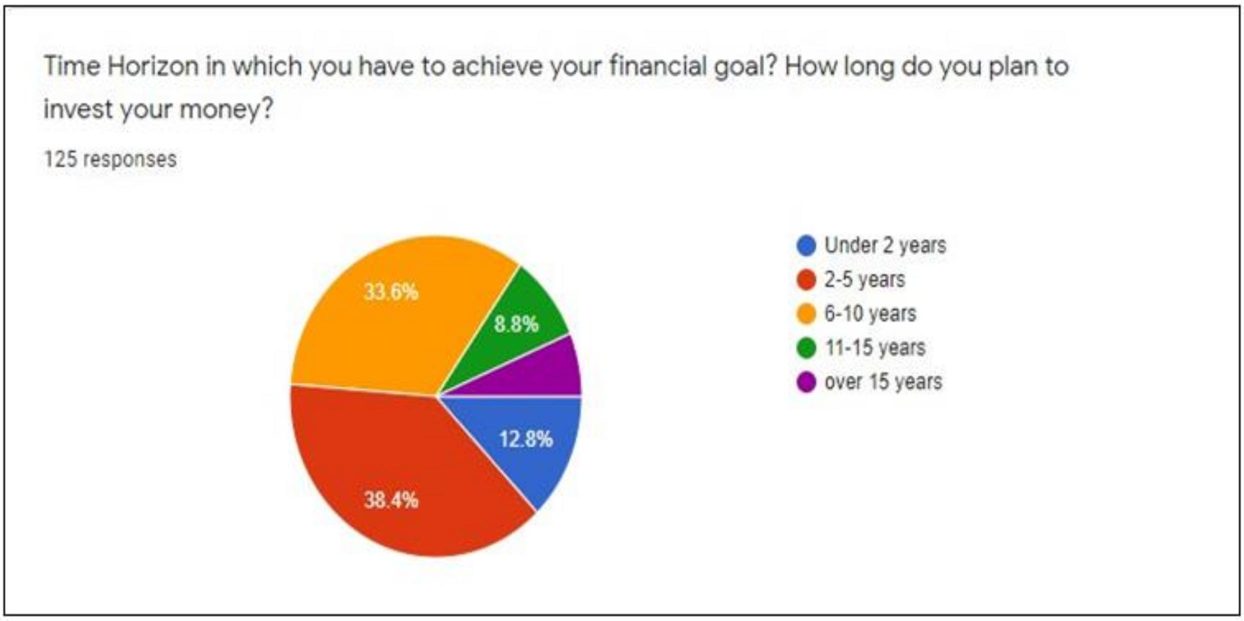

Fig 43 Time Horizon in which you have to Achieve your Financial Goal ? how long to Invest your Money?

- In term of time horizon is concerned means up to how many years a investor want to invest his money in financial services, most of the respondents feels that between 2-5 years of time frame they are ready to invest and will be sufficient for them to achieve their financial goal.
- 33.6% of the respondents feels that while investing for a period of 6-10 years will a time horizon n which they feels comfortable to invest and this will fulfill their financial goal expectation.
- While very few of the respondents feels that they will be investing in such services more than 19 years time frame

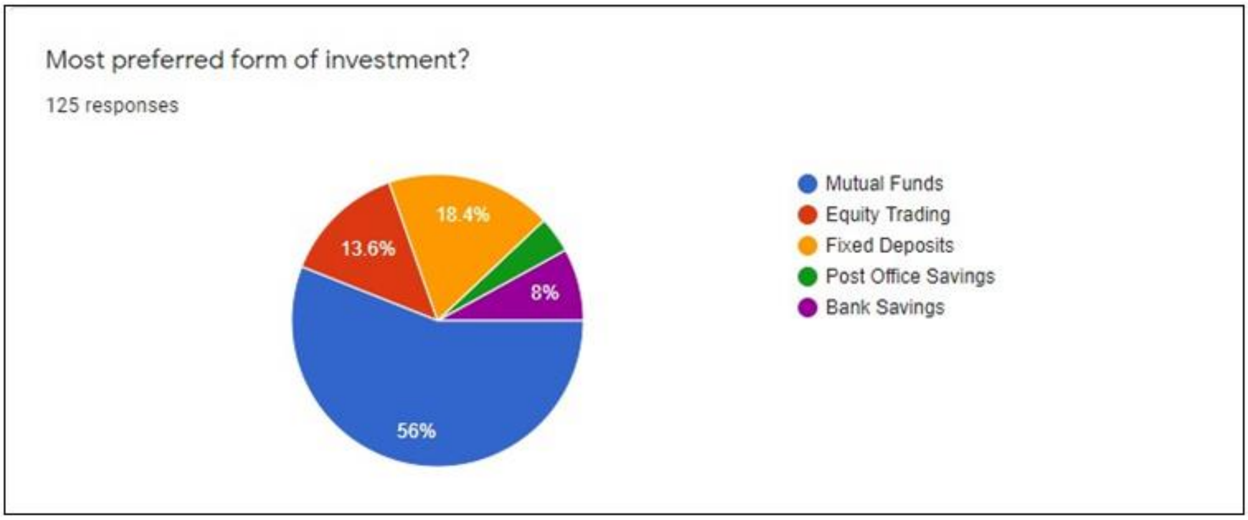

Fig 44 Most Preferred from of Investment?

- In terms of most preferred form of investment most of the respondents feels mutual funds are far better option to invest as compared to other available options like equity trading, fixed deposits, post office savings or bank savings.
- As all other investment options available no one gives that much benefits and amount of returns in investment as given by mutual funds in various aspects.

➢ *Findings and Recommendations*

- *Findings*

✓ During my study for comparative analysis between Mutual funds and ULIPs on various aspects namely Liquidity, Flexibility, Taxability of income, Ease of choice, Returns on investment, Cost of investment, Safety of sum invested and also understands the perspective of the customers on various aspects and I got to know that out of 7 aspects of my study 6 factors proves to be in favor of mutual funds that mutual funds proves to be a better option to invest.
✓ Only on one aspect which was taxability of income that the income from ULIPs plans are completely tax free but the return on investment in mutual funds are highly taxable by the government authorities.
✓ One thing which I got to know is that on some other aspects ULIPs give tough competition mutual funds but most of the investors are not aware of many facts and features of ULIPs as they know about mutual funds.

- *Recommendations*

✓ One of the recommendation which I want to give to the ULIPs companies and schemes that they need to create that much level of awareness among the investors as the investors know about mutual funds as I felt there is high level of lack of awareness among investors with regard to ULIPs schemes.
✓ Government bodies should also promote such ULIPs schemes as the motive behind doing all the earnings through ULIPs are completely tax free is to promote the investments in such schemes and for this government is also need to take the initiative.

CHAPTER SEVEN
CONCLUSION

In the conclusion part of summer internship project work on the topic "COMPARATIVE ANALYSIS BETWEEN ULIPs AND MUTUAL FUNDS", I got to know various aspects of both the investment options and have a brief analysis between the two options available an got to know that among both of them mutual funds still have a advantage over ULIP schemes however the end decision lies in the hands of the investor that exactly what kind of benefit he is expecting from their invested amount in such financial services and before this investor must have at least basic knowledge for such services related to their working their advantages disadvantages and features as investing in such options will be of great benefit but the investor must also understands in basic for like what he expects from that investment options.

CHAPTER EIGHT
ANNEXURE

➢ *Questionaire on Research Work on Comparative Analysis Between ULIP and Mutual Funds*

- Name
- Age
- Gender
- Monthly salary

✓ < 10000
✓ 20000 to 39999
✓ 40000 to 59999
✓ 60000 and above

➢ *Scale the Following Aspects of Investment Option on the Scale of 5*
- Not important at all,
- Not important,
- Not so important,
- Important,
- Very important

- Liquidity
- Flexibility
- Taxability of income
- Ease of choice
- Returns on investment
- Cost of investment
- Safety of sum invested
- What will you prefer for liquidity?

✓ Mutual fund
✓ ULIP

- What will you prefer for cost of investment?

✓ Mutual fund
✓ ULIP

- What will you prefer for ease of choice?

✓ Mutual fund
✓ ULIP

- What will you prefer for flexibility?

✓ Mutual fund
✓ ULIP

- What will you prefer for returns on investment?

✓ Mutual fund
✓ ULIP

- What will you prefer for taxability of income from investment?

✓ Mutual fund
✓ ULIP

- What will you prefer for safety of sum invested?

✓ Mutual fund
✓ ULIP

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- Most preferred form of investment?
  - ✓ Mutual Funds
  - ✓ Equity Trading
  - ✓ Fixed Deposits
  - ✓ Post Office Savings
  - ✓ Bank Savings
  - ✓ Insurance (ULIP)

- Time Horizon in which you have to achieve your financial goal? How long do you Plan to invest your money?
  - ✓ Under 2 years
  - ✓ 2-5 years
  - ✓ 6-10 years
  - ✓ 11-15 years
  - ✓ Over 15 years

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