Mutual Funds Scheme Selection: A Financial Advisor's Perspective

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Abstract

Many studies have been done on factors influencing selection of mutual fund scheme by individual, retail investors, and Fund Managers. The studies have found that the factors that influence mutual fund scheme selection are performance, risk, portfolio, management, and cost. The rationale behind the present study is to find out the objectives for selection of mutual funds schemes and the factors that influence the selection of mutual funds schemes by financial advisors. There can be different factors that can affect the scheme selection. In the present study researchers have come up with factors affecting MF Scheme selection and differences in these factors among different advisors based on age, income, education, experience, gender. No such studies considering Financial Advisors have been done as yet in Indian context. The results has dig below the surface many hidden factors not studied as yet.

1. Introduction

DURING THE LAST decade, Mutual fund have emerged as a lucrative market for financial service providers, and increased growth is expected (Rose, 1992). Various approaches have been developed to tap this market. In particular, the financial community in general saw the emergence of financial advisers; for retail banks, the most significant development was the growth of private banking. In 1977, mutual funds managed less than $50 billion in assets; in January 1993, $1.6 trillion was under management (Business Week, 1993). Although, in general, retail banks have had little success in achieving significant positions in this growth market, through proprietary funds or advisory services, their private banking endeavors appear well suited to capture mutual fund business from the affluent (Capon et. al. 1994).With over 10,000 mutual funds, financial advisors have a dizzying array of mutual

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funds from which to choose. Additionally, with the growing number of new fund objectives and share classes, the task of choosing mutual funds for clients can be overwhelming. Yet we know a little is known about the mutual fund selection process of financial advisors.

Previous research addressing mutual fund decision-making focuses almost exclusively on individual investors (for example, Capon, Fitzsimmons, and Prince 1996; Alexander, Jones, and Nigro 1998). The be short of research regarding the role of financial advisors is especially upsetting given that approximately 67 percent of investors use financial advisors when making fund purchases (Investment Company Institute 2003 Mutual Fund Fact book). In addition, research indicates that, compared with individual investors buying mutual funds directly from fund companies (that is, no-load funds), investors using financial advisors have lower levels of financial knowledge, are more responsive to advertising, and rely more heavily on financial advisors for information (Capon et al. 1996; Alexander et al. 1998). Apparently the decision-making process of financial advisors is extremely important since investors using advisors are seeking an expert opinion and the fund choice can have a substantial impact on investor wealth and investor satisfaction with their financial advisor.

To fill this gap of research, present research is done in the Mutual Funds industry taking into the account of financial advisors perspective. The objectives of the present research were to develop and standardize the questionnaire for selection of mutual fund scheme by mutual fund advisors and find out the factors affecting mutual fund scheme selection by financial advisors. The other objectives included finding out the difference between financial advisor towards MF scheme selection on the basis of age, education, experience, income, employment, and gender. Beside this the purpose was to check out the difference in debt and equity mutual fund scheme selection by mutual fund advisor.

II. Review of Literature
The previous studies done in the mutual fund sector can be categorized as:

2.1 Risk and Return Based
Like those of Jensen (1968), Sharpe (1966) and Treynor (1965), Herman and Vickers (1962), Vickers (1965), Friend, Marshal and Crocket (1970), John and Donald (1974), Ippolito (1989), Barua, Raghunathan and Varma (1991), Sethu (1999), Gupta (2000), Mishra and Mahmud (2002), Fernandes (2003), Gupta and Aggarwal (2007), Guha (2008), Anand and Murugaiah (2008), Pendaraki, Zopounidis and Doumpous (2005) studied construction of mutual fund portfolios, developed a multi-criteria methodology and applied it to the Greek market of equity mutual funds.

2. 2 Market Timing Skills of Mutual Fund Managers
Includes studies of Treynor and Mazuy (1966), Henriksson (1984), Bollen and Busse (2001), Chance and Hemler(2001), Ferson and Schadt (1996), Carhart (1997), Fama and French (1993), Jagannathan and Korajczyk (1986).

2. 3 "Behavioural Finance" Studies

Studies are very few and very little information is available about investor perceptions, preferences, attitudes, and behaviour. All efforts in this direction are fragmented.

Ippolito (1992) says that fund/scheme selection by investors is based on past performance of the funds and money flows into winning funds more rapidly than they flow out of losing funds. Goetzman (1997) stated that there is evidence that investor psychology affects fund/scheme selection and switching. De Bondt and Thaler (1985) while investigating the possible psychological basis for investor behaviour, argue that mean reversion in stock prices is an evidence of investor over reaction where investors overemphasise recent firm performance in forming future expectations. Malhotra and Robert (1997), Lu Zheng (1998) studied this area too.

2. 4 Behavioural Finance studies in Indian Context

Gupta (1994), Kulshreshta (1994), Shanmugham (2000), Madhusudhan V Jambodekar (1996), Sujit Sikidar and Amrit Pal Singh (1996), Syama Sunder (1998), Anjan Chakarabarti and Harsh Rungta (2000), Shankar (1996), They touch upon varied aspects like Regulation of Mutual Funds, Investor expectations, Investor protection, Trend in growth of Mutual Funds and some are critical views on the performance and functioning of Mutual Funds. A few among them are Vidyashankar (1990), Sarkar (1991), Agarwal (1992), Sadhak (1991), Sharma C. Lall (1991), Samir K. Barua *et al.,* (1991), Sandeep Bamzai (2001), Atmaramani (1995), Atmaramani (1996), Subramanyam (1999), Krishnan (1999), Ajay Srinivsasn (1999). Segmentation of investors on the basis of their characteristics was highlighted by Raja Rajan (1997). Investor's characteristics on the basis of their investment size Raja Rajan (1997), and the relationship between stage in life cycle of the investors and their investment pattern was studied by Raja Rajan (1998).

2. 5 Mixed Literature

Jones et al (2005) highlighted that when choosing among mutual funds, financial advisors place greater importance on performance relative to other funds with similar style, fund objective, fund risk, fund manager tenure, and fund manager reputation, while placing less importance on sales loads. Rajan (1998) studied the relationship between stage in life cycle of the investors and their investment pattern. He also highlighted segmentation of investors on the basis of their characteristics. Mishra (2006) studied that in Occupation group most of the Investors were Govt. employees, the second most Investors were private employees and the least were associated with agriculture. He also found that mostly respondents prefer high return while investment, the second most preferred low risk then liquidity, and the least preferred trust.

Ganhar (2006) analyzed the present setup and to know the investors perception regarding investment in Mutual Funds. He studied that people with less experience were inclined towards investment in the Mutual Funds. He also found that most of the people look at the returns that are given by a

Funds 56% are in this favour and only 23% people are there who consider Fund name and current NAV of the fund before investing into a mutual fund.

Verma J(2008) studied that whenever an investor thinks of investing in mutual funds, he must look at the investment objective of the fund. Then the investors sort out the funds whose investment objective matches with that of the investor's. The MF advisors' thoughts go beyond just investment objectives and rate of return. She founded the tools which an investor may ignore but an MF advisor will always look and those tools are 1). Rupee cost averaging 2) Rebalancing 3). Diversification and 4) Tax Efficiency.

Joshi (2008) explained the four basic areas to evaluate a fund to decide whether it is a good investment. The four basic areas are: Performance, Risk, Portfolio, Management, and Cost. Behera (2008) studied the investment avenues in Reliance mutual fund. While interacting with the investors he found that most of the customers are unaware about the mutual fund. Some of the people look upon mutual funds and equity trading as gambling.

Gupta (1994) made a household investor survey with the objective to provide data on the investor preferences on MFs and other financial assets. The findings of the study were more appropriate, at that time, to the policy makers and mutual funds to design the financial products for the future.

Shanmugham (2000) conducted a survey of 201 individual investors to study the information sourcing by investors, their perceptions of various investment strategy dimensions and the factors motivating share investment decisions, and reports that among the various factors, psychological and sociological factors dominated the economic factors in share investment decisions.

Sikidar and Singh (1996) carried out a survey with an objective to understand the behavioral aspects of the investors of the North Eastern region towards equity and mutual funds investment portfolio. The survey revealed that the salaried and self employed formed the major investors in mutual fund primarily due to tax concessions. UTI and SBI schemes were popular in that part of the country then and other funds had not proved to be a big hit during the time when survey was done.

Chakarabarti and Rungta (2000) stressed the importance of brand effect in determining the competitive position of the AMCs. Their study reveals that brand image factor, though cannot be easily captured by computable performance measures, influences the investor's perception and hence his fund/scheme selection.

Shankar (1996) points out that the Indian investors do view mutual funds as commodity products and AMCs, to capture the market should follow the consumer product distribution model. They touch upon varied aspects like regulation of mutual funds, Investor expectations, Investor protection, Trend in growth of Mutual Funds and some are critical views on the performance

and functioning of Mutual Funds. De Bondt and Thaler (1985) while investigating the possible psychological basis for investor behavior, argue that mean reversion in stock prices is an evidence of investor over reaction where investors overemphasize recent firm performance in forming future expectations.

SEBI – NCAER Survey (2000) was carried out to estimate the number of households and the population individual investors, their economic and demographic profile, portfolio size, investment preference for equity as well as other savings instruments from 3,00,0000 geographically dispersed rural and urban households.

Some of the relevant findings of the study are: households preference for instruments match their risk perception; bank deposit has an appeal across all income class; 43% of the non-investor households equivalent to around 60 million households (estimated) apparently lack awareness about stock markets; and, compared with low income groups, the higher income groups have higher share of investments in mutual funds (MFs).

Soni N. (2008) studied to understand the financial behavior of mutual fund investors in connection with the preferences of brand (AMC), products, and channels etc. He also concluded that distribution channels are also important for the investment in mutual fund. Financial Advisors are the most preferred channel for the investment in mutual fund.

Badiyani A.(2008) studied mutual funds have given a new direction to the flow of personal saving and enable small and medium investors in remote rural and semi urban areas to reap the benefits of the stock market investment. Indian mutual funds are thus playing a very important developmental role in allocation of scares resources in the emerging economy.

III. Objectives
1. To develop and standardized the questionnaire for selection of Mutual Fund Scheme by Mutual Fund Advisors.
2. To find out the underlying factors of Mutual Fund Scheme Selection by Financial Advisors.
3. To find out the difference between financial advisor towards MF scheme selection on the basis of age, education, experience, income, employment and gender.
4. To find out the difference in Debt and Equity Mutual Fund Scheme selection by Mutual Fund Advisor.
5. To open new vistas for further research.

IV. Research Methodology
The study was exploratory in the nature. The population of the study was all residents of Gwalior. The sampling frame of the study was including all the financial advisors in Gwalior region. A 3*3 factorial was used for age, income and experience.
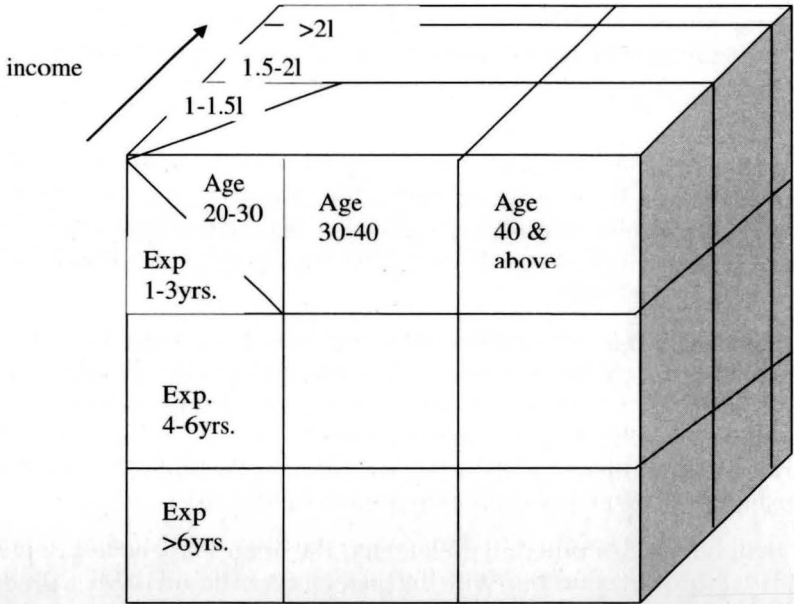
Figure 1

Sample size was 50 financial advisors in Gwalior. Individual financial advisor acted as sample element. Purposive sampling technique was used. Self designed questionnaire was used to solicit the responses on the likert type scale of 1 to 5 where 1 stands for minimum agreement and 5 stands for maximum agreement. Item to total correlation was used to find out the internal consistency of the items of questionnaire. Cronbach's Alpha Reliability test was used for checking the reliability of the questionnaire. Validity of the questionnaire was checked through Face Validity. Factor analysis was used to identify underlying factors of mutual fund scheme selection by financial advisor. Two way ANOVA was applied for finding the significance difference between financial advisor response towards MF scheme selection on the basis of age, income and experience. t –test was applied for finding the significant difference between equity link and debt link mutual fund scheme selection.

V. Results and Discussions
A. Equity Linked Mutual Funds
5.1 Consistency Measure (Mutual Fund Scheme selection)
        Consistency of all the factors in the questionnaires was checked through item to total correlation. Under this correlation of every item with total was measured and the computed value was compared with standard value (0.2722 for 50 respondents).There were no factors having item to total correlation lower than the critical value and none were declared as inconsistent and dropped from the questionnaire. Cronbach Alpha Method has been applied to calculate reliability of all items in the questionnaire and

its value came out to be 923.It is considered that the reliability value more than 0.7 is good and it can be seen that in statistics, reliability value is quite higher than the standard value, so all the items in questionnaire are highly reliable. Validity of the questionnaire was checked through face validity method and was found to be high.

5.2 Factor Analysis

Principal component factor analysis with Varimax rotation was applied. The factor analysis resulted in 11 factors. The factors are discussed below:

1. **Minimizing risk by going under brand name:** This factor has emerged as the most important determinant of mutual fund scheme selection with total Eigen value of 4.811 and % variance of 13.363. Major elements of this factor include selection of mutual fund scheme on the basis of brand name. This shows that people minimize risk by selecting mutual fund scheme under brand name.
2. **Money Management:** This factor has total Eigen value of 3.542 and % variance of 9.839.Major elements of this factor include the management of money invested in mutual fund by providing tax benefits.
3. **Maintaining assets**: This is also one of the important factors with total Eigen value of 2.540 and % variance of 7.056. The major elements consist of maximizing asset through asset Management Company.
4. **Awareness of Mutual funds**: This factor also emerged as important factor with total Eigen value of 2.478 and % variance of 6.884 with elements which include advisor's awareness about mutual funds
5. **Other Benefits**: This factor has eigen value of 2.451 and % variance of 6.808. Major elements are tax benefits and diversification benefits.
6. **Fund Objectives**: This is one of the important factors with total Eigen value of 2.168 and % variance of 6.021. Element of this factor are fund objectives which includes steady returns and knowledge updated about latest development.
7. **Risk:** This factor has total Eigen value of 2.064and % variance of 5.734. Major elements of this factor include investor's preference for continous returns, risk factor and consideration of favorable rating agency.
8. **Minimum Investment:** This factor has total Eigen value of 2.019 and % variance of 5.608. Major elements of this factor include investment in sectorial funds and due to capital appreciation and this factor also includes scheme's expense ratio.
9. **Safety:** This factor has total Eigen value of 1.806 and % variance of 5.017. Major elements of this factor include experience and safety important while investing in mutual funds.
10. **Liquidity:** This factor has total Eigen value of 1.553 and % variance of 4.679. Major elements of this factor include increased risk if it increases the chances of having more money set aside and withdrawal facilities.
11. **Investor related services:** This factor has total Eigen value of 3.542 and % variance of 4.313. Major elements of this factor include investor related services.

5.3 Anova Test

Does age has an impact over the selection of type of mutual fund scheme? This needs an answer. Till the time researchers have related stock selection with age. To find out the differences in mutual fund scheme selection on the basis of age, following hypotheses were formed and tested by two way ANOVA test. This test is applied for equity linked mutual fund.

Hypothesis H01 : *There is no significant difference of mutual fund scheme selection between age group 20-30, 30-40 and 40 & above.*

Hypothesis H02 : *There is no significant difference of mutual fund scheme selection between advisors having income 1 lac-1.5 lac, 1.5 lac-2 lac and above 2 lacs.*

Hypothesis H03 : *There is no significant difference of mutual fund scheme selection between advisors having experience of 1-3 years, 3-6 years and more than 6 years.*

Hypothesis H04 : *There is no significant difference of mutual fund scheme selection between advisors of different age groups and advisors having different income. (Interaction Effect)*

Hypothesis H05 : *There is no significant difference of mutual fund scheme selection between advisors of different age groups and advisors with different experience.*

Hypothesis H06 : *There is no significant difference of mutual fund scheme selection between advisors having different income and advisors with different experience.*

Table 1
Summary of the results from Annova Test

Null Hypothesis	F Value Significance level	Value at 5%	Hypothesis Rejected/Not Rejected
H01	0.583	0.564	Not rejected & insignificant
H02	3.179	0.054	Not rejected & insignificant
H03	1.757	0.188	Not rejected & insignificant
H04	1.338	0.278	Not rejected & insignificant
H05	1.720	0.181	Not rejected & Insignificant
H06	0.239	0.869	Not rejected & Insignificant

5.3.1 Levene's Test of Equality of Error Variances

This tests the null hypothesis that the error variance of the dependent variable is equal across groups.

Hypothesis H02 : *there is equal error variance in all groups*

Table V
Levene's Test

F	df1	df2	Sig.
.878	15	34	.593

The significant value is 0.593 which shows that null hypothesis is not rejected which means there is equal error variance in all groups.

5.3.2 Post-hoc tests:

Post-hoc tests (or post-hoc comparison tests) are used at the second stage of the analysis of variance (ANOVA) or multiple analysis of variance (MANOVA) if the null hypothesis is rejected. The question at this stage is which groups significantly differ from others in respect to the mean.

Tukey (also known as Tukey's HSD for honest significant difference)

Tukey's test calculates a new critical value that can be used to evaluate whether differences between any two pairs of means are significant. The critical value is a little different because it involves the mean difference that has to be exceeded to achieve significance. So it simply calculates one critical value and then the difference between all possible pairs of means. Each difference is then compared to the Tukey critical value. If the difference is larger than the Tukey value, the comparison is significant.

Age:

Table 3
Turkey Results for age

Multiple Comparisons						
Total Tukey HSD						
		Mean			95% Confidence Interval	
(I) age	(J) age	Difference (I -J)	Std. Error	Sig.	Lower Bound	Upper Bound
1	2	-4.3527	6.66913	.792	-20.6950	11.9896
	3	3.3306	11.26523	.953	-24.2741	30.9354
2	1	4.3527	6.66913	.792	-11.9896	20.6950
	3	7.6833	11.93214	.797	-21.5556	36.9223
3	1	-3.3306	11.26523	.953	-30.9354	24.2741
	2	-7.6833	11.93214	.797	-36.9223	21.5556

Notes : Based on observed means.
The error term is Mean Square(Error) = 449.608.

5.4 Interpretation:

1. The interaction effect of age group (20-30) with age groups (30-40 & 40 & above) are insignificant. It means there is not interaction effect between age groups.

2. The interaction effect of age group (30-40) with age groups (20-30 & 40 & above) are insignificant. It means there is not interaction effect between age groups.

3. The interaction effect of age group (40 & above) with age groups (20-30 & 30-40) are insignificant. It means there is not interaction effect between age groups.

5.5 Income:

Table 4
Turkey Results for Income

Multiple Comparisons

Total Tukey HSD (I) income	(J) income	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	Upper Bound
1	2	-1.8971	7.99468	.969	-21.4875	17.6934
	3	-12.4405	7.67315	.251	-31.2430	6.3621
2	1	1.8971	7.99468	.969	-17.6934	21.4875
	3	-10.5434	6.91791	.293	-27.4953	6.4085
3	1	12.4405	7.67315	.251	-6.3621	31.2430
	2	10.5434	6.91791	.293	-6.4085	27.4953

Notes : Based on observed means.
The error term is Mean Square(Error) = 449.608.

5. 6 Interpretation

1. The interaction effect of income groups (1-1.5lacs) with income groups (1.5-2lacs & above 2lacs) are insignificant. It means there is no interaction effect between income groups.
2. The interaction effect of income groups (1.5-2lacs) with income groups (1-1.5lacs & above 2lacs) are insignificant. It means there is no interaction effect between income groups.
3. The interaction effect of income groups (above 2lacs) with income groups (1.5-2lacs & 1.5-2lacs) are insignificant. It means there is no interaction effect between income groups.

5. 7 Experience

Table 5
Turkey Results for experince

Multiple Comparisons

TotalTukey HSD (I) experience	(J) experience	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	Upper Bound
1	2	-7.2109	6.48294	.513	-23.0969	8.6752
	3	-1.8071	9.31183	.979	-24.6252	21.0109
2	1	7.2109	6.48294	.513	-8.6752	23.0969
	3	5.4037	9.15303	.826	-17.0252	27.8326
3	1	1.8071	9.31183	.979	-21.0109	24.6252
	2	-5.4037	9.15303	.826	-27.8326	17.0252

Notes : Based on observed means.
The error term is Mean Square(Error) = 449.608.

5.8 Interpretation
1. The interaction effect of experience groups (1-3years) with experience groups (4-6years & more than 6 years) is insignificant. It means there is no interaction effect between income groups.
2. The interaction effect of experience groups (4-6years) with experience groups (1-3years & more than 6 years) is insignificant. It means there is no interaction effect between income groups.

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3. The interaction effect of experience groups (more than 6 years) with experience groups (1-3 years & 4-6 years) is insignificant. It means there is no interaction effect between income groups.

VI. Debt Linked Mutual Fund

6.1 Consistency Measure (Mutual fund Scheme selection)

Consistency of all the factors in the questionnaires was checked through item to total correlation. Under this correlation of every item with total was measured and the computed value was compared with standard value (0.2722 for 50 respondents).The factors having item to total correlation lower than the critical value were declared as inconsistent and dropped from the questionnaire. Cronbach Alpha method has been applied to calculate reliability of all items in the questionnaire and its value came out to be 901.It is considered that the reliability value more than 0.7 is good and it can be seen that in statistics, reliability value is quite higher than the standard value, so all the items in questionnaire are highly reliable. Validity of the questionnaire was checked through face validity method and was found to be high.

6. 2 Factor Analysis

Principle component factor analysis with Varimax rotation was applied. The factor analysis resulted in 11 factors. The factors are discussed below:

1. **Minimizing risk by going under brand name**: This factor has emerged as the most important determinant of Mutual Fund scheme selection with total eigen value of 3.518 and % variance of 9.773. Major elements of this factor include selection of mutual fund scheme on the basis of brand name. This shows that people minimize risk by selecting mutual fund scheme under brand name.

2. **Assessing performance:** This factor has total Eigen value of 2.842 and % variance of 7.894. Major elements of this factor include the assessment of performance by investing in selected scheme of mutual fund.

3. **Money management**: This is also one of the important factors with total Eigen value of 2.829 and % variance of 7.858. The major elements consist of maximizing money.

4. **Awareness of Mutual funds**: This factor also emerged as important factor with total Eigen value of 2.545 and % variance of 7.070 with elements which include advisor's awareness about mutual funds, updated knowledge, priority of receiving continuous returns and innovativeness of scheme.

5. **Other Benefits:** This factor has Eigen value of 2.544 and % variance of 7.067. Major elements are investor related services and saving avenues.

6. **Analyzing with reference to risk**: This is one of the important factors with total eigen value of 2.388 and % variance of 6.632. Element of this factor includes steady returns, taking risk for setting money aside and best alternative.

7. **Diversification:** This factor has total Eigen value of 2.347 and % variance of 6.518. Major elements of this factor include investment in sectorial funds, diversification benefit, risk factor and scheme's expense ratio.

8.   **Other facilities:** This factor has total Eigen value of 2.346 and % variance of 6.516. Major elements of this factor include fringe benefits and entry & exit load.

9.   **Liquidity:** This factor has total Eigen value of 2.299 and % variance of 6.386. Major elements of this factor include good return, withdrawl facilities and number of funds in fund family.

10. **Tax benefit:** This factor has total Eigen value of 2.039 and % variance of 5.663. Major elements of this factor include tax benefits.

11. **Fund objective:** This factor has total Eigen value of 1.674 and % variance of 4.651. Major elements of this factor include liquidity, tax benefits.

6. 3 ANOVA Test :

To find out the differences in mutual fund scheme selection on the basis of age, following hypotheses were formed and tested by two way ANOVA test. This test is applied for debt linked mutual fund. The hypotheses tested were:

Hypothesis H08: *There is no significant difference of mutual fund scheme selection between age group 20-30, 30-40 and 40 & above.*

Hypothesis H09: *There is no significant difference of mutual fund scheme selection between advisors having experience of 1-3 years, 3-6 years and more than 6 years.*

Hypothesis H010: *There is no significant difference of mutual fund scheme selection between advisors having income of 1 lac-1.5 lac, 1.5 lac-2 lac and above 2 lacs.*

Hypothesis H011: *There is no significant difference of mutual fund scheme selection between advisors of different age groups and advisors having different experience. (Interaction Effect)*

Hypothesis H012: *There is no significant difference of mutual fund scheme selection between advisors of different age groups and advisors with different income. (Interaction Effect)*

Hypothesis H013: *There is no significant difference of mutual fund scheme selection between advisors having different income and advisors with different experience. (Interaction Effect)*

Two way annova test for debt linked mutual fund schemes shows the following results:

Table 6
Annova Test results for Debt Linked Schemes

Hypothesis	F Value	Value at 5% Significance level	Hypothesis Rejected/Not Rejected
H08	0.006	0.994	Not rejected & insignificant
H09	0.844	0.439	Not rejected & insignificant
H010	0.409	0.668	Not rejected & insignificant
H011	1.374	0.268	Not rejected & insignificant
H012	1.488	0.236	Not rejected & Insignificant
H013	0.242	0.866	Not rejected & Insignificant

6.3.1 Levene's Test of Equality of Error Variances

For testing the null hypothesis that the error variance of the dependent variable is equal across groups.

Hypothesis H014: *there is equal error variance in all groups*

Table 7
Levene's Test

F	df1	df2	Sig.
4.774	15	33	.000

7.3.2 Post Hoc Test
Age

Table 8
Turkey Results for age

Multiple Comparisons

Total
Tukey HSD

(I) age	(J) age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	Upper Bound
1	2	1.6667	6.91688	.969	-15.3059	18.6393
	3	-.6833	11.64285	.998	-29.2525	27.8858
2	1	-1.6667	6.91688	.969	-18.6393	15.3059
	3	-2.3500	12.30868	.980	-32.5530	27.8530
3	1	.6833	11.64285	.998	-27.8858	29.2525
	2	2.3500	12.30868	.980	-27.8530	32.5530

Notes :   Based on observed means.
The error term is Mean Square(Error) = 478.433.

7. 4 Interpretation

1. Interaction effect of age group (20-30) with age groups (30-40 & 40 & above) are insignificant. It means there is no interaction effect between age groups.
2. Interaction effect of age group (30-40) with age groups (20-30 & 40 & above) are insignificant. It means there is no interaction effect between age groups.
3. Interaction effect of age group (40 & above) with age groups (20-30 & 30-40) are insignificant. It means there is no interaction effect between age groups.

7. 5 Income

Table 9
Turkey Results for Income

Multiple Comparisons

Total
Tukey HSD

(I) income	(J) income	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	Upper Bound
1	2	-3.2193	8.46386	.924	-23.9878	17.5493
	3	-6.8831	8.14103	.678	-26.8595	13.0933
2	1	3.2193	8.46386	.924	-17.5493	23.9878
	3	-3.6639	7.13622	.865	-21.1747	13.8469
3	1	6.8831	8.14103	.678	-13.0933	26.8595
	2	3.6639	7.13622	.865	-13.8469	21.1747

Notes :   Based on observed means.
The error term is Mean Square (Error) = 478.433.

7. 6 Interpretation
1. The interaction effect of income groups (1-1.5 lacs) with income groups (1.5-2 lacs & above 2 lacs) are insignificant. It means there is no interaction effect between income groups.
2. The interaction effect of income groups (1.5-2 lacs) with income groups (1-1.5 lacs & above 2 lacs) are insignificant. It means there is no interaction effect between income groups.
3. The interaction effect of income groups (above 2 lacs) with income groups (1.5-2 lacs & 1.5-2 lacs) is insignificant. It means there is no interaction effect between income groups.

7. 7 Experience

Table 10
Turkey Results for Experience

Total Tukey HSD (I) experience	(J) experience	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1	2	-5.9085	6.78101	.662	-22.5477	10.7307
	3	-9.1880	9.67100	.613	-32.9186	14.5427
2	1	5.9085	6.78101	.662	-10.7307	22.5477
	3	-3.2795	9.44187	.936	-26.4479	19.8889
3	1	9.1880	9.67100	.613	-14.5427	32.9186
	2	3.2795	9.44187	.936	-19.8889	26.4479

Multiple Comparisons

Notes :   Based on observed means.
The error term is Mean Square(Error) = 478.433.

7. 8 Interpretation
1. The interaction effect of experience groups (1-3 years) with experience groups (4-6 years & more than 6 years) is insignificant. It means there is no interaction effect between income groups.
2. The interaction effect of experience groups (4-6 years) with experience groups (1-3 years & more than 6 years) is insignificant. It means there is no interaction effect between income groups.
3. The interaction effect of experience groups (more than 6years) with experience groups (1-3 years & 4-6 years) is insignificant. It means there is no interaction effect between income groups.

VII. Implications of The Study
This study is a useful contribution for various financial advisors while suggesting Mutual Fund Schemes. This study can be used by various investors while investing in Mutual Fund Schemes. It will help organizations in knowing the factors influencing Mutual Fund Schemes. This study can be used for analyzing the different factors of debt link and equity link Mutual Fund Schemes.

VIII. Suggestions
This study has been done by taking small sample of 50 respondents

(financial advisors). It can be done by taking large sample size for generalized result. This study has been conducted at Gwalior region only. It is desirable that the study be replicated by including more cities before generalizing the results of the study. This study should also be replicated using other types of schemes too.The study can also be done on other demographic segments.

IX. Conclusion

This study has resulted in the standardized and reliable measure to evaluate the influence of various factors in selection of mutual fund schemes by financial advisors. The study resulted in eleven factors for mutual fund scheme selection by mutual fund advisor each for equity and debt linked scheme. The factors for equity linked schemes were minimizing risk by going under brand name, money management, maintaining assets, awareness of mutual funds, other benefits, fund objectives, risk, minimum investment, safety, liquidity and investor related services. The factors for debt linked schemes were minimizing risk by going under brand name, assessing performance, money management, awareness of mutual funds, other benefits, analyzing with reference to risk, diversification, other facilities, liquidity, tax benefit and fund objective.

In study there are three factors (age, income and experience) on the basis of which differences for selection were checked for Mutual Fund Advisor by using two way Annova for both equity and debt linked. Levene's Test of Equality of Error Variances resulted in equal error variance in all groups (for both equity and debt linked). Tukey's test calculates a new critical value that can be used to evaluate whether differences between any two pairs of means are significant. The result of Turkey test there is no interaction effect between age groups (for both equity and debt linked).

The overall result found that there is no significant difference between and within mutual fund advisors on the basis of age, income and experience. So there is no interaction effect of factors while selecting mutual fund schemes by financial advisors.

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