

## 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.

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### 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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