

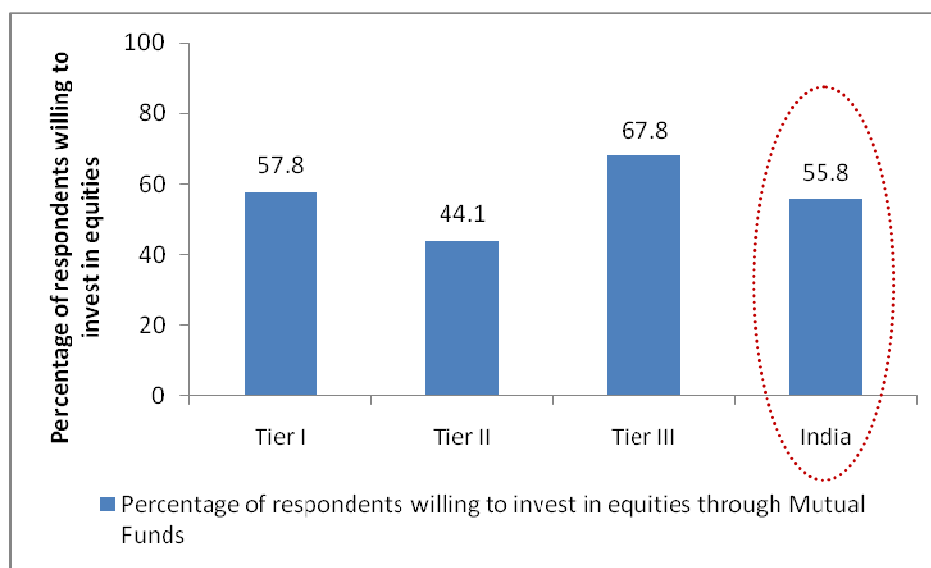
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### Indian urban consumers' prefer equity investments through hassle free mutual funds rather than self trading

**December 09, 2009:** The Indian stock markets have seen a revival in recent months when it moved from sub 8,000 levels in February 2009 to 17,000 in November 2009. According to the Boston Analytics Indian Consumers' *Savings and Investment Behavior Report* for November 2009, which is based on a monthly survey of approximately 10,000 respondents in 15 Indian cities and towns, there has been an uptick in the optimism scores<sup>#</sup> for expected returns from equity investments since October 2009. It improved from 76.3 in September to 80.8 in October and then further up to 85.5 in November 2009. This upward trend suggests that consumers are gradually becoming confident about the otherwise volatile capital markets. As far as investment preferences are concerned, the majority of respondents who are willing to invest in equities are willing to do so through mutual funds. In the November 2009 survey, as high as 56% said that they will invest through mutual funds. Interestingly, out of those willing to invest in equities, Tier III cities and towns had the highest proportion of respondents who planned to invest through mutual funds.

#### Exhibit 1: Preference for Mutual Funds Investments by City Tier (November 2009)



<sup>#</sup>The optimism score measures the degree of optimism expressed by respondents about a particular issue. Optimism scores between 0 and 25 indicate that respondents are very pessimistic, 25 to 50 suggest pessimism, 50 to 75 signify optimism, and a score of 75 or more signifies extreme optimism.

Boston Analytics' *Savings and Investment Behavior Report* further reveals that among Tier I cities, Bengaluru, among Tier II cities, Nagpur and among Tier III cities and towns, Patna had the highest number of consumers who were willing to invest through mutual funds.

Please contact Boston Analytics for further break down of preference patterns by investment type across cities and other demographic classes.

Boston Analytics' Indian *Savings and Investment Behavior Report* contains data and commentary on savings/ investment and insurance plans of Indian consumers across 15 Indian cities and 13 different demographic groups across time.

Some of these demographics include:

- Age
- Gender
- Marital status
- Annual household income

Data is analyzed along the above variables in terms of their appetite towards savings/investment and insurance as well as a number of factors that may influence such appetite during a particular phase of the business cycle such as, perceived inflation, perceived stock market performance, economic conditions, job security, etc.

Customized cuts and analysis of the data are available upon request.

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