



INVESTOR INSIGHTS: EVALUATING AWARENESS AND PERCEPTION OF MUTUAL FUND INVESTMENTS

Mr. B Santosh¹, Dr. G. Ramesh²

¹MBA Student (24881E0065), Department of Management Studies, Vardhaman College of Engineering, Shamshabad, Hyderabad. Telangana

²Associate Professor, Department of Management studies, Vardhaman College of Engineering, Shamshabad, Hyderabad. Telangana

Article DOI: <https://doi.org/10.36713/epra25387>

DOI No: 10.36713/epra25387

ABSTRACT

The rapid growth of mutual fund options and Systematic Investment Plans (SIPs) in India has opened up new chances for wealth building. However, investor participation varies across different regions and demographic groups. Previous research shows clear differences in financial literacy, product understanding, access to information, and behavioral obstacles that affect investment decisions. This study looks at investors' awareness and thoughts about mutual fund investments. It examines their technical knowledge, satisfaction levels, challenges faced by non-investors, the role of distributors in promoting SIPs, and preferences among the categories defined by SEBI. We conducted a structured survey using a Likert scale with a varied group of respondents, including both investors and non-investors, focusing particularly on underrepresented markets. The results indicate that while general knowledge of mutual funds is improving, understanding of essential concepts like NAV, risk categories, taxes, and expense ratios is still weak. Non-investors often cite confusion, lack of guidance, and fear of risk as significant barriers. Financial advisors play a crucial role in influencing both commitments to SIPs and ongoing investment. Preferences for mutual fund categories generally relate to perceived risk tolerance and investment goals rather than objective assessments. This study highlights the need for better financial literacy, more outreach in rural and semi-urban areas, clearer advisory practices, and targeted communication aimed at investors to encourage informed participation. These insights provide useful information for policymakers, financial institutions, and educators looking to boost investor confidence and engage the market effectively.

KEYWORDS:

- Investor Awareness
- SIP Commitment
- Financial Literacy
- SEBI Categories
- Distributor Influence

JEL Classification Codes

G11 – Portfolio Choice; Investment Decisions

G23 – Pension Funds; Other Private Financial Institutions; Investment Advisors

D14 – Household Saving; Personal Finance

INTRODUCTION

The mutual fund (MF) sector in India is a growing industry that plays a key role in the country's capital market. Mutual funds collect savings from individuals who share similar financial goals and invest that money in various market instruments such as stocks, bonds, and other securities. This idea began in India in 1960 with the formation of the Unit Trust of India (UTI). After that, both public and private companies entered the market in the late 1980s and early 1990s. This growth has resulted in significant expansion in the sector. Over the last decade, from 2015 to 2025, Assets Under Management (AUM) in the Indian mutual fund industry have surged, increasing five-fold from ₹11.81 trillion to ₹67.25 trillion. This growth is driven by a wider range of investors, with the total number of portfolios reaching 22.92 crore (229.2 million) as of January 31, 2025. This suggests increasing interest from investors. Mutual funds are a good investment choice for everyday people, especially those who do not have the time, expertise, or confidence for direct market involvement. They offer many benefits, including professional management by experienced fund managers, diversification to reduce risk, high liquidity, and lower transaction



costs. Fund managers invest the pooled capital according to the scheme's objectives to maximize returns while keeping risk low. However, investment choices are shaped not only by logical factors but also by market sentiment, psychological influences, and emotions. Despite impressive growth, many people still do not accept mutual funds due to a persistent lack of awareness. A small portion of the population tends to invest in mutual funds, with many still preferring traditional and simpler investment options. Research shows that many people feel confused about mutual funds and hesitate during the investment process. A major issue is the lack of technical knowledge, which includes understanding key concepts like Net Asset Value (NAV), expense ratios, the benefits of Systematic Investment Plans (SIPs), and tax rules. This gap in understanding leads investors to make decisions based on hearsay, brand reputation, or basic marketing rather than careful analysis. As a result, they often feel disappointed when returns do not meet unrealistic expectations. Therefore, understanding investor perspectives is vital for the ongoing success of the industry. This study aims to explore how financial decisions are shaped by knowledge by examining the link between technical literacy and investor satisfaction. The research will uncover factors that affect investor views, such as fund features, credibility, convenience, and the reputation of fund families, which greatly influence buying behaviors. The results will provide helpful insights for Asset Management Companies (AMCs), brokers, and distributors, aiding them in creating better strategies to improve investor education, build trust, and turn potential investors into active and informed market participants.

REVIEW OF LITERATURE

- **Ramneek Sharma & Sunil Kumar (2022):** According to this study, Most Investor consider Mutual fund to be Somewhat Risky investment. They usually prefer open-ended equity schemes and systematic investment plans (SIPs). Key factors that influence their investment decisions include the potential for high returns, the way the fund's portfolio is structured, and past performance. The research found that banks and financial advisors are important sources of information and places to buy funds. However, a lack of understanding was the main obstacle to broader participation. The study suggested improving investor education, better communication from asset management companies, and encouraging risk-averse investors to consider debt-focused schemes. It also pointed out the potential for future studies based on SEBI's 2017 scheme categorization and changes in investment behavior after COVID.
- **Sapna Jain & Saurabh Mukherjee (2025):** The study looks at Indian investors' awareness, experiences, and views on mutual funds by analyzing survey responses from 119 people. The results show that most investors grasp basic mutual fund principles. They find mutual funds easier to understand and more diverse than direct equity investments. Social media and global news heavily influence their investment choices, suggesting that emotions often steer their investment actions. The ability to make online transactions and access fund rankings helps investors make simpler and more confident investment decisions. Even with rising interest, many investors still rely on advisors or fund managers because they lack deep financial knowledge. The study concludes that even though participation in mutual funds is increasing, there is still a significant need for better financial education to boost confidence in making investment decisions.
- **Ch. Bhavana Sri & Dr. S. Narender (2025):** Findings show that while more than half of the participants know about mutual funds, many do not fully understand the different types of schemes, the risks involved, and the investment processes. A small number of those who do have knowledge actually invest, revealing a gap between understanding and action. The study indicates that younger investors and those working in the private sector often have more awareness than other groups. Information from online sources and distributors is important, but a lack of financial knowledge and support is still a major obstacle. The research highlights the need to improve investor education, provide advisory help, and ensure clear communication to boost participation in mutual funds.
- **Dr. Gowsya Shaik, Dr. K. Srikanth & K. Sudheer (2025):** Investor awareness is important in the decision-making process, especially for new investors entering the market. The results show that well-informed investors are more confident and make better investment decisions than those with limited knowledge. The influence of financial advisors, the availability of information, and current market trends greatly shape how investors see and react to information. Additionally, the study shows that demographic factors like age, education, and income affect investment behavior. The authors suggest that improving investor education, increasing access to information, and creating guidance systems can significantly raise participation in mutual fund investments.
- **Nur Baiti Bt. Shafee, Mohd Ariff Mustafa, Shadia Suhaimi & Zuraina Sal Sabila Mohamed (2018):** The historical performance alongside the diversification of investments constitutes significant determinants in the selection of investment opportunities. Investors tend to value past returns and strategies that lower risk when they pick where to invest. The results show that the gender of fund managers does not affect investor preferences, which suggests that skills matter more than demographic factors. The research points out that many investors lack financial knowledge. This often leads to uncertainty and a dependence on outside advice.



In conclusion, the findings stress that boosting financial literacy and offering clear investment information can build investor confidence and encourage more people to invest in mutual funds.

- **Luminita Nicolescu & Marian Tudorache (2021):** The study looks at how investors in Europe decide on mutual fund investments and points out the main factors that affect these choices. The findings show that past performance, risk tolerance, fund reputation, and financial literacy significantly influence investor decisions. It also reveals that younger investors and those with higher incomes tend to be more confident and more likely to invest in mutual funds. Social trends, digital platforms, and advisory services play a key role in shaping investment views. Additionally, the research highlights that emotional and psychological factors affect investment behavior, especially during unstable market times. The authors suggest that improving investor education and building trust through transparency can lead to more people investing in mutual funds.
- **Dr. Neelam Dhall, S.K. Khandelwal, Rashika Malik & Nitya Chawla (2021):** Research shows that investors who are risk-averse often prefer mutual funds because of their advantages in diversification, professional management, and liquidity. Data from SEBI (2014), Deloitte (2016), and RBI (2018) indicate substantial expansion in the Indian mutual fund industry, largely fueled by increased retail involvement and higher adoption of Systematic Investment Plans (SIPs). However, studies reveal notable gaps in investor knowledge, which limit their ability to make well-informed choices. Analyses from the industry (CRISIL, 2020; Citi, 2019) report ongoing growth in equity assets under management (AUM) and a trend towards long-term investment approaches, while demographic factors like age and gender have been recognized as significant influences on investors' perspectives regarding returns and tax benefits. In conclusion, the literature indicates that, despite rapid growth, improving investor education is essential for encouraging more participation in mutual funds.
- **Motihari, Bihar (2025):** Mutual funds, particularly through Systematic Investment Plans (SIPs), provide small investors with a clear and systematic method to invest in diverse portfolios while reducing risk (Subramanya et al., 2013; Kaveri et al., 2017; Alamelu et al., 2017; Khurshid, 2016). SIPs are becoming increasingly popular due to their benefits of rupee-cost averaging, consistent investment, and the possibility of higher returns compared to traditional saving methods. Nonetheless, the majority of research focuses on urban and metropolitan areas, where there is greater financial literacy and improved access to investment platforms. Studies that examine smaller developing regions like Motihari, Bihar, are limited, as lower financial literacy and socio-economic factors may impact investors' awareness, perceptions, and acceptance of mutual funds and SIPs. Although government initiatives targeting financial inclusion could shape these perspectives, there are still gaps in understanding the most effective strategies to promote SIP investments in such areas.
- **Maria Stephen, Rajitha Kumar S (2024):** Research indicates that having knowledge as an investor is crucial for making informed financial choices, as a lack of understanding can elevate the chances of incurring losses (Bhalla, 2008; Das et al., 2016). Mutual funds are widely acknowledged as a suitable investment avenue for individuals looking for diversification, professional management, and lower risk (Pellinen et al., 2011; Chawla, 2014; Kaur, 2018). Studies also reveal that retail investors favor mutual funds because they offer easier access to well-managed investments compared to investing directly in stocks (Asker et al., 2015; Sharma, 2019; Chernenko et al., 2021). Foundational research on portfolio theory underscores that diversification reduces unsystematic risk and enhances returns (Markowitz, 1952; Busse, 2006). In summary, the literature concurs that mutual funds enable investors to attain improved risk–return outcomes through professionally managed and diversified portfolios (Tripathy, 2007; Ben-David et al., 2022).
- **Talawar, N. (2025):** Research indicates that the perceptions of investors, their financial literacy, and their tolerance for risk significantly influence their mutual fund investment choices (Talawar, 2025). Mutual funds are favored for their ability to diversify portfolios, offer professional management, and provide convenience, making them appropriate for a range of risk profiles (Ranganathan, 2006; Tripathy, 2007). Nonetheless, studies also suggest that a lack of market knowledge and awareness continues to impede regular investor engagement (Sharma, 2019; Chernenko et al., 2021). In summary, the existing literature emphasizes the necessity for enhanced financial literacy and awareness initiatives to assist investors in making well-informed mutual fund selections.
- **Sehgal, G., Sharma, V. K., & Thakur, B. (2025):** Research indicates that investors favor SIPs due to their affordability, diversification, and suitability for long-term financial strategies. The expanding array of mutual fund choices has further boosted investor involvement. Nevertheless, awareness, expectations, and perceptions play a significant role in the adoption of SIPs, particularly in regions with lower financial literacy. Experts emphasize that enhancing investor education and providing clear product information are essential for boosting SIP participation.
- **Shubham Shirke, Adarsh Kumar (2025):** mutual fund distributors are vital in influencing investor decisions, enhancing financial literacy, and reinforcing long-term commitment to SIPs. Findings consistently



reveal that investors rely on distributors for selecting schemes, diversifying portfolios, and receiving market insights, particularly during turbulent market conditions. Studies also highlight that factors such as trust, clear communication, and tailored advice significantly boost investor satisfaction and loyalty, which in turn fosters ongoing SIP participation and improved financial results. The literature further suggests that distributors serve as behavioral anchors—assisting investors in maintaining discipline, mitigating emotional biases, and facilitating long-term wealth accumulation through SIPs. In summary, previous studies emphasize that the involvement of distributors has a direct impact on investor behavior, retention rates, and the effectiveness of systematic investment approaches.

- **Sujit Deb, Ranjit Singh (2018):** the way investors perceive risk has a significant impact on their decisions regarding mutual funds. Despite mutual funds being overseen by professionals, investors remain concerned about market risks that stem from their understanding, self-assurance, and previous experiences. Studies also reveal that feelings of fear, insufficient knowledge, and low confidence lead investors to be more cautious or to alter their investment choices. Given that risk perception is inherently personal and subjective, it plays a crucial role in how individuals select, maintain, or modify their mutual fund investments.
- **Thyagaraju, Ramesh, Chepyala, Subhash, Saravanan, Meena (2022):** The research examines the impact of investor awareness and perceptions on mutual fund investment decisions following COVID-19. It reveals that while many individuals are familiar with mutual funds, they lack a clear understanding of the different types of funds, associated risks, and the investment process. Factors such as age, experience, and financial literacy significantly shape how individuals make investment decisions and evaluate risk. The findings also indicate that systematic investment plans (SIPs), brand trust, and anticipated returns play crucial roles in the decision-making process for investing. The study concludes that enhancing investor education, implementing awareness initiatives, and ensuring transparent communication are vital for boosting confidence and encouraging greater participation in mutual funds.
- **Prof. Gauri Prabhu & Dr. N.M. Vechalekar (2013):** Numerous investors acknowledge mutual funds and often prefer them because of advantages such as diversification, tax benefits, and lower risk compared to direct stock investments. Individuals between the ages of 19 and 55, especially those in higher income levels, have been observed to show greater interest in mutual fund investments. Research indicates that elements like high returns, minimal risk, and the reputation of the company play a significant role in influencing investment decisions. The majority of survey respondents indicated awareness of MIP schemes, with stable returns identified as the main factor for their choice. The study concludes that increasing awareness initiatives and enhancing understanding of the products could lead to greater participation in MIP schemes.

PROBLEM STATEMENT

Even though mutual funds are becoming increasingly popular, many investors do not possess sufficient understanding of the various types of funds, associated risks, and potential long-term advantages. Their choices regarding investments are frequently shaped by opinions, misunderstandings, or previous performance instead of a thorough assessment. Gaining insight into investors' awareness and perceptions is essential for recognizing knowledge deficits, tackling biases, and facilitating well-informed investment choices.

RESEARCH GAPS

Research deficiencies related to the awareness and perception of individuals about mutual funds generally span a few categories: the extent of investor comprehension, the geographical breadth of the studies, the necessity to investigate specific behavioral and structural impediments, and limits in methodology. Significant research deficiencies identified from the sources include:

1. Understanding the Depth and Quality of Investor Knowledge

A significant disparity exists in financial literacy, as numerous investors do not possess a deep understanding of mutual funds (such as NAV, SIPs, risk, expense ratios, and taxation) and consequently lean towards conventional alternatives. The majority of studies only evaluate fundamental awareness, providing sparse evidence that connects technical knowledge to satisfaction or confidence in decision-making. Additional research is required to explore how investors assess information, compare schemes, and how their awareness, preferences, and the quality of funds impact their choices.

2. Market Penetration and Geographical Focus

Numerous studies focus on specific geographic areas, revealing a lack of research in northern India, as well as in semi-urban and rural regions, and in developing international markets such as Central and Eastern Europe, highlighting the necessity for more extensive comparative research across various locations.



3. Behavioral and Structural Barriers

There is a lack of extensive research on the reasons non-investors shy away from mutual funds, the influence of financial advisors, behavioral biases, risk perceptions among financially literate demographics, and the behaviors of investors after making purchases.

4. Methodological and Product Scope

Numerous current studies depend on limited sample sizes, which restricts the ability to generalize findings. Upcoming research should include larger and longitudinal samples, examine all categories of mutual funds, encompassing niche and recently classified SEBI schemes, and incorporate qualitative elements like investor financial culture.

RESEARCH OBJECTIVES

- Evaluate Technical Knowledge and Satisfaction
- Analyse Non-Investor Barriers in Underserved Markets
- Investigate Distributor Influence and SIP Commitment
- Compare Preferences Across SEBI-Categorized Funds

HYPOTHESES

- **H1:** There is a significant relationship between technical knowledge and investor satisfaction.
- **H2:** non-investor barriers are significantly associated with investment decisions.
- **H3:** Distributor influence has a significant effect on SIP commitment.
- **H4:** There is a significant difference in investor preferences across SEBI-categorized funds.

RESEARCH METHODOLOGY

Research Design

The current research employs a quantitative, descriptive, and cross-sectional approach to assess investor awareness and attitudes toward mutual fund investments. This approach enables the researcher to collect current views, behaviors, and financial attitudes of investors at a specific moment in time. A structured questionnaire was utilized to assess key variables including investment awareness, risk perception, sources of information, preferences for schemes, and investment behaviors following COVID-19. The descriptive nature of the design aids in recognizing existing investment trends, while quantitative analysis allows for an objective evaluation of investor attitudes. This research design is appropriate for capturing real-time insights from investors and examining the factors that influence their mutual fund investment choices.

Sample & Data Collection

The research involved 149 investors in mutual funds, chosen through a convenience sampling method to facilitate easy access to individuals engaged in investment decisions. The participants included salaried workers, self-employed individuals, students, and homemakers with various levels of experience in investing, offering a variety of perspectives on investment. Primary data was gathered via a structured questionnaire distributed through Google Forms, which collected information regarding awareness of mutual fund concepts, perceptions of risk and return, trust in asset management companies, and preferred investment methods. Secondary data obtained from research articles, financial reports, AMFI publications, SEBI guidelines, and online resources supplemented the primary data and assisted in corroborating the findings of the study. Participation was voluntary, and respondents were guaranteed confidentiality.

Instrumentation

A structured questionnaire was utilized as the main tool for gathering data. This questionnaire included more than 25 items aimed at assessing investors' levels of awareness, their perceptions of mutual funds, their preference trends, and behavioral indicators. The majority of the items were constructed using a five-point Likert scale to effectively gauge the degree of awareness and perception. The instrument comprised: • Items related to awareness (NAV, SIP, risk levels, types of funds) • Items related to perception (trust, transparency, returns, safety) • Items related to behavior (frequency of investment, factors influencing decisions) A pilot study was carried out to ensure that the questions were clear and easy to read. The internal consistency of the instrument was evaluated using Cronbach's Alpha, which demonstrated a high level of reliability across the key variables.

Statistical tools

- Correlation Analysis (Pearson's Correlation) was used to evaluate the relationship between technical knowledge of mutual funds and investor satisfaction.

- Descriptive Statistics (mean and standard deviation) were employed to analyze non-investor barriers and summarize respondents' perceptions in underserved markets.
- Linear Regression Analysis was applied to investigate the impact of distributor influence on SIP commitment among investors.
- One-Way Analysis of Variance (ANOVA) was used to compare investor preferences across different SEBI-categorized mutual fund types.

These statistical tools enabled an objective assessment of investor perceptions and behavior and supported the examination of the study's research objectives.

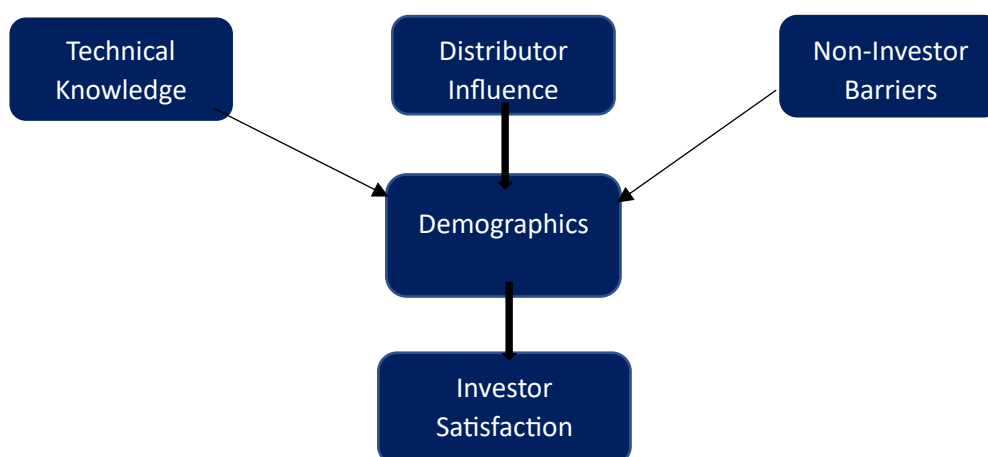
Data Analysis Software

The gathered information was examined utilizing IBM SPSS Statistics, which allowed for the coding of responses, the generation of descriptive outputs, and the implementation of statistical tests like, Correlation, ANOVA, and Regression. SPSS provided scientific precision, clarity in analysis, and an organized display of findings.

Ethical Considerations

After giving their informed consent, each investor took part voluntarily. The identities and private information of the respondents were kept completely private. Transparency, privacy, and adherence to ethical research principles were ensured by using the gathered data only for academic and research reasons.

CONCEPTUAL MODEL



The conceptual model shows how investor outcomes in mutual fund investments are mutually shaped by distributor influence, technical expertise, and non-investor barriers. As a moderating variable, these independent factors have varying effects on investors based on their demographic traits, including age, education, occupation, and geography. Because they affect financial literacy, information access, and advisor dependence, demographics have an impact on the direction and strength of these connections. Investor happiness is ultimately determined by these interactions taken together, which represent investors' comfort, confidence, and general mutual fund investment experience. The concept emphasizes how knowledge, advice, and lower obstacles work together to improve favourable investor results.

DATA ANALYSIS & INTERPRETATION

Objective 1: Technical Knowledge & Satisfaction

Variables	TKS1	TKS2	TKS3	TKS4	TKS5
TKS1 – Risks are clear and easy to know	1	.698	.579	.526	.428
TKS2 – Fees/charges are easy to understand	.698	1	.698	.603	.325
TKS3 – Investment decisions feel confident	.579	.698	1	.716	.641
TKS4 – Experience with mutual funds is satisfying	.526	.603	.716	1	.700
TKS5 – Mutual funds are easy to understand	.428	.325	.641	.700	1

Interpretation

Using Pearson correlation analysis, we find that there is a substantial, positive association between the level of knowledge concerning mutual funds and the overall experience as an investor. All correlation coefficients were

statistically significant at the .01 level. The strongest correlation was noted between the amount of confidence expressed in making sound investment choices (TKS3) with an overall level of satisfaction experienced with a particular mutual fund (TKS4) ($r = .716, p < .01$). Additionally, ease of understanding the complexities related to mutual funds (TKS5) had a strong correlation to investor satisfaction ($r = .700, p < .01$) and a good understanding of all fees, expenses, and charges related to mutual funds (TKS2) was strongly correlated to an understanding of the inherent risks associated with mutual funds (TKS6) ($r = .698, p < .01$). Therefore, the higher the level of technical knowledge about mutual funds, the more confident and satisfied investors will be when choosing their investments.

Objective 2: Non-Investor Barriers in Underserved Markets

Statement	Mean	Std. Deviation
Mutual fund information feels confusing	2.89	1.466
Safer options like FD, RD, or gold feel better than mutual funds	2.79	1.301
Lack of guidance or help makes it hard to invest in mutual funds	3.19	1.334
Fear of losing money stops investment in mutual funds	3.40	1.355
Proper help or clear information may encourage investment in mutual funds	3.30	1.309

Interpretation

An examination of the descriptive statistics for the barriers that non-investors face when considering an investment in mutual funds shows that fear of financial loss presents the greatest challenge with a (Mean= 3.40, SD=1.355). Following that is the need for adequate support or clear instruction prior to making a mutual fund investment with a (Mean= 3.30, SD=1.309); this indicates how critical it is for individuals to receive guidance before investing. The lack of guidance or assistance also significantly impacts potential investors with a (Mean=3.19, SD=1.334). Confusion regarding mutual fund information seems to present a moderate barrier to investment with a (Mean =2.89, SD=1.466), while wanting to invest in "safer" products like fixed deposits, recurring deposits or gold has the least mean score at 2.79 (SD = 1.301). Taken as a whole, the data suggest that the perception of risk and the lack of assistance are far greater hurdles to investing in a mutual fund than does the preference for traditional investment products.

Objective 3: Distributor Influence and SIP Commitment

1. Regression Assumption Testing

Test	Result	Conclusion
Scatterplot (Residuals vs Predicted)	Random scatter, no pattern	Linearity & homoscedasticity satisfied
Normal P-P Plot	Points close to diagonal	Residuals normally distributed
Histogram of Residuals	Bell-shaped, Mean = 0, SD = 1	Normality assumption met

Inference: All key regression assumptions are satisfied; the model is appropriate.

2. Model Summary

R	R ²	Adjusted R ²	Std. Error	Interpretation
0.590	0.348	0.339	0.835	Moderate positive relationship; model explains ~35% variance in A

3. ANOVA (Model Significance)

F value	Sig. (p-value)	Interpretation
38.960	0.000	Regression model is statistically significant

4. Coefficients Summary

Distributor Influence Variables	B	Beta	Sig.
Investment choices depend on distributor advice	0.200	0.278	0.000
Distributor is trusted for correct information	0.200	0.194	0.000
Distributor helped in starting/continuing SIP	0.200	0.248	0.000
SIP continues due to distributor support	0.200	0.240	0.000
Distributor advice helps long-term investment	0.200	0.298	0.000

**Interpretation**

The analysis of Linear Regression was used to determine how Distributor Influence impacted SIP Commitment. The resulting model was demonstrated to be a good fit to the sampled data, as the (R value is 0.590) and the (R^2 value is 0.348); showing all Distributor Influence variables included in the model fully accounted for the sample's SIP Commitment. Furthermore, all Distributor-related factors had a positive and statistically significant effect on SIP Commitment with the p value being 0.000. The variable measuring Distributor Advice Regarding Long Term Investment had the highest Standardized Beta value ($\beta = 0.298$) followed closely by Investment Choices Based on Distributor Advice ($\beta = 0.278$). Therefore, trust in the Distributor, guidance from the Distributor and the ongoing support from the Distributor are critical to the continued success of SIP investments. In conjunction with correlating variables, these results indicate that Distributor Influence has a very large, positive impact on SIP Commitment and thus support the stated purpose of this research.

Objective 4: Preferences Across SEBI-Categorized Funds**Descriptive Pattern**

Variable	Mean Trend Across PSFC5 (Confusion Level)	Short Interpretation
PSFC3 – Fear of losing money	2.60 → 4.25	Higher confusion leads to greater fear of loss
PSFC1 – Proper help encourages investment	2.63 → 3.63	Confused investors seek more guidance
PSFC2 – Lack of guidance makes investing hard	3.26 → 3.79	Perception fairly similar across groups
PSFC4 – Safer options feel better	2.53 → 4.05	Confusion shifts preference to safer options

2. ANOVA Results Summary

Variable	F-value	p-value	Result
PSFC3 – Fear of losing money	20.750	0.000	Significant
PSFC1 – Help/Information	3.206	0.015	Significant
PSFC2 – Lack of guidance	1.645	0.166	Not significant
PSFC4 – Safer options	16.167	0.000	Significant

Interpretation

Higher levels of confusion regarding mutual fund information (indicator PSFC5) contribute to a number of negative perceptions. For example, individuals who experience high levels of confusion regarding mutual fund information are much more likely to report experiencing increased levels of fear around potential losses (indicator PSFC3), with the mean score increasing from 2.60 to 4.25 ($F = 20.750$; $p = 0.000$). Also, as confusion increases, the belief that having someone provide guidance would help to encourage investment (indicator PSFC1) also increases from 2.63 to 3.63 ($F = 3.206$, $p = 0.015$). Thus, there is a greater need for investment guidance when individuals are experiencing confusion in regards to mutual fund information. As confusion levels increase, so does the preference for safe investment options (indicator PSFC4) such as Fixed Deposits (FD), Recurring Deposits (RD) or gold. The preference for these types of investment options increased significantly, going from 2.53 to 4.05 ($F = 16.167$, $p = 0.000$). However, there was only a small change (From 3.26 to 3.79) in respondents' perception that a lack of guidance created difficulty in investing (indicator PSFC2) and this change was not statistically significant ($F = 1.645$; $p = 0.166$). In conclusion, the results of this study suggest that as individuals become more confused regarding mutual fund information, their perceived risk of investing increases, and they tend to prefer more traditional and/or "safer" forms of investment.

Findings

According to the study, the majority of investors are aware that mutual funds offer an investment choice, but they have little in-depth knowledge of fund kinds, risk considerations, and investment procedures. Because of their ease of use and methodical approach, Systematic Investment Plans (SIPs) are the most popular type of investment. A number of variables, including expected returns, brand trust, risk tolerance, and financial knowledge, have a big impact on investor perception. Investment behavior is significantly influenced by demographic factors such as age and investment experience. Despite the mutual fund industry's expansion, membership is uneven because of a lack of confidence, insufficient market knowledge, and risk aversion.



CONCLUSION

The study emphasizes that although most investors are aware of mutual funds as an investment alternative, their knowledge of fund kinds, related risks, and investment procedures is still quite restricted. Investors' decisions and risk assessment are greatly influenced by factors including age, financial knowledge, and investment experience. Investment decisions are largely influenced by Systematic Investment Plans (SIPs), anticipated returns, and confidence in fund brands. The results highlight how crucial it is for financial institutions to provide investor education, awareness campaigns, and clear communication in order to boost confidence, attract more people to invest in mutual funds, and support informed decision-making. Increasing knowledge and comprehension will aid investors in making wiser financial decisions and support the expansion and stability of India's mutual fund sector.

Recommendations

Through organized financial literacy programs, awareness campaigns, and digital learning platforms, financial institutions, mutual fund firms, and distributors should concentrate on enhancing investor education. To increase investor confidence, clear and straightforward information about mutual fund schemes, risks, and returns should be encouraged. Distributors ought to offer tailored guidance according to investors' financial objectives and risk profiles. Trust and long-term commitment can be strengthened by regular investor interaction, portfolio reviews, and open disclosure. To encourage new and small investors to invest in mutual funds, regulatory organizations should also promote investor-friendly regulations and streamline the investment process.

Future Scope

By expanding the sample size and include investors from various places, particularly rural and semi-urban areas, future research can broaden the study. Deeper insights into investor behavior may be obtained through comparative studies across age groups, income levels, and occupations. The effects of digital platforms, fintech apps, and robo-advisory services on mutual fund awareness and acceptance can also be examined in future research. Investor perception changes over time, especially during market swings, could be investigated through longitudinal research. Future study can benefit from examining how emotional and behavioral biases influence mutual fund investment choices.

REFERENCES

1. **Ramneek Sharma & Sunil Kumar (2022)** – *Investors' perception towards mutual fund: A study of Shimla city* <https://www.allcommercejournal.com/archives/2022.v3.i2.A.102>
2. **Sapna Jain & Saurabh Mukherjee (2025)** – *Investors' Sentiment and Understanding of Mutual Funds Investment in India: A Study* <https://www.atlantispress.com/proceedings/icsbpim-25/126017619>
3. **Ch. Bhavana Sri & Dr. S. Narender (2025)**: *A Study on Investor Awareness About Investment of Mutual Funds with Reference to Axis Mutual Fund* https://www.researchgate.net/publication/392949234_A_STUDY_ON_INVESTOR_AWARENESS_ABOUT_INVESTMENT_OF_MUTUAL_FUND_WITH_REFERENCE_TO_AXIS_MUTUAL_FUND
4. **Dr. Gowsya Shaik, Dr. K. Srikanth & K. Sudheer (2025)**: *Exploring Investment Opportunities: An Empirical Study on Mutual Fund Awareness and Purchase by Investors with Respect to Telangana State* <https://www.ijisrt.com/exploring-investment-opportunities-an-empirical-study-on-mutual-fund-awareness-and-purchase-by-investors-with-respect-to-telangana-state>
5. **Nur Baiti Bt. Shafee, Mohd Ariff Mustafa, Shadia Suhaimi & Zuraina Sal Sabila Mohamed (2018)**: *Mutual Fund Investment Decision by Malaysian Investor* <https://hrmars.com/IJARBSS/article/view/4934/Mutual-Fund-Investment-Decision-by-Malaysian-Investor>
6. **Luminita Nicolescu & Marian Tudorache (2021)**: *Investment Behaviour in Europe – A Study of Factors Influencing Mutual Fund Investment Decisions* <https://www.emerald.com/k/article-abstract/50/10/2726/266552/Investment-behaviour-in-mutual-funds-is-it-a?redirectedFrom=fulltext>
7. **Dr. Neelam Dhall, S.K. Khandelwal, Rashika Malik & Nitya Chawla (2021)**: *Investor's Awareness and Perception towards Mutual Fund Investment: An Exploratory Study* <https://www.journalijar.com/article/37589/investors-awareness-and-perception-towards-mutual-fund-investment-an-exploratory-study/q>
8. **Motihari, Bihar (2025)**: *Investor Perception of Mutual Funds: A Study on Systematic Investment Plan* <https://www.granthaalayahpublication.org/Arts-Journal/ShodhKosh/article/view/3162>
9. **Maria Stephen, Rajitha Kumar S (2024)**: *AN EMPIRICAL STUDY ON INVESTORS' AWARENESS ABOUT MUTUAL FUNDS AND THEIR JUDGING CRITERIA OF FUNDS' QUALITIES* <https://zenodo.org/records/11397074>
10. **Talawar, N. (2025)**. *Analysing investor perceptions and preferences in mutual funds: A case study of Belagavi city, India. Asian Journal of Economics, Business and Accounting, 25(4), 603-612.*



- <https://doi.org/10.9734/ajeba/2025/v25i41774> (Asian Journal)
13. **Sehgal, G., Sharma, V. K., & Thakur, B. (2025).** An examination of investor perceptions toward mutual fund products offered via bank-managed systematic investment plans (SIPs). *International Journal of Research and Scientific Innovation*, 12(5), 709-719. <https://doi.org/10.51244/IJRSI.2025.12050068> (RSIS International)
 14. **Shubham Shirke, Adarsh Kumar (2025):** Analyzing the effect of Mutual Fund Distributors on Building Long-Term Investor Relationships Through Systematic Investment Plans (SIPs) <https://zenodo.org/records/14893999>
 15. **Sujit Deb, Ranjit Singh (2018):** Dynamics of Risk Perception Towards Mutual Fund Investment Decisions https://ijms.ut.ac.ir/article_66030_0.html?lang=fa
 16. **Dr. M. Thyagaraju, Ramesh Kumar, Dr. Sanjeev Chepyala, Dr. Subhash Chand Goel, Dr. S. Saravanan & Dr. Meena Sunil Sharma (2022):** Investors' Perception and Awareness on Mutual Fund Investment Decision-Making: Post COVID-19 https://www.researchgate.net/profile/Saravanan-Swaminathan/publication/367331788_KOREA_REVIEW_OF_INTERNATIONAL_STUDIES/links/63c9efe6fe15d6a573bd8aa/KOREA-REVIEW-OF-INTERNATIONAL-STUDIES.pdf
 17. **Prof. Gauri Prabhu & Dr. N.M. Vechalekar (2013):** Perception of Indian Investor Towards Investment in Mutual Funds with Special Reference to MIP Funds <https://11nq.com/vgeyw>