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Exploring Investor Perceptions of Mutual Fund Investment Attributes: An Empirical Study

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Abstract: Mutual funds have become one of the most popular investment options in recent years, offering investors a professionally managed and easily accessible means of building wealth. By providing a variety of schemes that suit different risk preferences, mutual funds ensure both diversification and liquidity, making them a convenient choice for individuals seeking long-term financial growth. This study seeks to evaluate the level of investor awareness regarding mutual fund features and to identify the major factors that shape investor preferences and risk perceptions. It further explores how government policies and regulations influence investment decisions in mutual funds. The research is based on data collected through a structured questionnaire administered to a diverse sample comprising government employees, private-sector workers, self-employed individuals, retirees, and homemakers in Bengaluru. The results indicate that tax advantages, liquidity, and potential for higher returns play a significant role in shaping investor attitudes toward mutual fund investments. Moreover, the study highlights that government norms exert a noteworthy influence on the investment choices of mutual fund investors.

Keywords: *Investors Perception, Investments, Mutual Fund.*

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I. INTRODUCTION

Considering the present-day unpredictable financial markets, mutual funds, which offer professional fund management and diversification to individual investors, have become a popular investment alternative. These funds mobilize investors' money and channel them into a wide range of financial products and services, allowing even small investors to participate in a diverse range of securities. The rising growth of India's mutual fund business can be attributed to favorable financial market conditions, increased investor knowledge, and regulatory frameworks designed to promote transparency and protect investor interests. (Dr. Rupam Mishra, 2022).

In India, mutual funds are regulated by the Securities and Exchange Board of India (SEBI), which ensures adherence to investor-friendly guidelines and safeguards the interests of investors.

As per the regulations of the Securities and Exchange Board of India (SEBI), a mutual fund is defined as a trust established by a sponsor to raise funds from the public through the sale of units under one or more schemes. These funds are then invested in securities in accordance with the regulations. Essentially, a mutual fund gathers funds from investors and issues certificates with the aim of achieving mutual benefits, particularly in terms of capital appreciation through investments in securities. In India, investors have access to a varied choice of mutual funds that are tailored to their specific interests and risk tolerances. These alternatives include equity funds, debt funds, balanced funds, index funds, and sector-specific funds, among others. Each type of mutual fund has its own set of investment objectives, asset allocation methodologies, and risk-return profiles, allowing investors to choose the fund that aligns with their investing goals and risk tolerance.

Investments from the mutual fund mitigate the risks associated with the financial market and it give investors with a package of schemes a range of opportunities to earn full return on their investments at minimum risk (Deepa. P., & Latha, V, 2018)

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One of the primary benefits of investing in mutual funds is that it mitigates the risks associated with the financial market, offering investors opportunities to earn favorable returns on their investments with minimized risk exposure. Consequently, mutual funds represent an ideal investment avenue for the common individual, as they enable investment in a diversified and professionally managed portfolio at relatively low costs (Dr. V. Sampathkumari,2022).

Another benefit of mutual funds is their liquidity. Investors can easily buy or sell mutual fund units at the current net asset value (NAV), allowing them to enter or exit their investment positions based on their financial goals and market conditions.

The Indian Mutual Fund sector is classified according to asset classes, including debt-oriented schemes, equity-oriented schemes, money market, etc. As of May 31, 2020, the Assets Under Management (AUM) in the Indian Mutual Fund sector was at ₹24.55 trillion, according to a report published by 'MordorIntelligence'. India's AUM has increased fourfold in the last ten years (2010–2020), and it is expected to expand fourfold more by 2025.

II. REVIEW OF LITERATURE

(Yadav, 2024) findings highlighted that most respondents held negative perceptions about investing in mutual funds and were unfamiliar with many mutual fund terminologies and schemes. Additionally, demographic factors such as age, marital status, education level, annual income, and occupation significantly influenced investors' perceptions and awareness levels regarding mutual fund investments. (Sushmita, 2024) examined how different factors such as fund schemes, risk and return, and the level of investor knowledge influence investors' perceptions. The findings indicate that the level of investor knowledge significantly and positively affects investors' perceptions of mutual funds, while fund schemes and risk and return have an insignificant impact on these perceptions. (Dr. D. Mythili, 2024) aimed to study the perception and satisfaction levels of mutual fund investors in Coimbatore, India. The findings revealed that investors were well-informed about various investment opportunities and associated risks. However, due to their conservative nature, they tended to prefer investment strategies with lower risks, such as mutual fund returns. (Niha, 2024) analysed that investor sought safe returns on their investments, with such returns serving as a key motivator for Indian investors. Despite mutual funds being a volatile industry with a higher percentage of risk and a complex interface for understanding, the desire for safer returns remained paramount. (Ramanjaneyulu, 2024) aimed to investigate investors' preferences for different mutual fund schemes. Significant differences were found between male and female investors in their scheme preferences. Female investors preferred income and balanced schemes, while male investors favored growth and tax-saving schemes. (Murugan, 2024) aimed to evaluate investor behavior toward mutual funds. It was found that investors preferred mutual funds because they are perceived as less risky and safer. The study also revealed that investors' attitudes are influenced by various parameters when selecting mutual funds and investment options.

The above literature offers valuable insights into various aspects of mutual fund investments, covering investor perceptions, knowledge levels, preferences, and behavior. These studies explore the influence of investor knowledge and demographic factors on perceptions and awareness, as well as preferences for lower-risk investments due to conservative attitudes. Gender-based differences in investment preferences have also been examined.

Despite existing regulatory frameworks and the increased accessibility of mutual funds to various demographics, the impact of government regulations on investor decisions is relatively unexplored. As a result, this study aims to fill these gaps by assessing investor awareness of mutual fund attributes, examining factors influencing investor choices, evaluating risk perceptions towards mutual fund investments, and investigating the impact of government norms on investor decisions. By addressing these less explored areas, this study aims to provide a deeper understanding of the factors influencing mutual fund investment decisions.

III. STATEMENT OF THE PROBLEM

Considering the growing importance of mutual funds as an investment vehicle in India, there is a need to extensively analyze investors' awareness of mutual fund characteristics and the various factors impacting their choice of investments. Mutual funds seek to serve those individuals, who have the inclination to invest but lack the background, expertise and sufficient resources to diversify their investment among various sectors.

➢ *The Research Gap Led to the Following Research Questions:*

- How aware are investors of the various attributes and features associated with mutual funds?
- What factors play a significant role in influencing investors' decisions to invest in mutual funds?
- How do regulatory changes and government norms influence investors' confidence and decision-making in the mutual fund market?

➢ *Objectives of the Study*

- To assess investor awareness of mutual fund attributes.
- To examine factors influencing investor choices in mutual funds.
- To examine the investors' risk perception towards mutual fund investment.
- To investigate the impact of government norms on investor decisions in mutual funds.

✓ H0: There is no significant impact of government norms on investor decisions in mutual funds
✓ Ha: There is a significant impact of government norms on

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investor decisions in mutual funds

➢ *Significance of the Study*

Mutual funds have emerged as a crucial investment avenue, offering investors a diverse range of portfolios, professional management, and easy accessibility. This facilitates wealth accumulation and financial inclusion across different demographics. By assessing investor awareness of mutual fund attributes and exploring factors influencing investment choices, such as tax benefits, liquidity, and expected returns, the study provides valuable insights into investor behavior and preferences. Furthermore, investigating the impact of government norms on investor decisions adds depth to understanding regulatory influences on investment behavior. The findings of this study not only contribute to the existing body of literature but also offer practical implications for policymakers, regulators, and financial institutions in fostering investor confidence and promoting market stability.

➢ *Research Design*

- *Data Source:*

The study used both primary and secondary data, the primary data is collected through structured questionnaire and is administered to 124 investors of UTI Mutal Funds. The respondents were chosen randomly and secondary data is collected from various articles, journals, and reports, etc. The questionnaire was designed to assess investor awareness of mutual fund attributes and examine factors influencing investment choices, including tax benefits, liquidity, and expected returns.

- *Analysis:*

Data was analyzed using SPSS software and various tests like Regression analysis, Factorial Analysis were used.

IV. DATA ANALYSIS OF INVESTORS DEMOGRAPHICS

Table 1 Analysis of Demographic Factors of Investors

Investor's particulars		No. of respondents	Percentage (%)
Gender	Male	71	57.3%
	Female	53	42.7%
Age	Less than 30 years	35	28.2%
	31-40 years	43	34.7%
	41-50 years	30	24.2%
	51-60 years	11	8.9%
	More than 60 years	5	4.0%
Marital status	Married	69	55.6%
	Single	55	44.4%
Highest Education Qualification	PUC	5	4.0%
	Graduation	63	50.8%
	Post Graduation	50	40.3%
	Others	6	4.8%
Annual Income	Below 2,50,000	12	9.7%
	Rs. 2,50,001 to 5,00,000	37	29.8%
	Rs. 5,00,001 to 7,50,000	55	44.4%
	More than 7,50,000	20	16.1%
Occupation	Self Employed	22	17.7%
	Private Employee	65	52.4%
	Govt. Employee	14	11.3%
	Retired	7	5.6%
	Others	16	12.9%
Experience In Investment	Less than a year	30	24.2%
	1-3 years	28	22.6%
	3-5 years	36	29.0%
	5-7 years	17	13.7%
	More than 7 years	13	10.5%

(Source: Primary) Total Respondents: 124

- *Interpretation:*

The analysis of the investor's profile reveals key demographic characteristics and investment experience among respondents. The majority of respondents are male (57.3%) compared to female respondents (42.7%). Age-wise, a significant portion falls between less than 30 years and 40 years, comprising 62.7% of the sample, with smaller percentages in older age brackets. Marital status indicates a fairly balanced distribution, with 55.6% married and 44.4% single. Educationally, most respondents hold bachelor's (50.8%) or post-graduate degrees (40.3%), while only a small fraction have completed Pre-University Course (PUC) or other qualifications. Income-wise, a substantial portion earns between Rs. 5,00,001 to 7,50,000 annually (44.4%). Occupation-wise, private employees represent the largest group (52.4%), followed by self-employed individuals

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(17.7%). In terms of investment experience, the majority have 3-5 years of experience (29.0%), with smaller proportions having less than a year (24.2%) or 1-3 years (22.6%) of experience. Overall, this analysis provides a comprehensive understanding of the demographic characteristics of the respondents, indicating a diverse range of investors with varying levels of expertise and financial backgrounds.

➢ *Data Analysis for Objective 1*

Objective 1 To assess investor awareness of mutual fund attributes.

Table 2 (A): Mutual Fund Awareness Level

	Frequency	Percent	Cumulative Percent
Low Mutual Fund Awareness	17	13.7	13.7
Moderate Mutual Fund Awareness	99	79.8	93.5
High Mutual Fund Awareness	8	6.5	100
Total	124	100	

Table 2 (B): Descriptive Statistics

	N	**Minimum**	**Maximum**	**Mean**	**S. D**
Mutual Fund Awareness Level	124	1	3	1.927419	0.4449

- *Interpretation:*

The Table 1(a) represents the distribution of 124 respondents based on their awareness levels of mutual fund attributes.

The majority of respondents (79.8%) demonstrate a moderate level of awareness regarding mutual fund attributes. A smaller portion of respondents (13.7%) exhibit low awareness, while a minority (6.5%) show a high level of awareness

Table2(b) highlights the mean awareness level of 1.93 suggests that, on average, respondents have a moderate level of awareness regarding mutual fund attributes. However, the standard deviation of 0.44 indicates some variability in awareness levels among respondents, implying that while the average awareness may be moderate, there are still some respondents with lower or higher levels of awareness.

Table 3 Table Showing Primary Sources of Mutual Funds as an Investment Choice

Primary Sources of Mutual Funds	**No. of Respondents**	**Percentage of Respondents (%)**
Television	25	20.2
Online Platforms	20	16.1
Newspapers/ Journals	10	8.1
Friends/ Relatives	34	27.4
Financial advisors	35	28.2
Total	124	100

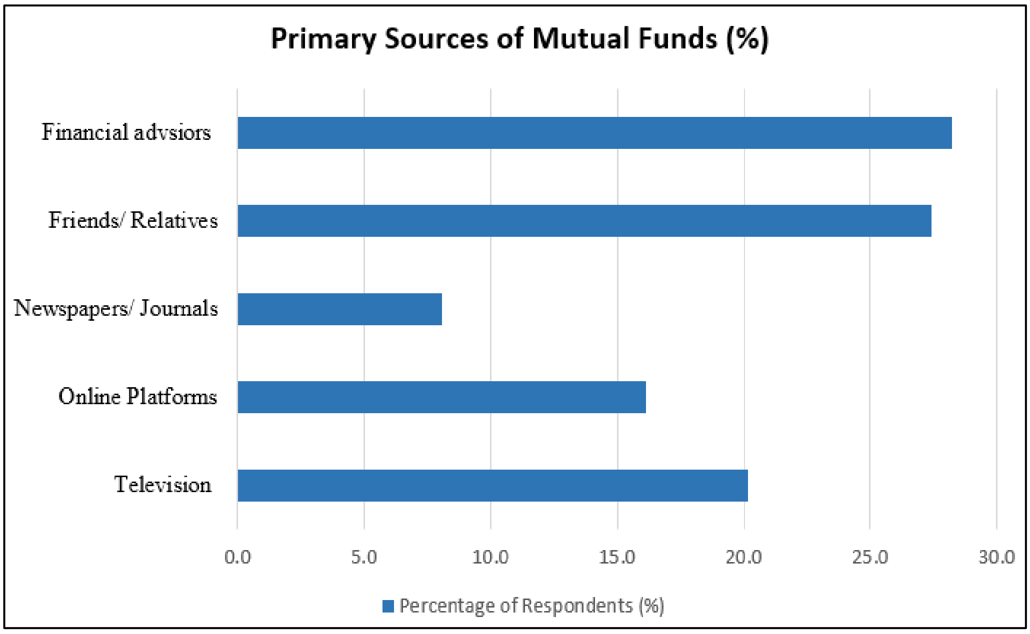

Fig 1 Graph Showing Primary Sources of Mutual Funds as an Investment Choice

- *Interpretation:*

Among the 124 respondents surveyed regarding their primary sources of information for mutual funds, financial advisors emerged as the most prevalent source, with 28.2% of respondents relying on them. Friends and relatives closely followed at 27.4%, indicating a significant influence of personal networks in shaping investment decisions. Television and online platforms were cited by 20.2% and 16.1% of respondents, respectively, while newspapers/journals were the least cited source at 8.1%. These findings suggest a diverse range of information channels utilized by investors, with personal connections and professional advice playing substantial roles in shaping their understanding and decisions regarding mutual fund investments.

Table 4 Table showing Duration for Holding Mutual Fund Investments

Duration for Holding Mutual Fund Investments	**No. Of Respondents**	**Percentage of Respondents (%)**
Less than 1 year	10	8.1
1-3 years	38	30.6
3-5 years	42	33.9
More than 5 years	34	27.4
Total	124	100

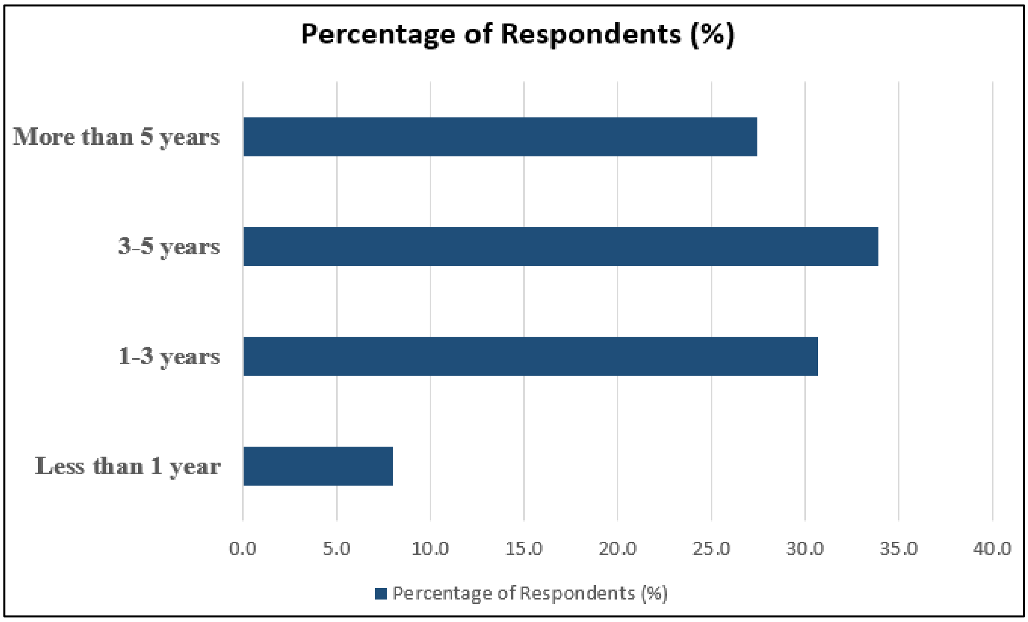

Fig 2 Graph showing Duration for Holding Mutual Fund Investments

- *Interpretation:*

This data suggests that a significant portion of respondents (61.3%) have held their mutual fund investments for 3 years or longer, indicating a preference for longer-term investment horizons. Additionally, nearly a quarter of respondents (27.4%) have maintained their investments for over 5 years, indicating a substantial commitment to their chosen funds. Overall, the data reflects a diverse range of holding durations among respondents, with a notable portion favoring longer-term investment strategies.

➢ *Data Analysis for Objective 2*

- Objective 2: To examine factors influencing investor choices in mutual funds.

✓ *Factorial Analysis*

Table 5 (a) KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**0.942**
Bartlett's Test of Sphericity	Approx. Chi-Square	1.774E3
	df	66
	Sig.	0

Table 5(a) shows the value of KMO is 0.942 which shows sample is adequate to run factor analysis technique, while the Bartlett's test of Sphericity's significant value is 0.000 < 0.05. From this, it can be concluded that the statements are suitable for factorial analysis.

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Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.283	77.357	77.357	9.283	77.357	77.357	3.903	32.526	32.526
2	.664	5.532	82.890	.664	5.532	82.890	3.881	32.342	64.868
3	.391	3.255	86.145	.391	3.255	86.145	2.553	21.277	86.145
4	.315	2.628	88.773						
5	.251	2.088	90.861						
6	.228	1.898	92.759						
7	.207	1.725	94.484						
8	.198	1.653	96.137						
9	.169	1.411	97.548						
10	.118	.985	98.533						
11	.105	.873	99.406						
12	.071	.594	100.000						

Extraction Method: Principal Component Analysis.

In the Above table the total variance explained by the factors is 86.145 which is considered good variance explained as it usually should be more than 50 and only 13.855% of information is lost during the process.

Table 5 (b) Rotated Component Matrix

	Component		
	1	**2**	**3**
Tax benefit	0.813		
High return	0.755		.
Liquidity	0.748		
Minimum initial investment	0.743	.	
Regular income	0.699		
Price		0.745	
Safety of principal amount		0.743	
Risk Factor		0.733	
Brand image		0.672	
Diversification		0.659	
Opportunity for steady growth			0.762
Past performance assessment			0.676
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 11 iterations.			

From Table 5 (b) rotated component matrix, it can be seen that the first factor has 5 variables with a factor loading of more than 0.5, whereas the second and the third there are 5 and 2 variables respectively with a factor loading is also more than 0.5.

First identified factor is fund characteristics which has a variance explained of 32.526%. This factor includes variables like tax benefits, high returns, liquidity, minimum initial investment and price.

Second identified factor is credibility and security which has a variance explained of 32.342%. This factor includes variables like brand image, safety of principal amount, risk factor, diversification, and regular income.

Third identified factor is performance evaluation which has a variance explained of 21.277%. This factor includes variables like opportunity for steady growth and past performance assessment.

Table 5 (c) Factorial Analysis Results

Factor 1: Fund Characteristics	**Factor 2: Credibility and Security**	**Factor 3: Performance Evaluation**
Tax benefit	Price	Opportunity for steady growth
High return	Safety of principal amount	Past performance assessment
Liquidity	Risk Factor	
Minimum initial investment	Brand image	
Regular income	Diversification	

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➢ *Data Analysis for Objective 3*

- Objective 3: To examine the investors' risk perception towards mutual fund investment.

Table 6 (a) Risk Perception Level

	Frequency	Percent	Cumulative Percent
low risk perception	25	20.2	20.2
Moderate Risk Perception	92	74.2	94.4
High Risk Perception	7	5.6	100
Total	124	100	

Table 6 (b) Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Risk Perception Level	124	1	3	1.8548	0.48879

- *Interpretation:*

The analysis of risk perception levels among respondents reveals interesting insights into their attitudes towards risk. Among the 124 individuals surveyed, the majority—92 individuals, constituting 74.2% of the sample—demonstrate a moderate perception of risk. This suggests a balanced perspective on potential hazards or uncertainties. On the other hand, 25 individuals (20.2%) exhibit a low perception of risk, indicating a tendency to underestimate the potential dangers associated with certain activities or situations. Conversely, only a small fraction of the sample—7 individuals (5.6%)—report a high perception of risk, suggesting a heightened sensitivity or concern towards potential risks. The descriptive statistics reveal valuable insights into the distribution and central tendency of risk perception levels among the surveyed individuals. With a sample size of 124 respondents, the minimum risk perception level recorded was 1, indicating a perception of relatively low risk, while the maximum level reached 3, signifying a perception of high risk. The mean risk perception level across the sample is calculated at 1.8548, indicating a leaning towards moderate risk perception on average.

➢ *Data Analysis for Objective 4*

- Objective 4 : To investigate the impact of government norms on investor decisions in mutual funds.

✓ H_0: There is no significant impact of government norms on investor decisions in mutual funds
✓ H_a: There is a significant impact of government norms on investor decisions in mutual funds

Hypothesis analyzed and test using regression analysis

➢ *Regression Model*

- Y- Dependent Variable – Government Norms
- X- Independent Variable- Investment Decision

TABLE 7 (a) ANOVA[b]

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	12.466	1	12.466	37.761	.000[a]
Residual	40.276	122	0.33		
Total	52.742	123			
a. Predictors: (Constant), Government Norms					
b. Dependent Variable: Investment Decision					

TABLE 7 (b) Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.857	0.392		4.774	0
Govt_Norms	0.56	0.091	0.486	6.145	0
Dependent Variable: Investment Decision					

(Source: Outcome from SPSS software)

From Table 7 (b) using Regression Analysis, it can be inferred that Y = a + bX, where a = 1.857, b = 0.56, Y = Investment Decision (dependent variable), and X = Government Norms (independent variable). Specifically, for every one-unit increase in government norms, there is a corresponding increase of 0.56 units in investment decisions.

Further, from Table 4 (b), it can be inferred that $P < 0.05$. Thus, H_a which states that there is a significant impact of government norms on investor decisions in mutual funds is accepted.

This suggests that government norms indeed play a significant role in shaping investor decisions regarding

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mutual fund investments, highlighting the importance of regulatory factors in influencing investment decisions of investors.

V. FINDINGS

- Out of 124 respondents, 57.3% are male, while 42.7% are female, indicating a slight male majority in the sample.
- The majority of respondents (62.7%) are between the ages of less than 30 years and 40 years, with 28.2% falling under the age category of less than 30 years, 34.7% between 31-40 years, and 24.2% between 41-50 years. Only a small percentage of respondents are aged 51-60 years (8.9%) or more than 60 years (4.0%).
- 55.6% of the respondents are married, while 44.4% are single.
- The majority of respondents have completed graduation (50.8%), followed by post-graduation (40.3%). Only a small percentage have a qualification of Pre-University Course (PUC) (4.0%), while 4.8% fall under the category of 'Others'.
- The largest proportion of respondents (44.4%) earn an annual income ranging from Rs. 5,00,001 to 7,50,000. 29.8% earn between Rs. 2,50,001 to 5,00,000, 16.1% earn more than Rs. 7,50,000, and 9.7% earn below Rs. 2,50,000 annually.
- A significant portion of the respondents are private employees (52.4%), followed by self-employed individuals (17.7%). Other categories include government employees (11.3%), retired individuals (5.6%), and others (12.9%).
- The distribution of respondents based on their investment experience shows that a considerable percentage (29.0%) have an investment experience of 3-5 years, followed by 24.2% with less than a year of experience and 22.6% with 1-3 years of experience. Relatively smaller proportions have 5-7 years of experience (13.7%) or more than 7 years of experience (10.5%).

- *Findings of Objective 1*

- Majority of respondents (79.8%) demonstrate a moderate level of awareness regarding mutual fund attributes.
- A smaller portion of respondents (13.7%) exhibit low awareness, suggesting a need for educational interventions or communication strategies to enhance understanding.
- A minority (6.5%) show a high level of awareness, indicating a segment of informed investors who may require more advanced information or services.
- The mean awareness level of 1.93 suggests that, on average, respondents have a moderate level of awareness regarding mutual fund attributes.
- However, the standard deviation of 0.44 indicates some variability in awareness levels among respondents, implying that while the average awareness may be moderate, there are still some respondents with lower or higher levels of awareness.
- This variability underscores the importance of targeted educational initiatives to address the diverse needs and knowledge levels of investors.

- *Findings from Objective 2*

- The resulted value of KMO (0.942) and Barlett's test (0.000) indicated that the present data is adequate for factorial analysis.
- The first factor identified relates to "fund characteristics", which encompasses variables such as tax benefits, high returns, liquidity, minimum initial investment, and price. These attributes collectively contribute to 32.526% of the total variance explained
- The second factor, termed "credibility and security," highlights variables like brand image, safety of principal amount, risk factor, diversification, and regular income. These factors collectively contribute to 32.342% of the total variance explained
- The third factor identified pertains to "performance evaluation", incorporating variables such as opportunity for steady growth and past performance assessment. This factor explains 21.277% of the total variance.

- *Findings from Objective 3*

- Low Risk Perception: The frequency of 25 individuals (20.2%) indicates a notable portion of the surveyed population perceiving risks as low. These individuals may tend to downplay the potential hazards or uncertainties associated with certain activities or situations. Their perception might lead to a tendency to take fewer precautions or underestimate the likelihood of negative outcomes.
- Moderate Risk Perception: With a frequency of 92 individuals (74.2%), this category represents the majority view among respondents. A moderate perception of risk suggests that individuals recognize and acknowledge potential hazards or uncertainties. This balanced perspective could lead to more measured decision-making and risk management strategies.
- High Risk Perception: Despite being a minority, 7 individuals (5.6%) perceive risks as high. This group may demonstrate a heightened sensitivity or concern towards potential dangers, possibly leading them to take more precautions or avoid certain activities altogether. Their perception of high risk might influence their behaviors and decisions, leading to more cautious or risk-averse actions.

- *Findings for Objective 4*

- Further, from Table 4 (b), it can be inferred that $P < 0.05$. Thus, the null hypothesis is rejected and the alternative hypothesis ($H_{a)}$ which states that there is a significant impact of government norms on investor decisions in mutual funds is accepted.
- The results imply that regulatory factors, such as government norms, are influential in determining investor behavior in the mutual fund market. Investors appear to consider regulatory environments when making investment decisions, highlighting the importance of a

supportive regulatory framework in enhancing investor confidence and participation in the mutual fund industry.

Using factorial and regression analysis, the study reveals that a notable proportion of individuals perceive moderate risk in mutual fund investments. Significant factors influencing investor decisions include fund characteristics like tax benefits, potential for high returns, and liquidity. Additionally, regulatory factors, especially government norms, significantly shape investor behavior in the mutual fund market. The study underscores the importance of clear and supportive regulatory environments, which enhance investor confidence and foster increased participation in mutual fund investments. Thus, the study has contributed to filling the gap in understanding how these factors collectively influence investor perceptions and decisions in mutual fund investments.

VI. IMPLICATIONS

➢ *Implications to Policy Makers:*

Given that a sizable proportion of respondents have just a moderate understanding of mutual fund characteristics, policymakers should prioritise educational efforts aiming at improving investor comprehension. This could include organizing workshops, and utilizing digital platforms to communicate information about mutual fund features and benefits. The findings reveal that government norms have a considerable impact on investor decisions, emphasizing the necessity of maintaining a supportive regulatory framework. To encourage investor confidence and trust, policymakers should work on establishing investor-friendly legislation, maintaining transparency, and promoting market integrity.

➢ *Implications to Financial advisors*

Given the emphasis on factors like tax benefits, high returns, and liquidity, financial advisors should help clients understand the associated risks and implications. Advisors should emphasize the importance of diversification, risk management strategies, and long-term investment goals to mitigate potential risks and maximize returns. Financial advisors must stay compliant with regulatory requirements and guidelines to ensure the best interests of their clients. Advisors should remain informed about changes in government norms and regulations affecting mutual fund investments and communicate these changes effectively to clients.

VII. CONCLUSION

The mutual funds have emerged as one of the important classes of financial intermediaries which cater to the needs of the retail investors. The growth of mutual funds can be attributed to their capacity to cater to different risk appetites, provide liquidity, and facilitate long-term wealth creation through systematic investment strategies. These attributes have positioned mutual funds as a preferred choice among investors seeking diversified and convenient investment options. It's important to take steps to help people understand finances better, make rules clearer, and use technology to make investing easier. These efforts are crucial for getting more people to invest in mutual funds and making sure everyone has a chance to participate in the financial system in India.

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