Department of Management Studies

NALSAR University of Law

MARKETING RESEARCH

PROJECT REPORT

Topic: A Report on the Investor's Perception and Awareness on Mutual Fund

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ABSTRACT

This research paper explores the introduction of investor awareness and perception of mutual funds. The mutual fund industry has grown rapidly in recent years, but many investors are still unaware of the benefits of mutual funds. They may have misperceptions about their advantages and disadvantages. This paper examines factors influencing investor awareness and perception of mutual funds, such as past performance, fees and expenses, investment objectives, and risk. The study also discusses strategies that can be used to increase investor awareness and promote a positive perception of mutual funds.

Mutual funds are a popular investment option that allows investors to pool their money together to invest in a diversified portfolio of securities. The mutual fund industry has experienced significant growth in recent years, with over $20 trillion in assets under management worldwide. Despite this growth, many investors are still unaware of the benefits of mutual funds or may have misperceptions about their advantages and disadvantages.

INTRODUCTION

Research objective: The study aims to examine the investor's awareness and perception of mutual funds and explore the relationship between demographic variables such as investors' gender and age about their perception of mutual funds. Even with the paucity of research on the subject, it is critical to comprehend the variables that affect investors' decisions to purchase mutual funds.

Due to their capacity to combine the resources of several participants towards a single objective and produce a comprehensive and well-managed basket of assets at a very cheap cost, mutual funds have become a popular investment choice for many Indians. The mutual fund business in India has had remarkable growth and is anticipated to continue expanding in the years to come. In this article, we will examine the development of the mutual fund industry in India, its potential, and the relationship between demographic variables such as investors' gender and age about their perception of mutual funds.

Assets Under Management (AUM) for the mutual fund sector in India reached $13,460 billion in December 2015. (Deloitte, 2016). Yet according to a 2013 study by the Securities and Exchange Board of India (SEBI), one of the main issues the Indian mutual fund sector faced was the absence of healthy participation (SEBI, 2014). Despite this, mutual funds have aided in increasing investment possibilities, effectively helping individuals channel their resources and promoting market expansion and economic prosperity (Reserve Bank of India, 2018).

Over the past few years, mutual funds have become an important section of the money marketplace in India, particularly with the rise of Systematic Investment Plans (SIPs) that have become a popular and successful option for mutual fund houses (Citi, 2019). The growth of the mutual fund industry has been phenomenal as people have become more risk-averse and prefer investing their savings in a secure investment option that competent fund managers manage.

The Indian Mutual Fund Industry is categorized based on asset class, such as debt-oriented schemes, equity-oriented schemes, money markets, etc. As per the Mordor Intelligence report, the AUM in the Indian Mutual Fund Industry stood at ₹24.55 trillion on May 31st, 2020. The AUM in India has grown fourfold in a decade (2010 - 2020) and is aimed at fourfold growth by 2025. Equity AUMs were the major contributor with a 42.1% share, debt-oriented schemes contributed 28.8% of AUMs, and the

Liquid/money market stood at 23.3% in September 2019. The total number of portfolios stood at 91 Million on May 31st, 2020, and the significant investment was from the retail segment ₹80.3 Million.

Using big data analytics and data-driven models to improve customer offering and engagement could be a game changer for the mutual fund industry. Thus from the statistics, the mutual fund industry has vast growth potential and can be considered a safer and more secure investment option to channel and mobilize investors' savings.

The mutual fund industry in India has immense growth potential and can be considered a safer and more secure investment option to channel and mobilize investors' savings. The growth of the mutual fund industry has been phenomenal, with investors becoming more risk-averse and preferring to invest in a secure investment option that competent fund managers manage. With the rise of SIPs and the potential to use big data analytics and data-driven models to improve customer offerings and engagement, the mutual fund industry in India is poised for even more significant growth.

LITERATURE REVIEW

A literature review critically investigates and evaluates previously published books, papers, and studies on a certain subject. It tries to highlight the research issues that need to be addressed, identify knowledge gaps, and offer a framework for the study.

For instance, a literature review on mutual funds may discuss their history, various varieties, as well as advantages and disadvantages. It could also contain conclusions from earlier research on the performance of mutual funds, management costs, and investor attitudes toward mutual funds.

The quantifiable traits or elements that are being researched in a study are called variables. Variables in the context of mutual funds could include the performance of the fund, management costs, investor demographics, and investing goals.

The act of generating verifiable assertions that forecast the relationship between variables is known as hypothesis development. For instance, a hypothesis may read, "Investors tend to invest more money in mutual funds than those who are not aware of their performance."

An illustration of an investor's understanding and opinion of mutual funds is as follows:

“Hypothesis: Investors who are aware of the performance of mutual funds are more likely to invest in them.”

A study by the Investment Company Institute found that 57% of mutual fund investors consider themselves extremely or moderately informed about mutual funds. (ICI, 2021). According to the study, investors who were aware of their fund's performance were more inclined to hold onto their assets over the long run, but those who weren't were more likely to often move to other investments.

Overall, the analysis points to the importance of investor understanding and perception of mutual funds in determining their choice of investments.

EXAMINING THE LITERATURE

In order to diversify their investments and have their portfolios managed by professionals, mutual funds are among the most popular investment vehicles. Numerous researchers have looked at how informed and knowledgeable investors are about mutual funds over time. The research and papers that are considered to be the most important in this field are reviewed in this section.

- In a research published in 2018, Akhtar and Shahzad looked at Pakistani investors' perceptions and knowledge about mutual funds. According to the survey, just 37% of respondents said they had a good comprehension of mutual funds, showing that investors' knowledge and understanding of these products is inadequate. The authors also noticed that investors favored investing in fixed-income assets and thought mutual funds to be riskier.
- Similarly to this, Chen and Yao's (2018) study looked into how Chinese investors perceived mutual funds. Only 15% of respondents said they had a solid comprehension of mutual funds, according to the authors, who discovered that investors had little expertise in them. The writers also mentioned how complicated and pricey mutual funds were seen by investors.
- In contrast, research by Saini and Singh (2020) looked at Indian investors' knowledge and perceptions of mutual funds. According to 67% of respondents, investors had an excellent comprehension of mutual funds, according to the authors' analysis of investor knowledge. The authors also pointed out that investors thought mutual funds were a smart way to invest for long-term objectives.

Variables:

The following variables can be found via the literature review:

- Awareness: The degree of information and comprehension investors have about mutual funds.
- Perception: How potential investors perceive the risk, complexity, and appropriateness of mutual funds in relation to their investment objectives.
- Demographics: characteristics like age, gender, income, and education level that may affect how knowledgeable and favorable investors are of mutual funds.

Forming a Hypothesis

The following hypotheses can be created based on the literature review:

H1: Investors are not well-informed about mutual funds.

H2: Mutual funds are viewed as hazardous and complicated by investors.

H3: Investors' awareness and perception of mutual funds are influenced by demographic parameters such as age, gender, income, and educational attainment.

H4: Investors' awareness and comprehension of mutual funds are positively connected with their assessment of mutual funds as a solid investment option for long-term goals.

RESEARCH OBJECTIVES

- To determine the investor's knowledge and attitude toward investing in mutual funds.
- To determine the factors influencing investor's decision to invest in mutual funds.
- To study the effects of demographic factors, such as investor age and gender, on their perception of mutual funds.

RESEARCH METHODOLOGY

The study is basically descriptive in nature. We used a quantitative data collection method to collect the data through a well-structured questionnaire and secondary data from journals, websites, etc. We used the purposive sampling method for collecting primary data. Samples were selected from our college and friends.
Research design:

The quantitative study investigates investor awareness and perception towards mutual funds. The research questions include the following:

a. What is the level of investor awareness regarding mutual funds?
b. What are the factors affecting investor perception towards mutual funds?
c. How do investors make investment decisions regarding mutual funds?

SAMPLING STRATEGY

The population of interest is the retail investors who have invested in mutual funds. The sample frame is our friends, family &, etc. The sampling technique will be a probability-based approach such a stratified random sampling.

Questionnaire construction: A structured questionnaire is designed to collect data on the following:

- Demographic profile of the investors
- Investment behaviour and preference
- Knowledge of mutual funds
- Perception towards mutual funds
- Factors affecting investment decisions

The questionnaire is developed based on the literature review.

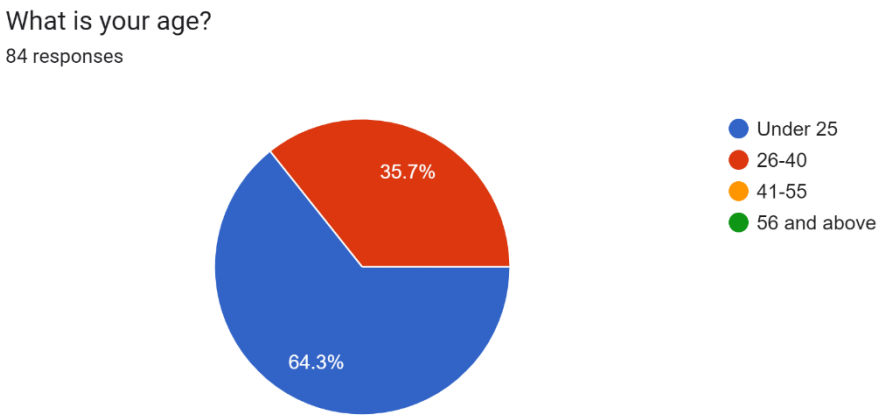
Data collection procedure

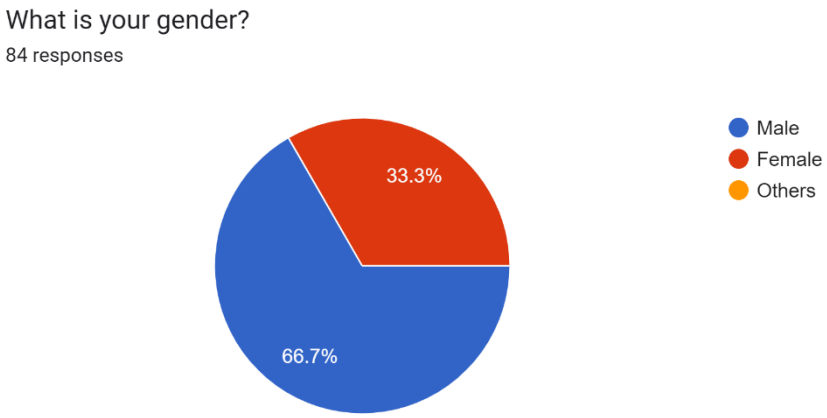
The questionnaire is administered through an online survey. The survey ensures confidentiality and data privacy.

DATA ANALYSIS

To summarize the data, we use descriptive statistics for analysis, such as frequencies and percentages. Inferential statistics, such as regression analysis, will test hypotheses and examine the relationship between variables. Data analysis is done using statistical software such as SPSS or R.

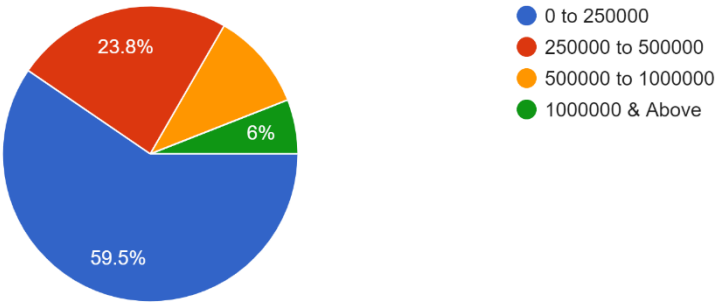
RESPONSE FROM THE SURVEY





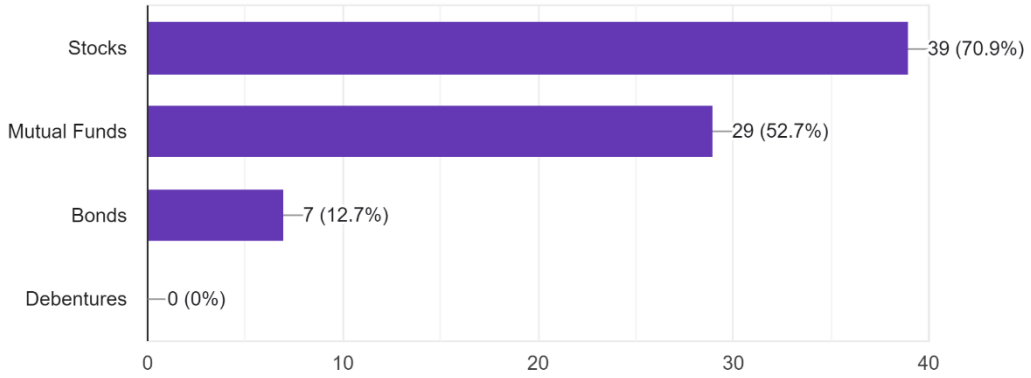
What is your annual income range?

84 responses



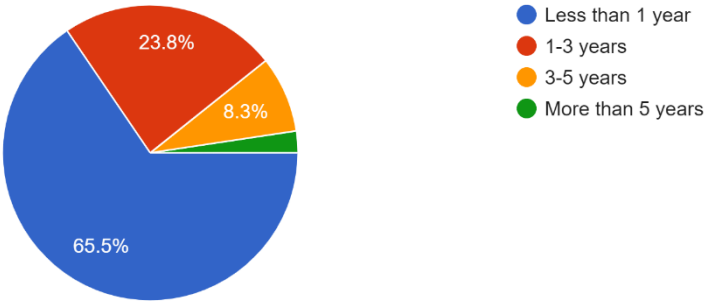
If yes, which are the instruments in which you've invested?

55 responses



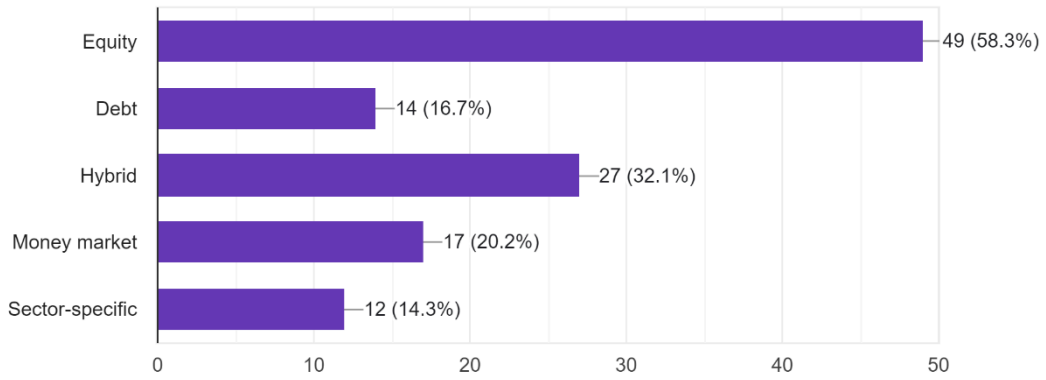
If yes, how long have you been investing in mutual funds?

84 responses



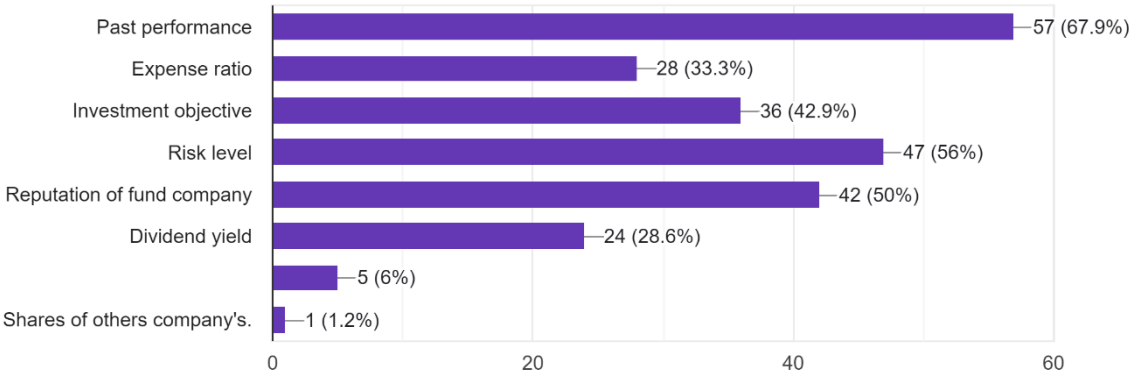
What type of mutual funds have you invested in?(Select all that apply)

84 responses



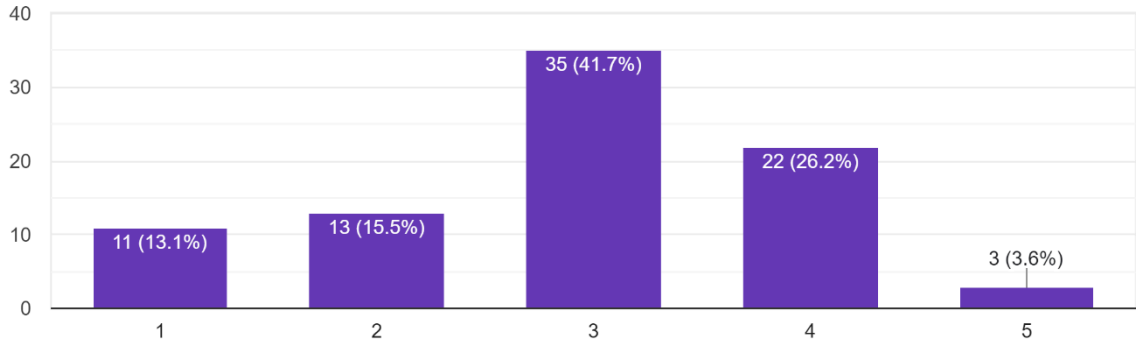
What factors do you consider when choosing a mutual fund to invest in? (Select all that apply)

84 responses



It is less risky as compare to other instrument in the capital market

84 responses



OUTPUT AND ANANLYSIS

ANOVA OUTPUT

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
It is less risky as compare to other instrument in the capital market	1	50	2.86	1.069	0.151	2.56	3.16	1	5
	2	20	3.10	0.968	0.216	2.65	3.55	1	4
	3	9	3.00	1.118	0.373	2.14	3.86	1	4
	4	5	2.60	1.140	0.510	1.18	4.02	1	4
	Total	84	2.92	1.044	0.114	2.69	3.14	1	5
It offers high returns than other financial instrument.	1	50	2.92	1.066	0.151	2.62	3.22	1	5
	2	20	2.55	0.887	0.198	2.13	2.97	1	4
	3	9	3.11	1.167	0.389	2.21	4.01	1	5
	4	5	2.40	0.548	0.245	1.72	3.08	2	3
	Total	84	2.82	1.020	0.111	2.60	3.04	1	5
It offers variety of investment amount that is suitable for all the investors i.e, low range to high range	1	50	3.22	0.932	0.132	2.96	3.48	1	5
	2	20	3.35	0.875	0.196	2.94	3.76	1	5
	3	9	3.33	0.707	0.236	2.79	3.88	2	4
	4	5	3.60	0.548	0.245	2.92	4.28	3	4
	Total	84	3.29	0.872	0.095	3.10	3.47	1	5
It is a more of long term investment as compared to other investments	1	50	3.46	1.073	0.152	3.16	3.76	1	5
	2	20	3.75	0.851	0.190	3.35	4.15	2	5
	3	9	3.78	0.833	0.278	3.14	4.42	3	5
	4	5	3.80	0.447	0.200	3.24	4.36	3	4
	Total	84	3.58	0.972	0.106	3.37	3.79	1	5
2 are safer options than stock market	1	50	3.40	1.050	0.148	3.10	3.70	1	5
	2	20	3.55	1.050	0.235	3.06	4.04	1	5
	3	9	3.44	0.882	0.294	2.77	4.12	2	5
	4	5	3.80	0.447	0.200	3.24	4.36	3	4
	Total	84	3.46	0.999	0.109	3.25	3.68	1	5
Investing in mutual fund is easy for investor as amounts are divided into smaller installment spread over a period of time	1	50	3.46	1.034	0.146	3.17	3.75	1	5
	2	20	3.65	0.933	0.209	3.21	4.09	1	5
	3	9	3.78	0.972	0.324	3.03	4.52	2	5
	4	5	4.00	0.707	0.316	3.12	4.88	3	5
	Total	84	3.57	0.985	0.108	3.36	3.79	1	5
2 helps in tax saving	1	50	3.26	1.026	0.145	2.97	3.55	1	5
	2	20	3.60	0.681	0.152	3.28	3.92	2	5
	3	9	3.67	1.225	0.408	2.73	4.61	1	5
	4	5	3.80	0.447	0.200	3.24	4.36	3	4
	Total	84	3.42	0.960	0.105	3.21	3.62	1	5
Howlikely are you to seek the advice of a financial advisor before investing in mutual fund?	1	50	2.80	1.262	0.178	2.44	3.16	1	5
	2	20	3.20	1.240	0.277	2.62	3.78	1	5
	3	9	3.11	1.167	0.389	2.21	4.01	1	5
	4	5	3.40	1.673	0.748	1.32	5.48	1	5
	Total	84	2.96	1.265	0.138	2.69	3.24	1	5
Howimportant is to you that a mutual fund is backed by a reputable firm?	1	50	3.42	1.180	0.167	3.08	3.76	1	5
	2	20	3.65	0.988	0.221	3.19	4.11	1	5
	3	9	4.00	1.323	0.441	2.98	5.02	2	5
	4	5	4.00	1.732	0.775	1.85	6.15	1	5
	Total	84	3.57	1.185	0.129	3.31	3.83	1	5
Howlikely are you to invest in a mutual fund in the near future?	1	50	3.72	1.262	0.179	3.36	4.08	1	5
	2	20	3.40	1.142	0.255	2.87	3.93	1	5
	3	9	4.11	1.054	0.351	3.30	4.92	2	5
	4	5	3.80	1.643	0.735	1.76	5.84	1	5
	Total	84	3.69	1.232	0.134	3.42	3.96	1	5

In the given table, the mean is 2.92 and 1.044 is standard deviation for variable 1, for variable 2 mean is 2.82 and 1.020 is standard deviation, variable 3 mean is 3.29 and 0.872 is standard deviation, variable 4 mean is 3.58 and 0.972 is standard deviation, variable 5 mean is 3.46 and 0.999 is standard deviation, variable 6 mean is 3.57 and 0.985 is standard deviation, variable 7 mean is 3.42 and 0.960 is standard deviation, , variable 8 mean is 2.96 and 1.265 is standard deviation, variable 9 mean is 3.57 and 1.185 is standard deviation, variable 10 mean is 3.6 and 1.232 is standard deviation, where 95% is the confidence level i.e., 0.05. So, therefore here the variables are varying accordingly.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
It is less risky as compare to other instrument in the capital market	Between Groups	1.397	3	0.466	0.418	0.740
	Within Groups	89.020	80	1.113		
	Total	90.417	83			
It offers high returns than other financial instrument.	Between Groups	3.603	3	1.201	1.161	0.330
	Within Groups	82.719	80	1.034		
	Total	86.321	83			
It offers variety of investment amount that is suitable for all the investors i.e, lowrange to high range	Between Groups	0.813	3	0.271	0.348	0.791
	Within Groups	62.330	80	0.779		
	Total	63.143	83			
It is a more of long term investment as compared to other investments	Between Groups	1.891	3	0.630	0.659	0.580
	Within Groups	76.526	80	0.957		
	Total	78.417	83			
2 are safer options than stock market	Between Groups	0.921	3	0.307	0.299	0.826
	Within Groups	81.972	80	1.025		
	Total	82.893	83			
Investing in mutual fund is easy for investor as amounts are divided into smaller installment spread over a period of time	Between	2.046	3	0.682	0.695	0.558
	Within Group	78.526	80	0.982		
	Total	80.571	83			
2 helps in tax saving	Between Groups	3.197	3	1.066	1.164	0.329
	Within Groups	73.220	80	0.915		
	Total	76.417	83			
How likely are you to seek the advice of a financial advisor before investing in mutual fund?	Between Groups	3.604	3	1.201	0.743	0.529
	Within Groups	129.289	80	1.616		
	Total	132.893	83			
How important is to you that a mutual fund is backed by a reputable firm?	Between Groups	3.841	3	1.280	0.909	0.441
	Within Groups	112.730	80	1.409		
	Total	116.571	83			
How likely are you to invest in a mutual fund in the near future?	Between Groups	3.383	3	1.128	0.736	0.534
	Within Groups	122.569	80	1.532		
	Total	125.952	83			

As can be seen in the above table p values (Sig.) is 0.740 for the variable 1 which is more than the α value i.e., 95% confidence level, which is 0.05. For variable 2, 0.330 is given. Variable 3, 0.791. Variable 4, 0.580. Variable 5, 0.826. Variable 6, 0.558. Variable 7, 0.329. Variable 8, 0.529. Variable 9, 0.441. Variable 10, 0.534 Therefore, all the variables are not significantly distinguishing the segments at 95% confidence level.

Post Hoc Tests

Multiple Comparisons

Tukey HSD

Dependent Variable			Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
It is less risky as compare to other instrument in the capital market	1	2	-0.240	0.279	0.825	-0.97	0.49
		3	-0.140	0.382	0.983	-1.14	0.86
		4	0.260	0.495	0.953	-1.04	1.56
	2	1	0.240	0.279	0.825	-0.49	0.97
		3	0.100	0.423	0.995	-1.01	1.21
		4	0.500	0.527	0.779	-0.88	1.88
	3	1	0.140	0.382	0.983	-0.86	1.14
		2	-0.100	0.423	0.995	-1.21	1.01
		4	0.400	0.588	0.904	-1.14	1.94
	4	1	-0.260	0.495	0.953	-1.56	1.04
		2	-0.500	0.527	0.779	-1.88	0.88
		3	-0.400	0.588	0.904	-1.94	1.14
It offers high returns than other financial instrument.	1	2	0.370	0.269	0.518	-0.34	1.08
		3	-0.191	0.368	0.954	-1.16	0.77
		4	0.520	0.477	0.696	-0.73	1.77
	2	1	-0.370	0.269	0.518	-1.08	0.34
		3	-0.561	0.408	0.519	-1.63	0.51
		4	0.150	0.508	0.991	-1.18	1.48
	3	1	0.191	0.368	0.954	-0.77	1.16
		2	0.561	0.408	0.519	-0.51	1.63
		4	0.711	0.567	0.595	-0.78	2.20
	4	1	-0.520	0.477	0.696	-1.77	0.73
		2	-0.150	0.508	0.991	-1.48	1.18
		3	-0.711	0.567	0.595	-2.20	0.78
It offers variety of investment amount that is suitable for all the investors i.e, low range to high range	1	2	-0.130	0.234	0.944	-0.74	0.48
		3	-0.113	0.320	0.985	-0.95	0.73
		4	-0.380	0.414	0.795	-1.47	0.71
	2	1	0.130	0.234	0.944	-0.48	0.74
		3	0.017	0.354	1.000	-0.91	0.95
		4	-0.250	0.441	0.942	-1.41	0.91
	3	1	0.113	0.320	0.985	-0.73	0.95
		2	-0.017	0.354	1.000	-0.95	0.91
		4	-0.267	0.492	0.949	-1.56	1.03
	4	1	0.380	0.414	0.795	-0.71	1.47
		2	0.250	0.441	0.942	-0.91	1.41
		3	0.267	0.492	0.949	-1.03	1.56
It is a more of long term investment as compared to other investments	1	2	-0.290	0.259	0.678	-0.97	0.39
		3	-0.318	0.354	0.806	-1.25	0.61
		4	-0.340	0.459	0.880	-1.54	0.86
	2	1	0.290	0.259	0.678	-0.39	0.97
		3	-0.028	0.393	1.000	-1.06	1.00
		4	-0.050	0.489	1.000	-1.33	1.23
	3	1	0.318	0.354	0.806	-0.61	1.25
		2	0.028	0.393	1.000	-1.00	1.06
		4	-0.022	0.546	1.000	-1.45	1.41
	4	1	0.340	0.459	0.880	-0.86	1.54
		2	0.050	0.489	1.000	-1.23	1.33
		3	0.022	0.546	1.000	-1.41	1.45
2 are safer options than stock market	1	2	-0.150	0.268	0.944	-0.85	0.55
		3	-0.044	0.367	0.999	-1.01	0.92
		4	-0.400	0.475	0.834	-1.65	0.85
	2	1	0.150	0.268	0.944	-0.55	0.85
		3	0.106	0.406	0.994	-0.96	1.17
		4	-0.250	0.506	0.960	-1.58	1.08
	3	1	0.044	0.367	0.999	-0.92	1.01
		2	-0.106	0.406	0.994	-1.17	0.96
		4	-0.356	0.565	0.922	-1.84	1.13
	4	1	0.400	0.475	0.834	-0.85	1.65
		2	0.250	0.506	0.960	-1.08	1.58
		3	0.356	0.565	0.922	-1.13	1.84
Investing in mutual fund is easy for investor as amounts are divided into smaller installment spread over a period of time	1	2	-0.190	0.262	0.887	-0.88	0.50
		3	-0.318	0.359	0.812	-1.26	0.62
		4	-0.540	0.465	0.652	-1.76	0.68
	2	1	0.190	0.262	0.887	-0.50	0.88
		3	-0.128	0.398	0.988	-1.17	0.92
		4	-0.350	0.495	0.894	-1.65	0.95
	3	1	0.318	0.359	0.812	-0.62	1.26
		2	0.128	0.398	0.988	-0.92	1.17
		4	-0.222	0.553	0.978	-1.67	1.23
	4	1	0.540	0.465	0.652	-0.68	1.76
		2	0.350	0.495	0.894	-0.95	1.65
		3	0.222	0.553	0.978	-1.23	1.67

2 helps in tax saving	1	2	-0.340	0.253	0.538	-1.00	0.32
		3	-0.407	0.346	0.645	-1.32	0.50
		4	-0.540	0.449	0.627	-1.72	0.64
	2	1	0.340	0.253	0.538	-0.32	1.00
		3	-0.067	0.384	0.998	-1.07	0.94
		4	-0.200	0.478	0.975	-1.46	1.06
	3	1	0.407	0.346	0.645	-0.50	1.32
		2	0.067	0.384	0.998	-0.94	1.07
		4	-0.133	0.534	0.994	-1.53	1.27
	4	1	0.540	0.449	0.627	-0.64	1.72
		2	0.200	0.478	0.975	-1.06	1.46
		3	0.133	0.534	0.994	-1.27	1.53
How likely are you to seek the advice of a financial advisor before investing in mutual fund?	1	2	-0.400	0.336	0.635	-1.28	0.48
		3	-0.311	0.460	0.906	-1.52	0.90
		4	-0.600	0.596	0.746	-2.16	0.96
	2	1	0.400	0.336	0.635	-0.48	1.28
		3	0.089	0.510	0.998	-1.25	1.43
		4	-0.200	0.636	0.989	-1.87	1.47
	3	1	0.311	0.460	0.906	-0.90	1.52
		2	-0.089	0.510	0.998	-1.43	1.25
		4	-0.289	0.709	0.977	-2.15	1.57
	4	1	0.600	0.596	0.746	-0.96	2.16
		2	0.200	0.636	0.989	-1.47	1.87
		3	0.289	0.709	0.977	-1.57	2.15
How important is to you that a mutual fund is backed by a reputable firm?	1	2	-0.230	0.314	0.884	-1.05	0.59
		3	-0.580	0.430	0.535	-1.71	0.55
		4	-0.580	0.557	0.726	-2.04	0.88
	2	1	0.230	0.314	0.884	-0.59	1.05
		3	-0.350	0.476	0.883	-1.60	0.90
		4	-0.350	0.594	0.935	-1.91	1.21
	3	1	0.580	0.430	0.535	-0.55	1.71
		2	0.350	0.476	0.883	-0.90	1.60
		4	0.000	0.662	1.000	-1.74	1.74
	4	1	0.580	0.557	0.726	-0.88	2.04
		2	0.350	0.594	0.935	-1.21	1.91
		3	0.000	0.662	1.000	-1.74	1.74
How likely are you to invest in a mutual fund in the near future?	1	2	0.320	0.327	0.763	-0.54	1.18
		3	-0.391	0.448	0.819	-1.57	0.78
		4	-0.080	0.581	0.999	-1.60	1.44
	2	1	-0.320	0.327	0.763	-1.18	0.54
		3	-0.711	0.497	0.484	-2.01	0.59
		4	-0.400	0.619	0.917	-2.02	1.22
	3	1	0.391	0.448	0.819	-0.78	1.57
		2	0.711	0.497	0.484	-0.59	2.01
		4	0.311	0.690	0.969	-1.50	2.12
	4	1	0.080	0.581	0.999	-1.44	1.60
		2	0.400	0.619	0.917	-1.22	2.02
		3	-0.311	0.690	0.969	-2.12	1.50

Descriptives

						95% Confidence Interval for Mean			
		N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum
2 helps in tax saving	1	54	3.28	0.998	0.136	3.01	3.55	1	5
	2	30	3.67	0.844	0.154	3.35	3.98	1	5
	Total	84	3.42	0.960	0.105	3.21	3.62	1	5
It is a more of long term investment as compared to other investments	1	54	3.44	1.003	0.137	3.17	3.72	1	5
	2	30	3.83	0.874	0.160	3.51	4.16	1	5
	Total	84	3.58	0.972	0.106	3.37	3.79	1	5

In the given table, the mean is 3.42 for and 0.960 is standard deviation for variable 1 and for variable 2 3.58 and 0.972 is standard deviation, where 95% is the confidence level i.e., 0.05. So, therefore here the variables are not significant in nature.

H0: There is no correlation between the variables influencing investment in mutual funds

H1: There are underlying factors in the variables influencing investment in mutual funds- Factor analysis

H0: There is no significant relationship between annual income level and risk perception in mutual fund investment

H2: Annual income level significantly impacts the risk perception in mutual fund investment

H0: Age doesn't impact tax saving perception and long-term orientation in mutual fund investment behavior

H3: Age significantly impacts tax saving perception and long-term orientation in mutual fund investment behaviour.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
2 helps in tax saving	Between Groups	2.917	1	2.917	3.254	0.075
	Within Groups	73.500	82	0.896		
	Total	76.417	83			
It is a more of long term investment as compared to other investments	Between Groups	2.917	1	2.917	3.168	0.079
	Within Groups	75.500	82	0.921		
	Total	78.417	83			

As can be seen in the above table p values (Sig.) is 0.075 for the variable 1 which is more than the α value i.e., 95% confidence level, which is 0.05. And for variable 2 0.079 is given. Therefore, all the variables are not significantly distinguishing the segments at 95% confidence level.

FACTOR ANANLYSIS OUTPUT

Rotated Component Matrix[a]					
	Component				
	1	2	3	4	5
If yes, how long have you been investing in mutual funds?	-0.066	0.112	0.784	0.100	-0.192
Do you research before investing in mutual funds	-0.074	0.021	-0.111	-0.814	0.038
What is your investment portfolio allocation to mutual funds?	0.028	0.043	0.885	-0.021	0.031
What type of mutual funds have you invested in?(Select all that apply)	0.090	-0.110	0.158	-0.214	-0.746
How do you evaluate the performance of your mutual fund investments?	0.324	-0.065	0.168	-0.258	0.669
It is less risky as compare to other instrument in the capital market	0.717	0.058	0.041	0.138	0.028
It offers high returns than other financial instrument.	0.234	0.781	0.106	-0.119	-0.023
It offers variety of investment amount that is suitable for all the investors i.e, low range to high range	0.735	0.404	-0.005	0.069	0.079
It is a more of long term investment as compared to other investments	0.695	0.073	0.045	-0.023	0.088
mutual funds are safer options than stock market	0.686	0.290	0.116	-0.199	0.002
Investing in mutual fund is easy for investor as amounts are divided into smaller installment spread over a period of time	0.796	0.230	-0.008	0.130	-0.049
mutual funds helps in tax saving	0.711	0.177	0.003	0.138	0.091
How likely are you to seek the advice of a financial advisor before investing in mutual fund?	-0.009	0.553	-0.040	0.030	0.426
How important is to you that a mutual fund is backed by a reputable firm?	0.615	0.389	-0.091	0.410	-0.002
How likely are you to invest in a mutual fund in the near future?	0.329	0.616	0.279	0.307	-0.034
Unstandardized Predicted Value	0.571	0.781	0.020	0.125	0.019
Standardized Predicted Value	0.571	0.781	0.020	0.125	0.019
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.					
a. Rotation converged in 9 iterations.					

Communalities		
	Initial	Extraction
How familiar are you with mutual fund?	1.000	0.484
Have you invested in 2 before?	1.000	0.502
If 1, how long have you been investing in 2?	1.000	0.679
Do you research before investing in 2	1.000	0.682
What is your investment portfolio allocation to 2?	1.000	0.787
What type of 2 have you invested in?(Select all that apply)	1.000	0.647
How do you evaluate the performance of your mutual fund investments?	1.000	0.651
It is less risky as compare to other instrument in the capital market	1.000	0.538
It offers high returns than other financial instrument.	1.000	0.691
It offers variety of investment amount that is suitable for all the investors i.e, low range to high range	1.000	0.714
It is a more of long term investment as compared to other investments	1.000	0.498
2 are safer options than stock market	1.000	0.608
Investing in mutual fund is easy for investor as amounts are divided into smaller installment spread over a period of time	1.000	0.705
2 helps in tax saving	1.000	0.565
How likely are you to seek the advice of a financial advisor before investing in mutual fund?	1.000	0.490
How important is to you that a mutual fund is backed by a reputable firm?	1.000	0.706
How likely are you to invest in a mutual fund in the near future?	1.000	0.662
Unstandardized Predicted Value	1.000	0.952
Standardized Predicted Value	1.000	0.952

Extraction Method: Principal Component Analysis.

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	6.770	35.629	35.629	6.770	35.629	35.629	4.527	23.826	23.826
2	1.933	10.174	45.803	1.933	10.174	45.803	3.196	16.823	40.650
3	1.390	7.316	53.119	1.390	7.316	53.119	1.878	9.884	50.534
4	1.230	6.472	59.590	1.230	6.472	59.590	1.547	8.140	58.674
5	1.191	6.268	65.858	1.191	6.268	65.858	1.365	7.184	65.858
6	0.960	5.052	70.910						
7	0.847	4.456	75.366						
8	0.734	3.862	79.228						
9	0.650	3.423	82.651						
10	0.582	3.065	85.716						
11	0.552	2.907	88.624						
12	0.532	2.798	91.422						
13	0.393	2.070	93.492						
14	0.374	1.967	95.459						
15	0.326	1.717	97.176						
16	0.312	1.642	98.818						
17	0.225	1.182	100.000						
18	3.635E-16	1.913E-15	100.000						
19	-1.459E-15	-7.680E-15	100.000						

Extraction Method: Principal Component Analysis.

“Initial Eigenvalues” gives the eigenvalues. The eigenvalues for the factors are, as expected, in increasing order of magnitude as we go from factor 1 to factor 19. The eigenvalue for a factor indicates the total variance attributed to that factor. The total variance accounted for by all 19 factors is 6.00, which is equal to the number of given variables. Factor 1 accounts for a variance of 6.770, which is (6.770/19) or 35.629 percent of the total variance. Likewise, the second factor accounts for (1.933/19) or 10.174 percent of the total variance, third factor accounts for a variance of 1.390, which is (6.770/19) or 7.318 percent of the total variance, the fourth factor accounts for (1.230/19) or 6.472 percent of the total variance and so on, and the first four factors combined account for 65.858 percent of the total variance.

Rotated Component Matrix[a]

	Component				
	1	2	3	4	5
How familiar are you with mutual fund?	0.201	0.395	0.160	0.467	0.207
Have you invested in 2 before?	-0.152	-0.043	-0.521	-0.368	-0.264
If 1, how long have you been investing in 2?	-0.066	0.112	0.784	0.100	-0.192
Do you research before investing in 2	-0.074	0.021	-0.111	-0.814	0.038
What is your investment portfolio allocation to 2?	0.028	0.043	0.885	-0.021	0.031
What type of 2 have you invested in?(Select all that apply)	0.090	-0.110	0.158	-0.214	-0.746
How do you evaluate the performance of your mutual fund investments?	0.324	-0.065	0.168	-0.258	0.669
It is less risky as compare to other instrument in the capital market	0.717	0.058	0.041	0.138	0.028
It offers high returns than other financial instrument.	0.234	0.781	0.106	-0.119	-0.023
It offers variety of investment amount that is suitable for all the investors i.e, low range to high range	0.735	0.404	-0.005	0.069	0.079
It is a more of long term investment as compared to other investments	0.695	0.073	0.045	-0.023	0.088
2 are safer options than stock market	0.686	0.290	0.116	-0.199	0.002
Investing in mutual fund is easy for investor as amounts are divided into smaller installment spread over a period of time	0.796	0.230	-0.008	0.130	-0.049
2 helps in tax saving	0.711	0.177	0.003	0.138	0.091
How likely are you to seek the advice of a financial advisor before investing in mutual fund?	-0.009	0.553	-0.040	0.030	0.426
How important is to you that a mutual fund is backed by a reputable firm?	0.615	0.389	-0.091	0.410	-0.002
How likely are you to invest in a mutual fund in the near future?	0.329	0.616	0.279	0.307	-0.034
Unstandardized Predicted Value	0.571	0.781	0.020	0.125	0.019
Standardized Predicted Value	0.571	0.781	0.020	0.125	0.019

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 9 iterations.

Interpret Factors (cut-off value) of factor loadings: above 0 .707; above0.60 is also permissible).

We always see rotated component matrix to identifying underlying factors. Interpretation is facilitated by identifying the variables that have large loadings on the same factor. That factor can then be interpreted in terms of the variables that load high on it. Another useful aid in interpretation is to plot the variables using the factor loadings as coordinates. Variables at the end of an axis are those that have high loadings on only that factor, and hence describe the factor.

Variables near the origin have small loadings on both the factors. Variables that are not near any of the axes are related to both the factors. If a factor cannot be clearly defined in terms of the original variables, it should be labeled as an undefined or a general factor.

In the rotated components matrix of, factor 19 has low coefficients for variables.

Note that a negative coefficient for a negative variable leads to a positive interpretation.

Component Transformation Matrix

Component	1	2	3	4	5
1	0.761	0.593	0.128	0.207	0.106
2	-0.298	0.075	0.882	0.356	-0.043
3	0.441	-0.390	0.286	-0.338	-0.676
4	0.328	-0.551	0.251	-0.145	0.711
5	-0.175	0.433	0.248	-0.834	0.158

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

FINDINGS

- 48% of the respondents invested in the capital market insignificant of income, age and employment status.
- 52% of the respondents invested in the Mutual Funds.
- It was found from the survey that the investment portfolio of the respondents carried mutual fund as a important instrument overtaking the stocks.
- Market Return was the factor that was voted highest in selecting the mutual fund and investing in it.
- The respondents were neutral on the risk factor associated with Mutual Fund.

- Mutual Fund suits to a large number of investors with regards to the investment and also the return associated with it.
- Respondents considered mutual fund to be a safer option than stocks.

CONCLUSION

Mutual funds are a popular investment vehicle for individuals looking to invest in the financial markets. A mutual fund is a pool of money collected from many investors to invest in stocks, bonds, and other financial assets.

Investor perception and awareness of mutual funds can vary depending on a variety of factors such as market conditions, investor demographics, and the availability of information. Some possible findings in a report on investor perception and awareness of mutual funds might include:

1. **Awareness of Mutual Funds**: The report might show the level of awareness among investors about mutual funds. It could measure the percentage of investors who have heard of mutual funds or who have invested in them before.
2. **Investor Preferences**: The report might also show the types of mutual funds that investors prefer to invest in, such as index funds, actively managed funds, or sector-specific funds.
3. **Factors influencing Investment Decisions**: The report analyze the factors that influence investors' decisions to invest in mutual funds, such as risk tolerance, investment goals, and financial knowledge.
4. **Performance Expectations**: The report might show investors' expectations regarding the performance of mutual funds, such as their expected rate of return or the level of risk they are willing to accept.
5. **Barriers to Investment**: The report could identify the barriers that prevent some investors from investing in mutual funds, such as lack of financial knowledge or a perceived lack of transparency.