

## **“Study on Investor Awareness of Mutual Funds”**

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### **Abstract**

A mutual fund is an investment vehicle that pools capital from multiple investors to create a diversified portfolio of stocks, bonds, and other securities. Investors purchase shares in the mutual fund, and a professional portfolio manager oversees asset allocation and trading decisions based on the fund's objectives.

Mutual funds provide an accessible and cost-effective means for individuals to diversify their investments, even with limited capital. They are regulated by the Securities and Exchange Commission (SEC), ensuring transparency, investor protection, and adherence to strict disclosure requirements.

With various types of mutual funds available—ranging from growth-focused to income-generating funds—investors can select funds that align with their financial goals and risk tolerance.

### **Need for the Study**

Investor awareness plays a crucial role in making informed financial decisions. Despite the increasing popularity of mutual funds, many investors lack a clear understanding of the different types of funds, associated risks, and potential benefits. The study aims to assess the level of investor awareness, factors influencing investment decisions, and ways to enhance financial literacy regarding mutual funds.

By analysing investor behaviour and knowledge gaps, this research will help financial institutions, policymakers, and educators develop better strategies to promote informed investment decisions.

### **Review of Literature**

Several studies have examined investor awareness and behaviour in mutual fund investments. Prior research highlights the factors such as financial literacy, risk perception, past investment experiences, and access to financial advisors significantly influence investment decisions. Some key findings from literature include:

- Investors with higher financial literacy tend to prefer diversified portfolios.
- Mutual fund investments are often influenced by social and peer recommendations.
- Lack of transparency and high management fees are major concerns among investors.
- Digital platforms and financial education programs can improve investor participation in mutual funds.

This review will further analyse existing studies to identify gaps and establish a foundation for this research.

## Research Methodology

The study will adopt a descriptive research approach to analyse investor awareness levels regarding mutual funds.

### Data Collection:

- **Primary Data:** A structured questionnaire will be used to collect responses from individual investors through surveys and interviews.
- **Secondary Data:** Information will be gathered from financial reports, mutual fund prospectuses, research articles, and regulatory guidelines.

### Sampling Method:

- A stratified random sampling method will be used to ensure diversity among respondents based on demographics, income levels, and investment experience.

### Data Analysis:

- The collected data will be analysed using statistical tools such as frequency distribution, correlation analysis, and regression models to identify key factors affecting investor awareness.

## References

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