

A STUDY ON MUTUAL FUNDS INVESTMENT BY THE INVESTORS IN BANKS: SBI

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ABSTRACT

Mutual funds have emerged as one of the most preferred investment avenues for individual investors due to their potential to provide diversification, professional fund management, liquidity, and risk-adjusted returns. The present study examines investors' perceptions, investment behaviour, and preferences towards mutual fund investments with special reference to SBI Mutual Fund. The study evaluates demographic characteristics, savings patterns, investment allocation, awareness levels, and factors influencing investment decisions. Primary data were collected from 150 respondents through a structured questionnaire, while secondary data were gathered from journals, reports, and financial publications. Statistical tools such as percentage analysis were employed to interpret the data. The findings reveal that young investors, particularly those aged between 25 and 30 years, demonstrate significant participation in mutual fund investments. The study concludes that mutual funds are increasingly recognized as an effective wealth creation instrument and that investor awareness, risk tolerance, and financial literacy significantly influence investment decisions.

Keywords: Mutual Funds, SBI Mutual Fund, Investors' Behaviour, Risk and Return, Investment Decisions, Financial Literacy, Portfolio Diversification.

I. INTRODUCTION

Mutual funds have become an integral component of modern investment management by offering investors an opportunity to participate in diversified portfolios managed by professional fund managers [1]. They enable individuals with limited capital to access a wide range of securities including equities, bonds, money market instruments, and hybrid assets [2]. The growth of the mutual fund industry has transformed the investment landscape by facilitating capital formation and encouraging financial inclusion [3]. Mutual funds reduce unsystematic risk through diversification and provide liquidity, transparency, and affordability to retail investors [4]. Investors are increasingly attracted to mutual funds due to their potential for generating long-term wealth and achieving financial goals [5]. The performance of mutual funds is influenced by market conditions, economic policies, interest rates, and fund management strategies [6]. Consequently, evaluating mutual fund performance has become an important area of financial research [7]. Investors often compare various schemes based on returns, risk exposure, portfolio composition, and fund ratings before making investment decisions [8]. The availability of equity, debt, balanced, index, and liquid funds has expanded investment opportunities for diverse investor categories [9]. The increasing awareness of systematic investment plans and digital investment platforms has further accelerated mutual fund participation [10]. The Indian mutual fund industry has witnessed substantial growth in assets under management over the last decade [11]. The Securities and Exchange Board of India has

also strengthened regulatory frameworks to protect investor interests and enhance transparency [12]. The emergence of fintech solutions and online investment platforms has simplified access to mutual fund products [13]. Investor confidence is increasingly shaped by risk-adjusted performance measures and professional fund management practices [14]. Mutual funds therefore serve as an effective intermediary between investors and capital markets [15].



In the Indian context, mutual funds have gained significant importance due to rising disposable incomes and growing financial awareness among households [16]. The expansion of asset management companies has increased the availability of diversified investment schemes [17]. Investors seek investment avenues that balance risk and return while ensuring liquidity and flexibility [18]. Mutual funds satisfy these requirements through professionally managed portfolios [19]. SBI Mutual Fund, one of India's largest fund houses, has played a significant role in promoting mutual fund investments among retail investors [20]. The performance evaluation of mutual funds assists investors in selecting suitable schemes aligned with their financial objectives [21]. Demographic variables such as age, income, education, and occupation significantly influence investment behaviour [22]. Financial literacy has emerged as a critical determinant of investment decisions [23]. Investors increasingly rely on fund performance indicators such as Net Asset Value, Sharpe Ratio, and Treynor Ratio [24]. Understanding investor preferences enables fund managers to design products that meet evolving market demands [25]. Furthermore, digital transformation has enhanced accessibility and convenience in mutual fund investing [26]. Economic growth and capital market development continue to strengthen the mutual fund ecosystem [27]. The growing acceptance of systematic investment strategies reflects changing investor attitudes [28]. Therefore, examining investor perceptions and preferences towards mutual funds is essential for understanding investment trends and enhancing financial market participation [29]. The present study aims to evaluate these aspects with special reference to SBI Mutual Fund investments [30].

II. LITERATURE SURVEY

Several researchers have examined mutual fund performance and investor behaviour from different perspectives. Bansal, Garg, and Saini analyzed mutual fund performance using Sharpe and Treynor ratios and emphasized the importance of risk-adjusted return measures in fund evaluation [1]. Veeraiah and Kishore Kumar compared Indian mutual fund schemes and found that professionally managed funds outperform naïve investment strategies [2]. Mehta investigated tax-oriented mutual funds and highlighted their contribution to wealth creation and portfolio

diversification [3]. Gupta and Bansal evaluated debt mutual fund schemes and reported that risk-return assessment is crucial for informed investment decisions [4]. Vanaja and Karrupasamy studied balanced mutual fund schemes and concluded that performance evaluation assists investors in selecting suitable funds [5]. Chandra Babu employed ARIMA models to forecast mutual fund NAVs and demonstrated the applicability of predictive analytics in financial decision-making [6]. Singh, Singh, and Ramananda Singh explored mutual fund positioning among small-town investors and emphasized awareness and affordability factors [7]. Patel conducted a comparative evaluation of Indian mutual funds using various performance measures and reported positive long-term returns [8]. Narayanasamy and Rathnamani assessed equity mutual funds using alpha, beta, and Sharpe ratio metrics [9]. Khurana and Panjwani analysed hybrid funds and stressed the significance of benchmark comparisons in performance evaluation [10]. Rajasekar investigated investor preferences and found that safety, liquidity, and growth remain primary considerations [11]. Shah examined mutual fund marketing practices and highlighted the importance of investor segmentation [12]. Sharma compared public and private sector mutual funds and identified transparency and service quality as influential factors [13]. Priyadarshini applied artificial neural networks for NAV forecasting and achieved satisfactory prediction accuracy [14]. Sathya Pal Sharma and Ravikumar analysed the risk-return relationship of equity mutual funds using CAPM [15].

Recent studies have further expanded understanding of investor behaviour and mutual fund performance. Behavioural finance research indicates that investor psychology significantly influences investment decisions [16]. Financial literacy has been identified as a major determinant of mutual fund adoption [17]. Digital platforms have increased accessibility and encouraged participation among young investors [18]. Studies have reported that demographic factors such as age and income affect risk tolerance levels [19]. Portfolio diversification remains a key motivation for mutual fund investment [20]. Researchers have highlighted the effectiveness of SIPs in mitigating market volatility [21]. Performance evaluation models continue to evolve with advancements in quantitative finance [22]. Machine learning techniques have improved forecasting accuracy for fund performance [23]. Investor awareness programs have contributed to higher participation rates [24]. Regulatory reforms have strengthened transparency and governance standards [25]. ESG-oriented mutual funds have attracted increasing investor attention [26]. Market volatility has reinforced the importance of risk-adjusted performance measures [27]. Comparative analyses reveal significant differences in fund performance across categories [28]. Asset management companies increasingly focus on investor education and digital engagement [29]. These findings collectively establish the relevance of examining investor preferences and mutual fund performance in the contemporary financial environment [30].

III. RESEARCH METHODOLOGY

The present study adopts a descriptive research design to examine investor preferences and investment behaviour towards mutual funds with special reference to SBI Mutual Fund. Both primary and secondary data sources were utilized to achieve the research objectives. Primary data were collected through a structured questionnaire administered to investors. The questionnaire included demographic variables, savings patterns, investment preferences, awareness levels, and factors influencing mutual fund investments. Secondary data were collected

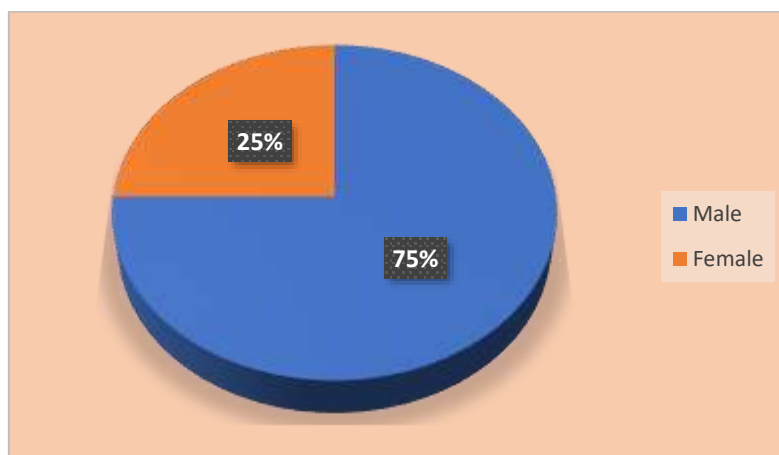
from books, journals, reports, websites, and publications related to mutual fund performance and investor behaviour.

A simple random sampling technique was employed to select respondents. The sample size consisted of 150 investors representing different age groups, income levels, and educational backgrounds. Percentage analysis was used to classify and interpret the responses obtained from participants. The collected data were organized into tables and graphical representations to facilitate analysis and interpretation. Variables such as age, income, annual savings, educational qualifications, and investment allocation were examined to identify patterns in mutual fund investment behaviour. The methodology provides a systematic framework for understanding investor perceptions, evaluating awareness levels, and assessing the factors influencing mutual fund investment decisions in the context of SBI Mutual Fund.

IV. RESULTS & DISCUSSION

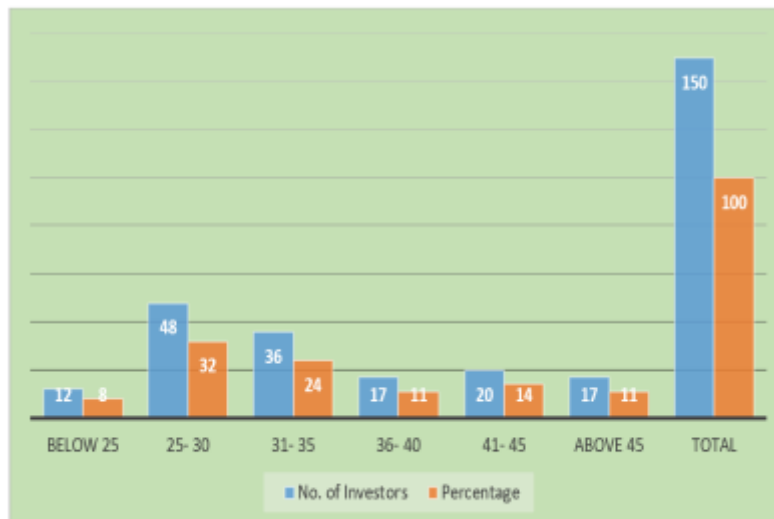
The analysis reveals that mutual fund investments are increasingly popular among young and educated investors. A majority of respondents were male investors, while the age group of 25–30 years represented the highest participation level in mutual fund investments. Most investors belonged to the income category of ₹2–5 lakhs annually, indicating that mutual funds are preferred even among middle-income groups. The study also found that a substantial proportion of respondents invest up to 50% of their savings in mutual funds, reflecting growing confidence in professionally managed investment products.

Gender	No. of Investors	Percentage
Male	112	75
Female	38	25
Total	150	100



Gender of investors

Age	No. of Investors	Percentage
Below 25	12	8
25- 30	48	32
31- 35	36	24
36- 40	17	11
41- 45	20	14
Above 45	17	11
Total	150	100



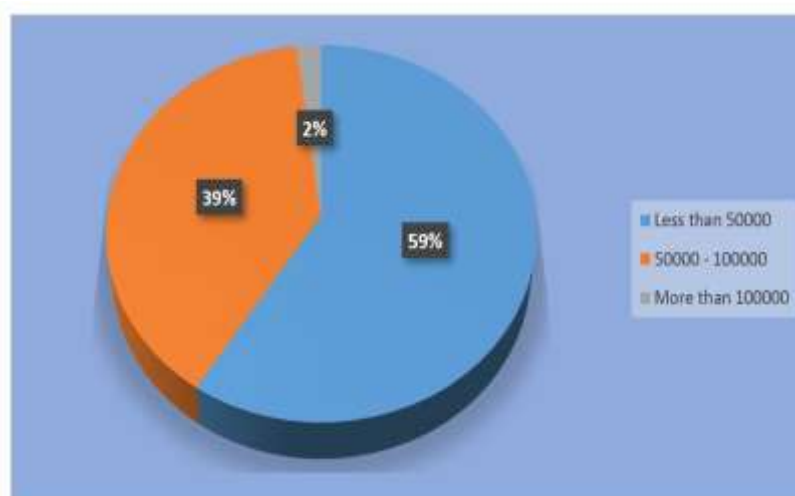
Age of Investors

Educational qualification significantly influenced investment awareness, with undergraduate and professional degree holders showing higher participation rates. Furthermore, a majority of respondents demonstrated awareness of specific mutual fund schemes, suggesting increasing financial literacy. Comparative analysis of selected equity mutual funds indicated that SBI Magnum Bluechip Fund generated competitive average returns, while other schemes exhibited varying levels of volatility. The findings suggest that investors prioritize return potential, diversification benefits, and professional management while making investment decisions. Overall, mutual funds have emerged as an attractive investment option due to their ability to balance risk and return while providing accessibility, liquidity, and long-term wealth creation opportunities.



Annual Income

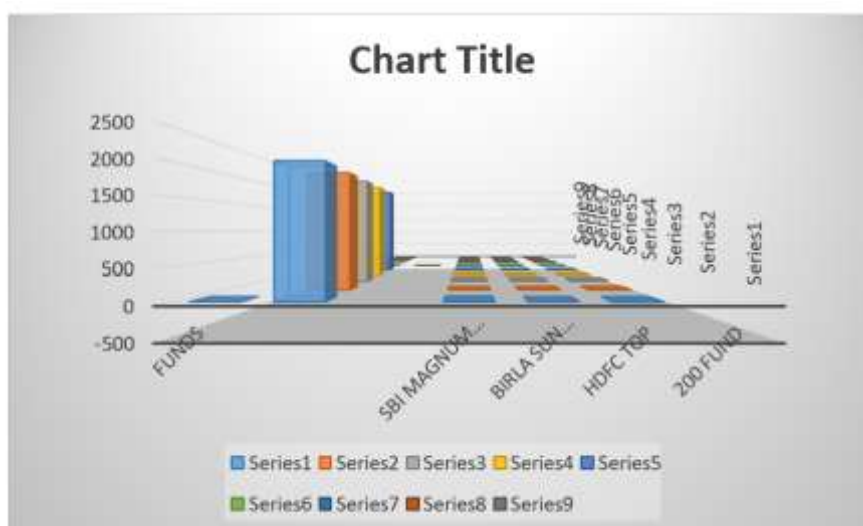
Annual savings	No. of Investors	Percentage
Less than 50000	89	59
50000 - 100000	58	39
More than 100000	03	02
Total	150	100



Annual Savings

Investment in mutual fund as a % of savings	Investors	Percentage
Upto 10%	31	21
Upto 25%	40	27
Upto 50%	48	32
Upto 75%	29	19
Full 100%	2	1
Total	150	100

Funds	Year							Rank	
	2017	2018	2019	2020	2021	Av.Return	SD	Av.Return	SD
SBI Magnum Bluechip fund	7.86	4.48	30.23	3.58	8.08	9.41	11.23	1	3
Birla Sun Life Frontline Equity Fund	0.92	6.97	30.58	-2.28	0.68	7.37	11.98	3	2
HDFC Top200	-6.21	7.82	31.97	0.75	3.17	7.5	13.04	2	1



Performance Evaluation of Equity Funds

V. CONCLUSION

The mutual fund industry has become an important pillar of the Indian financial system by mobilizing savings and channeling them into productive investment opportunities. The present study examined investor preferences, awareness levels, and investment behaviour with special reference to SBI Mutual Fund. The findings indicate that mutual funds are increasingly accepted as an effective investment avenue among retail investors due to their diversification benefits, professional management, liquidity, and potential for long-term wealth creation. Demographic factors such as age, income, and education significantly influence investment decisions and risk tolerance. Young investors demonstrated greater participation in mutual fund investments, reflecting increasing awareness and confidence in financial markets. The study also revealed that investors prefer mutual funds because they provide a balanced approach to risk and return while enabling participation in capital markets with relatively small investment amounts. The growing popularity of systematic investment plans and digital investment platforms has further enhanced investor accessibility and convenience. Comparative evaluation of selected mutual fund schemes suggests that performance varies across categories and fund houses, emphasizing the importance of careful scheme selection based on financial objectives and risk appetite. Investor education and financial literacy remain critical for improving investment decision-making and encouraging wider participation in mutual funds. Asset management companies should continue focusing on transparency, investor awareness programs, and innovative products to meet changing market expectations. In conclusion, mutual funds represent a reliable and efficient investment instrument for individual investors seeking long-term financial growth. The continued development of the mutual fund industry is expected to contribute significantly to capital market expansion, financial inclusion, and overall economic development.

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