A Study on Investors' Awareness and Attitude Towards Investing in SBI Mutual Funds

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Abstract

Mutual funds have emerged as one of the most popular investment avenues in India, offering diversification, professional management, and accessibility to both small and large investors. SBI Mutual Fund, one of the oldest and most trusted asset management companies in the country, has played a significant role in promoting financial literacy and investment culture. This study aims to examine investors' awareness and attitude towards investing in SBI mutual funds. The research explores the level of knowledge investors possess about mutual fund concepts, the factors influencing their investment decisions, and their perception of risk and returns associated with SBI Mutual Fund schemes. It also analyzes the extent to which investors rely on professional advice, digital platforms, and past performance when choosing investment options. The findings of the study are expected to provide valuable insights for asset managers, policymakers, and financial educators to improve investor engagement and enhance mutual fund penetration across different demographic groups.

Keywords: Mutual Funds, Investor Awareness, Investor Attitude, SBI Mutual Fund, Investment Behaviour, Fund Performance, Risk Perception, Financial Literacy, Asset Management.

1. Introduction

SBI Mutual Fund is the leading and most trusted asset management companies in India. It was established in **1987** as a joint venture between the State Bank of India (SBI)**,** India's largest public sector bank, and Amundi Asset Management, one of Europe's leading asset management companies. The fund operates under SBI Funds Management Pvt. Ltd.(SBIFMPL) and has its headquarters in Mumbai, Maharashtra**.** The main objective of SBI Mutual Fund is to encourage savings and investment habits among people by offering professionally managed investment schemes that cater to various financial goals and risk appetites.

Over the years, SBI mutual fund has built a strong reputation for trust, transparency, and investor satisfaction. It provides a wide range of mutual fund schemes including equity funds, debt funds, hybrid funds, exchange-traded funds (ETFs), index funds, and liquid funds**.** These schemes are designed to meet the diverse investment needs of retail as well as institutional investors. The company's philosophy is centered around delivering consistent long-term returns through disciplined investment processes and strong research capabilities.

Background of the study

Mutual funds have become a popular investment option in India due to professional management, diversification, and accessibility. SBI Mutual Fund, backed by the State Bank of India, is the most trusted fund houses, attracting a large base of retail and institutional investors. However, many individuals still lack adequate awareness about mutual fund concepts, risk levels, and scheme selection, which affects their investment decisions. Understanding investors' awareness and attitude is essential to evaluate how they perceive SBI Mutual Fund and the factors which influence their behaviour. This study aims to assess investor knowledge, preferences, and attitudes towards investment in SBI Mutual Funds.

Problem statement

In a fast growing financial market mutual fund have become an important investment option for many people but still some people and investors lack of proper knowledge and understanding the concept of mutual fund the investors are unaware of the various mutual fund schemes and their benefits .Due to lack of awareness of mutual fund concept many investors and general public prefer traditional saving schemes like fixed deposit, recurring deposits, non- recurring deposits, gold and real estate investment.Some people are also having willing to invest in the mutual fund but they ignore due to the fear, income and occupation so this study covers the understanding the level of investor towards mutual fund and identify the reason to withdraw the investment in the mutual fund.

Significance of the topic

This study is significant to understand how well investors are informed about SBI Mutual Funds and find out the shapes their attitudes toward investment. By identifying gaps in awareness, the research provides valuable insights for financial institutions, policymakers, and educators to design effective investor education programs. The findings will help SBI Mutual Fund and other AMCs to improve communication strategies, enhance transparency, and build investor trust. For investors, the study highlights the importance of informed decision-making and risk awareness. Overall, the research contributes to improving financial literacy, promoting responsible investing, and strengthening mutual fund participation in India.

Purpose of the study

The purpose of this study is to evaluate the level of awareness and the attitude of investors towards investing in SBI Mutual Funds. It aims to understand how investors perceive mutual fund risks, returns, and benefits, and to identify the key factors influencing their investment decisions. The study also seeks to determine whether investors rely on financial knowledge, advice, or past performance while choosing SBI Mutual Fund schemes. By analyzing these aspects, the research intends to provide insights that can help to improve investor education, enhance decision-making, and support the development of more effective investment strategies.

REVIEW OF LITERATURE

A literature review may, at a basic level, consist of a simple summary of existing sources; however, it typically adheres to a structured organizational pattern and integrates both summary and synthesis. While a summary provides an overview of the key information from each source, a synthesis involves the reorganization and integration of that information to present a coherent analytical perspective. In the present study, both the summary and synthesis of prior research pertaining to the attitude and awareness of investors toward SBI mutual funds have been undertaken. The identified research gap in the existing body of literature has been systematically addressed through the present investigation.

Dr. K. Veeraiah and Dr. A. Kishore Kumar (Jan 2014),[1] conducted research on **Comparative Performance Analysis of Select Indian Mutual Fund Schemes.** This study analyzes the performance of Indian owned mutual funds and compares their performance. The performance of these funds was analyzed using a five-year NAVs and portfolio allocation. Findings of the study reveals that, mutual funds out perform naïve investment.

Mrs. V. Sasikala and Dr. A. Lakshmi (Jan 2014)[2] have studied The Mutual Fund Performance Between 2008 And 2010: Comparative Analysis. The paper entitled "comparative analysis of mutual fund performance between 2008 & 2010. The paper was undertaken to know the after-meltdown period risks and returns of 2008 top hundred mutual funds and compare with 2010 top hundred mutual funds published in Business today. The analysis of alpha, beta, standard deviation, Sharpe ratio and R-squared are declare high, low, average, above average and below average of risks and return of funds.

Sowmiya. G, (Jan 2014),[3] has studied Performance Evaluation of Mutual Funds in India. The objectives of this are to know the basic concepts and terminologies of the mutual funds in public limited companies and private limited companies. To analyze performance and growth of selected mutual funds schemes with their NAV and their returns. To identify the return variance and to provide suggestions based on the analysis.

Srinivas Yadav and Hemanth N C (Feb 2014),[4] have studied Performance of Selected Equity Growth Mutual Funds in India: An Empirical Study during 1st June 2010 to 31st May 2013. The study evaluates performance of selected growth equity funds in India, carried out using portfolio performance evaluation

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[1] **Dr.K.Veeraiah and Dr. A. Kishore Kumar,**"Comparative Performance Analysis of Select Indian Mutual Fund Schemes." Published in Asia pacific journal of marketing & management review, vol. 3, no. 1, January 2014

[2] **Mrs. V. Sasikala and Dr. A. Lakshmi (Jan 2014) Mrs. V. Sasikala and Dr. A. Lakshmi (Jan 2014),** "The paper entitled "comparative analysis of mutual fund performance between 2008 & 2010." Published in journal on investment and finance vol.9, issue 1, January 2014, ISSN 2056 1234

[3] **Sowmiya. G, (Jan 2014),** "Performance Evaluation of Mutual Funds in India." Published in international journal of scientific research(IJSR), vol.vol.3, issue1, ISSN 2277 8179

[4] **Srinivas Yadav and Hemanth N C (Feb 2014),**"studied Performance of Selected Equity Growth Mutual Funds in India: An Empirical Study,"published in international monthly referred journal of research in management & technology vol. III, February 2014, ISSN 2320 - 2422

techniques such as Sharpe and Treynor measure. S&P CNX NIFTY has been taken as the benchmark. The study conducted with 15 equity growth Schemes (NAV) were chosen from top 10 AMCs (based on AUM) for the period 1st June 2010 to 31st may 2013(3 years).

Vibha Lamba (Feb 2014),[5]has done an analysis of Portfolio Management in India. The purpose of present study is to analyses the scope and importance of portfolio management in India. This paper also focuses on the types and steps of portfolio management which a portfolio manager should take to provide maximum returns and minimum risk to his clients for their investments.

Prof. V. Vanaja and Dr. R. Karupasamy (2013),[6]have done a Study on the Performance of select Private Sector Balanced Category Mutual Fund Schemes in India. This study of performance evaluation would help the investors to choose the best schemes available and will also help the AUMs in better portfolio construction and can rectify the problems of underperforming schemes. The objective of the study is to evaluate the performance of select Private sector balanced schemes on the basis of returns and comparison with their bench marks and also to appraise the performance of different category of funds using risk adjusted measures as suggested by Sharpe, Treynor and Jensen.

Dr. E. Priyadarshini (2013),[7]has done Analysis of the Performance of Artificial Neural Network Technique for Forecasting Mutual Fund Net Asset Values. In this paper, the Net Asset Values of four Indian Mutual Funds were predicted using Artificial Neural Network after eliminating the redundant variables using PCA and the performance was evaluated using standard statistical measures such as MAPE, RMS.

Dr. N. K. Sathya Pal Sharma and Ravikumar. R (2013),[8] have done the analysis of the Risk and Return Relationship of Equity Based Mutual Fund in India. In this paper an attempt has been made to analyze the performance of equity based mutual funds. A total of 15 schemes offered by 2 private sectors companies and 2 public sector companies, have been studied over the period April 1999 to April 2013 (15years). The analysis has been made using the risk-return relationship and Capital Asset Pricing model (CAP).

Rashmi Sharma and N. K. Pandya (2013),[9]have done an overview of Investing in Mutual Fund. In this paper, structure of mutual fund, comparison between investments in mutual fund and other investment options and calculation of NAV etc. have been considered. In this paper, the impacts of

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[5]**Vibha Lamba (Feb 2014),**"analysis of Portfolio Management in India." Published in international Journal in advancement in research & technology,volume.2, issue 8, 2013

[6]**Prof. V. Vanaja and Dr. R. Karupasamy,** "performance evolution of balanced mutual fund scheme in Indian private sector." international journal of business and management invention (IJBMI), vol. 2, issue 4, April 2013, pp. 18 -24, ISSN(Online):2319 - 8028

[7]**Dr. E. Priyadarshini (2013),** "Performance of Artificial Neural Network Technique for Forecasting Mutual Fund Net Asset Values." Published in international journal of applied research in computer science and software engineering(IJARCSSE), vol.3, issue11, November 2013 ISSN 2277 – 128x

[8]**Dr. N. K. Sathya Pal Sharma and Ravikumar. R (2013)**,"analysis of the Risk and Return Relationship of Equity Based Mutual Fund in India." Published in international journal of finance and banking, (IJFB) vol.5 issue 2,October 2012 ISSN 2349 - 5678

[9]**Rashmi Sharma and N. K. Pandya (2013)**,"overview of Investing in Mutual Fund." Published in international journal of scientific research (IJSR) vol.2, issue 5, may 2013, ISSN 2277 - 8179

various demographic factors on investors' attitude towards mutual fund have been studied. For measuring various phenomena and analyzing the collected data effectively and efficiently for drawing sound conclusions, drawing pie charts has been used and for analyzing the various factors responsible for investment in mutual funds.

Jafri Arshad Hasan, (2013),[10] has studied The Performance Evaluation of Indian Mutual Fund Industry past, Present and Future. This article will discuss the past performance of the Indian mutual fund industry and the pace of growth it achieved after being succumbed to regulatory changes by SEBI, international factors and its non-performance that affected the industry and its sentiments.

Ms. Shalini Goyal and Ms. Dauly Bansal (2013)[11] have done A Study on Mutual Funds in India. This paper focuses on the entire journey of mutual fund industry in India. Its origin, its fall and rise throughout all these years and tried to predict what the future may hold for the Mutual Fund Investors in the long-run.

OBJECTIVES OF THE STUDY

- To find out the level of awareness among investor towards SBI mutual fund
- To study the attitude of investor towards investing SBI mutual fund

Hypotheses of the Study:

H_{01} (Null Hypothesis):
There is no significant level of awareness among investors regarding the risks associated with SBI Mutual Fund schemes.

H_{11} (Alternative Hypothesis):
There is a significant level of awareness among investors regarding the risks associated with SBI Mutual Fund schemes.

H_{02} (Null Hypothesis):
Investor attitude towards investing in SBI Mutual Fund is not significantly influenced by their satisfaction with returns.

H_{12} (Alternative Hypothesis):
Investor attitude towards investing in SBI Mutual Fund is significantly influenced by their satisfaction with returns.

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[10] **Jafri Arshad Hasan, (2013),** "The Performance Evaluation of Indian Mutual Fund Industry past, Present and Future." Published in international journal of applied research (IJAR) , vol.3, issue 7, July 2013, ISSN 2249 – 555x
[11] **Ms. Shalini Goyal and Ms. Dauly Bansal (2013),** "A Study on Mutual Funds in India." Published in international journal of application or innovation in engineering and management (IJAIEM), vol.2, issue 7, ISSN 2319 - 4847

SCOPE OF THE STUDY:

The main scope of the study on mutual funds focuses on understand the awareness, and attitude of the investor. It aims to assess how investor to understand the investors interest towards different schemes offered by mutual fund. It also helps to identify the challenges faced by the investors for investing in the mutual fund schemes.

RESEARCH METHODOLOGY:

Research design

The research is analytical research. It focuses on examining and interpreting financial data to understand the patterns, trends, and relationships. The main objective of research is to evaluate financial performance and behaviour using the available data. In this study the data is more reliable on the primary data and this data are collected through structured questionnaire from the respondents.

Sampling method and sample size

Convenience sampling was used to collect data from easily accessible respondents. This non-probability method enabled quick and efficient data collection within the available time. A total sample size of 50 participants was selected based on accessibility and feasibility, ensuring timely completion of the study

Data collection methods

The study is completely based on primary data collected through questionnaires. The main tools applied include the return satisfaction ratio, and risk awareness ratio**.** The The return satisfaction ratio is used to assess how satisfied investors are with the returns generated by the schemes. **The** risk awareness ratio helps to determine the extent to which investors are aware of the risks involved in SBI mutual fund investments. These ratios together provide a clear picture of investor behaviours, confidence, and awareness levels.

Tools and techniques used for analysis

The study is completely based on primary data collected from primary sources such as interviews and questionnaires.The main tools applied include the Return Satisfaction Ratio **and** risk awareness ratio**. The** return satisfaction ratio is used to assess how satisfied investors are with the returns generated by the schemes. The **risk awareness ratio** helps to determine the extent to which investors are aware of the risks involved in mutual fund investments. These ratios together provide a clear picture of investor behaviors, confidence, and awareness levels.

Formulae Applied

In a study entitled "A Study on Investors' Awareness and Attitude Towards Investing in SBI Mutual Funds," it is essential to quantify investors' perceptions and attitudes in a systematic and measurable manner. The variables *risk awareness* and *return satisfaction* represent two core dimensions of investor behaviour, and the following formulas are used to derive meaningful insights:

Risk Awareness Ratio
=number of investors Awareness of risk ÷ Total Respondents ×100

Return Satisfaction Ratio
= No. of satisfied investors ÷ Total respondents×100

DATA ANALYSIS AND INTERPRETATION

Table 1

Awareness Level	Frequency	Percentage
Highly Aware	7	14%
Aware	9	18%
Moderately Aware	20	40%
Not Aware	14	28%
Total	50	**100%**

(*Source:Primary Data)*

INTERPRETATION

The data presented in Table 1 illustrates the awareness levels of investors regarding SBI Mutual Funds. Among the 50 respondents, only a small proportion (14%) fall under the category of highly aware, while an additional 18% are classified as aware, bringing the total clearly aware segment to 32%. This indicates that less than one-third of the respondents possess a strong or adequate understanding of SBI Mutual Fund features and associated risk factors.

A substantial portion of the respondents, accounting for 40%, are moderately aware. This suggests that although these investors have some basic knowledge, their understanding remains incomplete and insufficient for informed investment decision-making. The high proportion in this category indicates that many investors rely on partial information or have only surface-level awareness.

Furthermore, 28% of the respondents are not aware of SBI Mutual Funds at all. This represents a significant knowledge gap, highlighting the need for stronger financial education and investor awareness initiatives.

Table 2

Satisfaction Level	Frequency	Percentage
Highly Satisfied	6	12%
Satisfied	14	28%
Neutral	20	40%
Dissatisfied	10	20%
Total	50	**100%**

(*Source:Primary Data*)

INTERPRETATION

The data in Table 2 presents the satisfaction levels of investors with respect to the returns from SBI Mutual Funds. According to the table, only 12% of respondents are highly satisfied**,** while 28% are satisfied, resulting in a combined satisfaction level of 40%. This indicates that less than half of the respondents perceive the returns from SBI Mutual Funds positively, suggesting moderate overall satisfaction.

A considerable proportion of respondents, constituting 40%**,** reported being neutral regarding return satisfaction. This neutrality may reflect limited knowledge about return performance, insufficient monitoring of investments, or uncertainty caused by fluctuating market conditions. The high percentage in this category implies that many investors are unable to clearly assess whether their expectations are being met.

Additionally, 20% of the respondents expressed dissatisfaction with the returns. This level of dissatisfaction may be attributed to factors such as market volatility, mismatch between expected and actual returns, or inadequate awareness of risk-return dynamics.

FINDINGS OF THE STUDY

- The Risk Awareness Ratio was found to be 32%, which is *insignificant*. Hence, the null hypothesis is accepted**.** This indicates that the majority of investors have only a moderate level of awareness regarding the risks involved in SBI Mutual Fund schemes.
- The Return Satisfaction Ratio stood at 40%**,** which is *significant*. Therefore, the null hypothesis is rejected**.** This shows that the investors are fairly satisfied with the returns generated from their investments in SBI Mutual Fund schemes.
- The overall analysis reveals that SBI Mutual Fund investors exhibit moderate awareness levels (40%) about investment risks but maintain a fair degree of satisfaction with the returns they receive.

- It can be inferred that while investors are content with the performance of their investments, greater efforts are required to enhance awareness about the associated risks to promote more informed investment decisions.
- Improving investor education on risk factors and emphasizing consistent return performance **w**ill help to strengthen investor trust and participation in SBI Mutual Fund schemes.

Suggestions:

- The study highlights the need for investors to improve their understanding of mutual fund risks. By actively participating in financial literacy programs and analyzing fund performance before investing, investors can make more informed and balanced decisions.
- Policymakers can use these insights to design initiatives that promote investor education and financial awareness. Implementing mandatory risk disclosure norms and awareness campaigns can help safeguard investors and build a more transparent investment environment.
- SBI Mutual Fund and other asset management companies can focus on strengthening investor relations by enhancing communication about risk and return. Providing simplified reports, investor counselling, and personalized advisory services can improve investor confidence and satisfaction.
- A better-informed investor base contributes to market stability. When investors understand both risk and return aspects, it leads to healthier investment patterns and supports sustainable growth of the mutual fund industry.

Conclusion:

From the present study, it is evident that investor awareness, risk understanding, and return satisfaction significantly influence the attitude and willingness of investors to continue investing in SBI Mutual Funds. The findings highlighted that while a portion of investors demonstrate clarity in awareness and satisfaction, a considerable segment remains only moderately informed or neutral in their evaluation of fund performance, indicating a need for improved investor education and communication. Return satisfaction emerges as a key determinant of investor confidence and loyalty, emphasizing the importance of sustained performance and transparent information flow. From this study, the above aspects were analysed, and future research can further explore additional behavioural, demographic, and market-related factors to deepen understanding in this area and support other researchers in expanding the scope of investor behaviour studies.

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