Factors Influencing Investor Behaviour in Mutual Fund Investmnts: A Systematic Literature Review

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ABSTRACT:
Choosing among a vast diversity of financial products with inherent rewards and risks, to fulfil set financial goals is a complex task. This is what experienced by millions of investors while making their investment decisions. Resources are always scare, while the choices innumerable. Complexity further deepens, considering the technical and structural nuances of modern-day financial markets and products. Compared to earlier times, when information was scarce but standardized, current times have seen overflow of information- often unfiltered and unsolicited. However, this has rather made the situation more perplexing for the investors (Bernales et al., 2021). Considering the investor needs in a complex investment environment, where a large section lacks the required capital as well as professional expertise to make prudent investment decisions, mutual funds have emerged as a collective investment avenue managed by experienced professionals. These funds have gained considerable amount of popularity over the years as they provided the investors with much needed professional guidance and management coupled with the benefits of diversification (Alp, 2009). Over the years, with its promising trats, the mutual fund industry has strongly established itself globally and have attained a considerable growth around the world. Especially, during 1990s the industry has achieved an explosive growth around the world with US at the top, although with a few exceptions in Asia (Fernando et al., 2003). According to EFAMA/ICA (Investment Company Institute, 2025) international Quality Statistical Release, worldwide regulated open-ended fund asset size (a proxy for the global mutual fund industry) were around 73.9 trillion USD by the end of the year 2024. The industry is expected to grow further to the extent of 84 trillion USD during 2023 up to 2028 at a CAGR of 10.43% as per another report by Research & Markets (2025).

Keywords: Fund Investmnts; Systematic Literature, innumerable .

Introduction

Choosing among a vast diversity of financial products with inherent rewards and risks, to fulfil set financial goals is a complex task. This is what experienced by millions of investors while making their investment decisions. Resources are always scare, while the choices innumerable. Complexity further deepens, considering the technical and structural nuances of modern-day financial markets and products. Compared to earlier times, when information was scarce but standardized, current times have seen overflow of

information- often unfiltered and unsolicited. However, this has rather made the situation more perplexing for the investors (Bernales et al., 2021). Considering the investor needs in a complex investment environment, where a large section lacks the required capital as well as professional expertise to make prudent investment decisions, mutual funds have emerged as a collective investment avenue managed by experienced professionals. These funds have gained considerable amount of popularity over the years as they provided the investors with much needed professional guidance and management coupled with the benefits of diversification (Alp, 2009). Over the years, with its promising trats, the mutual fund industry has strongly established itself globally and have attained a considerable growth around the world. Especially, during 1990s the industry has achieved an explosive growth around the world with US at the top, although with a few exceptions in Asia (Fernando et al., 2003). According to EFAMA/ICA (Investment Company Institute, 2025) international Quality Statistical Release, worldwide regulated open-ended fund asset size (a proxy for the global mutual fund industry) were around 73.9 trillion USD by the end of the year 2024. The industry is expected to grow further to the extent of 84 trillion USD during 2023 up to 2028 at a CAGR of 10.43% as per another report by Research & Markets (2025).

In India also mutual funds have garnered popularity since its inception. As of April-June, 2025 the Indian mutual fund industry's Asset Under Management (AUM) has reached the mark of 844.76 billion USD (74.40 trillion INR) (IBEF, 2025).

However, notably the share of individual or retail investors in mutual funds remains conspicuously low in many developing economies (Saleem et al., 2021). In Indian also, according to IBEF Financial Services Industry Report (2025), as of December, 2023, the highest share in mutual fund investment is held by corporate/ institutional investors at 36.5%, while the respective share in percentage of High-Net-Worth Individuals (HNWIs), Retail investors, Banks/Fis and FIIs are 34.7%, 27.5%, 1.3% and 0.1%. According to another report by AMFI (2025), in India, individual investors hold the majority share of the total industry AUM at 63.4% in March, 2024 and 63.2% in March, 2025; while corporate/ institutional share for the same periods were at 36.6% and 36.8% respectively. This is consistent with IBEF Financial Services Industry Report (2025) and the apparent high share of individual investors were mainly because inclusion of HNWIs and non-resident Indians (NRIs) under the same category. Another relevant important indicator here is the share of mutual fund investments in total net household savings. According to S&P Global (2024) by the end of first quarter, 2023, the percentage distribution of savings of Indian households between physical assets and financial assets is respectively 71.5% and 28.5%. Although, in case of financial assets, over the years the share of savings in financial products like insurance funds, PPF and mutual funds have witnessed an increase, still compared to bank and other non-bank deposits (46%) mutual fund's share is very low at 8.4% (S&P Global, 2024). Similarly, as at March,2024 nearly 70% of household savings were constituted by deposits, insurance and pension funds, while equity and investment funds (including mutual funds) constituted 22.4% (RBI, 2025, p. 36). However, this indicates an overall growing popularity of mutual funds as investment choice among people.

In this light, this paper is an attempt at exploring the extent literature to understand the multitude of factors that motivate or impede the broader participation of the retail or individual investors in mutual funds. Through systematically reviewing the relevant literature, the current study aims to consolidate the empirical evidences on factors influencing mutual fund investment behaviour of investors.

Research Question and Objective of the Study: The present study is designed in line with a systematic literature review to gain an understanding of different factors that plays an influencing role on how investors behave with respect to mutual fund investments. For formulating the research question, PICO

framework was adapted and utilised. Considering retail or individual investors as Population, factors motivating or hindering/influencing investment into mutual funds as Intervention/Exposure and participation and investment behaviour in mutual fund investments as Outcome (as Control/Comparison is not applicable), the study proceeds with the central research question of "What are the factors that motivate or hinder/impede the participation of retail/individual investors in mutual fund investments?"

Accordingly, the primary objective of the study is **to identify and synthesise the determinants or factors reported by empirical studies to influence investor behaviour favourably or otherwise towards mutual fund investments.** Further, in line with the primary objective, the study also seeks to classify the identified factors into major thematic categories; to assess retail investors' mutual fund investment behaviour; and to highlight dominant trends and gaps in the empirical literatures.

Methodology:

PRISMA or Preferred Reporting Items for Systematic Reviews and Meta-Analysis was used for identification and selection of relevant literature for the present study. Accordingly finding out of relevant literature was done through the four stages process of identification, screening, eligibility, and inclusion or selection.

Identification: This stage involves finding out the most relevant primary key-words and their synonyms, variants as well as related terminologies to broaden the extent of literature search without hampering accuracy and relevancy (Che Hassan et. al., 2023)). The central research question (CRQ) was the guiding statement for identification of the key-terms or key-words. Keeping the CRQ in mind, perusal of seminal and influential works related to the field revealed the relevant key-words to be used. The identified key-words were further expanded through searching of synonyms, related terms and their variants. Subsequently they were grouped and arranged according to PICO framework covering population (retail investors), exposures (influencing factors- motivating or hindering), and outcomes (participation in mutual fund investments as well as mutual fund investment behaviour). Control part is skipped as the CRQ does not demand its inclusion. This helped in the development of a robust and effective search string to be applied for the search of relevant literature across databases.

Table 1 Key-words, their synonyms and variants arranged according to PICO

PICO Element	Key-Word(s)	Synonyms, Related Terms and Variants
1. P-Population	retail investors	individual investors, household investors, private investors, non-institutional investors, small investors, personal investors, small investors
	mutual fund investors	fund investors, mutual fund participants, MF investors, unit holders , scheme holders
2. I-Exposures	factors	determinants, drivers, antecedents, predictors, influences, motivators, enablers, barriers, constraints, hindrances, impediments
3. C-Comparison	----	Not applicable
4. O-Outcome	mutual fund participation	adoption, selection, participation, preference, choice, purchase intention, investment intention
	mutual fund investment behaviour	investment behaviour, investment decision, portfolio choice, risk-taking behaviour, switching behaviour, holding period, fund selection, scheme preference

Source: Authors' self-compilation

Scopus was used as the primary database for systematic literature search. This was mainly because of the availability of high quality and high impact peer-reviewed research works in the database, as well as its suitability for performing structured key-word searches. Based on the identified key-words and their respective related terms were combined using Boolean operators and a comprehensive search string was developed in line with the search rules of the database. Truncations were used to capture maximum variations of specific terms. The final search string was applied to the TITLE-ABS-KEY field in Scopus database search for retrieving relevant empirical studies.

PICO based Search String for Scopus Database:

TITLE-ABS-KEY((“retail investor*” OR “individual investor*” OR “household investor*” OR “private investor*” OR “non institutional investor*” OR “small investor*” OR “personal investor*” OR “mutual fund investor*” OR “fund investor*” OR “mutual fund participant*” OR “MF investor*” OR “unit holder*” OR “scheme holder*”) AND (“mutual fund” OR “mutual funds” OR “investment fund*” OR “open ended fund*”) AND (factor* OR determinant* OR driver* OR antecedent* OR predictor* OR influence* OR motivator* OR “motivating factor*” OR enabler* OR barrier* OR constraint* OR hindrance* OR “hindering factor*” OR impediment*) AND (“mutual fund participation” OR adoption OR selection OR preference* OR choice* OR “purchase intention*” OR “investment intention*” OR “investment behaviour” OR “investment behavior” OR “investment decision*” OR “portfolio choice*” OR “risk taking behaviour” OR “risk taking behavior” OR “switching behaviour” OR “switching behavior” OR “holding period” OR “fund selection” OR “scheme preference*”))

The search retrieved 156 results from scopus database, published between the year 1992 till February, 2026. These 156 articles were considered for the next stage, i.e. screening.

To further broaden the scope of search, and to reduce the risk of exclusion of other significant relevant works not included in scopus database, google scholar was used as a complementary source. As google scholar has some limitations regarding use of advanced Boolean operators as well as the length of search string; a multi-run strategy was followed. The original string used for scopus search was divided into several shorter search strings. This was done by keeping a constant search string representing the core terms related to population (retail investors and mutual funds) and combining it with rotating key-word clusters representing the exposures and outcomes.

Google Scholar Multi-Run Search Strings:

Run 1: ("mutual fund" OR "mutual funds") AND ("retail investor" OR "individual investor" OR "household investor" OR "private investor" OR "mutual fund investor") AND (determinants OR factors OR drivers OR predictors OR influences) AND ("investment behaviour" OR "investment behavior" OR "investment decision")

Run 2: ("mutual fund" OR "mutual funds") AND ("retail investor" OR "individual investor" OR "mutual fund investor") AND (antecedents OR enablers OR motivators OR barriers OR constraints) AND (participation OR adoption OR selection OR preference OR choice)

Run 3: ("mutual fund" OR "mutual funds") AND ("retail investor" OR "individual investor") AND (factors OR determinants OR influences) AND ("risk taking behaviour" OR "risk taking behavior" OR "portfolio choice")

Run 4: ("mutual fund" OR "mutual funds") AND ("retail investor" OR "individual investor") AND ("purchase intention" OR "investment intention") AND (factors OR determinants OR predictors)

Run 5: ("mutual fund" OR "mutual funds") AND ("retail investor" OR "mutual fund investor") AND ("fund selection" OR "scheme preference" OR "switching behavior" OR "holding period") AND (factors OR determinants OR influences)

Each run aimed at retrieval of results related to different aspects of the original whole search string. From each run, first 100 results were captured, as normally google scholar provides the most relevant and influential results in the first a few pages. This resulted in a total of 500 articles from google scholar, of which 138 were identified as duplicate inclusion. After removing the duplicates, a final of 362 articles from google scholar database were considered for the next screening phase.

Screening: This stage involved application of some specific and well-defined inclusion-exclusion criteria for further making the number of works under consideration more concise and manageable while maintaining reliability.

A total of 518 articles (156 from Scopus and 362 from google scholar) were considered for screening, out of which, 37 articles were found to be duplicates and hence removed. Thus 481 published works were finally subjected to screening criteria as shown in Table 2.

Table 2 Inclusion-Exclusion criteria

Criterion	Inclusion	Exclusion
Type of Article	Journal Research Articles	Conceptual, Review Papers, Books/Chapter Articles, Conference papers
Type of Study	Empirical	
Population under Study	Retail/ Individual Investors	Institutional Investors
Focus of the study	Factors influencing investors behaviour	Performance only studies
Focused Investment Type	Mutual Funds	Other Financial Instruments
Language	English	Other than English

Source: Authors' self-compiled

The initial screening was done based on the titles to identify and remove those articles which did not qualify the inclusion criteria. Following the inclusion-exclusion criteria a total of 245 articles were found to be inconsistent with the inclusion criteria (as shown in Table 3) and hence dropped. Thus, a total of 236 literature was considered for abstract-level manual screening for further refinement.

Table 3 Criterion-wise number of excluded literatures

Criterion	Excluded on the basis of	Total no. of articles
Type of Article	Other than research journal articles	42
Focused investment type	Exclusively non-mutual fund	178
Focus of the study	Performance only studies	13
Population under study	Institutional Investors	03
Type of Study	Review articles	07
Language	Other than english	02
Total		245

Eligibility and Selection: Abstract review was done for the 236 articles keeping in mind their respective objectives and findings and their relevance with the current study's objective. It was observed that 199 articles do not align with the objectives of the current study. Further another 5 articles were found to be duplicate, which could not be identified at screening stage due to minor differences in titles taken from both the data sources. Thus, a total of 32 articles were considered finally for the current study.

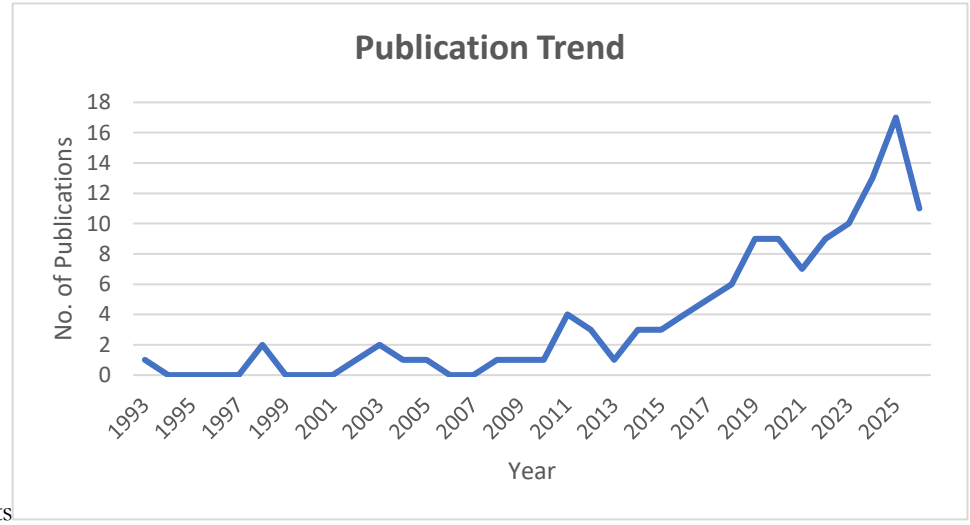
Findings and Analysis:

Out of the 32 selected articles, 13 were from Scopus database and 19 from Google Scholar. It was seen that the number of articles precisely dealing with the research question at hand is very low. Although the titles of the works elicited through string search and screening seemed to be in line with the objective of the current study, i.e. "to identify and synthesise the determinants or factors reported by empirical studies to influence investor behaviour favourably or otherwise towards mutual fund investments", while going through the papers it was found that most of these did not touch the subject in a precise manner. Rather they touched related aspects of investment in general only.

Scopus dataset was used primarily for understanding publication trends and authorship trends. As the number of selected literatures is not sufficient to grasp a proper understanding of the publication trends, Scopus search was again performed using the same PICO based search string. After screening journal articles only, 125 documents were identified concerning studies related to mutual fund investors. Seminal works include studies by Cook & Hebner (1992) related to multiple-criteria method of selection of mutual funds considering investor's unique attributes and varied preferences, Kanore (1993) related to study of different demographic factors and their effect on investors actual investment behaviour in mutual funds.

Publication Trends and Top Contributors:

Fig.2 No. of Yearly published works in Scopus Database related to Retail Investors and Mutual Fund Investments



Source: Scopus Database

Table 4 Leading Authors

Author Name	Published Works
Ahmad, M.	3
Andreu, L.	2
Bansal, R.	2
Kumar, A.	2
Kumar, J.	2
Lenta, F.J.	2
Shah, S.Z.A.	2
Venugopal, P.	2
Yuvaraj, D.	2
Abbass, Y.	1

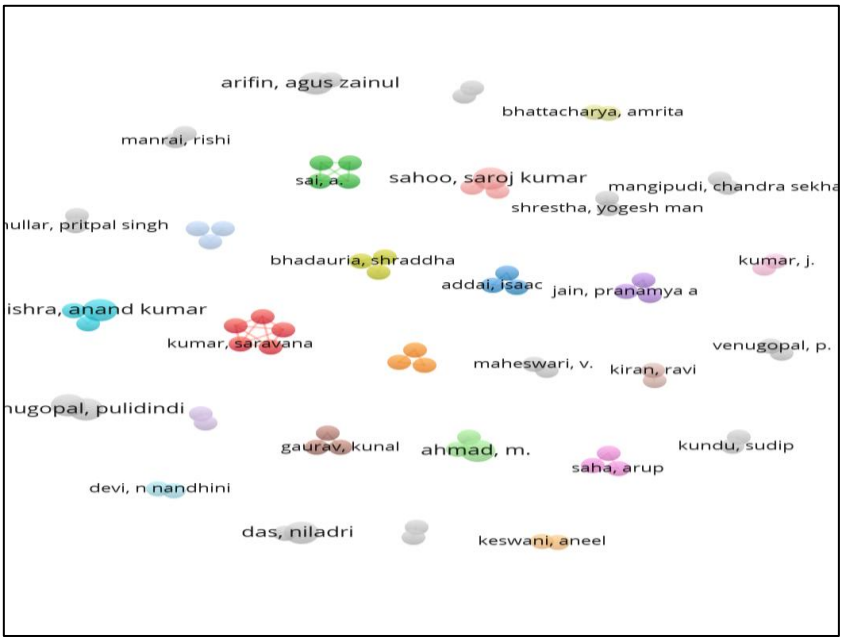
Source: Scopus Data

Considering publication trend of relevant works, a clear and steady growth in the number of publications can be seen from the year 2010 onwards. This may be due to the gradual expansion of mutual fund industry and digital investing, increasing emphasis on financial literacy, post 2008 global economic crisis, and growing academic interest in investor behavior and behavioral aspects of investments.

Co-authorship Network:

For co-authorship analysis VOSviewer was utilized.

Fig 3 Co-authorship analysis of studies related to retails investors and mutual fund investments



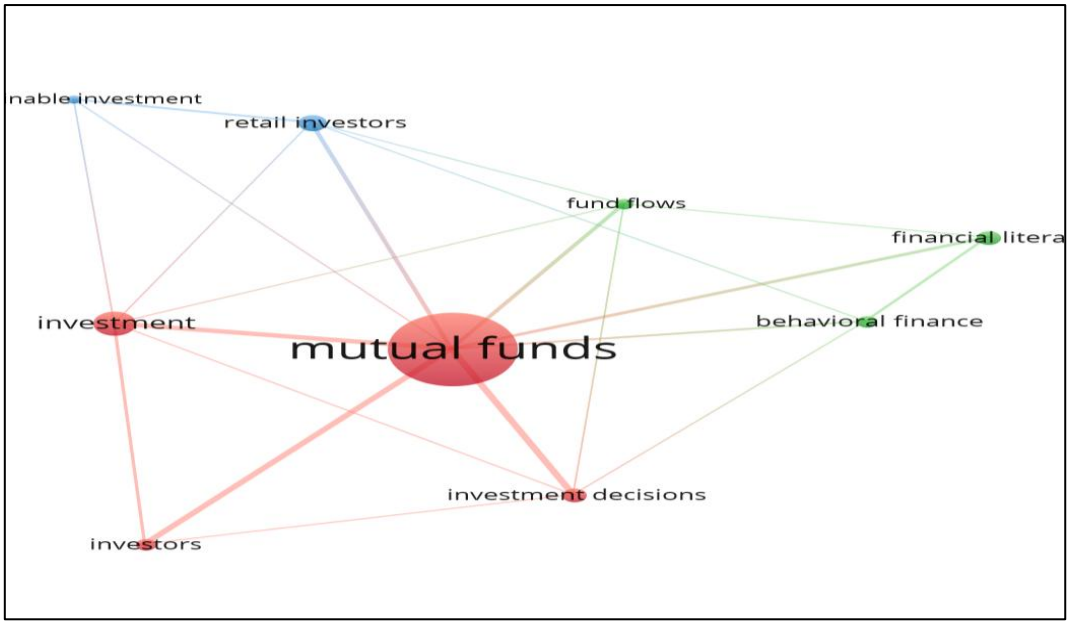
Source: Generated through VOSviewer

Analysis revealed several small and isolated collaboration clusters. This indicates that researches on mutual fund investment behaviour have primarily been done by independent researchers and teams. Similarly, most clusters are small, comprising two to three authors, indicating that collaborations are limited to small groups. Moreover, the absence of large connected networks reflects a fragmented collaboration structure with limited interaction across researchers. This may be interpreted as a indication towards a still developing field of investigation, thus having potential for greater interdisciplinary and international collaboration in future research.

Keyword Co-occurrence Network:

Key-word co-occurrence identified three major cluster themes within literature. The largest cluster among these focuses on mutual funds, investors, investment and investment decisions, which highlights that the primary emphasis among relevant literature is on mutual fund investment and investor decision making. The second cluster includes behavioral finance, financial literacy and fund flows, highlighting the increased attention on behavioral aspects and financial capability factors that effect investment behaviour. The third cluster retail investors and sustainable investment. This indicates that individual investors are principal focus of empirical researches in this field as well as increasing importance of sustainable, green or environmentally responsible investing. Overall, literature has evolved around these interconnected themes of mutual fund investment decision, behavioral finance, financial literacy, and retail/individual investor behavior.

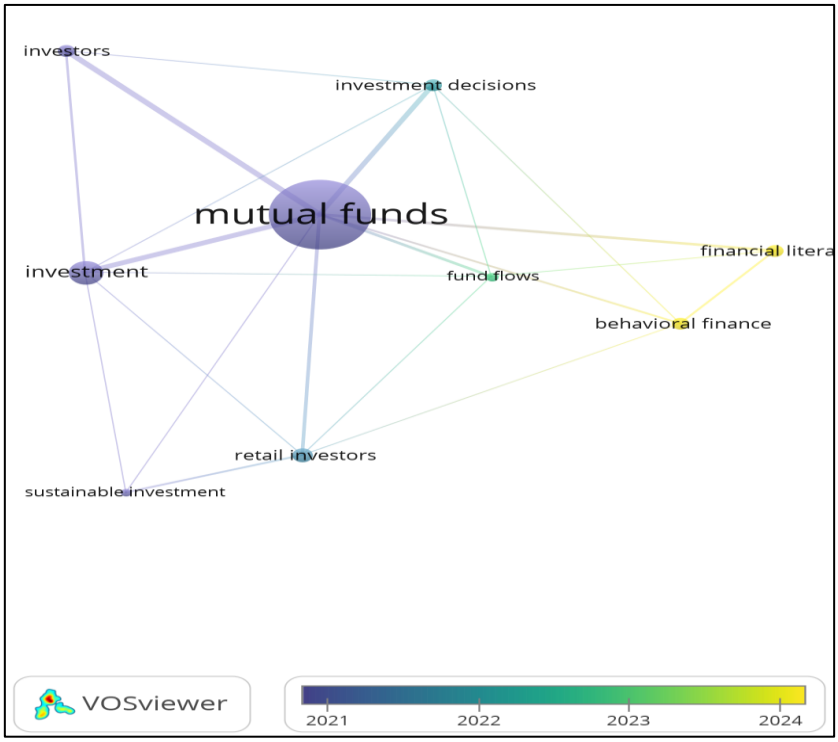
Fig 4 Co-occurrence analysis of studies related to retails investors and mutual fund investments



Source: Generated through VOSviewer

Overlay Visualization of key-word co-occurrence further reveals the evolution of research within mutual fund literature. Earlier studies primarily focused on core concepts like mutual funds, investments and investors, and gradually including topics like sustainable investment, fund flows withing industry. More recent and emerging works have focused more on financial knowledge and behavioral domains of investors, indicating a growing shift towards understanding the behavioral and cognitive determinants of mutual fund investment decisions.

Fig 5 Overlay visualization of key word Co-occurrence related to studies on retails investors and mutual fund investments



Source: Generated through VOSviewer

Findings Related to Determinants of Mutual Fund Investor Behavior:

The selected literature (32 numbers) was screened by going though full texts. During full text reviews, a total of 31 factors were observed across studies with varying frequency. Some of the factors were included in the studies to examine their influence on selection of mutual fund as investment option, while a few studies included some of the same factors considering them as motivating forces towards mutual fund investments. A very few studies also included some factors as demotivating forces to examine their impact on non-selection of mutual fund investments. However, for consistency of reporting and synthesizing purposes, the present review collectively has treated them as "determinants" or "factors influencing mutual fund investment behavior".

The identified determinants were extracted and coded to elicit their frequency of occurrence across the selected literature, to synthesize them into thematic predictor categories and to find out their nature and directionality of influence on mutual fund investment behavior.

Table 5 summarizes and consolidates identifies determinants/ factors influencing mutual fund investment behavior and their frequency of occurrence across the selected literature.

Frequency Analysis:

Table 5 Determinants/ Factors of Mutual Fund Investor Behavior and their frequency of occurrence across selected literature

Sl. No.	Determinants/ Factors	No. of Studies	% of occurrence (out of 32)
1	Return	12	37.50
2	Safety of Investment	12	37.50
3	Income & Wealth	11	34.38
4	Liquidity	11	34.38
5	Tax Benefits	11	34.38
6	Age	8	25
7	Convenience/ Ease of Investing	7	21.88
8	AMC Brand Image	7	21.88
9	Diversification Benefits	6	18.75
10	Fund Manager Quality	6	18.75
11	Past Performance	6	18.75
12	Financial Literacy & Awareness	6	18.75
13	Capital Appreciation	5	15.63
14	Cost Involved	5	15.63
15	Education	4	12.5
16	Gender	4	12.50
17	Employment/Occupation	3	9.38
18	Information Sources	3	9.38

19	Behavioral Biases	3	9.38
20	Choice Overload	3	9.38
21	Lack of Confidence	3	9.38
22	Entry-Exit Load	2	6.25
23	Expense Ratio	2	6.25
24	Planned Behaviour	2	6.25
25	Big 5 Personality	2	6.25
26	Bitter Past Experience	2	6.25
27	Household/Family Size	1	3.13
28	Marital Status	1	3.13
29	Cognitive Biases	1	3.13
30	Heuristics	1	3.13
31	Prospect Theory	1	3.13

Source: Authors' compilation based on selected literature

As evident from the table, the most frequently examined and reported factors are return, safety of investment (risk aspect), income & wealth, age, liquidity, and tax benefits. It can be inferred that most of them falls under financial asset or product attributes, with very few demographic factors. The next most frequently observed determinants included factors like Convenience/ Ease of Investing, AMC Brand Image, Diversification Benefits, Fund Manager Quality, Past Performance, Financial Literacy & Awareness, Capital Appreciation, Cost; most of which are related to fund characteristics.

Accordingly, the identified factors were categorized into distinct thematic categories for their easy conceptualization. Table 6 shows the determinants and their categorization.

Table 6 Conceptual classification of the identified (reported) determinants/factors

Category	**Determinants/Factors**
Financial/ Product Attributes	Capital Appreciation; Convenience/ Ease of Investing; Diversification Benefit; Cost; Liquidity; Return; Safety of Investment (Risk component); Tax Benefits
Investor's Demographic and Socio-economic Profile	Age; Education; Employment/ Occupation; Gender; Income & Wealth; Household/ Family Size; Marital Status
Fund Characteristics	AMC Brand Image; Entry-Ext Load; Expense Ratio; Fund Manager Quality; Past Performance
Financial Literacy, Awareness and Information	Financial Literacy, Awareness, Information Sources
Behavioral & Psychological Aspects	Behavioral Biases; Cognitive Bias; Heuristics; Prospect Theory; Theory of Planned Behavior; Big 5 Personality Traits
Barriers/ Constraints	Bitter Past Experience; Choice Overload; Lack of Confidence

Source: Authors' compilation based on selected literature

It can be observed that the identified determinants can be grouped into six (6) distinct categories, viz. Financial/ Product Attributes, Investor's Demographic and Socio-economic Factors, Fund Characteristics, Financial Literacy, Awareness and Information, Behavioral & Psychological Aspects, and Barriers/ Constraints.

Table 7 depicts the determinants and their observed effect on retail investors' mutual fund investment behavior as well as their consistency of findings across the selected literature.

Table 7 Determinant/ factor wise their reported effect on mutual fund investment decision and their consistency of evidence across the selected literature

Sl. No.	Determinants/ Factors	No. of Studies (% out of 32)	Overall Evidence	Evidence
1	Return	12 (37.50)	Consistently encourages investment	Strong
2	Safety of Investment	12 (37.50)	Consistently encourages investment	Strong
3	Income & Wealth	11 (34.38)	Consistently associated with greater participation	Strong
4	Liquidity	11 (34.38)	Consistently encourages investment	Strong
5	Tax Benefits	11 (34.38)	Consistently encourages investment	Strong
6	Age	8 (25)	Mixed findings	Moderate
7	Convenience/ Ease of Investing	7 (21.88)	Consistently encourages investment	Strong
8	AMC Brand Image	7 (21.88)	Consistently encourages investment	Strong
9	Diversification Benefits	6 (18.75)	Consistently encourages investment	Moderate
10	Fund Manager Quality	6 (18.75)	Consistently encourages investment	Moderate
11	Past Performance	6 (18.75)	Consistently encourages investment	Strong
12	Financial Literacy & Awareness	6 (18.75)	Consistently associated with greater participation	Strong

13	Capital Appreciation	5 (15.63)	Consistently encourages investment	Strong
14	Cost	5 (15.63)	Consistently discourages investment	Strong
15	Education	4 (12.50)	Mixed Findings	Weak
16	Gender	4 (12.50)	Mixed Findings	Weak
17	Employment/Occupation	3 (9.38)	Generally Encourages investment	Moderate
18	Information Sources	3 (9.38)	Significantly Influence participation	Moderate
19	Behavioral Biases	3 (9.38)	Significantly influence Investment Behavior	Moderate
20	Choice Overload	3 (9.38)	Discourages investment	Moderate
21	Lack of Confidence	3 (9.38)	Discourages investment	Moderate
22	Entry-Exit Load	2 (6.25)	Influences Investment Decision	Moderate
23	Expense Ratio	2 (6.25)	Influences Fund Selection	Moderate
24	Planned Behaviour	2 (6.25)	Influence Investment Intension	Moderate
25	Big 5 Personality	2 (6.25)	Influence Investment Behavior	Moderate
26	Bitter Past Experience	2 (6.25)	Consistently Discourages Investment	Strong
27	Household/Family Size	1 (3.13)	Mild negative association	Weak
28	Marital Status	1 (3.13)	Mildly encourage investment	Weak
29	Cognitive Biases	1 (3.13)	Influence Investment Behavior	Weak

30	Heuristics	1 (3.13)	Influence Investment Behavior	Weak
31	Prospect Theory	1 (3.13)	Associated with Lower Investment Propensity	Weak

Source: Authors' compilation based on selected literature

As observed from the table, the most frequently studied determinants are return potential, risk/ safety of investment, income & wealth, liquidity, and tax benefits; most of which falls under financial or product attributes.

Detailed discussion on category-wise determinants and their effect on mutual fund investment behavior is done as under:

A) Determinants related to Financial/ Product Attributes:

Table 8 Determinants related to Financial/Product Attributes and their effect on mutual fund investment behavior

Sl. No.	Determinants/ Factors	No. of Studies (% out of 32)	Overall Evidence	Evidence
1	Return	12 (37.50)	Consistently encourages investment	Strong
2	Safety of Investment	12 (37.50)	Consistently encourages investment	Strong
3	Liquidity	11 (34.38)	Consistently encourages investment	Strong
4	Tax Benefits	11 (34.38)	Consistently encourages investment	Strong
5	Convenience/ Ease of Investing	7 (21.88)	Consistently encourages investment	Strong
6	Diversification Benefits	6 (18.75)	Consistently encourages investment	Moderate
7	Capital Appreciation	5 (15.63)	Consistently encourages investment	Strong
8	Cost	5 (15.63)	Consistently discourages investment	Strong

Source: Authors' compilation based on selected literature

It can be observed that the most frequently studied determinants relate to Financial or Product Attributes, and rightly so, as they directly relate to the expected benefits and characteristics of the investment product. Among all the financial attributes, return is the most frequently studies determinant and having a significant return on investors investment decision. Return and safety of investment emerged as the most frequently reported determinants, each being identified in 12 studies (37.50%), indicating that investors consistently prioritise wealth creation while seeking relatively secure investment avenues (Arathy et al., 2015; Pinto et al., 2016; Dhar et al., 2017; Jamal et al., 2023; Manjare, 2021). Similarly, liquidity and tax benefits were reported in 11 studies (34.38%), suggesting that flexibility in fund redemption and fiscal incentives remain important considerations in mutual fund investment decisions (Pinto et al., 2016; Mitra & Kundu, 2017; Varma & Jana, 2024; Thoufiqulla & Raju, 2020). Convenience or ease of investing was identified by seven studies (21.88%), while diversification benefits (18.75%) and capital appreciation (15.63%) were also recognised as important determinants encouraging mutual fund investment (Dhar et al., 2017; Varma & Jana, 2024; Jamal et al., 2023). Although reported less frequently, cost-related considerations were found to influence investors'

fund selection decisions, indicating that investment costs remain an important evaluation criterion (Arathy et al., 2015; Manjare, 2021).

B) Determinants related to Investor's Demographic and Socio-economic Factors:

Table 9 Determinants related to Investor's Demographic and Socio-economic Profile and their effect on mutual fund investment behavior

Sl. No.	Determinants/ Factors	No. of Studies (% out of 32)	Overall Evidence	Evidence
1	Income & Wealth	11 (34.38)	Consistently associated with greater participation	Strong
2	Age	8 (25)	Mixed findings	Moderate
3	Education	4 (12.50)	Mixed Findings	Weak
4	Gender	4 (12.50)	Mixed Findings	Weak
5	Employment/Occupation	3 (9.38)	Generally Encourages investment	Moderate
6	Household/Family Size	1 (3.13)	Mild negative association	Weak
7	Marital Status	1 (3.13)	Mildly encourage investment	Weak

Source: Authors' compilation based on selected literature

Table 9 presents the demographic and socio-economic determinants associated with mutual fund investment behaviour. Income and wealth emerged as the most frequently reported determinants, being identified in 11 studies (34.38%), suggesting that individuals with higher income and greater wealth are generally more inclined to invest in mutual funds (Kandavel, 2011; Pinto et al., 2016; Mahdzan & Zainudin, 2020; Varma & Jana, 2024). Age was reported in eight studies (25.00%); however, the findings were mixed, with some studies identifying age as a significant determinant while others reported no significant association or moderating effect (Kandavel, 2011; Khababa, 2024; Thanki et al., 2025; Varma & Jana, 2024). Education and gender were each examined in four studies (12.50%), although the evidence remained inconsistent across the reviewed literature. Employment or occupation was identified in three studies (9.38%), indicating that salaried employees and professionals generally exhibit a greater preference for mutual fund investments (Murugan & Selvaraj, 2011; Raju, 2013).

C) Determinants related to Fund Characteristics:

Table 10

Sl. No.	Determinants/ Factors	No. of Studies (% out of 32)	Overall Evidence	Evidence
1	AMC Brand Image	7 (21.88)	Consistently encourages investment	Strong
2	Fund Manager Quality	6 (18.75)	Consistently encourages investment	Moderate
3	Past Performance	6 (18.75)	Consistently encourages investment	Strong
4	Entry-Exit Load	2 (6.25)	Influences Investment Decision	Moderate
5	Expense Ratio	2 (6.25)	Influences Fund Selection	Moderate

Source: Authors' compilation based on selected literature

Table 10 summarises the mutual fund-specific characteristics influencing investment behaviour. AMC brand image, fund manager quality, and past performance of the fund emerged as the most frequently reported determinants, each being identified in six to seven studies. These findings suggest that investors consider the credibility of the asset management company, the reputation of the fund manager, and the historical performance of a scheme while making investment decisions (Dhar et al., 2017; Islam, 2016; Rao & Devi, 2017; Singal & Manrai, 2018; Ghimire & Adhikari, 2023). Entry-exit load and expense ratio were reported less frequently but were recognised as important fund evaluation criteria in a few empirical studies (Islam, 2016; Rao & Devi, 2017).

D) Determinants related to Financial Literacy, Awareness and Information:

Table 11

Sl. No.	Determinants/ Factors	No. of Studies (% out of 32)	Overall Evidence	Evidence
1	Financial Literacy & Awareness	6 (18.75)	Consistently associated with greater participation	Strong
2	Information Sources	3 (9.38)	Significantly Influence participation	Moderate

Source: Authors' compilation based on selected literature

Table 11 presents the determinants associated with financial literacy, awareness and information. Financial literacy and awareness emerged as one of the most consistently reported determinants, being identified in six studies (18.75%), indicating that financially knowledgeable investors are more likely to participate in mutual fund investments (Mahdzan & Zainudin, 2020; Ghimire & Adhikari, 2023; Thanki et al., 2025). Information sources were reported in three studies (9.38%), suggesting that recommendations from mutual fund distributors, peers, family members, and other information channels significantly influence investors' decision-making process (Devi & Joseph, 2017; Kanore, 1993). Overall, the findings highlight the importance of financial capability and access to reliable information in promoting mutual fund participation.

E) Determinants related to Investor's Behavioral & Psychological Aspects:

Table 12

Sl. No.	Determinants/ Factors	No. of Studies (% out of 32)	Overall Evidence	Evidence
1	Behavioral Biases	3 (9.38)	Significantly influence Investment Behavior	Moderate
2	Planned Behaviour	2 (6.25)	Influence Investment Intension	Moderate
3	Big 5 Personality	2 (6.25)	Influence Investment Behavior	Moderate
4	Cognitive Biases	1 (3.13)	Influence Investment Behavior	Weak
5	Heuristics	1 (3.13)	Influence Investment Behavior	Weak
6	Prospect Theory	1 (3.13)	Associated with Lower Investment Propensity	Weak

Source: Authors' compilation based on selected literature

Table 12 presents the behavioural and psychological determinants influencing mutual fund investment behaviour. Behavioural biases emerged as the most frequently reported determinant within this category, being identified in three studies (9.38%), indicating that investors' behavioural tendencies significantly shape their investment decisions (Uma & Maheswari, 2025). Theory of Planned Behaviour constructs, including attitude and subjective norms, along with Big Five personality traits, were each reported in two studies, suggesting their role in influencing investment intentions and behaviour (Paliwal et al., 2018; Thanki et al., 2025). Other behavioural dimensions, including cognitive biases, heuristics, and prospect theory, were examined in only one study each, indicating that these areas remain relatively underexplored within the mutual fund investment literature (Uma & Maheswari, 2025).

F) Factors acting as Barriers/ Constraints:

Table 13

Sl. No.	Determinants/ Factors	No. of Studies (% out of 32)	Overall Evidence	Evidence
1	Choice Overload	3 (9.38)	Discourages investment	Moderate
2	Lack of Confidence	3 (9.38)	Discourages investment	Moderate
3	Bitter Past Experience	2 (6.25)	Consistently Discourages Investment	Strong

Source: Authors' compilation based on selected literature

Table 13 summarises the factors identified as barriers to mutual fund investment. Among these, choice overload and lack of confidence were each reported in three studies (9.38%), suggesting that the availability of numerous investment schemes and limited confidence in financial services discourage investment participation (Arathy et al., 2015; Manjare, 2021). Bitter past experience was identified in two studies (6.25%) and was consistently associated with lower investment propensity, indicating that previous negative investment experiences adversely influence investors' willingness to invest in mutual funds (Arathy et al., 2015; Manjare, 2021). Overall, the evidence suggests that informational and psychological barriers continue to impede mutual fund participation despite the availability of diverse investment opportunities.

Conclusion:

The synthesis of the reviewed empirical studies indicates that mutual fund investment behaviour is influenced by a combination of financial/product attributes, investor demographic and socio-economic characteristics, fund-specific characteristics, financial literacy and information-related factors, behavioural and psychological aspects, and investment barriers. Among these, return, safety of investment, liquidity, and tax benefits emerged as the most consistently reported determinants, highlighting investors' preference for investments that offer favourable risk-return trade-offs, liquidity, and fiscal advantages. In addition, income and wealth, financial literacy, past fund performance, fund manager quality, and AMC brand image were frequently identified as important determinants of mutual fund investment decisions. Conversely, factors such as choice overload, lack of confidence, bitter past experience, and investment costs were found to discourage investment participation. Although demographic variables such as age, gender, and education were widely examined, the evidence regarding their influence remained mixed across the reviewed studies. Overall, the findings demonstrate that mutual fund investment behaviour is shaped by the combined influence of economic, behavioural, demographic, and institutional

factors, reflecting the multidimensional nature of investors' decision-making process. Furthermore, the keyword co-occurrence analysis suggests that research in this area is continuing to evolve, with emerging emphasis on behavioural finance, financial literacy, and retail investor behaviour. This indicates the need for further empirical studies to validate existing findings, examine emerging determinants, and enhance the understanding of retail investors' mutual fund investment behaviour across different market contexts.

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