

## A STUDY OF MUTUAL FUND AS A WEALTH CREATION TOOL

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### ABSTRACT

This study examines mutual finances as a sensible device for wealth creation in India. With the upward push of economic literacy and virtual funding systems, people are increasingly more turning to mutual budget for prolonged-time period financial boom. The research aims to apprehend investor conduct, fund choice opportunities, and the way Systematic Investment Plans (SIPs) make contributions to disciplined making an investment. The paper highlights how mutual finances have gradually changed traditional economic financial savings gadgets, imparting better returns, diversification, and expert control. The findings are based mostly on a aggregate of survey effects and gift literature.

**Keywords-** Mutual Fund, Wealth Creation, SIP, ELSS, Investment Behavior, Portfolio Diversification, Financial Growth

### 1. INTRODUCTION

Over the past decade, mutual rate range have emerge as a cornerstone in the Indian financial environment. Rising inflation, low-hobby costs on economic savings money owed, and extra access to records have advocated individuals to searching for opportunity investments. Mutual funds pool capital from a couple of investors to put money into a variety of belongings like equity, debt, and coins marketplace devices. The professional manage and diversification provided make mutual budget suitable for each new and pro consumers.

Unlike conventional gadgets along with Fixed Deposits (FDs) and Public Provident Fund (PPF), mutual price range provide higher capacity returns along with liquidity and flexibility. This have a look at explores how mutual budget act as a catalyst for wealth advent and examines the diverse forms of mutual fund schemes available to shoppers.

### 2. OBJECTIVES OF THE STUDY

The research is driven thru the following goals:

1. To apprehend the concept and evolution of mutual finances in India.
2. To study mutual finances as a vehicle for long-time period wealth creation.
3. To take a look at investor consciousness and options toward various kinds of budget.
4. To take a look at the effectiveness of SIPs in disciplined making an investment.
5. To study mutual rate range with traditional saving and funding gear.

### 3. RESEARCH METHODOLOGY

The research method observed for this observe includes each primary and secondary sources:

- Research Design: Descriptive and Analytical
- Primary Data: Collected through primarily based questionnaires from a hundred town investors
- Secondary Data: AMFI reviews, SEBI handbooks, financial net sites, and newspapers
- Sampling Method: Convenience sampling
- Analysis Tools: Percentage analysis and tabular example

The facts become accumulated and analyzed to apprehend the modern-day inclinations, alternatives, and interest ranges amongst mutual fund investors.

### 4. OVERVIEW OF MUTUAL FUNDS

Mutual budget are labeled based totally on asset education and funding desires:

Types of Mutual Funds:

- Equity Funds: Invest specifically in shares; appropriate for lengthy-term wealth introduction
- Debt Funds: Invest in regular earnings securities like bonds; decrease chance
- Hybrid Funds: Combine fairness and debt gadgets for balanced boom
- ELSS Funds: Offer tax blessings under Section 80C; have a lock-in of three years

- Index Funds: Track a marketplace index like Nifty or Sensex
- Benefits of Investing in Mutual Funds:
- Professional management by way of manner of skilled fund managers
- Portfolio diversification reduces general investment threat
- Liquidity and simplicity of access and exit
- Transparent operations and regulatory oversight (via the usage of SEBI)
- Tax efficiency, specifically via ELSS and LTCG blessings

## 5. INVESTOR BEHAVIOR AND ANALYSIS

A survey have become achieved amongst one hundred human beings from town regions to apprehend their investment conduct. Key findings are:

Age Group of Respondents:

Age Group	Number of Investors
18–25	15
26–35	40
36–45	30
46+15	

Preferred Fund Type:

Fund Type	Percentage of Respondents
Equity	55%
Debt	15%
ELSS	20%
Hybrid	10%

Investment Purpose:

- Long-term wealth introduction – 60%
- Tax-saving – 25%
- Retirement making plans – 10%
- Child's training – 5%
- Mode of Investment:
- SIP – 65%
- Lump sum – 25%
- Both – 10%

The assessment indicates a clear desire for SIPs, in particular amongst greater youthful investors who prioritize area and lengthy-term planning.

## 6. FINDINGS

The fundamental findings of the have a look at embody:

- Equity mutual finances are the maximum favored among respondents, especially through SIPs.
- Young experts (26–35 age institution) shape the most important phase of mutual fund traders.
- Awareness of mutual finances has drastically superior due to on line platforms and advertising and marketing campaigns.
- ELSS schemes appeal to those looking for both tax blessings and wealth introduction.
- While mutual price variety are gaining traction, conventional gadgets although hold emotional and cultural charge amongst older investors.

## 7. SCOPE OF THE STUDY

- The take a look at is confined to character retail buyers, especially in urban regions.
- It specializes in typically used mutual fund types like fairness and ELSS.
- It excludes institutional and foreign shoppers.

Time horizon of evaluation is short (1 yr); prolonged-time period trends are not included in-intensity.

## 8. CONCLUSION

Mutual price range have verified to be a dynamic and bendy funding option. They align with the economic goals of present day investors and are specifically ideal for systematic and long-term investment techniques. With elevated reputation and accessibility, mutual rate range are getting the cross-to device for wealth introduction in India.

However, continuous investor training, apparent fund overall performance reporting, and the emergence of user-pleasant systems will play a vital position in shaping destiny funding traits.

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