



Investors Attitude Towards Green Mutual Funds In Bengaluru

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ABSTRACT:

As environmental concerns and sustainability issues gain prominence in global discourse, only few investors are turning their attention towards socially responsible investment options, particularly green mutual funds. This study aims to explore and analyse investors' perceptions towards green mutual funds, delving into the factors that influence their investment decisions in the realm of environmentally conscious financial instruments. The study investigates the impact of factors such as environmental consciousness, financial performance expectations and risk perception on the decision-making process. Additionally, the study sheds light on the role of education and awareness in influencing investors' choices, providing guidance for policymakers and financial institutions seeking to promote sustainable investment practices.

In conclusion, this research offers a nuanced understanding of the complex dynamics surrounding investors' perceptions towards green mutual funds. By bridging the gap between environmental concerns and financial decision-making, it contributes to the ongoing dialogue on sustainable finance and underscores the importance of aligning investment strategies with environmental goals for a more sustainable future.

Key Words: Green investment , sustainability, performance.

INTRODUCTION

India has seen a shift in saving and investment patterns since the economy's liberalization in 1991. Well-educated dual-income families are increasingly adopting financial instruments, particularly mutual funds, as they understand the importance of risk and returns. The Indian financial market offers various investment classes, including highly risky instruments and less risky ones, with mutual funds being a unique choice. Green investment, or socially responsible investment, has gained popularity among stakeholders and is focusing on eco-friendly businesses. Green mutual funds invest in businesses that minimize pollution and environmental impact, and there is evidence showing that green investment can outperform conventional assets.

Green Investing originated from Quaker and Methodist communities, who avoided investing in businesses involved in alcohol, gambling, and tobacco. The first socially responsible mutual fund was launched in the US in 1971, and ESG was first coined in 2004. Green mutual funds have evolved over time, focusing on avoiding industries like tobacco, alcohol, and weapons. Governments and regulatory bodies have introduced new regulations and policies to promote sustainable finance, including mandatory ESG reporting requirements and tax incentives. Green mutual funds focus on companies and projects promoting environmental sustainability, offering potential financial returns and mitigating risks.

Green mutual funds are investment vehicles that prioritize environmental sustainability, social responsibility, and good governance practices. They offer portfolio diversification and invest in companies that prioritize these factors. Green mutual funds conduct research and due diligence, analyzing company practices and policies related to environmental and social issues. They also provide education and awareness on environmental and social trends. The Securities and Exchange Board of India (SEBI) has proposed revising investment norms for schemes investing in ESG philosophy, allowing existing investments without BRSR disclosures to be grandfathered until September 30, 2023.

Green Mutual Funds in India are a growing trend, focusing on sustainability themes like water, energy efficiency, climate change, and healthy living. These funds are often linked to Switzerland-based Sustainable Asset Management (SAM) funds. However, there are risks associated with ESG mutual funds, such as performance risk, lack of standardization, and regulatory risks. Green mutual funds help investors balance ethical and environmental principles with financial objectives, potentially producing competitive returns and encouraging sustainability, social responsibility, and corporate behaviour.

Green investments offer benefits like access to funds, public recognition, tax benefits, and lower borrowing costs. However, they also come with risks like limited liquidity, regulatory uncertainties, and market volatility. Investment behaviour is influenced by factors like risk tolerance, time horizon, financial goals, knowledge, emotional state, market conditions, media, peer influence, regulatory environment, economic outlook, investment advisors, personal values, and past investment outcomes. Successful investors make informed decisions aligning with their financial objectives and risk tolerance, while diversification and a long-term perspective can mitigate short-term influences.

The mutual fund industry is a vital part of financial markets, providing investors with a diversified portfolio of securities. Factors influencing investment behaviour include risk tolerance, time horizon, financial goals, emotional state, market conditions, and more. Successful investors understand these factors and make informed decisions aligning with their financial objectives and risk tolerance. Understanding behavioural patterns is essential in psychology, sociology, and various fields for analysing and predicting human behaviour and developing interventions.

Mutual funds are investment vehicles that pool capital to buy stocks, bonds, and other investments. They offer professional management, diversification, and liquidity. Regulatory by government, investors pay fees

for shares. Performance varies based on underlying assets and manager skill, and is subject to market and interest rate risk. The industry democratizes investing.

REVIEW OF LITERATURE

Louche, C. and Lydenberg, Steven, (2006), Socially responsible investment: differences between Europe and United States, Working papers , (Vlerick Leuven Gent Management School, series 2006-22): This paper explores the evolution and applications of socially responsible investing (SRI) in the US and Europe since the 1970s. It investigates its political, cultural, and historical roots, presents a comparative study of contemporary SRI practices, and discusses future trends. The study highlights differences in terminology, actors, motivations, and tactics between SRI movements, but emphasizes their shared goal of enhancing business practices and policies for social and environmental challenges.

Elias Bengtsson, (2008), Socially responsible investing in Scandinavia - A comparative analysis, Sustainable Development: The study examines socially responsible investment (SRI) among investors in Scandinavia using secondary data. It reveals that institutional variables explain the homogeneity of SRI across Scandinavian investors but also influence differences within and within nations. The results highlight the various options and approaches individual investors take when using SRI.

Jacquelyn E. Humphrey & Darren D. Lee , (2011), Australian Socially Responsible Funds: Performance, Risk and Screening Intensity, journal of business ethics : The article examines the risk and performance of SRI equities funds in the Australian market, finding no significant difference in returns between SRI and conventional funds. It also examines the impact of positive, negative, and total screens on risk and performance. The authors find no evidence that screening affects total return, but positive screening significantly reduces risk, while negative screening increases risk and limits portfolio diversification.

Barua Promotosh, Islam Md. Sajedul, (2011), Young Consumers' Purchase Intentions of Buying Green Products A study based on the Theory of Planned Behavior, Umeå School of Business Spring semester: The study examines the environmental factors influencing young customers' attitudes and intentions towards environmentally friendly purchasing practices. Based on the Theory of Planned Behaviour (TPB), it aims to understand their green purchasing intentions. A survey at Umeå University in Sweden involved 282 youth. Results showed parental influence as the best predictor, with contextual and background factors such as parents, peers, and environmental knowledge significantly influencing their purchasing decisions.

M. Anvar, M. Venter, (2014), Attitudes and purchase behaviour of green products among generation Y consumers in South Africa: The study aimed to identify factors affecting the younger generation of buyers in South Africa's green product purchase behavior. Three factors were identified: price, environmental awareness, and social influence. The research involved 200 students aged 18 to 23 and used quantitative methodology. The findings showed that customers' opinions on green products are positively influenced by

pricing, environmental knowledge, and social influence. Positive attitudes towards green products increase their likelihood of purchasing them. The study also revealed a difference in purchasing habits between men and women. The findings suggest that marketers should understand how to influence Generation Y's purchasing habits and attitudes towards environmentally friendly items to boost sales and expand market share.

Rambalak Yadav, Govind S. Pathak, (2017), Determinants of Consumers' Green Purchase Behavior in a Developing Nation: Applying and Extending the Theory of Planned Behavior The study aimed to identify factors affecting the younger generation of buyers in South Africa's green product purchase behavior. Three factors were identified: price, environmental awareness, and social influence. The research involved 200 students aged 18 to 23 and used quantitative methodology. The findings showed that customers' opinions on green products are positively influenced by pricing, environmental knowledge, and social influence. Positive attitudes towards green products increase their likelihood of purchasing them. The study also revealed a difference in purchasing habits between men and women. The findings suggest that marketers should understand how to influence Generation Y's purchasing habits and attitudes towards environmentally friendly items to boost sales and expand market share.

RESEARCH GAP

The growing popularity of green mutual funds is largely due to the lack of understanding of the behavioral factors that influence investors' decisions. While research on traditional mutual fund investments has been extensive, there is a lack of insight into the reasons, attitudes, and decision-making processes related to green mutual funds. Barriers such as limited awareness of financial performance, skepticism about environmental impact, and perceptions of higher financial risk also deter investors. Current studies often neglect psychological, social, and demographic factors that drive investor behavior, and there is a lack of examination into perceived risks, trust in sustainability claims, and socio-economic variables.

STATEMENT OF PROBLEM

Investors are often hesitant to invest in green mutual funds due to concerns about climate and social issues, which need to be addressed for a sustainable future. Green mutual funds can help prevent short-term bubbles and potential financial and environmental crises. However, many investors are choosing other mutual funds for higher returns or lack of awareness about green mutual funds. To understand the performance of green mutual funds, it is essential to analyze the current scenario analysis and identify the factors affecting investment behavior. Social limits on the assets investors choose for their portfolio may lead them to focus on certain financial assets. Governments should encourage the rerouting of capital investments into low-carbon and climate-resilient alternatives to promote a more sustainable future.

SCOPE OF THE STUDY

The study focuses on green investment in Bengaluru, India, as it offers advantages such as diversifying portfolios, accessing government support, aligning with socially conscious values, supporting environmentally conscious businesses, and generating competitive financial returns. The research is conducted in Bengaluru, the IT Capital of Asia, due to a lack of research on why investors invest in mutual funds and the characteristics of respondents in regional India. The study aims to understand investors' perceptions of green funds in Bengaluru, as it is considered a regional location.

OBJECTIVE OF THE STUDY

1. To understand the concept of Green Mutual funds.
2. To study investors awareness towards green mutual funds in Bengaluru.
3. To identify and analyze the factors affecting investors decision towards investments in green mutual funds.

Hypothesis of the Study

Hypothesis 1: H_0 : Investors are not aware of Green Mutual Fund

Hypothesis 2: H_0 : Factors affecting investor's decision towards investments in green mutual funds have no significant impact on Intention to Invest in Green Mutual Fund

Stages of data collection

This study included two types of data: primary data and secondary data. Journal articles, papers, books, and other previously published datasets are examples of secondary data (Cheng & Phillips 2014). The fact that secondary data is less expensive to gather than primary data is one of its benefits (Zikmund et al. 2013). The study's demographic consists of Investors investing in Green Mutual Fund who live in Bengaluru city. The population size for mutual fund investors in Bengaluru is not Known, but approximately, there are more than 1 lakh investors.

This study's target population are investors investing in Green Mutual Fund. The current study will employ a convenience sampling method.

With the anticipated percentage of the attribute existing in the population, the required precision and confidence levels, and the intended sample size, I have used the Cochran formula to determine the appropriate sample size.

Therefore, the Likert Scale is employed to evaluate the respondents' responses to the survey's attitude questions. The inquiry may also make use of descriptive statistics, such as the mean and standard deviation of the relevant variables. The latent constructs for this study were originally derived using EFA, and then they were further investigated (Costello & Osborne, 2005). Confirmatory factor analysis (CFA) was used to further demonstrate that the variables under test were indicative of a limited number of components or constructs. Confirmatory factor analysis is another method for evaluating the validity of a study's measures (Hair et al., 2010). Consequently, CFA was used as an additional statistical method to confirm the study's findings. Path analysis along with structural equation modelling with AMOS software was utilised in this

study to predict the causal relationships between the variables, enabling the researchers to verify their hypotheses

RESEARCH METHODOLOGY

This research was conducted in Bangalore city. As the sample was selected on the basis of prefixed characteristics like only those who have been invested in the securities. The convenience sampling technique has been applied for sample selection. The survey will offer insights on the responses and preference of investors. The research has collected its data from primary and secondary sources. The primary data is collected through structured questionnaire interview being conducted with the investors, which helped us to get accurate results of the investors behaviour towards green mutual funds. Prior to item generation process, a comprehensive literature review was carried on for framing constructs and identifying their domain. The survey was spread into two phases. First phase was pilot study followed by data collection process. In first segment, collected a detailed demographic data and respondents were given a brief about the purpose of the study and what is expected from them through this survey. The second segment included questions regarding various factors affecting investors decision. All the questions were based on the variables identified with the help of literature review. With the anticipated percentage of the attribute existing in the population, the required precision and confidence levels, and the intended sample size, I have used the Cochran formula to determine the appropriate sample size.

Responses were recorded by the researcher on a five point Likert scale due to its compatibility with the data analysis procedure. The research was conducted among 400 respondents. Data was analyzed using SPSS and AMOS. The survey questions were mostly focused on various factors affecting their investment decision. The inquiry may also make use of descriptive statistics, such as the mean and standard deviation of the relevant variables.

The latent constructs for this study were originally derived using EFA, and then they were further investigated (Costello & Osborne, 2005). Confirmatory factor analysis (CFA) was used to further demonstrate that the variables under test were indicative of a limited number of components or constructs. Confirmatory factor analysis is another method for evaluating the validity of a study's measures (Hair et al., 2010). Consequently, CFA was used as an additional statistical method to confirm the study's findings.

This pragmatic approach was helpful in getting a reliable and valid source of data. Statistical technique applied in this study is exploratory factor analysis. It is a statistical method used to describe variability among observed variables in terms of potentially lower number of unobserved variables called factors. Path analysis along with structural equation modelling with AMOS software was utilised in this study to predict the causal relationships between the variables, enabling the researchers to verify their hypotheses

The theoretical framework utilised in this study was based on the Theory of Planned Behaviour, which was proposed by Ajzen (1991). Trust the well-known theory of personal attitudes, subjective norms, and perceived behavioural control on the TPB model (Barba-Sanchez et al., 2022; Ogiemwonyi, 2022; Luu, 2019). Ajzen (1991) proposed that attitude, subjective norm, and perceived behavioural control are the main

determinants of behavioural intention. According to the Theory of Planned Behaviour, intention is the assessment of all the benefits and drawbacks associated with the actions taken. It indicates the extent to which the individual is ready to take on the task.

DATA ANALYSIS AND INTERPRETATION

The data analysis and interpretation chapter is a crucial part of any research study, presenting data and outcomes interpretation. It aligns with the study's objectives and hypotheses, and is based on the research hypothesis statement from Chapter 1. The chapter enumerates the demographic attributes of the participants, such as age, gender, marital status, employment, education, and yearly income, to ensure alignment. The chapter also examines the reliability and validity of the questionnaire, using statistical tools like SPSS 20.0 and AMOS 21.0. The results are presented in descriptive statistics and tables, and the goodness of fit of the Structural Equation Model is also examined.

The study uses literature analysis, personal interviews, and topic specialists to identify factors influencing investors to invest in green mutual funds. Subjective norm, perceived behavioral control, and personal attitude are identified as three factors. The exploratory factor analysis is conducted to gather respondents' responses and score items related to these constructs. The model's validity and reliability are assessed using composite reliability and Cronbach Alpha, as well as other measures like AVER, MSV, Convergent Validity, and Discriminant Validity. The factor scores are imputed using the Regression Method, and the hypothesis is tested in the third step.

Demographic profile of respondents

Table showing age of the Respondents

Age	Variables	Frequency	Percentage	Cumulative percentage
	Below 25 years	10	2.5	2.5
	25 years to 35 years	370	92.5	95.0
	35 years to 45 years	10	2.5	97.5
	45 years to 55 years	10	2.5	100.0
	Total	400	100.0	

Graph Showing age of the Respondents

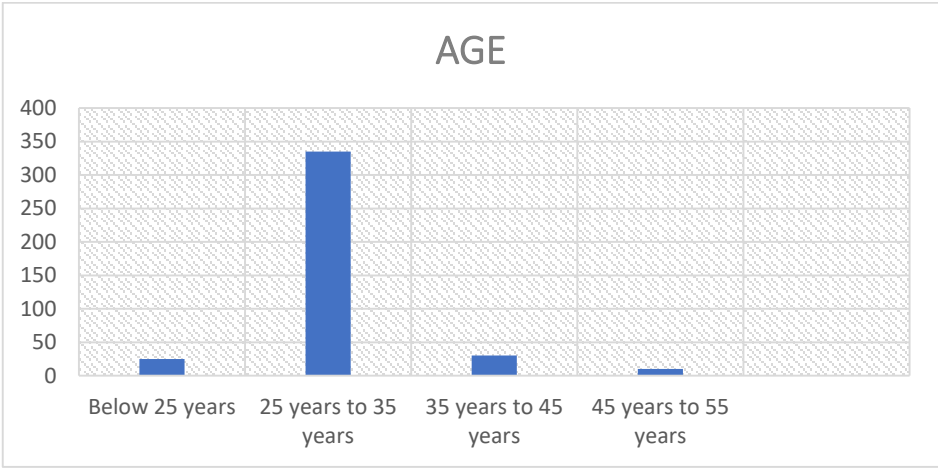


Table Showing Martial Status

Marital Status		Frequency	Percent	Cumulative Percent
	Married	60	15.0	15.0
	Unmarried	340	85.0	100.0
	Total	400	100.0	

Graph Showing Martial Status

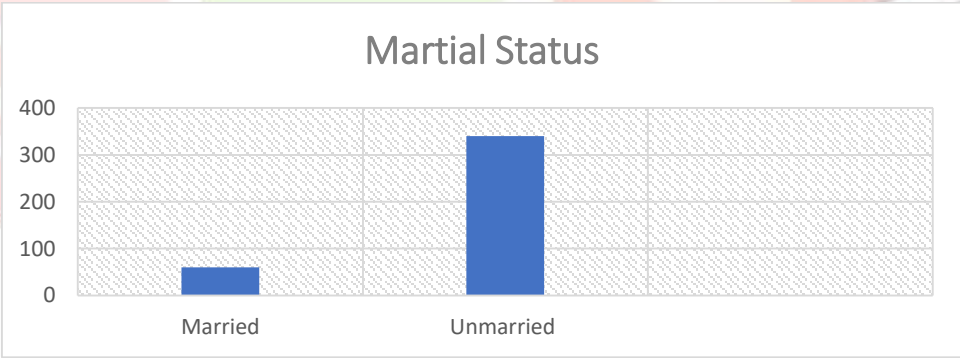


Table Showing Occupation Of The Respondents

Occupation		Frequency	Percent	Cumulative Percent
	Private Sector	283	70.8	70.8
	Public Sector	0	0.0	0.0
	Government Service	10	2.5	73.3
	Business or Self-employed	19	4.8	78.0
	Total	400	100.0	

Graph Showing Occupation Of The Respondents

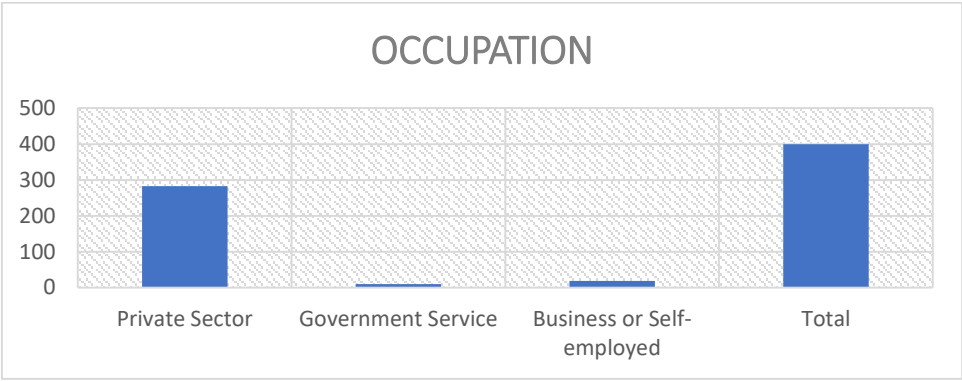
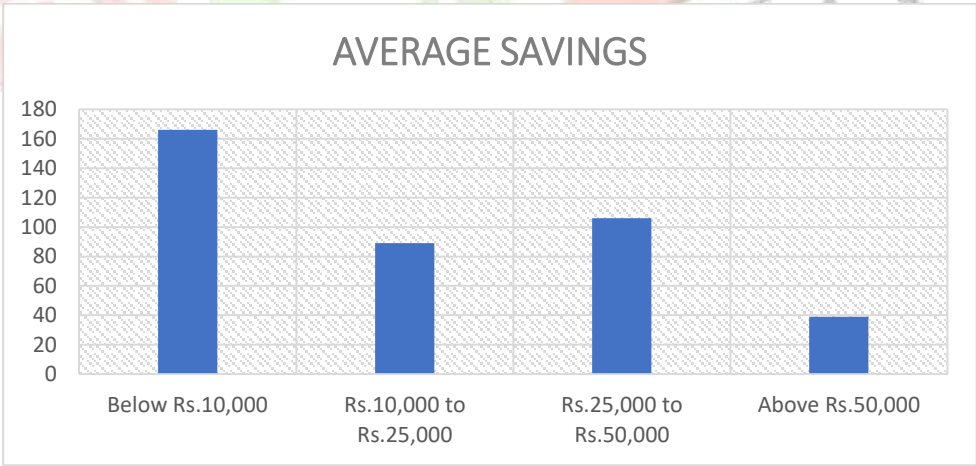


Table Showing Average Saving Of The Respondents

		Frequency	Percent	Cumulative Percent
Monthly Average Savings	Below Rs.10,000	166	41.5	41.5
	Rs.10,000 to Rs.25,000	89	22.3	63.8
	Rs.25,000 to Rs.50,000	106	26.5	90.3
	Above Rs.50,000	39	9.8	100.0
	Total	400	100.0	

Chart Showing Occupation Of The Respondents



Exploratory Factor Analysis**Exploratory factor analysis for Factors Influencing Investors to Invest in Green Mutual Fund****No of items under various dimensions**

Sl. No	Various Dimensions	Initial No. of Items	Final No. of Items
Green Investment			
1	Personal Attitude	5	5
2	Subjective Norm	5	5
3	Perceived Behavioural Control	6	4
Trust			
1	Trust	6	4
Intention to Invest			
1	Intention to Invest	5	4

Explorative factor analysis is employed using PCA (Principal Component Analysis). The method of the varimax technique of extraction is represented as follows. The descriptive statistics of Green Investment are represented

Table KMO and Bartlett's test for dimensions of Green Investment

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.860
Bartlett's Test of Sphericity	Approx. Chi-Square	2260.326
	Df	91
	Sig.	.000

To evaluate sample adequacy, the KMO compares the partial correlation coefficients to the observed correlation coefficients. KMO is 0.860, which is better than 0.5, as Table 4.30 demonstrates. To determine if a correlation matrix is an identity matrix, apply the Bartlett test. The Bartlett test's Chi-square value is 2260.326, and Table 4.30 displays this number. The p-value is less than 0.05. As a result, the test result shows that the correlation matrix is factorable and an identity matrix.

Total variance explained for dimensions of Green Investment

Compo -nent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Total	% Of Variance	Cumulative %	Total	% Of Variance	Cumulative %	Cumulative %
1	4.512	32.232	32.232	4.512	32.232	32.232	22.892
2	2.653	18.948	51.180	2.653	18.948	51.180	45.241
3	1.751	12.509	63.689	1.751	12.509	63.689	63.689
4	.705	5.034	68.722				
5	.596	4.259	72.982				
6	.523	3.733	76.715				
7	.507	3.624	80.339				
8	.466	3.329	83.668				
9	.431	3.078	86.746				
10	.417	2.978	89.724				
11	.399	2.850	92.574				
12	.372	2.656	95.230				
13	.368	2.629	97.859				
14	.300	2.141	100.000				

Extraction Method: Principal Component

As shown in Table 4.32, the total variance of interrelated items is recovered to determine the underlying dimension using principal component extraction and varimax factor rotation. As shown in Table 4.32, are the total variance, extracted, and rotated squared loadings of Green Investment dimensions. The extracted sum of squared loadings' total percentage is 63.689. The study revealed three Green Investment-related factors.

Table :Rotated component matrix for dimensions of Green Investment

	Component		
	Personal Attitude	Subjective Norm	Perceived Behavioral Control
ATT1	.715		
ATT2	.820		
ATT3	.804		
ATT4	.815		
ATT5	.751		
SN1		.803	
SN2		.792	
SN3		.736	
SN4		.812	
SN5		.768	
PBC2			.752
PBC3			.833
PBC4			.716
PBC5			.816
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			

The rotated component matrix of the dimension of Green Investment is represented in Table 4.33, where three factors are extracted from the rotation. The factor loading more than 0.5 and sorted by size are represented.

Table : KMO and Bartlett's test for dimensions of Trust

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.831
Bartlett's Test of Sphericity	Approx. Chi-Square	718.581
	Df	6
	Sig.	.000

The KMO is a tool for assessing sample adequacy; it compares the partial correlation coefficients and the observed correlation coefficients. KMO is displayed in Table 4.35 with a result of .831, which is better than 0.5. The Bartlett test is used to determine whether the correlation matrix is an identity matrix. Table 4.35 displays the Bartlett Chi-square, which is 718.581 with a p-value less than 0.05. According to the test results, there are no correlations in the correlation matrix since it is a factored identity matrix.

Total variance explained for dimensions of Trust

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.838	70.945	70.945	2.838	70.945	70.945
2	.430	10.744	81.689			
3	.372	9.294	90.983			
4	.361	9.017	100.000			

Extraction Method: Principal Component Analysis.

It is stated in Table 4.37 that by utilizing the principal component approach, the total variance of the set of interrelated items is extracted to discover the underlying dimension in the data collection. We can't rotate because it's a single-dimensional Trust. As shown in Table 4.37, the total variance and squared loadings of dimensions for Trust are calculated and reported. The cumulative percentage of extracted sums of squared loadings is 70.945 and In the study, one component was revealed to reflect the Trust.

Exploratory Factor Analysis for Intention to Invest

KMO and Bartlett's test for dimensions of Intention to Invest

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.792
Bartlett's Test of Sphericity	Approx. Chi-Square	551.035
	Df	6
	Sig.	.000

The KMO is a tool for assessing sample adequacy; it compares the partial correlation coefficients with the observed correlation coefficients. KMO is shown in Table 4.39 with a.792 result, which is better than 0.5. The Bartlett test is used to determine if the correlation matrix is an identity matrix. Table 4.39 displays the Bartlett Chi-square, which is 551.035, with a p-value less than 0.05. According to the test findings, there are no correlations in the correlation matrix as it is a factored identity matrix.

Total variance explained for dimensions of Intention to Invest

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.608	65.208	65.208	2.608	65.208	65.208
2	.571	14.285	79.493			
3	.439	10.987	90.479			
4	.381	9.521	100.000			
Extraction Method: Principal Component Analysis.						

Extraction Method: Principal Component Analysis.

It is stated in Table 4.41 that by utilizing the principal component approach, the total variance of the set of interrelated items is extracted to discover the underlying dimension in the data collection. We can't rotate because it's a single-dimensional Intention to Invest. As shown in Table 4.41, the total variance and squared loadings of dimensions for Intention to Invest are calculated and reported. The cumulative percentage of extracted sums of squared loadings is 65.208 and in the study, one component was revealed to reflect the Intention to Invest.

Testing of Hypothesis on Awareness of Investors on Green Mutual Fund

In the present study five determinants are considered to measure the awareness of Investors of Green Mutual Fund are considered, and the hypothesis of awareness of Investors of Green Mutual Fund on all these five determinants is carried out by using a single sample t-test.

Null Hypothesis: Investors are not aware of Green Mutual Fund

Alternate Hypothesis: Investors are aware of Green Mutual Fund

A single sample t-test is used to gauge investor knowledge of green mutual funds. The results of the independent sample t-test are shown in Table 4.47, while the results of the descriptive statistics are shown in Table 4.46.

Table: Group Statistics on Components of Awareness of Green Mutual Fund

Determinants	N	Mean	Std. Deviation	Std. Error Mean
High Return than Bank and Postal Investment	400	3.99	0.86	0.04
Less Risky than Stock Market	400	3.47	0.97	0.05
Less Differentiate Portfolio Diminishes Risk	400	3.38	0.87	0.04
Investing Green Mutual Fund Generates Standard Return	400	3.52	0.97	0.05
The performance of ESG depends on the underlying company and Industry in which they are Investing	400	3.81	0.77	0.04

The average value of Components of awareness of Green Mutual sound, High Return than Bank and Postal Investment, Less Risky than Stock Market, Less Differentiate Portfolio Diminishes Risk, Investing Green Mutual Fund Generates Standard Return and Performance of ESG depends on the underlying company and Industry in which they are Investing is 3.99,3.47,3.38,3.52 and 3.81 respectively. The mean value of the five components of awareness is compared with the numerical value of 3, which is neutral, to test whether the Investors are aware of the Green Mutual Fund.

Table: Mean Value of Components of Awareness of Green Mutual Fund**Table 0.47: One-Sample t-Test**

Determinants	Test Value = 3			
	T	Df	Sig. (2-tailed)	Mean Difference
High Return than Bank and Postal Investment	22.799	399	.000	.98500
Less Risky than Stock Market	9.791	399	.000	.47250
Less Differentiate Portfolio Diminishes Risk	8.596	399	.000	.37500
Investing Green Mutual Fund Generates Standard Return	10.640	399	.000	.51500
The performance of ESG depends on the underlying company and Industry in which they are Investing	21.177	399	.000	.81250

The mean value of each of the five components of awareness of Green Mutual Fund values is higher than and statistically different from the test value of three. The 399-degree-of-freedom t values for more return

than postal and bank investments, less risky than the stock market, less differentiated portfolio reduction of risk, and investing in green mutual funds produce The underlying company and industry in which they are investing determine the Standard Returns and Performance of ESG. The t-values for these companies are 22.799, 9.791, 8.596, 10.64, and 21.177; the p-value is 0.000, indicating statistical significance. Thus, it follows that the premise that "Investors are aware of Green Mutual Fund" is true

Testing of Hypothesis on Factors Affecting Investor's decision towards investments in green mutual funds.

Null Hypothesis: H_0 : Factors affecting investor's decision towards investments in green mutual funds have no significant impact on Intention to Invest in Green Mutual Fund

Alternate Hypothesis: H_1 : Factors affecting investor's decision towards investments in green mutual funds have a significant impact on Intention to Invest in Green Mutual Fund

The impact of various key decision drivers of green mutual fund Investment on the intention to invest in Green Mutual Funds is estimated by constructing the structural model. Table 4.48 indicates the result of the structural model.

Table : Estimates of the structural model of Green Mutual Fund drivers on Intention to Invest

Constructs	Unstandardized				Standardized
	Estimate	S.E.	C.R.	P	Estimate
Trust ← Personal Attitude	0.221	0.06	3.703	0.000	0.208
Trust ← Subjective Norm	0.179	0.075	2.379	0.017	0.143
Trust ← Perceived Behavioural Norms	0.367	0.068	5.406	0.000	0.353
Intention to Invest ← Trust	0.418	0.06	6.956	0.000	0.431

At 1%, there is a statistically significant unstandardized direct effect of personal attitude on trust of 0.221. At 1%, there is a statistically significant unstandardized direct effect of Subjective Norm on Trust of 0.179. At 1%, there is a statistically significant unstandardized direct effect of perceived behavioural norms on trust of 0.367. A statistically significant 1% difference exists between the dependent variable intention to invest and the unstandardized effect of the mediating variable Trust, which is 0.418. Therefore, based on the structural model's result, it can be said that trust is significantly enhanced by all of a green mutual fund

investment's characteristics. The intention to invest, the dependent variable, will then be mediated by the trust.

Findings

Demographic Profile and Investment Preferences of Investors

- Majority of respondents are male, aged 25-45, post-graduates, and private sector employees.
- Most respondents have savings below Rs.10,000 monthly.
- Most investors prefer bank fixed deposits.

Factors Influencing Investment in Green Mutual Funds

- Majority disagree on investing for environmental consciousness, regular income, future security, wide variety of opportunities, capital appreciation/growth/fund accumulation.
- Some respondents are neutral on investing in tax shelter, creating awareness about green mutual funds, and investing due to transparency in operation.

Factors Determining the Success of a Green Mutual Fund

- Most respondents agree on the quality of service, suitability of product, risk orientation, and asset management strategies.
- Majority agree on research and knowledge and experience of asset managers.

Factors Influencing Towards Green Mutual Fund

- Most respondents agree that Green Mutual Funds are more suitable for small investors who are otherwise hesitant to enter the capital market.

Factors Important in Choice of Mutual Fund Organization

- Majority agree on goodwill, investor service, investment philosophy and methodology, volume of business, and past performance.
- Most respondents have a perception of average returns and average risk on green mutual funds.

Findings on Testing of Hypothesis of Awareness of Investors on Green Mutual Fund

- Statistical analysis indicates that "Investors are aware of Green Mutual Fund."
- Personal Attitude, Subjective Norm, and Perceived Behavioural Norms significantly impact Trust and intention to invest.

Conclusion

The study aims to understand investor behavior in relation to green mutual funds, focusing on climate change as a challenging factor. Trust is crucial for securing long-term funding for environmentally conscious businesses, and personal attitude, subjective norm, and perceived behavioral control also positively influence

investors' trust. To win trust, more company and investor-related green publicity activities should be organized to encourage investment in green companies. Policymakers should reward investors in green initiatives with higher returns to promote environmental sustainability without jeopardizing employee health and safety. The study also found that the public's willingness to invest in listed companies and their green investment behaviors improve in proportion to the company's green governance image. National policy releases, such as green finance and carbon trading, have a significant positive impact on green investment willingness and behavior

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Findings

Findings on Demographic profile of the respondents

The analysis shows that the majority of respondents are male, aged 25-45, post-graduates, and private sector employees. The proportion of unmarried respondents is higher than married respondents. Most respondents have monthly savings below Rs.10,000 and prefer to invest on bank fixed deposits. The majority of respondents are unmarried.

Findings on Preference of Investment and Saving Avenues

The study shows that most respondents prefer Green Mutual Funds, Bonds, and Debentures, with a higher proportion investing in Bank Deposits, Postal Savings, NSC, Shares, Insurance, Real Estate, Provident Fund, and Mutual Funds, with less preference for Chit Funds and a preference for Gold or Silver.

Opinion of Investor on Mutual Fund

The study reveals that most respondents disagree with investing in mutual funds, have invested less than a year on mutual funds, are aware of green mutual funds, but are not ready to invest in them, and have invested less than 10 years on green mutual funds, with moderate knowledge.

Opinion on Indication of Level of Awareness

Investors' Views on Green Mutual Funds

- High return compared to bank & postal investments.
- Less risky than stock market.
- Less differentiated portfolio diminishes risk.
- Standard return generated by green mutual funds.
- Performance of ESG funds depends on underlying companies and industries.
- Majority aware of market, credit, inflation, interest rate, and investment risks.
- Awareness of various green mutual fund investment schemes.
- Majority invested in systematic investment plans.
- Most respondents own green mutual funds.
- Information gathered from various sources.

Findings on Factors that Influenced the Investment in Green Mutual Fund

The majority of respondents disagree with investing for environmental consciousness, regular income, future security, and variety of opportunities. They also disagree with capital appreciation, growth, and fund accumulation. Some respondents are neutral on tax shelter, green mutual fund awareness, and transparency.

Factors determining the success of a green mutual fund include quality of service, product suitability, risk orientation, asset management strategies, research, and asset manager knowledge and experience.

Findings On Factors are Important in Choice of Mutual Fund Organization

- Regarding Goodwill, Investors Service, Investment Philosophy and Methodology, and Others, the majority of respondents agreed as Important.
- The majority of respondents concur that past performance and business volume are highly significant.
- Regarding Green Mutual Fund Perception The majority of respondents believe that green mutual funds offer average returns and average risk.
- Regarding recommendations for green mutual funds, the majority of respondents advise their friends and family to invest in green mutual funds. The study shows that most investors are willing to do so in the future.

Findings On Testing of Hypothesis of Awareness of Investors on Green Mutual Fund

The study reveals that investors are aware of Green Mutual Funds and that their investment attitudes, subjective norms, and behavioral norms significantly impact trust, which in turn mediates the intention to invest. The study also found an association between the risk and returns of green mutual funds and a significant difference in investors' perceptions of investment drivers based on demographic variables like gender, age, education, qualification, and marital status.

Recommendation

Business leaders should focus on publicizing their green initiatives to attract and retain investors. Regular updates on these initiatives demonstrate transparency and reassure retail investors. Policymakers play a crucial role in bringing mainstream investors on board with eco-friendly initiatives. Policymakers can encourage FDI in environmentally responsible businesses by providing incentives like tax exemptions. The study found a correlation between green enterprises' trust and investors' ability to control their investment inclination. Trust is a fundamental component of behavioral intention, and fostering trust is essential for a sustainable capital market for green companies.

Conclusion

With climate change as a key challenge, the study sought to analyse investor behaviour in respect to green mutual funds. It made clear how important it is to have a reliable capital market and discovered that conviction to invest in green companies is positively influenced by trust. Investor trust is also positively impacted by one's own attitude, subjective norms, and perceived behavioural control. The study indicates that investors are naturally motivated and confident to fund environmentally conscious enterprises; therefore,

building trust with investors requires arranging eco-friendly advertising campaigns and giving them access to additional information so they can feel more in charge of the operation of the businesses. In order to promote environmental sustainability without endangering the health and safety of employees, policymakers should also take into account providing larger returns to investors in green initiative enterprises.

The study concluded that since domestic investors could be irrational, investors should choose systematic risk. The three indices that were utilised produced varying findings, which led the study to conclude that there may be model risk. The perception of a company's green governance positively correlates with the public's inclination to invest in listed businesses and their adoption of green investing practices. Green investment desire and behaviour are significantly positively impacted by national policy announcements such as carbon trading and green finance.

