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Starting with the Goal, Not the Fund: How Mutual Funds and SIPs Fit into Personal Financial Planning in India, 2022–2026

A study of the Indian mutual fund industry, paired with a case study from my on-the-job training at Smart Capital (15 June – 31 July 2026)

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1. Abstract

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Ask a friend about mutual funds and the conversation tends to open with a fund's name: which one did well last year, which one everybody is buying. Once I started working on actual planning tasks, though, I saw that this question belongs near the end, not the start. Before anything else you have to know what the money is meant for, when it will be needed, and how large a drop the person can live through without panicking. This paper looks at the place mutual funds hold in Indian household financial plans. It asks whether the fast growth of the industry points to a real habit of regular investing or is mostly the effect of markets going up, and what the answer should mean for the way funds are recommended.

The approach is descriptive and analytical. I put published figures from AMFI, SEBI and fund-house factsheets for March 2022 to March 2026 alongside what I picked up during a seven-week on-the-job training at Smart Capital (15 June to 31 July 2026). During those weeks I read factsheets, practised risk profiling and age-based portfolios, built planning presentations and investment pitches, and joined SIP and corporate financial-literacy outreach. Published figures appear exactly as published, while the growth rates and compound annual rates are my own calculations. No investors were surveyed and no client data appears anywhere in the paper.

The numbers point in a fairly consistent direction. Industry assets under management rose from ₹37.57 lakh crore in March 2022 to ₹73.73 lakh crore in March 2026. That is an increase of roughly 96 per cent, or 18.4 per cent a year when compounded, although the annual gain shrank from 35.5 per cent to 23.1 and then to 12.2 per cent. March monthly SIP contributions climbed even faster, from ₹12,328 crore to ₹32,087 crore (about 160 per cent). By March 2026 SIP assets were ₹15.11 lakh crore, close to a fifth of everything the industry manages. The difference matters: a contribution is cash that actually went in, whereas an asset figure shifts every time prices move. If contributions outpace assets, a steady investing habit explains it better than a buoyant market alone. My argument is that planning goes best when the questions are asked in sequence: goal, horizon, risk, allocation, and the scheme last of all. Several of the most helpful fixes are nearly free, for example a one-page goal worksheet or a check on how far one fund overlaps with another.

Keywords: Mutual Funds, Personal Financial Planning, Systematic Investment Plan, Goal-Based Investing, Asset Allocation, Risk Profiling, Diversification, Financial Literacy, AMFI, India



2. Introduction

2.1 Why Planning Comes Before Products

Personal financial planning is the job of bringing income, spending, savings, investments, insurance, debts and future goals together in one picture. Most people have several goals, not one. A young professional could be trying to build an emergency reserve, pay for further study, buy a home, insure the family and save for retirement, all at once. Finding a product is usually the easy bit. The difficult part is dividing limited money among goals whose deadlines are years apart.

Mutual funds are useful here because they hand an ordinary investor a diversified, professionally run portfolio, without requiring them to choose and monitor every security. SEBI describes a mutual fund as a pool of investors' money that is invested according to a stated objective, and it names diversification as one way to cut concentration risk. Compare two goals: retirement 25 years off, and an emergency fund that might be needed within a few months. Their risk levels can differ enormously. Money for a house deposit three years away should not be pushed into a volatile equity strategy only because equities have rewarded patient holders. The useful question is therefore not whether to use a mutual fund at all, but which category, which allocation and which route fit this specific goal.

Table 1: Mutual Fund Categories and Their Roles in Financial Planning

Category	Usual role in a plan	Main risk to keep in mind
Equity	Growing wealth over the long term	Price swings and possible loss of capital
Debt	Income, liquidity and goals that call for steadier values	Interest-rate, credit and liquidity risk
Hybrid	Mixing equity and debt in one fund	Varies with the scheme's asset mix
Index / Passive	Following a market index by fixed rules	Market risk and tracking difference
Sectoral / Thematic	Concentrated exposure to a single sector or theme	Greater concentration and cyclical risk
ELSS	Equity-based investing that also saves tax under current rules	Equity market risk and a lock-in period

From a planner's point of view the lesson is straightforward. These categories behave very differently, so none can be crowned the best, and because people's goals differ, most investors will end up needing more than one.

2.2 The Indian Mutual Fund Industry

The industry collects savings from households and institutions and invests them in equity, debt and other instruments. Several participants share the work, each with a distinct role, and Table 2 lists them.

Table 2: Participants in the Indian Mutual Fund Industry and Their Roles

Participant	Role
SEBI	The main securities-market regulator, overseeing mutual fund schemes and market intermediaries
AMFI	The industry body, which publishes industry data and investor education material
Asset management companies	Run scheme portfolios in line with each scheme's stated objective
Trustees	Oversee how the fund operates and look after unit-holders' interests
Custodians	Hold the securities and assets that belong to the schemes
Registrars and transfer agents	Handle transaction processing, record-keeping and investor servicing
Distributors, advisers and platforms	Offer distribution, execution or advice within the applicable regulations



The industry is now very large. According to AMFI's March 2026 update, assets under management (AUM) stand at ₹73.73 lakh crore, up 12.2 per cent over the year and spread across 27.39 crore folios. Equity funds recorded positive inflows for a 61st straight month, and SIP assets reached ₹15.11 lakh crore, or 20.5 per cent of all mutual fund assets (AMFI, 2026a).

Porter's (2008) five forces are a handy way to read this sector. The threat from new entrants is moderate: regulation, compliance, distribution, technology and brand create real barriers, even if digital platforms have lowered a few of them. Supplier power is also moderate, because fund houses depend on market infrastructure, data, technology, custodians and distribution networks. Buyers hold a lot of power, since investors can compare schemes, costs, performance and service across many providers. The threat of substitutes is strong, with bank deposits, direct equity, bonds, insurance and gold all competing for the same household savings, and the large fund houses compete fiercely with one another. In a market where the product is this hard to defend, the quality of the conversation around it becomes part of what the customer buys.

2.3 The Host Organisation

I did my training at Smart Capital under the company mentor, Mr. Atharva Patil, with Dr. Manisha Maddel as my faculty mentor. The records of the training show that I worked with mutual fund factsheets, investor risk profiling, age-based portfolios, retirement and financial planning, investment pitches, SIP-focused outreach and corporate financial-literacy sessions. I have left out the firm's financial and ownership details, as the records did not include them and I did not want to guess.

What the records do show is where my work sat. It was not about deciding which fund to buy. It sat at the point where product knowledge reaches the investor: reading what an asset management company discloses, judging what a particular investor can tolerate, and explaining the result in plain words. This is the part of the work the paper examines.

3. Literature Review

I drew on three kinds of reading. The regulator and the industry body explain what a mutual fund is and how large the industry has grown. Portfolio theory and life-cycle theory explain how money ought to be spread. Behavioural finance explains why people so often fail to stick to a plan they made themselves.

SEBI's investor-education material treats mutual funds as an opportunity that comes with risk and asks investors to understand a scheme before they buy it. It explains that funds pool money and spread it across securities and sectors, and it also covers budgeting, emergency funds, retirement planning, SIPs, direct plans and choosing by risk (SEBI, n.d.). The message running through it is that the plan comes first and the product follows.

AMFI's publications show how big and how varied the market has become. The AMFI–Crisil Factbook 2024 reports industry AUM of ₹53.40 lakh crore in March 2024 and notes rising participation, digitalisation and a bigger part played by SIPs (AMFI, 2024). The Annual Mutual Fund Report 2025 puts March 2025 AUM at ₹65.74 lakh crore, annual SIP contributions for FY2025 at ₹2.89 lakh crore, and SIP assets at ₹13.35 lakh crore, which is 20.31 per cent of industry AUM (AMFI, 2025). The March 2026 update carries the series forward to ₹73.73 lakh crore and ₹15.11 lakh crore (AMFI, 2026a).

Markowitz (1952) held that risk and return should be assessed for the portfolio as a whole and not one security at a time. If assets do not all move together, the volatility of the whole can fall. For people who invest in funds, this comes with a warning. Every scheme is already diversified, yet an investor can still become concentrated by owning several schemes that hold the same companies.

Modigliani and Brumberg (1954) laid the groundwork for life-cycle thinking, the idea that people plan saving and spending across a whole lifetime and not one year. That is why a young earner with a long horizon and someone nearing retirement need different portfolios, and why every goal must carry a date.

Kahneman and Tversky (1979) used prospect theory to show that a loss hurts more than a gain of equal size feels good. This helps explain panic selling after a fall, and the pull of whatever has just performed well. A fixed monthly SIP and an allocation agreed beforehand are practical ways to keep these feelings from making the decision, although behavioural risk never disappears entirely.



Taken together, these sources explain why goals, horizons, diversification and discipline matter. What they largely skip is the viewpoint of the person who has to turn all of it into a conversation: a trainee who must read a factsheet, assess a risk profile and explain a recommendation to someone unfamiliar with the terms, and who needs to know which of these ideas really change what is said.

4. Research Gap

Plenty has been written on the growth of the Indian mutual fund industry, much of it in the press, and there is a large literature on portfolio theory and investor behaviour. Very little links the two. Industry totals are quoted without asking whether they reflect investor habits or just market prices, and planning advice is offered without showing how it ties back to the industry numbers. The belief that a larger industry means better-served investors is seldom tested. Student projects on mutual funds often rank schemes by past return, which is precisely what sound planning cautions against. This paper sets five years of industry data beside seven weeks of hands-on exposure to see how the two fit together.

5. Research Objectives

The objectives were agreed with my faculty guide and stayed close to the work I actually did. They were:

- To examine how the Indian mutual fund industry grew and how its role changed over 2022–2026, using published industry data.
- To understand where equity, debt, hybrid and passive funds belong in personal financial planning, depending on goals, risk profile and time horizon.
- To assess what SIPs, diversification, asset allocation and compounding contribute to long-term wealth creation.
- To link theory with the practical learning from the Smart Capital training, including risk profiling, age-based portfolios, planning presentations, investment pitches and SIP outreach.
- To identify the difficulties met in explaining and recommending mutual funds, and the methods that helped overcome them.

5.1 Hypotheses

H0: Industry assets grew mainly because market values rose, so investor contributions should not have grown faster than assets.

H1: Industry assets grew because of a sustained investing habit as well as market values, so regular contributions should have grown at least as fast as assets and kept coming even when asset values fell.

The record is made up of published aggregates that cannot separate price effects from flow effects. I therefore test the hypotheses by comparing what each one predicts with what was observed, and not through a formal statistical test.

6. Research Methodology

The design is descriptive and analytical. It is descriptive in explaining what mutual funds are, how the industry is organised and how the main categories behave. It is analytical in comparing published figures across reporting periods to spot trends. I use qualitative interpretation to explain how equity, debt, hybrid and passive funds relate to goals, and the training experience adds context on risk profiling, portfolio planning, retirement planning and speaking with investors.

The project relies mainly on secondary data: official statistics and publications from AMFI, regulatory and educational material from SEBI, and factsheets and disclosures from SBI Mutual Fund, Franklin Templeton, ICICI Prudential Mutual Fund and HDFC Mutual Fund. I chose official sources over unchecked summaries and read every figure according to its own definition, date and unit. The practical side came from the training. The progress reports I kept during the internship recorded my activities and learning, and I use them to describe the work, not as evidence of completed investment transactions or confirmed client conversions.

The industry analysis covers 2022 to 2026 using March year-end snapshots, with March 2026 as the latest complete year. Not every series spans all five years: SIP assets are available only for March 2024 to March 2026, whereas the monthly SIP contribution series runs from March 2022 to March 2026. When a figure was not available in a comparable form, I left it out instead of estimating it. The training itself falls into four phases, shown in Table 3.



Table 3: Phases of the Training and the Learning Recorded at Each

Phase	Period	Main Work	Learning Recorded
Phase 1	15–27 June 2026	Product knowledge: the offer document (DRHP) of a company preparing an IPO; factsheets from SBI, Franklin Templeton, ICICI Prudential and HDFC; fund categories and bond types	NAV, AUM, expense ratio and exit load; differences in risk, return and tenure
Phase 2	28 June–8 July 2026	Suitability and context: risk profiling; macroeconomic analysis (GDP, inflation, interest rates, gold and silver); AMCs and AUM; age-based portfolios	Risk appetite versus risk capacity; goals and horizon; allocation by life stage
Phase 3	9–17 July 2026	Communication: retirement and financial planning presentations; AI-assisted brochures; investment pitches for retail and corporate clients	Explaining finance in simple language; tailoring the message to the client
Phase 4	18–31 July 2026	Outreach: SIP-focused calling; contacting companies in Nashik and Pune about financial-literacy sessions	Lead generation; professional communication

Three cautions apply. Industry AUM is not an investor's return, because market movements affect it as well as net flows. A March snapshot can depend heavily on where the market stood on the last day of the month. And since there was no primary survey, the conclusions describe published information and one trainee's learning, not the opinions of investors in general. Confidential details were left out, and every portfolio or allocation shown is illustrative and educational, not personal advice.

7. Data Analysis, Trend Analysis and Interpretation

This section sets out what the numbers show and what they may mean. The industry figures describe the industry, and the training record describes my own seven weeks of exposure. Neither one says how any individual investor actually fared.

7.1 Industry Growth, 2022–2026

Table 4: Five-Year Growth of Industry Assets under Management (March of Each Year)

Year	AUM (₹ lakh crore)	Absolute Change	Year-on-Year Growth %
2022	37.57	–	Base
2023	39.42	+1.85	+4.9
2024	53.40	+13.98	+35.5
2025	65.74	+12.34	+23.1
2026	73.73	+7.99	+12.2

Over four years, industry assets increased by ₹36.16 lakh crore, or about 96.2 per cent. The compound annual growth rate between March 2022 and March 2026 works out at roughly 18.4 per cent. This figure shows how much the pool of assets under industry management has expanded. It should not be read as what an investor earned.

Several points stand out. Growth was uneven. The biggest jump, 35.5 per cent, came between March 2023 and March 2024, straight after a year in which assets rose only 4.9 per cent. The percentage rate has also fallen for two years in a row, from 35.5 to 23.1 and then 12.2 per cent, even though the latest year still added nearly ₹8 lakh crore; on a larger base, the same rupee gain looks smaller as a percentage. For planning, the key point is that industry growth tells us nothing about whether a given investor or scheme did well. That outcome still depends on allocation, scheme choice,



cost, behaviour and horizon.

7.2 Systematic Investing: Contributions and Assets

Table 5: March Monthly SIP Contributions

March	Monthly SIP Contribution (₹ crore)	Growth over Prior Year %
2022	12,328	Base
2023	14,276	+15.8
2024	19,271	+35.0
2025	25,926	+34.5
2026	32,087	+23.8

March monthly SIP contributions rose about 2.6 times in four years, from ₹12,328 crore to ₹32,087 crore. That is an increase of about 160 per cent, or 27 per cent a year compounded. AMFI's annual report adds that yearly SIP contributions reached ₹2.89 lakh crore in FY2025, up 45.24 per cent on the previous year (AMFI, 2025). The March 2026 figure was a record at the time it was reported.

Table 6: SIP Assets and Their Share of Industry AUM

March	SIP Assets (₹ lakh crore)	Share of Industry AUM %
2024	10.72	20.07
2025	13.35	20.31
2026	15.11	20.5

SIP assets grew by about 41 per cent between March 2024 and March 2026. The share is the more revealing number, since it stayed close to 20 per cent the whole time. SIP assets grew in step with the industry as a whole, so roughly one rupee in every five held in mutual funds now arrives through this route. SIPs are no longer a side channel; they are how a fifth of the industry's money gets invested.

7.3 Testing the Two Explanations

Industry AUM is a stock. It changes when investors put money in or take it out, and it changes again whenever prices move. A monthly SIP contribution is a flow: it is what was actually invested that month, and the market does not revalue it. The two measures lead to different predictions. If growth came mostly from rising prices, there would be no reason to expect contributions to outgrow assets. If growth reflects a habit, contributions should grow at least as fast as assets and hold up when asset values drop. Table 7 places the two measures side by side.

Table 7: Growth of a Flow against Growth of a Stock, March 2022 to March 2026

Measure	March 2022	March 2026	Total Change %	Compound Annual Rate %
Industry AUM (₹ lakh crore)	37.57	73.73	+96.2	18.4
Monthly SIP contribution (₹ crore)	12,328	32,087	+160.3	27.0

The flow grew faster than the stock. Year by year, SIP contributions outgrew AUM in three of the four years (15.8 against 4.9, 34.5 against 23.1, and 23.8 against 12.2 per cent) and were nearly level in the fourth (35.0 against 35.5 per cent). March 2026 provides a second piece of evidence. AMFI data show industry AUM dropping about 10.1 per cent in a single month, from ₹82.03 lakh crore at the end of February 2026 to ₹73.73 lakh crore at the end of March, because of heavy debt-fund redemptions and a market decline. Even so, SIP contributions hit a record ₹32,087 crore in that same month, and equity funds took in net inflows (AMFI, 2026b). Assets moved with prices and redemptions, but



regular contributions held. AMFI's March 2026 update also notes 61 consecutive months of positive equity inflows (AMFI, 2026a).

Table 8: Competing Explanations of Industry Growth

Explanation	What it predicts	What was observed	Verdict
H0: Rising market values	Contributions would not outgrow assets, and would weaken when asset values fall	Contributions grew faster than assets (160.3 against 96.2 per cent); a record SIP month came when AUM fell 10.1 per cent	Not supported
H1: A sustained investing habit	Contributions would grow at least as fast as assets and hold up in a falling month	SIP growth was ahead in three years and level in one; SIP assets stayed near a fifth of AUM; 61 months of equity inflows	Supported

On this evidence H1 is supported and H0 is not, though I would describe the verdict as directional. Published totals do not separate the change in AUM into price effects and net flows, and the one-month fall in March 2026 shows how much a single day's market level can move a year-end snapshot. Even so, the pattern agrees with everything else in the record. Industry growth has relied on regular, repeated contributions as well as a rising market, which is exactly what a planner hopes to see.

7.4 The Goal Decides the Fund

For an investor, the practical question is not how large the industry is but where a particular rupee should go. The work on goals and horizons during the training pointed to a consistent answer: the date the money is needed is the first filter, and the category follows from it.

Table 9: Goal-Based Planning Framework

Financial goal	Typical horizon	Possible role for mutual funds	Key caution
Emergency reserve	Immediate / short	Only after checking liquidity needs; cash and bank instruments may suit the core of an emergency fund better	Keep emergency money away from high market risk
Short-term purchase	1–3 years	Debt-oriented options with lower volatility, depending on risk and suitability	Protecting capital matters more than maximising return
Home or education	3–10 years	A mix of debt and equity, depending on horizon and flexibility	Lower the risk as the goal gets closer
Children's long-term goal	10+ years	An equity-oriented allocation can support growth, with periodic reviews	Accept volatility, but reduce risk near the goal
Retirement	15–30+ years	A diversified mix of equity, hybrid and debt across life stages	Needs regular reviews and a withdrawal plan

7.5 Age, Risk Tolerance and Risk Capacity

Life-stage allocation offers a starting point. Table 10 shows the illustrative ranges used in the age-based portfolio exercises. They are teaching ranges, not advice.



Table 10: Illustrative Age-Based Allocation Framework

Life stage	Illustrative equity range	Illustrative debt / low-volatility range	Planning focus
18–30	60–80%	20–40%	Building long-term wealth, an emergency reserve, insurance and the savings habit
31–40	55–75%	25–45%	Home, children, retirement and protection goals
41–50	45–65%	35–55%	Balancing growth against a growing need to protect capital
51–60	30–50%	50–70%	Moving towards retirement and protecting goals
60+	20–40%	60–80%	Income, liquidity and preserving capital

Age alone cannot settle suitability. Two people of the same age and similar income may need quite different portfolios, because their responsibilities, existing assets and ability to absorb a loss are not the same. Risk profiling exists to separate what age lumps together. The most useful distinction I took from the training was between risk tolerance, meaning how comfortable a person feels when values fall, and risk capacity, meaning how much loss the person can absorb without damaging essential goals.

Table 11: Dimensions of an Investor Risk Profile

Dimension	Question to ask
Risk tolerance	How comfortable is the investor with temporary falls in the market?
Risk capacity	How much of a loss could the investor bear without harming essential goals?
Time horizon	When will the money be needed?
Goal priority	Is the goal essential, important or merely aspirational?
Liquidity	Might the investor need the money unexpectedly?
Income stability	Is future income predictable or uncertain?
Existing assets	What equity, debt, cash, insurance and other assets are already held?

A conservative profile points to a bigger share of debt and low-volatility holdings and only limited equity. A moderate profile suggests a balanced mix. An aggressive profile, with a long horizon, steady income and high tolerance, can support a larger equity share, provided it is diversified. A high-return product is unsuitable if its volatility would push the investor to give up on the plan during a downturn.

7.6 Diversification Is a Design, Not a Count

Diversification works at several levels, and a plan should address each one deliberately. Five equity funds with similar large-cap holdings can look diversified while doing little to reduce concentration, which is the practical meaning of Markowitz's argument.

Table 12: Layers of Diversification

Level	Example	Purpose
Security level	Many companies held inside one equity fund	Lowers the risk tied to any single company
Category level	Large-cap plus flexi-cap plus debt	Lowers dependence on one fund category
Asset-class level	Equity, debt, and cash or gold where appropriate	Balances growth, stability and liquidity



Goal level	Separate portfolios for retirement, education and near-term needs	Keeps the swings of one goal from affecting another

7.7 An Illustrative Plan and the Arithmetic of Starting Early

To show how funds can fit into one plan, consider a hypothetical 28-year-old salaried investor. Income is stable, an emergency fund already exists, basic insurance is in place, retirement is more than 25 years away, and a house purchase is planned in about seven years. The example is made up for teaching purposes and is not advice.

Table 13: Illustrative Goal-Based Allocation of a Monthly Investment

Goal	Horizon	Illustrative monthly allocation	Share of total %	Planning logic
Retirement	25+ years	₹12,000	48	A stronger growth tilt because the horizon is long
Home purchase	7 years	₹8,000	32	A balanced allocation that is gradually de-risked
Short-term goals	2–3 years	₹3,000	12	A focus on lower volatility
Flexible wealth creation	10+ years	₹2,000	8	A diversified long-term allocation

A single investor needs different strategies for different goals. It would be a mistake to put every rupee into a single equity scheme just because retirement is far off. It would be just as unwise to keep all long-term money in low-return instruments, which exposes it to inflation.

A simple illustration shows what time can do. Suppose someone invests ₹10,000 a month for 20 years and, purely for the sake of illustration, earns an annualised return of 10 per cent. They put in ₹24 lakh, and under this assumption the future value is about ₹75.9 lakh. Under the same assumption, a person who starts five years later and wants the same corpus in 15 years would need to invest about ₹18,300 a month, roughly 83 per cent more. These are arithmetic illustrations, not forecasts. Actual returns are uncertain, and taxes, expenses and timing all change the result. A SIP is a way of investing, not a separate asset class, and it does not make a risky fund safe.

7.8 Challenges Met and the Methods That Worked

During the training I noted down each difficulty along with what I did about it.

Table 14: Challenges and the Approaches That Worked

Challenge	Approach that worked	What it taught
Technical factsheets (NAV, AUM, expense ratio, benchmark, exit load)	Learn each term first, then connect it to the investor's objective	A factsheet should be read for suitability, not for returns alone
Risk profiling	Hands-on discussion and age-based portfolio exercises	Tolerance and capacity are two different things
Explaining technical ideas in simple language	Preparing presentations and brochures for a non-finance audience	Plain language is part of the professional skill
SIP-focused calling	Brief, clear communication and listening to different reactions	Repeated calls build listening skills and clarity
Corporate outreach for literacy sessions	Professional communication and persistence	Business-to-business outreach has its own discipline



Macroeconomic interpretation	Shifting from definitions to cause and effect	No single indicator predicts markets
Several tasks at once in a short period	Setting priorities against deadlines	Time management when juggling tasks

Most difficulties eased when I changed the way I worked, not when I simply worked harder. Learning the term before the framework, tying each statement to the investor's goal and keeping the message short did more for me than extra hours of reading.

7.9 Common Impression versus Observed Practice

Table 15: How Mutual Fund Investing Is Imagined and How It Appears in Planning

Dimension	Common impression	Seen in the data and training
Where to begin	With the best-performing fund	With the goal, its date and the investor's risk profile
Industry growth	More assets mean better outcomes for investors	AUM is not return; outcomes depend on allocation, cost, behaviour and horizon
What a SIP does	It makes investing safe	It builds a habit and averages out purchase prices; it does not remove market risk
Number of funds	More funds mean more diversification	Several similar schemes can leave concentration untouched
Size of the fund house	A bigger AUM means a better scheme	Size says nothing on its own about suitability or future returns
Age and allocation	Age decides the equity share	Age is a starting point; capacity, assets and liabilities count too

The gap here is a difference in kind, not in degree. The conversations that went well were not the ones with the most product detail. They were the ones that started from what the money was for.

8. Concepts, Findings and Recommendations Linkage

The concepts from the literature line up closely with what the data and the training showed. The table below shows which finding each concept helps explain.

Table 16: Concepts as Applied in This Study

Concept	Meaning	How it is applied here	Linked finding
Portfolio theory (Markowitz, 1952)	Judge risk across the whole portfolio	Layers of diversification; overlap between schemes	Several similar funds are not diversification
Life-cycle planning (Modigliani & Brumberg, 1954)	Saving and risk capacity change over a lifetime	Age-based allocation ranges; goals with dates	Horizon is the first filter
Loss sensitivity (Kahneman & Tversky, 1979)	Losses feel heavier than equal gains	SIPs and fixed allocations as discipline; the March 2026 fall	Contributions held up while assets fell
Competitive forces (Porter, 2008)	Industry structure shapes strategy	Strong buyer power, many substitutes and fierce rivalry	Planning quality becomes part of the offer
Suitability (SEBI, n.d.)	Understand a scheme and	Risk profiling; reading	Selection follows



	its risks before investing	factsheets	suitability

The recommendations below do two things. First, they put the goal ahead of the product. Second, they make risk and assumptions visible to the investor. All of them build on practices I saw during the training.

Table 17: Recommendations, Expected Outcomes and Reasons

Recommendation	Expected outcome	Reason
Open every discussion with a goal worksheet that records the amount, target date, priority and flexibility	Products that line up better with goals	Horizon is the first filter in Table 9
Complete risk profiling, keeping tolerance and capacity apart, before suggesting an allocation	A clearer grasp of risk and fewer emotion-driven decisions	Age alone cannot decide suitability
Review existing assets and liabilities, and check for overlap between schemes	Real diversification, not just a longer list of funds	Similar schemes can leave concentration in place
Use factsheets to explain a scheme's objective, portfolio, cost, risk and performance context	Selection based on suitability and not on past returns alone	Performance is only one input
Present SIPs as a method, and state the assumptions behind every illustration	Open communication and stronger trust	Compounding results depend on an assumed return
Review the plan regularly and reduce risk as each goal draws near	Goals protected as their dates approach	Risk capacity shrinks near a goal
Run financial-literacy sessions on risk, diversification, inflation, compounding and the difference between saving and investing	Better-informed investors and better client conversations	Outreach showed there is demand for plain explanation

9. Findings

- Industry AUM grew from ₹37.57 lakh crore in March 2022 to ₹73.73 lakh crore in March 2026, an increase of about 96 per cent and a compound rate of 18.4 per cent. The yearly percentage gain slowed from 35.5 to 23.1 and then to 12.2 per cent.
- March monthly SIP contributions rose from ₹12,328 crore to ₹32,087 crore, about 160 per cent, which is faster than AUM. This supports H1 and does not support H0.
- In March 2026 AUM dropped about 10.1 per cent in one month while SIP contributions reached a record. A year-end snapshot can therefore be swung by one day's market level, and the flow measure is the steadier guide to investor behaviour.
- SIP assets grew from ₹10.72 lakh crore to ₹15.11 lakh crore between March 2024 and March 2026 and stayed at around 20 per cent of industry AUM.
- Mutual funds are most useful when the category is matched to the goal, the horizon and the risk profile. Horizon comes first.
- Risk profiling matters because suitability cannot be judged from age or from expected returns. Tolerance and capacity are not the same thing.
- Diversification is a question of design across security, category, asset class and goal. Adding more similar funds does not cut concentration.
- The illustrative arithmetic shows why starting early matters, and why the assumptions behind any such



illustration must be stated.

- Most of the difficulties in the training eased when I changed my method, not when I put in more effort, and explaining things in plain language proved to be a core professional skill.

10. Discussion

1. Participation Is Not Return

The figure that grabs attention is the near doubling of industry assets, but what it leaves out matters more. Assets show how much money sits in funds. What an investor actually gets is a separate question. The slowing percentage growth and the sharp one-month fall in March 2026 are reminders that the size of the industry and one person's result can move apart.

2. A Habit Is the Real Asset

The strongest result in the record is not the growth in AUM but the way contributions behaved. They rose faster than assets and kept coming in the month assets fell. A planner has good reason to welcome this pattern, since it suggests investors are sticking to a schedule instead of reacting to headlines. The caution is that a SIP is a method. It builds discipline, but it neither makes a risky fund safe nor guarantees a return.

3. The Goal Is the First Filter

A fund can only be called suitable or unsuitable once the purpose of the money is known. The same investor may sensibly hold an equity-oriented scheme for retirement and a lower-volatility one for a purchase three years away. Starting with the product turns this order upside down and leaves the investor choosing by recent performance.

4. Why More Funds Do Not Mean More Diversification

Since every scheme is already diversified, it is tempting to assume that a longer list of schemes makes a safer portfolio. My training notes suggest otherwise. Overlap matters more than the count, and a plan is better judged by its layers (security, category, asset class and goal) than by how many names it holds.

5. Suitability Before Selling

Buyers have plenty of choice, substitutes are many and rivalry is strong. In a market like this it is tempting to lead with whatever has done well lately, which makes mis-selling and unsuitable recommendations a real threat to trust. Risk profiling and honest statements of assumptions are the practical safeguards, and they cost almost nothing.

6. Explaining Finance Plainly Is Part of the Work

The training showed me that technical knowledge is only half the job. Presentations, brochures, pitches and calls all demanded the same discipline: say what the product is, what it is for and what it cannot promise. A finance professional who can do that is more useful than one who can only recite the terms.

11. Conclusion

I started this paper wanting to understand how mutual funds fit into personal financial planning in India, and whether the growth of the industry reflects an investing habit or only rising markets. The record gives a fairly clear answer. Industry assets nearly doubled in four years, but SIP contributions grew faster still and carried on in the month assets fell, which supports the view that a habit has formed. The value of a mutual fund lies less in its label than in where it sits in a plan: the goal first, then the horizon, the risk, the allocation and, finally, the scheme.

A few practical steps follow from this. Every conversation could begin with a goal worksheet. Risk profiling could separate tolerance from capacity before any allocation is proposed. Advisers could check how far schemes overlap instead of just counting them. And every illustration could state its assumptions openly. None of this requires new systems or extra staff.

The study has clear limits. It relies on secondary data and on March year-end snapshots, which a single month's market can move. Industry AUM is not an investor's return, and the published totals do not separate price effects from flow effects, so the test of the hypotheses is only directional. It rests on seven weeks at one organisation, and no company-level details are reported about it. There was no primary investor survey, the SIP assets series covers only



three years, and the illustrative allocations and calculations are teaching examples, not advice. Taxation and scheme rules change, so investors should check current scheme documents before investing. Future work could split the change in AUM into net flows and market movement, survey investors on whether goal-based planning changes their behaviour, follow SIP continuity through market falls, and test whether financial-literacy sessions lead to better investing decisions.

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