**Abstract**

The study is based on the investor’s preference towards mutual funds as an investment option. There are various factors that influence the investors in investing in mutual funds. Factors play a major role in all kinds of investments. The objective of the research is to analyze the interests of the investors and factors influencing their interests. Factors include returns, cost, flexibility, safety etc. It is important to know the factors responsible for the investment and preference made by the investor. It helps in identifying the problems in investing in mutual funds and to improve its standards.