

**INVESTOR CHARACTERISTICS, INVESTMENT GOALS AND CHOICE:  
A TEST OF THE MEDIATING EFFECT OF SOCIAL INVESTMENT  
EFFICACY ON SOCIALLY RESPONSIBLE INVESTING  
BEHAVIOUR IN INDIA**

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*Individual investing behaviour is influenced in varying degrees by the financial (utilitarian) and non-financial (expressive) objectives such as values and beliefs, past experiences etc. The multiple goals that an investor has may be contradictory. For example, the final investment choice of an investor who is a profit maximizer with a strong set of values and beliefs is a tradeoff between the marginal profits and marginal erosion in values and beliefs. A good understanding of such values and beliefs can be useful to a fund house to attract such investors and at the same time promote Socially Responsible Investing (SRI) behaviour. In the last decade, while SRI based funds have grown manifold in developed markets, in India, so far we have only one such fund which is not a top performing one. In this backdrop, the present study attempts to identify the key drivers of SRI behaviour in India. This paper seeks to capture aspects of personal investing, specific to individual investors in India and to understand how they make investment decisions. The results indicate that funds promoting community values by applying negative filters (would vary depending on the community) would give investors an avenue to pursue their non economic investment goal. Further, a very important finding of this paper is the impact of religiosity on socially responsible investment behavior. This result is interesting considering that there is a estimated Rs 1000 Billion fund in the top ten temples in India.*

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