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REVIEWER'S REPORT

Manuscript No.: IJAR-58709

Title: The Rise of Passive Investing: Examining Index Fund Adoption Among India's Retail Investors.

Recommendation:

Accept as it is ………………………………

Accept after minor revision………………

Accept after major revision ………………

Do not accept (*Reasons below*) ………

Rating	Excel.	Good	Fair	Poor
Originality		✓		
Techn. Quality			✓	
Clarity		✓		
Significance		✓		

Reviewer's ID: JPR-130

Detailed Reviewer's Report

1. Overall Evaluation

The manuscript "The Rise of Passive Investing: Examining Index Fund Adoption Among India's Retail Investors" addresses a relevant and contemporary topic in the Indian mutual fund industry. It examines the rapid growth of passive investment products, retail investor awareness, and the gap between retail interest and actual ownership of passive fund assets. The manuscript uses AMFI data and survey evidence to develop its central argument. The paper has a clear focus and good practical relevance. However, it requires improvement in research methodology, source verification, empirical analysis, and critical discussion. The paper currently relies mainly on descriptive data and secondary sources, and the relationship between the evidence and the main argument needs to be demonstrated more systematically.

2. Strengths

2.1 Relevant and Contemporary Topic - The growth of index funds and ETFs among Indian investors is an important and timely research area.

2.2 Clear Research Focus - The manuscript clearly identifies the structural gap between increasing retail awareness/adoption and the relatively small proportion of passive AUM owned by retail investors.

2.3 Useful Industry Data - The paper incorporates AMFI data on passive fund AUM and folios, along with investor survey findings, which provide useful evidence of market growth.

2.4 Practical Significance - The discussion of distributor incentives and their possible influence on investor product choices provides an interesting practical perspective on passive-fund adoption.

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2.5 Clear Presentation - The manuscript is logically organized and easy to follow, with clear sections covering growth, adoption drivers, structural gaps, discussion, and conclusion.

3. Areas for Improvement

3.1 Research Methodology - The paper describes itself as a review of AMFI data and survey findings, but a formal methodology section is missing. The authors should explain the data sources, selection criteria, study period, and analytical approach.

3.2 Strengthen Empirical Analysis - The paper is largely descriptive. The authors could strengthen the study by providing trend analysis, comparative statistics, or simple statistical tests to establish the relationship between retail participation and passive-fund growth.

3.3 Verify and Strengthen Sources - All numerical claims should be directly supported by authoritative sources. For example, the paper reports passive AUM growth, folio growth, and retail ownership percentages; the corresponding data sources and calculation methods should be clearly presented.

3.4 Distributor Incentive Argument - The claim that distributor commissions contribute to investors being directed toward active funds is interesting, but it requires stronger empirical evidence. The authors should provide specific data on commission structures or supporting academic/industry research before presenting this as the principal explanation.

3.5 Distinguish Awareness, Adoption, and Ownership - The manuscript appropriately identifies these as different concepts, but they should be more clearly defined and measured. Survey responses indicating that investors "hold at least one passive fund" should not automatically be interpreted as substantial portfolio-level adoption.

3.6 Literature Review - The paper would benefit from a stronger review of peer-reviewed academic literature on passive investing, investor behaviour, mutual fund distribution, and financial intermediation in India.

3.7 Language and Presentation - A few sentences are lengthy and could be simplified. Tables/figures showing the growth of passive AUM, folios, and retail ownership would also improve the presentation.