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DETERMINANTS OF AN INVESTOR'S DECISION IN UNIT TRUST INVESTMENT

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Abstract

A unit trust is an easy method to invest and a wise strategy to increase one's wealth over the short, medium, and long terms. Investment professionals will oversee the investments and carefully diversify the risks. The fundamental characteristic of a unit trust is that it has lower returns than other financial products due to its low level of risks. The elements that affect an investor's choice to invest in unit trusts are not sufficiently investigated empirically in the literature. The goal of this study is to examine the variables that affect a potential investor's choice to invest in a unit trust. By positing that factors such as risk-taking behaviour, investment revenue, interest rates, prior investing behaviour, age, and income have statistically significant effects on an investor's choice to invest in unit trusts, the paper tries to close this research gap. The empirical study employs a quantitative research methodology, and survey data from 110 participants were selected as a sample using a practical sampling procedure. This cross-sectional study employs primary data for its analysis. Multiple regression analysis has been used in the data analysis. The results of this study will have a significant impact on both investors and financial institutions. This study aids brokers and fund managers in their understanding of how an individual investor reacts to a unit trust.

Keywords: Mutual Fund, Unit Trust, Risk Behaviour, Investment Revenue, Interest Rates, Past Investment Behaviour, Age, Income

1. Introduction

Background of the Study

A unit trust represents a collective investment vehicle that enables multiple investors to pool their financial resources into a single trust fund, receiving "units" proportional to their ownership stake. These pooled funds are subsequently invested in diversified portfolios by professional fund managers, primarily on stock exchanges (Abul, 2019). Investors acquire units at the offer price and dispose of them at the bid price, with transactions conducted either directly with fund managers or through intermediaries such as banks, stockbrokers, accountants, or legal practitioners.

The global economic expansion has consistently elevated people's incomes and purchasing power, consequently increasing their demand for diverse financial products and services (Abul, 2019). Within this evolving financial landscape, unit trusts have emerged as an accessible investment method and a prudent strategy for wealth accumulation across short, medium, and long-term horizons. Unlike direct equity investments, unit trusts offer the advantage of professional management and inherent risk diversification. However, the fundamental characteristic of unit trusts is their relatively lower returns compared to other financial products, attributable to their reduced risk profile (Trang & Tho, 2017).

Despite the theoretical advantages of unit trusts as investment vehicles, empirical evidence suggests that financial markets have developed unevenly. In Malaysia, for instance, the majority of investors

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demonstrate a preference for ordinary shares on stock exchanges rather than unit trusts (Shafee & Suhaimi, n.d.). Consequently, mutual fund investment has experienced slower growth compared to stock market investment, potentially creating imbalances that may hinder the holistic development of financial markets over the long term.

Research Problem

The determinants of investor decisions in unit trust investments remain insufficiently investigated in the empirical literature. While prior research has examined various factors influencing investment behaviour, there exists a notable gap regarding the specific factors affecting unit trust investment decisions. Research has identified multiple components influencing investors' investment behaviour, with understanding these behaviours offering diverse benefits for various stakeholders (Waweru et al., 2008).

According to Waweru et al. (2008), investors' financial situations significantly influence their investment behaviours, as they perceive investing as a means to achieve financial planning objectives and enhance their wealth. However, the specific factors that influence potential investors' decisions to invest in unit trusts have not been adequately explored in the Pakistani context. Financial advisors, fund managers, and unit trust management companies require comprehensive understanding of these determinants to effectively tailor their products and services to meet investor expectations and preferences.

This study addresses this research gap by investigating the factors that influence an investor's decision to invest in unit trusts. Specifically, the study examines six potential determinants: risk-taking behaviour, investment revenue, interest rates, past investment behaviour, age, and income. By positing that these factors have statistically significant effects on investment decisions, this research contributes to the existing body of knowledge on investor behaviour and provides practical insights for financial institutions and investment professionals.

Research Objectives

This study aims to achieve the following objectives:

1. To examine the relationship between risk-taking behaviour and investors' decisions to invest in unit trusts.
2. To investigate the relationship between investment revenue and investors' decisions to invest in unit trusts.
3. To explore the relationship between interest rates and investors' decisions to invest in unit trusts.
4. To determine the relationship between past investment behaviour and investors' decisions to invest in unit trusts.
5. To analyse the relationship between age and investors' decisions to invest in unit trusts.
6. To assess the relationship between income and investors' decisions to invest in unit trusts.

Research Hypotheses

Based on the literature review, the following hypotheses have been developed:

H1: There is a positive relationship between risk-taking behaviour and investment behaviours in unit trusts.

H2: There is a positive relationship between investment revenue and investment behaviours in unit trusts.

H3: There is a positive relationship between interest rates and investment behaviours in unit trusts.

H4: There is a positive relationship between past investment behaviour and investment behaviours in unit trusts.

H5: There is a positive relationship between age and investment behaviours in unit trusts.

H6: There is a positive relationship between income and investment behaviours in unit trusts.

Significance of the Study

The findings of this research will have significant implications for multiple stakeholders. For investors, understanding the factors that influence investment decisions will enable more informed and rational investment choices. For financial institutions, investment brokers, and fund managers, this study provides

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valuable insights into individual investor behaviour, facilitating the development of appropriate financial products and marketing strategies that align with investor preferences and expectations.

Furthermore, the study contributes to the theoretical understanding of investor behaviour by testing the applicability of established behavioural theories, specifically, the theory of planned behaviour and cognitive behaviour models, in the context of unit trust investments. The findings will also assist policymakers and regulatory bodies in understanding investor behaviour patterns, potentially informing the development of policies that promote balanced growth across different investment vehicles in the financial market.

Scope and Limitations

This research focuses on identifying and analysing the factors that influence investment decisions in unit trusts. The study employs a quantitative research methodology, utilizing survey data collected from 110 participants in Pakistan. The cross-sectional design examines relationships between variables at a single point in time, limiting the ability to draw causal inferences. The convenience sampling procedure, while practical, may limit the generalizability of findings to broader populations.

Despite these limitations, the study provides valuable insights into the determinants of unit trust investment decisions in the Pakistani context, contributing to the growing body of literature on investor behaviour in emerging economies.

Organisation of the Study

This paper is organised as follows: Section 2 presents a comprehensive literature review examining investment behaviour, risk-taking behaviour, investment revenue, interest rates, past investment behaviour, age, income, and the underpinning theoretical frameworks. Section 3 describes the research methodology, including the research design, data collection methods, sampling procedures, and analytical techniques employed. Section 4 presents the data analysis and findings, including descriptive statistics, reliability and validity tests, correlation analysis, and regression results. Section 5 discusses the findings in relation to existing literature and the study's hypotheses. Finally, Section 6 concludes the paper, presents recommendations, and suggests directions for future research.

2. Literature Review

Investment Behaviour

Under information and resource constraints, organizations make investment decisions as a trade-off process, sacrificing current resources for future gains. Companies select investment opportunities aligned with corporate goals (Zhuo, 2015). Obamuyi (2013) found that both socioeconomic factors and behaviour influence investors' capital market decisions. Individual behaviour determines the purpose behind actions, with behavioural psychology initially studying and analysing these motivations. Various motivation theories and models have been developed to understand human behaviour (Loewenstein, 2000).

Investing behaviour involves considering multiple factors influencing decisions about specific investment instruments. These influences can be categorized into human characteristics such as personality, drive, and other traits (Merikas et al., 2011). A stock's historical performance, current economic conditions, and other relevant factors can affect investor behaviour (Mohammad Reza Tavakoli Baghdadabad, 2011). Understanding investment behaviour is vital for various users, including beginning investors selecting suitable stocks and investment brokers attracting investors by offering financial products meeting investor expectations (Barnea et al., 2010).

Financial status significantly influences investors' actions during investment decisions. The degree and amount of investment in shares depends on an individual's financial situation (Waweru et al., 2008). Tan et al. (2008) confirmed that investors' financial circumstances affect their investment amounts and risk tolerance. Investors with lower financial standing typically accept lower risks, favouring unit trusts as their optimal investment vehicle, while those with stronger financial standing are prepared to accept greater risks for potentially higher returns.

Research on risk behaviour and investor conduct reveals associations between risk-taking attitudes and investment strategies (Thaler, 2015). These correlations vary individually, with investors from better socioeconomic backgrounds enduring more challenges due to greater financial capacity. Mak and Ip (2017)

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also found evidence supporting the relationship between risk and investment behaviour. Additionally, factors including personality, educational attainment, income, and financial circumstances influence investors' willingness to take risks beyond the impact of risk-taking attitude on chosen investments.

Risk Taking Behaviour

Risk identification is essential for successful objective execution, as risks represent uncertainties in all life aspects. Risk-taking attitude involves calculated risk acceptance in any activity, including investments. A willingness to take chances is essential when making investments, and people select stocks using risk-taking behaviour (Leon & Aprilia, 2018). According to Trang and Tho (2017), investors' risk exposure varies by investment vehicle, with higher risk accompanying higher returns when purchasing ordinary shares. Although unit trusts have less risk, investors perceive returns as low. Investment risk and return maintain a positive association.

Understanding risk-taking behaviour benefits both investment agents and buyers. Investors can choose assets matching their budgets and risk tolerance by understanding their risk capacity, reducing the likelihood of overreacting to losses. Investment agents can offer clients less expensive options and successfully complete intended investments (Wright, n.d.).

Thaler (2015) found a link between investors' risk-taking attitude and their investing decisions, noting that this association varies individually, with wealthier investors better able to bear risk. Investors frequently use risks as a gauge for selecting investment strategies, making profits, and determining whether losses exceed their capabilities. Van Raaij (2016) also identified a link between risk-taking behaviour and investment behaviour, with additional factors including personality, education, income, financial condition, and company preferences influencing risk acceptance.

Hypothesis 1 (H1): *There is a positive relationship between risk-taking behaviour and investment behaviours.*

Investment Revenue

Investment revenue refers to the prospective money investors anticipate generating from participating in specific investment opportunities (Lusardi & Mitchell, 2014). Each investor holds unique expectations for investment returns, seeking appropriate businesses with historically high earnings to meet these expectations (Aregbeyen & Ogochukwu, 2011). Historically, investors have selected stocks and other investment vehicles based on expected return on investment. According to Khan (2015), income or anticipated return substantially impacts an individual's investment behaviour, helping investors sort and select products meeting their needs. Investors carefully consider options based on prior performance or scenarios delivering anticipated returns, with opportunities offering extraordinary returns attracting investors.

Hypothesis 2 (H2): *There is a positive relationship between investment revenue and investment behaviours.*

Interest Rates

Changes in interest rates affect all macroeconomic indicators, including international balance of payments, employment, gross domestic product, and economic growth rate. Interest rates significantly impact both macro and local economies (Suyuan & Khurshid, 2015). Empirical research yields various conclusions regarding the interest rate-investment connection.

Greene and Villanueva (1991) found that real deposit interest rates negatively impact private investment in their study of 23 countries between 1975 and 1987. Hyder and Masood Ahmed (2004) discovered that higher real interest rates cause lower private investment. Larsen (n.d.) found that low mortgage interest rates make direct real estate investments attractive to suppliers.

Aysan and Pang (2005) studied factors causing poor private investment development in the Middle East and North Africa (MENA) during the 1980s and 1990s, finding that real interest rates negatively impact corporate investment strategy. Wang and Yu (2007) found that interest rates are essential determinants in investment decisions for Taiwanese enterprises.

Hypothesis 3 (H3): *There is a positive relationship between interest rates and investment behaviours.*

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Past Investment Behaviour

According to Kidwell and Jewell (2008), prior behaviour significantly influences present behaviour. However, little is understood about how previous behaviours affect informational processing within behavioural models (Wood et al., 2005). Individuals with limited experience may weigh cognitive resources like evaluating silent beliefs, while those with extensive experience may disregard current information, relying instead on past successful behaviour.

Relying on previous behaviour represents a cognitive bias. According to behavioural finance theories, people frequently disregard current information significance, exhibiting irrational behaviour. These cognitive biases manifest through anchoring, representativeness, and availability, reflecting earlier experiences or actions (Tversky & Kahneman, 1974). Hayward et al. (2006) stated that personal past experiences significantly influence risk-taking behaviour, with greater frequency and degree of risk-taking experience leading to more risk acceptance.

Hypothesis 4 (H4): *There is a positive relationship between past investment behaviour and investment behaviours.*

Age

Investment decision-making is influenced by a complex interplay of demographics including age, gender, income, and education level (Maxfield et al., 2010). Risk represents a fundamental factor in investment decision-making, with investors categorized as risk-lovers, risk-neutrals, and risk-averse based on individual risk tolerance. Demographic factors such as age, gender, income, education, and marital status significantly affect investor risk aversion (Pak & Mahmood, 2015).

Age and financial risk tolerance show some contentious findings. Most studies indicate that risk-taking becomes more acceptable as people age (Wang & Hanna, 1998), while others claim younger respondents take more risks than older ones (Grable et al., 2004).

Hypothesis 5 (H5): *There is a positive relationship between age and investment behaviours.*

Income

Income significantly impacts investor behaviour. Chandra (n.d.) found that Delhi-area investors with higher annual incomes demonstrated greater expertise and frequently traded stocks due to overconfidence compared to lower-income investors. All investors preferred stability regardless of income level, avoiding excessive trading decisions and favouring the status quo.

Dhar and Zhu (2006) examined trading data from a large brokerage house, finding that wealthy investors showed less disposition effect regardless of education or financial literacy, as they could afford professional advice and thus reduced bias. Rana et al. (2014) found income level significantly positively correlated with digital and information-seeking behaviour, with wealthy investors more eager to seek financial professional advice before investing in risky assets.

Islamoğlu et al. (2015) investigated factors affecting bankers' investor behaviour in Bartin, Turkey, demonstrating that rising income levels increased investment-related information follow-up, improved finance and payment habits, expanded cultural and religious influence on financial decisions, and shifted traditional investors' perspectives. Income level provided the greatest justification for the relationship between income and investment decisions.

Hypothesis 6 (H6): *There is a positive relationship between income and investment behaviours.*

Underpinning Theories

Two behavioural concepts were applied within this research: the theory of planned behaviour and the cognitive behaviour model. The theory of planned behaviour focuses on individuals who logically choose behaviours after evaluating available information, emphasizing that investment decisions are significantly impacted by people's perceptions and the chances of success (Ajzen, 1987). This theory demonstrates how committed people are to action and how much control they have over their assets, influencing investment decisions. This study found that the greater an individual's perceived behavioural control, the stronger their will to invest, resulting from more positive attitudes about investments. Intentions represent a depiction of an individual's motivation, serving as intentional plans to exert effort or invest (Conner, 2009).

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3. Research Methodology

Research Design

This study employs a quantitative research methodology, which is the most commonly used approach in social science research for examining relationships between variables through statistical analysis of numerical data (Creswell, 2009). Quantitative research design is particularly appropriate for this study as it enables the systematic investigation of the relationship between independent variables (risk-taking behaviour, investment revenue, interest rates, past investment behaviour, age, and income) and the dependent variable (investment decision) through measurable, objective data.

The research adopts a cross-sectional design, collecting data at a single point in time to examine the relationships between variables. This design is suitable for studies that aim to describe phenomena as they occur and understand the relationships between variables within a specific timeframe (Sekaran & Bougie, 2009). The cross-sectional approach is practical for this study given time and resource constraints, and it provides a snapshot of investor behaviour and the factors influencing their investment decisions.

The study utilizes descriptive statistics to describe the characteristics of the sample and inferential statistics to test the research hypotheses. This approach enables the research to carefully investigate and depict the relationships in numeric data for greater understanding, which is more suitable for this specific research than alternative methodological approaches (Creswell, 2009).

Population and Sample

Target Population. The target population for this study consists of potential and existing investors who have knowledge of and interest in unit trust investments. Given the nature of the research topic, the population includes individuals who have engaged in or are considering engaging in investment activities, with particular focus on those who have demonstrated interest in unit trust products.

Sampling Technique. The study employs a convenience sampling technique, which is a non-probability sampling method where participants are selected based on their availability and willingness to participate in the research. This sampling procedure is practical and appropriate for exploratory research where the primary objective is to gather preliminary insights into the research problem (Sekaran & Bougie, 2009).

Convenience sampling was selected for several reasons. First, the study aimed to collect data from individuals who have knowledge of and interest in investment activities, and a convenience sample allowed access to this specific population. Second, given time and resource constraints, this sampling method was the most feasible approach. While convenience sampling may limit the generalizability of findings to broader populations, it is widely used in exploratory research and provides valuable initial insights into the research problem (Creswell, 2009).

Sample Size. A total of 110 participants were initially selected for the research project and received survey questionnaires. This sample size was determined based on the requirements of multiple regression analysis, which typically necessitates a minimum of 10 cases per independent variable (Pallant, 2016). With six independent variables in this study, the minimum recommended sample size is 60 participants. The sample of 110 participants exceeds this minimum requirement, providing adequate statistical power for the analysis.

Of the 110 questionnaires distributed, 90 valid responses were received, yielding an 81.8% response rate. This response rate is considered satisfactory for survey research and provides a sufficient sample for the statistical analyses employed in this study.

Research Instrument

Questionnaire Development. The research instrument used in this study is a structured questionnaire designed to collect primary data from participants. The questionnaire was developed based on a comprehensive review of existing literature on investor behaviour and the factors influencing investment decisions. Items were adapted from validated scales used in previous studies to ensure content validity and reliability.

The questionnaire consists of two main sections:

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1. **Demographic Information**: This section collects data on participants' personal characteristics, including gender, age, employment status, educational level, and income. These variables serve as control variables and provide context for understanding investment behaviour patterns (Creswell, 2009).
2. **Study Variables**: This section measures the six independent variables (risk-taking behaviour, investment revenue, interest rates, past investment behaviour, age, and income) and the dependent variable (investment decision). Each variable is measured using four items.

Measurement Scales

The questionnaire employs a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) to measure participants' responses to the study variables. Likert scales are widely used in social science research to measure attitudes, perceptions, and behaviours, and they are particularly appropriate for measuring the subjective constructs examined in this study (Sekaran & Bougie, 2009).

The four items for each variable are presented as statements, and participants indicate their level of agreement with each statement. This format allows for the quantification of qualitative perceptions and facilitates statistical analysis of the relationships between variables.

Operationalization of Variables

Independent Variables:

1. ***Risk-Taking Behaviour****:* This variable measures an individual's willingness to accept risks in investment activities. Four items assess participants' consideration of risk in investment decisions, their perception of risk in unit trusts, the relationship between risk and return, and the influence of risk on investment choices.
2. ***Investment Revenue****:* This variable measures participants' expectations regarding returns from investments. Four items assess participants' expected rate of return, use of expected return as a benchmark, perception of unit trust returns, and the influence of revenue on investment decisions.
3. ***Interest Rates****:* This variable measures the influence of interest rates on investment decisions. Four items assess participants' consideration of interest rates, the impact of interest rates on investment portfolios, adjustments to investment plans due to interest rate changes, and seeking professional advice regarding interest rates.
4. ***Past Investment Behaviour****:* This variable measures the influence of previous investment experiences on current investment decisions. Four items assess participants' evaluation of past experiences, willingness to invest in previously unsuccessful items, likelihood to invest after recent profits, and difficulty diversifying due to attachment to certain investments.
5. ***Age****:* This variable measures the influence of age on investment behaviour. Four items assess participants' perceptions of risk tolerance with age, younger investors' openness to risk, younger investors' aggressiveness, and older investors' concern for stability and security.
6. ***Income****:* This variable measures the influence of income levels on investment behaviour. Four items assess participants' willingness to invest in high-return options as income grows, seeking professional advice as income decreases, diversification as income grows, and wealth preservation focus as income decreases.

Dependent Variable:

7. ***Investment Decision****:* This variable measures participants' decisions and intentions regarding unit trust investments. Four items assess participants' future investment intentions, willingness to recommend unit trusts to others, perception of stable returns from unit trusts, and preference for unit trusts over bank deposits.

Data Collection Procedures

Data Collection Process. Data were collected through the distribution of self-administered questionnaires to the 110 selected participants. The questionnaire was distributed in both hard copy and electronic formats to maximize response rates. Participants were provided with clear instructions on completing the questionnaire and were assured of the confidentiality and anonymity of their responses.

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The data collection process involved the following steps:

1. Identification of potential participants who had knowledge of and interest in investment activities.
2. Distribution of questionnaires to participants with an explanation of the research purpose and instructions for completion.
3. Collection of completed questionnaires from participants.
4. Review of completed questionnaires for completeness and validity.
5. Data entry and verification for accuracy.

Ethical Considerations

This study adhered to ethical research principles throughout the data collection and analysis process. The following ethical considerations were observed:

1. **Informed Consent**: Participants were informed about the purpose of the research, the voluntary nature of their participation, and their right to withdraw at any time without penalty. Consent was implied through the completion and return of the questionnaire.
2. **Anonymity and Confidentiality**: Participants' responses were kept anonymous and confidential. No identifying information was collected, and all data were stored securely with access limited to the researchers.
3. **Data Protection**: All data were stored in secure electronic and physical formats to prevent unauthorized access or disclosure.
4. **Voluntary Participation**: Participation in this study was entirely voluntary, and no incentives or coercion were used to encourage participation.

Data Analysis Techniques

The data collected from the questionnaires were analysed using SPSS (Statistical Package for Social Sciences), a widely used statistical software for social science research. The following analytical techniques were employed:

Descriptive Statistics. Descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarize and describe the characteristics of the sample and participants' responses to the study variables. These statistics provide an overview of the data distribution and the central tendencies of the responses (Pallant, 2016).

Reliability Analysis. Reliability analysis was conducted using Cronbach's Alpha coefficient to assess the internal consistency of the measurement scales. Cronbach's Alpha values measure the extent to which items within each scale measure the same underlying construct. A Cronbach's Alpha value of 0.70 or higher is considered acceptable for research purposes, indicating that the scale items are internally consistent and reliably measure the construct (Sekaran & Bougie, 2009).

Validity Analysis. Validity analysis was conducted using the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity. The KMO measure assesses whether the data are suitable for factor analysis, with values above 0.60 indicating adequacy. Bartlett's Test of Sphericity tests whether the correlation matrix is an identity matrix, which would indicate that the variables are unrelated and unsuitable for factor analysis (Pallant, 2016).

Pearson Correlation Analysis. Pearson correlation analysis was used to examine the strength and direction of the relationships between the independent variables and the dependent variable. The Pearson correlation coefficient (r) ranges from -1 to +1, with values closer to +1 indicating a strong positive relationship, values closer to -1 indicating a strong negative relationship, and values close to 0 indicating little or no linear relationship. This analysis also assessed for multicollinearity among independent variables, with correlation coefficients exceeding 0.80 indicating potential multicollinearity issues (Pallant, 2016).

Multiple Regression Analysis. Multiple regression analysis was employed to test the research hypotheses and examine the simultaneous effect of the independent variables on the dependent variable. This analytical technique is appropriate for this study as it allows for the examination of the relationship between multiple independent variables and a single dependent variable while controlling for the effects of other variables (Sekaran & Bougie, 2009).

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The multiple regression analysis provides two important outputs:

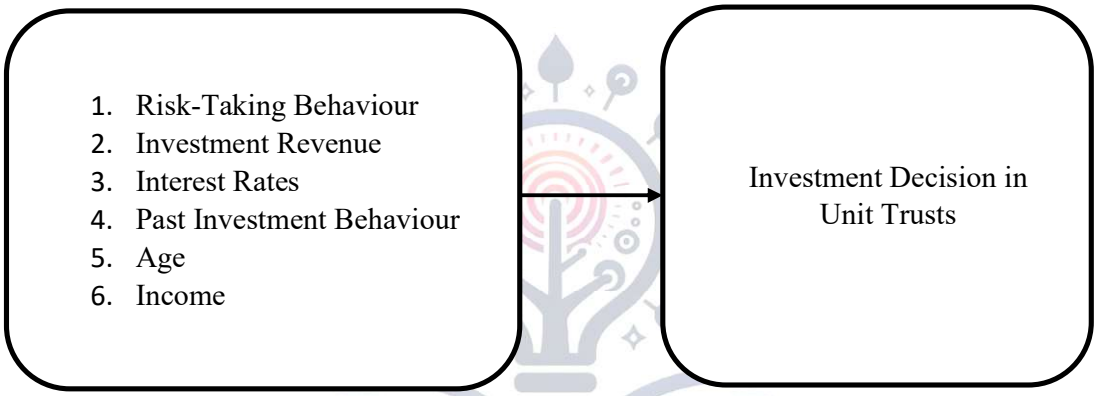
1. **R Square Value**: This value indicates the percentage of variance in the dependent variable that is explained by the independent variables collectively. It represents the overall impact of the independent variables on the dependent variable.
2. **Significance Values (p-values)**: These values indicate whether each independent variable has a statistically significant relationship with the dependent variable. A significance value of less than 0.05 indicates a statistically significant relationship, providing evidence to support the research hypothesis. Significance values greater than 0.05 indicate that the relationship is not statistically significant, and the hypothesis is not supported.

Research Framework

The conceptual framework for this study illustrates the hypothesized relationships between the independent variables and the dependent variable. The framework is based on the literature review and the theory of planned behaviour and cognitive behaviour models that underpin this research.

Figure 1

Conceptual Framework



Methodological Limitations

This study acknowledges several methodological limitations that should be considered when interpreting the findings:

1. **Cross-Sectional Design**: The study employs a cross-sectional design, which captures data at a single point in time. This design limits the ability to establish causal relationships between variables. Longitudinal research would be required to examine causal relationships over time.
2. **Convenience Sampling**: The use of convenience sampling may introduce selection bias and limit the generalizability of findings to broader populations. The sample predominantly consists of younger, more educated individuals, which may not represent the entire population of unit trust investors.
3. **Self-Reported Data**: The study relies on self-reported data from questionnaires, which may be subject to social desirability bias, recall bias, and other response biases. Participants may not accurately report their true perceptions, attitudes, and behaviours.
4. **Limited Generalizability**: The study was conducted in Pakistan with a relatively small sample from a specific geographic area. The findings may not be generalizable to other countries or contexts with different cultural, economic, and institutional environments.
5. **Potential Omitted Variables**: The study examines six independent variables that are hypothesized to influence investment decisions. However, other factors not included in the model may also influence investment behaviour, such as financial literacy, risk tolerance, cultural factors, and market conditions.

This section has described the research methodology employed in this study, including the research design, population and sample, research instrument, data collection procedures, and data analysis techniques. The study employs a quantitative research design with a cross-sectional survey approach to examine the

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relationships between six independent variables and investment decisions in unit trusts. Data were collected from 110 participants through self-administered questionnaires, with 90 valid responses obtained. The data will be analysed using descriptive statistics, reliability and validity tests, Pearson correlation, and multiple regression analysis. The next section presents the findings of the data analysis.

4. Results

Data Collection and Response Rate

The research project distributed survey questionnaires to 110 participants who were finally selected for the study. A total of 90 responses were received, representing an 81.8% response rate. This response rate is considered satisfactory for survey research and provides a sufficient sample for the statistical analyses employed in this study.

Reliability Analysis

The reliability test examined the internal consistency of the data gathered for this inquiry using Cronbach's Alpha test. According to Sekaran and Bougie (2009), data are considered reliable if Cronbach's Alpha values exceed 0.7. Six variables were independent in this study, while one was the dependent variable. Four elements were present for each variable.

Cronbach's Alpha values for all variables exceeded the acceptable threshold of 0.7, demonstrating the reliability of the data gathered for this study and ensuring the accuracy of the research's conclusions. Risk-taking behaviour yielded a Cronbach's Alpha value of 0.818, investment revenue achieved 0.786, interest rates demonstrated 0.821, past investment behaviour showed 0.720, age recorded 0.718, income produced 0.744, and investment decision yielded 0.851.

Table 1

Reliability Test of Data

Variable	No of Items	Cronbach's Alpha
Risk Taking Behaviour	4	.818
Investment Revenue	4	.786
Interest Rates	4	.821
Past Investment Behaviour	4	.720
Age	4	.718
Income	4	.744
Investment Decision	4	.851

The results for the measurement variables with values above and exceeding 0.7 demonstrate the dependability of the data collected for this study, confirming the accuracy of the research's conclusions.

Validity Analysis

The validity test determined whether the instrument produced the right answers to the questions. The KMO and Barlett's results need to be greater than or equal to 0.6 to show that the data collected are reliable for the study (Pallant, n.d.). The outcomes of the KMO and Barlett's validity test for the data collected for this investigation are displayed in Table 2.

Table 2

Validity Test of Data

Variable	KMO and Barlett's	Sig
Risk Taking Behaviour	.763	Less than .001
Investment Revenue	.773	Less than .001
Interest Rates	.751	Less than .001
Past Investment Behaviour	.623	Less than .001
Age	.693	Less than .001
Income	.746	Less than .001
Investment Decision	.823	Less than .001

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As indicated in Table 2, the findings from the KMO and Barlett tests for risk-taking behaviours, investment revenue, interest rates, previous investment behaviour, age, and income are 0.763, 0.773, 0.751, 0.623, 0.693, 0.746, and 0.823 respectively. Statistical significance may be found for each of these findings. The fact that the data obtained for this study are higher than the required 0.6 suggests from the results that they are legitimate.

Demographic Profile of Respondents

For this study, the participant's demographic profile is crucial. According to Creswell (2009), it is easier to understand a participant's behaviour in terms of their investing behaviour when their demographic profile is connected to a comparable demographic profile. A researcher can learn more about participants' behaviours and ideas by looking at their demographic profile.

Gender

Gender is one of the important elements that must be taken into consideration. Numerous psychologists have concluded that there are biological differences in how men and women behave and make decisions (Ngun et al., 2011). Women are more likely to be picky and deliberate when making decisions because they consider a wide range of factors. Men tend to be more calm and make judgements more quickly than women, but there are still other factors that need to be considered.

Table 3 displays the sex ratio of the survey respondents. In this study, men made up 86.7% of participants while women made up 13.3%.

Table 3

Respondents' Gender Status

Gender	Frequency	Percent
Male	78	86.7
Female	12	13.3
Total	90	100.0

Age

Age is a major personal characteristic that this study also needs to look at. Older people frequently think differently and behave in different ways. People behave differently as they age because of the knowledge and experiences they have, which eventually causes changes in behaviour and thought processes. The distribution of responders across the various age categories is seen in Table 4.

Table 4

Respondents' Age Groups

Age	Frequency	Percent
21-30	87	96.7
31-40	1	1.1
41-50	1	1.1
51-60	1	1.1
61 and above	-	-
Total	90	100.0

For each age group, the percentages of participants' behaviour and cognitive inclinations are shown in Table 4. The findings show that 96.7% of all participants in this study are between the ages of 21 and 30. This age range is considered to be the majority of participants. Those who did not respond to the survey include 1.1% of participants under the age of 61, 1.1% of participants between the ages of 31 and 40, 1.1% of participants between the ages of 41 and 50, 1.1% of those between the ages of 51 and 60, and 1.1% of respondents beyond the age of 61.

Employment Status

The individual's status is another crucial factor in this study since single persons are less likely to invest as they only have enough money for self-spending and lack the means to perform long-term financial

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planning. In order to support their ambitions, their children's upbringing, and their capacity to maintain their standard of life in the future, married people usually have significant investing aspirations.

The majority of participants—58.9%—were students, as shown by Table 5's perspective on the participants' employment status. Furthermore, 15.6% of people self-identify as self-employed, indicating that they own and operate their own businesses. In contrast to the 8.9% of participants who are unemployed, 16.7% of participants are employed. The study's conclusions therefore apply to people with a range of employment circumstances.

Table 5

Respondents' Employment Status

Status	Frequency	Percent
Employed	15	16.7
Self-employed	14	15.6
Unemployed	8	8.9
Student	53	58.9
Retired/Housewife	-	-
Total	90	100.0

Educational Level

The term "educational background" refers to a person's various levels of knowledge that influences their decisions. Respondents with higher levels of education are capable of logical thought and can draw justifiable conclusions. The distribution of respondents' educational backgrounds is seen in Table 6's results.

Table 6

Respondents' Educational Level

Education	Frequency	Percent
High School & Below	9	10.0
Undergraduate	60	66.7
Masters	18	20.0
PhD	-	-
Others	3	3.3
Total	90	100.0

The results show that 10% of participants have high school diplomas, making it their greatest level of education. In addition, 66.7% of participants say their highest level of education is a bachelor's degree. Additionally, 3.3% of participants possess professional certificates or other credentials. 20 percent of participants are master's graduates. As a result, the participants in this study have advanced degrees, which also guarantees the accuracy of their answers.

Income Level

The income level of a person is the most important aspect in this study because it tells us about their financial status and ability to tolerate risk in their investments. High income persons are able to invest large sums of money in investment items, as opposed to low income groups who can only afford minimal risks. Table 7 displays the study's participants' income distribution.

Table 7

Respondents' Income Level

Income (Rupees)	Frequency	Percent
Up to 25,000	56	62.2
Between 26,000 to 59,999	16	17.8
Between 60,000 to 99,999	10	11.1
More than 100,000	8	8.9
Total	90	100.0

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A total of 62.2% of respondents make up to 25,000 Rupees each month. The next group of respondents, comprising 17.8% of the total, earn between 26,000 and 59,999 Rupees. Only 8.9% of participants have the potential to make an income of above 100,000 Rupees per month, whereas 11.1% of participants have an income between 60,000 and 99,999 Rupees. However, all study participants receive compensation that is sufficient to support their investment activities.

Descriptive Statistics of Study Variables

Risk Taking Behaviour. The ability to accept risks for one's investments or for any other actions connected to investing is referred to as risk-taking behaviour. Consumers choose which stocks to buy using a risk-taking mentality or behaviour because it is necessary while making investments. The mean scores for the questions about risk-taking behaviour are shown in Table 8.

Table 8

Descriptive Statistics of Risk-Taking Behaviour

Item	N	Mean	Std. Deviation
I consider the risk of each type of instrument to make selection for the investment instrument.	90	3.30	1.075
I invest in unit trust because it carries a lower level of risk compared with others.	90	3.36	1.031
The level of risk determines the return from the investment.	90	3.58	1.038
The risk of the instrument determines my investment decisions.	90	3.53	1.073
Valid N (listwise)	90		

The majority of the components' mean scores lie between 3.30 and 3.58, and the range of mean scores shows that risk taking is a key consideration in an investor's choice to purchase a unit trust.

Investment Revenue

Investment revenue is the anticipated income that investors hope to receive as a result of utilising a certain profit potential. Each investor will have their own expectations for the returns on their investments, and they will look for suitable stocks with past earnings that satisfy those expectations based on those assumptions. The investment return is the main factor used by investors when selecting stocks and other investment vehicles. The average score for the variable representing investment revenue is shown in Table 9.

Table 9

Descriptive Statistics of Investment Revenue

Item	N	Mean	Std. Deviation
I have my own expected rate of return for the investment.	90	3.31	1.077
I use my expected rate of return as the benchmark for choosing investment options.	90	3.33	1.102
Unit trust has the nature to deliver lower investment revenue to investors.	90	3.18	1.066
The investment revenue affects my investment decision for the instrument.	90	3.27	1.110
Valid N (listwise)	90		

The majority of respondents fall between neutral and agree with the items in this measure, as indicated by the variable's mean scores, which range from 3.18 to 3.33.

Interest Rates

When it comes to investing, interest rates can influence a person's choice. When interest rates are high, other investment options like bonds or savings accounts could seem more appealing since they give better yields. This may result in a decline in interest in other financial products including mutual funds, equities, and real estate. When interest rates are low, however, alternative investment options might not be as appealing, which

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encourages investors to place their money in other investment options with higher returns. Table 10 displays the values of the mean scores for the interest rates variable.

Table 10

Descriptive Statistics of Interest Rates

Item	N	Mean	Std. Deviation
Before making an investing decision, I do take interest rates into account.	90	3.49	1.114
The portfolio of investments is significantly impacted by interest rates.	90	3.44	1.103
As a result of the interest rate shift, I adjusted my investment plan.	90	3.38	1.157
Before making any investment decisions, I always sought the opinion of a qualified financial advisor regarding interest rates.	90	3.48	1.154
Valid N (listwise)	90		

The majority of the items' mean scores fall between 3.38 and 3.49, and the range of mean scores shows that the interest rate is a crucial consideration for investors when deciding whether to purchase a unit trust.

Past Investment Behaviour

When investing, positive experiences can enhance the likelihood of doing so while negative ones can have the reverse effect. Investors' risk tolerance can also be influenced by past performance; if they made profitable investments, they might be more prepared to take on more risk; otherwise, they might become more risk-averse. Investors' emotions can also be influenced by prior performance; if they have made good investments, they may be more sure in their choices. The values of the mean scores for the past investment behaviour variable are shown in Table 11.

Table 11

Descriptive Statistics of Past Investment Behaviour

Item	N	Mean	Std. Deviation
I will evaluate the present or future investment opportunities by analyzing my past investment experience.	90	3.47	1.134
I'm willing to take the chance of investing in items I've had negative luck with in the past.	90	3.08	1.144
I am more likely to invest in something new when I have recently made a profit on an investment.	90	3.44	1.082
I find it difficult to diversify my portfolio because I am too attached to certain investments.	90	3.20	1.173
Valid N (listwise)	90		

The majority of the elements' mean scores fall between 3.08 and 3.47, and the range of mean scores demonstrates that an investor's decision to buy a unit trust is heavily influenced by past investment success.

Age

Investment choices made by an individual may be influenced by their age. People's priorities and risk tolerance may shift as they age. While older investors may be more concerned with protecting their capital and may be more risk-averse, younger investors may be more prepared to take on high-risk investments with the potential for high returns. While older investors tend to have a shorter investment horizon, may be more focused on generating steady returns, and may be more likely to invest in lower volatility assets such as bonds, younger investors tend to have a longer investment horizon and may be more willing to invest in assets that have higher volatility such as stocks. A person's investment objectives may differ depending on their age; younger investors may be more concerned with building up their wealth over the long run, whilst older investors may be more concerned with earning income to fund their retirement. The average range for items with a range of 3.23 to 3.68 is shown in Table 12.

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Table 12
Descriptive Statistics of Age

Item	N	Mean	Std. Deviation
As people age, they grow more at ease with taking on risk in their assets.	90	3.23	1.152
Younger investors seemed to be more open to taking on risk.	90	3.66	1.113
In order to maximize profit, younger investors are more aggressive.	90	3.68	1.058
Older individuals are concerned about the stability and security of their investments over the long term.	90	3.49	1.124
Valid N (listwise)	90		

This shows that the entire mean score of the variable is within the range of positive agreement and implies that an individual's age significantly influences their investment strategy.

Income

A person's investment decision may be influenced by their income in a number of different ways. For instance, a person with a greater income might be able to afford to take on more risk in their investments because they have a bigger financial safety net. A person may be more risk-averse and prefer to invest in more prudent, low-risk options if they have a lesser income, on the other hand. A person's investment time horizon can also be influenced by their income; people with higher salaries may have longer time horizons and be able to invest in riskier assets that might take longer to appreciate. Furthermore, people with higher wages can have more money available for investing, enabling them to invest larger sums of cash. Table 13 displays the mean range for items with a range of 3.28 to 3.56.

Table 13
Descriptive Statistics of Income

Item	N	Mean	Std. Deviation
I've been more willing to invest in things with a high return potential as my income has grown.	90	3.56	1.113
As my income has decreased, I have become more likely to seek the advice of financial professionals before making investment decisions.	90	3.52	1.173
I've been more inclined to diversify my investments as my income has grown.	90	3.44	1.072
As my income has decreased, I have become more focused on preserving my wealth rather than growing it.	90	3.28	1.152
Valid N (listwise)	90		

This shows that the overall mean score for this variable is within the range of positive agreement and implies that an individual's income has a considerable influence on the type of investments they make.

Investment Behaviour

Investment behaviour is a study of carefully evaluating a number of variables to determine the optimal course of action for a specific investment. An investor's behaviour can be influenced by a variety of factors, and these factors can be further divided into personality qualities like drive and motivation. Because of this, pressures and outside variables like the general economic climate, stock performance in the past, and other pertinent

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considerations may also have an effect on an investor's behaviour. Table 14 displays the average scores for the item categories related to investment behaviour.

Table 14

Descriptive Statistics of Investment Behaviour

Item	N	Mean	Std. Deviation
I will continue investing in unit trust in the future.	90	3.49	.963
I will introduce my friends and family members to participate in investing in unit trust.	90	3.46	.938
I invest in unit trust because it gives stable returns and revenues.	90	3.64	1.009
Instead of depositing the money in banks, I will bear lower risks but earning higher returns than interests provided by banks.	90	3.67	1.017
Valid N (listwise)	90		

The average scores across all areas, which ranged from 3.46 to 3.67, show that investors behave well while making investments in unit trusts.

Pearson Correlation Analysis

Results of the Pearson correlation analysis are displayed in Table 15. It demonstrates that all independent variables, aside from investment revenue, have a favourable but low degree of association with unit trust investors' investment behaviours.

Pearson's correlation analysis was conducted to examine the strength and direction of the relationships between the independent variables (risk-taking behaviour, investment revenue, interest rates, past investment behaviours, age, and income) and the dependent variable (investment decision). The Pearson correlation coefficient (r) ranges from -1 to +1, where values closer to +1 indicate a strong positive relationship, values closer to -1 indicate a strong negative relationship, and values close to 0 indicate little or no linear relationship.

Table 15

Pearson Correlation Analysis

	RTB	IR	INT	PIB	AGE	INC	INV
RTB	1	.287*	.258*	.372**	.289*	.296*	.258*
IR		1	.355**	.217*	.351**	.243*	.198
INT			1	.231*	.369**	.149	.273*
PIB				1	.194	.249*	.227*
AGE					1	.220*	.129
INC						1	.168
INV							1

Note. RTB = Risk Taking Behaviour; IR = Investment Revenue; INT = Interest Rates; PIB = Past Investment Behaviour; AGE = Age; INC = Income; INV = Investment Decision. *p < .05. *p < .01.*

The correlation matrix presented in Table 15 indicates that the relationships among the study variables are generally weak to moderate. Although several variables exhibit positive correlations with investment decision, the correlation coefficients are relatively small, suggesting that the relationships are not particularly strong.

Furthermore, the correlation analysis shows no evidence of severe multicollinearity among the independent variables, as none of the correlation coefficients exceed the commonly accepted threshold of 0.80. Therefore, the variables were considered appropriate for inclusion in the multiple regression model.

Overall, the Pearson correlation results suggest that while some independent variables are positively associated with investment decision, the strength of these relationships is limited and requires further examination through multiple regression analysis.

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Multiple Regression Analysis

The multiple regression model is also used in this investigation. To ascertain if each of these characteristics and investors' mutual fund investment behaviours are statistically related, multiple regression analysis is performed in this study. It is important to take into account two results of the multiple regression analysis. The R square value first illustrates the whole impact that the independent factors in this study have on the dependent variable, which represents the percentage difference that it would undergo. The significance value, on the other hand, assists in assessing each independent variable's connection to each dependent variable to see whether there is a statistical relationship between them. When the significance threshold is lower than 0.05 or vice versa, there is a statistical link between the two variables. Most crucially, the significance value is also utilised to decide whether or not to accept the research hypothesis.

Table 16

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.368a	.135	.073	.889

a. Predictors: (Constant), Income, Interest Rates, Past Investment Behaviour, Investment Revenue, Risk Taking Behaviour, Age

Table 17

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.781	.553		3.219	.002
Risk Taking Behaviour	.108	.115	.108	.943	.349
Investment Revenue	.035	.111	.036	.318	.751
Interest Rates	.149	.100	.165	1.488	.141
Past Investment Behaviour	.105	.094	.124	1.112	.269
Age	-.033	.097	-.039	-.343	.733
Income	.054	.095	.066	.573	.568

a. Dependent Variable: Investment Decision

The multiple regression analysis reveals that all independent variables have p-values above the threshold for significance of 0.05. Risk-taking behaviour shows a p-value of .349, investment revenue shows .751, interest rates show .141, past investment behaviour shows .269, age shows .733, and income shows .568. These results indicate that there is no statistically significant association between any of the independent variables and the dependent variable.

The R Square value of .135 indicates that the independent variables collectively explain only 13.5% of the variance in the dependent variable (investment decision). This suggests that the model has limited explanatory power and that other factors not included in this study may also influence investment decisions in unit trusts.

5. Discussion

Overview of Findings

This study examined six factors, risk-taking behaviour, investment revenue, interest rates, past investment behaviour, age, and income, to determine their influence and relationship on investors' investment behaviours regarding unit trusts. Data were collected from 110 individuals, with 90 valid responses analysed. The findings from the multiple regression analysis revealed that all independent variables had p-values above the significance threshold of 0.05, indicating no statistically significant association between any of the

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independent variables and the dependent variable. The R Square value of .135 indicated that the independent variables collectively explained only 13.5% of the variance in investment decisions.

These findings present interesting insights into the determinants of unit trust investment decisions and warrant careful discussion in relation to existing literature, theoretical frameworks, and the research hypotheses.

Discussion of Hypotheses

Hypothesis 1: Risk-Taking Behaviour and Investment Behaviours. The first hypothesis (H1) proposed a positive relationship between risk-taking behaviour and investment behaviours in unit trusts. The results of this study did not support this hypothesis, as the regression analysis showed a p-value of .349, which exceeds the significance threshold of 0.05. This finding contradicts previous research by Thaler (2015), who found a link between investors' risk-taking attitude and their investing decisions. Similarly, Mak and Ip (2017) found evidence supporting the relationship between risk and how people invest their money, and Leon and Aprilia (2018) emphasized that risk-taking behaviour is essential when making investments and selecting stocks.

However, the lack of a statistically significant relationship in this study may be attributed to several factors. First, the sample was predominantly composed of young individuals aged 21-30 (96.7%), who may have different risk perceptions compared to older investors. Younger investors might not fully comprehend the risk-return trade-off in unit trust investments, or they might perceive unit trusts as inherently low-risk products regardless of their actual risk-taking tendencies. Second, the mean scores for risk-taking behaviour items ranged from 3.30 to 3.58, indicating that participants generally agreed with the importance of risk considerations in investment decisions. However, this agreement did not translate into a statistically significant predictive relationship with investment decisions.

Hypothesis 2: Investment Revenue and Investment Behaviours. The second hypothesis (H2) proposed a positive relationship between investment revenue and investment behaviours. The results did not support this hypothesis, with a p-value of .751, indicating no statistically significant relationship. This finding contradicts previous research by Lusardi and Mitchell (2014), who emphasized that investment revenue represents the prospective money investors anticipate generating from investment opportunities. Similarly, Aregbeyen and Ogochukwu (2011) found that investors seek appropriate businesses with historically high earnings to meet their expectations, and Khan (2015) concluded that income or anticipated return substantially impacts investment behaviour.

The non-significant finding may be explained by the nature of unit trust investments. Unit trusts are characterized by lower returns compared to other financial products due to their lower risk profile. Investors in unit trusts may have more realistic expectations regarding returns, recognizing that the primary benefit of unit trusts is risk diversification rather than high returns. Additionally, the mean scores for investment revenue items ranged from 3.18 to 3.33, suggesting that participants were relatively neutral about the importance of investment revenue in their decisions, which may reflect a pragmatic understanding of unit trust characteristics.

Hypothesis 3: Interest Rates and Investment Behaviours. The third hypothesis (H3) proposed a positive relationship between interest rates and investment behaviours. The results did not support this hypothesis, with a p-value of .141, which exceeds the significance threshold of 0.05. This finding contradicts several previous studies. Greene and Villanueva (1991) found that real deposit interest rates negatively impact private investment in developing countries. Hyder and Masood Ahmed (2004) discovered that higher real interest rates cause lower private investment. Aysan and Pang (2005) found that real interest rates have a detrimental impact on corporate investment strategy. Wang and Yu (2007) concluded that interest rates are essential determinants in investment decisions for Taiwanese enterprises.

However, the non-significant finding in this study may be explained by the specific context of unit trust investments. Unit trusts are long-term investment vehicles managed by professional fund managers who make investment decisions based on comprehensive market analysis rather than solely on interest rate fluctuations. Individual investors in unit trusts may not directly consider interest rates when making their

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investment decisions because they rely on the expertise of fund managers. Furthermore, the current low-interest-rate environment may have reduced the perceived importance of interest rates as a factor influencing investment decisions. The mean scores for interest rates items ranged from 3.38 to 3.49, indicating that participants somewhat agreed with considering interest rates in their decisions, but this did not translate into a statistically significant predictive relationship.

Hypothesis 4: Past Investment Behaviour and Investment Behaviours. The fourth hypothesis (H4) proposed a positive relationship between past investment behaviour and investment behaviours. The results did not support this hypothesis, with a p-value of .269, exceeding the significance threshold. This finding contradicts previous research by Kidwell and Jewell (2008), who stated that prior behaviour significantly influences present behaviour. Tversky and Kahneman (1974) found that cognitive biases manifest through anchoring, representativeness, and availability, reflecting earlier experiences or actions. Hayward et al. (2006) stated that personal past experiences significantly influence risk-taking behaviour.

Several explanations may account for this non-significant finding. The participants in this study were predominantly young (aged 21-30) and may have limited investment experience, reducing the impact of past investment behaviour on current decisions. The mean score for the item "I'm willing to take the chance of investing in items I've had negative luck within the past" was relatively low (3.08), suggesting that participants were cautious about repeating past mistakes. However, the overall lack of statistical significance may indicate that past investment experience is not a primary determinant of unit trust investment decisions, possibly because unit trusts are perceived as fundamentally different from other investment vehicles.

Hypothesis 5: Age and Investment Behaviours. The fifth hypothesis (H5) proposed a positive relationship between age and investment behaviours. The results did not support this hypothesis, with a p-value of .733, exceeding the significance threshold. This finding contradicts previous research by Pak and Mahmood (2015), who found that demographic factors including age have an enormous effect on how risk-averse an investor is. Wang and Hanna (1998) found that risk-taking becomes more acceptable as people age, while Grable et al. (2004) claimed that younger respondents take more risks than older ones.

The non-significant finding in this study is likely influenced by the sample composition, with 96.7% of participants aged 21-30. The limited age variation in the sample prevents meaningful analysis of the relationship between age and investment behaviour. Older investors were underrepresented, making it difficult to detect any potential relationship between age and investment decisions. This limitation is important to note, as previous research consistently identifies age as a significant determinant of investment behaviour. The mean scores for age items ranged from 3.23 to 3.68, with younger investors perceived as more open to taking on risk and more aggressive in maximizing profit, while older individuals were perceived as concerned about stability and security. However, the limited age range in the sample prevented these perceptions from translating into a statistically significant predictive relationship.

Hypothesis 6: Income and Investment Behaviours. The sixth hypothesis (H6) proposed a positive relationship between income and investment behaviours. The results did not support this hypothesis, with a p-value of .568, exceeding the significance threshold. This finding contradicts previous research by Chandra (n.d.), who found that individuals with higher annual incomes had higher levels of expertise and frequently traded stocks. Dhar and Zhu (2006) found that wealthy investors showed less disposition effect. Rana et al. (2014) found income level significantly positively correlated with digital and information-seeking behaviour. Islamoğlu et al. (2015) demonstrated that rising income levels increased investment-related information follow-up and improved finance and payment habits.

The non-significant finding in this study may be explained by the characteristics of the sample. The majority of participants (62.2%) had incomes up to 25,000 Rupees monthly, with only 8.9% earning more than 100,000 Rupees. This limited income variation may have reduced the ability to detect a significant relationship between income and investment behaviour. Additionally, 58.9% of participants were students who may have had limited disposable income for investments, regardless of their income levels. The mean scores for income items ranged from 3.28 to 3.56, indicating that participants somewhat agreed with the

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influence of income on their investment decisions, but this did not translate into a statistically significant predictive relationship.

Theoretical Implications

This study was underpinned by two behavioural theories: the theory of planned behaviour (Ajzen, 1987) and cognitive behaviour models. The theory of planned behaviour suggests that individuals logically choose to engage in certain behaviours after evaluating available information, with perceptions significantly impacting investment decisions. The findings of this study do not strongly support the application of these theories in the context of unit trust investments, as the hypothesized relationships were not statistically significant.

However, the lack of statistical significance does not necessarily reject the theoretical frameworks. Several possible explanations may account for the non-significant findings. First, the relationship between the independent and dependent variables may be more complex than the current model suggests, and the existing model may not adequately capture the intricacies of investment behaviour. Second, the sample characteristics, particularly the predominance of young, educated participants, may limit the generalizability of findings and the applicability of the theoretical frameworks to this specific population.

The theory of planned behaviour emphasizes the role of behavioural control and intentions in predicting behaviour. In the context of unit trust investments, participants may have positive attitudes toward investing and perceive behavioural control, but other factors not captured in this study—such as financial literacy, access to information, and social influences—may mediate the relationship between the independent variables and investment decisions.

Practical Implications

Despite the non-significant statistical findings, this study provides valuable practical implications for financial institutions, investment brokers, fund managers, and investors. The findings suggest that the factors examined in this study, while important in theory, may not be the primary determinants of unit trust investment decisions in the Pakistani context. This insight is valuable for practitioners seeking to understand investor behaviour.

For financial institutions and fund managers, the findings suggest that marketing strategies and product development should consider factors beyond those examined in this study. While risk-taking behaviour, investment revenue, interest rates, past investment behaviour, age, and income are commonly cited determinants of investment behaviour, they may not be the most critical factors for unit trust investors in Pakistan. Fund managers should consider other factors such as financial literacy, trust in fund management, perceived transparency, and institutional reputation when developing strategies to attract investors.

For investors, the findings highlight the importance of considering multiple factors when making investment decisions. The non-significant results suggest that individual investors may not be fully aware of or influenced by the factors that theoretically affect investment decisions. This presents an opportunity for investor education and financial literacy programs to help investors make more informed decisions.

For policymakers and regulatory bodies, the findings suggest that efforts to promote balanced growth in the financial market should consider the specific characteristics of the Pakistani investor population. The limited explanatory power of the model ($R^2 = .135$) indicates that other factors not examined in this study significantly influence unit trust investment decisions. Identifying these factors could inform policy interventions to promote investment in unit trusts and other financial products.

Limitations and Recommendations for Future Research

Several limitations of this study should be acknowledged when interpreting the findings. First, the cross-sectional design captures data at a single point in time, limiting the ability to establish causal relationships between variables. Longitudinal research would be required to examine causal relationships over time and observe how investment behaviour changes in response to changing factors.

Second, the use of convenience sampling may introduce selection bias and limit the generalizability of findings to broader populations. The sample was predominantly composed of young, educated individuals (96.7% aged 21-30, 86.7% male), which may not represent the entire population of unit trust investors. Future

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research should employ probability sampling techniques to obtain more representative samples and improve generalizability.

Third, the study relies on self-reported data from questionnaires, which may be subject to social desirability bias, recall bias, and other response biases. Participants may not accurately report their true perceptions, attitudes, and behaviours. Future research could employ mixed methods, combining quantitative surveys with qualitative interviews, to obtain richer and more nuanced data.

Fourth, the study examines six independent variables that are hypothesized to influence investment decisions. However, the R^2 value of .135 suggests that these factors collectively explain only 13.5% of the variance in investment decisions. Other factors not included in the model—such as financial literacy, risk tolerance, cultural factors, trust in financial institutions, perceived transparency, and market conditions—may significantly influence investment behaviour. Future research should incorporate additional variables to enhance the explanatory power of the model.

Fifth, the study was conducted in Pakistan with a relatively small sample from a specific geographic area. The findings may not be generalizable to other countries or contexts with different cultural, economic, and institutional environments. Future research should replicate this study in different contexts to examine the consistency of findings across diverse settings.

Future research should also consider examining the relationships between variables using different statistical techniques, such as structural equation modelling, which could capture more complex relationships and mediating effects. Additionally, future studies could investigate the moderating effects of demographic factors on the relationships between the independent variables and investment decisions, providing more nuanced insights into investor behaviour.

The non-significant findings regarding the relationships between the independent variables and investment decisions do not necessarily indicate that these factors are unimportant. The effect sizes may be small and not practically significant, or the sample size may not be large enough to detect small but real effects. Future research should consider using larger samples and more sensitive measures to detect potentially subtle relationships.

Conclusion

This discussion has examined the findings of the study in relation to the research hypotheses, theoretical frameworks, and practical implications. The results of the multiple regression analysis did not support any of the six hypotheses, revealing no statistically significant relationship between the independent variables—risk-taking behaviour, investment revenue, interest rates, past investment behaviour, age, and income—and investment decisions in unit trusts. The R^2 value of .135 indicates that these factors collectively explain only a limited portion of the variance in investment decisions.

Several possible reasons exist for the lack of statistically significant relationships. The sample composition, with a predominance of young, educated participants, may limit generalizability. The cross-sectional design may not capture dynamic relationships. The limited income variation in the sample may have reduced the ability to detect relationships. Additionally, there may be confounding variables that were not controlled for in the analysis, and other factors not included in the model may have more significant influences on investment behaviour.

Despite the non-significant findings, this study contributes to the existing body of knowledge on investor behaviour and provides valuable insights for financial institutions, investment professionals, and policymakers. The findings highlight the complexity of investment decision-making and the need for continued research to identify the factors that influence investor behaviour in different contexts. The study also emphasizes the importance of considering practical significance alongside statistical significance when interpreting research findings.

Future research should address the limitations of this study by employing more representative samples, incorporating additional variables, using mixed methods, and examining relationships across different contexts. Such research would contribute to a more comprehensive understanding of the determinants of unit

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trust investment decisions and inform evidence-based strategies for promoting investment in unit trusts and other financial products.

Contribution of Authors

All the authors participated in the ideation, development, and final approval of the manuscript, making significant contributions to the work reported.

Conflict of Interest Statement

The authors declare that there is no conflict of interest regarding the publication of this article.

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Informed Consent

Informed consent was obtained from all participants.

Data Availability

The datasets generated during and analysed during the current study are available from the corresponding author on reasonable request.

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