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Factors Influencing Investment Decision in Mutual Funds

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Abstract

This study investigates the variables influencing funding decisions in mutual funds among Nepali investors. A descriptive and causal-comparative research design was used; both quantitative and qualitative approaches were employed to achieve the study's objectives. Data collection was carried out through a structured questionnaire, using a convenience sampling method, and the sample size was 384 individual investors of cooperatives. The study employed both descriptive and inferential statistical methods. Descriptive statistic techniques were used to recap demographic character, while inferential statistics, including correlation coefficient and regression analysis, were used to examine the relationships between the dependent variable (decision regarding investments) and the independent variables such as economic position, risk-bearing behaviour, return from investment, and access to information. The results show that economic position, risk-bearing behaviour, and access to information have a significant positive effect on decisions regarding investments, while return from investment showed

no significant effect. Particularly, economic position had the highest contribution to the decision regarding investment, indicating its critical role in influencing investor behaviour. The study suggests that mutual fund experts and financial organisations should focus on improving financial literacy and credibility to attract more investors. Future research should explore additional factors, such as psychological influences and peer group pressure and consider comparative research across different investment instruments and demographic groups.

Keywords: *Access to information, decision regarding investment, economic position, risk-bearing behaviour*

Introduction

A mutual fund is a type of investment vehicle that pools money from savers. The collective fund is managed by Mutual fund experts who declare the save investment decisions on behalf of the investors. By investing in a Mutual fund, individuals can access a diversified set of investments, which reduces risk, and benefit from the expertise of the fund managers. (Gahlot, 2019).

Mutual funds are a highly preferred investment option for small and medium investors worldwide. They offer small investors to engage in the capital market without taking on high risk. A key investment principle in the capital market is diversification, often summarised as not putting all your eggs in one basket. Small categories of investors struggle to generate a diversified portfolio due to limited resources. However, mutual funds solve this type of problem by pooling the savings of many small category investors, investing these collective funds in the capital market, and distributing the benefits back to the investors. By investing in mutual fund units, investors can indirectly access the capital market. Additionally, mutual funds employ professional fund managers who handle the investment activities, providing investors with the advantage of their professional expertise.

A mutual fund functions as an investment vehicle wherein many investors pool their resources, which are then managed collectively. This pooled capital is directed towards various assets such as stocks, bonds, and other securities. Investors hold their units in the fund to show their share of the total valid assets. Skilled fund expert, specialised in this domain, curates portfolios according to predefined lending objectives. This portfolio includes all the securities held by the mutual fund. Mutual funds are widely favoured due to their professional management, diversification, affordability, and liquidity. They provide services to individuals who may lack the time or expertise to manage their own investments effectively. (Pant et al., 2022).

The unit trust brings together money from different investors into one big pool, which is managed by a fund expert (Chang et al., 2012). The manager invests this money in different opportunities that might make a profit. Because a professional handles these

investments, there is a higher chance of facing big risks. As a result, unit trusts usually give lower returns.

Gupta and Sharma (2016) described investments as putting money into something for a while to make more money in return. This involves deciding to use money now to potentially earn more in the upcoming days, taking into account the risks involved. Investors raptly use different methods like studying how markets work, analysing a company's financial condition, or making decisions based on their knowledge. They also consider how other investors are doing and what information they have. Psychological factors, like emotions and perceptions, play a big role in how people decide whether to keep, sell, or buy investments.

Literature Review

A mutual fund is a path for different investors to collect their money to save or make a profit. Investing in a mutual fund can be easier than buying individual stocks and bonds. It helps investors spread their money across many investments, reducing risk. Many financial experts like mutual funds for several reasons: they lower risk, let investors pick funds based on how well they've done in the past, offer the option to switch funds easily, are convenient, and can provide better returns with a small amount of money.

Many investors prefer to put their money in mutual funds because they provide high returns with low risk, along with safety and easy access to their funds. As the investment environment changes daily, investors' preferences for different investment strategies also change. (Rathnamani, 2013). However, Gahlot (2019) Investigated how investors view mutual funds, emphasising their preferred schemes, selected plans, and the reasons for their choices. The study also explores other lending options that people prefer, such as postal savings schemes, returning deposits, bonds, and stocks. The findings revealed that many individuals are hesitant to invest in newer options like mutual funds and instead choose safer alternatives, like returning deposits, to minimise risks. An investor has various options for investing their savings. As a result, these savings are allocated to different assets according to their risk and return characteristics (Silva et al., 2012). Individuals invest their excess money in different options according to their risk tolerance. As a result, their financial decisions are shaped by their attitudes and behaviours. Moreover, demographic factors also play a significant role in influencing a person's investment choices (Hemalatha, 2019).

A person's financial situation highly affects their investment behaviour, including how much they invest and how much risk they are agreeable to bear. People with lower financial status usually prefer safer investment options, like unit trusts, because they are less comfortable with high-risk investments. On the other hand, individuals with higher financial status are more likely to invest in riskier assets that could provide higher returns (Khoshsirat & Salari, 2011). An individual’s financial status is very important in influencing their investment behaviours, as they see investing as a way to grow their

wealth. Therefore, a person's financial situation not only affects their decision to invest but also determines how much money they are ready to invest in stocks (Wamae, 2013).

Bajracharya and Mathema (2018) conducted the study to determine the investors' perceptions of mutual funds. The results highlighted that the main attitudes were not affected by demographics or socioeconomic status. Among the investors, brokers/ agents are seen as the most important source of information, while magazines are seen as the least important. This study reveals that investigating investors' attitudes toward mutual funds is not solely confined to understanding their base on population and socio-economic characteristics. Further, mediators are the most preferred source of information by investors while making their investment decisions. Annamalah et al. (2019) reported that investment revenue does not have a statistically significant relation to investors' behaviours. However, financial status, risk-taking behaviour, and sources of information significantly influence investors' decisions regarding unit trust investments. Among these factors, the availability of information has the strongest impact on investors' behaviours, followed by their risk-bearing tendencies and financial status in different contexts and capital markets. Based on the discussions, this research identifies the variables affecting investment decisions in mutual funds among Nepali investors.

Economic Position can be understood as the overall financial well-being of an individual or entity, determined by their ability to pay for debts and meet other financial commitments. It is a key factor that influences decisions regarding investment. Investment risk can be evaluated better if the investor understands his or her own Economic Position. Investment goals can also be set realistically, and suitable investment options can be chosen according to one's financial situation. Those with a good Economic Position will have more ability to take higher-risk investments for the long term without having to worry about short-term volatility or losses that may occur in these types of investments. However, those with a not-so-good Economic Position may have to go for low-risk investments for shorter terms, ensuring easier liquidity (Jangid, 2017). Based on the discussions, the research hypothesis for the study is Research Hypothesis (H_1): Economic Position has a significantly positive effect on decisions regarding investment in mutual funds in Nepal.

Addo et al. (2023) argued that there are three key basics of an investor's risk-bearing ability: motive, expectancy and incentive. Return tends to increase with risk: the more you decide to take risks, the more you stand to gain. However, Hsee and Weber (1998)explained that preference for a specific asset or risky option is shaped by risk perception and the expected return. Within each group with a particular expected value, the interest to pay or risk preference increases as the probability of loss rises, which is positively related to the potential size of gains. The Research Hypothesis (H_2): Risk-bearing behaviour has a significant effect on decisions regarding investment in mutual funds in Nepal.

Return on investment refers to the income an investor earns from different

investments, such as dividends from stocks, capital gains from selling stocks or other assets, and interest from fixed deposits and savings accounts. These returns indicate the expected benefits investors are anticipated to obtain from particular investment options (Lusardi & Mitchell, 2013). According to Periasamy and Ramaiah (2019), investment revenue is a major aspect in deciding on stocks and other investment tools. It has a significant effect on investor behaviour. The Research Hypothesis (H_3): Return from Investment has a positive and significant effect on the decision regarding investment in mutual funds in Nepal.

Access to Information can be described as processed, structured, or presented data that is useful or meaningful. It can range from facts and numbers to instruction or information that enables people to decide, solve problems, or understand a certain circumstance. Every person needs access to information to be able to communicate, to make decisions, to learn, and to perform other activities. It is important for individuals to access information when making several decisions, especially on investment. The information about the financial instruments used includes past records of a company, dividends, and the past market price of shares. Many factors affect the decision-making of an investor, but information seems to be one of the most impact ones. It becomes crucial as the different factors having importance incorporate it and inevitably influence investor decisions (Annamalah et al., 2019). The Research Hypothesis (H_4): Access to information has a positive effect on decisions regarding investment in mutual funds in Nepal.

Overall, the literature shows that financial status, risk behaviour, returns, and information access shape investment decisions, though their influence differs across settings. Evidence from Nepal is still limited, particularly on mutual funds and the combined role of these factors. This gap highlights the need for a focused study that examines how these variables work together to influence investor decisions in the Nepali context.

Methods and Procedures

A descriptive and causal comparative research model was used for the research. A descriptive research design was used to describe the different phenomena of the explanatory and explanatory variables. Descriptive statistics effectively summarise the demographic variables present in the sample, encompassing factors such as age, gender, education level, and occupation. These statistical techniques include generating frequency distributions, calculating percentages, as well as determining means and standard deviations, thereby facilitating a comprehensive understanding of the sample's characteristics.

On the other hand, a causal comparative research design was used to examine the magnitude of the effect of independent variables on the dependent variable. Inferential statistics was employed to assess hypotheses and derive conclusions regarding the broader population based on the sample data. This involved utilising statistical methods such as

correlation coefficient analysis and regression analysis to identify the interrelationships between variables.

The data were collected from the structured questionnaires. A 5-point Likert-scale type questionnaire, indicating 1 strongly disagree to 5 strongly agree, was distributed to the investors who were investing in the mutual funds. A total of 384 respondents were collected through email, messenger, and WhatsApp. To analyse the results from the questionnaire, descriptive statistics, correlation coefficient analysis and regression analysis were employed. Statistical software packages such as SPSS 27 were used to analyse the data.

The Model

In this study used the multiple regression model was used.

$$DRI = \beta_1 + \beta_2 EC + \beta_3 RBB + \beta_4 RFI + \beta_5 ACC.INF + \varepsilon \ldots (i)$$

Where,

β_1 = Constant

$\beta_{2,3,3,4}$ – Regression Coefficients of the independent Variables

ID = Decisions Regarding Investment

EC = Economic Condition

RBB = Risk Bearing Behaviour

RFI = Return on Investment

ACC. INF Access to Information

ε = Error term

Results and Discussion

In this study, descriptive and inferential statistics models were used to analyse the data. Descriptive statistics models serve to effectively summarise the variables of the population present in the sample, encompassing factors such as age, gender, education level, and profession. These statistical techniques include creating frequency distributions, calculating percentages, as well as determining means and S.D., thereby facilitating an inclusive understanding of the sample's characteristics.

On the other hand, inferential statistics was employed to assess hypotheses and derive conclusions regarding the broader population based on the sample data.

This involved utilising statistical methods such as correlation coefficient analysis and regression analysis to explore the interrelationships between variables and make informed predictions about the population.

To analyse the results from the questionnaire, a variety of statistical techniques were employed. Statistical software packages such as SPSS 26 and MS Excel were utilised to assess the reliability of the variables, conduct demographic and descriptive statistics, as well as perform correlation and regression analyses.

Reliability Test

The reliability of the research mechanism was assessed using Cronbach's Alpha. Validity and reliability are essential criteria for ensuring accurate measurement. Testing for validity and reliability aims to minimise measurement error. The Cronbach's alpha test was done by SPSS software. Table 1 summarises the output of the reliability test.

Table 1

Cronbach's Alpha Correlation Coefficients

S.N.	Variables	No of items	Cronbach's Alpha
1	Economic Position	4	0.826
2	Risk-bearing Behaviour	4	0.828
3	Return on Investment	4	0.828
4	Access to Information	4	0.824
5	Decision Regarding Investment	4	0.827
	Overall	5	0.841

(Source: Field survey and SPSS output)

Table 1 shows Cronbach's alpha coefficients for the independent variables: financial status, risk-taking behaviour, investment revenue, information, and the dependent variable, investment decision. All Cronbach's alpha values are considered acceptable, indicating the reliability of the instruments used in this study (Taber, 2018). Hence, the instruments used in this research are deemed reliable. The overall Cronbach's alpha of 0.841 indicates internal uniformity and confirms that the data is consistent and valid for further analysis.

Table 2

Descriptive Statistics of Financial Status

Statements	N	Minimum	Maximum	Mean	Std. Deviation
My investment amounts are based on my current financial status and income.	384	1	5	3.59	1.200
I do not invest in instruments that exceed my current financial status.	384	1	5	3.65	.778
I make an investment that is within my current affordability.	384	1	5	3.79	1.058
The investment amount varies according to my income.	384	1	5	3.88	1.017
Overall	384	1	5	3.736	1.058

(Source: Field survey and SPSS output)

Table 2 shows the descriptive statistics for individual statements with overall results. Four statements were used to determine investors' perception of economic position, with 384 respondents rating each statement on a five-point Likert scale. The table shows that the mean values for these statement series are between 3.59 and 3.88. The first statement has the lowest mean of 3.59 and a S.D. of 1.20, while the fourth statement has the highest mean of 3.79 and a standard deviation of 1.017. The highest mean of 3.88 indicates the greatest level of agreement, whereas the lowest mean of 3.59 suggests lower agreement among respondents.

Additionally, the first statement exhibits the maximum S.D. of 1.2, reflecting more variability in responses, while the 2nd statement has the lowest S.D. of 0.778, representing less response variability. The overall mean score for economic condition is 3.736, with an overall S.D. of 1.058.

Table 3

Descriptive Statistics of Risk-bearing Behaviour

Statements	N	Minimum	Maximum	Mean	Std. Deviation
Investment in a mutual fund is better than other investments based on Risk.	384	1	5	3.61	1.275

Return on investment is a better measurement of the level of risk.	384	1	5	3.58	.982
My personal risk assessment test depends on risk-taking ability.	384	1	5	3.82	1.027
The decision regarding investment determines the risk	384	1	5	3.83	1.114
Overall	384	1	5	3.716	1.09

(Source: Field survey and SPSS output)

Table 3 shows the descriptive statistics for single statements with overall results. Four statements were used to measurement of the lenders' views of risk-taking behaviour, with 384 samples rating every statement on a five-point Likert scale. The table presents the mean values for these statements range between 3.58 and 3.83. The 2nd statement has the lowest mean of 3.59 and a S.D. of 0.983, while the fourth statement has the highest mean of 3.83 and a S.D. of 1.114. The highest mean of 3.83 indicates the greatest level of agreement, whereas the lowest mean of 3.58 indicates lower agreement among respondents.

Additionally, the first statement exhibits the highest range of S.D. of 1.275, indicating high variability, while the 2nd statement has the lowest S.D. of 0.982, indicating less response variability. The overall mean score for economic position is 3.716, with an overall S.D. of 1.09.

Table 4

Descriptive Statistics of Return on Investment

Statements	N	Minimum	Maximum	Mean	Std. Deviation
Expected rate of return for the investment.	384	1	5	3.71	1.296
Invest in the highest return project	384	1	5	3.61	.947
A mutual fund has the nature to deliver lower investment revenue to investors.	384	1	5	3.81	1.035

The investment revenue affects my investment decision for the instrument.	384	1	5	3.82	1.043
Overall	384	1	5	3.746	1.081

(Source: Field survey and SPSS output)

Table 4 shows the descriptive statistics for single statements with overall results. Four statements were used to determine investors' perceptions of return from investment, with 384 respondents rating each statement on a five-point Likert scale. The table presents the mean values for these statements range between 3.61 and 3.82. The 2nd statement has the lowest mean of 3.61 and S. D. of 0.947, while the fourth statement has the highest mean of 3.82 and S.D. of 1.043. The highest mean of 3.82 indicates the greatest level of agreement, whereas the lowest mean of 3.61. Suggests a lower understanding among respondents.

Additionally, the first statement shows the highest S.D. of 1.296, indicating more variability in responses, while the 2nd statement has the lowest S.D. of 0.948, indicating less response variability. The overall mean score for economic position is 3.746, with an overall S.D. of 1.081.

Table 5

Descriptive Statistics of Access to Information

Statements	N	Minimum	Maximum	Mean	Std. Deviation
Recommended for use the information by a reputable organisation like an investment bank	384	1	5	3.57	1.277
Using information that is published and analysed by others to assist decisions regarding investment.	384	1	5	3.69	1.002
Having enough information about an investment option helps me decide whether to choose it.	384	1	5	3.89	1.090

Various sources of access to information tools affect investment decisions.	384	1	5	3.82	1.058
Overall	384	1	5	3.752	1.107

(Source: field survey and SPSS output)

Table 5 shows descriptive statistics for single statements with overall results. Four statements were used to measure investors' perceptions of information, with 384 samples rating each statement on a five-point Likert scale. The table presents the mean values for these statements range between 3.57 and 3.89. The 1st statement has the lowest mean of 3.57 and S.D. of 0.277, whereas the third statement has the highest mean of 3.89 and S.D. of 1.090. The highest mean of 3.89 indicates the highest level of agreement, whereas the lowest mean of 3.58 suggests lower agreement among variables.

Additionally, the 1st statement represents the highest S.D. of 1.277, indicating maximum variability of responses, whereas the 2nd statement has the lowest S.D. of 1.002, indicating minimum response variability. The overall mean score for economic condition is 3.752, and the S.D. is 1.107

Table 6

Descriptive Statistics of the Decision Regarding Investment

Statements	N	Minimum	Maximum	Mean	Std. Deviation
Continue investing in the mutual fund in the coming days	384	1	5	3.71	1.268
Suggest to my relatives that to invest in a mutual fund.	384	1	5	3.69	.905
I invest in a mutual fund because it gives stable returns and revenues.	384	1	5	3.89	1.035
The mutual fund is a part of my long-term personal financial planning.	384	1	5	3.76	1.061
Overall	384	1	5	3.771	1.067

(Source: Field survey and SPSS output)

Table 6 shows the descriptive statistics technique for single statements with overall results. Four statements were used to analyse investors' perceptions of decisions regarding investment, with 384 respondents rating every statement on a five-point Likert scale. The table presents the mean values for these statements range between 3.69 and 3.89. The 2nd statement has the lowest mean of 3.69 and a S.D. of 0.905, while the third statement has the highest mean of 3.89 and a S.D. of 1.035. The highest mean of 3.89 indicates the maximum level of agreement, whereas the lowest mean of 3.69 advice the lower agreement among variables.

Additionally, the first statement shows the highest S.D. of 1.268, indicating more variability in responses, while the 2nd statement has the lowest S.D. of 0.905, indicating lower response variability. The overall mean score for economic condition is 3.771, with an overall S.D. of 1.067.

Correlation Analysis

Correlation analysis explores the relationship among various variables. For variables with straightforward multiple-choice responses, Pearson's correlation coefficient analysis was used. A positive correlation coefficient indicates that the relationship tends towards positivity, with one variable increasing as the other does, while a negative correlation shows the opposite: one variable rises as the other falls.

Table 7

Correlation Analysis

	FS	RTB	IR	INF	ID
EP	1				
RBB	.745	1			
RFI	.766	.718	1		
ACC. INF	.760	.775	.807	1	
DRI	.790	.781	.723	.745	1

(Source: field survey and SPSS output)

Table 7 presents the correlation coefficients between the dependent and independent variables: economic position, risk-bearing behaviour, return from investment, access to information and the dependent variable: investment decision. There is a significant positive relationship between economic position and decision regarding investment in mutual funds in Nepal. The correlation coefficient of 0.790 indicates that the relationship between these variables is strong. The independent variable has a positive linear relationship to the dependent variable at a significance level of 0.05. There is a

significant positive relationship between risk-bearing behaviour and decisions regarding investment in mutual funds in Nepal. The correlation coefficient of 0.781 indicates that the relationship between these variables is strong. The independent variable has a positive linear relationship to the dependent variable at a significance level of 0.05. There is a significant positive relationship between Return on investment and decisions regarding investment in mutual funds in Nepal. The correlation coefficient of 0.723 indicates that the relationship between these variables is strong. The independent variable has a positive linear relationship to the dependent variable at a significance level of 0.05. There is a significant positive relationship between access to information and decisions regarding investment in mutual funds in Nepal. The correlation coefficient of 0.745 indicates that the relationship between these variables is strong. The independent variable has a positive linear relationship to the dependent variable at a significance level of 0.05.

Regression Analysis

Regression analysis is engaged to find out the causal relationship between variables. While a strong correlation between variables may exist, it doesn't necessarily imply a causal relationship. To establish cause and effect, regression analysis is necessary. Although the Pearson correlation coefficient highlights significant positive relationships between all variables considered in this research and the dependent variable, it doesn't quantify how much each independent variable explains the variation in the dependent variable. For this, a regression analysis was conducted using SPSS 27. Below is the significant table from the SPSS 27 output.

Table 8

Model Summary of the Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.848	.720	.717	.32574

Predictors: (Constant), Access to information, Economic position, Risk Bearing Behaviour, Return from Investment

(Source: Field survey and SPSS output)

Table 8 reveals that the R Square is 0.720. This means that the independent variables account for approximately 72% of the variation in the dependent variable, investment decision. The remaining 28% of the variations in the dependent variable are attributed to other factors not identified in this research.

Table 9

ANOVA Results

ANOVA					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	103.384	3	25.095	244.926	.000
Residual	40.323	380	.106		
Total	143.707	383			

Dependent Variable: Decision regarding Investment
Predictors: (Constant), Access to Information, Economic Condition, Risk Bearing Behaviour, Return from Investment

(Source: Field survey and SPSS output)

Table 9 presents the p-value (Sig. 0.000) is less than the alpha value of 0.05, and from the ANOVA table F value is higher than 3.75. This result supports the approval of the regression. The regression analysis shows that the study is significant.

Table 10

Multiple Regression Analysis

Regression Coefficients					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.425	0.10		3.88	0
EP	0.36	0.047	0.368	7.71	0
RBB	0.324	0.043	0.345	7.41	0
RFI	0.092	0.048	0.095	1.8	0.05
ACC. INF	0.106	0.047	0.11	2.23	0.02

a. Dependent Variable: Decision Regarding Investment

(Source: Field survey and SPSS output)

Table 10 reveals that economic position, risk-bearing behaviour, and access to information significantly predict the dependent variable, investment decision. This is evident from the p-values indicated in the last column (Sig.) of the table, which are below the alpha value of 0.05 for these independent variables, but the return from investment is insignificant because its value is higher than the alpha value of 0.05. The relationship between the variables, as per the regression analysis denoted by the equation below:

$$ID = 0.425 + 0.360\ EP + 0.324\ RBB + 0.092\ RFI + 0.106\ ACC.INF + \varepsilon$$

The table presents the analysis of, when other variables are held constant, every one-unit increase in economic position will lead to an increase in the decision regarding investment by 0.360 units. Similarly, every one-unit increase in risk-bearing behaviour will lead to an increase in the decision regarding investment by 0.324 units. Every one-unit increase in return from investment will lead to an increase in the decision regarding investment by 0.092 units, and every one-unit increase in access to information will lead to an increase in the decision regarding investment by 0.106 units.

The result shows that economic position, risk-bearing behaviour, and access to information are statistically significant (p-value less than 0.05) with mutual funds' decisions regarding investment. However, return from investment is statistically insignificant (p-value is higher than 0.05) with mutual funds' decision regarding investment. Annamalah et al. (2019) found that return from investment does not have a statistically significant relation with investors' behaviours. However, economic position, risk-bearing behaviour, and sources of access to information significantly affect investors' decisions regarding investments. This finding is related to Ul-Hameed et al. (2019), who observed a significant impact of economic conditions on mutual funds with investment choices. Similarly, Kaur and Arora (2018) found a significant link between economic position and mutual fund decisions regarding investment.

The research showed that investors' risk-bearing behaviours positively and significantly influenced their decisions to lend in mutual funds. This finding is consistent with earlier studies, validating the connection between risk-bearing behaviour and investment selections in mutual funds. Annamalah et al. (2019) found that investors' risk-taking ability significantly impacts mutual fund investments. Similarly, Ananthasuresh et al. (2023) show that investors' decisions about mutual fund investments were significantly affected by their risk-bearing behaviour. However, Saleem et al. (2021) Identify that risk and return opinion has an insignificant and negative impact on investor behaviour.

The research represents the investors' risk-bearing behaviour positively and significantly influences their decisions to invest in mutual funds. This finding is in line with Hesniati (2020) found that behavioural factors like information asymmetry and risk-bearing behaviour significantly impact decisions regarding investment. The overall Cronbach's alpha of 0.841 indicates internal consistency and confirms that the data is reliable and valid for further analysis. The data support the approval of the regression model. The regression model of the study is significant.

Conclusion

The study examines the key variables influencing investment decisions in Nepal's mutual fund and market, including economic conditions, risk-bearing behaviour, return from investment, and access to information. Among these, financial status has

the strongest influence, with a correlation value of 0.791. Generally, all these factors positively correlate with investment decisions, financial status, risk-taking behaviour, and information are statistically significant at the 0.05 level, whereas investment revenue is not. The model summary highlights that 71.8% of the variation in investment decisions can be attributed to the examined variables. Particularly, investors are mostly influenced by access to information (mean = 3.753, SD = 1.108) compared to risk-taking behaviour (mean = 3.717, SD = 1.10). These findings highlight the need for enhanced transparency, accessible information, and simplified plans and policies to attract and aware investors. By addressing these aspects, fund experts and investment institutions can improve investor self-confidence, purify mutual fund policies, and plan to implement the growth of the Nepali mutual fund sector.

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