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Fundamental Analysis and Risk Management Mechanisms on Investment Returns and Investor Satisfaction in the Indonesian Capital Market

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ABSTRACT

This study investigates the influence of Fundamentals and Risk Management Mechanisms on Investment Returns and Investor Satisfaction in the Indonesian capital market. Samples of 148 were surveyed using a Likert scale ranging from 1-5 to find the relationships among the variables, data was analyzed using Structural Equation Modeling (SEM) based on Partial Least Squares (PLS). The outcomes reveal that both Fundamentals and Risk Management Mechanisms considerably positively influence Investment Returns and Investor Satisfaction. Specifically, Fundamentals have a positive effect on both Investment Returns and Investor Satisfaction, while Risk Management Mechanisms contribute substantially to both Investment Returns and Investor Satisfaction. The findings bring to the fore the fact that strong financial fundamentals, coupled with effective risk management mechanisms, are the bedrock of any investor's success and satisfaction. The study gives useful input to investors, policy, and market participants on ways to ensure the stability of capital markets and investor confidence.

Keywords: *Fundamentals, Risk Management Mechanisms, Investment Returns, Investor Satisfaction, Indonesian Capital Market.*

1. INTRODUCTION

For many years, the Indonesian capital market has grown tremendously, thus attracting several investors who seek to grab available wealth opportunities [1]–[3]. The stock exchange and other financial instruments play a major role in developing the country's economy through options for capital placement, risk management, and long-term financial planning. Despite the huge potential, the market equally faces many challenges and risks that can influence investors' satisfaction with the overall realizable returns.

The main bases of capital market decisions are multilevel: an analysis of fundamental indicators, such as financial performance, market trends, and macroeconomic conditions. Fundamental analysis enables investors to get a better view of the intrinsic value of securities, thus enabling them to make wiser decisions [4], [5]. Meanwhile, risk management mechanisms are supposed to reduce potential losses and protect investments against the volatile Indonesian market [6]. While it may include portfolio diversification, hedging strategy, and accounting for risk in return calculations, risk management mechanisms are important elements in reducing uncertainty and increasing favorable returns.

The study of the relationship between fundamental analysis, risk management practices, investment returns, and investor satisfaction is important in the context of the Indonesian capital market. While various studies have been conducted on different aspects of investment decisions, not

enough have focused on how these two important factors- fundamentals and risk management- together affect investment return outcomes and the degree of satisfaction of investors in Indonesia.

The present study will fill this gap by conducting a quantitative analysis of the impact of fundamental analysis and risk management mechanisms on investment returns and investor satisfaction in the Indonesian capital market. In this study, based on data from 148 investors, the relationships of the variables will be studied by using SEM-PLS 3. This research is, therefore, important because its findings will add to investors', financial institutions', and policymakers' knowledge of how to better their investment strategies and risk management practices, which would eventually promote investor confidence in and satisfaction with the Indonesian market.

This research will try to explore the following objectives:

1. To assess the impact of fundamental analysis on investment returns in the Indonesian capital market.
2. To evaluate the role of risk management mechanisms in influencing investment returns.
3. To examine the relationship between investment returns and investor satisfaction.
4. To investigate how risk management practices contribute to investor satisfaction.

2. LITERATURE REVIEW

2.1 Investment Returns and Investor Satisfaction

Investment returns significantly influence investor satisfaction, particularly in the Indonesian capital market, as higher returns align with investors' financial goals and expectations, while poor returns can lead to dissatisfaction and affect future behavior. Studies show that factors such as perceived investor sophistication and social media influence play a role in shaping satisfaction through perceived returns. Perceived investor sophistication impacts investment satisfaction, with knowledgeable investors being more satisfied [7]. Social media influences perceived returns, indirectly affecting satisfaction [7]. Financial performance, including liquidity and leverage, significantly affects stock returns, influencing investor satisfaction [8]. In the automotive sector, market and financial risks negatively affect stock returns, while business risk has a positive effect, illustrating the complex interplay of risks and returns in investor satisfaction [9]. Investment literacy and stock returns also influence students' interest in investing, highlighting the importance of knowledge and returns in shaping decisions and satisfaction among young investors [10].

2.2 Fundamental Analysis in Investment Decision-Making

Fundamental analysis estimates an asset's intrinsic value by evaluating economic, financial, and other factors, helping investors determine if a stock is undervalued or overvalued. In Indonesia's capital market, this technique influences investment decisions through financial statements and market trends. It applies at macroeconomic, industry, and company-specific levels, using financial ratios to assess value [11], [12]. Macroeconomic analysis looks at GDP, inflation, and unemployment, which impact business conditions [13]. Industry analysis examines factors like entry barriers and government initiatives to assess sectors such as Indonesia's IT [13]. Company-specific analysis uses ratios like P/E, P/B, and DPR to evaluate financial health, with companies like PT Adhi Karya and PT Wijaya Karya found overvalued [14]. Intrinsic value

calculation compares a stock's intrinsic value to its market value, guiding informed decisions [11], [15].

2.3 Investment Risk Management Mechanism

Investment risk management is essential for maintaining financial resilience in volatile markets and economic downturns, with strategies like diversification, asset allocation, hedging, and the use of financial instruments such as options and futures helping to mitigate risks and optimize returns. Diversification, a fundamental strategy in portfolio management, spreads investments across various asset types to minimize risk and maximize returns, reducing the impact of poor performance from any single asset [16]. In industries like mineral and fossil fuels, diversification has been shown to reduce volatility and increase returns in China and Russia [17], and in Indonesia, diversification in state-owned bank credit portfolios reduces credit risk, though its impact on profitability is less clear [18]. Hedging strategies, particularly using derivatives, are effective in managing financial risks and enhancing stability amidst market volatility; in Indonesia, firms employing derivative hedging have achieved greater financial stability and reduced cash flow volatility [19], with hedging and stop-loss orders highlighted as key for maintaining financial resilience [20]. Additionally, risk-adjusted return measures, like the Sharpe ratio, enable investors to assess returns relative to risk, aiding informed investment decisions and enhancing portfolio performance [16].

2.4 Research Gaps and Hypotheses Development

Though the literature has been informative enough in the insight it provided on how fundamental analysis and risk management separately explain investment returns and satisfaction, the literature gap still lies in how both factors link to shape investment outcomes in the Indonesian capital market. Only very few studies have considered the combined effects of both fundamental analysis and risk management mechanisms on investment returns and investor satisfaction.

This study tries to fill this gap by analyzing the combined effects of fundamental analysis and risk management on investment returns and investor satisfaction in Indonesia. From the literature review, the following hypotheses are proposed:

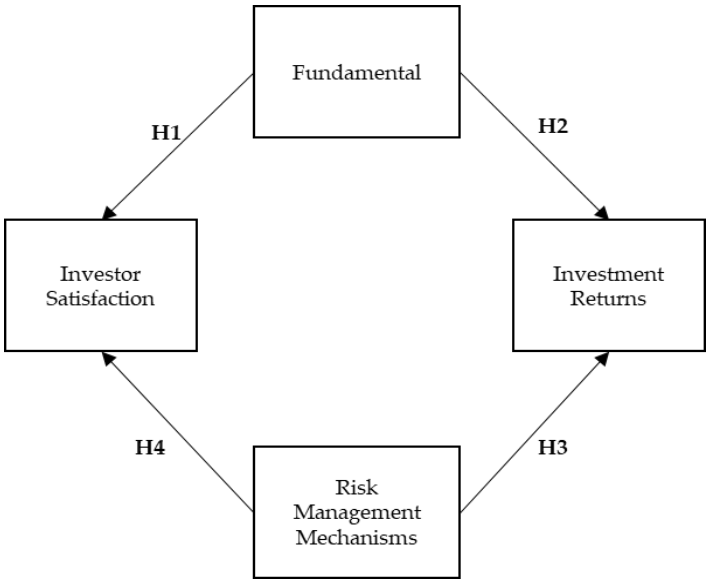

Figure 1. Conceptual Framework

3. METHODS

3.1 Research Design

This research will utilize a quantitative research design to find out the relationships among fundamental analysis, risk management mechanisms, investment returns, and investor satisfaction in the Indonesian capital market. A quantitative approach was found to be suitable for this research because it allows the measurement of the relationship among variables and tests hypotheses through statistical techniques. It involves a cross-sectional design in which data is collected at one point in time in order to determine the current state of investor perceptions and behaviors concerning these factors.

The study also uses Structural Equation Modeling - Partial Least Squares 3 in analyzing the relationships of the constructs. The SEM-PLS method will be appropriate in the study because it allows for complex relationships among latent variables and provides insights into both direct and indirect effects.

3.2 Population and Sample

The target population in this study is individual investors in the Indonesian capital market, especially active stock traders along with other forms of financial trading. Considering the fast-moving nature of the market, the research will include various investors with limited experience to quite experienced ones to capture as wide a view as possible.

The purposeful sampling method selects the participation sample that meets certain criteria; such participants needed to be active investors in the Indonesian capital market who had sufficient knowledge and/or experience concerning fundamental analysis and risk management practices. In the case of this research study, 148 respondents could obtain an appropriate size for conducting the SEM-PLS, whereby one will have meaningful results since model estimation may emerge robustly.

3.3 Data Collection

Data for this study were collected using a self-administered questionnaire, which was electronically distributed to the selected respondents. This questionnaire was designed to capture perceptions and experiences of participants in fundamental analysis, risk management practices, investment returns, and investor satisfaction. All items were measured using a Likert scale (1-5), where 1 indicated strong disagreement and 5 indicated strong agreement, a common scale in social sciences for measuring attitudes, perceptions, and behaviors. Pretesting of the research instrument

was done with a small group of investors to ensure that all questions were clear, relevant, and valid before the actual distribution of the same. This was important in making all the necessary adjustments to enhance the reliability and validity of the instrument.

3.4 Data Analysis

The data analyzed used the Structural Equation Modeling with Partial Least Squares-SEM-PLS 3-, a strong method to analyze complex relationships among variables. This study was specifically suited for SEM-PLS, as it allows the examination of direct and indirect effects between latent variables, hence a better understanding of how fundamental analysis and risk management practices influence investment returns and investor satisfaction levels. First, the model specification specified how independent variables (fundamental analysis and mechanisms of risk management) and the mediating variable-investment returns-relate with the dependent variable, investor satisfaction. Second, the measurement model was assessed with the testing of reliability by composite reliability (CR) and of validity by means of average variance extracted (AVE) and discriminant validity. Third, the assessment of the structural model was done wherein the path coefficients and their statistical significance were analyzed to test the hypotheses, which verified if t-statistics were higher than 1.96 for a 95% confidence level. Finally, bootstrapping procedures have been used-a sample size of 5,000 resamples-to get robust estimates and confidence intervals for path coefficients. This analysis was carried out with SEM-PLS 3, and the result of this study is used to describe the direction and strength of each relationship among constructs.

4. RESULTS AND DISCUSSION

4.1 Demographic Sample

The demographic profile for the sample, as in this present study, comprising 148 respondents, is drawn to represent investors in the Indonesian capital market. Demographic data was collected on age, gender, education level, investment experience, annual income, occupation, investment instruments used, capital market participation, and investor risk profile. Approximately 53% of respondents were within the age bracket of 25-44 years, indicating a fairly young to middle-aged investor base. The gender distribution showed 67% male and 33% female, showing higher male participation though the proportion of females is not insignificant. Regarding education, 70% had at least a bachelor's degree, indicating that the investors were well educated. Investment experience for most of the respondents fell between 3 and 10 years, with 66% having this level of experience. Annual income distribution showed that 60% earned between IDR 100 million and 500 million. Occupation-wise, 40% were private sector employees, followed by 25% entrepreneurs/business owners. The investment instruments were mostly stocks at 60%, while bonds, mutual funds, and ETFs were smaller percentages. Most of the respondents participated in the capital market either on a weekly or monthly basis at 60%, showing that they were active. Finally, the risk profile showed that 45% were moderate risk-takers, 30% aggressive, and 25% conservative.

4.2 Measurement Model

The measurement model in SEM represents the presentation of associations between the respective latent variables in regard to their respective observed indicators. These measures validate the constructs and their reliability based on various criteria, including factor loadings, Cronbach's Alpha reliability, Composite Reliability, and Average Variance Extracted.

Table 1. Measurement Model

Variable	Code	Loading Factor	Cronbach's Alpha	Composite Reliability	Average Variant Extracted
Fundamental	FUN.1	0.872	0.935	0.953	0.837
	FUN.2	0.949			

	FUN.3	0.929			
	FUN.4	0.908			
	RIM.1	0.707			
Risk Management Mechanisms	RIM.2	0.898	0.840	0.894	0.680
	RIM.3	0.899			
	RIM.4	0.780			
	INR.1	0.893			
Investment Returns	INR.2	0.889	0.878	0.925	0.804
	INR.3	0.907			
	INS.1	0.823			
Investor Satisfaction	INS.2	0.849	0.790	0.877	0.704
	INS.3	0.846			

Source: Data Processing Results (2025)

The measurement model exhibits excellent reliability and validity across all constructs. All factor loadings are above 0.7, demonstrating that the observed indicators strongly reflect their respective latent variables. Additionally, the Cronbach's Alpha, Composite Reliability, and Average Variance Extracted values are all well above the minimum acceptable thresholds, confirming the reliability and convergent validity of the measurement model.

4.3 Discriminant Validity

Discriminant validity refers to the extent to which a construct is distinct from other constructs in the model, ensuring that the constructs being measured are not overly correlated and capture different aspects of the phenomenon being studied. It can be assessed using the Fornell-Larcker criterion, which compares the square root of the Average Variance Extracted (AVE) for each construct with the correlations between the constructs. For discriminant validity to be established, the square root of the AVE for each construct should be greater than the correlations between constructs, indicating that each construct explains more variance in its indicators than it shares with others. This criterion was applied to evaluate the discriminant validity of the four constructs in this study: Fundamentals (FUN), Investment Returns (INR), Investor Satisfaction (INS), and Risk Management Mechanisms (RIM).

Table 2. Discriminant Validity

	FUN	INR	INS	RIM
Fundamental	0.715			
Investment Returns	0.574	0.837		
Investor Satisfaction	0.418	0.692	0.839	
Risk Management Mechanisms	0.447	0.572	0.719	0.825

Source: Data Processing Results (2025)

Based on the Fornell-Larcker criterion, all constructs in the model exhibit adequate discriminant validity. The square roots of the AVEs for each construct are greater than the correlations between the constructs, indicating that each construct is sufficiently distinct from the others. This supports the conclusion that the constructs—Fundamentals, Investment Returns, Investor Satisfaction, and Risk Management Mechanisms—measure different dimensions of the investment process and do not overlap significantly.

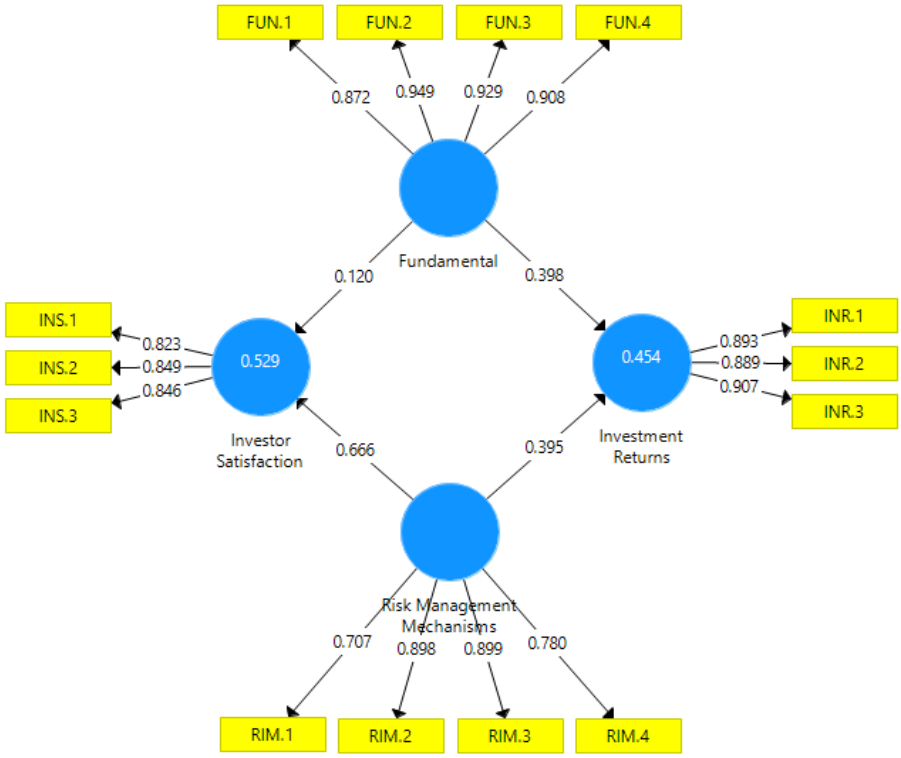

Figure 2. Model Results

Source: Data Processed by Researchers, 2025

4.4 Model Fit

Model fit refers to how well the proposed model represents the data and explains the relationships among the constructs. In Structural Equation Modeling (SEM), several fit indices are used to assess whether the model adequately fits the observed data. These fit indices include the Standardized Root Mean Square Residual (SRMR), the discrepancy measures (d_ULS and d_G), the Chi-Square statistic, and the Normed Fit Index (NFI). Below is a discussion of the model fit indices for both the Saturated Model (the theoretical or ideal model) and the Estimated Model (the model estimated from the sample data).

Table 3. Model Fit Results Test

	Saturated Model	Estimated Model
SRMR	0.074	0.091
d_ULS	0.577	0.874
d_G	0.306	0.363
Chi-Square	211.533	235.785
NFI	0.834	0.815

Source: Process Data Analysis (2025)

The fit indices overview includes several measures used to evaluate the model fit. The SRMR (Standardized Root Mean Square Residual) measures the average standardized difference between observed and predicted correlations, with values below 0.08 indicating a good fit. For the saturated model, SRMR was 0.074, which is a good fit, while the estimated model had a slightly higher value of 0.091, suggesting room for improvement. The d_ULS (Unweighted Least Squares Discrepancy) measures the discrepancy between observed and predicted covariance matrices, with lower values indicating a better fit. The saturated model had a value of 0.577, which is lower than the estimated model's value of 0.874, indicating a poorer fit for the estimated model. Similarly, the d_G (Geodesic Distance), which measures the overall distance between observed and predicted covariance matrices,

had a value of 0.306 for the saturated model and 0.363 for the estimated model, further suggesting that the saturated model fits better. The Chi-Square (χ^2) statistic tests the difference between observed and expected covariance matrices, with lower values indicating better fit. The Chi-Square value for the estimated model (235.785) was higher than that for the saturated model (211.533), indicating a worse fit for the estimated model. Lastly, the NFI (Normed Fit Index) compares the fit of the model to the baseline model, with values closer to 1 indicating better fit. The saturated model had a higher NFI of 0.834 compared to the estimated model's 0.815, further suggesting the saturated model's superior fit, although the estimated model still had a reasonable fit. These indices collectively indicate that the estimated model could benefit from optimization to improve its fit.

Table 4. Coefficient Model

	R Square	Q2
Investment Returns	0.454	0.445
Investor Satisfaction	0.529	0.521

Source: Data Processing Results (2025)

R-Square (R^2), or the coefficient of determination, measures the proportion of variance in a dependent variable explained by the independent variables in the model. For Investment Returns (INR), an R^2 value of 0.454 means that approximately 45.4% of the variance in Investment Returns is explained by the independent variables (Fundamentals and Risk Management Mechanisms), indicating moderate explanatory power. However, 54.6% of the variance remains unexplained, suggesting that other factors not included in the model could play a role. For Investor Satisfaction (INS), an R^2 value of 0.529 suggests that 52.9% of the variance in Investor Satisfaction is explained, demonstrating moderately strong explanatory power, though other factors could account for the remaining variance. Overall, both R^2 values show that the model has decent explanatory power, with Investment Returns being slightly less explained than Investor Satisfaction. Q^2 (Predictive Relevance) assesses the predictive relevance of a model, and values greater than 0 indicate the model's ability to predict new data. The Q^2 value for Investment Returns (0.445) indicates moderate predictive relevance, suggesting that the model can predict Investment Returns reasonably well but could be improved with additional variables. For Investor Satisfaction, a Q^2 value of 0.521 indicates strong predictive relevance, suggesting that the model has good predictive ability in forecasting this construct.

4.5 Hypothesis Testing

In Structural Equation Modeling (SEM), hypothesis testing involves assessing the significance of the relationships between constructs. In this case, the hypotheses regarding the direct effects of Fundamentals and Risk Management Mechanisms on Investment Returns and Investor Satisfaction are tested. The results of hypothesis testing are typically assessed using T-Statistics and P-Values, which indicate whether the relationships between variables are statistically significant.

Table 5. Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Fundamental -> Investment Returns	0.398	0.397	0.084	4.761	0.000
Fundamental -> Investor Satisfaction	0.320	0.320	0.085	2.416	0.003
Risk Management Mechanisms -> Investment Returns	0.395	0.397	0.082	4.828	0.000

Risk Management Mechanisms -> Investor Satisfaction	0.666	0.669	0.076	8.737	0.000

Source: Process Data Analysis (2025)

All the relationships of the variables in the model are statistically significant. The original sample value for the relationship of Fundamentals and Investment Returns H1 is 0.398, the T-Statistic is 4.761, which is greater than the critical value of 1.96 at P-Value of 0.000, which is less than 0.05, hence, stronger fundamentals positively influence investment returns. Also, for support in H2, the original sample value is 0.320, with a T-Statistic of 2.416 and a P-Value of 0.003, again suggesting that better fundamentals contribute toward higher investor satisfaction. The relationship of Investment Returns (H3) has a sample original value of 0.395, T-Statistic of 4.828, and a P-Value of 0.000, hence proving that effective risk management mechanisms significantly enhance investment returns. Finally, for the relation of Risk Management Mechanisms to Investor Satisfaction (H4), the original sample has the value 0.666, the T-Statistic equals 8.737, while P-Value has the value 0.000, and already shows that effective risk management practices are very important in improving investor satisfaction.

Discussion

This research was intended to explore the role of Fundamentals and Risk Management Mechanisms as a factor in Investment Returns and Investor Satisfaction in Indonesia's capital market. The results of hypothesis testing, measurement model evaluation, and assessment of model fit are of paramount importance to understand the underlying dynamics driving investor behavior and satisfaction. In this section, we will discuss the implications of these findings, their alignment with the existing literature, and the practical applications of the same to investors and market participants.

1. Fundamentals and Investment Returns

The significant positive relationship between Fundamentals and Investment Returns (H1) is consistent with previous studies that emphasize the importance of strong financial and economic fundamentals in driving investment performance [8], [12], [21]. Fundamentals, such as company performance, macroeconomic stability, and financial health, provide the basis for predicting future returns and minimizing investment risk. Investors rely on these indicators to assess the profitability and growth potential of their investments.

The finding of the better Fundamentals, the better Investment Returns, indicates that good knowledge of financial ratios, market trends, and economic indicators plays a vital role in maximizing investors' returns in the capital market. This is quite essential in developing markets like Indonesia, where fluctuations in macroeconomic factors and industry-specific events may affect stock prices and investor expectations.

2. Fundamentals and Investor Satisfaction

In a similar way, the positive relationship between Fundamentals and Investor Satisfaction (H2) points out that investors' confidence and satisfaction depend to a great extent on the economic and financial stability of the market. While strong fundamentals improve investment returns, they also give investors a sense of confidence and make them feel more secure about their investment decisions.

This is also in agreement with previous research by [7], [22], [23], who suggested that investors would show more satisfaction when there is perceived stability and proper management of financial markets. In the same light, just like other emerging markets, investors in the Indonesian market are generally sensitive to macro-economic factors; hence, Fundamentals is one of the main drivers of investors' overall satisfaction with their investment experience.

3. Risk Management Mechanisms and Investment Returns

The positive and significant impact of Risk Management Mechanisms on Investment Returns (H3) shows that effective risk management plays a critical role in boosting investment performance. Risk management mechanisms, such as portfolio diversification, hedging strategies, and the use of financial derivatives, are applied in the reduction of potential losses, thus reducing the volatility of investment returns. As [24]–[26] said, robust risk management practices help investors retain more stable returns despite uncertainties in the market. The study has, in fact, strengthened this argument that good risk management plays an important role in enhancing financial outcomes in the capital markets.

In the context of Indonesia's capital market, where fluctuations in external shocks and commodity prices may highly impact the dynamics of the market, Risk Management Mechanisms may help investors outperform constant returns. This finding indicates that those investors who are using these mechanisms would be in a better position to safeguard their investments and maximize returns for a longer period of time.

4. Risk Management Mechanisms and Investor Satisfaction

The strongest positive relationship in the study was between Risk Management Mechanisms and Investor Satisfaction (H4). This finding is in agreement with the view that investors' satisfaction is closely related to their perception of the risk associated with their investments and the strategies in place to mitigate these risks. When investors feel that their investments are adequately protected against risks, their overall satisfaction increases.

This finding corroborates the work of [7], [24], [27] that good risk management increases investors' confidence and satisfaction. In the Indonesian market, which is mostly driven by political, economic, and regulatory volatility, comprehensive Risk Management Mechanisms will be necessary to instill investors with confidence. The mitigation of risk will improve investors' perceptions of the stability of the market and lower anxiety, which increases their level of satisfaction.

5. Implication for Investors and Market Participants

The results obtained in this study have a number of practical implications for both individual investors and market participants within the Indonesian capital market:

a) Fundamentals: The main decision-making tool for investors in the market involves analysis of Fundamentals like financial health, market trends, and macroeconomic factors. This will help investors with a strong understanding of these indicators to predict their future returns better and reduce uncertainty from their investments.
b) Risk Management is Important: The study identifies that the adoption of appropriate Risk Management Mechanisms improves Investment Returns and Investor Satisfaction. Investors who adopt practices that minimize risk are more likely to achieve stable and satisfactory returns. Investment advisors and portfolio managers should, therefore, strongly focus on the implementation of diversified investment portfolios and other strategies that reduce risk.
c) Investor Education and Awareness: In an emerging market like Indonesia, most investors lack broad-based knowledge of strategies on risk management and financial analysis. Therefore, the need for more investor education is paramount. Educating investors to evaluate Fundamentals and employ Risk Management Mechanisms will be crucial in fostering market stability and confidence.
d) Policy Implication for Market Regulators: Policies in this regard will stimulate regulators in the Indonesian capital market to consider those that ensure transparency and the dissemination of relevant financial information to investors. In this manner, regulators would enhance investors' perception of the Fundamentals, increase overall satisfaction, and enhance their trust in the market. Furthermore, facilitating the

development of risk management tools and frameworks will be beneficial to investors and add to the stability of the overall market.

6. Limitations and Future Research

Moreover, the present study provided good inputs in the understanding of the relationships between Fundamentals, Risk Management Mechanisms, Investment Returns, and Investor Satisfaction. Some of the limitations from the said study should be emblazoned. First, it focused solely on the Indonesian capital market, and there is no possibility of generalization to other capital markets since economic structure and investor behavior vary. Future studies can further look at this relationship among other emerging countries or even those from the developed world for possible cross-cultural and cross-market analysis.

Also, this study adopted a quantitative approach, which limits the level of information on specific variables that impact investor satisfaction and the risk management strategy adoption process. Qualitative methods, such as interviews or case studies, could be beneficial in future studies to delve deeper into investors' decision-making processes and the practical problems they encounter in managing risks and assessing fundamentals.

CONCLUSION

The findings of this study prove that Fundamentals and Risk Management Mechanisms are the main determinants of Investment Returns and Investor Satisfaction in the Indonesian capital market. It indicates that investors who stress financial fundamentals stability and use effective risk management mechanisms will result in better returns and higher levels of satisfaction with their investments. With such significance, Risk Management Mechanisms consequently play an important role in investor satisfaction and therefore need better practices for mitigating risks in capital markets, especially in emerging economies like Indonesia. The integration of strong Fundamentals with comprehensive Risk Management Mechanisms would be of essence in realizing both good investment outcomes and higher investor satisfaction in the light of the volatile character of emerging markets.

Market participants and regulators are encouraged to promote education on financial fundamentals and risk management strategies to help investors make more informed decisions. Policymakers should also nurture an environment conducive to transparency and risk reduction, thus contributing to a more stable and investor-friendly capital market. Further research might address how these findings apply in other markets to extend the understanding of how these mechanisms work in different financial ecosystems.

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