

What makes investors invest islamic unit trust?

Abstract

The study develops a model to explicate investor decision making process towards selection of Islamic mutual fund. Based on theory of reasoned action (TRA), we specifically investigate the effects of attitude, social influence and amount of information on the decision to invest in Islamic mutual fund. The model is evaluated using survey data from 126 potential investors for Islamic mutual funds. This study finds attitude, social influence and amount of information are significant predictors. This study supports the applicability of the TRA. This study also offers fresh new insights for the Islamic financial institutions. More specifically, the results suggest that managers should consider the factors tested in the present study for their future Islamic mutual fund products. Managerial implications and limitations are also noted.