



Title: What Matters Most in Risky Investment Intentions? Financial Phantasy and Mindfulness in an Emerging Market

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What Matters Most in Risky Investment Intentions? Financial Phantasy and Mindfulness in an Emerging Market

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Abstract

This paper examines how in an emerging markets personality traits, cultural values, financial phantasy, and mindfulness outline investment intentions. The analysis is drawn on simple random sample of 100 Pakistani participants. The technique used in this paper is combination of PLS-SEM workflow, 10,000 bootstraps, mediation and moderation tests, predictive checks, and Importance Performance analysis (IPA). Findings of the study show conscientiousness, long term orientation and power distance are positively associated to financial phantasy, on the other hand uncertainty avoidance is negatively associated to financial phantasy. Uncertainty avoidance and Agreeableness represents undeviating positive association with the risky investment intention. The Financial Phantasy with results of ($\beta = 0.459$, $p < .001$), clearly explains the risky investment intention, while results show no direct support for mindfulness as moderating effects. There is mediation effect of financial phantasy on risky investment intentions through uncertainty avoidance, power distance, conscientiousness, and long-term orientation. The IPA technique shows financial phantasy as foremost and followed by agreeableness as performance indicators. The study elaborates in detail the conventional effect of culture and emotions on investor risk-taking behavior, while also elaborates the general limited mechanism of mindfulness in this sample.

Keywords: Behavioral Finance; Risky Investment Intention; Financial Phantasy; Mindfulness; PLS-SEM; IPMA; Pakistan Stock Exchange

1. Introduction

Financial markets are becoming more and more evidence that investors do not always make decisions based on rational calculations. Although traditional finance theory is still the foundation for the principles of risk, return, diversification, and information efficiency, a broad behavioral literature demonstrates that beliefs, emotions, social influences, personality, and self-regulation have an effect on financial judgment as well. These influences are particularly important in emerging markets where information can be less reliable, the price can move significantly, informal information can be passed around rapidly, and investors might be more likely to seek institutional reputation or brokers' advice when they are uncertain.

To put these issues in perspective, the Pakistan Stock Exchange (PSX), along with the country's mutual-fund, brokerage, pension-fund, and portfolio-investment sectors, must be analyzed. The studies conducted in Pakistan in recent years have revealed that herding, overconfidence, anchoring, experience, and financial literacy are all related to the behavior of investment (Aziz et al., 2024; Mahmood et al., 2024; Munir et al., 2024). Such research is helpful but much of the recent literature

still describes investor psychology in familiar terms. Few studies have focused on the interaction of personal tendencies, learned values from the culture, emotionally-based financial imagination, and self-regulatory awareness in the formation of investment risk intentions.

Unlike integrated behavioral-finance models that predominantly focus on combining biases, literacy, risk tolerance, or social influence, the present study combines these four elements with the effect of the media. It brings together four levels of explanation: dispositional tendencies (Big Five personality traits), cultural orientations (power distance, uncertainty avoidance, and long-term orientation), an emotional-finance mechanism (financial phantasy), and a self-regulatory condition (mindfulness). The goal isn't just to include even more predictors in an investment model. Instead, the study examines the potential explanation of personality and culture to the phenomenon of how some investors fall in love with a great financial opportunity and how their emotional process is manifested as risky intentions.

Financial phantasy is key to this argument. Emotional-finance researchers argue that investors can create a narrative around the assets they invest in, about the expected returns, about privileged information, about unusual opportunities any of these (Taffler & Tuckett, 2010; Tuckett, 2011). After empirical studies have been developed and validated, phantasy was correlated with financial defence mechanisms, investment preference, conscious and unconscious processes and risky investment intention (Aren & Nayman Hamamcı, 2021; Aren & Nayman Hamamcı, 2022; Aren & Nayman Hamamcı, 2023; Aren & Nayman Hamamcı, 2024; Nayman Hamamcı & Aren, 2026). This emerging set of evidence allows phantasy to be analyzed beyond the metaphor and within the realm of investor decision-making as a measurable emotional mechanism. One of the boundary conditions includes mindfulness. It involves present centered awareness, and a less automatic reaction to thoughts and feelings (Brown & Ryan, 2003; Feldman et al., 2007; Kabat-Zinn, 2003). In an investment environment, mindful awareness can be useful for identifying when investors are feeling excited, FOMO, social pressure, and the perceived gains prior to making a decision. But, is there any doubt that general mindfulness would be sufficient to reduce phantasy-driven risky intention?

The study also employs IPMA to introduce a practical component to the structural analysis. The use of PLS-SEM and IPMA is not a methodological novelty per se. Rather, IPMA serves as an analytical extension that is able to distinguish the statistical relationship from the action priority so that both the total importance and the construct performance are taken into account (Ringle & Sarstedt, 2016). It is useful for investor education, financial advisory practice, and behavioural risk management as the highest coefficient does not necessarily represent the most helpful intervention target. The research, therefore, focuses on the following research question: What are the personality, cultural, emotional, and mindfulness-related factors that are most important for risky investment intention among the investors of emerging markets in Pakistan and what are the factors that need to be given the most attention in the field of investor education and investment advisory? The study examines both explanatory avenues and action priorities, and seeks to bridge the gap between behavioral-finance theory and decision-making situations encountered by investors, advisors, fund managers and market institutions.

The traditional finance framework assumes that investors are rational in assessing the risks and returns, efficient in updating beliefs, and allocate their capital based on their relatively stable preferences. Use of portfolio theory to explain investment choice is based on expected return, variance, and diversification (Markowitz, 1952), efficient-market theory is based on available information being included in prices (Fama, 1970). While these are still fundamental concepts, they do not adequately account for the persistence of some behaviors like overreaction, underreaction, herding, following the trend, delay in loss realization, or speculative trading with incomplete information.

2. Literature Review and Hypothesis Development

2.1 Behavioral Finance and Risky Investment Intention

The limitations of behavioral finance are the introduction of bounded rationality, loss aversion, framing, heuristics, and social influence. Prospect theory indicates that individuals compare their gains and losses to their reference points, and they are likely to be more susceptible to a loss than they are to an equivalent gain (Kahneman & Tversky, 1979). Judgment research also reveals that with

uncertainty being hard to process, people make use of representativeness, availability, and anchoring (Tversky & Kahneman, 1974). These tendencies can impact the notion of risk, trade frequency, portfolio focus and sensitivity to speculative stories in financial markets.

Risky intention to invest is a willingness to consider and select investment options that come with uncertainty and financial risk. While intention does not equal actual trading behavior, it is a proximal measure of actual asset allocation, trading, fund choice, and involvement in speculative products decisions that will come down the road (Aydemir & Aren, 2017). It can be influenced in emerging markets by expected returns, social proof, authority cues, discomfort with ambiguity, imagined gains and emotional control.

2.2 Personality Traits

Personality Traits are enduring dispositions to think, feel, and act in certain ways across situations. The five bigs are applicable to investments since investment involves novelty, discipline, social trust, stimulation, and emotional sensitivity. Openness can enhance the acceptance of unknown investment concepts; conscientiousness can help with planning and control; extraversion can help to motivate active involvement; neuroticism can make a person more sensitive to volatility and loss; and agreeableness can influence trust in advisors and social recommendations. The five traits have been correlated with investment intentions and financial risk tolerance (Mayfield et al., 2008; Rao & Lakkol, 2024; Grable & Kwak, 2026).

Current evidence doesn't support a one-size fits all direction for each personality trait in investment environments. Therefore, this study does not impose the directions of the unsupported traits but investigates each trait separately with regard to the association with financial phantasy and risky investment intention. This hones up the theoretical accuracy and acknowledges that the same trait can manifest differently in various markets and along various psychological routes.

H1a: Openness is significantly associated with financial phantasy.

H1b: Agreeableness is significantly associated with financial phantasy.

H1c: Conscientiousness is significantly associated with financial phantasy.

H1d: Extraversion is significantly associated with financial phantasy.

H1e: Neuroticism is significantly associated with financial phantasy.

H3a: Openness is significantly associated with risky investment intention.

H3b: Agreeableness is significantly associated with risky investment intention.

H3c: Conscientiousness is significantly associated with risky investment intention.

H3d: Extraversion is significantly associated with risky investment intention.

H3e: Neuroticism is significantly associated with risky investment intention.

2.3 Cultural Values

There is a significant relationship between extraversion and risky investment intention with H3d.

The results indicate that there is a significant relationship between H3e and risky investment intention.

Investment decisions are embedded in social expectations, authority structures, institutional trust, and attitudes toward uncertainty. Power distance is an acceptance of unequal authority; it can result in investors being more sensitive to authority from a broker, high-level investors, respected institutions, or perceived insider signals in an investment setting. Uncertainty avoidance is a tendency for avoiding ambiguity and an affinity for rules and predictability. It could cause a drop in the appeal of unambiguous opportunities, but can also increase the appeal of products that are described as safe or protected. The concepts of long-term orientation include future orientation, persistence, thrift, and delayed gratification which can influence the investment time horizon and short-term volatility tolerance (Hofstede, 2001; Yoo et al., 2011).

Since cultural values are not merely background variables, the study regards power distance, uncertainty avoidance and long-term orientation as active antecedents of financial phantasy and risky investment intention.

H2a: Uncertainty avoidance is significantly associated with financial phantasy.

H2b: Power distance is significantly associated with financial phantasy.

H2c: Long-term orientation is significantly associated with financial phantasy.

H4a: Uncertainty avoidance is significantly associated with risky investment intention.

H4b: Power distance is significantly associated with risky investment intention.

H4c: Long-term orientation is significantly associated with risky investment intention.

2.4 Financial Phantasy as an Emotional-Finance Mechanism

Financial phantasy is an emotionally invested investment fantasy that creates the impression that extraordinary opportunities are reasonable in relation to the normal risk - return ratio. It is not the same as optimism which relates to positive expectations, nor is it the same as overconfidence which relates to overconfidence in one's judgment. Phantasy represents the imagined opportunity of unknown, private or unusually good opportunities or of investments that are close to risk-free and therefore has an emotional investment meaning.

The idea has shifted from a psychoanalytical and emotional finance theory to empirical measurement. Tuckett and Taffler (2008) [2010] showed that investors can establish 'phantastic' relationships with financial assets when facing uncertainty. Later, scales for the phantasy and related emotional-finance constructs were created by Aren and Nayman Hamamcı (2021), and phantasy was linked to financial defence mechanisms, preferences for unknown investment tools, coping processes, and risky investment intention (Aren & Nayman Hamamcı, 2022, 2023, 2024). Further, more recent evidence correlates phantasy with the intention to invest riskily based on emotional connections (Nayman Hamamcı & Aren, 2026). These studies together give a more solid ground level to consider financial phantasy as an actual mechanism, not just an idea.

In the current model, personality and cultural values can affect investors' openness to phantasy and phantasy can make investors more willing to take investment risks. This makes phantasy a mediating emotional pathway, in addition to the more familiar cognitive biases.

H5: Financial phantasy is positively associated with risky investment intention.

H6: Financial phantasy mediates the relationships between personality/cultural values and risky investment intention.

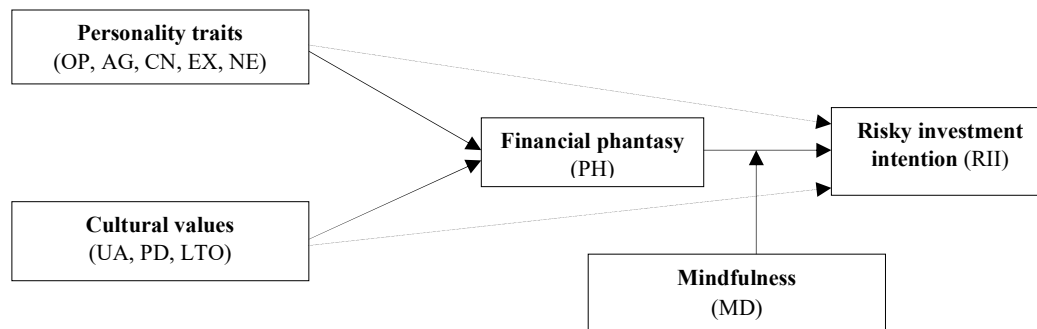
2.5 Mindfulness and Self-Regulation

Mindfulness is being present with one's experiences, being aware of one's thoughts and feelings, and being less automatic with one's experience (Brown & Ryan, 2003; Feldman et al., 2007; Kabat-Zinn, 2003). In the investment world, mindfulness can be a way to catch the excitement, social influence, and fear of missing out, and speculate on future investment opportunities, without yet making them actual investment decisions.

Mindfulness is thus hypothesized to be directly protective, as well as to reduce the association between financial phantasy and risky investment intention. Importantly, these expectations are tested and not assumed, and if the moderation effect is not significant, this would suggest that the general effect of mindfulness on finances does not necessarily hold for financial decision making.

The hypothesis states that there is a negative correlation between risky investment intention and mindfulness.

H8: Mindfulness weakens the positive relationship between financial phantasy and risky investment intention.



Note. *OP* = openness; *AG* = agreeableness; *CN* = conscientiousness; *EX* = extraversion; *NE* = neuroticism; *UA* = uncertainty avoidance; *PD* = power distance; *LTO* = long-term orientation; *MD* = mindfulness; *PH* = financial phantasy; *RII* = risky investment intention.

Figure 1. Research Model

3. Methodology

3.1 Research Design, Data Source, and Sampling

This study has an analytical logic of PLS-SEM and design in qualitative, cross-sectional. The actual answers from the people surveyed in the field in the underlying field survey total 560 responses from investment-market participants. The present article has a special focus on the Pakistan investment environment and thus 522 Pakistan-based records were available. For the present analysis a simple random sample of 100 complete respondents was obtained from this pool.

In the present article, the analytical sample of $N = 100$ was set prior to the estimation of the model. A sensitivity analysis of the most complex structural equation (11 predictors, $\alpha = .05$, power = .80) suggests that $N = 100$ is sufficiently powered to detect effects around $f^2 \approx .19$, but smaller incremental effects might be harder to find. Because the study does not assume that a non-significant small coefficient signifies that there is no relationship, the results of the study can be interpreted as data. This statement of the sample size replaces the previous discussion of the rule of thumb and clearly reveals this analytical limitation (Cohen, 1988; Hair et al., 2022).

Data was gathered using investment related organizations and participants in the market; organizational consent was also gained from the respective organizations before gathering data. The researchers did not use a separate scale of social-desirability; hence, one study limitation is that they do not assume that this occurred but rather recognize that it may exist.

Table 1. Profile of the $N = 100$ analytical sample

Characteristic	Distribution
Gender	Male: 83 (83%); Female: 17 (17%)
Age	35-45: 51 (51%); 45-50: 27 (27%); Above 50: 22 (22%)
Education	Bachelors: 18 (18%); Masters: 50 (50%); MS/M.Phil: 27 (27%); PhD/Professional: 5 (5%)
Experience	5-10 years: 42 (42%); 10-15 years: 34 (34%); Above 15 years: 24 (24%)
Investment market	PSX Equity: 37 (37%); Mutual Fund: 30 (30%); Voluntary Pension Fund: 19 (19%); Brokerage/Portfolio: 10 (10%); ETF: 4 (4%)
Investor category	Institutional investor: 34 (34%); Retail investor with fund exposure: 26 (26%); Fund manager/analyst: 21 (21%); Broker/dealer: 19 (19%)
Fund type	Dedicated Equity Funds: 37 (37%); Open Ended Schemes: 30 (30%); Voluntary Pension Funds: 26 (26%); Exchange Traded Funds: 7 (7%)

Note. All 100 respondents in the analytical subsample were Pakistan-based actual investment-market participants. The sample was selected from 522 eligible Pakistan records in the larger field dataset.

3.2 Measures

Each of the substantive items was rated on a 5-point Likert scale (1: strongly disagree to 5: strongly agree). Items for personality were adapted from Big Five investment/personality applications that were based upon the NEO framework (Mayfield et al., 2008). The values of the culture were derived from Hofstede's (2001) framework and individual-level cultural value measurement logic (Yoo et al., 2011). The mindfulness items were based on existing measures of mindfulness: Brown and Ryan (2003) and Feldman et al. (2007). Financial phantasy was adapted from emotional-finance scale-development stream (Aren & Nayman Hamamcı 2021, 2022) and risky-investment-intention was adopted from the existing risky-investment-intention literature (Aydemir & Aren 2017).

Four items were already identified in the pilot stage measurement review that were weak or conceptually problematic (CN7, EX5, NE6, and PH6). These have been removed prior to modelling the present $N = 100$ so there are 71 indicators left to model. Construct scores were calculated following reverse coding of the approved questionnaire codebook. This is an a priori item handling, which minimizes the possibility of removing indicators just to get good scores on the current indicators.

3.3 Data Screening and Common-Method Assessment

There were no missing item responses, out of range Likert values, and no duplicate respondent identifiers in the selected dataset. Common method risk was conducted by more than one diagnostic since the measures were selected from the same respondents at one time. The first un rotated factor explained 17.19% of the variance among the items, which is below the 50% warning level. Furthermore, the VIFs for all the constructs were below 3.3, a commonly used threshold as a diagnostic indicator (Kock, 2015). These checks are not intended to show that there is no common-method bias, but they do not suggest a strong single-source dominance in this sample.

3.4 Analytical Procedure

Analysis proceeded in the same order as the reporting sequence for PLS-SEM in Hair et al. (2022), that is, a composite-based reporting sequence. First, the reflective measurement model was evaluated using the indicator loadings, Cronbach's alpha coefficient, composite reliability, average variance extracted (AVE), and HTMT. Second, the structural paths were estimated in a standardized way for financial phantasy and intention of risky investments. Third, nonparametric bootstrap resampling was employed to derive standard errors, p values and percentile confidence intervals (10,000 replications each). Fourth, indirect effects via financial phantasy as well as the $PH \times$ mindfulness interaction were examined. Fifth, the predictive performance was assessed by repeated out-of-sample folds, and a Gaussian-copula sensitivity test was performed for the financial-phantasy predictor. Last, IPMA cross-referenced the overall effects and 0-100 performance scores to find practical priorities.

The analysis was independently reproduced in a scripted statistical workflow implemented in Python 3.13 software leveraging the libraries NumPy, SciPy, statsmodels and scikit-learn. The reporting is in accordance to PLS-SEM conventions and the scripted workflow enables the numerical results to be reproduced from the selected $N = 100$ records. The interaction was computed in a two-stage composite manner, where the standardized scores of PH and mindfulness were used.

4. Results

4.1 Measurement Model

The measurement model had good internal consistency for all constructs. Cronbach's alpha scores for every scale ranged from .793 to .960 and composite reliability scores ranged from .853 to .965. AVE was above .50 for all constructs with the exception of long-term orientation which had an AVE of .496, was close, composite reliability was acceptable (.853), and the indicators were reflective of theoretically important content. The highest HTMT value was .724 (LTO-PH) and was not even close to the conservative value of .85. The structural results indicated very high reliability ($\alpha = .960$) for mindfulness, which means that there is a possibility for items that might be redundant, which should be examined during scale refinement in future studies rather than deleted based on these results.

Table 2. Measurement model summary

Construct	Items	Mean	SD	α	CR	AVE	Loading range
OP	6	3.258	1.072	0.877	0.908	0.623	0.700-0.852
AG	5	3.300	1.099	0.856	0.897	0.635	0.753-0.822
CN	6	3.255	1.107	0.806	0.862	0.511	0.639-0.778
EX	4	3.305	1.206	0.877	0.917	0.734	0.807-0.915
NE	5	3.052	1.240	0.918	0.939	0.757	0.782-0.900
UA	5	3.366	1.157	0.882	0.914	0.681	0.784-0.853
PD	6	3.140	1.135	0.823	0.872	0.533	0.649-0.791
LTO	6	3.393	1.065	0.793	0.853	0.496	0.569-0.787
MD	13	3.278	1.250	0.960	0.965	0.681	0.646-0.887
PH	8	3.005	1.158	0.879	0.905	0.544	0.681-0.810
RII	7	3.020	1.101	0.891	0.916	0.610	0.689-0.846

Note. CR = composite reliability; AVE = average variance extracted. CN7, EX5, NE6, and PH6 were excluded on the basis of prior pilot-stage measurement review. Highest HTMT = .724.

4.2 Structural Model

The equation for financial-phantasy accounted for 57.1% of the variance in PH (adjusted $R^2 = .528$). Both phantasy ($\beta = .220$, $p = .020$) and long-term orientation ($\beta = .334$, $p = .001$) were positively related; uncertainty avoidance was negatively related ($\beta = -.250$, $p = .004$); and power distance was positively related ($\beta = .248$, $p = .025$). Statistically reliable direct links with phantasy were not found for openness, agreeableness, extraversion, neuroticism, and mindfulness.

The equation that explained the variance in RII accounted for 38.3% of the variance in RII (adjusted $R^2 = .306$), with the risky-investment-intention equation. Agreeableness was directly and positively related to RII ($\beta = .327$, $p = .010$) and uncertainty avoidance showed a small positive direct relationship in the bootstrap analysis ($\beta = .220$, $p = .048$). Financial phantasy had the highest beta (0.459) coefficient ($p < .001$). In contrast, there was no significant direct effect of mindfulness ($\beta = -.042$, $p = .624$), and a negative but non-significant interaction between mindfulness and PH ($\beta = -.108$, $p = .202$). H7 and H8 are not available for this sample.

Table 3. Structural path estimates (10,000 bootstrap resamples)

Path	β	Boot SE	t	p	95% CI
OP $\rightarrow$ PH	0.038	0.075	0.51	0.585	[-0.103, 0.189]
AG $\rightarrow$ PH	0.083	0.079	1.05	0.269	[-0.067, 0.247]
CN $\rightarrow$ PH	0.220	0.093	2.37	0.020	[0.039, 0.401]
EX $\rightarrow$ PH	-0.078	0.075	-1.04	0.283	[-0.228, 0.069]
NE $\rightarrow$ PH	0.096	0.087	1.10	0.262	[-0.074, 0.263]
UA $\rightarrow$ PH	-0.250	0.079	-3.14	0.004	[-0.402, -0.089]
PD $\rightarrow$ PH	0.248	0.105	2.36	0.025	[0.035, 0.443]
LTO $\rightarrow$ PH	0.334	0.097	3.43	0.001	[0.140, 0.521]
MD $\rightarrow$ PH	0.012	0.073	0.16	0.846	[-0.123, 0.157]
OP $\rightarrow$ RII	0.080	0.100	0.80	0.430	[-0.121, 0.268]
AG $\rightarrow$ RII	0.327	0.116	2.82	0.010	[0.084, 0.539]
CN $\rightarrow$ RII	-0.089	0.103	-0.86	0.361	[-0.297, 0.107]
EX $\rightarrow$ RII	0.018	0.088	0.20	0.838	[-0.148, 0.196]
NE $\rightarrow$ RII	0.023	0.129	0.18	0.894	[-0.231, 0.276]
UA $\rightarrow$ RII	0.220	0.117	1.87	0.048	[0.001, 0.459]
PD $\rightarrow$ RII	-0.123	0.129	-0.95	0.341	[-0.374, 0.130]
LTO $\rightarrow$ RII	-0.002	0.113	-0.02	0.965	[-0.223, 0.219]
PH $\rightarrow$ RII	0.459	0.131	3.50	<.001	[0.215, 0.729]
MD $\rightarrow$ RII	-0.042	0.092	-0.46	0.624	[-0.223, 0.134]
PH $\times$ MD $\rightarrow$ RII	-0.108	0.086	-1.26	0.202	[-0.280, 0.055]

Note. Standardized coefficients are reported. Bootstrap p values are two-sided. PH $\times$ MD represents the interaction between financial phantasy and mindfulness.

4.3 Mediation Through Financial Phantasy

The mediation results are more specific indicators to illustrate the role of personality and culture in risky investment intention. Uncertainty avoidance, power distance, and LTO had significant indirect effects on RII through financial phantasy, while conscientiousness had a significant indirect effect only when added to the other effects. The uncertainty avoidance pattern was competitive, that is, it was inversely related to phantasy, and positively related to RII directly. The indirect effects for openness, agreeableness, extraversion, and neuroticism were not statistically supported.

Table 4. Bootstrap indirect effects through financial phantasy

Antecedent	Indirect effect	95% bootstrap CI	Decision
OP	0.0175	[-0.0499, 0.0986]	Not supported
AG	0.0383	[-0.0292, 0.1335]	Not supported
CN	0.1012	[0.0144, 0.2222]	Supported
EX	-0.0360	[-0.1244, 0.0324]	Not supported
NE	0.0441	[-0.0342, 0.1444]	Not supported
UA	-0.1152	[-0.2289, -0.0315]	Supported; competitive pattern
PD	0.1145	[0.0143, 0.2369]	Supported
LTO	0.1541	[0.0503, 0.3005]	Supported

4.4 Predictive and Endogeneity Checks

The out-of-sample predictions were positive and the predictive relevance for both endogenous constructs was achieved with 10-fold prediction. The cross-validated Q^2 was .451 for financial phantasy, and .236 for risky investment intention; prediction errors were smaller than the naive mean-based benchmarks. The overall results indicate predictive utility but are taken as a sample level validation and not as an indication of general predictive capacity. The financial phantasy in the RII equation was not significant in the Gaussian-copula sensitivity test ($p = .458$), indicating the absence of material endogeneity for financial phantasy in this specification. This is not a causal identification as is always the case with cross-sectional diagnostics.

4.5 Importance-Performance Map Analysis

IPMA changes the practical ranking of the model by considering total effect magnitude together with performance. Financial phantasy had the largest total importance for risky investment intention ($|\text{total effect}| = .461$) with performance of 50.13, making it the clearest priority for further investor-focused attention. Agreeableness ranked second in importance (.384) but showed higher performance (57.50), suggesting a factor to understand and monitor rather than directly 'correct'. Long-term orientation ranked third (.175), followed by uncertainty avoidance and openness. Mindfulness showed only a small protective total effect (-.050) and therefore does not emerge as a leading intervention priority in the revised real-data analysis.

Table 5. IPMA investor priority matrix

Construct	Total effect	Absolute importance	Performance	Interpretation
PH	0.461	0.461	50.13	Highest priority
AG	0.384	0.384	57.50	Maintain / leverage
LTO	0.175	0.175	59.83	Maintain / leverage
UA	0.115	0.115	59.15	Maintain / leverage
OP	0.114	0.114	56.46	Monitor / maintain
NE	0.060	0.060	51.30	Monitor
MD	-0.050	0.050	56.94	Low priority; protective direction
EX	-0.027	0.027	57.63	Low priority
CN	-0.008	0.008	56.38	Low direct priority
PD	-0.005	0.005	53.50	Low direct priority

Note. Performance is transformed to a 0-100 scale. Absolute total effects are used only for ranking priority magnitude; the signed total effect is retained to distinguish risk-enhancing from potentially protective directions.

The results support the study's core emotional-finance thesis. Financial phantasy is not only an important IPMA construct, but at the same time statistically reliable and positively related to risky intention for investment. It is in line with the findings of emotional finance studies indicating that investors can fall in love with narratives around extraordinary, secret or unusually good opportunities, and that this phantasy can affect risk-oriented preferences (Aren & Nayman Hamamcı, 2021, 2022, 2023; Nayman Hamamcı & Aren, 2026). Phantasy is positively correlated with the intention to invest in regressive investments by the present sample around .46 standard deviations.

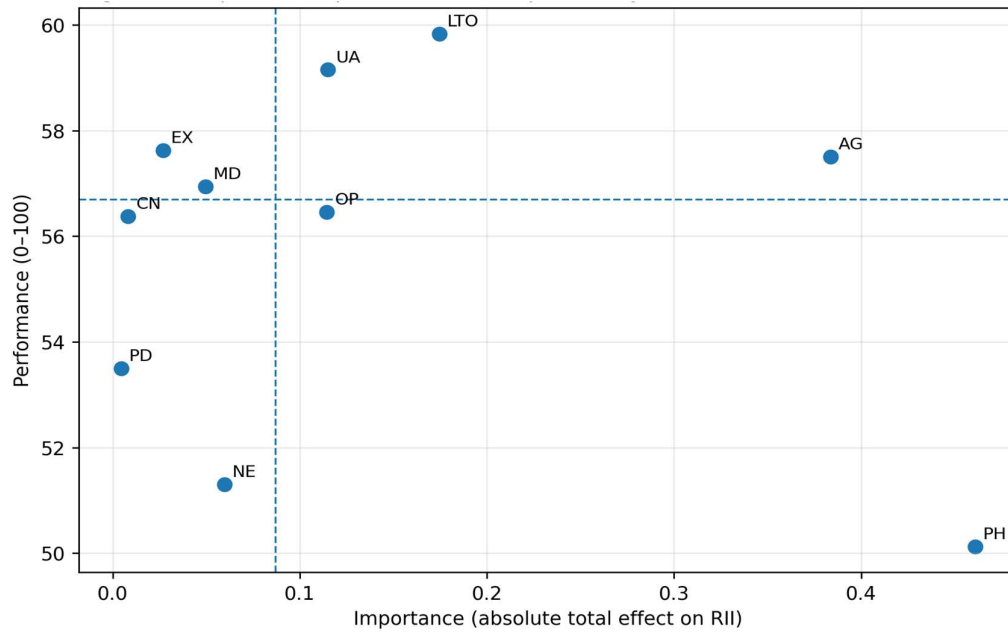


Figure 2. Importance-performance map for risky investment intention (N = 100)

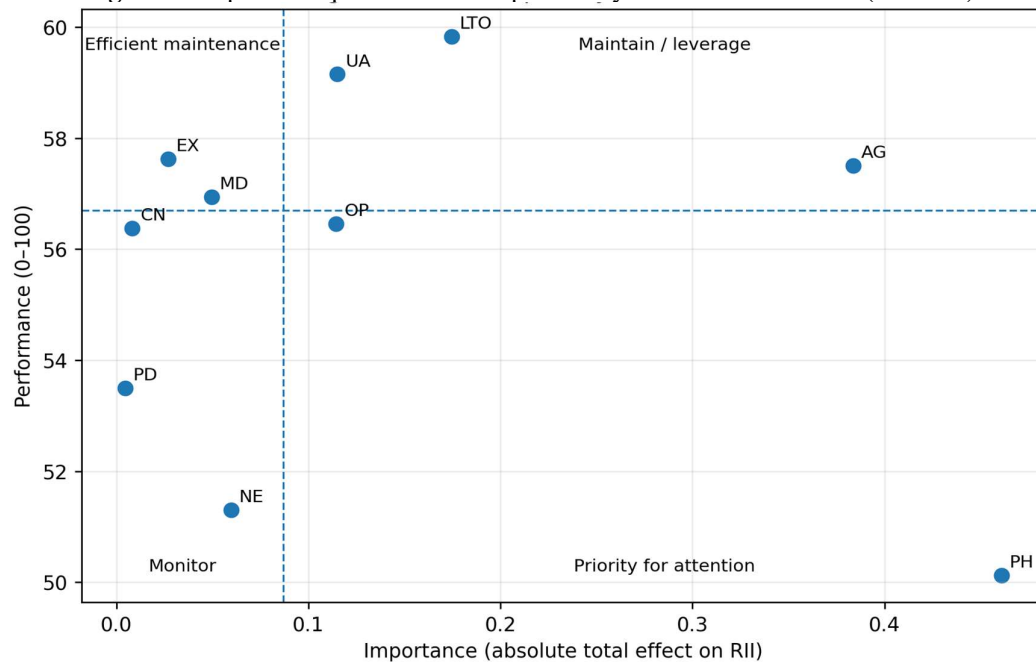


Figure 3. Investor priority matrix (N = 100)

5. Discussion

The history of the concept of "phantasy" is also useful. There is an indirect positive pathway of conscientiousness via phantasy. The interpretation is that disciplined information search does not necessarily remove emotionally appealing beliefs; a very conscientious investor may actually obtain confidence that, with careful work, a special opportunity may be found. Power distance also leads to phantasy, which aligns with the potential that emotional credibility can be given to investment stories via perceived privileged access, prestige, or authority. The strongest positive AC is for long-term orientation, which implies that if investors feel comfortable with long-term outcomes, they may find it easier to see the benefits in the long-term and distant future that may be difficult to see and hard to prove.

If the level of uncertainty avoidance is high, this gives rise to a more complex pattern. It lowers financial phantasy but it has a positive direct relationship with the intention of risky investment. It is a competitive outcome that means that investors who have an aversion to uncertainty may be unwilling to buy into an imaginative or poorly developed narrative but will buy into a risky investment if it is packaged in a formal way, through institutional processes, professional advice, or seemingly controlled procedures. This finding comes in handy because it distinguishes between dislike of uncertainty and dislike of risk; the two are related but not the same.

The most consistent direct personality predictor of risky investment intention is agreeableness. In an investment context, agreeableness can be more than an interpersonal attribute, it can be an attitude of trust, listening to advice, and being more likely to follow recommendations from socially credible individuals. This interpretation is especially useful in contexts where participation is shaped by brokers, associates, relatives and professional networks. This should not be interpreted as proof that agreeable investors are irrational; it is a sign that social trust may be a valuable way to enter into risk-taking.

The results of the mindfulness studies call for a different conclusion than the preliminary draft. The direct effect of mindfulness and the interaction between direct effect and PH is not statistically supported, although both are negative in direction. The study thus does not make such claims about the buffering effects of mindfulness on phantasy-driven risk in this sample. One potential reason is that general mindfulness measures reflect overall attentional awareness but may not be as well transferred to self-regulation in the context of investments. Another is that seasoned investors can keep their cool and be attentive and still make calculated choices of risk.

6. Theoretical and Practical Implications

6.1 Theoretical Implications

The study makes three contributions to the field of behavioral finance. First, this research goes beyond the explanation of the bias, as it demonstrates that the personal and cultural factors can affect risky investment intention through an emotional pathway. Second, it validates risky intention as a measurable mediating factor: risky intention is mediated by financial phantasy, which in turn is mediated by conscientiousness, uncertainty avoidance, power distance and long-term orientation. Third, the unsupported mindfulness moderation extends the model by revealing that a general self-regulatory disposition should not be taken as a given to be able to counteract emotionally appealing investment narratives.

They also confirm a process psychology framework of investor behavior. The same antecedent may have more than one pathway and may even be contradictory. For instance, uncertainty avoidance is found to have a negative indirect effect on phantasy and at the same time has a positive direct effect on risky intention. This is hard to observe if personality/culture is merely a background control.

6.2 Practical Implications

Financial phantasy is the obvious No. 1 priority in relation to investor education for PSX. There's more to learning about diversification, volatility, or returns than just explaining it. It should also impart the ability to challenge assertions of hidden opportunities, extraordinarily high returns, privileged access or any investment described as an outlier to the common investor risk-return

equation. As PH is statistically significant and is considered first in IPMA importance, this recommendation fits well the revised empirical results.

The results are beneficial for asset-management companies and financial advisors as well as mutual funds, urging caution with the use of behavioral questions in addition to traditional risk profiling. Investors' expressed risk preference can be influenced by some emotionally charged expectations, and questions that get to the point of whether they are interested in exceptional-return stories can alert advisors. Such tools should be used as adjunctive screening tools, not as a diagnosis, and should be seen as a tool to be validated before it is incorporated into a formal suitability process.

The findings are useful for regulators and investor-protection organizations to better understand the nature of any unusual claims made in user disclosure. Risk warnings may not just be about mechanical statements of volatility but about disrupting the emotional dimensions of 'special access,' 'low-risk/high-return' and 'once-only' opportunity discourses as well. At this present time, there is no evidence to warrant mindfulness training as a major regulatory intervention. While the revised results of IPMA and moderation have been presented, it is still an interesting theoretical path to pursue in future research, but it is not a legitimate path to take first over financial phantasy.

7. Limitations and Future Research

There are a number of clear limitations in the study. First, this article employs a random subsample of $N = 100$ respondents from the larger field sample of respondents who are actual market participants. The sensitivity analysis suggests good power for medium to large incremental effects but smaller effects may not be detected. Second, the sample is still male-dominated (83%) and Pakistan-specific, and hence it is important to interpret the results with great care when trying to generalize to female investors or other markets. Third, it is a cross-sectional design, which is useful for association and indirect-effect analyses, but is not as suitable for making strong causal claims. Even though the diagnostic tests did not suggest that the tests were heavily single-sourced, there was the possibility of response style and common-method variance affecting self-reported measures. Fifth, the intention to invest in risky stocks does not necessarily imply that the individual has actually participated in trading such stocks.

These findings should be followed up in future research. Longitudinal studies can examine if phantasy at one time predicts trading or portfolio risk at a later time. The boundaries between phantasy, optimism, overconfidence and speculative excitement should be further explored as a function of investor groups in scale-validation studies. Experimental testing can determine the impact of the emotionally appealing investment stories that a finance-specific mindfulness or reflective-decision intervention can mitigate. Multi-group research is needed to evaluate if the pathways vary by gender, retail versus institutional investors, direct investors versus investors in mutual funds and by EM region. Lastly, further research should involve correlating survey results with real transaction data, as well as comparing the explanatory PLS-SEM and out-of-sample predictions.

8. Conclusion

This research reveals that risky investment intention is not only influenced by financial literacy, but also more than just familiar cognitive biases. With the revised $N = 100$ real-investor analysis, the term financial phantasy proves to be a most powerful predictor of risky investment intention as well as a meaningful mediator of selected personality and cultural values and risky investment intention. Phantasy is high if conscientiousness, power distance, and long-term orientation scores are high, and low if uncertainty avoidance scores are high. The agreeableness scale continues to be an important direct personality predictor, and uncertainty avoidance also has a positive direct pathway to risky intention.

The proposition about being mindful is less well supported. The direct effect is not statistically significant, and its indirect effect is not enough for IPMA to consider it as a practical effect, which leaves it well behind financial phantasy. Useful because it prevents the paper from making a possibly appealing suggestion into a shoddy recommendation. The most important takeaway message of the present study is that investor protection and advisory practice should focus more on investor's perception of exceptional opportunities in investing in finance than on what investors know about finance or their reportable biases.

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