
THE IMPACT OF THE DISCLOSURE OF THE FINANCIAL RISKS OF THE INVESTMENT FUND ON THE TRADING VOLUME OF SHARES: AN APPLIED STUDY OF THE IRAQI SECURITIES MARKET FOR THE PERIOD 2010-2019

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Abstract

The objective of the research is to verify the impact of the disclosure of the financial risks of the investment fund on the trading volume of shares in the Iraqi securities market in the banking sector, which is the first in the process of investing in this market, the probationary period included the years 2010 to 2019. The focus of the research was based on the disclosure of a number of Iraqi banks advertised on the Iraq Stock Exchange as well as on the annual reports issued by the Iraqi Securities Commission. The research hypotheses were tested using a mathematical equation and statistical analysis using SPSS and Excel the trading volume indicators of the investment fund were found for five banks in the investment market. In addition, the results showed that financial risks had negative and adverse effects on the relationship between trading volume and stock prices, but the impact of liquidity and credit risks on this relationship was not significant.

Keywords: financial risk, investment fund, stock trading volume, Iraq Stock Exchange.

Introduction

The market is going through many variables that affected the performance in the investment market, including the financial crises, which were caused by the recent covid 19 of them stagnation in the scientific market, which negatively affected trading in the world market by registering a significant decline in the volume of trading in all sectors, including the oil sector, which led , The changes led to the investment environment in the competition market of securities increased its severity, which leads to the need to disclose the financial statements of investment funds periodically to continue in this market, which leads to their exposure to financial risks in this market as well as disclosure of these risks for the purpose of avoiding or reducing them (Khalil, A. and Maghraby, M. 2017:141) To enhance investor confidence by investing in them (Khalil, A. and Maghraby, M. 2017: 141), risk disclosure is the process of disclosure through the financial statements of a stock market investment fund as well as disclosure of information describing the major financial risks of a company and its expected financial impact on its current and future performance. And the interest of risk management and disclosure of regulatory reforms from various governmental agencies and authors (Dey et al., 2018: 1) Accounting Standards and financial laws stipulate that Corporate Risk Disclosure has become an integral part of business disclosure because it provides greater transparency and increases investor confidence in the context of development in countries and markets. The Dodd-Frank (DOF) act of 2010 requires large financial institutions in the United States to have a board-level risk committee that oversees evaluation and management (Dodd-Frank Wall Street Reform

and Consumer Protection Act 2010:).Dey et al., 2018: 1) Financial Risk Disclosure finds that the adoption of Enterprise Risk Management in assessing risk disclosure reduces risk management behavior. (Dey et al., 2018: 1) finds that companies facing financial challenges and stock price volatility are more likely to adopt ERM and financial risk disclosure. However, empirical evidence of financial risks detected in the context of developing countries is rare. As a result, in this research we are trying to find this gap by examining the financial risk disclosure of companies in an economy. Motivated by research on risk disclosure and its inconclusive results in developed countries, we study the relationship between financial risk disclosure and financial features in Iraq of financial markets because the traditional disclosure culture fails to provide sufficient information to investors in investment decision making.

The effects of the global financial crisis have shown unprecedented stock returns volatility leading to huge loss and uncertainties about the investment fund's domestic and international investors. This phenomenon of increased financial risk in capital markets and financial markets has requested discussions in academic and regulatory circles in an effort to find solutions to challenges to an investor's ability to reliably predict fluctuations in equity returns for the Investment Fund (Sobia, et al., 2015: 25). The most desired goal in the investment and competition community is to buy at low prices and sell at high prices. Each investor to determine the level of risk diversification of equity investments, industries, its own risk assessment taking into account the expected return (Tran et al., 2019). The contribution of financial development towards economic development comes either with the bank's stock market-based financial development, market-based financial development or both. Different countries experience financial development in both or either way (Qamruzzaman, M.; Wei, J., 2018: 1)

First topic: research methodology

First. Research problem: Investment Funds play an important role in providing capital to companies investing in the stock market as well as exposing them to financial risks (stock price fluctuations, foreign exchange rate fluctuations, interest rate fluctuations), liquidity risks and management risks.

1. Is there a relationship between the financial risks of an investment fund and the trading volume of shares and how closely this relationship relates to each other?
2. Is there an impact of financial risk disclosure in the investment fund on the trading volume of shares on the Iraq Stock Exchange and how is this impact (positive or negative)?

Second. Research hypothesis: there is a statistically significant relationship between the disclosure of the financial risk of an investment fund and the trading volume of shares and this relationship leads to:

1. There is a Effect with a statistically significant disclosure about the financial risks of the investment fund to the level of market risk on the trading volume.
2. There is a statistically significant relationship between the disclosure of the liquidity risk of an investment fund in the trading volume of shares.

3. There is a statistically significant relationship between the management risk disclosure of the investment fund in the trading volume of shares.

Third. Research objective: the aim of the research is to highlight the relationship and impact of the disclosure of the financial risks of the investment fund in the Iraq securities market on the trading volume of shares for the banking sector being the most prominent sector in this market and to indicate both of them and their importance.

The second topic: the theoretical framework of research

In this research, the scientific concepts of research and the confirmed and expected relationships between its variables were dealt with according to scientific foundations and structures derived from the ideas of previous studies and logical conclusions.

First. Voluntary Disclosure The main objective of voluntary disclosure is to inform investors about the level of financial performance of companies which in turn contributes positively so that stakeholders in the company respond to management in making decisions (Wambugu, M. W. 2016:46). Emphasis has been placed on the measurement of voluntary disclosure of risk information on the specific price and return of shares, despite the different results of the disclosure of financial risk in their financial statements) Dr. Ahmed and Dr. Yama.2020 :105)

Second. The concept of financial risk: most companies face many risks when doing financial business, which exposes them to a number of financial crises because of the financial risks that arise when doing these business, which reduces their market value. K., 2020: 2). Financial risk is the core content of all types of business of financial institutions and management activities. It is called the three pillars of modern financial theory with time asset pricing value. According to the BIS definition, the risk management process can be divided into four parts: risk identification, risk measurement, risk assessment and disclosure, and risk management control. Risk identification is the classification of risk into market risk, credit risk, operational risk, liquidity risk and other risk according to the risk source. Risk measurement is the application of different models and data to measure and analyze risk. Risk classification and disclosure timely risk assessment, disclosure and monitoring. Risk control and management is the choice and balance of risk limits, the identification of risk positions that can be assumed, and the use of financial derivatives to manage and control various risks. Among them, the measurement of financial risk is the basic link of financial risk management, the premise of creating an effective financial risk management system. The quality of risk measurement largely determines the effectiveness of financial risk management. Choosing a reasonable risk measurement indicator is an effective guarantee to improve the quality of risk measurement. Early financial risk management was hedging through derivatives. Recent research on risk began with the Markowitz portfolio theory, which put risk and return at the same time an important position. Since the 1980s, softened major Western countries gradually increased its control over the financial system, risk analysis, which controlled the government of various financial and non-financial institutions. The demand for risk management greatly enhances the research risk management technology and related issues. Development of the derivative financial market financial engineering technology has greatly improved the content of risk management. The application of financial products have become

more and more complicated, especially the emergence of new financial derivatives, which makes it difficult for financial institutions to measure risk, and financial crises erupt often. Risk measurement plays an increasingly important role in risk management, and different risk measurement theories emerge endlessly. This paper attempts to summarize various theories of risk measurement and explore the direction of evolution of risk measurement. (Silva, a.l. 2017), financial risks caused by the change in interest rates, currency exchange rates; defaults and weak liquidity management may have negative effects on the bottom line of the bank. That risk banking some effects on banking profits (performance) as shown in the total assets, total deposits, net interest margin and net income. Also that the bank's profitability depends on its ability to anticipate monitoring and avoiding risks, the possibility of provisions to cover losses caused by risks that arise and that the ultimate goal of implementing risk management is to maintain financial performance in the banking sector as aspects of financial risk management enhance the early warning system to monitor relevant indicators; as (Wanjohi, et. al., 2017:72)

Third. Financial risk measurement: equity markets and trading are linked to each other despite the integration of financial markets that facilitate the work of fund management, and financial risks can arise and spread due to the financial crisis in one market to another in a very short time. So it is important to measure the degree of infection risk in the financial market crisis occur in one market or group of markets. Although the identification of common movements of trading and volatility are suitable for investigating the interaction of the financial market, it is difficult to determine the period of the financial crisis and the time when the infection occurs. However, movements can participate to identify emerging risks in the trading market for investment. Fluctuations in the trading market can be known before judging the decline and increase in trading volume, which can clearly determine the period of risk contagion. Thus, in this paper, we take the correlation among different markets as key indicators to detect the effects of infection financial risk, and infection financial risk when the relationship between the stock market increases dramatically.

The measure of financial risk contagion. There are many advantages to this approach. First the crisis and the period of calm in the financial market is determined objectively by judging the probability of a smooth. Second, using this approach, it is more efficient to capture dynamic and asymmetric dependency structures between different markets. Third instead of the normal distribution, a skewed-t and a generalized error distribution of the correlation model are applied. The above advantages of the dynamics of Mrs-Copula models allow us to investigate the contagion of financial risks in a more accurate way. Financial risks are usually caused by severe risk events, so the traditional correlation is not an ideal indicator for measuring financial risks. However, the dependence on low returns can statistically explain the risk of a financial market crisis. In the study of risk, relying on returns to measure risk contagion can reflect the impact between markets when negative extreme events occur. Therefore, it is reasonable to use the adoption of a lower correlation coefficient to measure financial risk contagion. (Changqing, et al., 2015: 657, 658) The effectiveness of risk management depends on accurate and timely forecasting of risks using abundant information. In the era of providing large data from multiple sources of risk management makes it in case of uncertainty and this is one of the risks such as the

constant decline in the financial statements when disclosed quarterly periodically or every month and in total are full disclosure by the end of the financial year (Xu, et al., 2020: 470).

Fourth. Investment fund: it is a financial pot owned by thousands of investors, the capital of the fund is backed by millions, and is managed by specialized experts who do studies on the best companies to invest in to ensure the best possible return. Mutual funds are considered a more suitable medium for small investors since the fund contains many stocks and bonds, so the investor gets the advantage of diversification and relatively less risk than direct investment on the stock exchange. It is known that the purpose of the activity of investment funds is to attract funds of legal entities and individuals for profit, depositing them in securities and other investment assets, as well as in bank accounts and deposits according to developed practice. Countries, the development of investment funds a significant impact on the development of the financial market (Tashkent, 2017)

Fifth. Mutual fund risk: investing is vital for investment funds by institutions for the purpose of earning additional revenue, rising capital, or both. The investor must take into account the various factors while making investment decision. The risks associated with investment, tax advantages, liquidity, marketability, etc. were taken into account. Mutual fund is an investment option available to investors through their investment in the asset class of their choice such as equity, debt, gold or real estate etc. You may get investors who may not want to invest directly in financial markets rather than exposure to the same risks in the investment market securities through the Common Fund. Also, mutual funds provide the flexibility to liquidate an investment position at any time. The concept of mutual funds is that money pooled by huge numbers of investors is what constitutes a mutual fund. These funds are then managed by a specialized fund manager, who uses his investment management skills to invest in various financial instruments. Will investors turn, units, which represent mainly the share of the fund based on the amount invested. The rise in the value of investments along with other profits earned to stockholders in proportion to the number of shares owned after charging applicable expenses to stockholders and taxes as well as identifying alternatives to investing in other sectors, mutual funds may be exposed to risk, and the value of mutual funds will change if the value of investments changes, making mutual funds Mutual fund industry in India is fairly mature and experienced growth as well as structural changes since its inception. (Agarwal, S., & Mirza, N.2017: 77) risks to the performance of an investment fund can be related to previous fluctuations of an increase and a decrease in the value of shares. After the regulation change, the more clearly traded funds retain more traded shares. We calculate the trading volume changes factors by adjusting the Liquidity Factor. We find that about a quarter of the abnormal performance decline can be attributed to changes in the liquidity of the disclosed Shares. However, three-the Fourth of the highest performing funds is still underperforming.

The standard economic challenge in investigating strategic obfuscation in mutual funds is to control the difference in non-discretionary complexity caused by differences between funds. We mitigate this concern by investigating the funds S&P 500 index, which has a largely homogeneous total investment returns and risks, but charge different fees, so be heterogeneous net returns. (Dehaan, et al. 2020: 1)

1. Market risk

- 1-1. Price fluctuations
- 1-2. Exchange rate fluctuations
- 1-3. Interest rate fluctuations
- 2. Liquidity risk.
 - 2-1. Equity profitability risks.
- 3. Risk management.
 - 3-1. Investment risks
 - 3-2. Share pricing risks
 - 3-3. Buying and selling risks

Mutual fund risk disclosure: provides mutual fund disclosure of information, fund objectives, investments, costs, risks, financial performance of trading and other details. These sectors usually update their publications several times a year. Fund issuers have the option of submitting separate bulletins for each of their funds or combining multiple funds in a single leaflet. (Dehaan, et al. 2020:8)

The disclosure to the banking sector in the Iraq securities market is in the form of quarterly or quarterly releases of its accounts as well as final accounts for each end of the financial year. The impact of Financial Risk Disclosure for a group of mutual funds was highlighted and methods of descriptive analysis were used to compare the actual results of financial risk disclosure rather than adopting the time factor as well as the similarities were calculated using an average of Financial Risk Disclosure for investment funds for a number of random sample in the disclosure and Reference (Krakow, et al. In addition, the risk value analysis as provided by the SEC for 2016 is to guide the sectors on the importance of updating the risk data of investment funds in a timely manner with respect to market variables that affect the investment fund by measuring the difference in the ratio of changes to risk disclosure for a period of two years (Krakow.et.al.2020:2).

Trading volume of shares for the banking sector: many sectors, including banking, industrial, insurance and hotels, are invested in the Iraqi securities market. the banking sector ranks first. this position exposes the banking sector to financial risks more than jealousy because it is the first in the volume of trading of shares in the investment market. it focuses on five banks that have financial risk disclosure in their lists. therefore, positive or negative aspects and their impact on trading should be known. (Hoque et al., 2020)

Third: the impact of disclosure on trading volume

Practical aspect

Includes the researcher used the data disclosed in the Iraq market for securities in the banking sector number of banks as well as the annual reports of JSC Iraqi reasoning about the operational use of mathematical and statistical don't epithelium of the relationship and influence the disclosure of financial risks on the trading volume of the stock.

3-1. Research sample: the research community represented all Iraqi banks listed on the Iraq securities market, while the research sample represented only five banks that disclosed the

necessary indicators to measure the level of financial risk of investment funds for a period of ten years from 2010-2019, as the financial reports disclosed on the website of the Iraq securities market (<http://www.isx-iq>) and reports of the Iraqi Securities Commission (<https://www.isc.gov.iq>) for those five banks.

3-2. Measurement of variables: the research included two types of variables, the independent variable and the dependent variable, where the independent variable of the financial risk of investment funds represented by the level of market risk of each bank was represented as an indication.

3-3. Descriptive analysis: descriptive analysis variables: investment in the Iraqi securities market is of great importance, especially in attracting investment for Russians of large internal and external funds, especially in the banking sector, which ranks first in the volume of trading of stocks, so we show in Table (1) the volume of trading and the percentage of the banking sector in the Iraqi securities market for the period.

Table 1: trading volume of shares in the Iraqi banking sector for the period 2010-2019

Year	The trading volume for the banking sector	Trading volume ratio for the banking sector / total trading in all sectors
2010	259411900000	%64.8
2011	705455900000	%75
2012	677332400000	%75.8
2013	953874300000	%33.6
2014	763582700000	%85
2015	355859700000	%78
2016	312946100000	%73.3
2017	305821500000	%79
2018	127372800000	%54.7
2019	58142200000	%35.3

Source: table prepared by the researcher based on the reports of the Iraq securities.

The number of shares traded during the year 2011 to approximately (3.492) million shares compared to approximately (6.255) million shares during 2010 and of (6.92%) the banking sector in 2011 ranked first in terms of the number of shares traded as the number of shares traded approximately (1.389) million shares and (79%) trading volume rose to nearly (2.941) million dinars during the year 2011 versus approximately (400 million) during 2010 and of (1.135%) The banking sector in 2011 ranked first in terms of trading volume with a volume of approximately (4.705) million dinars rate (75%) of the total number of shares Traded around (625.6) billion shares during 2012 instead of around (492.4) billion shares during 2011 at an average of (27.1%). The banking sector ranked first in the number of shares traded, reaching about (542.3) billion shares at a rate of (86.7%) of the total. The number of shares traded increased to about (871.1) billion shares during 2013 instead of about (625.6) billion shares during 2012 at a rate of (39.2%), the banking sector ranked first with the number of shares traded, which reached about (737.2) billion shares at a rate of (84.6%) of the total. Trading

volume decreased to about (898.3 million) during 2014, compared to about (2840.3) million dinars in 2013, with the percentage (68.4%), the banking sector ranked first in 2014, in terms of trading volume, which amounted to nearly (763.6 million) rate (85%) of the total trading volume. Trading volume decreased to about (456.2) billion dinars in 2015 compared to (898.3) billion dinars in 2014 with a percentage (49.2%) during 2015, The banking sector ranked first in terms of trading volume reaching nearly (355.9) million dinars, with the proportion (78%) of the total. Trading volume has declined almost to the (426.8 million) in 2016 compared to (456.2 million) in 2015 by a percentage (6.4%), until 2016, the banking sector ranked first in terms of trading volume stood at about (was \$ 312.9 million) percentage (73.3%) of the total trading volume. Trading volume decreased to about (386.9 million) in 2017 compared to approximately (426.8 million) in 2016 with the percentage (9.4%) during 2017, the banking sector ranked first in terms of trading volume stood at about (was AED 305.8 million) with a percentage (79.0%) of the total. Trading volume dropped to about (232,7 million) in 2018 compared with (386,9) million dinars in the year 2017 with a percentage (39,9%), the banking sector occupied the first position in terms of trading volume stood at about (127,4) million dinars, with the percentage of (54,7%) of the community. Trading volume decreased to about (164.6) billion dinars in 2019 compared to (232.7) billion dinars in 2018 by a percentage (29.3%), the banking sector occupied the first position in terms of trading volume as it reached about (58.1) billion dinars with a percentage (35.3%) of the total. Trading volume indicators for stocks on the Iraq Stock Exchange must be determined using a mathematical formula for the trading volume of the banking sector.

$$100 \times \frac{TVSPB}{Ttfs} = TVI$$

Trading volume indicators for TVI stocks

Trading volume value of shares per bank TVSPB

Total value of shares traded for the banking sector Ttfs

The equation is prepared by the researcher.

Table (2): trading volume indicators for the banking sector in the Iraq stock exchange for the period 2010-2019

Year	Bank of Baghdad	Islamic Bank	Middle East Bank	National Bank	Ashur bank
2010	0.0833	0.16	0.091	0.0127	0.0137
2011	0.05	0.057	0.146	0.002	0.0053
2012	0.044	0.043	0.078	0.0018	0.0049
2013	0.005	0.2	0.15	0.001	0.0012
2014	0.071	0.099	0.028	0.034	0.021
2015	0.08	0.11	0.032	0.12	0.045
2016	0.095	0.02	0.09	0.0003	0.001
2017	0.093	0.01	0.062	0.002	0.0033
2018	0.22	0.18	0.05	0.0168	0.017
2019	0.21	0.0076	0.037	0.009	0.004

Source: table prepared by the researcher based on the reports of the Securities Commission.

In Table No. (3), the average trading price of the shares is based on the presence of financial risks to the market (fluctuations in stock prices, foreign exchange rates and interest rates) based on the financial indicators of the shares and what is disclosed in the financial statements of the banks invested in the Iraq Stock Exchange, which is five of the 43 banks in the Iraq.

Table (3): market risks for the banking sector in the Iraq Stock Exchange For the period from 2010-2019

Year	Bank of Baghdad	Islamic Bank	Middle East Bank	National Bank	Ashur bank
2010	1.6	0.9	1.5	0.83	0.98
2011	2.8	0.9	1.6	1	0.98
2012	2.5	1.17	1.4	0.83	0.9
2013	1.9	1.25	1.5	0.84	0.85
2014	1.8	1.05	0.82	0.87	0.78
2015	1.15	0.77	0.55	0.83	0.7
2016	0.85	0.44	0.39	0.37	0.3
2017	0.9	0.61	0.41	0.51	0.35
2018	0.42	0.43	0.21	0.34	0.23
2019	0.28	0.38	0.11	0.41	0.21

The table prepared by the researcher based on what was disclosed in the Iraq Stock Exchange.

The changes in the trading volume of shares of a risk-market Iraq Stock Exchange as well as changing interest rates and changing foreign exchange rates for transactions in the stock market which has been disclosed in the financial statements of a number of banks selected to measure the impact of disclosure on the trading volume of the Securities in the investment funds and the relationship and impact of these risks on the trading volume of the stock. As shown in Table (4).

Table (4): shows the correlation coefficient between financial risk and trading volume of shares

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Correlation Rate	0.21	0.28	0.48	0.19	0.55	0.52	0.68	0.63	0.81	0.19

Table prepared by the researcher using the correlation Rate

The results of the impact of disclosure on the relationship between financial risks and the volume of trading of shares showed a moral correlation of variables, which is statistically significant for this study, which contributed to highlighting the axes of the variables independent (financial risk) and the dependent variable (volume of trading) which helped to show this relationship through statistical analysis of variables and showing results as in tables (5,4,3).

Table (5): Standard deviation of trading volume and standard deviation represent the impact of financial risk on equities.

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Size deviation	0.06	0.058	0.03	0.09	0.033	0.037	0.046	0.041	0.096	0.09
Risk deviation	0.35	0.8	0.67	0.45	0.42	0.22	0.22	0.21	0.1	0.12

The table is prepared by the researcher in statistical analysis using Excel.

The summary of sample metadata provides an average, standard deviation, deviation, minimum and maximum study variables. The results show that the 10-year investment in bank shares obtained average trading volume 6% with an average deviation of 57% of market risk in the banking sector measured by the ratio of change and fluctuations in the share price to total stock prices, foreign exchange rates and interest rates.

Table 6: Statement measurement of the risks of the Median Accounting Investment Fund and standard deviation.

	Risk	Measuring risk	Risk disclosure	Market risk	Liquidity risk	Management risks
Arithmetic mean	0.87	5.161	4.48	0.78	0.6	0.51
Standard deviation	0.57	4.28	2.32	0.32	0.494	0.447
Highest value	1	1	1	1	1	1
Lowest value	0	0	0	0	0	0

Table prepared by researcher using SPSS statistical analysis

Table 7: Investment Fund Financial Risk Disclosure Measurement

	Stock prices	Exchange rates	Interest rates	Profitability of shares	Investment	Pricing	Buying and selling
Arithmetic mean	0.92	0.80	0.62	0.6	0.62	0.54	0.38
Standard deviation	0.274	0.404	0.490	0.495	0.490	0.503	0.490
Highest value	1	1	1	1	1	1	1
Lowest value	0	0	0	0	0	0	0

The table is prepared by the researcher using SPSS statistical analysis.

Relative importance = computational medium / highest value

Relative importance = $0.92/1 = 0.92$ model

So the relative importance of measuring disclosure represents (0.92 for price, 0.80 for exchange rates, 0.62 for interest rates, 0.6 for stock profitability, 0.62 for investment, 0.54 for pricing, 0.38 for sale and purchase)

Variation coefficient = standard deviation/computational medium

Variation Coefficient = $0.274/0.92 = 0.297$ model

So the variation factor represents (0.297 for prices, 0.505 for exchange rates, 0.79 for interest rates, 0.825 for stock profitability, 0.79 for investment, 0.93 for pricing, 1.3 for sale and purchase)

The lower the difference laboratory, the more scattered it is and there is consensus.

3.4. Testing hypotheses:

3.4.1. Natural distribution: The twisting coefficient was used to measure the natural distribution of the dependent variable (volume of trading), as the data indicate that it is naturally distributed if the value of the twisting factor falls between (1 and 1-), and table (8) shows that the twisting factor values are (0.847), so the data are naturally distributed, and therefore the parameter tests can be performed on them.

Variables	Torsion coefficient value
Trading volume	0.847

Table prepared by researcher using SPSS statistical analysis

3-4-2. Trading volume of shares:

Table (9): standard deviation and deviation of trading volume were used

Variables	Deviation value
Deviation for trading	0.847
Standard deviation of stock trading	0.337

Table prepared by researcher using SPSS statistical analysis

3-4-3. Testing relationship hypotheses

(H1). Hypothesis one: there is a statistically significant relationship between the disclosure of mutual fund risk in all its dimensions with the volume of stock trading and financial risk.

Table (10): represents the disclosure of mutual fund risk in its three dimensions with the trading volume of shares and financial risk.

	Variables	Stock trading	Risks	Disclosure	Market risk	Liquidity risk	Management risks
Stock trading	Pearson correlation coefficient	1	0.106	-0.34	-0.297	0.045	0.14
Stock trading	Moral T		0.463	0.815	0.036	0.755	0.32
Risks	Pearson correlation coefficient	0.106	1	-0.730	-0.479	-0.633	-0.688
Risks	Moral T	0.463		0	0	0	0
Disclosure	Pearson correlation coefficient	-0.34	-0.730	1	0.762	0.733	0.915
Disclosure	Moral T	0.815	0		0	0	0
Market risk	Pearson correlation coefficient	-0.297	-0.479	0.762	1	0.328	0.477
Market risk	Moral T	0.036	0	0		0.020	0
Liquidity risk	Pearson correlation coefficient	0.45	-0.633	0.733	0.328	1	0.669
Liquidity risk	Moral T	0.755	0	0	0.020		0
Management risks	Pearson correlation coefficient	0.141	-0.688	0.915	0.477	0.699	1
Management risks	Moral T	0.328	0	0	0	0	

The table is prepared by the researcher using SPSS statistical analysis.

Judging the morality in the presence or absence of a relationship, or the indication that the relationship is dismissive or inverse. According to the results, there is no relationship between disclosure of the risks of investment funds as a whole with trading volume, but there is a statistically significant correlation between aftermarket risk disclosure and volume, and there is also a reverse relationship between the disclosure of interest rate fluctuations and trading volume.

As was also found that there is a significant relationship between risk disclosure dimensions of the three () with financial risk of investment funds, and this inverse relationship. While there is no relationship between financial risk of investment funds with the trading volume. So accept the hypothesis in part.

3.4.4. Testing impact hypotheses: The research includes a total of impact hypotheses:

(H2) Hypothesis II: There is a statistically significant effect of disclosing the financial risks of investment funds in all their dimensions in trading volume.

Three sub-hypotheses are:

(H2.1). The first sub-hypothesis: there is a statistically significant effect of market risk disclosure in trading volume.

Table 10: Market Risk Disclosure represents the Equity Volume Investment Fund

R	(R ²)	Adjusted R	Disclosure risks on trading volume
0.297	0.088	0.069	4.131
Sig	F	T	Regression factor(β)
		5.380	8.196
0.036	4.651	-2.157	-3.89

Table prepared by researcher using SPSS statistical analysis

Notes from table number (10):

1. The value of (R) has reached (0.297) and (R²) has reached (0.088), which indicates that the independent variable interprets the dependent variable by approximately (9%) of the variables in the trading volume of the shares.
2. The moral constancy of the regression model with a value (F) of (4.651) which was extracted from the special statistical analysis Table (ANOVA).
3. The downside sentiment for the disclosure of market risk (interest rate risk) is proven by (T) as it amounted to (2.157-) with a negative impact on the trading volume as well as the value of (β) = (3.89-).
4. The decline in the disclosure of the financial risks of the investment fund and the trading volume of the shares amounted to (T) (2.157-) as the value of (β) = (8.196) and (3.89-) for both disclosure and trading volume. So accept the first sub-hypothesis.

(H2.2). The second sub-hypothesis: there is a statistically significant effect of liquidity risk disclosure in trading volume.

Table 11: measurement of liquidity risk disclosure in trading volume

R	(R ²)	Adjusted R	Disclosure risks on trading volume
0.45	0.02	0.019	4.322
Sig	F	T	Regression factor(β)
			4.927
0.755	0.099	0.314	0.392

The table is prepared by the researcher using SPSS statistical analysis.

The downside for the disclosure of liquidity risks in the trading volume of shares in the sign of (T) amounted to (0.314) as the value of (sig)=(0.755) so there is no relationship or effect in relation to the disclosure of liquidity risks and trading volume. Rejects the second sub-hypothesis that there is no effect.

(H2.3). The third sub-hypothesis: there is a statistically significant effect of management risk disclosure on trading volume.

Table 12: measurement of management risk disclosure in trading volume

R	(R ²)	Adjusted R	Disclosure risks on trading volume
0.141	0.020	0.00	4.283
Sig	F	T	Regression factor(β)
		4.821	4.927
0.328	0.978	0.989	0.392

The table is prepared by the researcher using SPSS statistical analysis.

The decline in liquidity risk disclosure in the trading volume of shares in the sign of (T) reached (0.989) as the value of (sig)= (0.328) so there is no relationship or effect in relation to the disclosure of management risk and trading volume.

Conclusions and recommendations: Conducted this research to assess the impact of disclosure on the relationship between financial risk and trading volume of shares of the investment fund. Research results have shown that there is a causal and important relationship between financial risk and trading volume. In addition, it has been shown that market risks (fluctuations in stock prices, foreign exchange rates and interest rates) were partially negative and had an impact on the volume of trading on the Iraq Stock Exchange. Therefore, according to these results, Banks accepted on the exchange are said to pay special attention to these risk factors during the initial assessments of the purchase of a share. However, liquidity risks have not had any impact on the trading volume of stocks. Although this research try to be more detailed and extensive than previous studies, suffered from a number of limitations. It was limited to investigating the effects of financial risk disclosure on the trading volume of stocks. However, other factors can also have effects on this relationship. Thus, they are strongly recommended by the researcher to be studied in future research. It is proposed for future researchers to study the effects of market risk, trade risk, growth, capital structure, etc.on their relationship to the trading volume of shares in the investment market. In addition, this study investigated banks admitted to the Iraq Stock Exchange. Future studies can look at investment institutions, companies and other organizations. In other words, the application of research design to other companies and profession is a recommendation for future research, further popularization of this study, more data collection is needed from different sites.

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