

ABSTRACT

Mutual funds are an alternative investment that offers advantages that have more appeal for prospective investors to invest their funds in this mutual fund investment instrument, which is low cost. The advantages of other mutual funds compared to other investment instruments, such as: information transparency, investment diversification, funds managed by professional management (verified by Otoritas Jasa Keuangan) and high liquidity. Especially for equity funds, this investment instrument is one of the most sought after by the public because of the high returns offered, despite the fact that the higher the return the higher the risk. The flow of funds in mutual funds is used to describe the decisions made by investors in allocating funds. Internal factors and external factors are factors that can influence the ups and downs of the flow of funds.

The aims of this study was to analyse the effect of past return, management expense ratio (MER), portfolio turnover (PTR), age (age of mutual funds), size (asset under management), and fund family size (FFS) on fund flows in equity funds. The sample in this study amounted to 59 equity funds that were active in 2015-2017 and registered by Otoritas Jasa Keuangan, and after purposive sampling the number of samples became 36 equity funds. The sample of this study already has a renewal prospectus and complete financial statements. This study uses the method of multiple linear regression analysis.

The results of this study indicate that the past return, size and fund family size have a positive and significant effect on stock mutual fund flows in Indonesia. Where as MER and age have a negative and not significant effect on the flow of equity funds. PTR variables have a positive and insignificant effect on the flow of mutual funds.

Keywords: fund flow, past return, expense ratio management, portfolio turnover, age, size, fund family size