

ABSTRACT

This study aims to examine the factors that influence investor behavior in making investment decisions on January 1, 2014 - December 31, 2020. Investors' behavior in making investment decisions is indicated by the net flow of mutual funds. These factors include the size of the mutual fund, the risk of the mutual fund, and the capital infusions in the fund category. These factors can affect the net flow of mutual funds as a proxy for investor behavior in making mutual fund investment decisions. With the basis of the Markowitz portfolio theory where investors are looking for investments that can increase risk and increase their portfolios so as to form an optimal portfolio, these factors can be taken into consideration in making an optimal portfolio.

The population in this study were stock mutual funds, fixed income mutual funds, money market mutual funds, and mixed mutual funds registered with the Financial Services Authority (OJK) on January 1, 2014 - December 31, 2020. The sampling method used was purposive judgment sampling which resulted in 241 of them. 1,286 mutual funds registered with the Financial Services Authority (OJK) with a sample size of 82 (reporting per month for 7 years). The analytical tool used in this research is multiple regression analysis.

The large results show that the size of mutual funds, risk of mutual funds, and the capital infusions in the fund category have no effect on investor behavior in making mutual fund investment decisions in Indonesia. Meanwhile, the capital infusions in the equity fund category shows positive results on mutual fund net flows, meaning that it is used as a factor in making investment decisions in Indonesia.

Keywords: Investor Behavior, Investment Decisions, Mutual Fund Size, Mutual Fund Risk, The Capital Infusions in The Fund Category, Mutual Fund Net Flow