ABSTRACT

The COVID-19 pandemic has caused a major impact in the economy. Stock markets plunge during the beginning of the global pandemic due to the panic it caused and uncertainty of the future. However, there are still people who invest amidst the uncertainties. This thesis aims to discover the strategies and reasons of Generation X and Millennial mutual fund investors in investing during the COVID-19 pandemic.

Process-Thinking Model is used as a foundation to discover the decision-making process of mutual fund investors. Cognitive Bias theories are used to discover possible biases experienced by investors during decision-making. This thesis utilizes a qualitative approach, specifically Interpretative Phenomenological Analysis (IPA) to explore the meaning behind of people's investment behaviors during the pandemic.

Based on the findings, there are three identifiable investment strategies: Diversifying Investments, Unchanged Routine, and Increasing Investment Frequency, where each strategy has particular reasons among the informants. The unique findings in investment behavior are the strategy of aggressive investing during the pandemic. In terms of investment bias, there is a novel finding that is not mentioned in the literature review which is Religiosity Bias. Therefore, the findings indicate that the religious factors are becoming a major factor in Behavioral Finance in Indonesia. Further research in the role of religion in determining the pattern of investment strategies is needed.

Keywords: Behavioral Finance, Investment Strategies, COVID-19