

Independent Study Title	MUTUAL FUND FLOWS AND PAST PERFORMANCE: EVIDENCE FROM THAILAND
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## **ABSTRACT**

This paper investigates the Thai equity mutual fund flows behavior as an indicator of investors' fund purchasing criteria for different types of funds using the data from 2011-2015. The flows of bank related funds is significantly higher than those of the non-bank related funds even though non-bank related funds have higher average return, implies the advantages of distribution channel bank related funds have from the core business. Both bank and non-bank related fund flows are positively related to the size of the funds, while the past performance of the funds is insignificant to the fund flows. In short, the investors appear not to look at the past performance of the funds, and prefer the larger size funds. Furthermore, the tax-incentivized fund investors have different criteria in selecting the fund. The tax-incentivized fund flows are mainly driven by the seasonality effect. Investors purchase the tax-incentivized funds during the 4<sup>th</sup> quarter and sell on the January rather than using other factors like size or the past performance of the funds as a main factor.

**Keywords:** Mutual fund, Performance, Seasonality