

# SEASONALLY AFFECTED MUTUAL FUND INVESTORS' BEHAVIOR

**Hyung-Suk Choi**

College of Business Administration  
Ewha Womans University  
Seoul, Republic of Korea

**Soo-Jung Kim**

College of Business Administration  
Ewha Womans University  
Seoul, Republic of Korea

## **Abstract**

*In this paper we establish the presence of seasonality in the cash flows to the U.S. domestic mutual funds. January is the month with the highest net cash flows to equity funds and December is the month with the lowest net cash flows. The large net flows in January are attributed to the increased purchases, and the small net flows in December are due to the increased redemptions. Thus, the turn-of-the-year period is the time that most mutual fund investors make their investment decisions. We offer the possible sources for the seasonality in mutual funds flows.*