ABSTRACT

The growth in the number of investors in West Java, particularly among the productive age group, reflects a positive shift in public perception toward investment. However, this phenomenon also comes with the risk of increased exposure to illegal investment schemes. This is driven by the tendency of individuals to rely on mental shortcuts due to information overload, leading to investment decisions often influenced by psychological biases, especially recognition-based heuristic bias.

This study aims to analyze the effect of recognition-based heuristic bias on investment decision-making and performance, as well as the mediating role of fundamental and technical anomalies among individual investors of productive age in West Java. A quantitative approach was used with purposive sampling, and data were collected through an online survey distributed via Google Form. The data were analyzed using the Structural Equation Modeling (SEM) method.

The results show that recognition-based heuristic biases such as name fluency bias, name memorability, and alphabetical order have a significant impact on investment decisions and performance. Fundamental and technical anomalies were found to mediate this relationship, indicating that making decisions without thorough analysis can lead to suboptimal investment outcomes.

This research is expected to serve as a reference for individual investors in raising awareness of the importance of rational analysis in investment decisions. Moreover, the findings can be used by regulators and investment service providers as a basis for developing adaptive and responsive financial education programs that address investor behavioral biases.

Keywords: *heuristic bias, investment decision-making, investment performance, fundamental anomalies, technical anomalies.*