

## **ABSTRACT**

*This study aims to evaluate the performance of Islamic mutual fund shares to examine the relationship between stock selection ability and market timing ability on the performance of Islamic mutual fund shares and to know the model of performance measurement that is better adapted to the measurement of the performance of Islamic mutual fund shares in Indonesia. The data used in this study is the monthly data Net Asset Value (NAV), SBIS and JII of 8 Islamic mutual fund shares that were sampled, as well as changes in exchange rates and inflation as conditional control the study period 2009-2015.*

*This study uses ordinary least squares (OLS) descriptive analysis, test stationary, classic assumption test (test for normality, heteroscedasticity test and autocorrelation test), test the selection of the best model (test Akaike information Criterion (AIC) and test Schwarz Information Criterion (SIC), significance test, sign test coefficient) hypothesis testing (F-statistic test, test and test t-statistic coefficient of determination (R<sup>2</sup>)) using Eviews program 9.*

*From the analysis we found the best model is the model of Treynor-Mazuy Conditional. Based on the result of stock selection ability test positive and significant effect on the performance of Islamic mutual fund shares. Market timing ability also a positive effect, although it is very small and not significant to the performance of Islamic mutual fund shares. Based on the research can be seen almost all Islamic mutual fund shares showed better performance results than its benchmark, there is only one Islamic mutual fund shares performed below benchmark JII namely PNM Syariah Equity.*

*Keywords: stock selection ability, market timing ability, fund performance, Islamic mutual fund, the model-Mazuy Treynor, Sharpe.*