

ABSTRACT

This research aims to analyze the relationship between performance of equity mutual fund with Sharpe's method with variables that affect it includes stock selection skill, market timing ability, expense ratio, fund size, and turnover ratio .

The data used in this research are 11 sample of equity mutual funds and the number of observations as many as 55 data for the period 2010 until the end of 2014. The analytical method used in this research is Multiple Linear Regression Analysis where previously performed classical assumption that includes Normality Test, Multicollinearity Test, Autocorrelation Test, and Heteroskedasticity Test with significance level of 5%.

The result showed that the Stock Selection Skill and Market Timing Ability have significant positive impact to performance of equity mutual funds. Expense Ratio and Fund Size have no significant negative impact to performance of mutual funds. Then Turnover Ratio have no significant positive impact to performance of equity mutual funds. Based on test result show the value of the coefficient of determination adjusted R square of 0,486, so that the variables in this research may explain the variable performance of equity mutual funds amounted 48,6%.

Keywords : Performance of equity mutual funds , Sharpe Method, Stock Selection Skill, Market Timing Ability, Expense Ratio, Fund Size, and Turnover Ratio