

ABSTRACT

There are some variety of investment instruments that exist as an alternative option for investors to invest their assets, one of it is a mutual fund. Mutual fund is a pool of funds from investors to be invested in a portfolio of securities by the investment manager. Mutual funds are a solution for the investors who have problems such as limited capital, information, capability and time to invest.

This research conducted to examine the relationship between the performance of equity mutual fund with Sharpe's measure with variables that affect it includes stock selection skill and market timing ability using two methods, which are Treynor-Mazuy method and Henriksson-Merton method. The data used in this research are monthly data on Net Asset Value (NAV), SBI and IHSG of 16 sampe of equity mutual funds for 2010-2014.

This research using the method of multiple linear regression with the classical assumption using normality test, autocorrelation test, heteroscedasticity test, multicollinearity test. The method used to test the hypotesis is the F test and T test. The reasearch shows that partially stock selection skill and market timing ability using the Treynor-Mazuy method have a significant positive impact to the performance of equity mutual fund. So as partially stock selection skill and market timing ability using the Henriksson-Merton method aa lso have significant positive impact to the performance of equity mutual fund. Based on the coefficient of determination test shows that adjusted R square for Treynor-Mazuy method is 18,8% and 22,7% for the Henriksson-Merton method.

Keywords: Stock selection skill, Market timing ability, Performance of Mutual Fund, Treynor-Mazuy Method, Henriksson-Merton Methods, Sharpe Method.