

## **ABSTRACT**

*Mutual fund is investment instrument which is beneficial to investor, however contain risk. Measuring mutual fund performance is needed so that investor can choose mutual fund based on it's performance. Based on that background, this study aim to measure equity funds performance based on Sharpe, Treynor, and  $M^2$  methods then compare the result between the three methods. The result of mutual fund performance is very important for investor because of that will be major preference for investor in case of choosing mutual fund.*

*This research is using secondary data that published by Bapepam, Bloomberg, OJK, and BI. This research is using purposive sampling method to determine the research's samples. According to the criterias that have been decided, the amount of samples that thorough are 35 equity funds. The measure of those mutual fund and benchmark performance is using Sharpe, Treynor and  $M^2$  method. Hypotesis tested by using Kruskal-Wallis comparison test by using SPSS version 16.*

*The result of this research shows that there are 17 equity funds researched have more return than it's benchmark (IHSG). The measure of performance using Sharpe, Treynor, and  $M^2$  method produce similar result that is portofolio Panin Dana Maksima with the highest index rate and BNP Paribas Pesona with the lowest index rate. The conclusion of this research are the method of measuring mutual fund performance will generate similar result if the economy condition of one country is in stable one and mutual fund portfolio has been well diversivied.*

*Keyword: Mutual Fund, Benchmark, Mutual Fund Performance, Sharpe, Treynor, and  $M^2$  method*