

ABSTRACT

Mutual fund is vehicles and fund management pattern or legal capital for a group of investor to invest in available investment instruments in market with buying investment unit of mutual fund. This fund then managed by fund manager in investment portfolio. The performance of mutual funds highly hinges on the capability of investment managers. Before investing through a mutual fund, an investor should know ability of investment manager in managing funds from market timing and selection ability and the characteristic influencing mutual fund performance.

This research aim to test market timing ability and selection ability investment managers and to tests the influence of expense ratio, size, turnover ratio toward stock funds performance. Method applied for testing of market timing ability and selection ability is pooled cross-section regression, using quadratic regression model from Treynor and Mazuy (1966). While for testing of influence expense ratio, size, turnover ratio to mutual fund performance, applies doubled linear regression. Research used by 17 Stock funds fulfilling sample conditions submitted, with time line 34 months.

Result of research indicates that stock fund manager possess market timing ability and selection ability. But for selection ability do not signifikan at level 5%. Result of testing parsially indicates that expense ratio negatively signifikan influence toward stock funds performance, while size and turnover ratio positively signifikan influence toward stock fund performance. Besides that, the result shown variables order that have biggest influence to stock funds performance are turnover ratio, expense ratio and size.

Keywords : Market Timing Ability, Selection Ability, Mutual Funds performance, Expense Ratio, Size, Turnover ratio