

Abstrack

Mutual fund is an alternative of investment that theoretically provided some advantage so that it expected to give maximum return with adjusted risk for the investor. Base on that background, is the equity funds return better than market return and which equity funds performance is the best of its own kind.

This research is using secondary data that published by Bapepam, BEJ, and JSX Weekly Statistics. Research sample chose by using purpose sampling method, which by criteria that mutual fund operates during year 2007. According to those criteria, the number of sample that examined is 30 equity funds. The measure of those equity funds performances is using Sharpe method. Hypothesis tested by using two rates comparison test (t-test) by using SPSS.

This result of the research shows that the performance of equity funds is superior than the market performance, but not significantly. The consideration of performance with Sharpe method produced 17 from 30 equity mutual funds that have better performance than market return.

The conclusion of this research is suggested to candidate of investor, in determining invest to equity mutual funds, choose equity mutual funds that will give optimum return based on Sharpe method.

Key Words : Equity Mutual Funds, IHSG, Sharpe method.