THE PERFORMANCE ANALYSIS OF EQUITY FUNDS USING RISK ADJUSTED RETURN, RISK RATIO, AND SNAIL TRAIL

A THESIS

Presented as Partial Fulfillment of the Requirements

For the Degree of Sarjana Ekonomi (S1)

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I, the writer of this thesis, declare that I compiled this thesis by myself. I fully acknowledge that my writing neither does not contain others' part of other's writing, except for those which have been sited and mentioned in the bibliography.

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To God, my family, lecturers, lover, and friends..

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TABLE OF CONTENT

TITLE PAGE i

APPROVEMENT PAGE ii

COMMITTEE APPROVAL PAGE iii

AUTHENTICITY AKNOWLEDGEMENT iv

ACKNOWLEDGEMENT v

TABLE OF CONTENT viii

LIST OF TABLE xi

ABSTRACT xii

CHAPTER I INTRODUCTION 1

1.1 Background of the Study 1

1.1.1 Statement of Problems 3

1.1.2 Scope of the Study 3

1.2 Objectives of the Study 3

1.3 Benefits of the Study 4

1.4 Systematiclly Writing 4

CHAPTER II THEORETICAL BACKGROUND 6

2.1 Reviews on Literature 6

2.1.1 Mutual Fund 6

2.1.2 Dividend Earning 9

2.1.3 Net Asset Value 10

2.1.4 Fund Manager 10

2.1.5 Mutual Fund Classification 11

2.1.6 The Benefit of Mutual Fund 21

2.1.7 The Risk of Mutual Fund 25

2.1.8 Jakarta Composite Index 27

2.1.9 The Measurement of Mutual Fund Performance 27

2.2 Reviews on Related Study 33

CHAPTER III DATA AND RESEARCH METHODOLOGY 36

3.1 Data Sampling 36

3.1.1 Population and Sample Description 36

3.2 Research Methodology Method 37

3.3 Research Methodology Step 39

CHAPTER IV DATA ANALYSIS 42

4.1 Rate of Return Calculation 42

4.2 Standard Deviation Calculation 44

4.3 Analysis Using Three Calculation Method 46

CHAPTER V CONCLUSION AND SUGGESTION 59

5.1 Conclution 59

5.2 Suggestion 61

BIBLIOGRAPHY 62

APPENDIXES 64

LIST OF TABLES

Table 3.1 : List of Equity Funds Company Listed in BAPEPAM per December 2012

Table 4.1 : Equity Fund Return and Average Return Period January 2008 – December 2012

Table 4.2 : Equity Funds Standard Deviation Period January 2008 – December 2012

Table 4.3 : Equity Funds Risk Adjusted Return (RAR) Period January 2008 – December 2012

Table 4.4 : Equity Funds Risk Ratio Period January 2008 – December 2012

Table 4.5 : Snail Trail Flow of Equity Funds Period January 2008 – December 2012

Table 4.6 : Summary of Equity Funds Performance Using Risk Adjusted Return (RAR) Method

Table 4.7 : Summary of Equity Funds Performance Using Risk Ratio (RR) Method

Table 4.8 : Summary of Equity Funds Performance Using Snail Trail (RAR) Method

Table 4.9 : Summary of Equity Funds Performance Compare to JCI (benchmark)

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ABSTRACT

The objective of this research is to explain the performance of equity funds by using three methods, which are risk adjusted return (RAR), risk ratio (RR), and snail trail method. The second objective is to compare equity funds performance towards market performance.

The samples of this research are equity funds actively listed in BAPEPAM for period January 2008 until December 2012. The data is taken from each company's monthly net assets value (NAV) for period January 2008 until December 2012. Mutual fund with zero NAV in the end of calculation and with foreign currency of NAV is not used as sample. The performance analysis of equity funds is calculated by using Risk Adjusted Return with Sharpe Ratio method, Risk Ratio, and Snail Trail. The benchmark is JCI or Jakarta Composite Index for period January 2008 – December 2012.

From the three methods used, most of the equity funds are adjusted well and ready to face the risk. In fact, there are still some equity funds with underperform performance compare to the benchmark in both risk and return. The calculation of risk adjusted return, risk ratio, and snail trail are connected with the result which stated that equity funds shows a high return and high risk as well.

Keywords : Equity funds, Risk Adjusted Return, Risk Ratio, Snail Trail.