

**THE IMPACT OF INVESTOR SENTIMENT-BASED EQUITY MUTUAL
FUND ON EXCESS RETURN AND VOLATILITY
PERIOD JANUARY 2011 – DECEMBER 2014**

THESIS

**Presented as Partial Fulfillment of the Requirement for the Degree of
Sarjana Ekonomi (S1)**

**In International Business Management Program Faculty of Economics
University Atma Jaya Yogyakarta**



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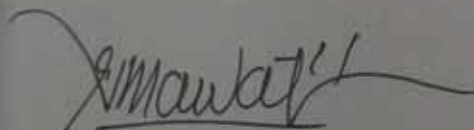
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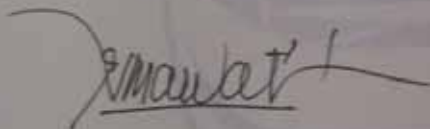
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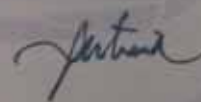
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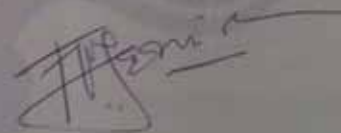
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Is really my own thinking and writing, I fully acknowledge that my writings
does not contain others' or part(s) of others' writing except for those that
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Yogyakarta, June 15th, 2015



Yessica Rebulina Sembiring

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The author realizes that there are still many shortcomings in the preparation of thesis. Therefore, any suggestions and critics will be gladly accepted. The author hopes this thesis will be very useful for readers.

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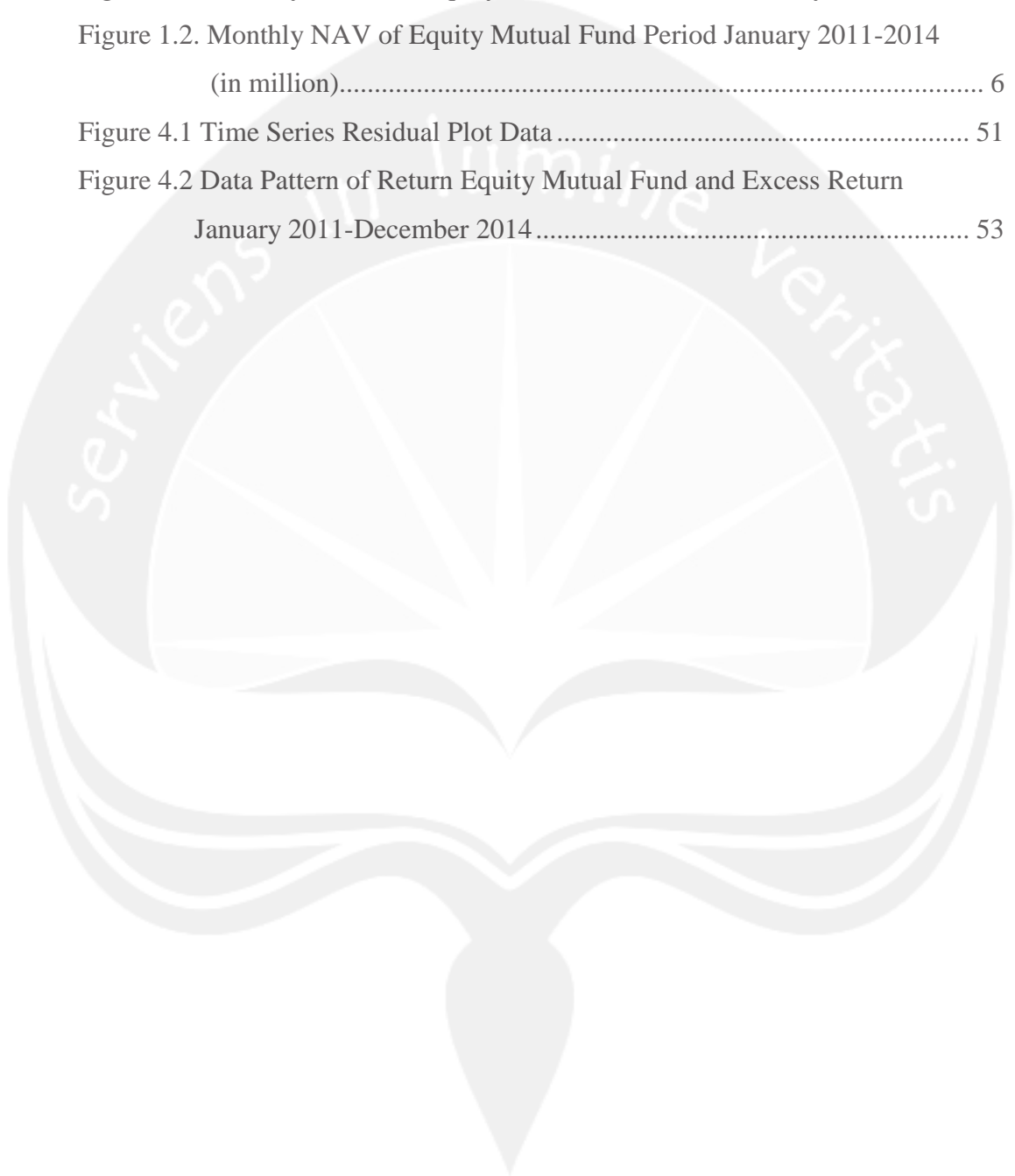
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ABSTRACT

The objective of this research is to analyze the impact of investor sentiment-based equity mutual fund on excess returns and volatility in Indonesia Stock Exchange (IDX) from January 2011 to December 2014. Stationarity test of Augmented Dickey-Fuller is used as basic test for a non-stationarity of each variable used, the mean model developed by Autoregressive Moving Average (ARMA) model with using Least Square method will result of mean model will be used to get the residual value to examine the homogeneity of residual variability, and to check there is non-homogeneity variance of mean model through time series plot of the residual data, the researcher will use ARCH-Effect Test. The final step is GARCH (1,1) Model Test to indicate the behavior of time series data has inconstant residual variance from time to time and contaminated by heterokedasticity because there are error variance that depend on previous error volatility. The result of GARCH (1,1) conclude that the data used the measure excess returns significantly contains ARCH and GARCH elements. Higher volatility in the markets does seem to have a positive effect on the returns since there is significant proof of positive volatility feedback which is for excess return. It is observed that there is a strong relationship between investor sentiment and market returns. This result is according to the probability value $RESID(-1)^2$ and $GARCH(-1)$ are less than 5%, which are the probability value of $RESID(-1)^2$ and $GARCH(-1)$ as much as 0.0000.

Keywords: Equity mutual fund, excess return, GARCH Test.