

**IMPACT OF CARHART FOUR FACTOR MODEL TO THE RETURN OF  
COMPANY IN INDONESIA FIXED INCOME MUTUAL FUND 2005-2011**

**A Thesis**

**Presented as Partial Fulfillment of the Requirement for the Degree of**

**Sarjana Ekonomi (S1) in Management Program**

**Faculty of Economics Universitas Atma Jaya Yogyakarta**



Compiled by:

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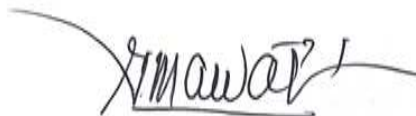
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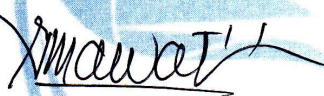
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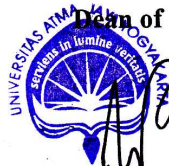
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## **AUTHENTICITY ACKNOWLEDGEMENT**

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hereby declare that I compiled this thesis by myself. I fully knowledge that my writings does not contain others' or part(s) of others' writings, except for those that have been cited and mentioned in the references.

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**No one succeeds without effort. Those who succeed owe their success to perseverance- Ramana Maharshi**

**If you love life, don't waste time, for time is what life is made up of- Bruce Lee**

**He has made everything beautiful in its time. He has also set eternity in the hearts of men; yet they cannot fathom what God has done from beginning to end. Ecclesiastes 3 :11**

**This Thesis Dedicated For :**

Lord Jesus Christ My Savior. My parents, thanks for your love, care, support for me. My brother and sister. To my lovely one. To all of my friend. To all of the people that have support me. Without all of you this thesis will never get done.

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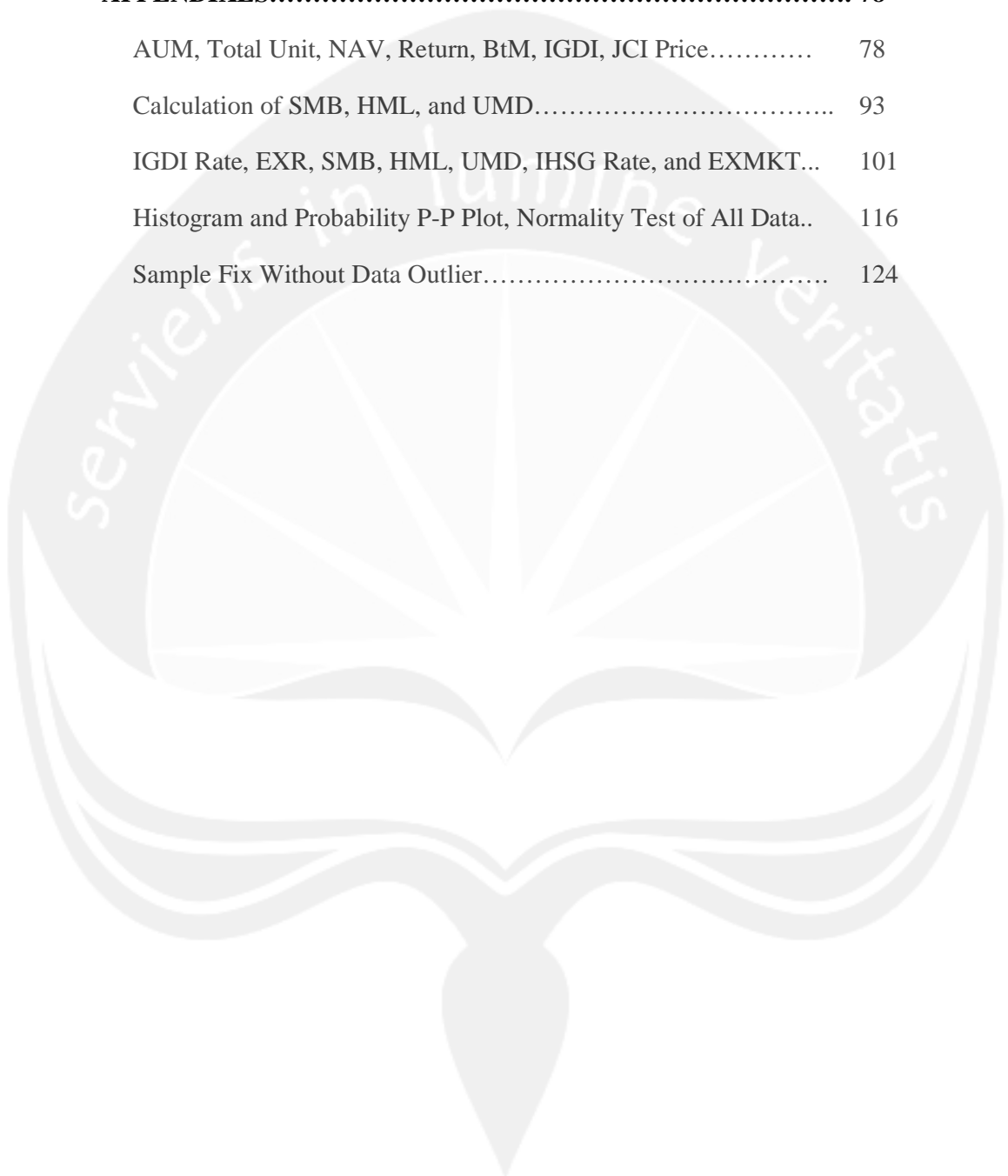
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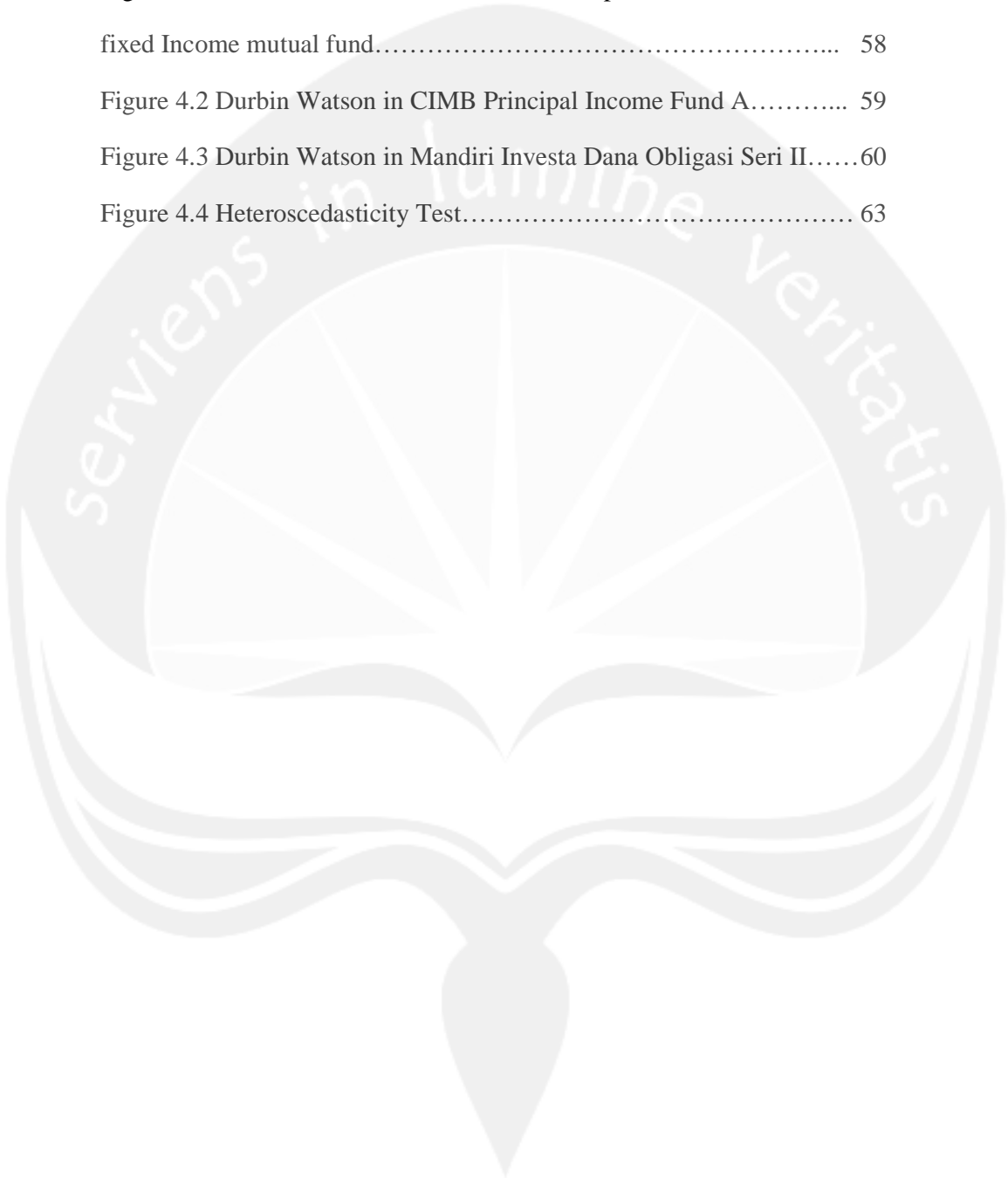


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## **Abstract**

This study used the sample of seven mutual fund that categorize as fixed income mutual fund during the period of 2005-2011. The purposes of this study are to know and examine the level of beta, firm size, book to market effect, and momentum factor to the return in the Indonesia fixed income mutual fund. Secondary data was analyzed by using four factor model of Carhart (1997). With return as the dependent variable and beta, firm size, book to market, and momentum factor as independent variable. The result of this study shows that Beta or EXMKT (X1) and UMD (X4) simultaneously have a significant effect to the return in the 1% significance level. SMB (X2) have a weak impact to the return that states with 10% significance level. HML (X3) don't have any impact to the return. With contribution of beta, firm size, book to market, and momentum factor that explained the level of return share by 24.8 percent. Beta and SMB variable have a positive effect to the return . On the other hand, UMD has negative effect to the return.

**Keywords :** Carhart, four factor model, return, fixed income mutual fund.