

## **ABSTRACT**

### **PERFORMANCE COMPARISON OF STOCK MUTUAL FUNDS AND IHSG, BY USING SHARPE RATIO METHOD (REWARD TO VARIABILITY) AND TREYNOR MODIFICATION METHOD (REWARD TO DIVERSIFICATION)**

**By:**

**Ratu Chaterine Fajri**

*This study aims to investigate performance of stock modal mutual funds whose ratio value higher than IHSG performance (outperform) through two methods, sharpe ratio (reward to variability) and treynor modification (reward to diversification). The sample in this study are forty nine stock mutual funds which operate during 2010 until 2013 period, as well as recorded in Bapepam which is decided by purposive sampling. Analysis technique in this research is using measure performance which the risk is calculated by using sharpe ratio (reward to variability) and treynor modification (reward to diversification).*

*The resultsshowed 89,80 percent mutual funds in Indonesia have outperformed performance, when it is measured using sharpe ratio method (reward to variability). Whereas, when it is measured using the method of treynor modification (reward to diversification) obtained 26,53 percent mutual funds outperformed performance in Indonesia. The difference in results is caused by high or low value that can not be diversified by portfolio. Thus, the higher value of risk that can not be diversified portfolio, the worse performance of the portfolio. Therefore, more efficient modification treynor measure used, because the risks inherent in mutual funds was able diversified.*

**Keywords :** *Outperform Mutual Fund, Sharpe Ratio Method (Reward to Variability), Treynor Modification Method (Reward to Diversification)*