SUMMARY

RIRIN APRILIA. Performance Analysis of Investment Portfolio and The Ability of Selectivity and Market Timing (Case Study on Dana Pensiun Lembaga Keuangan Muamalat). Supervised by NUNUNG NURYARTONO and TRIAS ANDATI.

The performance is one of the consideration for a person in choosing the institution to put their funds. Therefore, evaluation of portfolio performance should be done by each institution fund manager. Ardianto (2004) states that performance evaluation is needed to determine the performance in achieving the targets, both of which include a combination of portfolio return or return of each aset class investement or fund manager used. In addition, it is also intended to be considered in determining the investment policy as well as a further means of feedback and control. Lonkani *et al.* (2013) argue that the selectivity and market timing are the two basic capabilities for fund managers to determine the performance of the funds under its management.

This study aims to analyze the performance of investment portfolio using risk-adjusted performance and also to analyze of selectivity and market timing ability on DPLK Muamalat. Investment portfolio referred to in this study are asset class investments of stocks, mutual funds, and sukuk. The investment instruments are based on syariah investment instruments. Risk-adjusted performance method used in this study Sharpe ratio, Treynor ratio, Jensen's ratio, and Appraisal ratio. The fourth method uses different elements of risk in measuring portfolio performance. The results of the calculation of any investment asset classes based on risk-adjusted performance method will be compared to their respective benchmarks. The benchmarks used in this study are Indeks Harga Saham Gabungan (IHSG) as a benchmark for stock aset class investment, Infovesta Equity Fund Index (IEFI) as a benchmark for the mutual fund asset class investment, and Infovesta Corporate Bond Index (ICBI) as a benchmark for sukuk investment asset class. Differences over the results of measurements with all four risk-adjusted performance method was tested by a statistical test of paired samples t test.

This study also aims to analyzed the ability of the fund manager in terms of selectivity and market timing ability. The model used in this study are Treynor-Mazuy models and Henriksson-Merton models. Prior to the regression analysis of the two models for each asset class investments, performed classical assumption test that including normality test, autocorrelation test, and heterokedastis test.

The results of the calculation of the average performance of each asset class investment is that mutual funds can provide the greatest average return, while the average return of sukuk gives the smallest. In terms of risk, the stock is an investment with the greatest risk, while the sukuk has the smallest risk. When compared with the respective benchmarks, only investments in sukuk that can outperformed to the market performance (IEFI). Investing in stocks and mutual funds can not outperformed (underperformed) to the market performance.

The results of the calculation of the performance of any investment asset class compared to their respective benchmarks based on Sharpe ratio are any class asset investment can not be outperformed to the market performance, whereas

asset class investement of stock and sukuk can not be able to outperformed. In contrast to the Sharpe ratio calculation, based on the calculation of the Treynor ratio, any investment asset class may outperformed the performance of each market. In addition, based on an Appraisal ratio and Jensen's ratio, each asset class investment have superior ability. To see the consistency of assessment results for each asset class investments, also performed analysis bases on risk-adjusted performance within a period of four months.

The difference between the four methods of calculation results on risk-adjusted performance tested using paired sample t test to determine whether or not difference in performance between the two groups of paired samples. The results of paired samples t test for aset class investments in stocks, using a 90% confidence level, there is no difference between the performance results of risk-adjusted performance method, while for the asset class investment of mutual fund, the two most significant method is the Sharpe ratio and Jensen's ratio are significantly different at the 90% confidence level. Meanwhile, the two most significant methods in assessing the performance of investments in sukuk is a Treynor ratio and Jensen's ratios are significantly different at the 95%.

The results of the regression of each asset class investment against modified Treynor-Mazuy models is that the fund manager has the selectivity ability to invest in stock and sukuk, while the investment in mutual funds, the fund manager does not have selectivity ability. Meanwhile, in term of market timing ability, the fund manager does not have the market timing ability to invest in stock, mutual funds, and sukuk. Based on modified Henriksson-Merton models, the fund manager only has the selectivity ability to invest in sukuk, while the investment ini mutual funds and sukuk, the fund manager do not have selectivity ability. The fund manager also does not have market timing ability to invest in stock, mutual fund, and sukuk.

Manegerial implications of this research are in investment should not only pay attention to the return, but also consider the element of risk, addition of the composition of mutual funds in portfolio of DPLK Muamalat, and market education and market awareness necessary for participants or potential participants retire.

Keywords: DPLK, market timing, paired-sampel t test, riks-adjusted performance, selectivity