



ABSTRACT

The Comparative Performance Analysis of Conventional and Syaria Balanced Fund Period of July 2006 – July 2008

Nowadays, investing in mutual fund is an attractive investment alternatives in Indonesia. We could see it by the incredible growth of mutual fund in these late years. The growth is much influenced by the ease for investors who do not have much time and expertise to manage their investment. Syaria mutual fund completes the diversity of investment alternatives in conventional mutual fund which has been exist. Unless supported by good performance and attractive return, syaria mutual fund will have difficulties in attracting investors.

This research was intended to measure mutual fund return quantitatively (i.e. risk-adjusted return) by using Sharpe Measure method and to compare it with risk-free return. Besides, it was designed to compare between conventional and syaria balanced fund and to observe whether the length of time horizon in investment affected the return as well. The mutual fund observed in this research are six balanced funds managed by three investment managers PT Danareksa Investment Management, PT Mandiri Manajemen Investasi and PT Andalan Artha Advisindo Securities. The investment managers chosen are the ones who manage both conventional and syaria mutual fund. In order to get a description about each fund return at certain time interval and a comparison of the return from different time intervals, analysis of return measurement was divided into three parts: monthly period, six-month period, and annually.

The research shows that the six mutual funds return outperformed risk-free return. Overall, performance of syaria balanced fund was not significantly different from the performance of conventional balanced fund. From the three investment managers observed, PT Mandiri Manajemen Investasi and PT AAA Securities had a better performance in syaria fund, while PT Danareksa in conventional fund. Investors should not judge a mutual fund performance by looking at a short time interval, but they should better consider a longer time horizon to achieve a better result.

Keywords : mutual fund, conventional mutual fund, syaria mutual fund, conventional and syaria balanced fund, Sharpe Measure, risk-free return

