

ABSTRACT

Sharia mutual funds in Indonesia are increasing rapidly. Potential growth is also large. This can happen in addition to triggered by economic growth and the emergence of public awareness to invest, also driven by the condition of Indonesian society that most of the Muslims, so not only consider the return alone but also to consider the Sharia principles in investing.

This study aims to analyze the ability of stock selection ability and market timing ability in Sharia mutual fund performance from January 2016 to December 2016.

Population in this research is financial report of investment manager having sharia mutual fund product registered in Financial Services Authority during period 2016. The technique of choosing sample using purposive sampling and obtained 5 products of sharia mutual fund which is included with period of 12 months so that obtained 60 samples processed. Data analysis method in this research is regression analysis using software eviews 10.

The results show that the overall Islamic mutual funds have good stock selection capabilities. As for market timing ability is only owned by two mutual funds sharia namely Manulife Sectoral Amanah and Trim Syariah Shares.

Based on the results of this study, then if investors will buy Shariah mutual funds should choose an investment manager who has the ability of stock selection and market timing. As for the investment manager should increase kemampuan market timing.

Keywords: Stock Selection Ability, Market Timing Ability, Sharia Reksadana Performance