International Journal of Business and Management Invention
ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X
www.ijbmi.org || Volume 3 Issue 12 || December. 2014 || PP.42-53

The Influence Of Manager Abilities On Sharia Mutual Fund Performance(Study In Indonesian Sharia Mutual Fund)

Triyonowati[1], Moeljadi[2], Siti Aisjah[3], Kusuma Ratnawati[4]
[1,2,3,4](*Faculty of Economics and Business, Brawijaya University, Malang, Indonesia)*

ABSTRACT:*This study aims to describe and analyze the influence of Managerial Abilities on the Performance of Mutual Fund Shares. This research was conducted at the Indonesian Islamic equity funds in the observation period 2009-2012. Based on the defined criteria, using judgment sampling method sampling. The study observed 9 sharia mutual funds, methods of data analysis using Smart PLS.The findings of this study is the increasing Managerial Abilities Mutual Fund Performance Shares Sharia cause the Performance of Mutual Fund Shares Sharia also increased. The theoretical implication is giving reinforcement to the CAPM theory. The study recommends management of sharia mutual funds should be able to increase the managerial ability so it can affect investors invest.*

KEYWORDS: *Managerial Abilities, Sharia Mutual Fund Performance*

I. INTRODUCTION

In general,the purposeof investmentinmoney marketorcapital marketexpectsthe rate of profit. Level of profitsinthe stock marketin the formof securities, especially stockexpectedprofitratehigher thanthatinvestedin the money marketin the formof deposits. It is associated withtherisk ofinvestment, investorsin additionexpectsinvestment returnswillalways beat risk. The biggest riskininvestingisthe loss ofthe entireinvested amount. Investorsare faced witha variety ofchoicesin determiningits resourcesforcurrentconsumptionorinvestedinvarioustypes ofselectionof investment instruments. According toReillyandBrown(2012: 3), investmentisa commitmenttodaytosavemoneyduring acertain period of timeasthe hopetoobtainfundsinthe futureto compensateinvestorsfor(1) the timeforthe fundsdeposited, (2) the expected rate of inflation, and(3) the risk that thelevel ofuncertainty ofthe future payments. AccordingTandelilin(2010: 1), the investmentis a commitmenttoinvest somefunds at this timewiththe aim of obtaininga profitin the future. Investmentwhich isthe currentassetinstillcommitmentfor sometime to comein order toearn moneyon the sacrifice ofinvestorsbecause of attachmentof its assetsat a specified time, the presence ofuncertaintyof inflationandearningsinthe future(Duguleana etal, 2009:51).

AccordingJogiyanto(2011: 58), the investorcan investdirectly(direct investment) or indirectly(indirectinvestment), direct investmentisthat investorcan investby buyingdirectfinancialassetsthatcanbe tradedinfinancial markets(money market),while theindirect investment(indirectinvestment)is aninvestment madeby purchasingsharesof the investment companythat hasa portfolio offinancialassetsfromother companies. Indirect investmentcan be doneby investing inmutual fundinvestment companythat(mutualfund).If thereview is based onthe value ofthe overall investment, participationof domestic investorsin the capital marketis stillrelativelysmall. This is due tothe securities industryinIndonesia is likelynotto investin an amount sufficienttodevelop theinfrastructuredevelopment ofthe domesticcapital market. Other handsuspectedpsychologicaleffect(which istypical ofdeveloping countries) that peopleprefer toavoid therisksthat arisewheninvestingin the stock market. Investment instruments such assavingsordepositsbecome the first choice, because ofthe risks covered bya relativelysmallbutprovideresultsthatremain, smallanduncertain.Tostimulatethe domesticmarket, it would requirecapital marketproductswhichhavethe characteristics ofa smallriskwitha givenlevel ofincomeis relatively competitiveasinvestmentin mutual fund, boththe conventionalmutual fundormutual fundportfoliosyariah. Analysis conductedbyinvestmentmanagers(MI), so theperformance evaluationMImutual fundthatreflectsthe managerialabilitiesbecomea must forinvestorsin an effort tominimizeriskwithout sacrificingreturns. ManagerialAbilitiesonfinancial instrumentsmutual fundsinequityportfolio managementcan beperformedinthe activecategory. Managersactively tryingto"beat the market" by forminga portfoliothat is able toproduceactualreturns(actual return) whichexceeds theexpectedrisk adjustedreturns(Reilly and Brown, 2012).

In other words,investorshavediversecharacteristicsand the degree ofrisk aversionthat isdifferent, therefore theportfolio managementinan efficient marketis stillrequired. According toBodieet al(2012), the roleofMIinan efficientmarketistoestablishaportfoliothat meetsall thecriteriaofinvestorstobeatthe market. The role of managerialabilitiesormudharibin linewiththe principle ofmudaraba, which isobligedtocarry outthe management of thefundsbelong to the investors. Themanagementin the form ofreinvestmentfundinvestorsin investment instrumentsin accordancewith the values ofsharia, whichdoes notcontain elements ofusury, unlawfulelements, elements of gambling(masyir) andspeculativeelementorrisk(Umam, 2013; 147).According toresearchof Fama(1972)statesthat theperformance of investment managerscan be divided intotwo, namely theStockSelectionandMarketTimingAbilityskills. Markettimingis a measure ofthe ability ofthe portfoliomanagerinanticipation of changes inthe marketwherethe marketwill declinewhenthemanagerchanged thecomposition ofits managementportfoliosecuritiestolowervolatilityandvice versa(Manurutng, 2004).

The pureform ofthe timing ofthe market(market timing) activity involvesshiftingfundsbetweenmarketindexportfoliowithsafe assets(Bodie, 2012).StockUnmatchedaportfoliomanager's ability tochoosethe appropriatesecurities, selectingsecuritieswill contribute tothe expectedhigh returns(Bodie,2012). In addition tofocusingonreturnsadjusted forrisk, practitionersoftenwantto knowwhatthe decisionwill result insuperior performanceorinferior. Superiorperformance of investmentdependsonthe abilityto selectsecuritiesthatgoodat the right time. The ability ofmarket timingandstockselectionasitcan be expressedin generalasthestocksecuritiesorfixed income securitieswhenthe stock marketis performing well. Studies ofmanagerialabilitiesand their influence onthe performance ofmutual fundsare still debatingwhethergoodmanagerialabilitiescanimprove the performance ofmutual funds.

Studiessuggeststhatmanagerialabilitiesreflectedbymarket timingandstockselectionisimprovingthe performance ofmutual fundsarecurvilinearrelationship(linear curve) betweenselection intensitywithfinancialperformanceandhavebetter performanceinmutual fundsthat includestocksofcompaniesthathavepositiverelationshipwiththe localcommunityin the form ofsocialresponsible investment(Barnett andSolomon, 2006; Leeet.al, 2010). Mutual fundsthat investin companies thatadopt policiesthatfocusedoncommunityinvolvementwillgetbetter financialperformance(Renneboog etal, 2008). Investorsshouldchoosean agentorInvestmentManager(MI) whohaveexceptionalinformationanddetermine thecompensationsystemin such a wayin order toencouragemanagerstousetheir ability(Bhattacharya andDeleiderer, 1985).Some studieson the influence ofmanagerialabilitiesis reflectedbymarket timingandstockselectionfind fundperformanceoppositeresultthat: 1) Manajercanchoosethe level ofmarketriskthey face, bycombining themarketbetabullishandbearishmarket betaanddown-market beta in its analysis(Chang andLewellen, 1984;KonandJen, 1979); 2).

Positive strategy selection(positivescreening) producesa betterfinancialperformancethan thenegative selectionstrategy(negativescreening)inaportfolioconsistingofcompanies thathavegood performanceandbadinsomeESGissues(environmental, socialandgovernance) inparticular(Kempf andOsthoff, 2007).Islamic mutual fundswiththe principlewakalahwhereMIisthe representativeinvestoris requiredto implementan optimalmanagement activitiesanddoes notdeviatefromthe values ofshariaand are guided bythe precautionary principle(prudential principle), thecash flow managementbecomes crucial. Good cashflow managementbyMIensure smoothinvestors topurchase(subscription) andsale(redemption) Islamic mutual fundsowned. Performance of mutual fundsdo notjust look atthe level of returngeneratedinvestmentmanager, butalsobe aware ofother factorssuch as thelevelof risk(Reilly and Brown, 2012). In order tobuildaninvestmentportfoliothatwillprovidereturnsconsistentwiththe risk ofthe portfolio.

Management of acompany, whetherprofitorientedor not, willalways befaced with thedecisionforthe future. Both the poordecisions madedependentanddeterminedbythe information usedisthe abilityof managementtoanalyzeandinterpret. According toReillyand Brown(2012), the futureperformance ofthe companyisanentitythat determineswhowilllendmoneyorinvest. Evaluatingthe performance ofMIinIslamic mutual fundsare alsoimportantbecausethe existing Islamicprinciplesinoperationmechanism, intimately linkedwiththe principles ofgood corporate governance(GCG). Sharia principlesis more emphasis ontheresults(profit sharing), sothere are nolosersin business(Effendi, 2009;130). AccordingAlfansi(2010: 35) stated the complexity offinancialproductsis relativelyhigh, thereforethe investorusesthe functionalattributesof productstoevaluatethe quality ofservicesfinancialservicefor selectedproducts. Islamic principlesinmuamalahthatrulesgoverning the relationshipbetween human beingsin acquiringanddevelopingproperty orIslamicrulesoneconomic activitiesundertakenby humans(Mardani, 2012:3). Then theoperating mechanismwakalah of Islamic mutual fundsin the form ofaconsentstatementandqabulmust bedeclaredbythe partiestodemonstratetheir willtoenter into a contract(contract) in exchange forbindingand may not becanceledbyanothersepihak.

This will build aninvestmentportfoliothatwill provide arate of return(return) consistentwiththe risk ofthe portfolio. OperatingsystembasedonwakalahIslamic mutual fundsandmudaraba, demandingrole ofmanagerialabilitiesMIon improvingthe performance ofIslamic mutual fundsintothe mostcrucialfactorinastudy. Incompatibilityempiricalevidenceofresearcharethings that need tobe studied, asopposed to thetheoryoractiveequityportfoliomanagementstrategiesso thatefforts to improveperformanceshould be observed. This studydevelopsa relationshipvariablesmanagerialabilitiesandperformanceof Islamic stocksandmutual fundsto fillthe researchgapSharpe(1966) andArugaslanetal(2008) found thatthe researchresultsare inconsistent with theperformance ofmutual fundsusing arisk adjustedperformance. Sharpe(1966) found thatthe performance ofmutual fundscan be evaluatedwitha modest sizebut theoreticallymeaningfulmeasure the averageriskandaverage return. WhileArugaslanetal(2008) found thatmutual fundshavethe highest averagereturnwillbenolonger of interest toinvestorswhentheanalysisof the levelof risk. The discoveryArugaslanetal(2008) in linewithIslamic mutual funds, where thefactorreturnis notthe mainthing. These investmentshavea nuancedconceptof spiritualinvestment, emphasisonrelationshipsof trust(fiduciary relations)andthe relationshipof prudence(prudential relations).

Researchof Ferrisetal(2012) found thatmanagersIslamic mutual fundshavelower performancethanconventionalmutual funds performance. This is becausethe abilitytopickstocks(stockselection) anddetermine the timeof investmentinthe market(market timing) areless precise. WhileArugaslanetal(2008) evaluated theperformanceofmutual fund sharesbyusingrisk-adjusted return withthe finding thatmutual fundsthathavethe highest averagereturnmaybenolonger of interest toinvestorswhentaking into accountthe level of riskinto theanalysis oftwo studiesusing the tooldifferentmeasuringtheperformance measurementreksadana. Based on the above description, themotivationof thisstudyisto reexaminethe effect ofmanagerialabilitiesinfluenceon the performance ofmutual fund sharesof sharia. This is due todisagreementonthe results ofthe studyas statedpreviously. With there-testthe variablesabove, is expected togivean overall pictureof the condition ofnyatadanprovides an overviewof options forinvestorsindeciding oninvestmentsinIslamic mutual funds. The reason for choosingthisfieldof observationobjectdue to itscontribution tothe net asset value is stillsmall, buthas agreat chance tobe developedin theIslamic capital marketinIndonesia.

II. LITERATURE REVIEW

Shariah Mutual Fund

Islamic mutual fundsarepresentedto the publicin an effortto facethe globalizationthat Muslimsfaced with thereality ofgrowth ina fast paced worldand sophisticated, includinginconsistencies inthe economicandfinancialproblems. Butfor theMoslemcommunity, Reviews thoseproductsareto be seenin depth, because it was developedfromconventionalfinancial servicesvalue-neutralandreligion(Riva etal. 2010:439). One of the productsbeingdeveloped at this timeinIndonesiaisoverseasmutual fundknown as the"Unit Trust" or"Mutual Fund".EachsomethinginmuamalahatauallShari'alawis concernedwiththe affairs ofthe worldwithregardto theactivities ofa person's lifesuch asbuying and selling,exchange, borrowingand soisallowedas long asnotcontrary to Islam. Godcommanded thepeoplewho believein order tofulfillthe contractthey do.The terms oftheenactmentinacontractarethe conditionsthatdeterminedthe Muslims, while notviolatingthe teachings ofconventionalIslam. Mutual fund containsmuamalahcontractallowedin Islam, namelybuying and sellingandfor the results(mudaraba). Therearemanybeneficiaries(something thatthe good), such aspromotingthe economy, mutualbenefitamong actors, to minimizethe riskinthe stock marketandso on. Butinit there are alsothings that arecontrary toIslamicprinciples, bothinterms ofthe contract, operations, investments, transactionsandprofit sharing. So thatsort ofmutual fundbusinessas long as itdoes notconflict withtheIslamicprinciple ofmutualsyariah. Mutual fund acceptableasshariaisthe demandsof economicdevelopmentthatwillcontinue toevolveandwillraise moneyfrompeoplewhocannotrdicegahtoinvestinmutual funds.

On theother hand, Muslimsshouldbe able tocompetein the economyin an effort toprepare forglobalizationthat is difficult toavoid. The presence ofIslamic mutual fundsis an attempttomake way forMuslimsto notmuamalah andeat up the propertyin a way thatvanity. In addition,Islamicmutual fundsprovide a meansfor Muslimstoparticipateinnational developmentthroughinvestmentlawsesuaidenganIslam.Akadbetween investors andinstitutionsshould bedonewithsisternmudaraba/Qiradhwhohaveagreedshouldbe done inthefourschools ofIslamicjurisprudenceof Islam(Rival etal.2010: 442).Investorsinmutual fundswith thecompanyin the formof Shariahcontractbetween investors andinstitutionswhichshould bedonewiththe systemmudaraba. Technically, mudarabais abusiness cooperationcontractbetweentwopartieswherethe first partyprovides theentirecapital, whileothersbecamemanager.

Mudarababusiness profitsaredividedaccording to theagreement set forthin the contract, whereasif the loss, borneby theowners of capitallossis not due tonegligenceinthe management. Ifthe loss wascaused byfraudornegligence ofthe manager, themanagershouldbe responsiblefor the losses.Interms ofbuying and selling, sharesinIslamic mutual fundscanbe traded. The sharesinmutual fundsis atreasuresharia(malls) areallowedtobe tradedin Islam. The absenceof fraud(gharar) in astocktransactionbecausethe value of sharesis clear.The stock priceis formedby thelawof supply and demand. Allissued sharesof mutual fundsrecordedin the administrationneatandmentionmust be madewitha clearprice. Severalcriteriahave been developedbysomeof ShariahboardorShariahinstitutionsin theworldofbusiness activitybothqualitativeaspects(filtering based on thecorebusinessactivity) andquantitativeaspects(filtering basedonfinancial factors), among others,according tothe ShariahAdvisoryMalaysianCouncil(SAC), the DowJones IslamicMarket Index(Djimi), TheInternationalInvestorFinancial TimesStockExchange(FTSE-TII), MeesanIslamicFund (MIF) and theNational ShariaCouncil(DSN).

Portfolio Management : Portfolio managementisa process conductedbyinvestorsmanage moneythatis invested ina portfoliothat ismade(Jones, 2003:558). Portfolio managementis seenas asystematicprocessdynamic. Because theportfolio managementis seenasa process, it can beappliedtoanyinvestorormanager. Firstlookat thegoals, limitationsandpreferencesaredeterminedbyinvestors, bothshort term andlong term. Thenset the policyandstrategyformation ofthe secondphase ofthe portfolioconsideringeconomic, social, politicalandsectororindustry. The thirdstage ofimplementingthe strategyin atacticalimplementationin the form oftacticalassetallocationandportfoliooptimizationin the form ofa combination ofrisk and returnthat meetinvestorobjectives. Lastorfourthstageisportfoliomonitoringandrespondingto changes ininputsof investorsandthe market, evaluatethe performance ofthe portfolioto ensurethe goalsof investorsstillfulfilled. According to the policiesandstrategiesare madeand theexpectations ofthe capital market, thenactionThe nextisthe execution ofthe portfolio.Furtherfeedbackportfolio performanceis partof theportfolio managementtomaintainoptimumperformance ofthe portfolio. The portfolioshouldbe balanced(rebalancing) withmarketconditionsandinvestorenvironmentchanging. Rebalancingis an activitytochange theassetallocationorthe composition of thesecuritieswith the aim ofmaintainingthe performance ofthe portfolioremainsoptimal. Portfolio managementbeginswithdeterminingtheinvestmentobjectivesof investorsare more focused onthe achievement ofa combination ofrisk and returnof the bestfrom the standpoint ofinvestors. This combinationindicatesthe balance(trade-off) between thereturnsrequiredto be accepted byinvestorswiththe level ofrisk tolerancethat must be faced(risk tolerance).

The trade-offbetweenexpected returnandrisktolerance, thiswill be differentforindividualinvestorswithinstitutional investors. There aresignificantdifferencesbetweenindividualinvestorswithinstitutional investors. These differenceswillaffecttheirportfoliostrategy. Therefore, understanding thebehavior ofthe twogroups ofinvestors are quiteimportantin determiningtargetstwo groupsof investorstersebut. Investmentreturnandrisk ofindividualinvestorsisdeterminedbythe purposeandlimitsofeachprivateinvestors, areforinstitutional investors, theirportfoliopolicydeterminedby taking into accountthe objectives to beachieved, the generalrisktoleranceofinvestorsthey represent, restrictionsandrulesof general application,andaremorelong term. Institutional investorscanvary,such asmutual fundscompanies, pensionfunds, endowmentfunds, lifeinsurancecompanies, non-life insurancecompanies, andbanks. Differencesrequiredreturnandrisktoleranceamongindividualinvestorswith a variety ofinstitutional investors. The trade-offexpected returnandriskfaced byinvestorsispositively related, namelyhigher-higher returnsand lowerrisk-return lowerrisk. While theinvestmentrisk preferencesof investorsthroughout the life cyclewill bedeterminedbyageandincome level.

Portfolio Performance ; Cashhas theopportunity costifthe formof cash, investorsmayforego the opportunitytoget arefundit. Furthermore, thestate ofinflation, the purchasing powerof moneyis reduced, with ahigh rate of inflationbroughtrelativelyrapiddeclineinpurchasing power(Joneset.al., 2009). As happenedin the early 1980sin theUSA andinthe late 1990sinIndonesia. In theinvestmentis veryimportantto distinguishbetween theexpected return ofthereturnanticipatedforsomefuture periodandRealizedreturn. Investorsinvestfor the future(to getthe expected return) butwhen theinvestmentperiodends, they get thegain realized. Thisis the coreofthe investmentprocess, investorsshouldalways considerthe risksinvolvedin theinvestment. Appropriate statementthatinvestors seek tomaximizetheirinvestment returnsandare subject torisks covered. Therefore, should be consideredthe othersideofthe return, which is arisk. Investorswant areturnas possible.Riskis definedhereas theuncertainty aboutthe actualreturnsto be gainedfromaninvestment. Markowitzinvestmentstudiessignificantlyalterthemeasureof riskas astatisticalmeasure, the varianceorstandarddeviation. This allowsustomeasure therisk ofvariousassetsandcomparingthemrisk-averse investors.It's easytosaythatinvestors do notlike risk, butrather,weshouldsaythat therisk-averse investors. An investoravoidrisk will notrun the risk ofsimplyfor its own sake, and willnotgive rise toa certainlevelunlessthere isadequatecompensationexpectationsbecausehehasmelakukannya.Investorat riskby choosing(implicitly or explicitly) the amountof risktheyare willingtoincur, namely, theydecidetheirrisktolerance. Someinvestorschoosetoincura highlevel of riskin the hope ofhigher returns(Jones, 2009). Variousinvestorbehaviortowardsthe viewof risk and returnassociatedwitheachtype ofinvestment will beinvestment instrumentswill be selected(Gitman andJoehnk, 2008). The logical conclusionof investorsseek tomaximizeprofitsonrisktoleranceconstraintsandother obstaclesthatmay apply(eg, taxes).

Risk andreturnbersifattrade offex ante, whichmeans "before the fact': That is, before theactualinvestmentis made, investors expecthigher returnsfromassetsthathave a high risk. Ex postmeans"after the fact" orwhen it is knownwhat hadhappened. For acertain period, such as a monthorayearorevenseveralyears, the trade-offcanturn intoa flatorevennegative. Risk inIslamicperspectiveis confirmedonthe uncertaintyregardingsomethinginthe future. Man can notknowwith certaintywhat will beearnedorto beearnedtomorrow. This means thatinfutureconditionsencounteredlater, wouldoccuruncertainty. Although nouncertainty, but humansare requiredtokeep trying.Financialmanagementapproachalsorecognizesthis fact, whichwhenfaced withuncertainty, investors are tryingto speculate, predictorunderstand the futurewithinformation. The existence ofhighlyrelevantinformationtoassessthe future, thatcantranslateintoarisiko. Uncertainty, shouldalso be recognizedthat theavailableinformationis nevercomplete(in the exactcondition) orat least inriskyconditions. Thereforeriskscan only be estimatedand can not becalculated precisely. Rationaldecision-makingmaynotbe realizedwhenthere is noinformationorclueat allabout the futureorsayunder conditions of uncertainty.

Stock Mutual Fund Performance : Investmentsinequity fundsin termsofShari'ahactiveportfoliomanagement theoryis astock portfoliostrategyimplicationsthatare generallycarried outinan activestrategywherethe investorinthis caseShariahmutual fundinvestmentmanagerswho have madecontractwith theowners of capitalwiththe principle ofmudarabaoragreementbetweenfundersandemployers(investment managers) toactivelyanalyzeandchoose thebeststocksandsharesincluded in the portfolio, so thatinvestorscangainthe benefitsof risk reductionwithoutreducingreturns. In addition, investorscanalsoactivelybuyingundervaluedstocksandsellingovervaluedstocks, toobtain capital gains(Bodie et al, 2005). Roleforactiveportfoliomanagement theorythathas become theattraction of investorsthat can not beignored. Activeportfolio managementis alwaysconcentrated ona smallnumber of sharesknown asstock optionsorstockselection andmake changes toexitorenterthediversifiedportfolioapproachknown asmarketconditionsormarket timing. Therefore, the investmentmanager's jobis notaccuratelypredictreturnsbutpredictedaccuratelythanthe market return. The selection ofportfolioassetsafterthe strategychosen, inthis caseknowledgestock selection, especially foractiveportfoliostrategyinthisstageinvestmentmanagerseeksto forman efficientportfoliothatwillprovidea highrate of returnona certainlevel of riskorlowriskwitha certainrate of return.

Measurementofthe performance ofthe portfolioandthe risk iscalculatedandcompared toa benchmark. The selection ofthe benchmarkmust becareful. The resultsobtained were comparedwith thebenchmarkso thatit appears thatthe investmentmanagersoutperformorunderperform.Fama(1970), classifyformefficient marketintothreeEfficient Markethypothesis(EMH), namely (1) WeakHypothesisform, meansallinformationinthe past(historical)will be reflected inthe prices establishednow. The implicationisthatinvestors will not beable topredictthe value ofthe stock marketin the futureby usinghistorical data, as is doneintechnical analysis, (2) Semi-strong formhypothesis, meaningthatthe marketpriceis formednowhas reflectedthe historicalinformationpluswithall theinformationthatpublished, orinresponse tothe informationabsorbedquicklybythe market, notthe normalreturnis prolonged, (3) Strongformhypothesis, meaningthatstock market priceshave nowformedreflectshistoricalinformationplusallthe informationpublishedcoupledwithinformationthat is notinpublish, sodo notakanadaan investorwillearnabnormalreturns.

If theEfficient Markethypothesisoccurs, theninvestorarguesthatrather thaninvestinginan actively managedmutual fundwiththe costorfeeis expensive, it isas good as hisinvestors tobuy and holdstrategyanduse the indexfund. Butas investorshavediversecharacteristicsandlevels ofrisk aversiondifferent, then theportfolio managementinan efficientmarketis stillinneed. Bodieet.al(2005) stated that the roleofthe Investment Managerin theefficient marketistoestablishaportfoliothat meetsall thecriteriaofinvestorstobeatthe performanceofmutual fundspasar.Pengukurandone usingrisk adjustedperformance. Severalapproachesofrisk adjustedperformanceamong otherusesindexesSharpe, Treynorindex, JensenIndexAlphaandAppraisalratio (Jones, 2003) whichmeasures the(alpha) in conjunctionwith theunsystematic risk, this ratiotends to be usedtomeasurethe performance ofmutual fundsmanagedbyan investmentmanagerwithactive management. This ratiomeasures theabnormal returnperunitofriskmarket. ReillyandBrown(2012). Fourmeasures of performancethat combinesequityportfolioriskandperformancebacktoa single valuethat isTreynorPortfolioPerformanceMeasure, SharpePortfolioPerformanceMeasure, JensenPortfolioPerformanceMeasureandTheInformationRatioPerformanceMeasure.

Treynor(1966) developed thefirstcomposite measurethe performance ofa portfoliothat includesrisk. Treynor(1966) promotedthe twocomponents ofriskis the riskgeneratedbymarketfluctuationsin general, anduniqueriskdue tofluctuationsin portfolio securities. Toidentifyrisk due tomarketfluctuations, Treynor(1966) introduced thecharacteristicline, whichdefines the relationshipbetween thebacktomanagedportfoliosandportfoliospasar. The slope of thislineisthe portfoliobetacoefficients. Ahighslope(beta) portfoliocharacteristicsaremoresensitiveto market returnandhavegreatermarketrisk. Deviationofthe lineindicatesthe characteristicsuniquetothe componentreturnrelative to themarketportfolio. In afullydiversifiedportfolio, uniqueriskcan be eliminated. There is acorrelationwiththe marketportfolioincreasesareuniqueriskreductiondandiversifikasiimproved. WilliamSharp, known as rewardtovariabilityratio (RVAR) developSharpePortfolioPerformanceMeasure. Jones(2002) arguesthat"Sharpe's measure ofportfolioperformancecalculatedastheratioofthe portfolioExcesreturntostandard deviation". Sharpesizeiscalculatedby dividing therisk premiumreturnonaportfoliowith astandarddeviation. Riskpremiumisthe excess returnofthe portfolio, while thestandarddeviationofportofoIiomaupakanthetotalrisk. Thus thesizeSharpe's measureof risk premiumreturnobtainedforeachunit oftotal riskandstated asa composite measuretoevaluatethe performance ofmutual funds. Measuringfollowedearlier workon thecapitalasset pricingmodel (CAPM), particularly with respect toCapitalMarketLine(Reilly, 2002;Sharpe1966).

Performance measurementis clearlysimilar to theTreynormeasure, buttryingtomeasure thetotal portfolioriskusing the standarddeviationofreturnsrather thanjustconsidering thesystematicriskorbeta. Since thenumeratoris theportfolio's risk premium, this measureshows thereturn ofthe risk premiumearned perunit oftotal risk. Thus, thismeasureportfolio performanceusing theCapitalMarketLine(CML) tocompare theportfolio, while the sizeof Treynorcheckportfolio performancein relation to theSML. Finally, the standarddeviationcan be calculatedusing either(1) returnthe totalportfolioorportfolio returns(2) whichexceeds therisk-free rate.Jensen(1968) developed theJensenPortfolioPerformanceMeasuresThatwas originally basedon thecapitalasset pricingmodel (CAPM), whichcalculatesthe expectedreturnof theperiodinanysecuritiesorportfolios. Expected returnandrisk-freereturnsvaryfordifferent periods. Jensen(1968) DifferentialformulateReturnMeasurethemeasurementbasisofthe concept ofCapital Asset Pricing Model(CAPM). The differenceiscalled therate ofprofit ratedifferentialgain(differential return) andexpressedwithalpha. ThentheInformationRatioPerformanceMeasureclosely related tothe statistics presentedarewidely usedmeasure ofthe performance ofthe fouris the ratioof information. This statisticmeasures theaveragereturn onthe portfoliois morethan thatof acomparisonorbenchmarkportfoliodivided by the standarddeviationofexcess returns.

III. MANAGERIAL ABILITIES

Evaluation ofthe performance/capabilityinvestmentmanagerisa very interesting topicforpractitionersandacademics. Forpractitioners, these evaluationsprovideusefulassistancefor theefficientallocation ofinvestment fundsamongmanagers. Foracademics, significantevidence ofthe superiorforecastingskillswouldviolate theefficientmarkethypothesis. According tothe concept ofportfolio performanceis dividedintotwodimensions, namelythe ability ofthe portfoliomanagerorsecurities analysistoimproveportfolio returnthroughprecise predictionsaboutthe price ofsecuritiesin thefutureandthe abilitytominimizethe risk ofthe portfoliomanager(through efficientdiversification) arising fromportfolioholdings(Jensen, 1968). Meanwhile,according to research byFama(1972) statedthat theperformance of investment managerscan be dividedintotwo, that StockSelectionSkillandMarketTimingAbility. Stockselectionis theinvestmentmanager's ability tochoosetoform aportfolioof assetsthatare expected toprovidethe expected returnin thefuture. Moreinvestmentmanagersoftenrelypemilihansahamabilitytoobtainabnormalreturns(superior). Selectionis basedona forecastspecialeventsof companyandindividualsecurity prices(Kon, 1983).Markettimingisan investmentmanager's ability totakethe right policytobuyorsellsecurities toform aportfolio ofassetsat the right time. Market timingactivityrelated toforecastfuturerealizationofthe marketportfolio. If theinvestmentmanagersbelievecanproducebetterthanthe averageestimate ofthe market return, the managerwilladjusttheir portfoliorisk levelsin anticipation ofchanges inthe market(Kon, 1983).Calculatingstockselection andmarket timingcanbe useda modelofTreynor-Mazuy (1966) whichstates that when thevalue of(a) orpositivealphameans that there isthe abilityselectivityandwhenthe value of(c) orpositivemarket timingmeans that there ismarket timingability, It isindicatesthatmutualfund managersgenerategreaterthanmarketreturnsexcess. According toBhattacharya, et.al.(1986) that thequadraticregression modelisameasurementvalid from market timingandperformance measurementcanbe usedmanagement tothe qualityof thetiminginformationanddetectthe existence of selectivityinformation. Formusedin2models. The second methodproposedbyHenrikssonandMerton(1981). Bothstatedthat thebetaportfoliohas onlytwomajorthat valueifthe marketis predicted to bestrengthenedanda smallvalueifsebaliknya.Henriksson(1981) estimatethisequationto116mutual fundsduringthe period1968 to1980 andshowslittleevidence ofmarkettimingability.

Perhapsthis should bepredictedbythe amount ofvaluethatwouldbe obtainedbydeterminingthetimesukses.Berfokusmarketreturnsadjusted forrisk, practitionersoftenjustwantto knowwhatthe decisionwill result insuperior or inferiorperformance.Superiorinvestment performancedependsonthe abilityto selectsecuritiesthatgoodat the right time. The ability ofmarkettimingandsecurity selectionasitcan be expressedin generalasthestocksecuritiesorfixed income securitieswhenthe stock marketis performing well. It can bedefinedina moredetailedlevel, such asselect stocksperformedrelativelybetterin an industry.Investorcandeterminethe exacttimethe marketandshiftfundsintomutual fundsin the periodwhenthe marketwill rise, then theSecurityCharacteristicLine(SCL). Ifreinforcementorlethargypredictablemarket, investorswillshiftmore money intothe marketwhenthe marketwill bestrengthened. BetaportfolioandtiltSCLwillbe higherwhenthe market returnis higher.

Relationship of Managerial Abilities with Shariah Stock Mutual Fund Performance : In themutual fund industry, investmentmanagersplay an important rolein managing theportfoliosecuritiesofthemutual fundclientswhoare usedtothecustomeror to makeeffectiveportfoliomanagementforthegroup ofcustomerswhoinvestinmutual funds, but does notincludeinsurancecompaniesandpension funds.The depthandaccuracy ofthe investmentmanagerto conduct market researchwhen compared tomutual fundsmanaged byother companiesplay an important rolein the success ofmanagingmutual funds(Faith, 2008). Investmentmanagersin conductingtheir operations tothe management ofcustomer fundswillgetpaymentin the formof amanagementfeeto thefundof funds bycustomers. The fundwill eventually beinvested invarioussecuritiesportfoliosknown asmutual funds. Activeportfoliomanagementwithan electionon the stockby enteringstocksthat providea high return, andissuedsharesgivinglosseson the portfolioso asto geta betterrate of returnthanthe market, it isreferred tothe abilityof the stockselection.

While themanager's ability tochoose the right timetomake the purchaseandsale of sharesofa mutual fundportfoliois calledmarket timingability(Bodie et.al, 2005).Of thevariousexplanationsthatwecanstriveto concludethat themutual fund industryis an industrybreakthroughtofacilitatepublicaccesstothecapital marketsandhelpinvestorstoacquirethe objectof performancein accordancewiththe desiredinvestment. Bodie, etal. (2005), suggests thatactiveportfoliomanagerstrytoestablisha portfolio ofriskyassetsthatwillmaximizethe ratio ofyieldtoits variability. Oneof the mostwidely usedmodelsinfinancialliteraturetomeasurethe ability ofstock pickingandmarket timingofmutual fundmanagersareproposed modelTreynorandMazuy(1966). The existence ofa convexrelationshipbetween returnformutual fundsandreturnto themarket, whichmeansthatmanagersincreasemarketexposure(marketexposure)orthe specificriskin the event ofan increaseinmarketreturns, andvice versawillbe donewhenthere is a decreasein themarket return. Inspecifyinvestormust make sure thattheportfoliois relevant, feasibleandknown in advance, which means thatthe portfolioshoulddemonstratea portfolio ofpossible alternativesshould be selectedas theinvestmentportfoliowillbe evaluatedit openitself(Bodie, et.al, 2005). KonandJen(1979) developamethodologytoevaluatethe selectivity oftimingandthe efficiencyofthe mutual fundmarket. Theyproposean alternativeapproachtomergingtimecapabilitiesintothe traditionalmodel ofa singleindex. KempfandOsthoff(2007) found thatpositiveselection strategies(positivescreening) resulted ina betterfinancialperformancethan thenegative selectionstrategy(negativescreening), in whichthe findings wereobtainedfromaportfolio ofcompanies thathave agoodand abadachievementinsomeissuesESG(environmental, socialandgovernance) andnotobtainedfroma particularsample offundssocialResponsible InvestmentorSRImutual funds.

Empirical Studies : Ferrusetal. (2012) showedthatreligiousmutual fundhas anegativefinancialperformance, andits performance islower(underperform) thanthe market. Whiletheconventionalmutual fundmanagerhas aperformanceequaltotheirmarketbenchmarks. This findingremainedconsistentwhencontrollingcoefficientthat variesover time(time varying) withconditionalperformance modelmultifactorial. Formarket timingabilityandstock picking, using traditionaltimingmodelswecanverifythat theconventionalmutual fundmanagerand thereligiousareequallyincapable ofdoingmarket timing. Butreligiousmutual fundshavea negativestock pickingabilitywhileconventionalmutual fundmanagerhas anon-significant coefficientalpha. Thereligiousmutual fundmanagerscan not dotimingagainstall forces or factorswerestudied. However,the conventionalmutual fundmanagercanperformtimingof thesizefactorandfactoragainst thebookvalue ofthe marketvalue. In addition, the timingmultifactorialmodelusedhere, the conventionalmutual fundmanageralsohas anegativestock pickingabilityalthoughstillbetterthanreligiousfunds. Fromall ofthe above findings, weinterpretthat thenegativefinancialperformanceofthemutual fundmanagerreligiousisbecause the ability ofthenegativestock picking. Negativestock pickingabilitythatthis could bedue tothe SRstrategythatis usuallyappliedreligiousmutual funds, namelythe rejection of theshares of"sinful". Thereforestocks"innocent" cangenerateattractive risk-adjustedreturnthatis positiveandabnormal. Empiricalfindingsshowthatmutual fundsdo nothave agood performancewhen comparedwith thefinancialindices. This findingbecomesamotivationtoinvestigatethe possibilitythat themeasurementof the performance ofmutual fundsmaynotberestricted tofinancial indicators, but also shouldinclude factorsof non-financial. This studyintendstoexplorethe impactof these factorson the performanceof non-financial mutual funds. Aside fromresearching thefinancialparameters, this studyalsoanalyzes theinvestment decisions usinga different perspectiveora non-financial factorsthatincentivecontracts, pastperformance, mutual fundattributes(size, type, destinationandcategory, cost of sales), the characteristics ofthe mutual fundmanager(professional certification, seniority, experiencerelevantmarket) willaffectthe performanceofmutual funds.

Usuallyevaluate the performance ofmutual fundsis done byusingthe theory ofCapital Asset Pricing Model(CAPM), which usesindicatorsofTreynor(1966), Sharpe(1966) andJensen(1968), orusing the modelsdevelopedBlakeet.al(1993,andBlumeandFriend(1973) to comparebetweenfundswiththe benchmarkportfolioanddeterminehowthe performance ofmutual funds(eg Treynoret al, 1966;Jensen, 1968;LeeandRahman, 1990, 1991; Fabozziet al, 1979;;Danielet.al1997). However,the financialperformanceofamutual fundis not the onlyindicatorthat isconsidered by theinstitutionalinvestmentmanagerstomeasurethe performanceofmutual funds, andthe performance ofmutual fundsis alsobecomingan importantreferencefor investorsinmakinginvestmentdecisions. By makingthe selection based onpreferencepersonalandcompanyinformationonmutual funds, investors canincrease the utilityandperformanceoftheirinvestment. soagood performanceevaluationof thefundmustpay attention tothe attributesandcharacteristicsofmutual fundsas a referencein determiningthe performance ofmutual fundsandfairness ofthe contract. This study used asizeMsquaredevaluate the performanceof internationalmutual fundsusingdomesticandinternationalbenchmarkindex. Researchers foundthatmutual fundshavethe highest averagereturnmaybenolonger of interest toinvestorswhenthe levelof riskthat is inmutual fundswascalculated(factored into) into theanalysis. In contrast, somemutual fundshavereturnunadjustedstandard, it willbeveryinterestingwhentheyarelowriskwasfactored/calculated intheirperformance.Afterlooking atprevious studiesandthe development ofliterature, this study willdevelopearlier studiesusingmore recent dataanddifferentsamplesizesis to analyzethe influence ofmanagerialabilitieson the performanceof Shariahequity fundsinIndonesia, with the aimtodevelopfurtherempiricalevidencethat has beenobtainedby earlier studiesinfinancialliterature.

IV. RESEARCH METHODS

Research Design : In accordancewith thetitle of the study, namelyManagerialAbilitiesandMutual FundPerformanceSharesSharia, thenthis kind of researchisbased on theproblem, this kind of researchisexplanatory research(explanatory research) that aims to providean explanation ofthe relationship(causality) between variablesthrough hypothesis testing. Furthermore, based onthe legality ofthe data, theresearch isex-postPacto, becausethe source ofthe dataderivedfromthe publicationof datafrom the companiesofthe objectof researchandusedas is withoutanyengineeringdata.Then based ona quantitativeapproach, this research is alsocalledtheconfirmatorystudyfocusedonconfirmingthe theorytothe entry into forceonan objectof research(limited), bothforexplanation andpredictions.

Population and Sample : The population ofthis study are allcompanies included in theShariahMutual Fundsinthe Stock Exchangewhich includesmutual fundsMixedShariah, ShariahIndexMutual Fund, Mutual FundsFixed IncomeShariah, ShariahProtectedMutual Funds, StocksandMutual FundsShariah, with2009-2012. Observationyear periodcontainedinShariahMutualin 2012amounted to 51companies. Samples wereselectedin this studyisatype ofsamplingmethod, where thesampleswerechosenandselected based oncertainconsiderations(judgment sampling). Judgment samplinginvolvesthe selection of subjectswhoare inthe most favorableplaceorin the best positiontoprovidethe required information(Sekaran, 2003:137).

Thisresearchsampleunitisshariastockmutual fund companiesinIndonesia. Observationperiodthe company that madethe studysampletime span2009-2012. Chosenyear2009-2012wasthereasonspan offouryears from thecompanyeffectiveandsufficienttocarry outthe observationperiodin order toobtaina representativesample.

Data Collection : Based onthe datasource, thetype ofdata requiredinthisresearchisquantitative data. The quantitative datain the form ofsecondary data is datathat iscollected, processed, andpresentedbythe otherparty, in the form ofpublicationsinclude the financial statementsinIndonesianShariahequity fundsduring theyear2009-2012, the stockmutual fundprospectusShariah, the dataNet Asset Value(NAV)dailyon theopeningday ofwork, a samplelistof Shariahequity fundsactivein the periodJanuary 2009to December2012.Dataobtainedfromthe Islamic capitalmarketstatistics, financial statementsshariamutual fund sharestosubdivisionsMonitoringandAnalysisReportsInvestmentProductsDirectorateof Investment ManagementServices AuthorityFinance(FSA) DirectorateSyariah. For Stock MarketDatacollection techniques usedto obtainthe datadocumentationanddiscussion. Documentationisawaytoobtain datacompany documentsin connectionwiththis study isa wayto copyfilesshariaequity fundsanddownloadfinancial dataIslamicequity fundsrequired.

V. DATA ANALYSIS

Based onthe datasourcein the formof financial statementswill be groupedaccording togroupthe data necessaryforthe needsanalysis, then calculatedtoobtainthe datain accordancewiththe studyvariables. Data will beanalyzedin this studyis a combination ofseriesandcross sectiondata iscalleddata pooling. The process ofcalculating thedata isperformedbased on theformulationofeach variablepenelitian. Linearitytest assumption, is usedtodeterminewhetherthe modelwasappropriatein describingthe relationshipbetweenthe variables studiedsocategorizedintogood model. Inputforlinearitytestingisenteringindependent and dependent variablesare then processedwithSPSS. Said to belinearif theconclusionis smallersignificance levelof 5% (p <0.05).Testoutermodel (measurement model), usedtomeasure thereflectiveandformativeindicators. Formativeindicatorsin this studyareinmanagerialabilities, while the performance ofmutual fund sharesshariaisreflectiveindicators. Forformative indicatorsare basedon thesubstantivecontentby comparingthe magnitude ofrelative weightandsignificance ofthe size of theweight. While thereflectiveindicatoris basedonthe loadingfactor. Factorloading>0.70is highly recommended, however,the value ofthe loadingfactorfrom 0.50 to 0.60was consideredsufficient(Solimun, 2010:177) The modelin this studyis said tobe fitif supportedbyempirical data. Goodness ofFitInnerstructuralmodelinPLSformQ-Square predictivevaluerelevance(Q2) whichis calculatedbased on thevalueof R2eachdependent variableattributemutual fundsandequity fundsperformancesharia.

VI. RESULTS AND DISCUSSIONS

Managerial Abilities : ManagerialAbilities(MA) fromthe investmentmanager(MI) provideusefulassistancetotheefficientallocation ofinvestment fundsfor investors. Analysis ofmutual fundinvestmentsmade inequityportfoliomanagementstrategyenabled.This meansMIactively tryingto"beat the market" by forminga portfoliothat can produceactualreturns(actual return) exceeds theexpectedrisk-adjustedreturns(Reilly and Brown, 2012). The concept ofportfolio performanceis dividedintotwodimensions, namely(1) the ability ofthe portfoliomanagerorsecurities analysistoimproveportfolio returnthroughprecise predictionsaboutthe price ofsecuritiesin thefutureand(2) the abilitytominimizethe risk ofthe portfoliomanager(through efficientdiversification) arisingfromportfolioholdings(Jensen, 1968). TheFama(1972), in a studystatingthat theperformancecapabilityof investmentmanagerscan be divided intotwo, namely theability tostockselection andmarkettiming. Based on theoriesthat have beendescribedinthe previoussectionin this studyoperationalizedwithmarket timing(MT) andstockUnmatched(SS). Both ofthese indicatorsbecomethe determining factorsof thereasonswhycompaniesrequiretheirmanagerialcapabilities(managerial abilities) inMI.

The Influence of Managerial Abilities to Shariah Stock Mutual Fund Performance : Variablemanagerialabilities(MA) in this studywas measuredbytwoindicatorsthat areformative. Indicators ofmarket timing(MT) andstockselection (SS) form themanagerialabilitiesofthe investmentmanager(MI) in an attempt tomanage thefund. IndicatorsdominantformMAisstockselection (SS). This means thatmanagerialabilityormanagerialabilities(MA) ofMIshariaequity fundsseen inthe ability to selectstocksformingportofolio.Stockselection (SS) is adominantindicatorandfitas formingvariablemanagerialabilities(MA). The abilityto allocateandpredict theprice of the securitiesin order to increasethe portfolioabnormalreturns(superior) are able to createmanagerialabilitiesMI. Kon(1983) statedactivityStockSelection(SS) based on aforecast ofspecialeventscompanyandindividualsecurity prices. Furthermore,market timingindicator(MT) do notform avariableMA.

The possibilitythatoccursinIslamic stockmutual fundsthatMIwhohasordoes nothave the abilityto enterinto amarketdoes notspecifythe Supreme Courtto be good. Related to therealityofthisindicatorcan beinterpretedthatthatMIcan be saidnotto havemanagerial skillsforshort-term(four-year periodof observation), butforthe long termremains to be investigatedlagi.Bentukbasis oftimingthe market(market timing) activity involvesshiftingfundsbetweenmarketindexportfoliowithsafe assets(Bodie, 2011:862). Therefore,in addition tofocusingonreturnsadjusted forrisk, investorsoftenwantto knowwhatthe decisionwill result insuperior performance(abnormal) orinferior.

Investment performancesuperior or inferiorMIdependson the abilityto selectsecuritiesthatgoodat the right time. This is in linewithKon(1983) which statesthat theactivities ofmarket timing(MT) associatedwiththe realizationforecastfuture marketportfolio. IfMIsurecanproducebetterreturnsthanthe averageestimate ofthe market return, the managerwilladjusttheir portfoliorisk levelsin anticipation ofchangespasar.Markettiming(MT) isthe abilityto anticipatemarket changesMI, where ifthe marketwill decreasetheMIchange the composition oftheportfoliosecuritiesmanagedtolowervolatilityandvice versa. Thestockselection (SS) is aportfoliomanager's ability tochoose theappropriatesecurities(based on the forecast).Based on theresults ofthe researchhypothesis testtotestthe direct effect, it is concludedthat theeffect ofthe Supreme Courtof theKRispositiveand significant. The magnitude ofthe effect ofthe Supreme Courtof theKRcoefficientsarepositiveand significanthasgreatersignificanceMAformed by theStockSelection(SS), the greater thereturnthat supportKRandvice versa. This fact isconsistent with the findingsFerruzetal. (2012) which statesthat thenegativefinancialperformanceofthereligiousfundmanagersaredue tostock pickingabilities/negativeselection. BarnettandSolomon(2006) andLeeet al(2010) alsofoundthatthere is a relationshipbetween theintensityofselectionkurvilinearwithfinancialperformance. It is saidthat therelations between the twovariablesislinear.

ManagerialAbilities(MA) is an important factorwhenequity fundsinvestedby establishingshariaIslamic stockportfolio. ManagerialAbilities(MA) is a measure ofthe ability ofMIinanticipation of changes inthe market. Decliningmarket conditions, the managerchanged thecomposition ofits managementportfoliosecuritiestolowervolatilityandvice versa. AccordingRivaletal. (2010: 439) Islamic mutual fundsanIslamicfund productsdevelopedfromconventionalfinancial services. Thereforemeasurement capabilitiesformutual fund sharesMAbenchmarksshariadoneMAinconventionalmutual fundswithregardIslamicvalues. Rivaletal. (2010: 440), statingthe contract(agreement) between investors andinstitutionsshould bedonewiththe systemmudaraba/Qiradhthe agreedpermissiblein Islamby thefourschools ofIslamicjurisprudence.Shariaequity fundsonlyplace their funds inlisted companiesorthird-party publishersof investmentinstrumentsthatdo notmake effortsto the contrarywiththe halalprinciplesof shariaasusury, gambling, pornography, illicitliquor(alcohol), pigs, andentertainmentthat iscontrary toshariaandother-lain. The role andtasksas well asmanagerialabilities(MA) aninvestment manager(MI) onshariamutual fundbecomeswiderthanconventionalmutual fundinvestmentmanagerisa goodportfoliostrategyin order toproducereturnoptimalandoutperformcompared toothermutual funds, while ensuringinvestments madehalalprocess. Thus, the hypothesisof ManagerialAbilitiesimprove theperformance ofmutual fundsis insufficient evidence tobe accepted.

The results ofthe measurementmodel analysisshowedvariableManagerialAbilities(MA) significantlyshaped by theStockSelection(SS) andMutual FundPerformanceindicatorsSharesSharia(KR) is reflectedbythe Sharpe index, showingthe investmentmanager's ability topickthe right stock(SS) in the portfolio, is able toprovideyield(return) is highonthemanagedportfolio managementso as tocreatea goodprospectorhas avaluethat isattractiveinthe eyesinvestor.Hasilline with the findingsof thisstudyKempfandOsthoff(2007) isa strategyof positive selection(positivescreening) resulted infinancialperformancebetterthannegative selectionstrategy(negativescreening). Other findingsarein contrast to thefindingsof thisresearchisthe result ofresearchdariMunozet.al.(2012) which statesMIconventionalmutual fundsalsohave the ability tostockselectionthat isnegativealthoughstillbetterthanMIreligiousfunds.All ofthesefindings, it can be interpretedthat thenegativefinancialperformanceofthemutual fundreligiousMIisdue tostockselectionabilityis applied toreligiousfunds. Negativefinancial performancebecause of therefusal ofevena ban onusingshares"sinful" in thesecuritiesportfolioinequity fundsshariabecause it does notfitin accordancewith the rules ofsharia. Sharesoutside theDESorwho do notfollow the rulessyariah more lotnumberand variety, making it potentiallyattractive risk-adjustedgainreturnabnormalhavinga positiverelationship. Investment manager(MI) asvicesahibal-mal, withinvestorsasownedassets(Sahib al-mal/rabbal-mal) ortheinvestmentmanager(MI) asvicesahibal-mal withinvestmentastheuserswhohave the responsibilitythemanagement ofthe selectedportfolio.

MImust investas the concept of sharia amongother cause isclassified asgamblingorprohibitedtrade; do notapply the concept ofusury; purchaserisk-containing ghaharormasyir; notproducing, distributing, tradingandorprovidegoodsandorservices that areunlawfulbecauseof substanceandnot because ofhis substanceandorgoodsthat damage moraleand harmful. The limited number ofsecuritiesin theportfolioformingIslamic mutual fundshave difficultymakingtroubleMIriskdiversification.Based on these findings, the responsibilityMItobegin the process ofinvestmentorentering thecapitalmarketin accordancewithShariahprinciplespirinsipnot easy, easier toconductelectionsorSSstock(stockselection). SSis easier to dobecause ofstockoptionsthat will be establishedby theMIhas been determinedorlimited thatonlystocks that arein accordance withthe list ofIslamic securities(DES). ManagerialAbilitiesaffectthe performance ofmutual fund sharesis based ona modelof shariaTryenorMazuymeasurewhichisan absolutemeasureof performanceanddependsontwovariables: thereturn ofthe fund(return) andrisksensitivityvariability. The model isbased on theCapital Asset Pricing Model(CAPM) byportfoliotheoryproposed byMarkowitz. Based on theMarkowitz model, eachinvestoris assumed todiversifyits portfolioandselectingthe optimalportfolioon the basis ofpreferenceto returnandrisk. Althoughlimited bya number of assumptionsthatappearunrealistic, but theCAPMis a model thatisparsimony(simple) candescribeorpredict themarketrealitiesthat are complextodescribethe reality ofthe relationshipof returnandrisk.

RisksarecalculatedonaCAPMbetaisa measure of riskderivedfromthe relationshipbetween therate of return ona stockmarket returns. MIto diversifyportfolioriskas measured by thestandarddeviation ofreturns. Betais also theregressioncoefficientbetween thetwovariables, namely the excessrate ofprofitmarket portfolio(excess return tothe marketportfolio) and theexcess ofthe rate of profitof a share(the excess return ofstock). According toSharpeandAlexander(1997: 281), betais thevariancecovariancerelative tothe marketportfolio. In connectionwiththe role ofMI, thenif thereinforcementorpredictablemarketlethargy, MIwillshiftmore money intothe stock marketwhenthe marketrose. Betaportfolioandtiltsecuritycharacteristicline(SCL) willbe higherwhenthe market returnis higher. Positivebetavaluewouldindicate agoodmanagerialabilities.

VII. CONCLUSIONS

This study focused onthe influence ofManagerialAbilitiesagainstSharia StockMutual FundPerformanceinIndonesiaBased on the analysisanddiscussion, it can be concludedthat theManagerialAbilitiesdemonstrated successin the selection ofinvestmentmanagementstocksorstockselectionand theabilityto enter the marketormarket timing. The findingsof this studyindicatethe investmentmanager's ability topickthe right stocksin aportfoliocapable of deliveringhigh returnson portfolio managementare managed so thatpotentially createshariastockmutual fund performanceis good orhas avaluethat isattractiveinthe eyes ofShariaStocksMutualinvestor.KinerjaproxiedasSharpeindex, measuring therisk premiumreturnobtainedforeachunit oftotal riskandcan be expressedasa composite measuretoevaluatethe performance ofmutual funds. The findingsof this studyrevealedthat thevariableManagerialAbilitiescontribute to. Mutual FundPerformanceIslamic stock.

VIII. FUTURE RESEARCH DIRECTIONS

Basedon thefindings ofManagerialAbilitiesandMutual FundPerformanceSharesShariainIndonesia, itcan be arguedthatsome of therecommendationsstillneed to be developedandempiricallyexaminedthe effect ofother variables,for example: internalfinancial performanceof mutual funds, macroeconomic conditions, adequacyof fundsforoperationsagainstSharia StockMutual FundPerformanceforallkinds ofislamic mutual funds. This refers to theresults ofthe empiricalfindingsofCapon, et.al. (1996) statedthatthe investorsinmutual fundsinvest inusingamodel ofmulti-attribute andinsteaduse asimple modelthat issolely basedonrisk and return.

REFERENCES

[1] Abdullah, Daud, Vicary and Keon ,Chee.2010. ,*Islamic Finance : Why it Make Sense*. Marshall Cavendish. Singapore.

[2] Abdullah,Hassan, T., and Mohamad,. 2007. Investigation of Performance of Malaysian Islamic unit trust funds comparison with conventional unit trust funds. *Manajerial Finance*. Vol..33 , No.2.p. 142-53.

[3] Alfansi,Lizar, *Financial Services Marketing*,(2010), Salemba Empat Jakarta.

[5] Arugaslan, Onur.,Ed, Edwards , and Ajay,Samant. 2008. Risk- Adjusted Performance of International Mutual Funds. *Manajerial Finance.* Vol.34, No.1, p. 5-22

[6] Barnett, M., & Salomon, R.,M. 2006. Beyond dichotomy: The curvilinear relationship between social responsibility and financial performance. *Strategic Management Journa*l. Vol. 27, p. 1101–1122.

[8] Blake, C,R., E.Elton and M. Gruber, 1993. The Performance of Bond Mutrual Funds. *Journal of Business*. Vol.66,no.3, p.371-403

[9] Blume, M.E., and Friend, I. I973. A New Look at the Capital Asset Pricing Models. *Journal* of *Finance*. Vol.28, No.1, p. 19-33.

[10] Bodie, Zvi., Alex ,Kane.,Alan,J,Markus. 2011, *Investment and Portfolio Management*, Global Edition, Mc-Grow Hill, Singapore.

[11] Bodie, Zv., Alex ,Kane.,Alan,J,Markus. 2005. *Investment, 6th ed*. Mc-Grow Hill, New York.
[12] Capon,N., Fitzsimons,G.J., and Prince,R.A. 1996. An Individual Level Analysis of the Mutual Fund Investment Decision. *Journal of Financial services Research*. Vol.10, p 59-82,
[13] Capon,N., Fitzsimons,G.J., and Weingarten,R. 1994. Affluent Investors andMutual fund Purchases. *The International Journal bank of Marketing*. Vol.12, No.3, p.17-26.
[14] Carhart, M. M. 1997. On persistence in mutual fund performance. *Journal of Finance*. Vol. 52, p. 57–82.
[15] Chang, E.C., and Lewellen, W.G. 1984. Market timing and mutual fund investment performance. *Journal of Business*, Vol. 57, p. 57-72.
[16] Chen, C.R., Lee, C.F. rahman, S., and Chan,A. 1992. A Cross-sectional Analysis of Mutual Funds Market Timing and Security Selection Skill. *Journal of Business Finance & Accounting*. Vol. 19, p. 659-675
[17] Chen.H., N. Jegadeesh and R. Wermer. 2000. The Value of Active Mutual fund Management : An Examination of Stockholdings and traders of Fund Manajers. *Journal of Financial and Quantitative Analysis*. Vol. 35, p.343-368
[18] DanieI, K., Grinblatt, M. Titman. S., and Wemers, R. 1997. Measuring mutual fund performance with characteristic-based banchmarks. *Journal of Finance.* Vol.52, No.3, p.1035-1058.
[19] Departemen Agama RI, *Al Qur'an Al Karim dan Terjemahnya*, Toha Putra Semarang
[20] Droms, W.G., and Walker, D.A. 1994. Investment performance of international mutual funds. *Journal of Financial Research*. Vol. 17, p. 1-14.
[21] Effendi, Muhamad, Arief 2009. *Good Corporate Governance*, Salemba Empat Jakarta
[22] Elton, E. J., Gruber, M. J., and Blake, C. R. 1996. The persistence of risk-adjusted mutual fund performance. *Journal of business.* Vol.69,p. 33-157.
[23] Fabozzi, F., and Francis,J. 1979. Mutual fund systematic risk for bull and bear markets: An empirical investigation', *Journal of Finance. Vol.* 34, No.5, p.1243-1350
[24] Fama,E., (1972). Component of Investment Performance. *Journal of Finance*, Vol.27, 551-567
[25] Fama,E., and French,K., 1996. Multifactor Explanations of Asset Pricing Anomalies. *Journal of Financial Economics*, Vol.51,55 -84
[26] Ferrus, Luis.,Fernando, Munoz and Maria Vargas. 2012. Manajerial Ability : Evidence from Religious Mutual Fund Manajers. *Journal Bussines Ethics*, Vol.105, p. 503-517
[27] Grinblatt, M., and Titman, S. 1989. Mutual fund performance: An analysis of quarterly portfolio holdings. *Journal of Business.* Vol.62, p. 393-416.
[28] Grinblatt, M., and Titman, S. 1992. The persistence of mutual fund performance. *journal of Finance.* Vol.*47*, p.1977-1984.
[29] Hair,J.F.Jr., R.,E.,Anderson., R.L. Tatham and W.C. Black. 1898, *Multivariate Data Analysis with Readings*, Prentice-Hall International, Inc, New Jersey
[30] Henrikkson, R.D., and Merton, R.C. 1981. On market timing and investment performance II: statistical procedures for evaluating forecasting skills. *Journal of Business.* Vol. 54, p. 513-33.
[31] Huda, Nurul dan Mustafa, Edwin, Nasution. 2008. *Investasi Pada Pasar Modal* Syariah. Kencana Prenada Media Group, Jakarta
[32] Iman, Nofie. 2003. *Memulai Investasi Reksadana*, PT.Elex Media Komputindo Kelompok Gramedia- Jakarta.
[33] Isnawan, Ganjar. 2012. *Investasi Syariah*, Laskar Aksara, Ciapyung- Jakarta Timur.
[34] Jensen M.C. 1968. The performance of mutual funds in the period 1945-64. *Journal of Financ*e, Vol. 23, p. 389-416.
[35] Jones , Charles, P. 2003. *Investment : Analysis and Management*, 8th Edition, John Wiley and Sons Publishetr, New Jersey.
[36] Jones, Charles, P., Didharta, Utama., Budi, Frensidy., Irwan, , Ekaputra dan Rachman ,Untung, Budiman. 2009. *Investment, Analysis and Management (an Indonesian Adaptation)*, Wiley and Sons (Asia) Pte. Ltd Singapore.
[37] Kempf, A., &and Osthoff, P. 2007. The effect of socially responsible investing on portfolio performance. *European Financial Management*, Vol.13, No.5, p. 908–922.
[38] Kothari, S, P. and Warner, J, B. 2001, Evaluating mutual fund performance. *Journal of Finance*, Vol. 56, p. 1985-2010.
[39] Lee, D., Humphrey, J., Benson, K., & Ahn, J. 2010. Socially responsible investment fund performance: The impact of screening intensity. Jounal of *Accounting and Finance*, Vol.50, p. 351–370.
[40] Mardani. 2012. *Fiqih Ekonomi Syariah : Fiqh Muamalah*. Kencana Prenada Media Group. Jakarta
[41] Md Saad, N., Abd Majid, M.S., Kassim, S., Hamid, Z. and Mohd ,Yusof, R. 2010A Comparative Analysis of the Performance of Conventional and Islamic Unit Trust Companies in Malaysia. *International Journal of Manajerial Finance*, Vol. 6, No. 1, p. 24-47.
[42] Michaud, Richard,O. 1998. Is Value Multidimentional ? Implications for Style Management and Global Stock Selection. *Journal of Investing*, Vol.7, p.61-65
[43] Najmudin .2011. Manajemen Keuangan dan Aktualisasi Syar'iyyah Modern, CV Andi Offset Yogyakarta.
[44] Reilly, Frank k., and Keiith .C. Brown. 2002. *Investment Analysis & Portofolio Management*., 7th ed. Orlando : The Dryden Press,
[45] Renneboog, L., Ter Horst, J., and Zhang, C. 2008a. The Price of Ethics and Sstakeholder Ggovernance: The Performance of Socially Responsible Mutual Funds. *Journal of Corporate Finance*, Vol.14, p. 302–322.
[46] Rivai.Veithzal, Rinaldi. Firmansyah, Andria.Permata.Veithzal, dan Rizqullah 2010. *Islamic Financial Management Teori, Konsep, dan Aplikasi*. Ghalia Indonesia.
[47] Sekaran,U.2003. *Research Methods for Businees : A Skill Building Approach*, Fourth Edition. John Willey & Sons, Inc.USA
[48] Sharpe,Williem,F. 1966. Mutual fund performance, *Journal of Business*, Vol. 39, p. 119-38.
[49] Sharpe, Williem, F., Alexsander, Gordon J, and Bailey. 1997. *Investment*. New Jersey : Prentice Hall Inc.
[50] Siddiqi ,M. 2000 Islamic Mutual Fund : Equity Culture among Muslim Investor . Middle East 300.
[51] Solimun , 2011. *Analisis Multivariat Pemodelan Struktural Metode Partial Least Square- PLS.* Penerbit CV. Citra: Malang.
[52] Sunaryo T. 2007. *Manajemen Risiko Finansial*, Salemba Empat Jakarta.
[53] Treynor. J., Mazuy, K.1966. Can Mutual Funds Outguess the Market ? *Harvard Business review* . Vol.44, p.131- 136.
[54] Imam, Khaerul 2013. *Pasar Modal Syariah & Praktek Pasar Modal Syariah*, Pustaka Setia Bandung.
[55] Wiyono,Slamet. Dan Taufan, Maulamin. 2012. *Memahami Akuntansi Syariah di Indonesia*. Mitra Wacana Media.