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Comparison of Equity Fund Performance Managed by Domestic and Foreign Fund Managers in Indonesia during 2018 to 2020

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ABSTRACT*:* This study will analyze and compare the performance of equity funds managed by domestic and foreign fund managers in Indonesia by terms of Treynor index, market timing and stock selection ability during 2018-2020. The population of this study is all equity funds registered with the *Otoritas Jasa Keuangan (OJK)*-the Financial Services Authority in Indonesia. SampleDetermination of the sample using the purposive sampling method and resulted in a sample of 20 equity funds managed by domestic fund managers and 7 equity funds managed by foreign fund managers during the 2018-2020 period. Furthermore, the data samples were analyzed using the Mann-Whitney U test.The results of the study show that from the perspective of the Treynor Index, the equity funds managed by domestic fund managers outperformed those managed by foreign fund managers from 2018 to 2020. The stock selection and timing capabilities of stock funds managed by foreign investment managers are superior to those of equity funds managed by domestic fund managers. The practical importance of the results of this research for investors is to provide empirical evidence showing that there are differences in the performance of equity funds managed by fund managers in Indonesia and abroad. Fund managers are expected to be able to evaluate the performance of equity fund portfolios and improve their ability to choose the right timing and actions.

Keywords: performance, equity fund, foreign and domestic, fund managers

I. INTRODUCTION

The uncertainty that will arise in the future can be considered the importance of the investment from the beginning. The investment should also be adjusted according to one's financial situation and risk preferences. Diversity of current investment tools, including stocks, bonds, mutual funds, warrants, deposits, and other similar things. Each tool has risks that can arise, but these risks can be minimized through diversification. Diversification is the formation of investment portfolios by assigning various values to minimize potential risks (Bodie et al. 2014; Li et al., 2016).

However, when people try to diversify investment or cultivate their own investments, it may be difficult to choose tools, financial knowledge, limited funds, and inflexible time to monitor investment trends. Therefore, for those who want to start investing, the existence of mutual funds can be an alternative, or even the right choice. According to *Undang-Undang Pasar Modal* Number 8 Chapter IV 1995 – The Indonesia's market capital laws, a mutual fund is defined as a forum whose function is to collect funds from potential investors, which are then managed by fund managers and invested in a value portfolio. In short, mutual funds will provide five advantages, namely, management by professional fund managers, diversified investments, transparent information, strong liquidity, and affordable costs (Agus salim, 2017).

According to Kaur and Kaushik (2015), mutual funds are one of the profitable investment options in developing countries. Indonesia's mutual funds are divided into nine categories: equity funds, money market funds, bond funds, hedge funds, ETF mutual funds, index mutual funds, mutual fund securities, mutual funds and global funds (www.reksadana.ojk.go.id). Equity funds are one of the most popular mutual funds in Indonesia. Equity funds have the highest rates of return, but they are also risky. Therefore, investors who want long-term high returns can invest in equity funds (Pratomo,et al., 2009:24). From 2018 to 2019, the average annual composition ratio of equity funds was the highest compared to the other eight mutual funds. However, in 2020 which is the start of the Covid-19 pandemic in Indonesia, the average share of mutual funds fell to third, second only to the highest ranked protected mutual funds, followed by fixed income funds.

Table 1. Average Composition of Mutual Funds per Year

NO.	MUTUAL FUND TYPE	AVERAGE COMPOSITION OF MUTUAL FUNDS PER YEAR (IN %)		
		2018	2019	2020
1	PROTECTED MUTUAL FUND	26.48	27.44	29.33
2	EQUITY FUND	31.51	28.00	21.11
3	MUTUAL FUND ETF	2.10	2.60	2.65
4	FIXED INCOME MUTUAL FUND	21.85	21.54	23.56
5	GLOBAL MUTUAL FUND	0.11	0.89	1.84
6	INDEX MUTUAL FUND	0.88	1.14	1.55
7	MULTIPLE FUND	5.64	5.71	5.06
8	MONEY MARKET MUTUAL FUND	11.21	11.65	14.69
9	SUKUK-BASED MUTUAL FUND	0.22	0.19	0.22

Source: www.reksadana.ojk.go.id

According to Bintoro and Pramesti (2020) From 2019 to March 2020 Equity Funds experienced a drastic decline innet asset value(NAV) to below the Fixed Income Mutual Funds. This phenomenon is very interesting due to the only equity funds show negative performance while the other eight types on average shows positive performance. Based on data from the Financial Services Authority in February 2020, Equity Funds are in third position with a total NAV of 116,149,088,073,887.

Another factor leading to the decline in performance of equity funds is the unstable impact of changes in *Index Harga Saham Gabungan (IHSG)* – The Indonesia's Composite Index (Bintoro et al., 2020). *IHSG* is a benchmark for investors to estimate portfolio returns based on current capital market conditions. Applying the principle of portfolio diversification in equity funds can be achieved by evaluating the performance of mutual funds. The principle is to reduce the risk of loss and optimize returns for long-term investors, especially in equity funds with high returns and risks. The assessment of mutual fund performance after risk adjustment is the Sharpe, Treynor and Jensen indices. This research will focus on the use of the Treynor Index to evaluate the performance of mutual funds. The Treynor Index believes that market volatility plays a very important role in affecting returns (Kusuma, 2020).

Fund of investors will be managed by mutual fundmanagement companies called FundManagers. Indonesia's interest in mutual funds is growing, and fund managers are becoming more diversified. According to *Badan Pengawas Pasar Modal dan Lembaga Keuangan* Number V.A.3 in 2009, there are two types of securities companies that act as fund managersnamely securities companies that originated from fund managers in the national securities companies and fund manager securities companies originating from abroad which are established in Indonesia.The increasing diversity and number of fund managers in Indonesia has brought competition to the confidence of potential investors. When choosing a fund manager, investors consider a fund manager who can properly manage the fund and produce consistently good mutual fund performance products.

The study conducted bySuartawan et al., (2019) during 2016-2018 showed that according to the Treynor index, domestic equity funds performed better than foreign equity funds. Arian (2018) found that there is no difference in the performance of Sharpe, Treynor, and Jensen between local and foreign investment manager equityfunds in Indonesia when it comes to calculating returns. Utami and Artini (2018) also found that there is no significant difference between the equity funds of Indonesian domestic and foreign fund investment companies in terms of the performance of using the Sharp Index.

The success of fund managers in managing equity fund portfolios will be reflected in the net asset value (NAV) of their mutual fund products. The net asset value (NAV) is the value of the rights of the participants in a mutual fund. Fund managers use their careful research and experience to professionally manage mutual funds. According to Fama (in Triyonowati et al., 2016), the forecasting ability of fund managers can be divided into two parts, namely selective ability or stock selection ability and market timing ability.

According to Ramayanti et al. (2018), the selective ability is called micro-prediction, which involves identifying the equal mutual funds that are considered undervalued or overvalued. Market timing ability as a macro forecast involves estimating future market returns. Investment managers, such as mutual fund managers, need to be able to appropriately share their concerns about stock selection and market timing and implement them consistently to get the best value from their stock portfolio.

Billady Research (2017) shows that, compared with mutual funds managed by foreign fund managers, mutual funds managed by local fund managers have better market opportunities and stock selection capabilities, although only a small portion of them have a significant impact on those that produce better returns ability. Utami and Artini (2018) conducted a comparative study on Indonesia's domestic and foreign investment company equity funds during the 2014-2016 research period. The results show that the synchronization of the company's equity fund market is faster than that of the foreign company equity fund market due tofund managers have more complete information about domestic investment companies, so they can make correct buying and selling decisions compared with fund managers' investments in foreign companies. At the same time, stock selection of domestic investment company equity funds is better than that of overseas investment company equity funds because fund managers invest in companies in China. According to Suartawan et al, (2019), mutual funds of foreign companies have better market synchronization capabilities than mutual funds of domestic companies. The stock selection ability of domestic investment company equity funds is better than that of foreign company equity funds.

Based on this phenomenon of diversification, domestic and foreign fund managers have also received support from some previous research results related to the performance of equity funds as well as the ability to synchronize the market and stock selection with different results. The differences in this research create an interesting research gap to study. During the 2018-2020 study period in Indonesia, there is little urgency to conduct research on the performance of stock mutual funds managed by domestic and foreign fund managers based on the Treynor index, market timing and stock selection ability. In addition, this study is a comparative study that will compare the performance of equity funds managed by Indonesian domestic fund managers and foreign fund managers.

II. CONCEPT AND THEORY BASIS

Portfolio Theory

Portfolio theory was first developed by Harry Markowitz in 1952 (1952: 7791) by introducing the concepts of return and risk. The basis of the Markowitz portfolio model is to provide investors with risk-avoided inputs and provide a minimum return for each investment decision (Fahmi, 2015).

Markowitz's portfolio theory is also known as the average variance model, which emphasizes efforts to maximize (average) return expectations and minimize uncertainty when selecting and compiling a portfolio (Mustakawarman, 2016). The portfolio theory is related and will be used to analyze the performance of equity funds, instead of Markowitz's portfolio theory which emphasizes that the government builds an investment portfolio with intentions and purposes, but the general main goal is to diversify risks and reduce Risk investors facing (Handini et al, 2020: 130)

Mutual funds

Mutual funds have been widely known in Indonesia since 1995 and have developed rapidly as an investment mechanism since 1996. Mutual funds are expected to enable wider social investment Capital Markets (www.bareksa.com uploaded by Arief Budiman on January 11, 2019).

With reference to Article 1 Paragraph 27 of the Capital Market Act No. 8 of 1995, mutual funds are defined as forums used to collect funds from the investment community for fund managers to invest in value portfolios. According to the data obtained from the website of *Otoritas Jasa Keuangan(OJK),* there are 9 (nine) types of mutual funds, including:

1. Money Market Fund
2. Fixed Income Mutual Fund
3. Mixed Fund
4. Equity Fund
5. Index Fund
6. Protected Mutual Fund
7. ETF Mutual Fund (Exchange Traded Fund)
8. Sukuk Mutual Fund
9. Global Fund

Net Asset Value (NAV) is used as one of the benchmarks to monitor the performance of mutual funds. According to Iman (2008), the net asset value per participating unit is the fair price of the mutual fund portfolio after deducting operating costs, and then divided by the number of issued shares (owned by investors) or participating units at that time. The fluctuation of the unit net asset value of a mutual fund is affected by the market value of each security held by the mutual fund. In this study, data on the net asset value of equity funds was obtained from an online publication source (website) of the Financial Services Authority, the entity that is responsible for this is called*Otoritas Jasa Keuangan (OJK)*

It is said that if the return is higher than the benchmark return, the mutual fund will provide a higher return. Vice versa, if the risk is less than the comparative risk, the mutual fund will be considered risky. The tools considered for comparison are called benchmarks (Rudiyanto, 201 3: 181).

According to Manurung (2008), the appropriate benchmark for each mutual fund is the following:

1. Equity funds: Composite Stock Price Index (CSPI)
2. Fixed income mutual funds: interest rate Deposit
3. Mutual Money Market Funds of Funds: Index Bond

4. Hybrid Mutual Fund: Average Deposit Interest Rate and JCI

*Indeks Harga Saham Gabungan (IHSG)*is an index number of compiled stock prices in Indonesia stock exchange, which has also been calculated by generating a trend, where the index number is a processed number, so it can be used to compare events that may be changes in stock prices from time to time. From time to time (Widoarmodjo, 2015: 119-120) .

Mutual fund performance

Mutual funds are included in a set of investment portfolios, measuring the performance of mutual funds is called portfolio performance evaluation (Rudiyanto, 2013: 171). According to Zulfikar (2016: 298-300) there was three metrics required to evaluate portfolio performance.

1. Sharpe's measure

Sharpe's measure is to calculate the excess return strategy per unit risk in asset investment or transaction. The Sharpe method is performed by dividing the excess return by the variability of the portfolio return. The formula of the Sharp measurement model is as follows:

$$Sharpe's\ Measure = \frac{Risk\ Premium}{Total\ Risk} = \frac{\overline{R_{rd}} - \overline{R_F}}{\sigma_{rd}}$$

2. Treynor's Measure

The Treynor method was introduced by Jack L. Treynor in 1966. This method calculates the excess return compared to if investors choose to invest in less risky products such as government bonds. Portfolio performance can be determined by dividing excess return by portfolio volatility. The equation for the Treynor 's Measure model formula is as follows:

$$Treynor's\ Measure = \frac{Risk\ Premium}{Systematic\ Risk} = \frac{\overline{R_{rd}} - \overline{R_F}}{\beta_{rd}}$$

3.Jensen / Alpha's Measure

Jensen Alpha is used to determine the excess return of a security or portfolio when compared to its theoretical expected return. This method was introduced by Michael C. Jensen in 1968. Jensen's alpha method was developed from the CAPM. The higher the intercept, the higher the portfolio return.

$$Jensen\ /\ Alpha's\ Measure = (\bar{R}_{rd} - \overline{R_f}\ ) - \overline{\beta_{rd}\ (\overline{R_m}} - \overline{R_f}\ )$$

It is expected that from the three methods of measuring the performance of the investment portfolio, sufficient information can be obtained to obtain the effectiveness and efficiency of the investment portfolio. There, this study uses only one method to calculate the performance of portfolio equity funds, namely the Treynor Measure.

Market Timing and Stock Selection Ability

The Market Timing Ability model was first developed by Treynor et al. (1966). Fama (1972) divides the performance of fund managers into two types, namely, the ability to select stocks and the ability to synchronize the market. To measure the capacity for selection of values and the capacity for synchronization of the market, the following models can be used:

1. Treynor-Mazuy model

According to Treynor and Mazuy (1966), when the value of (α) is positive, it indicates that it shows selective ability. If the value (γ) or the market timing is positive, it indicates that the market timing ability exists, indicating that the fund manager has produced an over-performing portfolio. Mutual funds that are larger than the excess yield market. The formula of the Treynor-Mazuy model (Sekhar, 2018: 17) is as follows:

$$R_{RD} - R_f = \alpha + \beta_1(R_m - R_f) + \beta_2(R_m - R_f)^2 + \varepsilon_p$$

2. Henriksson Merton model

Henriksson and Merton (1981) also developed another model to test the synchronization capacity of the market (Dunis et al., 2016: 315317). A measure of the fund manager's micro-predictability (security selection), which can be approved. If the fund manager has (α> 0), it means that the fund manager has a good security selection ability. On the contrary, if (α <0), it means its poor stock capacity. The form used in this model is the following formula:

$$R_{RD} - R_f = \alpha + \beta(R_m - R_f) + \gamma(R_m - R_f)D + \varepsilon_p$$

Indonesia's research on stock selection and timing performance models mainly uses the unconditional model. This model has a weakness due to it does not consider the risk facts and the expected return level that varies with conditions. Economic factors of each country (Mustofa et al., 2016). The commonly used model in Indonesia to measure stock selection and market timing is Treynor-Mazuy. However, the Treynor-Mazuy model has a weakness because it does not consider market risk factors. The Treynor-Mazuy model can be used to estimate fund managers' ability to select stocks and time to market (Nurcahya et al., 2010). Through this model, it can be seen that the size of the constant value in the regression shows the ability to select stocks. If the constant value of the fund manager is positive, it means that the fund manager has the ability to choose stocks, conversely, if the constant value is negative, it means that the fund manager does not have the ability to choose stocks. If the value of the square of the market excess return is positive, it means that the fund manager has good market timing. On the contrary, if the value of the coefficient is negative, it means that the fund manager does not have a good market. situation. Synchronization capacity.

III. RESEARCH METHOD

The population of this study is equity fund registered with the *Otoritas Jasa Keuangan (OJK).* Use purposive sampling methods for sampling. The criteria for the equity fund in this study are:

- According to the company's data published on the website www.reksadana.ojk.go.id, the sample equity funds are classified into domestic fund managers and foreign fund managers.
- The data of active equity funds and net asset value (NAV) during the survey period are complete, that is, 2018-2020.
- The equity funds that underperformed the overall equity fund performance during 2018-2020 were excluded. Outside, assume that investors expect higher returns than the market.

Table 2. Determination of the Number of Research Samples

Criteria	Domestic	Foreign
Number of active equity funds during the 2018-2020 period	197	31
The number of active equity funds and Net Asset Value (NAV) data are not available during the 2018-2020 period	131	3
The number of active equity fund investment companies and complete NAV data during the 2018-2020 period but underperforming.	46	21
Number of research samples	**20**	**7**

Source: Processed data results, 2021

Based on table above, the criteria for determining the sample that has been determined, 20 (twenty) equity funds managed by domestic fund managers and 7 (seven) equity funds managed by foreign fund managers are obtained.

Measurement Variable

1) The performance of equity funds managed by domestic fund managers and foreign fund managers based on the *Treynor* Index is measured by the comparison between the *returns* generated and the risk of the mutual funds. The risk that is compared is only systematic risk (market risk) which is reflected in the beta value. The *Treynor* index for equity funds managed by domestic fund managers and foreign fund managers for the 2018-2020 period can be formulated as follows (Zulfikar, 2016:299) :

$$Treynor's\ Index = \frac{\overline{R_{RDt}} - \overline{R_{ft}}}{B_{it}}$$

Information:
R_{RDt} = Average return of Net Asset Value (NAV) of mutual fund i at time t
R_{ft} = Average risk free rate at time t
B_{it} = Beta mutual fund i at time t

2) Market timing of equity funds managed by domestic fund managers and foreign fund managers. The method used to measure market timing is the Treynor-Mazuy model (1966). The market timing of equity funds managed by domestic fund managers and foreign fund managers in Indonesia for the 2018-2020 period is formulated as follows (Sekhar, 2018: 17):

$$R_{RD} - R_f = \alpha + \beta_1(R_m\text{-}R_f) + \gamma(R_m\text{-}R_f)^2 + \varepsilon_p$$

Information:
R_{RD}= Return of mutual fund portfolio in period t
R_f= Return of risk-free assets in period t

R_m = Market return period t
α = Intercept which is an indication of stock selection skills of the company
β_1 = regression coefficient of excess market return or slope when bearish
γ = regression coefficient which is an indication of the market timing ability from the companies
ε_p = Random error

If α is positive, it means that the fund manager can establish an optimal portfolio, on the contrary, if α is negative, it means that the fund manager cannot establish an optimal portfolio. Parameter value the parameter is a measure of the market synchronization ability of the fund manager to adjust the asset portfolio in anticipation of the overall market price change. If γ is positive and significant, it indicates that the fund manager has the ability to execute market timing. Similarly, if γ is negative and significant, it indicates that the fund manager does not have the ability to execute market timing (Nair et al., 2011).

3) Stock selection of equityfunds managed by domestic fund managers and foreign fund managers. The method used to measure stock selection in this study is the Treynor - Mazuy model. The stock selection of equity funds managed by domestic fund managers and foreign fund managers in Indonesia for the 2018-2020 period is formulated as follows (Sekhar, 2018: 17):

$$R_{RD} - R_f = \alpha + \beta_1(R_m-R_f) + \gamma\ (R_m-R_f)^2 + \varepsilon_p$$

The value of the parameter which serves as a measure of the fund manager's stock selection ability. If the fund manager is able to do stock selection, then the value of the parameter will be positive and significant.

Data analysis technique

The data analysis method used in this research is the Mann-Whitney U test to analyze the comparison of the performance of equityfunds as seen from the Treynor index , market timing and stock selection . The Mann-Whitney U test was conducted to determine whether there was a difference in the mean for the independent sample. References in decision making are:
1) When *Asymp*. Sig. > 0.05 then H_0 accepted
2) When *Asymp*. *Sig*. <0.05 then H_0 rejected

IV. RESULTS AND DISCUSSION

Comparison of Equity Fund Performance Managed by Domestic Fund Managers and Foreign Fund Managers in Indonesia Based on Treznor's Index

Based on Table 3. The significance value is 0.017 (<0.05), indicating that there is a significant difference in the performance of equity funds managed by domestic fund managers and foreign fund managersbased on Treynor index during 2018-2020. The average rating of funds is 44.68, which is higher than the average rating of equity funds managed by foreign fund managers of 30,48. According to the results of data processing, according to the Treynor index, the performance of equity funds managed by domestic fund managers in Indonesia is better and significantly better than that of equity funds managed by foreign fund managersduring 2018 -2020.

Comparison of Equity Fund Performance Managed by Domestic Fund Managers and Foreign Fund Managers in Indonesia Based on Market Timing Capability

Table 4. shows the comparison of the performance of equity funds managed by domestic and foreign fund managers in terms of market synchronization capabilities during 2018-2020.

Table 3. Test results of the Mann-Whitney U Index Treynor of Equity Fund Period Year 2018 -2020

Mann Whitney U Test		
N	Domestic	60
	Foreign	21
	Total	81
Mean rank	Domestic	44.68
	Foreign	30.48
asymp. Sig		0.0 17

Source: Data processing results, 2021

Table 4. Test Results the Mann-Whitney U Market Timing of Equity Funds Period Year 2018 -2020

Mann Whitney U Test		
N	Domestic	60
	Foreign	21
	Total	81
Mean rank	Domestic	40.45
	Foreign	42.57
asymp. Sig		0 , 722

Source: Data processing results, 2021

Table 4 shows a significant value of 0.7 22 (> 0.05). According to the market timing ability, there is no significant difference in the performance of equity funds managed by domesticfund managers and foreign fund managers. The mid-range value of equity funds managed by domestic fund managers is 40.4 5, which is lower than the mid-range value of equity funds managed by foreign fund managers of 42.57, indicating that the market synchronization ability of stocks during 2018-2020, equity funds managed by foreign fund managers are excellent It is an equity funds managed by a domestic fund manager, but there is no significant difference in the market synchronization ability of the two.

Comparison of Equity Funds Performance Managed by Domestic Fund Managers and Foreign Fund Managers in Indonesia Based on Stock Selection Capability

The test results in Table 5. show that the significance value is 0.457 (> 0.05) and the results show that there is no significant difference between the performance of equity funds managed by domestic fund managers and foreign fund managers in Indonesia based on stock selection capabilities. The mean rank of equity funds managed by domestic fund managers is 39.85 which is smaller than the mean rank of equity funds managed by foreign fund managers of 44.29, which means that the stock selection ability of equity funds managed by foreign fund managers is better than that of equity funds managed by domestic fund managers in Indonesia for the 2018-2020 period, but the capabilities of both domestic and foreign fund managers are not significantly different.

Based on the test results and analysis above, it is explained that the performance comparison of equity funds based on the Treynor index shows that equity funds managed by domestic fund managers have a better and significant performance than equity funds managed by foreign fund managers. The findings in this study support the results of the research of Cakrie et al., (2013), Billady et al., (2017).

Table 5 . Results Test *Mann-Whitney U Stock Selection of Equity Fund* Period of 2018- 2020

Mann Whitney U Test		
N	Domestic	60
	Foreign	21
	Total	81
Mean rank	Domestic	39.85
	Foreign	44.29
asymp. Sig		0, 457

Source: Data processing results, 2021

This is indicated by the average performance of equity fundsmanaged by domestic fund managers have a more positive rate and its value is exceeded the benchmark in measuring the index Treynor used compared to equityfundmanaged by foreign fund managers. In the Treynor Index method, the Beta divisor is used which is a fluctuating risk relative to market risk. Beta in the concept of the Capital Asset Pricing Model (CAPM) is a systematic risk (market risk) that reflects fluctuations in the movement of equity funds to the market. (Desiyanti, 2009). Equity funds will have the highest risk compared to other types of mutual funds because the majority of assets are allocated to stock instruments that have very volatile movements (Suartawan, 2019). Equityfunds managed by domestic fund managers showed positive performance during the study period, namely as many as 8 (eight) equity funds in 2018, twelve equity funds in 2019, and five equity funds in 2020.

From the perspective of market timing, equityfunds managed by foreign fund managers have better performance than equity funds managed by domestic fund managers. The findings of this study support research that has been carried out by Waelan (2008) and Suartawan (2019) concluding that foreign fund managers who manage equity funds have active steps and technical capabilities in managing mutual funds to optimize the returns obtained so that the average equity funds managed by foreign fund managers managed to pick the right time in terms of when to sell and when to buy.

Market timing is related to the extent to which investment companies are able to take advantage of market time, namely when to buy securities and when to resell them (Chen et al., 2013). Hartini's research (2017) shows that there is no difference in market timing ability between foreign fund managers and local fund managers. If a mutual fund produces a goodMarket timing is related to the extent to which investment companies are able to take advantage of market time, namely when to buy securities and when to resell them (Chen et al., 2013). Hartini’s research (2017) shows that there is no difference in market timing ability between foreign fund managers and local fund managers. If a mutual fund produces a good, it means that the fund manager has good market timing ability and vice versa (Kharisma et al, 2017). The more positive and significant value of market timing indicates that the fund manager has the ability to market timing were impeccable (Rijwani, 2014). The results showed have 5 (five) equity funds managed by the fund manager of domestic who has the ability to market timing is positive and significant, while 3 (three) equity funds managed by foreign fund managers who have the ability to market timing is positive and significant, however, the performance of equity funds managed by foreign fund managers based on market timing ability has a higher value than the equity funds managed by domestic fund managers during the study period.

The comparison of the performance of equity funds managed by domestic and foreign fund managers based on stock selection capability shows that equity funds managed by foreign fund managers have better performance than equity funds managed by domestic fund managers. However, there is no significant difference in the performance of equity funds managed by foreign and domestic fund managers. This also supports research that has been carried out by Hartini (2017) which shows that the positive and significant value of stock selection shows that mutual funds are able to generate returns that are greater than market returns (Paramita, et al., 2018). This study shows that there are three equity funds managed by foreign fundmanagers that have positive and significant stock selection capabilities and three equity funds managed by domestic fund managers that have positive and significant stock selection capabilities during the period. research. However, the performance of equity funds managed by foreign fund managers is superior to the performance of equity funds managed by domestic fund managers.

V. CONCLUSION AND SUGGESTION

Conclusion

Based on the results that have been carried out, it can be concluded as far as the Treynor Index is concerned, the performance of equity funds managed by domestic fund managers is better than that of equity funds managed by foreign fund managers. According to the Treynor Index, equityfunds managed by domestic fund managers are considered superior in predicting returns and obtaining public information. At the same time, in terms of market opportunities and stock selection capabilities, equityfunds managed by foreignfund managers outperformed equity funds managed by domestic fund managers. The market timing ability of foreign equity fund managers is considered to have more timing ability in buying and selling stock funds, and it also has advantages in stock selection.

Suggestion

Based on the conclusions, some suggestions can be given as follows:

1) For Investors

Based on the findings, if equity funds managed by domesticfund managers perform better than the Treynor index, they can be used as temporary investment tools based on market timing and stock selection ability, then foreign fund managers are recommended. Especially for equity fund investors.

2) For Fund Manager

Fund managers should always observe Indonesia's macro and microeconomic conditions to mitigate the possibility of the worst level of risk and performance of equity funds due to external factors, especially during the Covid19 pandemic.

3) For Academicians

It is expected that future research will compare the performance of other types of mutual funds, or use changes in other mutual fund performance metrics to increase research benchmarks or scientific information during periods of rapid and unpredictable economic and technological development.

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Capital Market Law Number 8 Chapter IV 1995