

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

Based on the data analysis in the previous chapter, the research results conclusions can be summed up as follows:

The performance of conventional mutual funds are not conclusive because using some methods of the performance are good, but using the other methods of the performance is not good. From the research, it can be concluded that Sharpe, Jensen and Treynor's levels of performance for conventional equity mutual funds are not good. While for the M^2 and Miller levels of performance for conventional equity mutual funds are classified as good.

The performance of sharia mutual funds are not conclusive because using some methods the performance are good, but using the other methods make the performance bad. From the research, it can be concluded that Sharpe, Jensen and Miller's levels of performances for Sharia equity mutual funds is not good. While for the Treynor and M^2 levels of performance for Sharia equity mutual funds are classified as good.

The comparison of the performance between conventional and sharia mutual funds are not significantly different. In Sharpe index, it can be concluded that there is

no significant difference between the performance of conventional and sharia equity mutual funds, resulting that both conventional and sharia performances are not good.

In Jensen index, it can be concluded that there is a significant difference between the performance of conventional and sharia equity mutual funds, that both conventional and sharia performances are not good.

In Treynor index, it can be concluded that there is no significant difference between the performance of conventional and sharia equity mutual funds, resulting that the conventional performance is not good while the sharia performance is good.

In M^2 index, it can be concluded that there is no significant difference between the performance of conventional and sharia equity mutual fund, resulting that both conventional and sharia performances are good.

In Miller index, it can be concluded that there is no significant difference between the performance of conventional and sharia equity mutual funds, resulting that conventional performance is good while the sharia performance is not good.

Based on the coefficient correlation and ranking comparison between Miller method and Sharpe, Jensen, Treynor and M^2 it can be concluded that Miller method is different from the other methods and the coefficient correlation is considered low. It is because from the ranking of mutual funds performance from the total of 44 equity mutual funds, only 2 that have the same ranking.

5.2 Recommendations

Based on the results of the study, the researcher will give some recommendations for future research as follows:

1. For Investors

Based on the result, there is no significant different performance between sharia and conventional mutual funds so that investors can choose whether to invest in sharia or the conventional mutual funds. However, for Islamic investors they can choose the sharia one because there is no significant different performance between sharia and conventional mutual funds so that the Islamic investors still can follow the Islamic law by investing in the sharia mutual funds.

2. For Further Research

For further researchers, it is expected to add more methods to calculate the performance of the mutual funds, such as information ratio method. Thus, the results can be compared with the existing research. Further, the researchers also can replace the existing benchmark with others such as the LQ-45 and JII to produce different conclusions.