



ABSTRACT

This research is conducted in order to value the performance of equity mutual fund by applying Snail Trail approach during the period of before and during subprime mortgage crisis effect in Indonesia (January 2005- December 2007 and January 2008 – April 2010). As the sample of the research, 14 equity mutual funds are included by which asserted active as of the research period. The purpose of the research is identifying and analyzing the pattern of Snail Trail as its proposition of risk and return associated with equity mutual fund in the period of before and during subprime mortgage crisis effect in Indonesia.

The result of this research stated that the pattern of the Snail Trail derived from the period before the crisis was confirming that the movement was quite stable. Most of equity mutual fund was confirming quite stable regarding their movement even though were started on four quadrants, however, they are still confirming stable condition. The stable condition was confirmed by the low fluctuation and at the end of the period the performance of mutual fund was confirmed increase, thus the risk and return were confirmed as investors' expectation. The stable condition was also confirming that the manager has crafted correct policies, therefore able to stabilize the performance of mutual fund. 14 mutual funds will be selected by the investors as their option of investing, however it depends as the type of investor.

The movement of equity mutual fund as the beginning of the period when the crisis occurring is considered instable. The manager will confront difficulties in deciding new policies to fixing the mutual fund performance, thus, exact selection have to be made by the investor as the effect of incorrect selection will result amount of loss. At the end of the period, all equity mutual funds were in first quadrant (*low risk-high return*), by which the plot of Snail Trail in this quadrant has stably moved as the last three quadrants in this period. This stable condition was confirming that the effect of crisis has not quite influencing return and risk of equity mutual funds. This condition will be resulting as its ease in crafting policies regarding the mutual fund managed by fund manager. As the result, investor will assign their conviction in providing the fund in investment in mutual fund as their option of expected risk and return.

Keywords : performance, equity mutual fund, Snail Trail, subprime mortgage