

ABSTRACT

This study aims to examine the Fama French Five Factor Model (FF5F) and the Fama French Three Factor Model (FF3F) in explaining returns on stocks that listed in the Kompas 100 Index for the period 2008-2017 that represented by 33 selected companies. Factors in the FF5F model are market risk, size, book-to-market, profitability, and investment. This study uses a quantitative approach with a multiple linear regression analysis model for the entire portfolio and each portfolio formed. The findings of this study are that the FF5F model can explain returns better than the FF3F model, this is the same as the research conducted by Fama and French (2015). Based on the results of testing the hypothesis by testing the Individual Parameter Significance (t Test), the results show that the Market risk ($R_m - R_f$), Size (market capitalization (SMB) has a significant positive effect on returns, while the Value (book to market) variable (HML) , and Profitability (RMW) and Investment (CMA) have no significant effect.

Keywords: Fama and French Five Factor Model, Fama and French Three Factor Model, Size, Value, Profitability, Investment.



ABSTRAK

Penelitian ini bertujuan untuk menguji *Fama French Five Factor Model (FF5F)* dan *Fama French Three Factor Model (FF3F)* dalam menjelaskan *return* pada saham-saham yang masuk pada Indeks Kompas 100 periode 2008-2017 yang diwakili oleh 33 perusahaan yang terpilih. Faktor-faktor dalam model *FF5F* yaitu *market risk*, *size*, *book-to-market*, *profitability*, dan *investment*. Penelitian ini menggunakan pendekatan kuantitatif dengan model analisis regresi linier berganda untuk keseluruhan portofolio dan masing-masing portofolio yang terbentuk.

Hasil temuan pada penelitian ini adalah Model *FF5F* dapat menjelaskan *return* dengan lebih baik daripada model *FF3F* hal ini sama seperti penelitian yang dilakukan Fama dan French (2015).

Berdasarkan hasil pengujian hipotesis dengan melakukan uji Signifikansi Parameter Individual (Uji t), didapat hasil bahwa variabel *Market risk (Rm-Rf)*, *Size (market capitalization (SMB))* berpengaruh positif signifikan terhadap *return*. Sedangkan variabel *Value (book to market) (HML)*, dan *Profitability (RMW)* dan *Investment (CMA)* berpengaruh tidak signifikan.

Kata Kunci: *Fama and French Five Factor Model, Fama and French Three Factor Model, Size, Value, Profitability, Investment.*

