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Presently, I am involved in providing online consultancy and training in the area of Investment Management, Financial Planning & Advisory and Trading/Investment Strategies in Derivative Products etc. through the website (www.centre4investmentstrategies.com) and conducts workshops on Trading/Investment Strategies.

Active and Passive Portfolio Management: Evidences from Emerging and Developed Markets

Abstract

The world of investment management follows the two approaches referred as active and passive portfolio management. The present study incorporates both these approaches to analyze the virtual performance of country funds vis-à-vis their respective bench mark indices across the emerging and developed markets of the world.

The results signify that the country funds that follow the active portfolio management strategies have proved to be dramatically different in reporting the significantly higher returns (in US Dollar terms) compared to the passive portfolio (buy- and- hold) management strategies, and support the claim that these strategies are highly vibrant and remunerative for all the stake holders over a longer period (80.33 percent of the country funds out performed their respective bench mark indices over a period of five years). In term of the magnitude of out performance over a period of five years, 40.82 percent of out performers beat the bench marks by more than 50 percent, where as, 14.29 percent over performed the bench marks by at least 100 percent.

Key Words: Country Designated Funds; CAGR (Compounded Annual Growth Rate); Bench Mark Indices; St. Dev. (Standard Deviation); Active Portfolio & Passive Portfolio;

Active and Passive Portfolio Management: Evidences from Emerging and Developed Markets

1. Introduction:

There has been overriding evidence regarding the great degree of proliferation in management of funds around the world. The international diversifications which have come a long way to become a reality to reduce market risks have resulted in the further attractiveness to many investors around the globe. Hence, the study of different management styles that a fund manager can follow has emerged an important area of research in finance due to its academic and practical importance.

Rational investors wish to maximize the returns on their funds for a given level of risk. All investments possess varying degrees of risk. It is widely understood that diversifies funds intends to reduce market risks to a greater extent. Due to this complexity of reaching at a proper equilibrium between return and associated risk, it has been realized that there is a pressing need for a credible and robust measure for assessing and ranking the performance of various investment funds. Therefore, the researchers have been prompted to carry out the present study. Although the past performance alone can not be indicative of future performance, but, frankly speaking, it is the only quantitative way to judge how good a fund is at present.

Our work is based on the intuition that fund managers' returns can be characterized more generally by three key determinants: the returns from assets in the managers' portfolios, their trading strategies, and their use of leverage. Sharpe (1992) proposed an asset class factor model for performance attribution and style analysis of mutual fund managers. The elegance of Sharpe's (1992) intuition was demonstrated empirically by showing that only a limited number of major asset classes were required to successfully replicate the performance of an extensive universe of U.S. mutual funds.

In Sharpe's model; the focus was on the first key determinant, the "location" component of return, which tells us the asset categories the manager invests in. Our efforts are to extend Sharpe's approach by incorporating factors that reflect "how a manager trades" — the strategy component of return and the use of "leverage" — the quantity component of return. Adding new factors to Sharpe's model allows us to accommodate managers that employ dynamic, leveraged trading strategies. It is these additional factors that provide insight on the strategic difference between "relative return" versus "absolute return" investment styles. Just as Sharpe's model provides insight to the asset mix

bench marked against the representative Indices of the different countries like in case of American Dow Jones Industrial Average and S&P 500 Index, the British FTSE 100, the French CAC 40, the German DAX and the Japanese Nikkei 225.

The investment management world of today can be divided into two broad categories of management style, each reflecting a fundamentally different belief system regarding how modern capital markets behave. These two schools of thought are generally referred to as active and passive management. This article will address these two approaches as they apply to stock market investments, but the observations apply with equal validity to the world of fixed income investments (bonds) as well.

1.1 Active and Passive Management:

Active management is the traditional way of building a stock portfolio, and includes a wide variety of strategies for identifying companies believed to offer above-average prospects. One method might focus on companies with impressive past growth in sales and profits, another on companies with promising new products, a third on "turnaround" potential of distressed firms, and so on. Another active management method known as technical analysis attempts to find "patterns" in price movements to predict the future prices. Regardless of their individual approach, all active managers share a common thread: they buy and sell securities selectively, based on some forecast of future events.

Passive or index managers - the terms are often used interchangeably - make no forecasts of the stock market or the economy, and no effort to distinguish "attractive" from "unattractive" securities. Passive managers often construct their portfolios to closely approximate the performance of well-recognized market benchmarks such as the Standard & Poor's 500 index (large U.S. companies), Russell 2000 index (small U.S. companies) or Morgan Stanley EAFE index (large international companies).

1.2 Passive Management in Perspective:

The passive approach is a relative newcomer to the practice of investment management. Academic theories supporting the concept were developed in the 1950s and '60s. The America's first stock index fund was developed in 1973 by Rex Sinquefeld, a trust officer at American National Bank in Chicago. Sinquefeld (recently retired) was the co-chairman of Dimensional Fund Advisors Inc., one of the worlds' leading innovators in passively managed investing. Active management, on the other

best? Which way is the market headed? - has long been considered the very definition of investment advice.

One of these assumptions was the superiority of active management. At traditional investment firms, an army of economists, research analysts, portfolio managers and traders scrutinize an enormous daily flow of information on companies, industry groups, business conditions, and political developments. They produce stacks of detailed reports recommending stocks to buy or sell, and industry sectors to overweight or underweight. Does all this effort pay off? Are the nation's mutual funds, bank trust departments, corporate pension plans, college endowments, public retirement funds and insurance companies able to earn higher returns for their shareholders and beneficiaries following these recommendations versus a "naive" strategy of simply holding a market portfolio of stocks?

There has been an accelerating trend in recent decades to create **passively managed mutual funds** that are based on market indices, known as index funds. Advocates claim that index funds routinely beat a large majority of **actively managed** mutual funds; one study claimed that over time, the average actively managed fund has returned 1.8% less than the **S&P 500** index (Source: www.wikipedia.org).

1.3 The Evidences: Mutual Fund Performance

Mutual fund returns are an excellent source of data on money manager performance since their results are audited by professional accountants and publicly available for all to see. Beginning with a landmark study by **Michael Jensen in 1968**, academic researchers have scrutinized the results of mutual funds covering a period of nearly fifty years. Not one major published study successfully claims that managers beat markets by more than one would expect by chance.

According to Morningstar, for the 15 years ending April 2006, only 40% (918 of 2,309) of diversified actively managed U.S. equity mutual funds managed to outperform the S&P 500 index.

In India, over the last five years ending May 2006, all the 74 actively managed equity diversified growth funds not only out performed the bench mark, but 20.27 % (15 of 74) beat the bench mark indices by at least 100 percent. (A study conducted by the author in October 2006)

A portfolio manager (or fund manager) is an individual who or company which runs an investment portfolio (or investment fund) on behalf of a client or the trustees of a client. The functions of a portfolio manager are as follows:

- Portfolio structuring and analysis - to structure an optimal portfolio, and then analyzing the portfolio's expected return and risk;
- Portfolio adjustment - selecting the set of asset purchases and sales as circumstances change;
- Portfolio performance measurement and attribution – measuring actual performance of the portfolio, identifying the sources of performance and comparing the performance against that of a predetermined benchmark portfolio.

Thus in brief, a portfolio construction process broadly involves setting of objectives of the fund; defining of suitable investment policy; applying of (either active or passive or mix of the two) portfolio strategies; selecting the assets in which to invest; and finally to assess the success of the fund manager, the performance of the fund is periodically measured against a pre-agreed benchmark-preferably a suitable stock exchange index. It is this back ground that has prompted the researcher to evaluate the performance of various country funds against the benchmark indices of their respective countries where these funds have been targeted to invest in emerging as well as the developed markets across of the world.

2. Objectives of the Study:

The Study is aimed to:

- examine if it pays to follow active or passive portfolio management strategy;
- examine the performance of country funds vis-à-vis the bench marks indices of their respective countries;
- examine the comparative performance of the country funds from the emerging markets vis-à-vis the developed markets of the world.

In this study the performance of various country funds have been evaluated in US Dollar (USD) terms to make them comparable globally. The performance of these country funds has also been bench marked against the bench mark indices of their respective country to which they are designated for.

sign in front).

3. Research Methodology:

To evaluate the performance of various country funds designated to various emerging and developed markets, we have used the various descriptive statistical tools including rate of return, average, range, and standard deviation. It is difficult to make an exact list of emerging (or developed) markets; the best guides tend to be investment information sources (like **The Economist**) or market index makers (such as **Morgan Stanley Capital International**). These sources are neutral and well-informed, hence has been used as the main source to categories emerging and developed markets.

3.1 Sample Size:

In this study country funds belonging to seven emerging markets of China, India, Russia, South Korea, Indonesia, Malaysia and Mexico and nine developed markets of Singapore, Australia, Japan, U.K., Switzerland, Germany, Spain, Canada and USA have been included. The sample includes all the country funds (except two country funds of Thailand, whose bench mark index was not available for comparison) which have at least one full year of its operation as on 31st December 2006. The information has been sourced from Bloomberg.com.

Total of 71 country funds have been sampled of which 53 belongs to Asia/ Pacific countries, four belongs to European countries and the remaining 14 are from American countries. The sampled country funds represents 16 countries whose market capitalization is more than three fourth of the total World's Market Capitalization of 50098.59 Billion USD (refer table no. 2). Of the total sample, 18 funds belong to emerging markets and the rest 53 represents developed markets (refer table no. 1).

Table: 1
Sample Description of Country Funds

| Region | Emerging Markets | Developed Markets | Number of Country Funds |
|--------------|------------------|-------------------|-------------------------|
| Asia/Pacific | 16 | 37 | 53 |
| Europe | - | 04 | 04 |
| American | 2 | 12 | 14 |
| Total | 18 | 53 | 71 |

(Source: Bloomberg.com)

A) Performance measures based on absolute rate of return: The compounded annual growth rate (CAGR) for one, three and five years calculated. The performance of funds has been assessed against the bench mark indices. The performance so assessed has been grouped into eight, namely:

- i) Top Most Out Performers (TMOP): 100 % or more return over and above the bench mark return;
- ii) Distantly Out Performers (DOP): (50% or more but less than 100 % return over and above the bench mark return);
- iii) Good Out Performers (GOP): 25% or more but less than 50% return over and above the bench mark return;
- iv) Out Performers (OP): less than 25% return over and above the bench mark return;
- v) Under Performers (UP): less than 25% under return than the bench mark return;
- vi) Poorly Under Performers (PUP): 25% or more but less than 50% under return than the bench mark return;
- vii) Distant Under Performers (DUP): 50% or more but less than 100% under return than the bench mark return;
- viii) Very Poorly Under Performers (VPUP): 100% or more under return than the bench mark return.

Standard deviation of the bench mark indices have been calculated on the basis of monthly rate of return of the respective indices for one, three and five years. This has been used to look into the relative consistency/volatility of the returns.

Market Capitalization of Sampled Countries
(In % of World Market Capitalization of 50098.59 Billion USD)

| | | Emerging Markets | Developed Markets | Total |
|--------------|-------------|------------------|-------------------|-------|
| Asia/Pacific | India | 1.63 | - | 1.63 |
| | China | 1.90 | - | 1.90 |
| | South Korea | 1.63 | - | 1.63 |
| | Indonesia | N/A | - | N/A |
| | Malaysia | N/A | - | N/A |
| | Russia | N/A | - | N/A |
| | Singapore | - | N/A | N/A |
| | Australia | - | 1.87 | 1.87 |
| | Japan | - | 9.76 | 9.76 |
| Sub Total | | 5.16 | 11.63 | 16.79 |
| Europe | U.K. | - | 7.61 | 7.61 |
| | Switzerland | - | 2.40 | 2.40 |
| | Germany | - | 3.51 | 3.51 |
| | Spain | - | N/A | N/A |
| Sub Total | | Nil | 13.52 | 13.52 |
| America | Canada | - | 3.01 | 3.01 |
| | Mexico | 0.74 | - | 0.74 |
| | USA | - | 34.87 | 34.87 |
| Sub Total | | 0.74 | 37.88 | 38.62 |
| Grand Total | | 5.90 | 63.03 | 68.93 |

(Source: The Business Standard, India, dated: 3rd January 2007)

4. Results:

The results of the study have been presented below and grouped in five segments namely, Asia/Pacific Countries; European Countries; American Countries; Emerging Markets and Developed Markets.

ASI/PACIFIC COUNTRIES

India: The performance of both the country funds has been very impressive over a long period of five years as both the funds has beaten the index by 47.39 percent and 34.53. In case of one year one out of the two funds has beaten the index, where as over a period of three years both the funds has underperformed to index by a very narrow margin of 6.66 percent and 2.43 percent. (Refer table no. 3)

Table: 3
India (No of Country Funds: 2)

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|---------------|------------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Funds | IIF | 50.38 | -2.38 | 52.76 | 30.88 | -1.09 | 31.97 | 50.10 | -1.81 | 51.91 |
| | IFN | 27.61 | -2.38 | 29.99 | 32.33 | -1.09 | 33.42 | 45.57 | -1.81 | 47.38 |
| Index | BSE Sensex | 46.7 | -2.38 | 49.08 | 33.16 | -1.09 | 34.25 | 33.41 | -1.81 | 35.22 |

China: All the four funds outperformed the index by a huge margin ranging 274.67 percent to 129.33 percent over a period of five years. In case of one year only one fund out of the total six funds have been able to beat the bench mark by 33.81 percent, where as the under performance has been far sever in the range of 69.89 percent to 45.78 percent . Over a period of three years only one out of five funds under performed the index by 69.33 percent. (Refer table no. 4)

Table: 4
China (No of Country Funds: 6)

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|---------------|---------------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Funds | GCH | 163.17 | -3.17 | 166.34 | 32.00 | -1.92 | 33.92 | 38.03 | -1.16 | 39.19 |
| | CHN | 63.61 | -3.17 | 66.78 | 4.71 | -1.92 | 6.63 | 32.53 | -1.16 | 33.69 |
| | MCHFX | 64.3 | -3.17 | 67.47 | 22.65 | -1.92 | 24.57 | 22.83 | -1.16 | 23.99 |
| | TDF | 49.97 | -3.17 | 53.14 | 20.97 | -1.92 | 22.89 | 34.34 | -1.16 | 35.50 |
| | TCWAX | 40.19 | -3.17 | 43.36 | 24.41 | -1.92 | 26.33 | - | - | - |
| | HPCCX | 34.26 | -3.17 | 37.43 | - | - | - | - | - | - |
| Index | SSE Composite | 121.14 | -3.17 | 124.31 | 19.70 | -1.92 | 21.62 | 9.30 | -1.16 | 10.46 |

(Computed and compiled by the author)

South Korea: All the three funds belonging to South Korea have been able to outperform the KOSPI Composite index by a very remarkable margin ranging from 164.77 percent to 37.49 percent. The interesting fact with South Korea in contrary to India and China is that it has relatively performed better over the short period of one year. (Refer table no. 5)

Table: 5
South Korea (No of Country Funds: 3)

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|---------------|-------------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Funds | KEF | 23.68 | -7.96 | 31.64 | 33.63 | -7.7 | 41.33 | 28.66 | -6.63 | 35.29 |
| | KF | 17.34 | -7.96 | 25.30 | 35.34 | -7.7 | 43.04 | 29.74 | -6.63 | 36.37 |
| | MAKOX | 12.28 | -7.96 | 20.24 | 31.69 | -7.7 | 39.39 | 26.25 | -6.63 | 32.88 |
| Index | KOSPI Comp. | 3.99 | -7.96 | 11.95 | 20.95 | -7.7 | 28.65 | 15.64 | -6.63 | 22.27 |

(Computed and compiled by the author)

Indonesia: There is only one fund belonging to Indonesia, which has beaten the JKSE index over one year as well as five years by 72.42 percent and 53.61, where as the fund has been beaten by the index over three years by 17.76 percent. (Refer table no. 6)

| Indonesia (No of Country Funds: 1) | | | | | | | | | | |
|------------------------------------|------------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | 1-Year | | | 3-Year | | | 5-Year | | |
| | Symbol | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Fund | IF | 101.58 | -8.63 | 110.21 | 31.07 | 2.04 | 29.03 | 56.51 | -3.06 | 59.57 |
| Index | JKSE Comp. | 55.29 | -8.63 | 63.92 | 37.34 | 2.04 | 35.30 | 35.72 | -3.06 | 38.78 |

(Bloomberg; Computed and compiled by the author)

Malaysia: The performance of Malaysia designated country fund has been on the same line as that of the Indonesia designated fund except the magnitude. The out performance of the fund has been 74.30 percent over one year and 72.07 percent over five years, where the under performance has been to the tune of 28.86 percent over three years. (Refer table no. 7)

Table: 7
Malaysia (No of Country Funds: 1)

| Malaysia (No of Country Funds: 1) | | | | | | | | | | |
|-----------------------------------|------------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | 1-Year | | | 3-Year | | | 5-Year | | |
| | Symbol | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Fund | MF | 37.73 | 0.43 | 37.30 | 8.1 | 0.09 | 8.01 | 15.29 | 1.49 | 13.80 |
| Index | KLSE Comp. | 21.83 | 0.43 | 21.40 | 11.35 | 0.09 | 11.26 | 9.51 | 1.49 | 8.02 |

(Computed and compiled by the author)

Russia: Of the three funds designated to Russia only one fund (TRF) has been able to out perform the Russia benchmark RTS-1 over all the years under study by 21.23 percent over one year; 25.97 percent in case of three years and by 8.1 percent over five years respectively. The magnitude of under performance by one of the fund named LETRX has been moderate across all the periods where as the magnitude of the third fund called "TMRFX" has been quite brutal and ranges 41.84 percent; 26.19 percent and 16.62 percent over one, three and five years respectively. (Refer table no. 8)

Table: 8
Russia (No of Country Funds: 3)

| Russia (No of Country Funds: 3) | | | | | | | | | | |
|---------------------------------|--------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | 1-Year | | | 3-Year | | | 5-Year | | |
| | Symbol | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Funds | TRF | 87.55 | -8.39 | 95.94 | 64.12 | -3.45 | 67.57 | 53.41 | -2.91 | 56.32 |
| | LETRX | 67.65 | -8.39 | 76.04 | 45.11 | -3.45 | 48.56 | 46.29 | -2.91 | 49.20 |
| | TMRFX | 37.64 | -8.39 | 46.03 | 36.14 | -3.45 | 39.59 | 40.53 | -2.91 | 43.44 |
| Index | RTS-1 | 70.75 | -8.39 | 79.14 | 50.19 | -3.45 | 53.64 | 49.19 | -2.91 | 52.10 |

(Computed and compiled by the author)

Singapore: Like South Korea, the Singapore designated country fund has been able to beat the

years and five years respectively. (Refer table no.9)

Table: 9
Singapore (No of Country Funds: 1)

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|--------------|---------------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Fund | SGF | 68.45 | -7.88 | 76.33 | 31.55 | -3.43 | 34.98 | 27.17 | -3.68 | 30.85 |
| Index | Straits Times | 27.2 | -7.88 | 35.08 | 19.16 | -3.43 | 22.59 | 12.96 | -3.68 | 16.64 |

(Computed and compiled by the author)

Australia: The only Australia designated country fund has only been able to out perform the corresponding All Ordinaries index in case of five years by 11.39 percent, where as its performance over a period of one and three years has been very-very pitiable where by it under performed the benchmark by 65.09 percent and 95.14 percent respectively. (Refer table no. 10)

Table: 10
Australia (No of Country Funds: 1)

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|--------------|----------------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Fund | IAF | 2.1 | -7.43 | 9.53 | -0.66 | -1.69 | 1.03 | 13.12 | -8.3 | 21.42 |
| Index | All Ordinaries | 19.87 | -7.43 | 27.30 | 19.52 | -1.69 | 21.21 | 10.93 | -8.3 | 19.23 |

(Computed and compiled by the author)

Japan: The table no. 11 exhibits that only two of the thirty five funds have outperformed the Nikkei-225, the bench mark for Japanese country funds over a period of one year ending December 2006 by 79.39 percent and 60.82 percent where as the extent of under performance by the remaining 94.29 percent Japan designated funds has been to the extend of 91.31 percent to 489.61 percent.

In case of three years the position has not improved much where only 4 out of 35 funds have been able to outperform the bench mark where as over a longer period of five years the position happen to be quite conformable where 81.82 percent of the funds have outperformed the bench mark (highest out performance being 90.27 percent by country fund called "JOF" and highest under performance being 57.65 percent by country fund named "CNJFX"). The magnitude of out performance in case of three years happen to be 128.00 percent (UJPIX) and the under performance being 92.91 percent (CNJFX). In case of country fund called "CNJFX", it has proved to be grossly underperformer (ranked last in case of three years as well as five years) over all three varying time periods used in the present study.

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|---------------|------------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Funds | UJPIX | 11.58 | 1.05 | 10.53 | 34.80 | 3.61 | 31.19 | 15.80 | -1.91 | 17.71 |
| | UJPSX | 10.49 | 1.05 | 9.44 | 33.47 | 3.61 | 29.86 | 14.68 | -1.91 | 16.59 |
| | FJEAX | 1.56 | 1.05 | 0.51 | 15.27 | 3.61 | 11.66 | 13.70 | -1.91 | 15.61 |
| | FJECX | 0.82 | 1.05 | -0.23 | 14.44 | 3.61 | 10.83 | 12.91 | -1.91 | 14.82 |
| | FJEBX | 0.82 | 1.05 | -0.23 | 14.41 | 3.61 | 10.80 | 12.91 | -1.91 | 14.82 |
| | GSJIX | 1.33 | 1.05 | 0.28 | 13.92 | 3.61 | 10.31 | 10.18 | -1.91 | 12.09 |
| | JPNDX | 0.41 | 1.05 | -0.64 | 13.50 | 3.61 | 9.89 | 11.26 | -1.91 | 13.17 |
| | JPNAX | 0.21 | 1.05 | -0.84 | 13.23 | 3.61 | 9.62 | 11.14 | -1.91 | 13.05 |
| | GSJAX | 0.64 | 1.05 | -0.41 | 13.32 | 3.61 | 9.71 | 9.58 | -1.91 | 11.49 |
| | GSJSX | 0.69 | 1.05 | -0.36 | 13.43 | 3.61 | 9.82 | 9.77 | -1.91 | 11.68 |
| | JPNCX | -0.45 | 1.05 | -1.50 | 12.45 | 3.61 | 8.84 | 10.19 | -1.91 | 12.10 |
| | JPNBX | -0.55 | 1.05 | -1.60 | 12.39 | 3.61 | 8.78 | 10.20 | -1.91 | 12.11 |
| | GSJBX | -0.55 | 1.05 | -1.60 | 12.37 | 3.61 | 8.76 | 8.75 | -1.91 | 10.66 |
| | GSJCX | -0.47 | 1.05 | -1.52 | 12.37 | 3.61 | 8.76 | 8.78 | -1.91 | 10.69 |
| | SJPNX | -4.43 | 1.05 | -5.48 | 10.83 | 3.61 | 7.22 | 14.24 | -1.91 | 16.15 |
| | CNJFX | -4.66 | 1.05 | -5.71 | 4.58 | 3.61 | 0.97 | 3.27 | -1.91 | 5.18 |
| | CVJAX | -4.34 | 1.05 | -5.39 | 15.73 | 3.61 | 12.12 | 14.21 | -1.91 | 16.12 |
| | CVJBX | -4.93 | 1.05 | -5.98 | 15.00 | 3.61 | 11.39 | 13.42 | -1.91 | 15.33 |
| | JOJ | -5.82 | 1.05 | -6.87 | 11.51 | 3.61 | 7.90 | 21.36 | -1.91 | 23.27 |
| | FJPNX | -5.64 | 1.05 | -6.69 | 14.97 | 3.61 | 11.36 | 13.70 | -1.91 | 15.61 |
| | WPJAX | -5.98 | 1.05 | -7.03 | 9.11 | 3.61 | 5.50 | 5.20 | -1.91 | 7.11 |
| | CUJAX | -6.16 | 1.05 | -7.21 | 8.95 | 3.61 | 5.34 | 5.11 | -1.91 | 7.02 |
| | WPJGX | -6.14 | 1.05 | -7.19 | 8.83 | 3.61 | 5.22 | 5.21 | -1.91 | 7.12 |
| | JEQ | -6.24 | 1.05 | -7.29 | 10.20 | 3.61 | 6.59 | 14.15 | -1.91 | 16.06 |
| | MJFOX | -6.84 | 1.05 | -7.89 | 9.83 | 3.61 | 6.22 | 12.63 | -1.91 | 14.54 |
| | FAJIX | -9.46 | 1.05 | -10.51 | 12.50 | 3.61 | 8.89 | 12.01 | -1.91 | 13.92 |
| | FJPAX | -9.76 | 1.05 | -10.81 | 12.11 | 3.61 | 8.50 | 11.66 | -1.91 | 13.57 |
| | FAJTX | -10.00 | 1.05 | -11.05 | 11.82 | 3.61 | 8.21 | 11.32 | -1.91 | 13.23 |
| | FAJCX | -10.46 | 1.05 | -11.51 | 11.29 | 3.61 | 7.68 | 10.80 | -1.91 | 12.71 |
| | FAJBX | -10.47 | 1.05 | -11.52 | 11.25 | 3.61 | 7.64 | 10.78 | -1.91 | 12.69 |
| DFJSX | -12.68 | 1.05 | -13.73 | 16.84 | 3.61 | 13.23 | 19.97 | -1.91 | 21.88 | |
| SPARX | -13.31 | 1.05 | -14.36 | 19.74 | 3.61 | 16.13 | NA | -1.91 | NA | |
| SPXJX | -13.54 | 1.05 | -14.59 | 19.55 | 3.61 | 15.94 | NA | -1.91 | NA | |
| JSCFX | -15.60 | 1.05 | -16.65 | 10.34 | 3.61 | 6.73 | 13.62 | -1.91 | 15.53 | |
| FJSCX | -21.82 | 1.05 | -22.87 | 10.97 | 3.61 | 7.36 | 16.98 | -1.91 | 18.89 | |
| Index | Nikkei-225 | 6.92 | 1.05 | 5.87 | 17.29 | 3.61 | 13.68 | 10.32 | -1.91 | 12.23 |

(Computed and compiled by the author)

EUROPEAN COUNTRIES

United Kingdom (U.K), Switzerland, Germany and Spain: On the through examination of table nos. 12, 13, 14 and 15, it has been found that all the four country funds (one for each) representing U.K, Switzerland, Germany and Spain have out performed their respective bench marks (FTSE-100, SMI, DAX and IBEX-30) over all the varying period considered in the present study. In terms of the magnitude of out performance, the U.K. designated fund has proved to be top most out performer

funds representing European countries, it has emerged that there is positive correlation between increased return and time made available to active portfolio manager. Although the fund belonging to Spain too, has been able to out perform over the entire period under study but it happen to be the least performer amongst all the four country funds representing European countries. Switzerland and Germany designated funds too remained top most out performer by 118.56 % and 133.02 % respectively but only over a period of five years.

Table: 12
U.K (No of Country Funds: 1)

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|--------------|----------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Fund | DFUKX | 44.35 | -12.15 | 56.50 | 28.08 | -3.17 | 31.25 | 23.7 | 7.55 | 20.12 |
| Index | FTSE-100 | 10.71 | -12.15 | 22.86 | 11.59 | -3.17 | 14.76 | 3.58 | 11.18 | -5.82 |

(Computed and compiled by the author)

Table: 13
Switzerland (No of Country Funds: 1)

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|--------------|--------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Fund | SWZ | 37.80 | -7.31 | 45.11 | 25.53 | -0.61 | 26.14 | 20.99 | -5.79 | 26.78 |
| Index | SMI | 15.85 | -7.31 | 23.16 | 16.98 | -0.61 | 17.59 | 6.48 | -5.79 | 12.27 |

(Computed and compiled by the author)

Table: 14
Germany (No of Country Funds: 1)

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|--------------|--------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Fund | GF | 42.53 | -10.23 | 52.76 | 30.57 | -1.65 | 32.22 | 22.12 | -7.66 | 29.78 |
| Index | DAX | 21.98 | -10.23 | 32.21 | 18.49 | -1.65 | 20.14 | 5.04 | -7.66 | 12.70 |

(Computed and compiled by the author)

Table: 15
Spain (No of Country Funds: 1)

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|--------------|---------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Fund | SNF | 35.00 | -10.23 | 45.23 | 24.45 | -1.65 | 26.1 | 23.07 | -7.66 | 30.73 |
| Index | IBEX-30 | 31.79 | -10.23 | 42.02 | 22.28 | -1.65 | 23.93 | 10.99 | -7.66 | 18.65 |

(Computed and compiled by the author)

Canada: The results of country designated funds in respect of Canada, Mexico and USA, are presented through table nos. 16, 17 & 18 respectively. On the examination of these results it has been found that in the case of Canada designated fund (one in number) has out performed the bench mark over all the varying period of the present study. The magnitude of out performance has intensified with the increased period of time funds have been managed actively.

Mexico: In case of both the Mexico designated country funds, it is found that they have out performed the bench mark (representing passively managed fund) over one and three years but in case of five years both the actively managed country funds slightly under performed the bench mark. The magnitude of performance happens to be in reverse to the one observed in case of its counter part (Canada) in the same region.

USA: In the case of USA that individually holds 34.87 percent share of the total World Market Capitalization of USD 50098.89 Billion as at the end of 2006. (Refer table no. 2), the results of all the country funds have been exhibited in table no. 18.

The table corroborate that over a period of one year only one country fund out of the total 11 could out perform the S&P 500, the representative bench mark for passively managed funds, where as the remaining ten funds representing 90.91 percent under performed. The magnitude of the performance happens to be in favour of the under performers, as the worst under performance was to the extent of 101.03 percent by two country funds (USLCX & USLBX).

Over a period of three years, once again larger number (55.56 percent) of country funds proved to be under performers.

Where ever, the actively managed funds managers are given longer period of time to perform, there appears that they have been able to prove their presence by resorting to provide very decent end results in terms of higher rate of returns. The analysis of table no. 18 indicates that over a period of five years, the out performing funds (80.00 percent) dominates over the number of under performing USA designated country funds.

In terms of the magnitude of performance, 60 percent of the out performing country funds beat the bench mark by a greater distance of at least 50 percent.

intends to out perform their respective bench mark over a longer period of time. These inferences are in conformity with the results of the actively managed funds across the globe.

Table: 16
Canada (No of Country Funds: 1)

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|--------------|---------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Fund | FICDX | 14.96 | 0.03 | 14.93 | 22.37 | -3.42 | 25.79 | 21.48 | -6.02 | 27.5 |
| Index | S&P TSX | 14.52 | 0.03 | 14.49 | 16.23 | -3.42 | 19.65 | 10.92 | -6.02 | 16.94 |

(Computed and compiled by the author)

Table: 17
Mexico (No of Country Funds: 2)

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|--------------|--------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Fund | MXE | 74.72 | 0.41 | 74.31 | 54.76 | -1.25 | 56.01 | 31.94 | 3.33 | 28.61 |
| | MXF | 54.07 | 0.41 | 53.66 | 47.49 | -1.25 | 48.74 | 29.68 | 3.33 | 26.35 |
| Index | IPC | 48.56 | 0.41 | 48.15 | 44.34 | -1.25 | 45.59 | 32.93 | 3.33 | 29.60 |

(Computed and compiled by the author)

Table: 18
USA (No of Country Funds: 11)

| | Symbol | 1-Year | | | 3-Year | | | 5-Year | | |
|---------------|---------|--------|-----------------|--------------|--------|-----------------|--------------|--------|-----------------|--------------|
| | | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return | Return | Currency Effect | Total Return |
| Country Funds | SAGSX | 15.94 | - | 15.94 | 13.08 | - | 13.08 | 7.96 | - | 7.96 |
| | GQETX | 12.01 | - | 12.01 | NA | - | NA | NA | - | NA |
| | GQEFX | 11.96 | - | 11.96 | NA | - | NA | NA | - | NA |
| | BUFGX | 11.62 | - | 11.62 | 8.07 | - | 8.07 | 4.77 | - | 4.77 |
| | CMNWX | 11.11 | - | 11.11 | 10.9 | - | 10.9 | 8.09 | - | 8.09 |
| | CMNCX | 10.2 | - | 10.2 | 9.95 | - | 9.95 | NA | - | NA |
| | CMNBX | 10.09 | - | 10.09 | 9.87 | - | 9.87 | 7.07 | - | 7.07 |
| | USLIX | 1.07 | - | 1.07 | 4.61 | - | 4.61 | NA | - | NA |
| | USGLX | 0.59 | - | 0.59 | 4.15 | - | 4.15 | 2.52 | - | 2.52 |
| | USLCX | -0.14 | - | -0.14 | 3.37 | - | 3.37 | NA | - | NA |
| USLBX | -0.14 | - | -0.14 | 3.37 | - | 3.37 | NA | - | NA | |
| Index | S&P 500 | 13.62 | - | 13.62 | 8.45 | - | 8.45 | 4.32 | - | 4.32 |

(Computed and compiled by the author)

Table nos. 19, 20 and 21, exhibits the summarized results on the performance of country funds vis-a-vis their respective bench mark indices across various emerging markets of the world for one, three and five years respectively.

All the country funds designated to different emerging markets like India, China, South Korea, Indonesia, Malaysia, and Russia from Asia/Pacific Region & Mexico from American Region have been able to out perform the bench mark indices on account of annualized absolute rate of return in US Dollar terms over a period of five years.

However, in case of three years all the country funds of South Korea and Mexico out performed, where this proportion of out performing funds to the total number of funds is 80 percent for China and 33.33 percent for Russia. No country fund from India, Indonesia and Malaysia could out perform the bench mark indices.

In the case of one year time horizon, all the country funds belonging to South Korea, Indonesia, Malaysia and Mexico out performed the bench mark, where as the proportion of out performing country funds designated to China, Russia and India happen to be 16.67 percent, 33.33 percent and 50.00 percent respectively. In aggregate it has been found that all the country funds belonging to South Korea and Mexico have out performed the bench mark indices over all the varying periods of time taken for this study.

Table: 19
Summarized Results of Country Funds in Emerging Markets for one year ending December 2006

| Category of Performance | Range of Return (%) | Asia/Pacific | | | | | | | America | | Grand Total |
|-------------------------|---------------------|--------------|-------|-------------|-----------|----------|--------|-------|---------|--------|-------------|
| | | India | China | South Korea | Indonesia | Malaysia | Russia | Total | Mexico | Total | |
| TMOP | 100 or > | - | - | 2 | - | - | - | 2 | - | - | 2 |
| DOP | 50 <100 | - | - | 1 | 1 | 1 | - | 3 | 1 | 1 | 4 |
| GOP | 25<50 | - | 1 | - | - | - | - | 1 | - | - | 1 |
| OP | <25 | 1 | - | - | - | - | 1 | 2 | 1 | 1 | 3 |
| UP | <25 | - | - | - | - | - | 1 | 1 | - | - | 1 |
| PUP | 25 <50 | 1 | 2 | - | - | - | 1 | 4 | - | - | 4 |
| DUP | 50<100 | - | 3 | - | - | - | - | 3 | - | - | 3 |
| VPUP | 100 or > | - | - | - | - | - | - | - | - | - | - |
| | Total | 2 | 6 | 3 | 1 | 1 | 3 | 16 | 2 | 2 | 18 |
| % of Out performers | | 50.00 | 16.67 | 100.00 | 100.00 | 100.00 | 33.33 | 50.00 | 100.00 | 100.00 | 55.56 |
| % of Under Performers | | 50.00 | 63.33 | Nil | Nil | Nil | 66.67 | 50.00 | Nil | Nil | 44.44 |
| St. Dev. of Index | | 5.58 | 6.93 | 3.36 | 5.39 | 2.86 | 8.23 | | 3.08 | | |

(Computed and compiled by the author)

Summarized Results of Country Funds in Emerging Markets for three years ending December 2006

| Category of Performance | Range of Return (%) | Asia/Pacific | | | | | | | America | | Grand Total |
|-------------------------|---------------------|--------------|-------|-------------|-----------|----------|--------|-------|---------|--------|-------------|
| | | India | China | South Korea | Indonesia | Malaysia | Russia | Total | Mexico | Total | |
| TMOP | 100 or > | - | - | - | - | - | - | - | - | - | - |
| DOP | 50 <100 | - | - | 1 | - | - | - | 1 | - | - | 1 |
| GOP | 25<50 | - | 1 | 2 | - | - | 1 | 4 | - | - | 4 |
| OP | <25 | - | 3 | - | - | - | - | 3 | 2 | 2 | 5 |
| UP | <25 | 2 | - | - | 1 | - | 1 | 4 | - | - | 4 |
| PUP | 25 <50 | - | - | - | - | 1 | 1 | 2 | - | - | 2 |
| DUP | 50<100 | - | 1 | - | - | - | - | 1 | - | - | 1 |
| VPUP | 100 or > | - | - | - | - | - | - | - | - | - | - |
| Total | | 2 | 5 | 3 | 1 | 1 | 3 | 15 | 2 | 2 | 17 |
| % of Out performers | | Nil | 80.00 | 100.00 | Nil | Nil | 33.33 | 53.33 | 100.00 | 100.00 | 58.82 |
| % of Under Performers | | 100.00 | 20.00 | Nil | 100.00 | 100.00 | 66.67 | 46.67 | Nil | Nil | 41.18 |
| St. Dev. of Index | | 6.18 | 7.23 | 5.26 | 5.30 | 3.20 | 8.20 | | 4.70 | | |

(Computed and compiled by the author)

Table: 21

Summarized Results of Country Funds in Emerging Markets for five years ending December 2006

| Category of Performance | Range of Return (%) | Asia/Pacific | | | | | | | America | | Grand Total |
|-------------------------|---------------------|--------------|--------|-------------|-----------|----------|--------|--------|---------|--------|-------------|
| | | India | China | South Korea | Indonesia | Malaysia | Russia | Total | Mexico | Total | |
| TMOP | 100 or > | - | 4 | - | - | - | - | 4 | - | - | 4 |
| DOP | 50 <100 | - | - | 2 | 1 | 1 | - | 4 | - | - | 4 |
| GOP | 25<50 | 2 | - | 1 | - | - | - | 3 | - | - | 3 |
| OP | <25 | - | - | - | - | - | 1 | 1 | - | - | 1 |
| UP | <25 | - | - | - | - | - | 2 | 2 | 2 | 2 | 4 |
| PUP | 25 <50 | - | - | - | - | - | - | - | - | - | - |
| DUP | 50<100 | - | - | - | - | - | - | - | - | - | - |
| VPUP | 100 or > | - | - | - | - | - | - | - | - | - | - |
| Total | | 2 | 4 | 3 | 1 | 1 | 3 | 14 | 2 | 2 | 16 |
| % of Out performers | | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| % of Under Performers | | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| St. Dev. of Index | | 6.40 | 7.01 | 6.32 | 6.26 | 3.87 | 8.34 | | 4.91 | | |

(Computed and compiled by the author)

Table nos. 22, 23 and 24, exhibits the summarized results on the performance of country funds vis-à-vis their respective bench mark indices in the developed markets of the world for one, three and five years respectively.

On the through examination of the summarized results it is found that all the country funds designated for Singapore, U.K., Switzerland, Germany, Spain, and Canada have out performed their respective bench marks across the board over all the different periods of time used in the present study. In case of country funds belonging to other developed markets the proportion of out performing funds has been 5.71 percent, 11.43 percent and 66.67 percent in case of Japan over one, three and five years respectively, this proportion is 9.09 percent, 44.44 percent and 80.0 percent for USA over the same period. It is of paramount significance to note that the country funds designated to USA, Japan and U.K. that together account for more than half of the World Market Capitalization (52.24 percent, refer table no. 2)

In case of the performance of only one country fund designated to Australia, there are divergent results, as it has only been able to out perform over five years by a very thin margin of 11.39 percent, where as it has proved to be under performer over one year as well as three years by substantial margin of 65.09 percent and 95.14 percent over one and three years denoted as "Distant Under Performer" in the present study. (Refer table no. 10)

5. Conclusions:

It's worth to conclude on basis of through investigation of the performance of 71 country designated funds belonging to emerging as well as developed markets from Asia/ Pacific, European and American countries, that the actively managed funds tends to deliver better returns vis-à-vis passively managed funds (represented by Bench Mark Indices) in general and over longer period of time in particular.

In the case of emerging markets, in aggregate 55.56 percent, 58.82 percent and 100.00 percent country funds out performed their respective bench mark indices over a period of one, three and five years respectively, where as this proportion happens to be significantly lower in case of developed markets, i.e. 18.87 percent, 27.45 percent and 73.33 percent over the same period. (Refer table no. 19, 20, 21, 22, 23 & 24).

The top five positions on the basis CAGR in US Dollars over a period of one year have been attained by, GCH (China with 166.34 percent), IF (Indonesia with 110.21 percent), TRF (Russia with 95.94

(India with 50.10 percent), MXF (Mexico with 48.74 percent) and LETRX (Russia with 48.56 percent) ranked at first five positions respectively.

In case of a longer period of five years the first five ranks on the basis of CAGR have been retained by country funds namely, IF (Indonesia with 59.57 percent), TRF (Russia with 56.32 percent), IIF (India with 51.91 percent), LETRX (Russia with 49.20 percent) and IFN (India with 47.38 percent) respectively.

Only one country fund (SGF, Singapore designated country fund) from the developed markets have been able to find a place (4th over a period of one year) amongst the first five top ranks in terms of remunerating its unit holders in the form of absolute rate of return represented in the form of CAGR.

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Table: 22
Summarized Results of country Funds in Developed Markets for one year ending December 2006

| Category of Performance | Range of Return (%) | Asia/Pacific | | | | Europe | | | | | America | | | Grand Total |
|-------------------------|---------------------|--------------|-----------|-------|-------|--------|-------------|---------|--------|--------|---------|-------|-------|-------------|
| | | Singapore | Australia | Japan | Total | U.K | Switzerland | Germany | Spain | Total | Canada | USA | Total | |
| TMOP | 100 or > | 1 | - | - | 1 | 1 | - | - | - | 1 | - | - | - | 2 |
| DOP | 50 <100 | - | - | 2 | 2 | - | 1 | 1 | - | 2 | - | - | - | 4 |
| GOP | 25<50 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| OP | <25 | - | - | - | - | - | - | - | 1 | 1 | 1 | 1 | 2 | 3 |
| UP | <25 | - | - | - | - | - | - | - | - | - | - | 4 | 4 | 4 |
| PUP | 25 <50 | - | - | - | - | - | - | - | - | - | - | 2 | 2 | 2 |
| DUP | 50<100 | - | 1 | 1 | 1 | - | - | - | - | - | - | 2 | 2 | 3 |
| VPUP | 100 or > | - | - | 32 | 32 | - | - | - | - | - | - | 2 | 2 | 34 |
| | Total | 1 | 1 | 35 | 37 | 1 | 1 | 1 | 1 | 4 | 1 | 11 | 12 | 53 |
| % of Out performers | | 100.00 | Nil | 5.71 | 8.11 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 9.09 | 16.67 | 18.87 |
| % of Under Performers | | Nil | 100.00 | 94.29 | 91.89 | Nil | Nil | Nil | Nil | Nil | Nil | 90.91 | 83.33 | 81.13 |
| St. Dev. of Index | | 3.71 | 2.63 | 3.95 | | 2.28 | 2.58 | 2.82 | 3.07 | | 3.08 | 1.64 | | |

(Computed and compiled by the author)

Table: 23
Summarized Results of Country Funds in Developed Markets for three years ending December 2006

| Category of Performance | Range of Return (%) | Asia/Pacific | | | | Europe | | | | | America | | | Grand Total |
|-------------------------|---------------------|--------------|-----------|-------|-------|--------|-------------|---------|--------|--------|---------|-------|-------|-------------|
| | | Singapore | Australia | Japan | Total | U.K | Switzerland | Germany | Spain | Total | Canada | USA | Total | |
| TMOP | 100 or > | - | - | 2 | 2 | 1 | - | - | - | 1 | - | - | - | 3 |
| DOP | 50 <100 | 1 | - | - | 1 | - | - | 1 | - | 1 | - | 1 | 1 | 3 |
| GOP | 25<50 | - | - | - | - | - | 1 | - | - | 1 | 1 | - | 1 | 2 |
| OP | <25 | - | - | 2 | 2 | - | - | - | 1 | 1 | - | 3 | 3 | 6 |
| UP | <25 | - | - | 8 | 8 | - | - | - | - | - | - | 1 | 1 | 9 |
| PUP | 25 <50 | - | - | 16 | 16 | - | - | - | - | - | - | 1 | 1 | 17 |
| DUP | 50<100 | - | 1 | 7 | 8 | - | - | - | - | - | - | 3 | 3 | 11 |
| VPUP | 100 or > | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 1 | 1 | 35 | 37 | 1 | 1 | 1 | 1 | 4 | 1 | 9 | 10 | 51 |
| % of Out performers | | 100.00 | Nil | 11.43 | 13.51 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 44.44 | 50.00 | 27.45 |
| % of Under Performers | | Nil | 100.00 | 88.57 | 86.49 | Nil | Nil | Nil | Nil | Nil | Nil | 55.56 | 50.00 | 72.55 |
| St. Dev. of Index | | 2.92 | 2.34 | 4.09 | | 2.11 | 2.64 | 3.11 | 2.95 | | 2.98 | 1.98 | | |

(Computed and compiled by the author)

Table: 24
Summarized Results of Country Funds in Developed Markets for five years ending December 2006

| Category of Performance | Range of Return (%) | Asia/Pacific | | | | Europe | | | | | America | | | Grand Total |
|-------------------------|---------------------|--------------|-----------|-------|-------|--------|-------------|---------|--------|--------|---------|-------|-------|-------------|
| | | Singapore | Australia | Japan | Total | U.K | Switzerland | Germany | Spain | Total | Canada | USA | Total | |
| TMOP | 100 or > | - | - | - | - | 1 | 1 | 1 | - | 3 | - | - | - | 3 |
| DOP | 50 <100 | 1 | - | 3 | 4 | - | - | - | 1 | 1 | 1 | 3 | 4 | 9 |
| GOP | 25<50 | - | - | 9 | 9 | - | - | - | - | - | - | - | - | 9 |
| OP | <25 | - | 1 | 10 | 11 | - | - | - | - | - | - | 1 | 1 | 12 |
| UP | <25 | - | - | 7 | 7 | - | - | - | - | - | - | - | - | 7 |
| PUP | 25 <50 | - | - | 3 | 3 | - | - | - | - | - | - | 1 | 1 | 4 |
| DUP | 50<100 | - | - | 1 | 1 | - | - | - | - | - | - | - | - | 1 |
| VPUP | 100 or > | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 1 | 1 | 33 | 35 | 1 | 1 | 1 | 1 | 4 | 1 | 5 | 6 | 45 |
| % of Out performers | | 100.00 | 100.00 | 66.67 | 68.57 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 80.00 | 83.33 | 73.33 |
| % of Under Performers | | Nil | Nil | 33.33 | 31.43 | Nil | Nil | Nil | Nil | Nil | Nil | 20.00 | 16.67 | 26.67 |
| St. Dev. of Index | | 3.99 | 2.66 | 4.75 | | 3.76 | 4.18 | 6.88 | 5.07 | | 3.27 | 3.57 | | |

(Computed and compiled by the author)