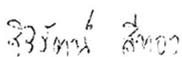


Sirirat Seethong 2007: Factor Affecting the Rate of Returns on Fixed Income Fund: A Case Study of Kasikorn Asset Management Co., Ltd. Master of Economics (Business Economics), Major Field: Business Economics, Department of Economics. Thesis Advisor: Ms. Kanokwan Chanchaoenchai, Ph.D. 141 pages.

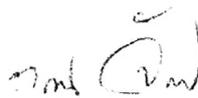
Investment in mutual fund is an important option of investors, especially the fixed income fund was increased interesting of investors. The researcher, therefore, focused on factors affecting the rate of returns on fixed income fund of Kasikorn Asset Management Co.,Ltd., especially The Ruang Khao Corporate Bond Fund, The Ruang Khao Fixed-Income Class and The Ruang Khao Fixed-Income Distribution Class. The objectives of the study were to 1) investigate general characteristics of fixed income fund, 2) study the factors affecting the rate of returns on fixed income fund in order to understanding what are the affective factors and help investors to take the investment decision effectively. This study used the time-series secondary data of years 2002-2005 (48 months), the stationary data initially be test by the ADF analysis, and then estimate coefficients of rate of returns on all 3 fixed income funds.

The result of skewness and kurtosis showed that all 3 fund rates of return were right skewed and leptokurtic. This finding is accordant to the fund performances which are lower than the standard criteria and also show the high risk in investment in fixed income fund. For coefficient estimation methods, this study applied AR (1) to The Ruang Khao Corporate Bond Fund and applied OLS to both The Ruang Khao Fixed-income Class and The Ruang Khao Fixed-income Distribution Class. All of 3 funds were responded to the factors similarly. Because the funds mostly invested in government bond, the investors lacked of knowledge and information of fixed income fund, and economic slowdown in the studied period had an effect on investor confidence. Only the market capitalization of mutual fund factor that was not significant to rate of return on The Ruang Khao Fixed-Income Distribution Class because the fund size is small.

From finding, the investment of fixed income fund(s) should take the total return of government bond index and the market capitalization of mutual fund into account in order to make an investment decision more reasonably. Moreover, this research area could also be extended by including micro variables that reflect fund's characteristics, and analyzing other types of mutual funds such as the Foreign Investment Fund.



Student's signature



Thesis Advisor's signature

25 / May / 2007