Numhatai Inthavichien 2010: The Performance Evaluation of Equity Foreign Investment Funds. Master of Business Administration, Major Field: Business Administration, Interdisciplinary Graduate Program. Thesis Advisor: Assistant Professor Surang Hensawang, D.B.A. 109 pages.

This study aims to examine the rate of return, risk and performance of equity foreign investment funds. The study uses 23 equity foreign investment funds investing in various country groups including Asia Pacific, Fareast Asia, BRIC, Developed Markets Country and Emerging Markets Country. Therefore, the market indices used as the benchmark are various. The study period covers January 2008 to December 2009.

The data used are daily Net Asset Value, Market index, Fixed 1-year Interest and 90-day Treasury Bill. The study calculates the rate of return and risk. Such risk is measured by standard deviation, beta and coefficient of variance. In addition, the mutual fund performance is evaluated through Sharpe, Treynor, Jensen's Alpha and Modigliani (M-square). Moreover, the hypothesis testing of the mean difference between the mutual fund and the market index is done through statistic t-test at the 0.05 level of significance.

The study finds that the equity foreign investment fund's average rate of return is of -0.068 % daily. The risk measured by standard deviation, beta and coefficient of variance is 2.142%, 0.314 times and -34.318 times, respectively. As for the performance evaluation, the Sharpe, Treynor, Jensen's alpha and M-square exhibit the performance of -0.037 times, -0.907 times, -0.071 and -0.079%, respectively. All of them are lower than the market indices. These imply the underperformance of mutual fund in the recession period. In addition, the inconsistency of mutual fund performance by difference measures is found therefore, the investors should select the performance measures being suitable to their investment characteristics and risk preference.

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