CHAPTER 4

RESEARCH RESULTS

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4.1 Summary Statistics

Based on Table 4.1, the mean returns for all the equity funds from year 2005 to 2009 are 10.46%. Total 46 equity funds have been selected in the calculation. It consist of 44 Domestic Equity Funds and only 2 International Equity Funds. Based on the same period, the Domestic Equity Funds will have 10.67% while the mean returns for International Equity Funds are 5.55%. Due to the small number of funds that invest globally, its mean returns do not affect much on the total mean returns for all the equity funds. In general, Domestic Equity Funds

Table 4.1: <u>Summary of Fund Returns</u>

No.	Description	No. of Fund	Total Returns
1)	Year 2005 - 2009		
	All	46	0.1046
	Domestic Equity Funds	44	0.1067
	International Equity Funds	2	0.0555
2)	Year 2007 - 2009		
	All	75	0.0926
	Domestic Equity Funds	53	0.1065
	International Equity Funds	23	0.0613

^{*} Means are reported

mean is higher than the International Equity Funds. Its mean returns are almost two times higher than the returns from International Equity Funds.

However, the mean returns for year 2007 to 2009 have dropped to 9.26%. The drop was due to increase in number of International Equity Funds. The International Equity Funds have increased exponentially from 2 to 23 within two years time. The mean returns also increase to 6.13% from 5.55%. However, it is still lower than the Domestic Equity Funds. Not much changes for the mean returns of the Domestic Equity Funds. Its mean returns for year 2007 to 2009 are 10.65%.

In term of movement of the fund returns and the market returns, the pairwise correlation matrix shown there is a different between the Domestic Equity Funds and International Equity Funds as per Table 4.2 and 4.3. The correlation matrix figure of 0.987 is showing the returns of the Domestic Equity Funds found more related to Bursa Malaysia than Morgan Stanley Indexes. It is normal as the Domestic Equity Funds is mainly invests in Bursa Malaysia. As for the International Equity Funds, the returns are less correlated with the Market Index. The correlation matrix show the returns of the International Equity Funds is more related to the Morgan Stanley Indexes than Bursa Malaysia. However, it can be explained as the funds are investing more in other country than domestic stock market. In overall, the correlation matrix also shows that the returns of the Bursa Malaysia can be related to the returns of the Morgan Stanley Indexes.

Table 4.2: Correlation Matrix for Return of Domestic Equity Funds

	Domestic				
	Equity Funds	KLCI	MXWO	MXAPJ	MXEA
Domestic Equity Funds	1.0000				
KLCI	0.9387	1.0000			
MXWO	0.8485	0.9206	1.0000		
MXAPJ	0.8831	0.9544	0.9732	1.0000	
MXEA	0.8371	0.9085	0.9976	0.9559	1.0000

Table 4.3: Correlation Matrix for Return of International Equity Funds

	International Equity Funds	KLCI	MXWO	MXAPJ	MXEA
International Equity Funds	1.0000				
KLCI	0.6848	1.0000			
MXWO	0.7231	0.9550	1.0000		
MXAPJ	0.7264	0.9685	0.9932	1.0000	
MXEA	0.7177	0.9546	0.9991	0.9884	1.0000

4.2 Analyses of Statistical Results

The alphas and betas were gathered by regress the fund returns on the equity market returns. The results are presented in Table 4.4 and a summary is presented in Table 4.5. The discussion below will be structured around the study research questions.

The first research question examine whether Domestic Equity Funds provide excess returns when compare with the equity market indexes. Refer to the result based on the five years returns from 2005 to 2009 as shown in the Table 4.4, most of the individual funds show a significant betas when regress the funds returns on the Bursa Malaysia. There are only two funds which called OSK-UOB Small Cap Opportunity and OSK-UOB Emerging Opportunity are insignificant. Besides, more than half of the funds are showing a significant betas when regress on the Morgan Stanley World Index and Morgan Stanley Asia Pacific ex-Japan. However, there are only 20 funds out of 44 funds that give a significant betas when regress on the Morgan Stanley Europe, Australia and Far East Index. Therefore, it shows that the Domestic Equity Funds can be more related to the Bursa Malaysia than other equity market indexes.

However there are only few funds are providing significant alphas when regress on the equity market returns. There are four significant alphas which showing negative figure while only two significant alphas showing positive figure. All three significant alphas on Bursa Malaysia are negative. Besides, the fund that has significant alpha on Morgan Stanley Asia Pacific ex-Japan is also showing a negative alpha. The negative alphas means the funds are providing less returns when compare with the market returns. However, there are two positive alphas which shown in the Morgan Stanley World Index and Europe, Australia and Far East Index. It mean that these funds are providing excess returns when compare with this indexes.

For the analysis period of 2007 to 2009, the number of significant betas has reduced sharply. There are only 20 funds out of 52 Domestic Equity Funds provide significant betas. As for the all the three Morgan Stanley Indexes, there are less than ten significant betas for each Morgan Stanley Index respectively. It shows that the fund returns is less in tandem with the returns of the equity market over a shorter assessment period. However, it also show that the fund returns is still follow more on movement of the Bursa Malaysia rather than other indexes which in the comparison such as Morgan Stanley Indexes.

Table 4.4: Jensen Performance Coefficients

L	cN estal		KICI			MXWO			MXAP.I	ľ		MXFA	Γ
Š	Description of Fund	Alpha	Beta	\mathbb{R}^2	Alpha	Beta	\mathbb{R}^2	Alpha	Beta	R ²	Alpha	Beta	\mathbb{R}^2
₹	Year 2005 - 2009 46												
œ.	Domestic Equity Funds 44												
	1) Prudential Equity Income Fund	-0.0403	0.6692 **	0.9892	0.0358	0.8424 **	0.8487	0.0427	0.5277 **	0.9454	0.0241	0.7591 **	0.8153
	3) Public Growth Fund	0.0229	0.9250 **	0.9825	0.1265	1.1052 **	0.7839	0.0235	0.7226 **	0.9144	0.1127	0.9911	0.7492
	4) Public Index Fund	0.0105	0.8987 **	0.9861	0.1103	1.1408 **	0.8835	0.0085		0.9593	0.0957	1.0315 **	0.8584
	5) Public Industry Fund	0.0123	0.9590	0.9939	0.1186	1.1735 **	0.8281	0.0148	0.7353 **	0.8870	0.1034	1.0679 **	0.8148
	Public	0.0323	1.0259 **	0.9797	0.1465	1.1828	0.7285	0.0378	0.7648 **	0.8312	0.1314	1.0/0/	0.7094
	Public Regular Savings Fund Bublic Small Can Fund	0.022/	0.0300	0.9002	0.1169	1.0510	0.0043	0.022	0.9569	0.9309	0.1037	0.9469	0.0337
	Public	0.0277	0.9206	0.9796	0.1296	1.1636 **	0.8671	0.0242	0.7433 **	0.9654	0.1150	1.0460 **	0.8326
		0.0572	1.0046 **	0.9573	0.1699	1.1344	0.6860	0.0650	0.7368 **	0.7898	0.1553	1.0287	0.6704
	11) Public Focus Select Fund		0.8022 **	0.9862	0.1049	1.0312 **	0.8977	0.0156		0.9273	0.0915	0.9379 **	0.8825
	12) TA Growth Fund	-0.0636 **	0.7915 **	0.9936		0.9379 **	0.7780	-0.0572		0.8587		0.8498	0.7590
	13) TA Comet Fund	0.0153	0.8275 **	0.8154	0.1045 **	1.2361 **	0.9858	0.0068	0.7075 **	0.8813	0.0880 **	1.1394 **	0.9953
	14) IA Figit Glowul Fund	0.1148 **	0.9149	0.0756	0.0310	1 1728 **	0.0273	0.0003	0.0411	0.0445	0.077	1 0107 **	0.0233
	16) Alliance Vision Fund	-0.0263	1.1155 **	0.9465	0.0978	1,2309	0.6402	-0.0157	0.7977	0.7338	0.0820	1.1157	0.6251
	17) Alliance Tactical Growth Fund	-0.0169	0.9022 **	0.9581	0.0859	1.0125	0.6768	-0.0067	0.6519	0.7657	0.0728	0.9202	0.6644
	 Alliance Optimal Income Fund 	-0.0942 **	0.5408 **	0.9575	-0.0292	0.7215 **	0.9414	-0.0921 **		0.9844	-0.0384	0.6522 **	0.9141
		-0.0507	0.9460 **	0.9904	0.0551	1.1211 **	0.7729	-0.0484	0.7273 **	0.8877	0.0411	1.0076	0.7420
		-0.0775	1.0624 **	0.8618	0.0416	1.1590	0.5724	-0.0605	0.7235	0.6087	0.0260	1.0707	0.5806
	21) CIMB-Principal Equity Aggressive Fund 3	-0.0238	1.0505	0.9835	0.0929	1.2412	0.7535	-0.0230	0.6131	0.8823	0.0774	1.1124	0.7192
		-0.0107	1.1433 **	0.9578	0.1137	1.3778 **	0.7738	-0.0168	0.9128 **	0.9267	0.0968	1,2282	0.7307
		-0.0524	0.8752 **	0.9742	0.0457	1.0823 **	0.8278	-0.0542	0.7019 **	0.9500	0.0323	** 0696.0	0.7884
		-0.0177	0.9789	0.9903	0.0913	1.1626 **	0.7732	-0.0138	0.7412 **	0.8575	0.0765		0.7512
	26) CIMB-Principal Equity Income Fund	-0.0811	1 1500 **	0.9711	0.0288	1.2227 **	0.8134	0.0849	0.7980 **	0.9454	0.0136	1.0941 **	0.7740
	27) CIMB-Principal Equity Growth Fund 28) CIMB-Principal Equity Appressive Fund 1	-0.0429	1 1911 **	0.9092	0.004	1.3520	0.7490	0.0400		0.0002	0.0009	1 3255 **	0.7240
		0.0000	0.8928	0.9903	0.0996	1.1135 **	0.8557	-0.0011	0.7106 **	0.9509	0.0856	1.0030 **	0.8251
		-0.1013	0.8103 **	0.9332	-0.0070	0.8834	0.6265	-0.0888	0.5742	0.7223	-0.0184	0.8029	0.6149
		-0.0750	1.0171 **	0.9281	0.0381		0.6961	-0.0648	0.7311	0.7209	0.0224	1.0885	0.6959
	32) HLG Blue Chip Fund	-0.1237	0.8262 **	0.9008	-0.0320	1.1037 **	0.8729	-0.1296	0.6913 **	0.9346	-0.0458	0.9898 **	0.8343
	34) MAAKI Equity ladey Euod	0.0234	0.7391 **	0.3000	0.1000	0.0031	0.7327	0.0336	0.5223	0.0422	0.0377	0.7271	0.7947
		-0.0235	0.9605	0.9774	0.0846	1.0942	0.7076	-0.0160	0.7077 **	0.8078	0.0707	0.9898	0.6880
		-0.0558	0.8945 **	0.9874	0.0442		0.8357	-0.0567	0.7102 **	0.9425	0.0303	0.9925 **	0.8016
		-0.0553	0.6292 **	0.9749	0.0183	0.8269 **	0.9295	-0.0520	0.5019 **	0.9345	0.0075	0.7546 **	0.9199
	38) OSK-UOB Small Cap Opportunity	-0.0353	0.915/	0.686	0.0/11	1 0042 **	0.3852	0.0081	0.5628	0.3981	0.0584	0.854/	0.3998
	40) OSK-HOB Emerging Opportunity	-0.0273	0.8122	0.3000	0.0003	0.7631	0.0000	-0.0303	0.0300	0.3195	0.0340	0.7217	0.3477
		-0.0793	0.9400	0.9706	0.0260	1.1118	0.7496	-0.0768	0.7225 **	0.8638	0.0122	0.9965	0.7155
		-0.0618	0.8615 **	0.9192	0.0365		0.6708	-0.0597		0.8419	0.0247		0.6221
	43) Pacific Dividend Fund 44) TA Small Cap Fund	-0.0484	0.7315 **	0.9698	0.0350	0.9498 **	0.8949	-0.0477 -0.0628	0.5871 **	0.9330	0.0028	0.8599 **	0.8717
≘	International Equity Funds 2												
	 HwangDBS Select Opportunity Fund HwangDBS Asia Quantum Fund 	-0.1292 -0.0374	0.9622 ** 0.8561	0.8542	-0.0237 0.0597	1.2329 1.0196	0.7598	-0.1358 -0.0405	0.7896 **	0.8505	-0.0388 0.0479	1.0975 0.8876	0.7155
				1									

Table 4.4: Jensen Performance Coefficients (continued)

	N lety I		KICI	ľ		MXWO			MXAPJ	\mid		MXEA	
Š	Description of Fund	Alpha	Beta	Ψ,	Alpha	Beta	R ²	Alpha	Beta	2ς	Alpha	Beta	R2
(B	Year 2007 - 2009 75												
Ċ	Domestic Equity Funds 52												
	Prudential Equity Income Fund Public Savines Fund	0.0402	0.7820 ***	1.0000	0.1928	0.9210	0.9571	0.0805	0.5266	0.9670	0.0946	0.8740	0.9687
	3) Public Growth Fund	0.0458	0.9489 **	0.9998	0.2278	1.2672	0.9475	0.0661	0.7250	0.9584	0.2274	1.2034	0.9604
		-0.0004	0.9273 **	0.9980	0.1782	1.2494	0.9613	0.0190	0.7142	0.9707	0.1780	1.1853	0.9723
	Public Industry Fund Public Aggressive Growth Fund	0.0489	1.0292	0.9821	0.2428	1.3176	0.8602	0.0744	0.7570	0.8777	0.2429	1.2576	0.8809
		0.0237	0.8587 **	0.9948	0.1902	1.1852	0.9722	0.0418	0.6655	0.9801	0.1899	1.1043	0.9815
		0.1229	0.9883	0.9404	0.3073	1.2210	0.7722	0.1509	0.7041	0.7936	0.3077	1.1704	0.7975
	9) Public Equity Fund	0.0314	1.0128	0.9870	0.2142	1.2980	0.9836	0.0491	0.7408	0.9896	0.2139	1.2287	0.9905
		-0.0048	0.7957 **	0.9949	0.1501	1.0788	0.9730	0.0128	0.6161	0.9807	0.1499	1.0223	0.9821
	12) Public Dividend Select Fund	0.0295	0.7784 **	0.9979	0.1797	1.0204	0.9214	0.0495	0.5846	0.9348	0.1797	0.9707	0.9372
	13) TA Growth Fund	-0.0558	0.7788 **	0.9971	0.0945		0.9171		0.5837	0.8308	0.0945	0.9692	0.9333
	14) TA Comet Fund	-0.0813	0.8407	0.9593	0.0839	1.1832 **	0.9988	-0.0665 **	0.6734 **	0.9999	0.0834 **		1.0000
	15) IA High Growth Fund	-0.0100	0.8182	0.8700	0.1452	1.0380	0.8018	0.0123	0.0870	0.8088	0.1454	1 1813 **	0.8731
	17) Alliance Vision Fund	0.0096	1.0637	0.9736	0.2090	1.3501	0.8383	0.0364	0.7765	0.8569	0.2093	1.2901	0.8603
	18) Alliance Tactical Growth Fund	-0.0004	0.8849	0.9608	0.1666	1.1090	0.8141	0.0247	0.6384	0.8338	0.1669	1.0610	0.8375
	19) Alliance Optimal Income Fund	-0.1074	0.5588	0.9711	0.0048	0.7729 **	0.9977	-0.0934 **	0.4400 **	0.9995	0.0045	0.7297 **	0.9997
	20) AmCumulative Growth	-0.0260	0.9419 **	0.9996	0.1547	1.2602	0.8506	600.0-	0.7208	0.9613	0.1546	1.1965	0.9631
	22) Avenue DividendEXTRA Fund	-0.0130	0.4845	0.8909	0.0547	0.7041	0.9842	-0.0345	0.3991	0.9771	0.0543	0.6613	0.9756
		-0.0459	0.5028	0.9091	0.0520	0.6038	0.7398	-0.0254	0.3486	0.7622	0.0523	0.5797	0.7663
	CMS Premier Fund	-0.0819	1.0075	0.8639	0.1034	1.1894	0.6499	-0.0495	0.6892	0.6745	0.1041	1.1468	0.6790
	25) CIMB-Principal Equity Aggressive Fund 3	0.0123	1.0546 **	0.9992	0.2137	1.4156	0.9529	0.0333	0.8096	0.9833	0.2135	1.3438	0.9651
	20) CIMB-Principal Small Cap Fund	0.0220	1.0254	11/8/0	0.2151	1.2881	0.8333	0.0481	0.7407	0.0773	0.2154	1.2407	0.8000
		-0.0351	0.8978	0.9876	0.1391	1.2324	0.9834	-0.0176	0.7031	0.9894	0.1388	1.1665	0.9904
	29) CIMB-Principal Equity Fund	-0.0029	0.9530 **	0.9999	0.1795	1.2855	0.9380	0.0181	0.7244	0.9499	0.1794	1.2026	0.9520
		-0.0602	1.0336 **	0.9938	0.1383	1.4071	0.9723	-0.0408	0.8036	0.9802	0.1380	1.3335	0.9815
	31) CIMB-Principal Equity Growth Fund	-0.0195	1.1638 **	0.9946	0.1997	1.5184	0.8984	0.0059	0.8710	0.9136	0.1998	1.4464	0.9163
	CIMB-Principal Equity Aggressive Fund CIMB-Principal KLCI-Linked Fund	0.0033	0.9117 **	0.9954	0.1793	1.2362	0.9700	0.0219	0.7061	0.9782	0.1791	1.1718	0.9796
	HLG Growth Fund	-0.0798	0.7939	0.9374	0.0702	0.9769	0.7720	-0.0549	0.5633	0.7934	0.0705	0.9364	0.7974
		-0.0802	0.9417	0.9811	0.0979	1.2034	0.8593	-0.0559	0.6915	0.8768	0.0981	1.1487	0.8800
	36) HLG Blue Chip Fund 37) HLG Divideed Eund	-0.1242	0.8193	0.8918	0.0390	1.19/1	0.9904	-0.1128	0.6/90	0.9847	0.0383	1.1252	0.9835
	38) HLG Strategic Fund	-0.1136	0.8749	0.9495	0.0582	1.2400 **	0.9998	-0.0992 **	0.7053 **	0.9998	0.0577	1.1695 **	0.9997
	39) Kenanga Growth Fund	0.0415	0.7025	0.9872	0.1771	0.9019	0.8832	0.0619	0.5177	0.8993	0.1772	0.8599	0.9023
	40) Value Fund 41) MAAKI Famiry Index Fund	-0.0892	0.7446	0.9994	0.0558	1.0148	0.8563	-0.0711	0.5682	0.9863	0.0556	0.9447	0.9681
	42) MAAKL Value Fund	0.0004	0.9399	0.9876	0.1787	1.2106	0.8775	0.0240	0.6951	0.8940	0.1788	1.1545	0.8970
	43) MAAKL Equity 80 Fund	-0.0438	0.9078	0.9925	0.1319	1.2375	0.9763	-0.0258	0.7085	0.9836	0.1316	1.1723	0.9848
	44) MAAKL Dividend Fund	-0.0264	0.5688 **	0.9974	0.0858	0.7418	0.9264	-0.0088	0.4249	0.9393	0.0858	0.7055	0.9416
	45) OSK-UOB Equity Trust	-0.0808	0.0310	0.8804	0.0440	0.8514	0.8724	0.004	0.4802	0.8803	0.0438	0.8009	0.8810
	40) OSN-OOB Small Cap Opportunity 47) KLCI Tracker Find	-0.0248	0.7009	0.7301	0.1180	1 2098 **	0.9867	-0.0038	0.8890	0.035	0.1200	1 1427 **	0.9370
	48) OSK-UOB Emerging Opportunity	-0.0729	0.7600	0.5617	0.0627	0.7545	0.3036	-0.0355	0.4459	0.3276	0.0640	0.7446	0.3323
	밀	-0.0452	0.9148	0.9922	0.1317	1.2474	0.9767	-0.0270	0.7121	0.9839	0.1315	1.1816	0.9851
	50) Pacific Pearl Fund	0.0002	0.8578	0.9819	0.1674	1.1846	0.9892	0.0167	0.6754 **	0.9939	0.1670	1.1205 "	0.9947
	51) Pacific Dividend Fund	-0.0591	0.7203	0.9727	0.0832	1.0018	/CBB:0	0.0441	0.5/06	1,0000	0.0829	0.8464 **	0.9988
	oz) IA Small Cap Fund	-0.0073	0.0388	ORCR:O	0.000.0		CRRR'O	-0.0034		0000			RRRR'O
				1			1			1			1

Table 4.4: Jensen Performance Coefficients (continued)

		Total No		KIC	l		MXWO			MXAP.J			MXFA	Γ
Š	Description		Alpha	Beta	R ²	Alpha	Beta	R ²	Alpha	Beta	R ²	Alpha	Beta	\mathbb{R}^2
Œ.	International Equity Funds	23												
	1) OSK-UOB Global Equity Yield Fund		-0.1921	0.5246	0.8216	-0.0831	0.7863	0.9531	-0.1826	0.4445	0.9415	-0.0837	0.7363	0.9392
	2) Pheim Asia Ex-Japan Fund		-0.0978	1.0496	0.8352	0.1104	1.5746	0.9709	-0.0889	0.8914	0.9615	0.1093	1.4766	0.9596
	Prudential Asia Pacific Equity Fund		-0.0788	0.7687	0.6667	0.0797	1.2272	0.8660	-0.0751	0.6907	0.8478	0.0785	1.1429	0.8443
	4) Public Far-East Select Fund		0.1409	-1.1958	0.8399	0.0532	-1.2589	0.4212	0.1654	-0.9024	0.5947	0.0793	-1.0831	0.3876
	5) Public Regional Sector Fund		0.1600	-0.9092	0.5607	0.1538	-0.7092	0.2517	0.2322	-0.5404	0.4096	0.1605	-0.6077	0.2110
	6) Public Global Select Fund		-0.3371	1.1381	0.7961	-0.0846	0.4322	0.0152	-0.2499	0.5780	0.1922	-0.0449	0.0853	0.0005
	7) Public Far-East Dividend Fund		-0.0134	0.9223	0.9933	0.1648	1.2558	0.9746	0.0050	0.7171	0.9821	0.1646	1.1898	0.9834
	8) TA South East Asia Equity Fund		0.0238	1.1903	0.96.0	0.2536	1.6787 **	0.9977	0.0404	0.9557 **	0.9995	0.2530 **	1.5850 **	0.9997
	9) CIMB-Principal Global Titans Fund		-0.1110	0.3725	0.9472	-0.0323	0.5230 **	0.9982	-0.0986	0.2971 **	0.9953	-0.0326	0.4924 **	0.9946
	10) CIMB-Principal Emerging Asia Fund		-0.0194	1.1177	0.9722	0.1962	1.5607	0.9936	-0.0022	0.8893 **	0.9971	0.1957	1.4751 **	0.9976
	11) CIMB-Principal Global Asset Spectra Fund	pun	-0.0719	0.4093	0.8032	0.0155	0.6158	0.9352	-0.0624	0.3478	0.9219	0.0150	0.5758	0.9193
	12) CIMB-Principal Global Growth Fund		-0.1507	0.6047	0.9042	-0.0280	0.8758	0.9917	-0.1390	0.4968	0.9863	-0.0285	0.8233	0.9852
	13) CIMB-Principal Asian Equity Fund		-0.0531	0.8851	0.8594	0.1233	1.3129	0.9795	-0.0429	0.7437	0.9715	0.1225	1.2323	0.9699
	14) HLG Asia-Pacific Dividend Fund		-0.1219	0.8855	0.7684	0.0569	1.3620	0.9342	-0.1153	0.7692	0.9207	0.0558	1.2736	0.9181
	15) HwangDBS Select Opportunity Fund		-0.0967	0.9211	0.8581	9980.0	1.3675	0.9794	-0.0866	0.7747	0.9714	0.0857	1.2835	0.9697
	 HwangDBS Asia Quantum Fund 		0.0502	0.8154	0.8058	0.2147	1.2354	0.9534	0.0584	0.6985	0.9419	0.2138	1.1568	0.9396
	17) KAF Jade Fund		-0.0482	0.3404	0.9459	0.0217	0.4157	0.8231	-0.0315	0.2392	0.8425	0.0218	0.3975	0.8460
	18) MAAKL Pacific Fund		-0.0854	1.0042	0.8472	0.1139	1.4986	0.9757	-0.0759	0.8487	0.9671	0.1129	1.4060	0.9653
	19) OSK-UOB Asia Pacific Fund		-0.1802	0.8638	0.7927	-0.0062	1.3161	0.9474	-0.1726	0.7438	0.9352	-0.0072	1.2318	0.9328
	20) Pacific Focus18 Fund		-0.0743 **	0.8259 **	0.9998	0.0853	1.1024	0.9507	-0.0552	9069.0	0.9613	0.0852	1.0467	0.9632
	21) Pacific Asia Brands Fund		-0.1017	0.6680	0.8482	0.0340	0.9931	0.9712	-0.0917	0.5622	0.9619	0.0333	0.9314	0.9600
	22) Pacific S&P Global STARS Fund		-0.0895	0.6395	0.8284	0.0411	0.9582	6096.0	-0.0801	0.5420	0.9502	0.0405	0.8978	0.9481
	23) PB Asia Equity Fund		0.0413	0.9894	0.9754	0.2332	1.3766	0.9926	0.0582	0.7846 **	0.9964	0.2327	1.3013 **	6966.0

** Significant at 5% confidence level

In term of alphas, the Domestic Equity Funds is having more total significant of alphas in the assessment period of 2007 to 2009 compare to 2005 to 2009. There are total four significant positive alphas and four significant negative alphas. All the negative alphas are derived when compare the funds returns with the Morgan Stanley Asia Pacific ex-Japan Index. However, it is interesting that there are three Domestic Equity Funds provide positive alphas when regress on the Morgan Stanley Europe, Australia and Far East Index. Besides, there are only one fund provide a positive alphas when compare the Bursa Malaysia.

Based on the summary of the regression analysis in Table 4.5, most of the Domestic Equity Funds did not provide excess returns when compare with the equity market indexes. There are only few significant alphas but not all the alphas are positive. It applies to the study result for both five years (2005 – 2009) and three years (2007 - 2009) assessment periods.

The second research question examine whether International Equity Funds provide excess returns when compare with the equity market indexes. In the assessment period from 2005 to 2009, there are only 2 funds available in the markets namely HwangDBS Select Opportunities Fund and HwangDBS Asia Quantum Funds. Only HwangDBS Select Opportunities is found to move in tandem with the returns of Bursa Malaysia and Morgan Stanley Asia Pacific ex-Japan as there is a significant beta. As for the alphas, none of these two funds

found to provide significant alphas when regress with all the equity market indexes.

As for the assessment from year 2007 to 2009, it is interesting to note that the number of International Equity Funds available in the market have increased to 23 in year 2007 from 2 in year 2005. However, the most of the fund returns are having insignificant betas which mean that it is not moving in tandem with the returns of the equity market. There are total 11 significant betas when regress on the equity market indexes. Regression on Bursa Malaysia provided one significant beta while Morgan Stanley World Index provided two significant alphas. However, the regression result on Morgan Stanley Asia Pacific ex-Japan Index and Europe Australia, and Far East Index provide four significant betas each.

There are only two International Equity Funds provided significant alphas. The Pacific Focus18 Fund provide a negative alphas when compare with the returns of Bursa Malaysia while TA South East Asia Equity Funds provided a positive alphas when regress on the Morgan Stanley Europe, Australia and Far East Index. As summarised in the Table 4.5, the International Equity Funds does not provide excess returns when compare with the equity market indexes. Most of the funds did not outperform the equity market. There are only one fund found provided the excess returns when compare the equity market.

Table 4.5: Fund Performance Summary

		Total				KLCI						MXWO	0					MXAPJ	J.					MXEA	
No.	Description	No. of Fund	^ 0	0 > 0 < 0		Tota I	Mean Alpha	Mean Beta	^ 0	0 > 0 < 0) To	Tota I	Mean Alpha	Mean Beta	0	0 > 0 < 0		Tota I	Mean Alpha	Mean Beta	0 > 0 < 0 al) > 0	o Tot	Mean Alpha	Mean Beta
A) Ye	A) Year 2005 - 2009																								
	1) All	46	43	0	8	46	-0.0331 (0.0465)	0.8992 (0.1392)	45	_	0	46	0.0680	1.0735 (0.1588)	45	0	~	. 46	-0.0294 (0.0473)	0.6925	45	0	1 46	(0.0502)	0.9698
2)	2) Domestic Equity Funds	44	14	0	ю г	44	-0.0308 (0.0452)	0.8988 (0.1419)	43	~	0	44	0.0703	1.0711 (0.1604)	43	0	~	44	-0.0267 (0.0455)	0.6902	43	0	1 44	0.0566 (0.0493)	0.9688
(6)	3) International Equity Funds	2	2	0	0	2	-0.0833	0.9091	2	0	0	2	0.0180	1.1263 (0.1508)	2	0	0	2	-0.0881	0.7430	2	0	0	(0.0613)	0.9926 (0.1484)
В) Үе	B) Year 2007 - 2009																								
	1) All	75	73	-	-	75	-0.0378 (0.0753)	0.7927 (0.3616)	75	0	0	75	0.1207 (0.0822)	1.0735 (0.4392)	71	0	4	. 57	-0.0182	0.6132 (0.2682)	71	4	0 75	(0.0809)	1.0153 (0.4123)
2)	2) Domestic Equity Funds	52	51	—	0	52 (-0.0255 (0.0528)	0.8581 (0.1619)	52	0	0	52 (0.1394 (0.0687)	1.1349 (0.2199)	48	0	4	. 25	-0.0053	0.6498 (0.1252)	49	က	0 52	0.1394 (0.0688)	1.0787 (0.2078)
9	3) International Equity Funds	23	22	0	-	23	-0.0655 (0.1069)	0.6448 (0.5882)	23	0	0	23	0.0784	0.9348 (0.7126)	23	0	0	23	-0.0474 (0.1082)	0.5306 (0.4419)	22	-	0 23	0.0810 (0.0925)	0.8718 (0.6639)

* Standard deviations are in parentheses

The third research question examine whether International Equity Funds provide higher excess returns than Domestic Equity Funds when compare with the equity market indexes. The results have been summarised as shown in Table 4.6. The assessment was done only for analysis from 2007 to 2009. The Domestic or International dummy variable was omitted from the 2005 to 2009 analysis since there are only two funds are International Equity Funds. The result from Table 4.6 show that the International Equity Funds did not provide higher excess returns than Domestic Equity Funds when compare with all the four equity market returns. The figure of the dummy variable show in all equity market is insignificant.

4.3 Summary of Research Results

This study show that returns of the Domestic Equity Funds is more related to domestic equity market which is the Bursa Malaysia. As for the International Equity Funds, it can be more related to the market returns of the index from Asia Pacific or Far East countries. As for the excess returns which measured by the alpha, most of the unit trust funds did not provide superior returns when compare to the equity market indexes. Regardless of equity fund that invest in domestic or international market, only few out of total 75 unit trust funds in this study manage to provide excess returns. It is also interesting to note that there are also few funds underperforms when compare with the returns of the equity market.

Besides, the study also shows no different in excess returns between Domestic Equity Funds and International Equity Funds.

Table 4.6: Excess Return for Domestic and International Equity Funds

			Year 200	7 - 2009	
No.	Equity Market Index	Alpha	Dummy Variable	Beta	\mathbb{R}^2
1)	KLCI	-0.0180	-0.0399	0.7949 **	0.7564
2)	MXWO	0.1371 **	-0.0500	1.0839 **	0.7437
3)	MXAPJ	-0.0008	-0.0453	0.6183 **	0.7468
4)	MXEA	0.1368 **	-0.0513	1.0267 **	0.7507

^{**} Significant at 5% confidence level