Fundamental Factors Influencing Investments In Mutual Funds - The EIC Approach : A Case Study Of RCAML

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STATEMENT OF THE PROBLEM

With the growing risk appetite, rising income, and increasing awareness, mutual funds in India are becoming a preferred investment option as compared to other investment avenues like Fixed Deposits (FDs) and postal savings that are considered safe, but give comparatively low returns. However, before investing in mutual funds, investors have to analyze the factors of the economy, industry and company within the investment environment in which they operate. There are several macro-economic factors having an influence upon the investment choices. The researchers intend to study, more particularly, the impact of quantitative economic variables on the investment of mutual funds. The trends within the industry also have to be examined from time to time. In response to the changing circumstances, the fund houses have introduced a host of interesting technological innovations to grab the attention of the investors. Investors need to correctly appraise the risks and rewards of investing in schemes, which seek to offer attractive returns. Against this backdrop, the current research has been undertaken following the Economy, Industry and Company (EIC) Approach of mutual funds. The Mutual Fund under consideration is the Reliance Capital Asset Management Limited (RCAML), the market leader, as a case study.

OBJECTIVES OF THE STUDY

The study aims at concentrating on the fundamental factors influencing the investment in mutual funds. In this direction, the following objectives have been framed:

1. To understand the nature of causal relationship that exists between mutual fund market and real economic variables;

2. To explore the present status and product offering of mutual fund industry in India;

3. To examine the characteristics of funds that affect the performance of Reliance Capital Asset Management company; and

4. To offer suitable suggestions on the basis of the findings of the study.

HYPOTHESES OF THE STUDY

In the light of the above objectives, the study attempts to test the following hypotheses:

1. Real economic variables have a causal relationship with the mutual fund market.

2. The variables considered to analyze the company significantly influence the fund performance.

3. The Indian mutual fund Industry has been able to out perform (by offering almost all broad types of schemes) the funds around the world.

❁ **Test Hypotheses :** Based on the above hypotheses, the study attempted to develop the following specific hypotheses for want of statistical support and analysis:

❁ **Economy:** The researchers developed the following hypotheses to test empirically the impact of economy on the investment in mutual funds by taking S&P CNX Nifty as a benchmark index (dependent variable). The key economic variables included in the study are; RBI Bank Rate, Domestic Savings, Forex Reserves, Gross Domestic Capital Formation (GDCF), Gross Domestic Product (GDP), Broad Money (M3), Per-capita Gross National Product (GNP)

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and Wholesale Price Index (WPI) (as independent variables).

- **H0: RBI Bank Rate does not influence S & P CNX Nifty.**
- **H1: RBI Bank Rate influences S & P CNX Nifty.**
- **H0: Domestic Savings does not influence S & P CNX Nifty.**
- **H2: Domestic Savings influence S & P CNX Nifty.**
- **H0: Forex Reserves do not influence S & P CNX Nifty.**
- **H3: Forex Reserves influence S & P CNX Nifty.**
- **H0: GDCF does not influence S & P CNX Nifty.**
- **H4: GDCF influences S & P CNX Nifty.**
- **H0: GDP does not influence S & P CNX Nifty.**
- **H5: GDP influences S & P CNX Nifty.**
- **H0: Money Supply does not influence S & P CNX Nifty.**
- **H6: Money Supply influences S & P CNX Nifty.**
- **H0: Per-capita GNP does not influence S & P CNX Nifty.**
- **H7: Per-capita GNP influences S & P CNX Nifty.**
- **H0: WPI does not influence S & P CNX Nifty.**
- **H8: WPI influences S & P CNX Nifty.**

- **Company:** In order to test the performance of the company, the researchers examined the performance of variables and developed a hypothesis by taking the mutual fund return as a dependent variable and the factors affecting are *Popularity variables* (fund size, market capitalization, net asset value); *Growth variables* (P/E, P/B); *Risk variables* (standard deviation and beta); *Cost variables* (expenses) and *Management variables* (turnover, management tenure, fund age) as independent variables. The test hypotheses are:

- **Ho: Fund size does not influence the performance of mutual funds.**
- **H1: Fund size influences the performance of mutual funds.**
- **Ho: Market capitalization does not influence the return.**
- **H2: Mutual funds returns are influenced by market capitalization.**
- **Ho: Net asset value does not impact the returns.**
- **H3: Net asset value does impact the returns.**
- **Ho: Growth variables (P/E, P/B) do not influence the returns of the mutual fund.**
- **H4: Growth variables (P/E, P/B) influence the returns of the mutual fund.**
- **Ho: Risk variables (standard deviation and beta) do not influence the returns.**
- **H5: Risk variables (standard deviation and beta) influence the returns.**
- **Ho: Expenses have no impact on the returns given by mutual funds.**
- **H6: Funds with high expenses generate higher returns than low expenses.**
- **Ho: Turnover does not influence the returns.**
- **H7: Funds' turnover influences the returns of mutual funds.**
- **Ho: Management tenure has no impact on the returns given by the mutual funds.**
- **H8: Management tenure impacts the returns given by the mutual funds.**
- **Ho: Fund age does not influence the performance of the funds.**
- **H9: Fund age influences the performance of the funds.**

DATA COLLECTION

For the purpose of conducting a detailed study on the fundamental aspects relating to the economy, industry and company, pertinent data had been gathered from diverse sources. The data relating to the key macro-economic

Exhibit 1: Details of RCAML Performance Variables

Fund Name	1 Year Return	Fund Size (₹ Cr)	Market Cap (₹ Cr)	NAV as on 6th July 2010	P/B Ratio	P/E Ratio	S.D	Beta	Expense Ratio (%)	Turnover (%)	Tenure (Yrs.)	Fund Age (Mths.)
Reliance Growth	44.43	7,494,607,494.60	14,598.94	458.83	4.06	26.92	37.05	1.01	1.79	18	6	177
Reliance Vision	38.16	3,567,543,567.54	39,868.08	265.02	4.16	24.76	34.59	0.95	1.82	86	6	177
Reliance Banking Retail	53.80	1,158,461,158.46	20,106.39	88.38	1.92	15.79	39.86	0.81	2.04	6	5	86
Reliance Diversified Power Sector Retail	32.90	5,324,745,324.74	19,679.59	82.06	4.37	34.19	38.22	1.02	1.80	19	6	75
Reliance Pharma	111.32	45178451.78	5,253.43	53.86	6.44	27.40	35.95	1.08	2.36	21	5	74
Reliance Media & Entertainment	53.39	12953129.53	2,629.32	28.60	2.91	15.22	40.83	0.98	2.43	25	5	70
Reliance NRI Equity	39.02	13571135.71	23,784.10	37.67	3.53	21.49	36.70	0.99	2.43	11	2	68
Reliance Equity Opportunities	69.36	2,112,972,112.97	9,792.81	33.32	3.88	25.05	37.31	1.00	1.91	46	5	64
Reliance Regular Savings Balanced	33.47	55391553.91	34,355.59	21.15	3.37	21.06	28.44	1.05	2.37	187	3	62
Reliance Regular Savings Equity	40.44	2,808,182,808.18	21,439.80	29.56	3.25	29.18	41.37	1.08	1.90	40	3	62
Reliance Tax Saver	45.30	2,184,442,184.44	13,487.91	20.09	4.00	26.90	33.18	0.88	1.89	73	5	59

Source : Compiled from the Website of Reliance Capital Asset Management Ltd. (RCAML)

variables for a period of 228 months covering 19 years from January 1990 to December 2009 was gathered from the Economic Survey 2009-10, Handbook of Statistics on Indian Economy 2009-10. The data pertaining to the structure within the industry was gathered from the websites - www.mutualfundsindia.com, www.valueresearchonline.com, www.amfiindia.com to understand the current status of the players within the industry. For analyzing the company, the researchers considered the Reliance Mutual Fund, the current market leader of the industry with respect to AUM. In order to analyze the fundamental soundness of Reliance Mutual Funds, data had been obtained from the fact sheets of Reliance Mutual Funds covering the period from 1995-2010. Efforts have also been made to select a sample which includes all such funds that were in existence since from its inception in October 1995 to May 2005, for at least a period of 60 months (five years) as on July 6, 2010. As on that date, 80 schemes were being operated by Reliance, despite a total of 21 schemes falling under the above criterion. A sample unit of 11 equity schemes had been chosen (see Exhibit-1) to carry the study only on equity schemes. The sample fairly represents about 14 per cent of the total schemes offered by Reliance Mutual Funds.

DATA ANALYSIS AND TOOLS EMPLOYED

The study pertains to analyzing the impact of several variables on the investment choices. The focus is mainly on the following:

❁ **Economy Analysis:** For want of in-depth analysis of the economy, the monthly data of macro-economic variables had been opted for the study. First, the monthly data collected was processed through MS-Excel to conduct the descriptive statistics and correlation matrix. The descriptive statistics examined mean, median, maximum and minimum values; standard deviation, skewness, kurtosis, Jarque-Bera (JB) and probability. The correlation matrix helped the researchers to ascertain the variables on which they needed to apply the Granger causality test. Then, unit root Augmented Dickey-Fuller (ADF) test was conducted on all the variables to check their stationarity in order to fulfill the pre condition of Granger causality. Finally, the Granger Causality Test was applied to measure the causal relationship between real economic variables and their impact on mutual funds in India.

❁ **Industry Analysis:** The data relating to the various aspects of the industry such as AUM, investor type and, product classification had been studied with the help of percentage analysis.

❁ **Company Analysis:** The fundamental soundness of the company was tested with the help of chosen parameters (see Exhibit-1). In the process of the evaluation, descriptive statistics, Correlation matrix - simple and multiple regressions have been used. The descriptive statistics examine mean, median, minimum value, and maximum value. Further, to analyze the degree of relationship among the variables, correlation matrix was applied. Finally, by using MS-Excel, simple and multiple regressions were conducted to know the extent of the relationship and the influence of variables on the performance of the company.

Table 1: Descriptive Statistics - Key Macroeconomic Variables

Particulars	RBI Bank Rate	Domestic Savings	Forex Reserves	GDCF at Current Prices	GDP at Factor Cost	Broad Money (M3)	Per Capita GNP	WPI	S & P CNX Nifty
Mean	8.75	5.26	5.27	5.26	5.26	5.27	5.26	5.27	5.27
Median	8.00	3.90	2.40	3.90	4.60	3.90	4.90	5.30	3.50
Minimum	6.00	1.00	0.20	1.10	1.30	0.90	1.70	3.40	1.20
Maximum	12.00	14.50	18.90	15.10	12.80	15.90	11.80	7.40	16.00
Std Deviation	2.52	4.27	5.77	4.33	3.29	4.24	2.87	1.18	3.85
Kurtosis	-1.69	-0.21	0.37	0.01	-0.33	0.22	-0.36	-1.12	1.39
Skewness	0.17	1.04	1.26	1.14	0.80	1.08	0.76	0.11	1.56
Jarque-Bera (JB)	185.45	38.01	34.10	32.84	50.12	36.96	52.32	126.92	92.97
Probability	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Observations	228	228	228	228	228	228	228	228	228

RESULTS AND DISCUSSION

Economy Analysis: The Economy variables were tested for their significance in influencing the investment choices of mutual funds. The macro economic variables were represented by RBI bank rate, domestic savings, GDCF, GDP, M3, per-capita GNP, and WPI, whereas influence of Mutual Funds investment choices were represented by S&P CNX Nifty. The testing was carried on with the support of descriptive statistics, correlation matrix, Augmented Dickey Fuller (ADF) test and Granger test.

The descriptive statistics developed to analyze the impact of the economy revealed that the standard deviation of forex reserves is relatively high among other variables, indicating volatility by 5.77% around its mean value. Skewness of all the variables was found to be positive. Kurtosis found that forex reserves, GDCF at Current Prices, Broad Money and S & P CNX Nifty were positively skewed and the rest were negatively skewed. The calculated value of Jarque-Bera (JB) statistics is very high and compels us to accept the null hypothesis, while probability is zero (see Table 1). The test statistics follows a chi-square distribution with 2 degrees of freedom.

The correlation matrix revealed that all the variables were positively correlated with each other, except bank rate and WPI. Bank rate was found with a high negative correlation and WPI with a low correlation (See Table 2). Since a high or low degree of correlation certainly does not signify or rules out causality between the variables under consideration, further econometric tools were applied.

The Augmented Dickey Fuller (ADF) test was applied on the variables to check their stationarity as a precondition of Granger causality, and it was found that all the variables were stationary at 5% significance level i.e., 1.645 (see Table 3). Finally, the Granger causality test revealed that no bi-directional causality exists between the macro-economic

Table 2 : Correlation Between Key Macroeconomic Variables

Particulars	RBI Bank Rate	Domestic Savings	Forex Reserves	GDCF at Current Prices	GDP at Factor Cost	Broad Money (M3)	Per Capita GNP	WPI	S & P CNX Nifty
RBI Bank Rate	1.0000								
Domestic Savings	-0.8147	1.0000							
Forex Reserves	-0.7774	0.9924	1.0000						
GDCF at Current Prices	-0.7909	0.9984	0.9920	1.0000					
GDP at Factor Cost	-0.8658	0.9880	0.9751	0.9842	1.0000				
Broad Money (M3)	-0.8322	0.9904	0.9887	0.9887	0.9943	1.0000			
Per Capita GNP	-0.8583	0.9841	0.9686	0.9813	0.9970	0.9881	1.0000		
WPI	-0.2083	0.4241	0.4744	0.4278	0.3616	0.4250	0.3417	1.0000	
S & P CNX Nifty	-0.6548	0.9517	0.9489	0.9564	0.9122	0.9192	0.9132	0.4170	1.0000

Table 3 : Unit Root (ADF) Test For Key Macroeconomic Variables

Variables	ADF Statistic
RBI Bank Rate	-0.2389
Domestic Savings	-0.8709
Forex Reserves	-0.7411
Gross Domestic Capital Formation	-0.8980
Gross Domestic Product	-1.1684
Money Supply (M3)	-1.1218
Per capita Gross National Product	-0.8690
Wholesale Price Index	0.2124
S & P CNX Nifty	-0.0871
Note: Stationarity at 5% level of significance	

Table 4: Granger Causality Test For Key Macroeconomic Variables			
Direction of Causality (Null Hypothesis)	**Observations**	**F-Statistic**	**Probability**
RBI Bank Rate does not Granger cause S & P CNX Nifty.	228	0.0269	0.9734
S & P CNX Nifty does not Granger cause RBI Bank Rate.		0.0517	0.9496
Domestic Savings does not Granger cause S & P CNX Nifty.	228	0.0517	0.9496
S & P CNX Nifty does not Granger cause Domestic Savings.		0.2461	0.7820
Forex Reserves does not Granger cause S & P CNX Nifty.	228	0.0339	0.9667
S & P CNX Nifty does not Granger cause Forex Reserves.		0.1198	0.8871
GDCF does not Granger cause S & P CNX Nifty.	228	0.0453	0.9557
S & P CNX Nifty does not Granger cause GDCF.		0.2066	0.8135
GDP does not Granger cause S & P CNX Nifty.	228	0.0601	0.9417
S & P CNX Nifty does not Granger cause GDP.		0.3943	0.6746
Money Supply does not Granger cause S & P CNX Nifty.	228	0.0486	0.9526
S & P CNX Nifty does not Granger cause Money Supply.		0.2528	0.7768
Per-capita GNP does not Granger cause S & P CNX Nifty.	228	0.0471	0.9540
S & P CNX Nifty does not Granger cause Per-capita GNP.		0.2416	0.7856
WPI does not Granger cause S & P CNX Nifty.	228	0.0100	0.9900
S & P CNX Nifty does not Granger cause WPI.		0.0006	0.9994
Note: Stationarity at 5% level of significance			

variables and the mutual fund market (see Table 4). The real economic variables considered during the study period are not significantly influencing the investment of mutual funds.

❁**Industry Analysis:** The Indian mutual fund industry is operating by different fund houses and is categorized into three major groups such as Bank Sponsored, Institutions and Private Sector. Further, based on the nationalities of sponsoring / controlling entities, these groups can be classified into Indian, Foreign and Joint Ventures; the last category can be divided into - Predominantly Indian and - Predominantly Foreign. As on 31st March 2010, 38 mutual fund players were operating in India. Among all the players, Reliance, HDFC, ICICI Prudential, UTI and Birla Sun Life stood in the top five positions with 14.54%, 12.31%, 10.80%, 10.33% and 9.04% respectively contributing 57.02% of the total assets under management of the industry; while the remaining 33 players shared the rest of the 42.98% of the industry. Out of the top five players, Reliance is purely an Indian player. HDFC, ICICI Prudential and Birla Sun Life are all predominantly Indian cross-border joint ventures, while UTI, the former monopolist, is an Indian financial institution. The industry is dominated by private sector funds with about 75% of the AUM followed by the bank sponsored (19 per cent) and institutions (6%).

The Industry is now offering almost all broad types of schemes that are offered around the world. The industry is offering 92.96% of open ended schemes, and 7.04% of closed-ended schemes. In the open-ended category of funds, 60.99% are income schemes; 21.38% are growth schemes;11.33% are liquid/money funds, market funds; 2.88% are ELSS; 2.18% are balanced funds ; 0.46% are Gilt funds; 0.39% are FOF investing overseas; 0.23% are Gold ETFs; and the remaining 0.17% are other EFT schemes (see Table 5). In the closed-ended category of funds, the industry is offering only few varieties of schemes - 58.09% are income schemes; 33.37% are Growth funds; 5.63% are ELSS and 2.91% are balanced funds (see Table 5).

The investment contribution of different investors has paved way for the massive growth of the mutual fund industry in the recent years. The break up of the aggregate mutual fund market by investor type for different product categories can be seen in the Table 6. Corporate assets account for over half of the total assets under management (50.99%); while the Retail investors account for 26.60% ; High Networth Individuals (investing five lakhs and above) make up about 18.63%, Banks / Financial Institutions contribute 2.95% and the remaining share of 0.83% is contributed by the FIIs (see Table 6). When analyzed on the basis of schemes, it is clear that Debt oriented schemes dominated by 51.57%, followed by equity schemes, liquid/money market schemes, and balanced schemes.

❁Company Analysis: The performance of the companies was analyzed with the aid of descriptive statistics, which revealed that all attributes, mean and median are close to each other except for NAV, funds size and market capitalization, owing to the reason that some funds are much bigger than others (see Table 7). In the process of deriving logical analysis through correlation, it was found that some attributes of funds correlated significantly with each other (see Table 8). Returns and market capitalization have a high degree of negative correlation, indicating that the company is following the growth strategy by reinvesting its earnings and offering less return to the fund holders. This is the reason that reliance has reached the number-one position in AUM within a short span of time, in comparison to the other players in the market. Fund size has a positive correlation with NAV and P/E Ratio, indicating that earnings increases with the increase in fund size. A high positive correlation is found between fund age and its NAV as is evident from the fund's longevity and performance. A high negative correlation is found with turnover and standard deviation, which signifies that increase in turnover is reducing the risk of the funds.

Table 5: Types Of Schemes Offered By The Mutual Fund Market As On April 30, 2010

(₹ in Crores)

Nature	Schemes				
	Open Ended		Close Ended		Total
Balanced	16127	2.18%	1630	2.91%	17757
ELSS	21328	2.88%	3157	5.63%	24485
FOF Investing Overseas	2872	0.39%	-		2872
Gilt	3436	0.46%	-		3436
GOLD ETF	1711	0.23%	-		1711
Growth	157960	21.36%	18699	33.37%	176659
Income	451073	60.99%	32553	58.09%	483626
Liquid/Money Market	83827	11.33%	-		83827
Other ETF	1271	0.17%	-		1271
Total	**739605**	**100.00%**	**56039**	**100.00%**	**795644**
Percent of Total	**92.96%**		**7.04%**		**100.00%**

Source: AMFI Website

Table 6 : Break-up Of The Mutual Fund Market By Investors Of Different Product Categories As On April 30, 2010

Particulars	Liquid / Money Market	Gilt	Debt Oriented	Equity Oriented	Balanced	Gold ETF	ETFs (other than Gold)	Fund of Funds Investing Overseas	Total	Per Cent
Corporates	60527.71	2954.38	223284.90	23009.53	2084.88	594.22	303.43	628.12	313387.17	50.99%
Banks / FIs	6389.50	16.99	9285.82	2293.08	62.42	1.76	5.53	50.19	18105.29	2.95%
FIIs	2565.95	0.00	1081.80	1383.59	3.11	3.00	62.56	0.04	5100.05	0.83%
High Networth Individuals*	4921.47	342.73	62530.71	39826.21	4663.24	509.16	467.17	1236.88	114497.57	18.63%
Retail	1348.18	146.93	18146.67	133298.38	8969.41	482.49	117.90	945.91	163455.87	26.60%
Total	**75752.81**	**3461.02**	**314329.93**	**199810.78**	**15783.06**	**1590.63**	**956.59**	**2861.16**	**614545.98**	**100.00%**
Per Cent	**12.33%**	**0.56%**	**51.15%**	**32.51%**	**2.57%**	**0.26%**	**0.16%**	**0.47%**	**100.00%**	

Source: AMFI Website

Simple regression analysis was performed to examine how the fund attributes influenced the returns individually for different schemes. The study found that the market capitalization recorded 39.01 percent, which has the highest coefficient followed by the P/B ratio, which was 36.38 percent (see Table 9). Further, multiple regression analysis was

performed to know the extent of influence of two or more fund characteristics over the return. The study revealed that P/E Ratio and P/B Ratio were significant in this context (see Table 10). Growth variables (P/B, P/E ratios) and popularity variables (fund size, market capitalization, NAV) were found to be having a significant influence on the return of the funds.

Table 7: Company Analysis By Individual Parameters (Case Study Of RCAML)

Variables	N	Mean	Median	Min value	Max value
Return	11	51.05	44.43	32.90	111.32
Fund Size	11	2252549901.99	2112972112.97	12953129.53	7494607494.60
Market Cap	11	18636.00	19679.59	2629.32	39868.08
NAV	11	101.68	37.67	20.09	458.83
P/B Ratio	11	3.81	3.88	1.92	6.44
P/E Ratio	11	24.36	25.05	15.22	34.19
Std. Deviation	11	36.68	37.05	28.44	41.37
Beta	11	0.99	1.00	0.81	1.08
Expense Ratio	11	2.07	1.91	1.79	2.43
Turnover	11	48.36	25	6	187
Tenure	11	4.64	5	2	6
Fund Age	11	88.54	70	59	177

Table 8: Correlation Between Variables (Case Study Of RCAML)

Variables	Return	Fund Size	Market Cap	NAV	P/B Ratio	P/E Ratio	S.D	Beta	Expense Ratio	Turnover	Tenure	Fund Age
Return	1.0000											
Fund Size	-0.3453	1.0000										
Market Cap	**-0.6246**	0.1108	1.0000									
NAV	-0.1616	**0.7733**	0.1932	1.0000								
P/B Ratio	**0.6031**	0.1110	-0.2217	0.1134	1.0000							
P/E Ratio	-0.0179	**0.6032**	0.0454	0.1635	0.6163	1.0000						
S.D	0.1163	0.1497	-0.4751	0.0032	-0.2680	-0.0519	1.0000					
Beta	0.1914	0.0445	-0.0573	-0.0371	0.5433	0.4753	-0.0735	1.0000				
Expense Ratio	0.3019	**-0.8387**	-0.1854	-0.4947	0.0012	-0.5901	-0.1536	0.2024	1.0000			
Turnover	-0.3076	-0.2083	0.5740	-0.1460	-0.0394	-0.0632	**-0.8308**	0.1680	0.1226	1.0000		
Tenure	0.1779	0.5889	-0.2213	0.5324	0.2630	0.2388	0.1361	-0.2727	-0.5827	-0.2384	1.0000	
Fund Age	-0.1684	0.6534	0.3501	**0.9466**	0.1085	0.0808	-0.0399	-0.1049	-0.4625	-0.0592	0.5479	1.0000

CONCLUSION

It is evident from the study that the real economic variables considered during the period of study were not significantly influencing the investments in mutual funds and are not reliable to even predict the market movements. The study has shown that the state of the economy does not have a significant bearing either on the mutual fund market or on the health of the mutual funds. The study thus highlights the fact that there are certain other macro-economic factors that might be exerting an influence on the investment of mutual funds. Future research could be carried out in that direction. The industry analysis has revealed the fact that the entire mutual fund industry is dominated by a few players, with a big chunk of their Assets Under Management (57 percent). Further, the study reveals the fact closed-ended funds have lost their utility with the investing public. The Company analysis has shown that P/B Ratio and P/E ratio have a great impact on the returns produced by a fund, followed by fund size and market capitalization.

Table 9 : Simple Regression Results For RCAML				
	Coefficient	**t Stat**	**P-value**	**R square**
Fund Size	3.191680596	-1.103615456	0.298392366	11.92 %
Market Cap	-0.001243369	-2.399258270	0.039946436	**39.01 %**
NAV	-0.026564211	-0.491358912	0.634932441	2.61 %
P/B Ratio	12.243123737	2.268403153	0.049492102	**36.38 %**
P/E Ratio	-0.071578482	-0.053598544	0.958425904	0.03 %
Std. Deviation	0.710319911	0.351340607	0.733417652	1.35 %
Beta	52.794133550	0.584858387	0.573011153	3.66 %
Expense Ratio	25.202437214	0.950154610	0.366849568	9.12 %
Turnover	-0.132500445	-0.969767593	0.357500560	9.46 %
Tenure	2.956225490	0.542432885	0.600691842	3.16 %
Fund Age	-0.085834994	-0.512454265	0.620671860	2.84 %
Note: Confidence level 95 percent				

Table 10 : Multiple Regressions Results For RCAML				
	Coefficients	**t Stat**	**P-value**	**R square**
Fund Size	-5.633969096	-1.505363310	0.175948815	**54.06 %**
Market Cap	-0.001275637	-2.449387238	0.044146915	
NAV	0.071235519	1.056971056	0.325631420	
P/B Ratio	20.101987606	**3.525165176**	0.007786851	**60.85 %**
P/E Ratio	-2.517099779	-2.236167571	0.055757864	
Std. Deviation	0.800526392	0.380125212	0.713745971	5.37 %
Beta	55.452383258	0.582800531	0.576082121	
Expense Ratio	25.202437214	0.950154610	0.366849568	9.12 %
Turnover	-0.109562046	-0.724735796	0.492122231	19.32 %
Tenure	5.170893855	0.743170316	0.481570583	
Fund Age	-0.180436658	-0.868793619	0.413753081	
Note: Confidence level 95 percent				

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