

The Value of Coskewness in Thai Mutual Fund Performance Evaluation

ABSTRACT

This study explores the importance of coskewness in Thai equity funds performance evaluation. Because of a non-normal distribution of mutual fund return, coskewness is the additional portfolio risk measurement. We therefore add the coskewness factor to CAPM and Carhart model and find its significance and lower abnormal returns of mutual fund industry. Moreover, we assess the performance of Thai mutual funds managed by the different kinds of asset management companies. Funds managed by non-bank related companies outperform those managed by bank related companies. Finally, we find that funds with significant coskewness tend to be managed more passively than insignificant coskewness funds.