

Fund Classification Wise Performance Analysis of Selected Islamic Mutual Funds Schemes: An Empirical Analysis

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Abstract:

A Mutual fund is a portfolio of various assets in such as stocks, bonds or other investment assets accordance with objectives as disclosed in offer document. Investors need to know how risky individual assets are and what their contribution to the total risk of a portfolio would be. Many of Mutual Funds according to classification wise are available where the investors can put their money. Investors want to know which fund gives a higher return, which fund is performing well, which fund is more risky etc. All these can be found out using certain key statistics. With the help of these this study, an investor can analyze different mutual funds and how he can invest their money in different funds wisely. The present study evaluated the Mutual fund returns using Arithmetic mean & Compounded Annual Growth Rate, Maximum returns, Minimum returns. Risk and return of the funds have been analyzed by Standard Deviation, risk per average return (standard deviation/ average return). Further, Performance of the fund is evaluated in terms of –Performance of the fund for the current year (YTD) by fund managers. The study revealed that the performance of mutual funds in the context of Saudi Arabia all the selected funds as it would lead to the good understanding of the risk return.

Key words: Risk and Return, Portfolio, Standard deviation, Arithmetic mean risk per average returns.

INTRODUCTION

A mutual fund is an investment company or the trust that pools the resources from thousands of its shareholder or unit holder, who share common investment goals and then diversifies its investment in different types of security in order to realize potential returns to reasonable safety. In the era of globalization first, rapid price fluctuations are occurring for assets like equity shares, bonds, real estate, derivations etc. Second, a person also finds it inconvenient to keep track of the state of his assets, investments, brokerage dues and bank transactions, etc. In this context, mutual funds are the solution to all these situations. Mutual funds play a vital role in the mobilization of resources and their efficient allocation. These funds play a significant role in the development of capital markets and growth of the financial sectors as a whole.

A HISTORICAL VIEW ON ISLAMIC MUTUAL FUNDS

The idea about mutual fund goes back to the first quarter of the nineteenth century in Europe. It started in the Netherland to be exact in 1822 then England in 1870. It went through a lot of developments and changes that utilize on the economical world until it reached the level it is now. The real beginning of the mutual funds of its current concept was in 1924 in the United States of America. The first fund was prominent in Boston by Harvard University Professors and was named "Massachusetts investment trust". After that, it continued to expand upon the United States and abroad especially after World War II. By 1966, it reached about 550 mutual funds of total net assets worth \$ 50 billion US Dollars. Mutual Funds on-going its enlargement until it reached 56000 mutual funds of the world in 2005 where its total net assets exceeded and 16.4 trillion US Dollar. On the Arabian level, the kingdom of Saudi Arabia was the first to enter this field. The national commercial Bank

(Alahli) founded the first mutual fund under the name of “Alahli Short term Dollar fund” 1979. The rules governing mutual funds of Saudi Arabia were issued 14 years after that date, i.e. by the beginning of 1993. In this competitive market, Saudi markets continued in issuing a lot of various mutual funds.¹

OBJECTIVES OF STUDY:

The study is descriptive in nature and attempts to present the following:

- Historical View of Islamic Mutual Funds
- List of Financial Institutions Managing Mutual Funds in Saudi Arabia -2018
- Fund manager wise performance of mutual fund
- Currencies wise performance of Mutual Fund
- Categories wise performance of mutual fund
- Sub categories wise performance of mutual funds
- Classification wise performance of mutual funds
- The Top 5 Performing Mutual Funds

RESEARCH METHODOLOGY

Data Collection: This Section discusses on the data and its sources in this empirical study. This study is based on the secondary data. The relevant sources of the secondary data are books, journals, magazines, newspapers, brochures, and websites of mutual funds. Information about these funds was obtained from four main sources: 1) the official site of the Saudi stock exchange (<http://www.tadawal.com.sa>). 2) The official site of HSBC Saudi Arabia limited. (<http://www.hsbcSaudi.com>) 3). The official site of gulf

¹http://www.tadawal.com.sa/static/pages/en/Investor/PDF/3_Mutual_Funds.pdf

investment (<http://www.gulfbase.com>) 4) Zawya database. (<http://www.Zawya.com>). All the relevant data is being collected from above - mentioned websites as on 20 August 2018. The present study compares 257 listed mutual funds as on 20 August 2018 managed by 41 Financial Institutions in Saudi Arabia.

Tools and Techniques: This section is divided into two subsections a) Overview of Saudi mutual funds. b) Performance of mutual funds on the basis of YTD, positive returns, negative returns & average return. Risk and return of the funds have been analyzed by standard deviation, risk per average return. For this purpose of analysis, appropriate statistical tools have been used. To analysis, the data onto the appropriate statistical techniques i.e. arithmetic mean, standard deviations, risk per average return (standard deviation/ average return) have been applied.

Investment in Islamic Mutual Funds

Awareness and interest among investors of the kingdom and the GCC region in mutual funds have been growing during the past two years.² In 2006, the size of that industry was \$56.69 billion with 402 listed funds. The industry is estimated to grow \$300 billion in 2015. In Saudi Arab, there were 182 listed mutual funds in 2006, 257 mutual funds as on 20 August 2018 managed by 41 fund managers. The investors have the choice of investing in 257 mutual funds and analysis of the same indicates that Riyad Capital Company and NCB Capital Company are operating more number of funds and together they account for 26% of the total number of mutual funds. (Table & Fig 1).

²<http://www.eu-gccinvest.eu/>

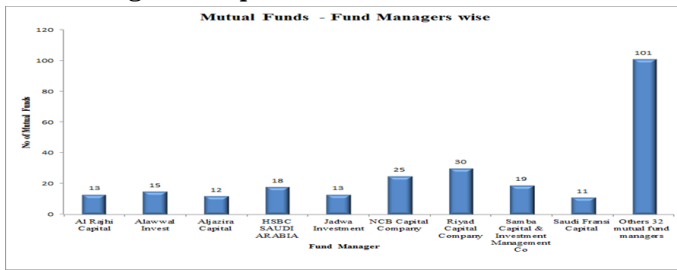
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Table 1: A list of fund manager- managing mutual funds in Saudi Arabia -2018

Mutual Fund - Fund Manager wise			
No	Fund Manager	No of MFs	% of MFs
1	Albilad Investment Co	8	3.11
2	Al Rajhi Capital	13	5.06
3	Al Wasatah Al Maliah Company (Wasatah Capital)	2	0.78
4	Al-Khair Capital Saudi Arabia	4	1.56
5	Al-Nefae Investment Group	2	0.78
6	Alawwal Capital Company	5	1.95
7	Alawwal Invest	15	5.84
8	Alinma Investment Company	6	2.33
9	Alistithmar for Financial Securities and Brokerage	7	2.72
10	Aljazira Capital	12	4.67
11	Aloula Geojit Capital	2	0.78
12	Alpha Capital Company	1	0.39
13	Arab National Investment Company	8	3.11
14	Arbah Capital	3	1.17
15	Ashmore Investment Saudi Arabia	3	1.17
16	Audi Capital	3	1.17
17	Bait Al Mal Al Khaleeji	2	0.78
18	Blominvest Saudi Arabia	5	1.95
19	Derayah Financial Co	2	0.78
20	EFG-Hermes KSA	2	0.78
21	Falcom Financial Services	3	1.17
22	GIB Capital	4	1.56
23	Global Investment House Saudi	1	0.39
24	HSBC Saudi Arabia	18	7.00
25	Itqan Capital	1	0.39
26	Jadwa Investment	13	5.06
27	KSB Capital Group	6	2.33
28	Mulkia Investment company	2	0.78
29	Middle East Financial Investment Company	5	1.95
30	Morgan Stanley Saudi Arabia	1	0.39
31	Muscat Capital	2	0.78
32	Musharaka Capital Company	1	0.39
33	NCB Capital Company	25	9.73
34	Osool and Bakheet Investment Company	4	1.56
35	Riyad Capital Company	30	11.67
36	Samba Capital & Investment Management Co	19	7.39
37	Saudi Economic and Development Securities Company	1	0.39
38	Saudi Fransi Capital	11	4.28
39	Saudi Kuwaiti Finance House	3	1.17
40	Tharwat for Financial Securities	1	0.39
41	The Investor for Securities	1	0.39
		257	100.00

Source: Official Site of the Saudi Stock Exchange (Tadawal): <http://www.tadawal.com.sa/>

Fig 1: Fund manager wise performance of mutual funds



Fund manager wise performance of mutual fund

Out of 257 funds, 176 funds of having maximum positive returns are 26.39 with standard deviation of 5.24 and 81 funds have maximum negative returns is -0.07 with standard deviation of 5.63. Average returns are 2.05 in all funds of 3.82 risks per return. (Table 2)

Table 2: Fund manager wise performance of mutual funds

	Total Funds	Max Returns	Min Returns	Average Returns	Standard deviation	Risk Per Return
All Funds	257	26.39	-29.75	2.05	7.85	3.82
Positive Funds	176	26.39	0	5.94	5.24	0.881
Negative Funds	81	-0.07	-29.75	-6.40	5.63	-0.88

Source: <http://www.tadawal.com.sa/>

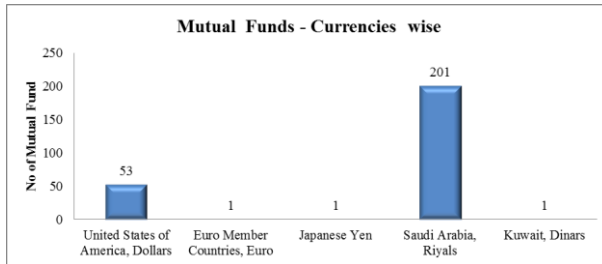
Currencies wise performance of mutual funds

The mutual funds of Saudi Arab are operated in 5 different currencies like United stated of America- Dollar, Euro member countries-Euro, Japanese -Yen, Saudi Arabia- Riyals, and Kuwait, Dinars. This table also depicts that highest funds are invested in Saudi Arabia, Riyals and United States of America, Dollars as compares to other funds. (Table 3 & Fig2).

Table 3: A list of the mutual fund based on currency.

Sr.	Currency	No of MFs	% of MFs
1	United States of America, Dollars	53	20.6
2	Euro Member Countries, Euro	1	0.4
3	Japanese Yen	1	0.4
4	Saudi Arabia, Riyals	201	78.2
5	Kuwait, Dinars	1	0.4

Fig 2. Currencies wise performance of mutual funds



Source: <http://www.tadawal.com.sa/>

Currencies wise performance of mutual fund

It may be observed that out of the 5 different currency funds, US Dollar based funds account for 21% and Saudi Riyal based funds account for 78% of the total funds. Funds invest in Saudi Riyal Currency have the highest average return and the lowest risk per average returns to different currencies and funds in United States of America Dollar have the lowest average return and highest risk per average return as compared to funds in other currencies.³ An analysis of the positive and negative returns funds currency wise (Table 4)

Indicate that 201 funds out of the 146 funds in Saudi Arabia, Riyals have the highest positive returns as compares to other currencies with minimum risk per returns.⁸⁴ Maximum positive Returns to Saudi Arabia Riyal are 26.39 which are highest returns observed in currency wise mutual funds.⁴

³<http://www.tadawal.com.sa/>

⁴<http://www.gulfbase.com/MutualFund/Fund/kingdom-of-saudi-arabia/1>

Table 4: Currencies wise performance of mutual funds

Currency - United States of America, Dollars			
	Positive Return funds	Negative Return funds	Total
Number	28	25	53
Maximum Return	10.21	-0.09	10.12
Minimum Return	1.09	-12.52	-11.43
Average Return	3.00	-3.87	-0.87
Std. Deviation	2.13	3.54	5.68
Risk Per Return	0.711	-0.92	-0.21
Currency - Saudi Arabia, Riyals			
	Positive Return funds	Negative Return funds	Total
Number	146	55	201
Maximum Return	26.39	-0.07	26.32
Minimum Return	0	-29.75	-29.75
Average Return	6.49	-7.52	-1.02
Std. Deviation	5.45	6.07	11.52
Risk Per Return	0.84	-0.81	0.03

Currency - Euro Member Countries, Euro			
	Positive Return funds	Negative Return funds	Total
Number	1		1
Currency - Japanese Yen			
	Positive Return funds	Negative Return funds	Total
Number		1	1
Currency - Kuwait, Dinars			
	Positive Return funds	Negative Return funds	Total
Number	1		1

Source: <http://www.tadawal.com.sa/>

Categories wise performance of mutual fund

The 257 funds invested in 19 categories spread across Equity Funds – Local, Equity Funds - International/ Global, Equity Funds – US, Equity Funds – European, Equity Funds – Asian, Equity Funds - Arabian Bond/ Debt Funds – International, Bond/ Debt Funds – Local, Money Market Funds – International, Money Market Funds – Local, Money Market Funds - Foreign Currency Murabaha, Money Market Funds - Saudi Riyal Murabaha, Equity Funds – GCC, Funds of Funds ,Balanced Funds – International, Balanced Funds – Local, Real Estate Funds, Multi - Assets Funds, Other Funds.

Equity Funds- local 38.91 % Funds invested in stock local which is highest as compared to other categories and

minimum funds investment in Bond/ Debt Funds - Local .39 % which is shown in Table 5& Fig 3.

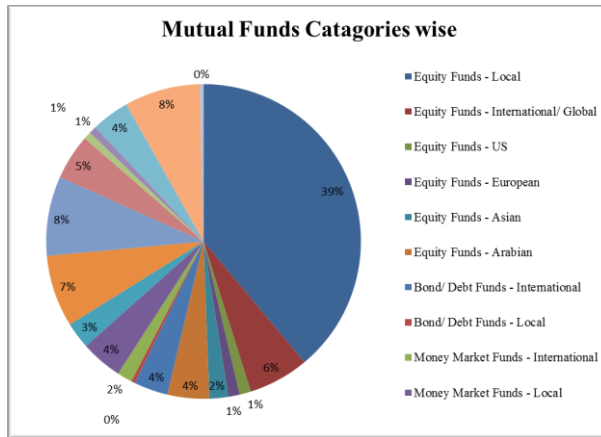
Further, it is interesting to note that the Fund Managers in their drive to provide higher returns and diversify the risk have made investments beyond national boundaries and across countries—USA, US, Asia, Europe, China, India, and countries in the Middle East region (Table 5).

Table 5: A list of mutual fund – Category wise

Sr.	Mutual Fund - Category wise Categories	No of MFs	% of MFs
1	Equity Funds - Local	100	38.91
2	Equity Funds - International/ Global	16	6.23
3	Equity Funds - US	3	1.17
4	Equity Funds - European	3	1.17
5	Equity Funds - Asian	5	1.95
6	Equity Funds - Arabian	11	4.28
7	Bond/ Debt Funds - International	9	3.50
8	Bond/ Debt Funds - Local	1	0.39
9	Money Market Funds - International	4	1.56
10	Money Market Funds - Local	11	4.28
11	Money Market Funds - Foreign Currency Murabaha	7	2.72
12	Money Market Funds - Saudi Riyal Murabaha	19	7.39
13	Equity Funds - GCC	21	8.17
14	Funds of Funds	12	4.67
15	Balanced Funds - International	2	0.78
16	Balanced Funds - Local	2	0.78
17	Real Estate Funds	10	3.89
18	Multi - Assets Funds	20	7.78
19	Other Funds	1	0.39
		257	100.00

Source: <http://www.tadawal.com.sa>

Fig 3. Categories wise performance of mutual fund



Source: <http://www.tadawal.com.sa/>

Performance of the mutual fund’s categories wise has been evaluated using five measures – minimum returns, maximum returns, average returns, risk, and risk per average returns. An analysis of the total number of Mutual fund category wise in (Table-6) depicts that out of 19 categories funds, the highest positive returns of 26.39 percent by Equity Funds - Local; it is followed by Equity fund GCC and Equity fund Arabian with 14.23 and 11.61 percent. Bond/ Debt Funds - International has given minimum returns to -0.7 percent. Highest average returns to 6.88 percent by balance fund local, it is followed by Equity Fund-US and Balance fund internationally with 4.44 and 2.745 percent. The standard deviation from the selected mutual fund is depicted in table 6. Standard deviation is used in the concept of risk of portfolios of investment. Analysis of table 6 clearly reveals that Stock Local has overperformed all the schemes for 10.56 percent standard deviations. It indicates that relatively high volatility of the scheme and high return per unit of risk.⁵

⁵ <http://www.tadawal.com.sa/>

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Table 6: Categories wise performance of mutual funds:

Categories	Funds Return	Number of Funds	Maximum Return	Minimum Return	Average Return	Std. Deviation	Risk Per Return
Equity Funds - Local	Positive Return	67	26.39	0.29	10.30	5.25	0.51
	Negative Return	33	-1.54	-20.27	-8.08	5.31	-0.66
	Total	100	24.85	-19.98	2.22	10.56	-0.15
Equity Funds - International / Global	Positive Return	5	6.05	1.48	3.45	1.59	0.46
	Negative Return	11	-0.09	-7.75	-3.69	2.38	-0.65
	Total	16	5.96	-6.27	-0.24	3.97	-0.19
Equity Funds - US	Positive Return	3	5.28	3.79	4.44	0.62	0.14
	Negative Return	-	-	-	-	-	-
	Total	3	5.28	3.79	4.44	0.62	0.14
Equity Funds - European	Positive Return	1	-	-	-	-	-
	Negative Return	2	-2.09	-7.57	-4.83	2.74	-0.57
	Total	3	-2.09	-7.57	-4.83	2.74	-0.57
Equity Funds - Asian	Positive Return	-	-	-	-	-	-
	Negative Return	5	-0.72	-8.2	-6.92	3.91	-0.56
	Total	5	-0.72	-8.2	-6.92	3.91	-0.56
Equity Funds - Arabian	Positive Return	7	11.61	0	5.02	4.15	0.82
	Negative Return	4	-0.36	-13.71	-6.52	5.21	-0.80
	Total	11	11.25	-13.71	-1.5	9.36	0.02
Bond/ Debt Funds - International	Positive Return	2	1.7	2.26	1.98	0.28	0.14
	Negative Return	7	-0.60	-2.96	-1.09	0.79	-0.72
	Total	9	1.1	-0.7	0.89	1.07	-0.58
Bond/ Debt Funds - Local	Positive Return	1	-	-	-	-	-
	Negative Return	-	-	-	-	-	-
	Total	1	-	-	-	-	-
Money Market Funds - International	Positive Return	4	1.74	1.09	1.44	0.23	0.161
	Negative Return	-	-	-	-	-	-
	Total	4	1.74	1.09	1.44	0.23	0.161
Money Market Funds - Local	Positive Return	11	0.67	2.91	1.77	0.558	0.314
	Negative Return	-	-	-	-	-	-
	Total	11	0.67	2.91	1.77	0.558	0.314
Money Market Funds - Foreign Currency Murabaha	Positive Return	7	3.02	1.27	1.71	0.571	0.33
	Negative Return	-	-	-	-	-	-
	Total	7	3.02	1.27	1.71	0.571	0.33
Money Market Funds - Saudi Riyal Murabaha	Positive Return	19	0.46	2.9158	1.83	0.58	0.32
	Negative Return	-	-	-	-	-	-
	Total	19	0.46	2.9158	1.83	0.58	0.32
Equity Funds - GCC	Positive Return	19	14.23	0	6.47	4.02	0.622
	Negative Return	2	-2.3	-9.89	-6.10	3.80	-0.62
	Total	21	11.93	-9.89	0.37	7.82	0.002
Funds of Funds	Positive Return	6	6.57	0.04	2.56	2.03	0.80
	Negative	6	-0.07	-12.29	-3.57	4.44	-1.25

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	Return						
	Total	12	6.5	-12.25	-1.01	6.47	-0.45
Balanced Funds - International	Positive Return	2	2.09	3.4	2.745	0.655	0.24
	Negative Return	-	-	-	-	-	-
	Total	2	2.09	3.4	2.745	0.655	0.24
Balanced Funds - Local	Positive Return	2	11.12	2.63	6.88	4.25	0.617
	Negative Return	-	-	-	-	-	-
	Total	2	11.12	2.63	6.88	4.25	0.617
Real Estate Funds	Positive Return	8	4.18	0.36	2.27	1.91	0.84
	Negative Return	2	-0.93	-29.75	-10.96	8.52	-0.78
	Total	10	3.25	-29.39	-8.69	10.43	0.06
Multi Assets Funds	Positive Return	18	5.98	0.58	2.75	1.66	0.60
	Negative Return	2	-0.18	-3.29	-1.74	1.56	-0.90
	Total	20	5.8	-2.71	1.01	3.22	-0.3
Other Funds	Positive Return	1	-	-	-	-	-
	Negative Return	-	-	-	-	-	-
	Total	1	-	-	-	-	-

Source: <http://www.tadawal.com.sa/>

Subcategories wisemutual Funds

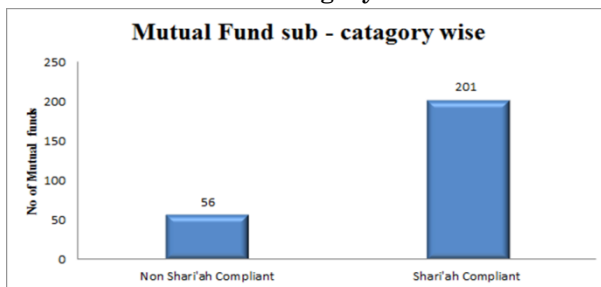
Being an Islamic country, there is a growing trend for Islamic banking and Shari’ah compliant and Non-Shari’ah Compliant financing and investment. However, currently, the number of Shari’ah compliant funds is more than that of Non-Shari’ah compliant funds (Table 7& Fig 4).

Table 7: A list of Mutual FundSub Categories wise

Sr.	Mutual Fund - Sub Category wise	No of MFs	% of MFs
1	Non -Shari’ah Compliant	56	22
2	Shari’ah Compliant	201	78
		257	100

Source: <http://www.tadawal.com.sa/>

Fig 4. List of Mutual Fund Sub-category wise



Sub categories wise performance of mutual funds

An analysis of the total number of mutual fund subcategory wise in (Table-8) depicts that 22% of funds invested in Non-Shari'ah Compliant and 78% funds invested in Shari'ah Compliant. Non- Shari'ah Compliant funds have overperformed all the schemes for 26.32 percent Maximum returns and Standard deviation of Non -Shari'ah Compliant funds depicted in table 8 is 11.15. Shari'ah Compliant have underperformed with -1.08 with maximum returns to compared with Non-Shari'ah Compliant. Analysis of table 8 clearly revealed that risk per returns is higher in Non -Shari'ah Compliant funds.

Table 8: Subcategories wiseperformance of mutual funds-

Sub category	Funds Return	Number of Funds	Maximum Return	Minimum Return	Average Return	Std. Deviation	Risk Per Return
Shari'ah Compliant	Positive Return	136	20.86	0	5.42	4.49	0.83
	Negative Return	65	-0.18	-29.75	-6.50	5.93	-0.91
	Total	201	20.68	-29.75	-1.08	10.42	-0.08
Non-Shari'ah Compliant	Positive Return	41	26.39	0.04	7.74	6.93	0.89
	Negative Return	16	-0.07	-12.52	-5.99	4.22	-0.71
	Total	57	26.32	-12.48	1.75	11.15	0.18

Source: <http://www.tadawal.com.sa/>

Classification wisemutual fund

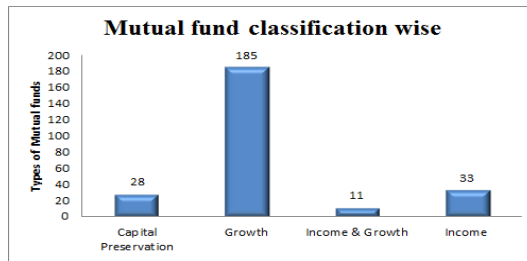
The funds are classified based on Capital preservation, Growth, Income & Growth, Income and it is revealed that Growth funds are in majority and account for 72% of the total number of funds (185 out of 257) and the remaining three types of funds – Income, Income & Growth and Capital preservation together account for one-third of the total number of funds (Table 9 & Fig 5)

Table 9: Classification wise Mutual Fund

Mutual Fund - Classification wise			
Sr.	Classifications	No of MFs	% of MFs
1	Capital Preservation	28	11
2	Growth	185	72
3	Income & Growth	11	4
4	Income	33	13
		257	100

Source: <http://www.tadawal.com.sa/>

Fig 5. List of Mutual Fund classification wise



Source: <http://www.tadawal.com.sa/>

Classification wise Performance of mutual funds:-

An Analysis of the total number of fund classification wise in (Table-10) deficits that the highest positive returns with 26.39 by growth fund, it is followed by Income fund with 12.63 Analysis of table 10 clearly indicates that growth funds have overperformed all the schemes for 11.02 standard deviation and capital preservation funds have the highest risk per average returns .63 percent than that of other funds. Classification wise, Growth funds and Income funds have performed relatively better than that of Capital Preservation funds. All the Growth funds had positive returns and appear to be relatively safer for risk-averse investors.

Table 10: Classification wise performance of mutual funds-

Fund Classification	Funds Return	Number of Funds	Maximum Return	Minimum Return	Average Return	Std. Deviation	Risk Per Return
Capital Preservation	Positive Return	28	7.79	1.02	1.89	1.20	0.63
	Negative Return	-	-	-	-	-	-
	Total	28	7.79	1.02	1.89	1.20	0.63
Growth	Positive Return	123	26.39	0	7.17	5.51	0.77
	Negative Return	62	-0.07	-29.75	-6.38	5.51	-0.86
	Total	185	26.32	-29.75	0.79	11.02	-0.09
Income & Growth	Positive Return	9	4.18	1.41	2.20	0.78	0.35
	Negative Return	2	-15.88	-2.3	-9.09	6.79	-0.75
	Total	11	-11.7	-0.89	-6.89	7.57	-0.4
Income	Positive Return	16	13.27	0.29	5.72	4.16	0.726
	Negative Return	17	-0.60	-20.3	-6.16	5.86	-0.95
	Total	33	12.67	-20.01	-0.44	10.02	-0.224

Source: <http://www.tadawal.com.sa/>

Table 11: The Top 5 Performing Mutual Funds.

Rank	Fund Name	Fund Manager	Currency	Fund sub categories	Fund Classification	valuation	YTD Changes
1	Al-Mubarak SAR Trade	Arab National Investment	Saudi Arabia, Riyals	Shariah Compliant	Income	8/15/2018	0.021
2	Al-Mubarak USD Trade	Arab National Investment	US of America, Dollar	Non Shari'ah Compliant	Income	8/15/2018	0.016
3	Al-Mubarak Saudi Equity	Arab National Investment	Saudi Arabia, Riyals	Shariah Compliant	Growth	8/15/2018	0.123
4	Al-Arabi Saudi Equity	Arab National Investment	Saudi Arabia, Riyals	Non Shari'ah Compliant	Growth	8/15/2018	0.151
5	Al-Mubarak Pure Saudi Equity	Arab National Investment	Saudi Arabia, Riyals	Shariah Compliant	Growth	8/15/2018	0.100

*Base Currency - Saudi Arabia, Riyals

** Source: <http://www.gulfbase.com>

An Analysis of the top performing mutual funds (Table-11) deficits that most of the top 5 performing funds based on Saudi Arabia Riyals. It is clearly indicated in (table 11) higher performing funds related to growth and income funds.

CONCLUSION

In the contemporary world, many fast mushrooming financial institutions are offering new products and service to the investors. They entice them to invest their funds of providing incentives and facilities in term of flexible investment options and withdrawal plan. Saudi mutual fund industry has grown up by leaps and bounds, particularly during the two years. Performance of the funds have been evaluated using five measures – maximum return, minimum return, average return, risk (standard deviation), risk per average return (standard deviation/average return) and the summary evaluation currency, category, subcategory and classification wise. It is clearly indicated that on the basis of fund manager - Riyadh Capital Company and NCB Capital Company are operating more number of funds and together they account for 22% of the total number of mutual funds. Secondly, on the basis of currency wise more funds are invested in Saudi Arabia, Riyals and United States of America, Dollars as compare to other funds and on the basis of categories mostly funds are invested in Equity fund local and Equity fund GCC. Finally, on the basis of classification, it is revealed that Growth and income funds have over performed with highest annual returns. This

study provides information about the performance of mutual funds of the context of Saudi Arabia and helps the investor in a good understanding of the risk return.

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