

Nuschakaorn Sitthivong 2020: the comparative study of the rate of return and the risk of investing in gold bar, gold funds and gold ETFs. Master of Arts, Major field: Applied Finance, Independent Study Advisor: Assistant Professor Porwan Nunthaphad, D.B.A. 92 pages

The objective of this study is to conduct a comparative study of the rate of return and the risk of investing in gold bar, gold funds and gold ETFs by analyzing the rate of return, the standard deviation of the risk from the Net Asset Value (NAV) and the investment efficiency, based on the conceptual framework of Sharpe's Index, Treynor's Index and Jensen's Alpha. The study is focusing on the data collected from the period of January 2014 to December 2018 of all three forms of gold.

The study indicates that the rate of return of the investment in gold ETFs is equal to 0.1356 percent per month, while the rate of return of the investment in gold bar is equal to 0.1209 percent per month and the rate of return of the investment in gold funds is equal to -0.9626 percent per month. To conclude, the investment in the gold ETFs generates the highest average rate of monthly return and the investment in the gold funds generates the lowest average rate of monthly return. Regarding the standard deviation of the risk from the Net Asset Value (NAV), the study indicates that the investment in gold ETFs has the average standard deviation of 8.2727 percent, while the investment in gold bar has the standard deviation of 3.2110 percent and the investment in the gold funds has the standard deviation of 3.0981 percent. To conclude, the investment in the gold ETFs has the highest percentage of standard deviation and the investment in the gold funds has the lowest percentage of standard deviation. After the measurement of the investment efficiency, the study indicates that the conceptual framework of Sharpe's Index, Treynor's Index and Jensen's Alpha are in the same direction. The highest investment efficiency is of the gold ETFs, followed by the investment in gold bar and gold funds respectively.

The result of the study shows that, overall, the risk and the rate of return are consistent with the financial theory, where it is stated that the investment in gold ETFs generates the highest rate of return, and, at the same time, with the highest standard deviation of the risk from the Net Asset Value (NAV). Therefore, investors should consider investing under acceptable risk.



Student's signature



Independent Study Advisor's Signature

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