

## **EVALUATION OF INVESTMENT PORTFOLIOS BASED ON THE METHODOLOGY OF SHARPE APPLIED ON INVESTMENT FUNDS IN JORDAN**

**YOUSEF ALI MAHMOUD ALHAYEK**

COLLEGE OF COMMERCE,  
OSMANIAUNIVERSITY, HYDERABAD - 500 007, INDIA.

---

### **ABSTRACT**

This research focuses on the assessment of the performance of investment portfolios and how to choose investment portfolio which is important for the investor on an investment in a portfolio of investment funds operating in Jordan, using Sharpe scale, and to assess the research data used from three funds for the period between 2007 and 2011 to.

The performance comparison for investment funds of three Jordanian commercial banks, and composition methods of investment funds, and its performance in the stock markets, and the role of the supervisory director in the performance of investment funds.

After COMPARISON BETWEEN INVESTMENT FUNDS using Sharpe scale in the classification and selection of the best investment funds, which is a famous methodology in this area, it was found that the Arab Bank Fund has the best performance of returns compared to the market and other funds that achieves the best results, and that its performance was acceptable during financial crises, particularly recent global crisis. This research was done in Amman stock exchange market.

**KEYWORDS:** investment, financial crises.

---

### **Arab Studies**

- 1) Aldagher, Mahmoud Mohamed, "the financial markets, institutions, stock exchanges, securities," Amman: Dar Al Shorouk publishing and distribution 2005, p 12.
- 2) Alnsoor, Ali Hussein, "Evaluation of the performance of investment portfolios: An Empirical Study in Amman Financial Market," Master Thesis, College of Graduated studies, University of Jordan, 1994.
- 3) Al-Naimi, Shihab al-Din "Financial knowledge management and development of the means to build and financial portfolio management", Department of Business Administration, Faculty of Economics, University of Zaytoonah, 2004.
- 4) Alnueran, DhahirLafi "building investment portfolios according to the preferences of investors toward risk and return in the Amman Stock

- Exchange: An Empirical Study", Master Thesis, Department of Business Administration, Faculty of Economics, AlAlbait University , Jordan, 2002, p 53
- 5) AlTamimi, Fouad and Osama ArshadAzmi Salam "investment securities", Amman, Dar march for publication 2004, p 155
  - 6) Dalloul, Imad Abdul-Hussein , "Evaluation of the ordinary shares and the formation of efficient use of its investment portfolio (equivalent ensure model), (a case study in a sample of companies listed on the Iraqi Stock Exchange", Journal of Management and Economics, Mustansiriyah University / Faculty of Management and Economics / Department Business Administration, No. 81.2010.
  - 7) Garit, Essam, "the importance of the disclosure of investment funds using the coefficient gamma application on a sample of Muscat Securities market funds," Journal of Damascus University of Economic and legal Sciences, Damascus University, Faculty of Economics, Volume 25, Issue II, 2009.
  - 8) Hamdani, Elias Khudair, "Evaluation of the performance of investment portfolios / application in Amman Financial Market," Journal of Anbar University of Economic Sciences and Management, University of Mosul, College of Management and Economics Volume 4 Issue 7, 2011.
  - 9) Rababa'a, AbdulRauf, "Building of investment portfolios and investment management in Stocks between the returns and risks", JSC .2010.
  - 10) Tally, Sa'eda, "Yield prediction for the conduct of the financial portfolio," Submission to complete the requirements for a master's degree, University of Cassidy Merbah - Ouargla.2009.

### Foreign Studies

- 1) Angelidis, Timotheos & Giamouridis, Daniel & Tessaromatis, Nikolaos (2012), "**Revisiting Mutual Fund Performance Evaluation**", University Library of Munich, Germany.
- 2) Ben-Rephael, Azi & Kandel, Shmuel & Wohl, Avi (2012), "**Measuring investor sentiment with mutual fund flows**", Journal of Financial Economics, Vol. 104, issue 2, p. 363-382.
- 3) Chris GROSE & Theodoros KARGIDIS (2012), "**Persistence In Performance For Mutual Funds In Periods Of Crisis**", University of Pitesti in its journal Scientific Bulletin - Economic Sciences, **Volume 11, Pages: 85-98.**
- 4) Kacperczyk, Marcin & van Nieuwerburgh, Stijn & Veldkamp, Laura (2012), "**Time-Varying Fund Manager Skill**". Paper provided by C.E.P.R. Discussion Papers in its series CEPR Discussion Papers with number 9025.
- 5) Loriana Pelizzon & Massimiliano Caporin (2012), "**Market volatility, optimal portfolios and naive asset allocations**", Department of Economics,

University of Venice "Ca' Foscari" in its series Working Papers with number 2012\_08.

- 6) Schuster, Martin & Auer, Benjamin R. (2012), "**A note on empirical Sharpe ratio dynamics**", Elsevier in its journal *Economics Letters*, volume 116, pages 124-128.
- 7) Schuhmacher, Frank & Eling, Martin (2012), " **A decision -theoretic foundation for reward-to-risk performance measures**", *Journal of Banking & Finance*. **Volume 36, Pages: 2077-2082.**
- 8) William Sharpe (1971), "**A Linear Programming Approximation for the General Portfolio Analysis Problem**", Cambridge University Press in its journal *Journal of Financial and Quantitative Analysis*, volume 6, pages 1263-1275.
- 9) William Sharpe (1974), "**Imputing Expected Security Returns from Portfolio Composition**", *Journal of Financial and Quantitative Analysis / Volume 9 / Issue 03 / June 1974*, pp 463-472 Cambridge University Press 1974.