

FACTORS CONTRIBUTING TOWARDS CREATING A PROFITABLE INVESTMENT PORTFOLIO

By

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2nd Half-semester Progress Report & Thesis Approval

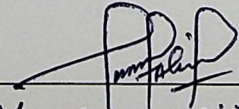
Supervisor-Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
5	4.5.15	BUKC	Introduction & Literature review.	<u>Aisha</u>
6	18.5.15	BUKC	Research Methodology critical debate	<u>Aisha</u>
7	25.5.15	BUKC	Findings, Recommendation & Conclusion	<u>Aisha</u>

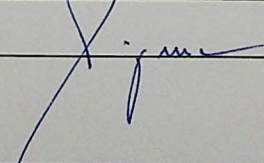
APPROVAL FOR EXAMINATION

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I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 7% that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

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Abstract

Purpose: The aim of this research study is to understand the mutual fund market in Pakistan and understand the factors that are directly or indirectly contributing toward creating a profitable investment portfolio in the mutual fund industry in Pakistan. This study deals separately with open-ended and close-ended funds to understand which are most attractive to investors. The performance of companies is also focused to understand services provided to investors in earning higher returns by managing the funds and portfolio efficiently and effectively in Pakistan.

Methodology/sample: In this research study, out of 22 asset management companies, 8 companies are selected to collect the data on open and close-ended mutual funds for the last 10 years. The tools used during this research study are as follows: Sharpe Model, Treynor Model, and Hypothesis Testing.

Findings: The analysis suggests that the NAFA trust is performing the best among the five open-end funds selected. Investors can take their investment decisions on the basis of the expected returns and the systematic and unsystematic risk involved. The performance evaluation of the open-ended and close-ended mutual funds suggests that the mutual fund industry is growing and developing on a continuous basis.

Practical Implications: In the future, investors will have more options as the industry is expected to grow commendably. The results of the study added that products of the mutual fund market still need to be formulated in order to effect lesser return fluctuation, which needs a serious role of government in the development of the industrial and business sector of the economy that will ultimately result in the development of the mutual fund industry within the country.

Keywords: Treynor Ratio, Sharpe Ratio, Open-ended & Close-ended mutual funds,

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