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THE FACTORS THAT AFFECTS THE RATE OF RETURNS OF AMCS IN PAKISTAN

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ABSTRACT

This study investigates factors that affect the rate of returns of AMCs in Pakistan. For this, four major types of Mutual funds were selected, and the effect of four macro-specific variables on their returns were investigated by using unstructured interviews, developing and comparing the effect of the factors in different categories of funds & for different classes of funds. Results showed that the factors positively impacting the rate of return are GDP Growth, Saving, Consumption & investment of the economy, along with Fund Size and the characteristics of the Money Market. Some variables have no impact on the rate of returns, i.e. Liquidity, Asset Turnover and Management Fees. This study figured out that Inflation and front-end load have a negative impact on the rate of returns of AMCs. The characteristics of equity fund impact have challenging to analyze with the rate of return because the relation of fund returns mostly depends on the fundamental of the stock market. However, macroeconomic factors affect the fund market or any specific class of funds.

Keywords: *Rate of Returns, Mutual Funds, Fund Performance, Macro-specific Variables*

INTRODUCTION

Background of the Study

A mutual fund is the security of investment which permits investors to supply money to one with professionally accomplished investment (Mobius, 2007). This mutual fund is an investment scheme called a business pool and asset management company (AMC) by knowledgeable business firms. Determine investments according to different instruments and areas with L. Compared to individual investors, AMCs can profit through the stock market because they have excellent professional skills and market knowledge – limited professional investment management. There is a service fee, which is called front-end and back-end downloads—distribution to investors in AMC units. Investors can quickly buy and sell one or more units at a current net asset value, which is different from the daily net asset prices available on the Mutual Fund Association of Pakistan (MUFAP).

Initially, the mutual fund industry was in the hands of the Pakistan government through the National Investment Trust (NIT) and the National Investment Corporation of Pakistan (ICP). Still, due to red tape in most cases, government organisations could not get it done as planned, and the PCI funds were then transferred to the privatised sector.

Mutual funds have played a pivotal role in the Pakistan economy over the past two decades. The mutual fund sector has grown by 13.4% in the last ten years. There are many sectors in the mutual fund sector, and AMU has the largest market share with PKR, accounting for 1% of total business.

Unlike equity and equity support funds, money markets and income funds are growing, especially in linked asset management companies. Credit rating agencies, magazines, and news agencies help investors invest in mutual funds. Investing in stocks is one of the best ways to reduce risk (Grinblatt & Titman, 1994). Many companies in Pakistan invest heavily in stocks like "UPL Fund Manager Limited", "All Mission Investment Management", and "NBP Fullerton Asset Management".

There are several procedures for examining the performance of mutual funds relating to the quality and stability of fund management. Therefore, this scale can be classified as risk-adjusted return, risk-related repayment (in French), higher return (FR minus risk-free rate or FR minus benchmark return), and risk-adjusted return. This report is used to assess the performance of mutual funds in the world of mutual funds, both individually and by credit rating agencies that have developed their value for mutual funds, as previously explained. The winning financial model is used. On the one hand, they discuss the matrix described above against which performance can be measured.

On the other hand, many internal and external technical changes can have a significant and powerful impact on the performance of individual funds. As an external factor, investor behaviour is the most influential factor that can significantly affect the mutual fund industry and cannot be predicted due to many other factors that change the stock market, such as severity and horoscope effects capacity, and impact on the market. That is because mutual funds are indirectly involved in the debt and equity markets.

As such, access to capital markets is mercilessly killing the world of mutual funds. Furthermore, external risks such as national, sovereignty, and investment risks are catastrophic. As a democracy, political stability, monetary regulation, and politics play an essential role in the development of the stock market and in facilitating exchange rates, interest rates, and parameters for domestic and foreign investment. The best policies provide an important area for an investor. To raise the stock market. Besides, many other factors can affect the stock market, such as the global Covid-1 epidemic that has devastated the stock market, and investors are still unsure whether to invest appropriately. All of these external factors have a direct impact on the stock market. That is because what impacts the stock market also means mutual funds.

In Pakistan, AMC is believed to have an IT infrastructure (easily accessible to investors through portals and smartphones), extensive distribution channels, a competent research team, and professional fund managers. Many AMCs do not have good IT infrastructure, and investors face many hassles when making real-time transactions. Despite their five-star rating, AMC management has not improved much. The classification of funds as Islamic and traditional behaviour groups has dramatically increased the identification of assets under the AMCs (AUM) and, as mentioned earlier, the potential for investors in the mutual funds sector. Behaviour has a significant impact on the stock market. Therefore, as Muslims, many investors are now investing in Islamic mutual funds instead of the usual Islamic UMS. Therefore, the right and timely strategy for classifying funds plays an essential role in financing. The rating group can be classified according to Islamic and traditional principles such as equity, asset allocation, equity, income and money market funds.

Furthermore, recent research shows that listed companies are now following Islamic Sharia because of the direction they have been suggested in Islamic finance. To get a place in investors' minds, good investment management plays an essential role in developing appropriate investments and attractive and experienced management. They are reluctant to invest in AMC, providing a high position for the quality management of independent organisations (rating agencies). Last but not least, each AMC uses an entirely different investment strategy at market time, taking into account stock market rules, market opportunities and risks. However, creating a more complex portfolio than others is because each AMC develops different criteria, rules and procedures for building its portfolio or investing in it to maximise investment. The following parameters may have some positive/negative effects on the returns of AMCs.

OVERVIEW OF VARIABLES

GDP

Economic growth is generally viewed as positive for equity returns. This belief states that there is a positive correlation between the real economy and the financial markets. Therefore, it would be wise to invest in equities from countries with stable economies and strong growth prospects.

Inflation

Inflation refers to a continuous increase in the general price of goods and services in a country. Inflation raises the standard of living because it reduces the currency's purchasing power as goods and services become more expensive. This results in lower demand for goods and services, reducing investment and productivity. This study estimates that inflation will have a negative impact on the performance of mutual funds. The inflation rate is measured using the consumer price index.

Size of Funds

Fund size is an essential factor in evaluating the performance of mutual funds. This helps to explain the value of money invested in mutual funds. The total return on funds is directly related to the size of the fund, and the fund manager can benefit by investing in different areas, such as the money market and capital market. There is a correlation between financial volume, equity financial performance, and the securities market. This is because it is relatively small compared to relatively large equity funds in the form of bond funds. The size of the fund significantly impacts performance, especially if the number of funds is a weak asset. The performance of the fund contrasts with the assets under its management. Therefore, it is essential to control the size of the financial family as the size of the fund can significantly impact its performance.

Liquidity

Liquidity refers to the ease with which a security can be bought or sold. Mutual funds are fraught with liquidity problems due to their size due to the large number of blocks of shares they have to sell. These problems are known as the market costs of mutual funds. Is that what has to be paid to buy shares above the market price? Therefore, the concession to sellers is below the market price to accommodate the large volume of positions they wish to trade. One way to avoid losing mutual funds due to liquidity problems is to limit the number of funds so that their respective equity positions are below the market capitalisation of the companies that tend to invest in them.

Fund Turnover

Turnover is a percentage of the fund's ownership that has changed over the last few years, giving managers an idea of how long they will hold their shares. The accountant calculates the fund's turnover by dividing the total purchases and sales (whichever is less) by the year. This calculation is easy to convert. A fund that trades 25% of its portfolio in a particular year holds shares for an average of four years. It's superficial, but the level of variability has its own characteristic. For example, significant changes in mutual fund equity capital (turnover) can be misleading about mutual fund trading activities. If the manager does not change the trading speed, the turnover will decrease as the wealth increases. Similarly, a decrease in the capital base can increase the fund's turnover.

Earning money can give you an idea of an officer's job, but you are not required to leave the account number for deposits. In general, regular executives tend to sell lower search scores than executives who work in short positions. In general, managers are considered to influence the highest sales significantly. However, with savings, most managers use investment strategies to increase search numbers. Therefore, search scores are atypical to standard higher, even if the majority is for non-combat funds.

Management Fee

A management fee is computed as a fixed percentage of the average net assets supervised by the company for offering workplace and professional management, including all administrative services and accounting.

Front End Load

Front end load or cost are shown as "Sales Commission on Cargo Front" (Sales Invoice) or "Refund" (Certificate at the time of sale). No Charge "Funds, as the name suggests, are forward-selling costs. Sales prices are a barrier to trade. Mutual funds have to cover all costs, overhead expenses and competition. Because it increases these costs, knows the investment costs, and costs and affects them. Employment is usually described and documented in Financial Management Assets (AMC), and all daily expenses as the average value of funds. Financial Investment Advisory manages items that do not contribute to financial management costs and often equals a small portion of the funds allocated to fund managers. These funds' average net worth (NAV). Therefore, the payment system is fundamental in determining the fund's performance, and it cannot be said that the payment system is the fund's experience performance. They are dealing with collective inquiries of workers. Managers are customers who know they have the overhead costs. Yes, which also shows some situations beyond the order of your master, leave as a sergeant. Set a time. But not so with low-cost more is needed signs.

Equity funds

This type of money is invested in the stock market, which benefits investors as much as the stock market can provide; however, such investments involve instability and greater risk and thus belong to groups. Is there anyone who wants more risk and can invest in the long run? Net equity funds include various equity funds, index funds and sectorial funds. Mutual equity funds invest in several different stocks, while sectorial funds, which are essentially equity funds, vary. They limit their investments and are only part of a specific sector. Therefore, there is more risk than different equity funds. The investment of the index fund is considered passive and occurs only in some index stocks, so the movement of the index will control the fund's performance.

Income funds

Some invest in mutual funds and bonds. Mutual funds will be provided without requiring multiple incomes, chains of bond exposure and readiness to purchase. Many investors get this money for a different share or, in other words, to provide current income. For most other bond markets, investing in bonds is slightly higher than investing too much in stocks. You usually rely on businesses to look after our customers with table ribbons. He could be saved from mutual funds, not a bail captive without taking action.

Money market funds

Open funds are those that only invest in the money market. This fund invests in short-term debt securities such as TBILLS (Treasury bills), cash on delivery (certificates of deposit) and securities. The main objective is the paramount protection protected by simple dividends. The Fund's Net Asset Value is set at USD 1 per share to simplify the accounting process by assuming floating interest rates. The money market is a very liquid investment and is therefore often used by financial institutions to hold un-invested money currently. Unlike bank accounts, most money market deposits are not FIC-insured. And the risk is shallow. Although money market funds are one of the safest mutual funds, they are very likely to fail. But it is very unusual. The most considerable risk when investing in money market funds is the risk of inflation, which can make repayment difficult. Therefore, it can undermine the purchasing power of the money invested by investors.

Asset allocation funds

These mutual funds offer investors a portfolio that consists of a fixed or variable composition from three main categories of assets, namely bonds, stocks, and cash equivalents. Some asset classes are held over time by specific asset allocation funds, while others change the composition of that share in response to changes in investment or money markets.

Islamic/Shariah-Compliant funds

These funds are further divided into Shariah Stock Organization, A fund that invests in stocks in accordance with Islamic law; the goal of a mutual fund is long-term growth through capital growth, even though profit and perceived capital are the sources of income. According to Sharia, income funding provides sustainable capital for Islamic sustainable income streams like Suk and others. The company invests in short-term and long-term Islamic debt securities. Sharia money market: Among the different types of mutual funds, the money market is one of the safest and most stable mutual funds according to Sharia law. These funds invest in Islamic short-term debt securities.

Pension funds

Pension Funds: Pension Fund is a way to save for retirement. It includes a range of security plans, from social security to donations, to determine or plan to determine company profits. In addition to commercial banks and investment funds, pension funds are the third largest capital available for loans or investments.

Pension Funds in Pakistan: Pakistan has weak pensioners, more substantial than most countries. Pakistanis rely primarily on future generations to maintain retirement. Most of the population does not have a pension and is entirely dependent on the general family support system. Pakistan's financial sector has two main investment sectors: (1) retail investors and (2) companies. With numerous investment firms, AMC appears to be more at risk because the company's withdrawals from the fund ultimately failed, and AMCs. AMC companies and individual investors are classified in the business plan. A less risky investment in the case of a highly rated company.

Research Objectives

However, AMCS Quantum is betting on making a significant market share in Pakistan's capital market. Compared to the stock market, this sector has great potential to attract attractive investments. Not only did potential investors in Pakistan welcome this industry to create more investment opportunities in Pakistan, but the mutual fund industry has also proliferated in emerging, emerging and emerging markets. Thus, research is needed to identify variables capable of changing the return rate and the purpose. The study is to identify some basic but essential parameters directly or indirectly related to AMC. Revenue rate

Research Questions

Following are the research questions for this qualitative study.

1. Does the GDP growth impact the rate of returns of AMCs?
2. Does inflation impact the rate of returns of AMCs?
3. Does saving, investment, and consumption impact the rate of returns of AMCs?
4. The rate of returns of AMCs impacted by individual investment?
5. The rate of returns of AMCs impacted by company investment?
6. Does liquidity impact the rate of returns of AMCs?
7. Does the fund size impact the rate of returns of AMCs?
8. Does the asset turnover impact the rate of returns of AMCs?
9. Do the management fees impact the rate of returns of AMCs?
10. Does the front load impact the rate of returns of AMCs?
11. Do the characteristics of the Money Market Funds impact the rate of returns of AMCs?

12. Do the characteristics of Asset Allocation Fund impact the rate of returns of AMCs?
13. Do the characteristics of Equity Funds impact the rate of returns of AMCs?
14. Does the characteristics of Islamic/Sharia compliance Fund impact the rate of returns of AMCs?
15. The behavior of the rate of returns of AMCs in relatiaboutR?

Limitations of the Study

The mutual fund industry has emerged in recent years, which has been limiting among investors. The investor does not want to invest his money in something other than his own business. That is one of the main restrictions on mutual funds in Pakistan. The development of Pakistan's mutual fund regulator has also been limited. Investors who invest in AMC rely on investment managers to make informed decisions about their mutual fund portfolios. If managers do not perform as expected by investors, investors may not get much of their investment.

LITERATURE REVIEW

Mutual Fund

Mutual funds provide extensive research. Several studies have helped to evaluate the performance of the organisation. (Sharpe, 1966), formally introduced the principle of capital asset valuation (CAPM). Researchers such as (Treynor, 1965) and (Michael, 1964) used the same model. (Treynor, 1965), studied the effects of markets on portfolio revenue. (Michael, 1964), found that fund activity is related to a specific index. Alpha-positive funds won the market. (Chang, 1984), studied revenue through regression and financed most of the budget from market profits.

Theoretical Framework

(Fama, 1972), winner of the Nobel Prize in Disaster Management for the Arts, It should be noted that the assistance of a renowned economist is also in addition to the approved plan. Teaching is based on stock market data, market prices and profits, the best information any investor can put in place, and the best way to make intelligent decisions for their safe return. Assuming that the three major markets are to move by mutual consent in the morning, it has been said that the dynamics of investment with investment reflect the role of statistics. Because it's not different from vector, all investors have the same information, no one cares, and they do not go into higher profits for investors in other contracts. They cannot compete with an equal number of competitors, return, defeat the market, are Unable to pay, and investors' income. There are three basic formulas for estimating: weak-strong, strong, and semi-strong. EMH has three theories. First, there may be a couple of figures in the market for all investors. Second, each investor will maintain the same level of equipment. Third, there is no market return for the investor. Furthermore, there is a poor need to be better in the strong market performance rating of Art.

Mutual Fund Growth and History

Mutual funds are an ancient investment vehicle that collects savings from retail investors to invest in money market instruments or stocks and bonds (Shah & Hijazi, 2005). The concept of this investment company originated in Europe at the end of the 18th century when the Dutch trader Abraham van Katwitch asked investors with limited capacity to invest. The concept of "investment pools", or the inclusion of 19th-century investment in England, brought the idea closer to the coast of the United States. The British Company Law Representation (Company Law 1862 and 1867) distributed profits from corporate investments and investor liabilities limited to investments. In the early days of UK funding, linking to the US stock market was common practice to facilitate post-war funding. Founders in February 1873 were SAIT (Scottish American Investment Trust) and Robert Fleming (Pioneer Fund), who invested in the economic potential of the United States with American railroad bonds (Gupta & Aggarwal, 2007).

Performance Measures of the Mutual Fund Industry

Before 1965, comparing financial profits and evaluating financial performance with portfolio managers was a function of mutual fund performance. Perhaps the closest study (1959) that will soon be available is a comparison of the effectiveness of two mutual funds, that is, a comparison of the effectiveness of fully mutual funds with open, closed, and open packages. Open mutual funds can be three times more than closed mutual funds. (Brown & Goetzmann 1997) have argued that each mutual fund has different benchmarks for measuring performance; in other words, the benchmarking criteria for each mutual fund are reflected, as are initial performance and acceptance. The relationship between the analysed analyses is also included. Financial goals, risks, and revenues. Some studies have been conducted to accommodate the debate, one of which is (McDonald, 1974). This study showed no evidence that market managers with 123 mutual funds can decisively beat the market in terms of risk-balanced earnings compared to the market line. (Ippolito, 1989) assessed the impact of balanced British investment confidence risks through the activities of Monetary and Jensen. He explained that the study did not analyse the performance of the London Stock Exchange index.

Mutual Funds in Pakistan

A mutual fund is a tool that clients who buy their shares use to raise funds to hold them in a group of shares at the time of purchase and sale. The existence of securities is determined by the Securities and Exchange Commission (Reilly & Brown, 2011). These limits are established because each intrinsic movement is a portfolio that puts the expected return at risk. Create a group of wallets. Mutual funds are the fastest growing institutions in the world because, through their expansion over the last decade, they have managed risk management tools. A mutual fund in Pakistan is an attractive investment option. The study shows that mutual funds have seen tremendous growth, with an intrinsic value (NAV2) that increased by more than 30% between 2008 and 2019. The increasing number of fund shares and net assets sold shows that mutual funds are becoming a popular alternative to investing. As of June 30, 2017, 20 asset management companies managed 233 funds, including closed and closed voluntary pension plans and terminal funds. As of June 30, 2016, assets under management of up to Rs 622.35 billion. Pr June 30, 2017, 27% more than the previous year at Rs 574,290 crore. On outstanding loans followed by Rs 22.8 million of closed loans, e. $ 25.26 billion for "voluntary retirement plans." Entry was significant due to low-interest rates, with most income groups moving to share classes and asset allocations during the year. The equity fund pool consisted of Rs 270,690 crore (37%) than last year, followed by a dividend fund pool of Rs 101,460 crore. Low group (20%) and money market at Rs 77.88 billion, an increase of 40% over the previous year. This year there have been many donations (both are Sharia-compliance). Find the class at Rs. 87.010 million total entries to the industry were discovered. It continued to be an investor focus as this class received a net income of Rs 81,960 crore. Sharia-compliant funds currently amount to 237.82 billion rupees Mod. 157.49 billion rupees years. Join RS Net Pension Plan. Eleven thousand eight hundred ten million records during the year for a total of Rs 25,260 million. Fifty-one thousand individual shareholder accounts will be added during the year. The balance between OAM units with open duration is now 40% compared to 34% last year.

METHODOLOGY

This study is a qualitative method for collecting open data to produce research articles. Management information was requested in an in-depth personal interview. This approach helps study current events over which the investigator has little control or not, and when the purpose of the investigation is to interpret or investigate the phenomenon. A good study tool and an effective strategy for examining the 'what, why and how' question. Case studies allow them to observe events directly in their natural environments, thus encouraging a more profound and realistic understanding. Unsolicited interviews usually have default questions, but the interviewer is more flexible in changing questions and organising questions. Interviewers have been given additional flexibility to remove or add questions based on understanding the interviewer's response.

DATA COLLECTION

For this study, an unstructured interview was conducted that started with many interview topics but was. Still, it was to vary the order of the questions and to ask new questions in the context of the research situation. The interviews were conducted with a regional manager, a senior area manager and an area manager from one of the largest Asset management company in the country. All interviews were recorded, transcribed and analysed. The following codes were assigned to three respondents. Provincial Regional Manager - R1 Senior Area Manager - R2 Area Manager - R3. The first interview with R1 lasted 27 minutes, R2 - 23 minutes and R3 - 22 minutes. Code assigned to the company in the case study with company A. The age range of the respondents ranged from 28 to 49 years, and there was no forced participation in the study.

RESULTS, FINDINGS WITH THEMES & CONCLUSION

Below is a metric devised for analyzing data and themes:-

Themes	R1	R2	R3	Conclusion
T1 Impact of GDP growth	With the increase in GDP growth, the economy of the country also rises as well; in this scenario, the equity returns also increase, so we can see that GDP growth has a positive impact on the rate of returns of the AMCs	Mutual .funds and equity funds depend on GDP growth, so with the increase in GDP growth, the rate of returns of AMCs also increases	Many .other factors are impacting the returns of AMCs along with the GDP growth.	The respondents of this study belong to the same organisation, and one of the respondents higher in cadre to look after the 2 Regions contributed that GDP growth has a positive impact on the rate of returns of the AMCs

T.2 Impact of Inflation	Inflation is just the opposite of GDP growth, where peoples have to expend more and save less, but it has not had as much of a negative impact on the rate of returns of the AMCs because we manage our portfolio/funds accordingly	To calculate the effect of inflation, we move to the equity funds side to get. Inflation has a negative impact on the rate of returns of the AMCs	Inflation creates an inverse relationship with the rate of returns of the AMCs	Out o.f three respondents, two respondents claim that inflation has a negative impact on the rate of returns of the AMCs
T3 Impact of Saving, investment, consumption	These factors also positively impact the rate of returns of the AMCs as with the increase of the investment in an economy, the income of people increases, and they start Consuming and saving its economic influence.	In this situation, the Equity side grows, and income funds get lower returns, but the overall impact is positive.	During the investment phase, investors move towards equity funds, where they find better returns, so these factors positively impact the positive return rate of returns of the AMCs.	Same impacts on Saving, investment, and consumption as the GDP growth has on the rate of the returns.
T4 Individuals' investment	Individuals' investment has no impact on the rate of returns of the AMCs because people individuals have lesser information about it	Individuals usually don't invest in AMCs, because an individual is not marketed very well, and they require fixed returns which is not the theme of AMCs, so there is no impact on the rate of returns of the AMCs	Individuals' investment positively impacts the rate of returns of the AMCs, as the Mutual fund invests in bulk and Individuals' investment becomes a part of that bulk investment.	Individuals' investment has no impact on the rate of returns of the AMCs, as per the two senior respondents.
T5 Company investment	Companies' investments are essential in this case as these companies invest their PF & GF funds, and we give them better returns over it	AMCs have separate unique pension plans for the Companies for their investments, insurance, and special rate offers. So it has a positive impact on the rate of returns of the AMCs	Companies' investment also has a positive impact on the rate of returns of the AMCs	All respondents argue that the Companies' investment has a positive impact on the rate of returns of the AMCs

T6 Impact of liquidity	The liquidity position of investment does not affect in AMCs, so the liquidity has no impact on the rate of returns of the AMCs	Mutual funds are highly liquidated; that's way no impact of liquidity on the rate of returns of the AMCs	There is no impact of liquidity on the general funds of AMCs, but in special funds investor has to comply with the lock-in period	Investors can withdraw their total or partial investment along with profit at any time without any hazel and time bared
T7 Impact of fund size	The bigger the size of the fund, would be able to generate returns in a better way as the fund diversified different portfolios, so it impacts the rate of returns of the AMCs	The impact of fund size is positive for the rate of returns of the AMCs, because, with the large size of the fund, AMCs earned dividends distributed among the investors.	The big-size fund is managed for a long and gives better returns as compared to small size fund, so it is directly proportional to the rate of returns of the AMCs	Big-size funds produced a better rate of returns than small-size funds of the same category, irrespective of their maturity.
T8 Impact of asset turnover	The impact of asset turnover on the rate of returns of the AMCs is nothing. Because daily deposits and redemptions are still the same, and the whole portfolio is managed similarly.	There is an impact of asset turnover on the rate of returns of the AMCs, as heavy investments and redemptions occur daily.	No positive or negative impact would be on the rate of returns of the AMCs of asset turnover	No impact on the rate of returns of AMCs shown by the asset turnover
T9 Impact of management fees	No impact of management fees on the rate of returns of the AMCs, because returns are given to the investor after the deduction of related management fees. The rate of return would be the same that has been communicated to the investor.	Management fees are deducted before the calculation of NAV, so the customer's actual returns on their investments impact the rate of returns of the AMCs.	Before updating the return in the customer account, AMCs deduct the management fees; therefore, there is no impact of management fees on the rate of returns of the AMCs.	Management fees are one of the earning tolls for the firm, which is deducted before the allocation of returns and calculation of NAV (Net Asset Value)

T10 Impact of front-end load	A front-end load is communicated to the investor by the represen-tative, and on his willingness, the front-end load is deducted. Front-end load has a negative impact on the rate of returns of the AMCs,	Front end load is deducted from the initial investment, and Front end load has a negative impact on the rate of returns of the AMCs,	AMCs are giving net returns to the investor, although the banks earn by spread, so this front-end load is the operation-al cost of The AMCs, which is deducted at the start even though it has a negative impact on the rate of returns of AMCs.	Front-end load negatively impacts the negative impact on the rate of returns of the AMCs, but it is deducted with the prior approval of the investor. A front-end load may impose a consider-able loss if returns are calculated for a short period, but in the long term, it has a lesser impact on the rate of returns
T11 Impact of charac-teris-tics of Money Market Fund	Money Market investments are short-term, so it depends on the discount rate, in this regards the higher the discount rate, the higher will be the rate of returns of AMCs and vice versa	The characteris-tics of Money Market Fund has a significant impact on the rate of returns of the AMCs because banks also offer the same returns on their products	Money Market Fund matches the KIBOR rate, so it impacts the rate of returns of the AMCs.	Money market funds deal with short-term securi-ties and bear low risk on the returns, usually invested in bank-bearing secu-rities and Govern-ment securities.
T12 Impact of charac-teristics of Asset Alloca-tion Fund	It is a mixture of equity and money market fund, and SECP restrict-ed the ratio for investment. The rate of returns of AMCs impacted by their charac-teristics along with the market condition	This fund is moderate fund and primarily dependent on the economy, so this characteris-tics fund has an impact on the rate of returns of the AMCs,	Asset Allocation Fund soberly follows the KIBOR rate due to its proportion and characteris-tics, so the Asset Allocation Funds have a lesser im-pact on the rate of returns of the AMCs compared to the other mar-ket factors.	These fund charac-teristics are created to mitigate the re-turn risk and save the investments with handsome returns. Therefore it moderately impacts the rate of returns of the AMCs.
T13 Impact of charac-teristics of Equity Funds	The character-istics of equity funds do not impact the rate of returns of AMCs as it follows the stock market conditions.	This characteristic fund has a lesser impact on the rate of returns of The AMCs because investors invest for the long term.	But equity fund is not bound by the KIBOR rate, and the stock market accompa-nies it, so there is no impact on the rate of returns of the AMCs.	The characteristics of an Equity Fund are designed for those investors who seek high-risk and high returns in the market and may invest for a prolonged period.

T14 Impact of charac-teris-tics of Islamic/ Shari a com-pliance Fund	Investors invest in this fund based on the religious side because they discourage the in-terest rate. So this fund is very much impacted by its characteristics.	People are not bothered with the up & down of the returns of funds; they are happy with Riba free income	The up and downs of the Discount rate and GDP growth have little impact on the rate of returns of the AMCs, but the Riba Free factor is more consent for the investors.	It's Riba free fund being offered for the investors who argue to earn interest-free profits over their invest-ments. And as per respondents, the characteristics of the Islamic/Sharia compliance Fund impact the rate of returns.
T15 Relation with the KIBOR	AMCs have a different mecha-nism than banks. AMCs try to increase the rate of returns as the discount rate in-creases on an im-mediate basis but on the downside is consent AMCs took a more extended period to reduce the rate of returns.	The rate of returns of the AMCs also increases with the increase in KIBOR on an immediate basis, but in case of decreasing in KIBOR, the rate of returns of the AMCs does not decrease immedi-ately.	AMCs are not usually the fol-lower of KIBOR as they do; there are other market tolls; based on those tolls, AMCs manage their funds in the market.	All respondents are on one page regarding the relationship of KIBOR with the rate of returns of the AMCs.

CONCLUSIONS AND RECOMMENDATION

Investing in funds is a better option for retail investors today because there is no easy access to the knowledge, skills and information to invest in the stock market. This study examines the factors affecting the ROI of AMC in Pakistan. For this purpose, four main types of mutual investment funds were selected, and the effects of four specific macro variables on their performance were examined. Use unstructured interviews to expand and compare the effects of different categories of funds and the funding factors of different categories. The results showed that the factors positively affecting income are GDP growth, savings, consumption and investments in the economy, the fund's size and the money market's characteristics. Some variables do not affect profitability, such as B. Liquidity, asset rotation and operating costs. This study showed that inflation and startup costs negatively impact AMC's performance. Analysing the impact on equity fund performance is difficult because the ratio of fund returns largely depends on stock market principles. However, economic factors affect the fund market's general or specific category of funds.

It is recommended that more funds will analyse and different benchmarks should be used. The management of the AMCs should become more substantial so that the rate of return of their portfolio is more attractive than the expected market returns to attract new domestic and foreign investors.

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