

## **Prospect of Mutual Fund: A study on Mutual Fund Sector in Bangladesh**

Dewan Sakila Nabi<sup>1</sup>

*Abstract: Mutual Fund is known as an investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets. In Bangladesh, almost 33 lakh investors are involved in the stock market of Bangladesh through various instruments. So this investment instrument will be a great opportunity for our small investors who cannot afford more. Moreover they will get professional expertise supervision also. This paper is trying to analyze the performance of Bangladesh Mutual Fund Sector based on performance persistence, turnover, asset size and the ownership style of the mutual funds. And I find that the comparative performance of Mutual Fund sector with others sector listed in DSE is quite aspiring. paper will shows the statistics and evidences supporting the title more in detail.*

*Keyword: Mutual Fund, Performance Persistence, Net Asset Value, Fixed Deposit Return, Asset under Management.*

### **1.0 Introduction**

The economic condition of Bangladesh is very aspiring. The GDP growth rate has increased by 6% in a year compared with the past decade. Bangladesh has enormous investment scope in garments, pharmaceuticals, shipbuilding, power generation and so others. Bangladesh is also a cost competitive investment destination for many foreign investors. Almost 33 lakh investors are involved in the stock market of Bangladesh through various instruments. Among them 70% are general public of Bangladesh. The one thing is very important and that is getting accurate information about the market. Investors are still unaware about the market vehicle. That's why they remain dependent on agents and rumour.

There are 41 close ended mutual funds listed in the Dhaka Stock Exchange. There are also 6 open ended mutual funds in the market. Some mutual funds are also on the way of activation by the companies. ICB (Investment Corporation of Bangladesh) is the pioneer organization of initiating mutual fund in Bangladesh. The country's first closed-end mutual fund, the "First ICB Mutual Fund" was launched on 25 April 1980. Since then ICB had floated 8 closed-end mutual funds with total capital of Tk. 17.50 crore up to 1996. ICB AMCL (ICB Asset Management Company Ltd.), a subsidiary of ICB has the largest number of mutual funds operating in the country and the number is 11. The initial offering of the units was made on 9th June, 2003. The last offering of the company is ICB AMCL Sonali Bank Limited 1st Mutual Fund in 2013.

This paper's aim is to discuss about the one investment vehicle which helps small investors to maximize their return.

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### **1.1 Objective**

**General Objective:** To analyze the performance of mutual fund sector in Bangladesh.

#### **Specific Objective**

1. To study the meaning and concept of Mutual Funds.
2. To study the profile of Mutual Funds sector in Bangladesh.
3. To study the performance of Mutual Funds sector in Bangladesh in terms of NAV growth, Capital Appreciation, Turnover, Asset under Management etc.
4. To study the growth of Mutual Funds sector in Bangladesh
5. To estimate the future prospects of Mutual Funds sector in Bangladesh
6. To analyse the different problems faced by Mutual Funds industry sector in Bangladesh
7. To draw logical conclusion from the research study and to propose constructive suggestions.

### **1.2 Research Methodology**

Research methodology is a base of a research work. It provides a line of action to the researcher on the basis of which she carries on her research study on a particular topic. The following research methodology will be adopted for the proposed research work:-

#### **Selection of Area**

As the present study is based on the listed Mutual Funds companies in Bangladesh, so the personal survey work of mutual funds companies and investors will be done in this Dhaka city only.

#### **Data Source**

The data sources for the present research work will be the different reports in respect of mutual fund sector, Annual reports of leading Mutual Funds companies, Survey results of leading Mutual Funds companies and Survey results of investors of Mutual Funds.

#### **Data collection procedure**

The present study will be based on both primary and secondary data. A thorough search of the published records and reports of Government as well as organizations associated with finance sector of Bangladesh will be made to gather the information regarding the growth of Mutual Funds industry. To analyse the problems of Mutual Funds sector, personal survey of different Mutual Funds companies and investors of Mutual Funds will be conducted.

### **1.3 Hypothesis Of The Research Study**

The proposed research study will be based on the following presumptions: -

- The Mutual Funds industry of Bangladesh plays a vital role in the industrial growth as well as economy of the country.

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- The Mutual Funds market of Bangladesh is in its growing stage and carries the bright prospects in coming future.
- The general investors are not properly educated in respect of concept of Mutual Funds; hence they hesitate to associate themselves with the Mutual Funds industry in Bangladesh.
- The sincere and honest efforts of Government of India to regulate the Mutual Funds market of the country may prove in increasing the faith of Indian investors in Mutual Funds.

**1.4 Scope**

The paper provides an analysis of financial performance of all Mutual Funds in Bangladesh. Here the analysis is designed from individual fund performance to sector comparison. This paper has shown the sector comparison of relevant years to evaluate the performance of Mutual Fund sector in Bangladesh. Thus it helps to forecast the prospect of this sector which is the ultimate goal of this paper.

Several performance indicators from research article and analyst interpretations are used in this paper to achieve the goal. This paper has tried to find the Mutual Fund sector prospects by analyzing the individual fund's performance. Also evaluate this sector performance with other sectors within the country.

**1.5 Limitation**

Mutual Fund sector in Bangladesh is still developing. The information, presented here, mostly is taken from secondary sources. There was limitation to reach experts and customers of this sector physically. Also the prospects of Mutual Fund sector in Bangladesh is analyzed basis on some financial performance indicators. Here a statement is followed that those companies which are performing better, they will do better in future also. But scholars have different view upon this statement.

**2.0 Literature Review**

According to Wermers (2000), Coval and Moskowitz (2001), Jan and Hung (2003), Papadamou and Stephanidesz (2004), the performance indicators of Mutual Fund are performance persistence, turnover, asset size, investment style, mutual fund managers and the ownership style of the mutual funds. In this research paper, the prospect of Mutual Fund in Bangladesh is analyzed based on these performance indicators.

An earlier study done by Sharpe (1966) supported the persistence in the performance of the mutual funds. Jan and Hung (2004) finding was if current year performance persists into the next year and next year performance persists into the subsequent year, then the current year performance must influence subsequent-year performance. Their results confirmed that the investors can benefit by selecting mutual funds on the basis of performance persistence. Grinblatt and Titman (1992) also found the positive persistence in the mutual funds.

Jan and Hung (2003) found that turnover affects the performance on the basis of investment objectives. Downen and Mann (2004) supported the conventional wisdom that high turnover reduces the overall performance of the mutual funds. They found the existence of the economies of scale in the cost structure of the mutual fund industry. According to them, the cost ratios for the individual funds decrease as the number of funds controlled by the asset manager increase. In contrast, Ippolito (1989) and Wermers (2000) show that high turnover mutual funds dominate low turnover mutual funds in terms of the performance. According to them, although high turnover funds incur substantially higher transaction costs and charge higher expenses, they hold stocks with much higher returns than low-turnover funds. Some studies such as Droms and Walker (1992, 1994 and 1996) suggested that the investment performance is not related to turnover rates for both domestic as well as international funds.

Chen et al (1992) found that larger funds performed better than small funds. According to them, large fund managers possess better stock selection capability and hence lead to better performance of the fund. Philpot et al. (1998) and Downen and Mann (2004) found that over time mutual funds exhibit economies of scale.

### 3.0 Findings and Analysis

#### 3.1 NAV growth

From the research journal done by Ms. Sweta Goel (Research Scholar, Jaypee Business School), Dr. Mukta Mani (Assistant Professor) and Dr. Rahul Sharma (Senior Lecturer) from Jaypee Institute of Information Technology, Noida, Uttar Pradesh, India, the performance of the mutual fund is measured by the Net Asset Value, (NAV) of the fund. NAV of a fund is the total asset minus all expenses and divided by the number of units held by the fund.

NAV growth indicates the yearly change of net asset value of mutual funds at their market price. Thus an investor can analyze whether a fund net asset value increase or decrease compared with past year.

#### Nav Growth (2013-2014)

SL	MF Name	2013	2014	NAV Growth
1	Reliance One" the 1st scheme of Reliance Insurance Mutual Fund	5.3	7.2	35.85%
2	1st ICB Mutual Fund	850	1116.2	31.32%
3	8th ICB Mutual Fund	52.2	65.8	26.05%
4	3rd ICB Mutual Fund	190.5	235	23.36%
5	5th ICB Mutual Fund	159.4	192.7	20.89%
6	4th ICB Mutual Fund	190.1	220	15.73%
7	2nd ICB Mutual Fund	256.8	282	9.81%
8	6th ICB Mutual Fund	52.5	56.9	8.38%
9	7th ICB Mutual Fund	86	93.2	8.37%
10	IFIL Islamic Mutual Fund-1	5.6	5.7	1.79%
11	Southeast Bank 1st Mutual Fund	7.9	8	1.27%

Source: Annual Report

Note: Growth was calculated by (current year, 2014-last year, 2013)/last year, 2013

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While selecting a fund, if investor has a long-term horizon with capital appreciation as objective, s/he should opt for NAV growth option.

These 11 funds generate positive growth of NAV. The calculation is based on their NAV value at their market value.

**3.2 Dividend Yield Performance**

Dividend is a distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders. The dividend is most often quoted in terms of the dollar amount each share receives (dividends per share). It can also be quoted in terms of a percent of the current market price, referred to as dividend yield. It is also referred to as "Dividend per Share (DPS).

Mutual fund investors are mandatory to give distributions of income and realized capital gains as simply as dividend. Mutual funds pay out interest and dividend income received from their portfolio holdings as dividends to fund shareholders. In addition, realized capital gains from the portfolio's trading activities are generally paid out (capital gains distribution) as a year-end dividend.

**Dividend Yield of Mutual Funds**

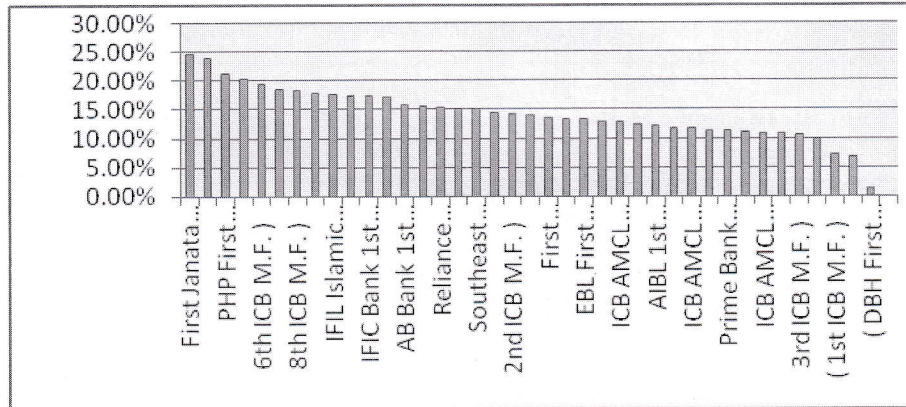
Sl	MF Name	Dividend Yield
1	First Janata Bank Mutual Fund	24.51%
2	Popular Life First Mutual Fund	24.00%
3	PHP First Mutual Fund	21.28%
4	EBL NRB Mutual Fund	20.41%
5	6th ICB M.F.	19.33%
6	Trust Bank 1st Mutual Fund	18.52%
7	8th ICB M.F.	18.24%
8	NCCBL Mutual Fund-1	17.86%
9	IFIL Islamic Mutual Fund-1	17.54%
10	Aims 1st M.F.	17.42%
11	IFIC Bank 1st Mutual Fund	17.31%
12	EXIM Bank 1st Mutual Fund	17.14%
13	AB Bank 1st Mutual fund	15.87%
14	ICB AMCL Sonali Bank Limited 1st Mutual Fund	15.63%
15	Reliance One" the 1st scheme of Reliance Insurance Mutual Fund	15.28%
16	NLI First Mutual Fund	15.00%
17	Southeast Bank 1st Mutual Fund	15.00%
18	ICB AMCL 1st NRB Mutual Fund	14.35%

19	2nd ICB M.F.	14.18%
20	7th ICB M.F.	13.95%
21	First Bangladesh Fixed Income Fund	13.51%
22	Grameen Mutual Fund One	13.27%
23	EBL First Mutual Fund	13.21%
24	ICB AMCL Islamic Mutual Fund	12.90%
25	ICB AMCL 2nd NRB Mutual Fund	12.82%
26	Grameen One : Scheme Two	12.30%
27	AIBL 1st Islamic Mutual Fund	12.22%
28	5th ICB M.F.	11.68%
29	ICB AMCL Third NRB Mutual Fund	11.63%
30	4th ICB M.F.	11.36%
31	Prime Bank 1st ICB AMCL Mutual Fund	11.36%
32	ICB Employees Provident MF 1: Scheme 1	11.11%
33	ICB AMCL Second Mutual Fund	10.87%
34	Phoenix Finance 1st Mutual Fund	10.87%
19	2nd ICB M.F.	14.18%
20	7th ICB M.F.	13.95%
21	First Bangladesh Fixed Income Fund	13.51%
22	Grameen Mutual Fund One	13.27%
23	EBL First Mutual Fund	13.21%
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32	ICB Employees Provident MF 1: Scheme 1	11.11%
33	ICB AMCL Second Mutual Fund	10.87%
34	Phoenix Finance 1st Mutual Fund	10.87%
35	3rd ICB M.F.	10.64%
36	LR Global Bangladesh Mutual Fund One	10.00%
37	1st ICB M.F.	7.17%
38	MBL 1st Mutual Fund	6.67%
39	DBH First Mutual Fund	1.30%
40	Green Delta Mutual Fund	0.00%

Source: Annual Report

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The top 5 funds, who give the highest dividend among of all funds in Bangladesh are First Janata Bank Mutual Fund, Popular Life First Mutual Fund, PHP First Mutual Fund, EBL NRB Mutual Fund and 6th ICB Mutual Fund.



**Figure 01: Graphical Presentation of Dividend Yield Percentage of Mutual Funds**

This chart is a graphical presentation of the above table. Here is shown that all mutual funds provide dividends in their financial year. The growth makes also positive sign of Mutual Funds in Bangladesh.

The lowest dividend is declared by DBH First Mutual Fund and that is 1.30%. The difference between highest and lowest amount of dividend yield is 23.21%. Only Green Delta Mutual Fund does not declare dividend.

As Mutual fund investors are mandatory to give distributions of income as dividend, so except Green Delta Mutual Fund, all Mutual Funds in Bangladesh provide dividend to their shareholders. It's a good sign for those investors who invest in Mutual Funds to compensate their regular income

**3.3 Capital Appreciation**

Capital appreciation is often a stated investment goal of many mutual funds. These funds look to find investments that will rise in value based on increased earnings or other fundamental metrics. Investments targeted for capital appreciation tend have more risk than assets chosen for capital preservation and income generation, such as government, municipal bonds, or dividend-paying stocks. Because of this, capital appreciation funds are considered appropriate for risk-tolerant investors.

SL	MF Name	2014	2013	Capital Appreciation
1	Reliance One" the 1st scheme of Reliance Insurance Mutual Fund )	7.2	5.3	35.85%
2	1st ICB M.F.	1116.2	850	31.32%
3	8th ICB M.F.	65.8	52.2	26.05%
4	3rd ICB M.F.	235	190.5	23.36%
5	5th ICB M.F.	192.7	159.4	20.89%
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7	2nd ICB M.F.	282	256.8	9.81%
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9	7th ICB M.F.	93.2	86	8.37%
10	IFIL Islamic Mutual Fund-1	5.7	5.6	1.79%
11	Southeast Bank 1st Mutual Fund	8	7.9	1.27%

Source: DSE, Annual Report

Note: Growth was calculated by (current year, 2014-last year, 2013)/last year, 2013

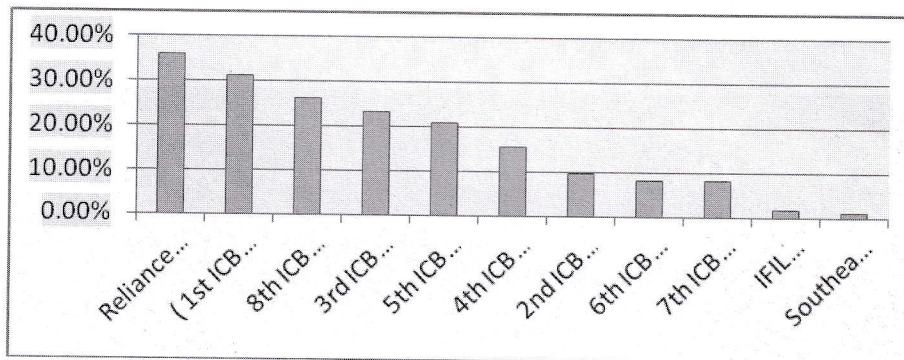


Figure 02: Graphical Presentation Mutual Funds those have positive Capital Appreciation

“Reliance One” the 1st scheme of Reliance Insurance Mutual Fund has the highest value in appreciating their capital and that is 35.85%. Then consecutively 1st ICB Mutual Fund, 8th ICB Mutual Fund, 3rd Mutual Fund, 5th Mutual Fund and 4th Mutual Fund hold their position as higher generating capital appreciation. From the analysis we see the ICB group among other Mutual Funds is in good position according to capital appreciation.

### 3.4 Growth in the Asset under Management Fund

In finance, assets under management (AUM), sometimes called funds under management (FUM), measures the total market value of all the financial assets which a financial institution such as a mutual fund, venture capital firm, or brokerage house manages on behalf of its clients. This metric is very popular within the financial industry and is a sign of size and success of any firm against its competition.



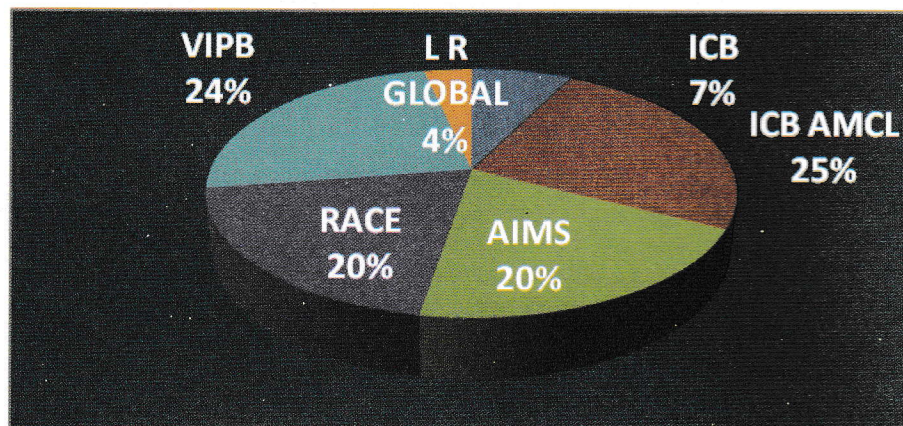
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AUM generally changes according to the flow of money into and out of a particular fund or company. It also fluctuates based on changes in the value of a fund or company's underlying investments. Asset under management larger funds performed better than small funds.

AMCs	AUM in 2013(mn)	AUM in 2014 (mn)	AUM Growth
ICB	1742.28	1819.36	4.4%
ICB AMCL	8047.16	9275.94	15.3%
AIMS	5787.53	6495.01	12.2%
RACE	21204.17	23763.12	12.1%
VIPB	1636.81	1874.46	14.5%
L R GLOBAL	8896.09	9088.60	2.2%

Source: DSE, Annual Report

Note: Growth was calculated by (current year, 2014-last year, 2013)/last year, 2013



**Figure 03: Graphical Presentation of Growth in the Asset under Management Fund**

Among the AMC, ICB AMCL shows the highest percentage of growth in asset under management. It holds also the highest number of funds for example 11.

Then VIPB shows 24% although it has only 2 funds. Remarkable is compared with others VIPB is doing better holding only 2 funds and ICB AMCL holds 11 funds.

RACE and AIMS have same percentage, 20% although AIMS is the oldest company than RACE. So RACE is doing better than AIMS.

ICB, the oldest company and pioneer in this field holds only 7% although the record of the funds of this group is outstanding.

The lowest percentage is 4% and LR Global holds this.

SL	MF Name	Trading Code	Capital Appreciation	Dividend Yield	NAV Growth	AMC
1	1st ICB M.F.	1STICB	31.32%	7.17%	31.32%	ICB
2	2nd ICB M.F.	2NDICB	9.81%	14.18%	9.81%	ICB
3	3rd ICB M.F.	3RDICB	23.36%	10.64%	23.36%	ICB
4	4th ICB M.F.	4THICB	15.73%	11.36%	15.73%	ICB
5	5th ICB M.F.	5THICB	20.89%	11.68%	20.89%	ICB
6	6th ICB M.F.	6THICB	8.38%	19.33%	8.38%	ICB
7	7th ICB M.F.	7THICB	8.37%	13.95%	8.37%	ICB
8	8th ICB M.F.	8THICB	26.05%	18.24%	26.05%	ICB
9	Reliance One" the 1st scheme of Reliance Insurance Mutual Fund	RELIANCE1	35.85%	15.28%	5.71%	AIMS
10	Southeast Bank 1st Mutual Fund	SEBL1STMF	1.27%	15.00%	4.08%	VIPB

### 3.5 Yearly Turnover comparison of Mutual Fund sector

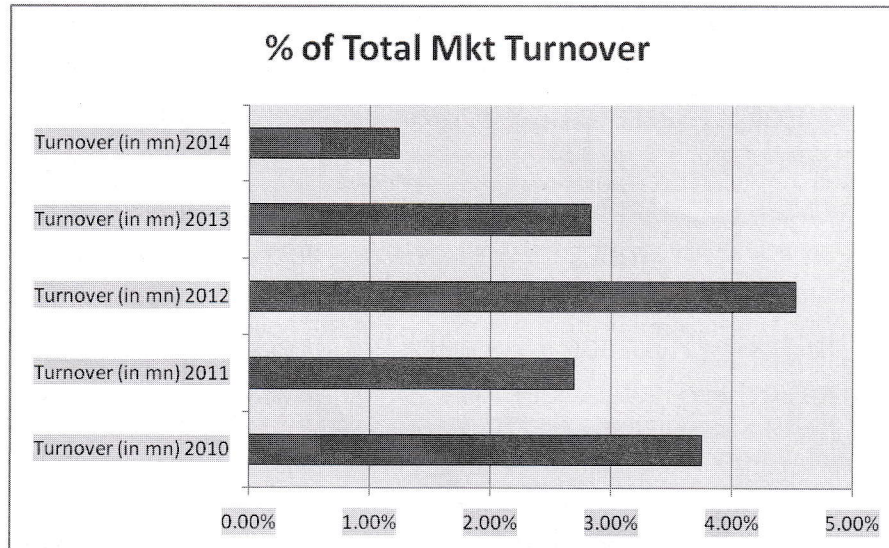
Turnover is assumed as a good sign of indicating performance. As already sector comparison was given to gauge the position of Mutual Fund sector among the companies. Now this sector yearly comparison is given to understand the impact more precisely.

The summary of turnover over the years from 2010 to 2014 are given below.

Year	Turnover of Mutual Funds
Turnover (in mn) 2010	3.75%
Turnover (in mn) 2011	2.70%
Turnover (in mn) 2012	4.53%
Turnover (in mn) 2013	2.83%
Turnover (in mn) 2014	1.24%

Source: DSE, Annual Report

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**Figure 4: Graphical Presentation of Yearly Turnover of Mutual Fund sector**

From the chart, we see in 2012 the Mutual Fund sector turnover was good compared with other 4 years. And in 2014 it was the lowest. Some scholars suggest that high turnover means high return because they involve high risk to gain more. Another point of view here is found that high turnover is not good for the company. After compare with return of this sector, it can be concluded that in Bangladesh the companies face high turnover high cost not high return.

**3.6 Comparative Analysis among Sectors listed in DSE**

There are 20 companies are listed in DSE. Here is a snapshot of these sector turnovers in year perspective. It is a 5 years comparison between the Mutual Fund and the other sectors.

In 2010 Mutual Fund is in 7th position among 20 listed sectors in DSE. The highest turnover generating sector is Bank. Then consecutively Financial Institutions and Insurance are the leader.

In 2011, Mutual Fund is in 13th position among the 20 sectors. From the 2010 statistics the position gets down.

In 2012, it stands in 8th position. It has improved than 2010 financial year. It is also above than financial institutions and insurance in perspective of turnover.

In 2013, Mutual Fund stands in 11th position although Bank also drops its position from top to 6th. But Financial Institutions and Insurance did better.

In 2014, it again drops its position in 14th holding 1.24%. It is the lowest turnover over the years.

	Turnover (in mn) 2010		Turnover (in mn) 2011		Turnover (in mn) 2012		Turnover (in mn) 2013		Turnover (in mn) 2014	
Banks	157080.73	43.35%	18237.25	29.64%	7659.33	18.80%	7680.33	7.72%	6683.62	11.11%
Financial Institutions	41644.5	11.49%	4147.23	6.74%	1806.68	4.44%	6276.71	6.31%	4397.73	7.31%
Insurance	32980.96	9.10%	4486.35	7.29%	1030.78	2.53%	8933.57	8.98%	1343.95	2.23%
Mutual Funds	13588.72	3.75%	1658.6	2.70%	1845.48	4.53%	2811.25	2.83%	746.19	1.24%
Food & Allied Product	6899.15	1.90%	2364.98	3.84%	683.36	1.68%	5941.5	5.97%	3444.8	5.73%
Pharmaceuticals	12426.17	3.43%	3914.18	6.36%	2240.45	5.50%	8709.02	8.76%	9146.36	15.21%
Textile	29013.95	8.01%	5083.45	8.26%	7576.23	18.60%	25230.59	25.37%	6641.66	11.05%
Engineering	19197.53	5.30%	4669.65	7.59%	1728.01	4.24%	12995.47	13.06%	7397.36	12.30%
Ceramic	10103.62	2.79%	2040.45	3.32%	249.32	0.61%	1031.22	1.04%	689.1	1.15%
Tannery	1792.68	0.49%	386.8	0.63%	120.21	0.30%	1159.75	1.17%	482.35	0.80%
Paper & Printing	75.04	0.02%	13.93	0.02%	0.45	0.00%	40.36	0.04%	319.67	0.53%
Jute	190.98	0.05%	116.36	0.19%	30.74	0.08%	86.45	0.09%	86.72	0.14%
Cement	6111.73	1.69%	1926.97	3.13%	657.15	1.61%	2788.98	2.80%	2117.19	3.52%
Fuel & Power Services & Realestate	27095.45	7.48%	5124.45	8.33%	4068.1	9.99%	13569.28	13.64%	7558.14	12.57%
IT - Sector	2537.9	0.70%	784.81	1.28%	137.53	0.34%	1103	1.11%	2548.64	4.24%
Telecommunication	1301.7	0.36%	675.18	1.10%	780.47	1.92%	1348.74	1.36%	1648.55	2.74%
Travel and Leisure	7856.98	2.17%	1340.39	2.18%	2184.49	5.36%	4095.68	4.12%	1861.1	3.09%
Miscellaneous	5191.26	1.43%	1815.65	2.95%	5864.83	14.40%	2756.26	2.77%	683.35	1.14%
Corporate Bond	11982.33	3.31%	2616.93	4.25%	2058.84	5.05%	3259.18	3.28%	2330.44	3.88%
DSE Turnover	362380.54		61529.81		40731.12		99468.29		60132.6	

Source: DSE, Annual Report

Note: Percentage was calculated by (individual sector turnover/DSE total turnover)

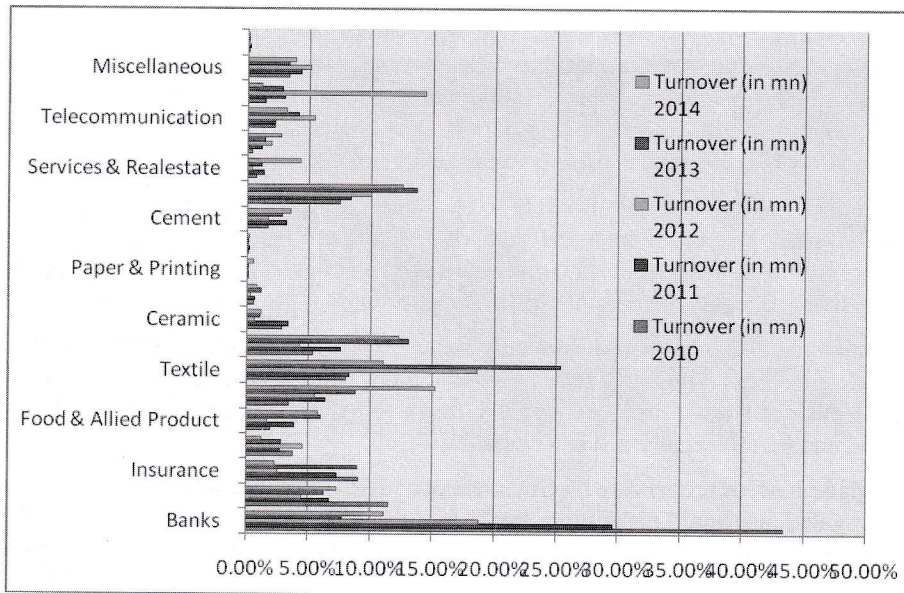


Figure 5: Comparison among sectors listed in DSE

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**4. Recommendations**

Mutual Fund comes in the market later than other instruments. And people are less known about this vehicle except some experts. The companies should go for promotion for its own sake. When people learn about the investment tool, they can evaluate more properly. The number of mutual Fund in Bangladesh is also very few and most of these are close ended. So they have a fixed time period. But globally Mutual Fund is known as open ended. Close end fund matures after a time period like ICB AMCL Islamic Mutual Fund. The number of open end fund should increase.

The number of AMC is also very limited in the country. ICB AMCL is the large fund provider in Bangladesh. And it is government owned. So the number of private AMC should increase in the country. Our capital market lacks professional portfolio managers and lack of private mutual funds. The number of private mutual fund in Bangladesh is 5. It is very small compared with other developed countries.

Most of the funds are close-ended. That means the MF shares mature in a specific period of time. But globally Mutual Fund are popular as an open form. Buying and selling of open-ended MFs are different from those of close-ended MFs. The number of open-ended MFs in the market is very small. There should be more open-ended MFs alongside the close-ended ones.

**5. Conclusion**

To develop the financial market in any country, it is not wise to depend on one sector. People in country are most dependent on banking sector. But banking does not allow small investors to participate and charge high interest rate or collateral. Rather Mutual Fund allows small investors to participate and generate big pool so that to maximize return by mitigating risk. In our country, it's prospect is very high because people generally want to gain more by investing less also they are risk averse.

After evaluation we see that the sector has enormous scope to develop. Firstly, it is still new in the market. Investors are still unaware about this investment vehicle. Like other countries, the sector is not so popular and known in our country. So there is scope to nourish this sector. AMC's can promote this sector to the investors.

Secondly, Government can also help to facilitate rules and regulation so that more AMC can enter in the market and number of funds can increase. Thirdly, still this sector return is better than total market return and FDR return. So investors can rely on this sector and lessen the pressure on banking sector.

Mutual Fund also provide professionally skilled expert to manage investors portfolio. Investors also can withdraw their investment in any time without giving any penalty. But in other banking instrument like FDR, they don't allow withdrawn before maturity period and permit penalty if it is withdrawn.

Bangladesh needs proper care by Government and SEC to widen this sector. The rules and regulations should make more flexible so that more funds can enter. And AMC needs to promote their products and services like banking so that investors can learn and evaluate properly.

## 6. Acknowledgement

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