

**ANALYSIS OF MUTUAL FUND INDUSTRY IN
PAKISTAN
CHALLENGES & OPPORTUNITIES**



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Executive Summary

This research work analyzes the developments of mutual fund industry in Pakistan since its inception in 1962. It also covers the comparative study of the public and private sector mutual funds, key players in this sector and their performance. This research analyzed the growth of mutual funds in USA, South Asian region and in India in comparison with Pakistan. The relevant policies that are applicable to Pakistan and those that proved to be successful over time were studied and finally recommended to Pakistan.

The existing market of mutual funds in Pakistan is not fully structured and at the same time it lacks due attention to be given by common investor. It covers the problems mutual fund industry faced since its inception in the country, performance of existing Asset Management Companies, Barriers in the development of this industry since its inception and the challenges and opportunities this industry is facing.

The research also covers that the growth of Mutual Fund industry in Pakistan is faster than anticipated, due to injection of new equity funds and the re-direction of Provident funds and gratuity funds from banks and NSS to the higher yielding mutual funds. A wind of change is blowing across the mutual fund industry. The future of the industry appears to be promising and is poised for growth. Mutual Fund industry can thrive on a sustainable basis only if new innovative products are continuously introduced in the industry.

Thus, to conclude, there are many opportunities for this sector in Pakistan. Some steps have been taken but the pace of work is slow. More can be accomplished through realizing its importance.

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