Abstract

This thesis focuses on the exploration of the basic characteristics of the Czech equity fund ‘TOP STOCKS - open mutual fund’ and a detailed analysis of the portfolio performance with respect to industry classification. Uniquely collected data from the fund’s establishment allow us to make analysis to the fullest extent possible. Additionally, our dataset may be the basis for further studies of this fund as it is the first of its kind and scope. The research question investigates the connection between the portfolio performance and its industrial structure. Various classification schemes are summarised in the first part of the thesis, including the Global Industry Classification Standard used in our study. Subsequently, appropriate tools for a regression and forecast analysis are presented, mainly the Box-Jenkins method used to fit the ARIMA model to historical data and forecast values of weekly NAV. The results show that a stock-picking strategy operates effectively and immediately reacts to the market development of industry groups, resulting in a protection of investors. Also, the exchange rate commitment of the Czech National Bank supported excessive cash inflow to the fund resulting in considerable performance stimulation during last years. Future research may build on these findings.