

## **PROFITABILITY DETERMINANTS OF MUTUAL FUNDS IN BOLIVIA**

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### **ABSTRACT**

This paper presents an empirical analysis of the profitability determinants of mutual funds in Bolivia. Through the estimation of Vector Auto Regressive model with panel data and Structural Auto Regressive Vectors, with monthly data from 36 mutual funds for the 2012-2016 period, it was possible to identify the dynamic interdependencies between economic variables and the performance of funds. The results show that an increase in the interest rate of fixed-term deposits, the reduction in the liquidity of financial institutions, the increase in economic activity and the decrease in inflation, have a positive effect on the profitability of the mutual funds. Of the variables mentioned, the most influential is inflation.

**Keywords:** Profitability, Mutual Funds, Vector Auto Regressive, Panel Data.

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