

## Abstract

This study utilizes an artificial neural network (ANN) approach to predict the net asset value of open-end Equity mutual funds that follow value, blend and growth investment styles. Three models consider a nonlinear optimizer, fund-specific historical operating characteristics and economic measures to forecast mutual funds values. A total number of 36 variables are evaluated and used here. We employ a stepwise selection method of linear regression as an initial stage of screening and build two reduced ANN models, called model one and model two; as well as, we build one ANN model without any screening mechanism for reference purpose, called model three. Results are encouraging in that the reduced ANN models outperform the reference model in predicting their net asset value. In addition, our model two performs the best among the three in predicting the net asset value.

Key words: Mututal Fund, Artificial Neural Network, NAV Forcasting, Stepwise Statistical Analysis

