

## Most Mutual Funds Do Not Outperform

This week's AAI **Weekly Digest** highlights these “must-read” AAI articles:



### Fund Manager Experience Does Not Predict Outperformance

Experience by itself does not predict whether or not a mutual fund manager will outperform in the future. Though mutual fund managers who have been the sole manager of their funds have as a group outperformed the benchmarks, a closer look finds wide disparities in relative returns and the influence of other factors.

### The Four Groups of ETFs

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Kashner*

A small, square portrait of Elisabeth Kashner, a woman with long, wavy brown hair, wearing a dark top. She is smiling slightly.

Charles Rotblut and Elisabeth Kashner, the director of exchange-traded fund (ETF) research for FactSet, discuss the misunderstood complexity and differences among seemingly similar-sounding ETFs, as well as what investors should consider when looking at a particular ETF.

## Most Mutual Funds Do Not Outperform



The difficulty of selecting an actively managed mutual fund that will outperform its benchmark in the future was highlighted in recent reports from S&P Dow Jones Indices. The SPIVA U.S. Scorecard found that fewer than 18% of all domestic funds beat their benchmark over the previous 10- and 15-year periods.

## Fund Investors' Biggest Mistakes and How You Can Avoid Them



Fund investors are not immune to mistakes, and fund managers can compound mistakes made by fund owners. One of the biggest mistakes is overconfidence, and the stock market is highly effective at deflating overblown egos.

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Our [Member Question](#) for this week is:

***We are taking a break from the weekly reader question for the next few weeks. The next reader question will be posted on May 28.***

## Last Week's Results:

### Are you more worried or more encouraged that bond yields are rising?

**Indifferent: 42%**

**More encouraged: 37%**

**More worried: 21%**

*Poll results are as of 9 a.m. (Central) on Monday. 1,473 respondents.*



### [AAII Survey: Most Retail Investors Indifferent to Rising Bond Yields](#)

A great deal of attention is being paid these days to the flattening of the yield curve—the difference between short-term bonds and long-term bonds of similar credit quality. Historically, when the difference in yields between short-term and long-term bonds goes negative, creating an inverted yield curve, the U.S. economy goes into recession. Our latest survey asked our readers how they feel about rising bond yields and why.



### [The Individual Investor's Guide to the Top Mutual Funds 2018](#)

The latest update to AAI's annual mutual fund guide includes 719 funds in the printed version and hundreds more in the expanded online data tables, covering nearly 1,600 funds in all. The guide

provides performance and risk statistics for individual funds as well as index and category benchmarks.

The AAI Weekly Digest is one of the many **benefits** of AAI membership. To learn more, consider a **30-day Trial AAI Membership** to start becoming an effective manager of your own assets.