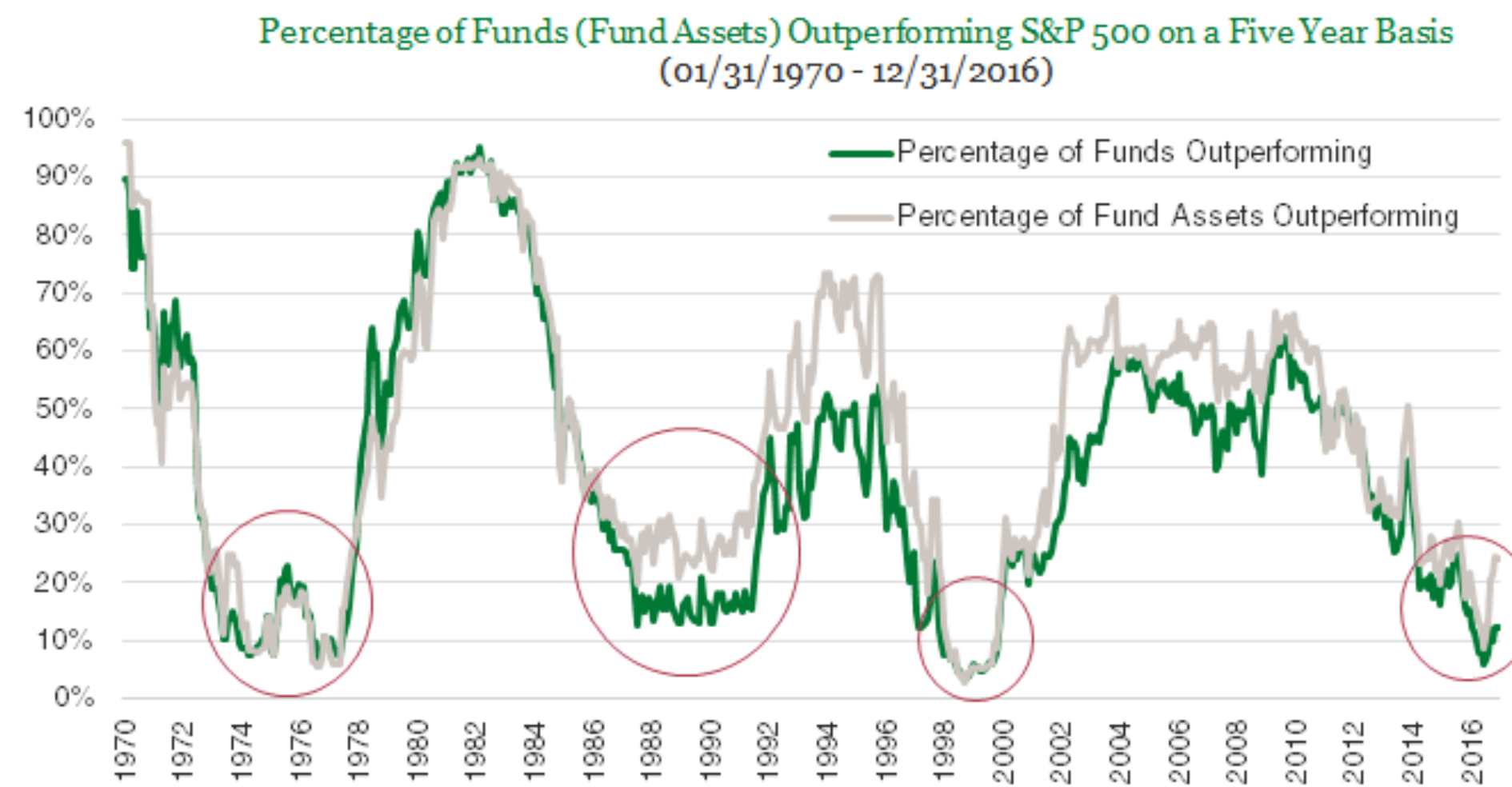
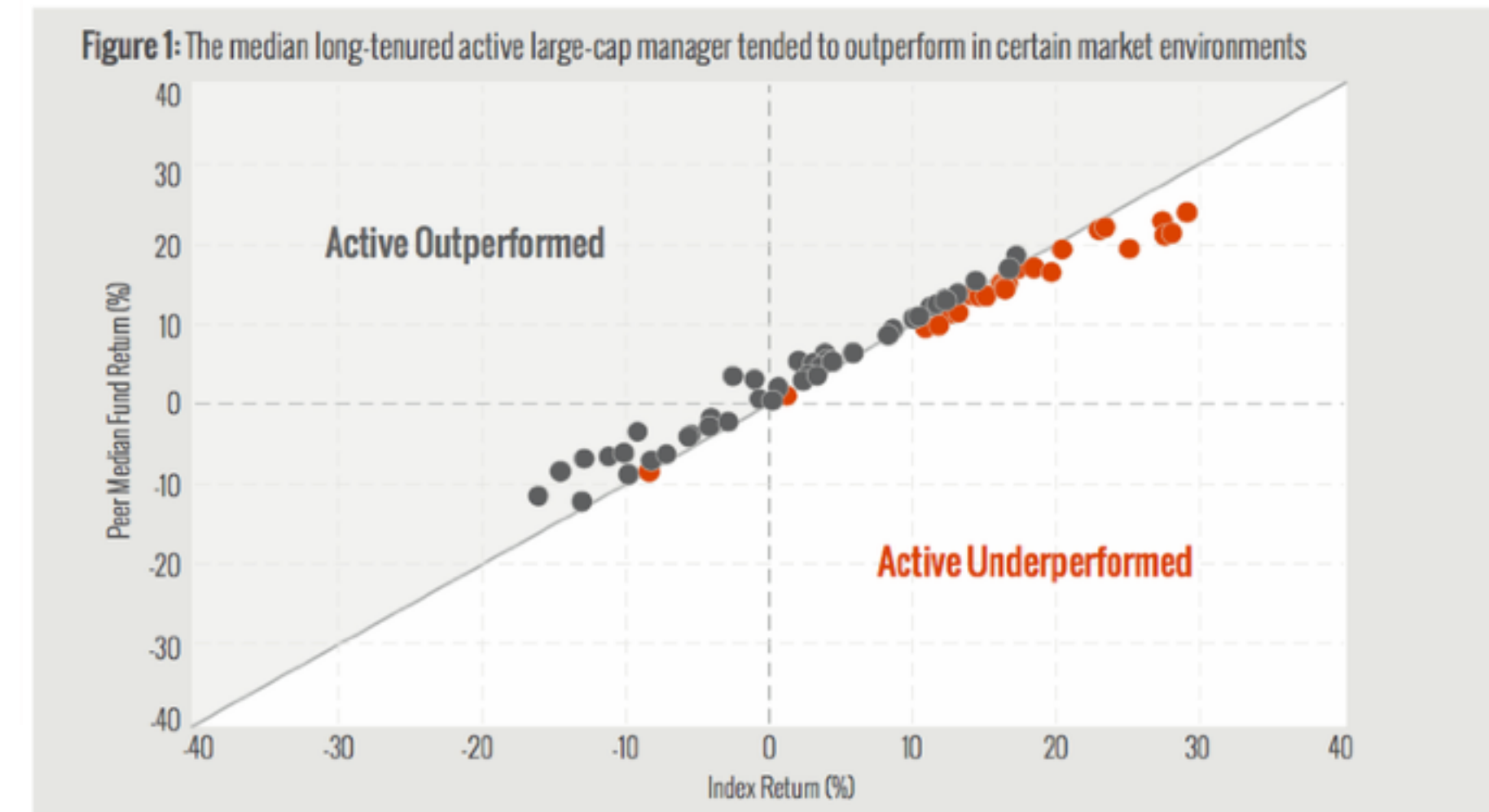


2. Active vs Passive investing



Source: Nomura Instinet; Joseph Mezrich
Past performance does not guarantee future results.

Sources: ~~Nomura Instinet~~, Joseph Mezrich, MarketWatch. <https://www.marketwatch.com/story/how-should-active-management-fit-into-ones-portfolio-2017-03-25>; Morningstar



Sources: AMG Funds, Morningstar.

The main upside is much lower fees than in traditional asset management, and a usually better-than-active return during expansionary markets.

The risk is having more downside during tougher years (which is mostly underrepresented in recent years), and suffering even more if an investor will change his approach during more turbulent market environments (what is common among investors).

2. Active vs Passive investing

Whenever an investor departs from such a passive approach, for example striving to achieve better-than-market returns through insight or skill, she becomes an **active investor**.