

On Persistence in Mutual Fund Performance

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Portfolio	Monthly excess Return	Std Dev	CAMP			4-Factor Model					Adj R-Sq
			Alpha	RMRF	Adj R-Sq	Alpha	RMRF	SMB	HML	Mom	
1(High)	0.99	36.28	0.59 (0.3)	1.04 (2.46)	0.01	0.65 (0.31)	0.62 (1.26)	0.99 (1.38)	-0.89 (-1.11)	0.21 (0.37)	0.01
2	0.63	11.15	0.15 (0.29)	1.22 (10.76)	0.25	0.07 (0.12)	1.13 (8.64)	0.18 (0.95)	-0.22 (-1.04)	0.18 (1.21)	0.25
3	-0.25	14.29	-0.65 (-0.89)	1.02 (6.4)	0.1	-0.64 (-0.82)	0.81 (4.43)	0.51 (1.9)	-0.42 (-1.39)	0.11 (0.51)	0.11
4	0.73	8.23	0.33 (0.91)	1.03 (12.89)	0.32	0.12 (0.31)	0.85 (9.59)	0.46 (3.52)	-0.28 (-1.9)	0.3 (2.89)	0.36
5	0.16	8.16	-0.27 (-0.78)	1.1 (14.5)	0.38	-0.36 (-1.0)	0.97 (11.31)	0.41 (3.2)	-0.13 (-0.91)	0.08 (0.83)	0.39
6	3.4	36.23	2.97 (1.53)	1.12 (2.65)	0.02	3.8 (1.84)	0.71 (1.47)	0.55 (0.77)	-1.33 (-1.65)	-0.3 (-0.53)	0.02
7	-0.06	10.42	-0.46 (-0.93)	1.05 (9.6)	0.21	-0.27 (-0.51)	0.92 (7.39)	0.4 (2.21)	-0.17 (-0.81)	-0.23 (-1.56)	0.22
8	0.12	6.98	-0.33 (-1.37)	1.17 (22.12)	0.58	-0.28 (-1.1)	1.03 (17.45)	0.38 (4.4)	-0.24 (-2.45)	-0.02 (-0.27)	0.61
9	0.28	6.62	-0.16 (-0.7)	1.13 (23.13)	0.61	0.02 (0.08)	1.0 (18.47)	0.33 (4.11)	-0.26 (-2.88)	-0.13 (-2.08)	0.63
10(low)	0.64	21.28	0.08 (0.07)	1.45 (6.07)	0.09	-0.38 (-0.33)	1.25 (4.55)	0.84 (2.08)	0.01 (0.02)	0.31 (0.97)	0.1
1-10 spread	-0.2	40.85	-0.04 (-0.02)	-0.4 (-0.83)	-0.0	0.48 (0.2)	-0.63 (-1.13)	0.16 (0.19)	-0.9 (-0.98)	-0.1 (-0.15)	-0.01

Table 1: Portfolios of Mutual Funds Formed on Lagged 1-Year Return:1963-1993

Portfolio	Monthly excess Return	Std Dev	CAMP			4-Factor Model					
			Alpha	RMRF	Adj R-Sq	Alpha	RMRF	SMB	HML	Mom	Adj R-Sq
1(high)	9.34	119.45	7.38 (1.06)	3.13 (1.95)	0.01	5.39 (0.77)	3.71 (2.14)	2.22 (1.0)	3.13 (1.28)	2.11 (1.41)	0.01
2	3.21	37.15	2.73 (1.26)	0.78 (1.55)	0.0	1.89 (0.87)	1.2 (2.22)	-0.11 (-0.16)	1.23 (1.62)	0.9 (1.94)	0.01
3	0.65	10.44	-0.04 (-0.08)	1.11 (8.83)	0.2	-0.18 (-0.34)	1.1 (8.18)	0.4 (2.33)	0.31 (1.62)	0.12 (1.0)	0.22
4	0.71	8.88	-0.11 (-0.26)	1.3 (13.97)	0.39	-0.09 (-0.21)	1.26 (12.47)	0.16 (1.22)	0.04 (0.27)	-0.05 (-0.53)	0.39
5	0.41	11.49	-0.3 (-0.49)	1.13 (8.07)	0.18	-0.35 (-0.57)	1.09 (7.17)	0.42 (2.14)	0.04 (0.21)	0.07 (0.56)	0.18
6	-3.03	67.29	-4.21 (-1.08)	1.88 (2.09)	0.01	-4.73 (-1.19)	1.89 (1.93)	1.4 (1.11)	2.27 (1.65)	0.04 (0.05)	0.01
7	2.26	23.4	2.11 (1.55)	0.24 (0.77)	-0.0	1.49 (1.1)	0.42 (1.26)	0.67 (1.55)	1.65 (3.46)	0.41 (1.41)	0.03
8	0.79	19.14	-0.03 (-0.03)	1.32 (5.37)	0.09	-0.01 (-0.01)	1.28 (4.78)	0.15 (0.45)	-0.16 (-0.41)	0.01 (0.05)	0.08
9	0.74	20.13	-0.1 (-0.09)	1.34 (5.16)	0.08	-0.28 (-0.24)	1.37 (4.86)	0.31 (0.86)	0.57 (1.42)	0.09 (0.36)	0.08
10(low)	-0.18	15.53	-1.23 (-1.53)	1.67 (9.0)	0.21	-0.86 (-1.07)	1.5 (7.55)	-0.04 (-0.16)	-0.86 (-3.05)	-0.28 (-1.63)	0.23
1-10 spread	9.33	115.32	8.42 (1.25)	1.46 (0.94)	-0.0	6.06 (0.89)	2.21 (1.31)	2.27 (1.05)	3.98 (1.68)	2.39 (1.64)	0.01

Table 2: Portfolios of Mutual Funds Formed on Lagged 1-Year Return:1993-2018

Portfolio	Monthly excess Return	Std Dev	CAMP			4-Factor Model					
			Alpha	RMRF	Adj R-Sq	Alpha	RMRF	SMB	HML	Mom	Adj R-Sq
1(high)	4.86	85.54	3.88 (1.15)	1.97 (2.61)	0.01	2.47 (0.71)	2.0 (2.44)	1.4 (1.23)	1.18 (0.92)	1.07 (1.3)	0.01
2	1.82	26.58	1.31 (1.26)	1.04 (4.47)	0.03	0.67 (0.62)	1.2 (4.77)	-0.03 (-0.08)	0.54 (1.38)	0.59 (2.34)	0.03
3	0.16	12.65	-0.36 (-0.78)	1.06 (10.17)	0.14	-0.46 (-0.96)	0.98 (8.7)	0.39 (2.5)	-0.02 (-0.1)	0.08 (0.69)	0.14
4	0.72	8.53	0.15 (0.55)	1.14 (18.85)	0.35	0.11 (0.41)	1.09 (16.53)	0.24 (2.61)	-0.06 (-0.63)	0.05 (0.69)	0.36
5	0.28	9.83	-0.28 (-0.83)	1.11 (14.79)	0.25	-0.36 (-1.04)	1.03 (12.7)	0.4 (3.5)	-0.03 (-0.26)	0.07 (0.81)	0.26
6	0.42	52.98	-0.29 (-0.14)	1.43 (3.07)	0.01	-0.55 (-0.26)	1.35 (2.66)	0.82 (1.16)	0.68 (0.87)	-0.14 (-0.27)	0.01
7	1.02	17.68	0.67 (0.97)	0.71 (4.58)	0.03	0.19 (0.26)	0.75 (4.5)	0.48 (2.06)	0.74 (2.85)	0.19 (1.13)	0.04
8	0.43	13.98	-0.18 (-0.36)	1.24 (10.86)	0.15	-0.12 (-0.23)	1.15 (9.29)	0.25 (1.44)	-0.18 (-0.91)	-0.03 (-0.24)	0.15
9	0.5	14.52	-0.11 (-0.21)	1.22 (10.24)	0.14	-0.2 (-0.36)	1.19 (9.17)	0.27 (1.51)	0.2 (0.97)	-0.03 (-0.25)	0.14
10(low)	0.26	18.83	-0.51 (-0.73)	1.54 (9.91)	0.13	-0.34 (-0.48)	1.39 (8.22)	0.38 (1.61)	-0.37 (-1.41)	-0.08 (-0.48)	0.13
1-10 spread	4.21	84.04	4.0 (1.2)	0.43 (0.58)	-0.0	2.44 (0.71)	0.61 (0.76)	1.02 (0.91)	1.54 (1.23)	1.15 (1.41)	-0.0

Table 3: Portfolios of Mutual Funds Formed on Lagged 1-Year Return:1963-2018