

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)	0.79	5.47	0.39 (2.61)	1.03 (31.49)	0.74	-0.06 (-0.55)	0.87 (33.84)	0.65 (17.21)	-0.03 (-0.68)	0.37 (12.48)	0.88
2	0.66	5.2	0.24 (2.35)	1.06 (46.72)	0.86	0.04 (0.53)	0.92 (50.77)	0.44 (16.4)	-0.15 (-5.05)	0.21 (10.13)	0.93
3	0.52	5.11	0.11 (1.23)	1.05 (52.28)	0.89	-0.07 (-1.02)	0.93 (58.0)	0.37 (15.47)	-0.15 (-5.81)	0.21 (11.23)	0.95
4	0.4	4.99	-0.0 (-0.03)	1.04 (58.45)	0.91	-0.16 (-2.71)	0.93 (67.4)	0.35 (17.06)	-0.14 (-6.16)	0.18 (10.96)	0.96
5	0.5	4.84	0.1 (1.53)	1.03 (71.21)	0.94	-0.01 (-0.19)	0.93 (83.53)	0.28 (16.85)	-0.13 (-7.1)	0.13 (10.4)	0.97
6	0.33	4.74	-0.06 (-0.96)	1.0 (69.41)	0.93	-0.12 (-2.21)	0.91 (71.3)	0.25 (13.39)	-0.13 (-6.28)	0.08 (5.4)	0.96
7	0.33	4.85	-0.07 (-1.1)	1.03 (75.37)	0.94	-0.11 (-2.04)	0.95 (76.76)	0.25 (13.94)	-0.1 (-4.65)	0.04 (2.53)	0.96
8	0.32	4.91	-0.08 (-1.1)	1.03 (65.47)	0.93	-0.09 (-1.33)	0.95 (62.65)	0.26 (11.58)	-0.13 (-5.05)	0.02 (0.96)	0.95
9	0.19	4.91	-0.21 (-2.51)	1.02 (57.2)	0.9	-0.17 (-2.28)	0.93 (53.21)	0.27 (10.49)	-0.12 (-4.3)	-0.04 (-1.76)	0.93
10(low)	0.03	5.03	-0.34 (-2.62)	0.96 (33.58)	0.76	-0.23 (-1.75)	0.9 (29.57)	0.26 (5.81)	-0.04 (-0.88)	-0.18 (-5.0)	0.8
1-10 spread	0.22	3.73	0.19 (0.93)	0.07 (1.68)	0.01	-0.39 (-2.16)	-0.03 (-0.62)	0.39 (6.38)	0.01 (0.21)	0.55 (11.24)	0.31

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)	0.64	5.3	-0.0 (-0.0)	1.02 (25.36)	0.68	-0.16 (-1.55)	1.02 (39.73)	0.49 (14.84)	-0.12 (-3.24)	0.3 (13.73)	0.89
2	0.61	4.68	-0.02 (-0.21)	1.02 (44.31)	0.87	-0.12 (-1.93)	1.01 (64.61)	0.33 (16.54)	0.04 (1.9)	0.15 (11.18)	0.95
3	0.59	4.43	-0.04 (-0.64)	1.0 (71.27)	0.94	-0.1 (-2.41)	1.0 (93.14)	0.2 (14.39)	0.07 (4.75)	0.08 (8.76)	0.97
4	0.53	4.29	-0.09 (-1.92)	0.98 (93.85)	0.97	-0.13 (-3.66)	0.98 (109.96)	0.13 (11.65)	0.08 (5.95)	0.05 (6.16)	0.98
5	0.51	4.12	-0.08 (-2.3)	0.95 (112.34)	0.98	-0.1 (-2.94)	0.94 (112.68)	0.07 (6.64)	0.07 (5.67)	0.0 (0.24)	0.98
6	0.46	4.14	-0.14 (-3.62)	0.95 (109.93)	0.98	-0.12 (-3.43)	0.94 (105.83)	0.04 (3.89)	0.03 (2.75)	-0.03 (-4.29)	0.98
7	0.44	4.16	-0.16 (-3.19)	0.95 (84.01)	0.96	-0.13 (-2.99)	0.93 (83.74)	0.07 (4.9)	0.06 (3.67)	-0.06 (-5.86)	0.97
8	0.43	4.16	-0.15 (-2.42)	0.93 (64.59)	0.93	-0.13 (-2.16)	0.91 (63.33)	0.06 (3.01)	0.08 (3.81)	-0.07 (-5.52)	0.94
9	0.42	4.19	-0.15 (-1.84)	0.92 (47.35)	0.88	-0.1 (-1.32)	0.88 (46.19)	0.06 (2.41)	0.08 (2.82)	-0.11 (-6.8)	0.9
10(low)	0.18	4.51	-0.37 (-2.57)	0.88 (26.78)	0.71	-0.19 (-1.56)	0.77 (26.07)	0.13 (3.49)	0.0 (0.06)	-0.29 (-11.37)	0.8
1-10 spread	0.26	4.53	0.17 (0.65)	0.14 (2.3)	0.01	-0.17 (-0.93)	0.25 (5.52)	0.36 (6.3)	-0.13 (-2.0)	0.59 (15.38)	0.55

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)	0.72	5.39	0.21 (1.84)	1.03 (40.17)	0.71	-0.06 (-0.8)	0.94 (52.09)	0.56 (22.4)	-0.06 (-2.08)	0.32 (17.52)	0.88
2	0.64	4.96	0.12 (1.64)	1.04 (64.09)	0.86	-0.03 (-0.57)	0.98 (79.77)	0.36 (21.25)	-0.03 (-1.78)	0.17 (13.48)	0.93
3	0.55	4.81	0.04 (0.68)	1.03 (80.37)	0.91	-0.07 (-1.55)	0.99 (91.6)	0.25 (16.59)	-0.02 (-0.93)	0.12 (11.17)	0.95
4	0.46	4.68	-0.05 (-0.94)	1.02 (92.78)	0.93	-0.13 (-3.18)	0.98 (101.41)	0.21 (15.34)	-0.01 (-0.38)	0.09 (8.96)	0.95
5	0.5	4.52	0.01 (0.25)	0.99 (110.46)	0.95	-0.04 (-1.07)	0.97 (111.88)	0.14 (11.99)	-0.01 (-0.44)	0.05 (5.53)	0.96
6	0.39	4.47	-0.1 (-2.53)	0.98 (109.96)	0.95	-0.11 (-2.81)	0.95 (105.21)	0.12 (9.63)	-0.03 (-1.81)	0.0 (0.44)	0.96
7	0.38	4.54	-0.12 (-2.8)	0.99 (107.89)	0.95	-0.12 (-2.95)	0.96 (104.43)	0.14 (10.89)	0.0 (0.08)	-0.02 (-2.43)	0.96
8	0.37	4.57	-0.12 (-2.44)	0.99 (89.87)	0.93	-0.11 (-2.23)	0.96 (84.36)	0.13 (8.33)	-0.0 (-0.08)	-0.04 (-3.29)	0.93
9	0.3	4.59	-0.19 (-3.2)	0.98 (73.62)	0.89	-0.14 (-2.5)	0.94 (69.12)	0.14 (7.44)	-0.0 (-0.15)	-0.08 (-6.18)	0.91
10(low)	0.1	4.8	-0.36 (-3.73)	0.93 (42.85)	0.74	-0.2 (-2.27)	0.86 (40.77)	0.18 (6.25)	-0.01 (-0.37)	-0.24 (-11.33)	0.79
1-10 spread	0.23	4.12	0.18 (1.14)	0.1 (2.81)	0.01	-0.24 (-1.87)	0.08 (2.72)	0.38 (9.01)	-0.05 (-1.14)	0.55 (18.16)	0.42

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