 Download This Paper (Delivery.cfm/SSRN_ID3433321_code962700.pdf?abstractid=3433321&mirid=1)

Open PDF in Browser (Delivery.cfm/SSRN_ID3433321_code962700.pdf?abstractid=3433321&mirid=1&type=2)

 Add Paper to My Library

Share:    

Slow and Steady Wins the Race: The Impact of Chasing Returns on Quartile Rankings

27 Pages

Posted: 9 Aug 2019

Rama Malladi (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=962700)

California State University, Dominguez Hills

Jennifer Brodmann (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=3219041)

California State University, Dominguez Hills

Date Written: July 31, 2019

Abstract


This paper explores whether passive fund managers who aim to be in the 1st quartile by chasing higher returns (i.e. higher risk) are more likely to achieve their goal compared with those that chase somewhat lesser returns (i.e. lower risk). Using monthly historical returns from 01/01/1979 to 01/01/2018, we show that if a fund's goal is to achieve higher assets under management (AUM), it should aim to be in the 1st quartile every year. However, if a fund's long-term goal is to stay in the 1st quartile, it should aim to be in the 2nd quartile every year.

Keywords: asset management; risk and return; quartile; fund performance; benchmark; investment performance.

JEL Classification: G11


[Suggested Citation](#) >

[Show Contact Information](#) >

 Download This Paper (Delivery.cfm/SSRN_ID3433321_code962700.pdf?abstractid=3433321&mirid=1)

Open PDF in Browser (Delivery.cfm/SSRN_ID3433321_code962700.pdf?abstractid=3433321&mirid=1&type=2)

53 References

1. Robert D. Arnott (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=78011) , Vitali Kalesnik (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=927617) , Lillian J. Wu (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=1533732) The Folly of Hiring Winners and Firing Losers (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3099723) Journal of Portfolio Management, Vol. 45, No. 1, 2018 Posted: 16 Jan 2018 Last revised: 30 Sep 2022
[Download PDF \(\)](#)  [Add Paper to My Library](#)
2. B Beardsley , H Donnadieu , R Fages , C Hapelt , L Heredia , P Morel , N Padasani , B Sheridan , Q Xu , Y Yamai Global Asset Management 2017: The Innovator's Advantage Posted: 2017-07
3. R Benabou , J Tirole Intrinsic and extrinsic motivation. The review of economic studies , volume 70 , p. 489 - 520 Posted: 2003
4. I Barankay Rank incentives: Evidence from a randomized workplace experiment Posted: 2012

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve, and personalize our content and your digital experience. For more information, see our [Cookie Policy](#) (https://www.elsevier.com/legal/cookiepolicy)

[Load more](#)

[Cookie Settings](#)

[Accept all cookies](#)



Do you have a job opening that you would like to promote on SSRN?

Place Job Opening (<https://www.ssrn.com/index.cfm/en/Announcements-Jobs/>)

Paper statistics

DOWNLOADS	130
ABSTRACT VIEWS	826
RANK	415,437

53 References

PlumX Metrics



https://plu.mx/ssrn/a/?ssrn_id=3433321
Related eJournals

Mutual Funds, Hedge Funds & Investment Industry eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1504392)

Follow



Capital Markets: Market Efficiency eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1504403)

Follow



View more >

Feedback

Submit a Paper > (<https://hq.ssrn.com/submission.cfm>)

SSRN Quick Links

SSRN Rankings

About SSRN

(<https://www.facebook.com/SSRNcommunity/>)

([https://www.linkedin.com/company/493409?](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A1)

[trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A1](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A1)

(<https://twitter.com/SSRN>)

<http://www.elsevier.com/>

All content on this site: Copyright © 2023 Elsevier Inc., its licensors, and contributors. All rights are reserved, including those for text and data mining, AI training, and similar technologies. For all open access content, the Creative Commons licensing terms apply.

We use cookies to help provide and enhance our service and tailor content.

To learn more, visit [Cookie Settings](#).



(<http://www.relx.com/>)

(<https://papers.ssrn.com/sol3/updateInformationLog.cfm?process=true>)