







Q



Home ► All Journals ► Economics, Finance & Business ► Applied Financial Economics ► List of Issues ► Volume 11, Issue 4 ► Persistence of mutual fund operating cha

Applied Financial Economics >

Volume 11, 2001 - Issue 4

334 | 24 | 0

Views CrossRef citations to date Altmetric

Original Articles

Persistence of mutual fund operating characteristics: returns, turnover rates, and expense ratios

William G. Droms & David A. Walker

Pages 457-466 | Published online: 07 Oct 2010

Sample our
Economics, Finance,
Business & Industry Journals
>> Sign in here to start your access
to the latest two volumes for 14 days

References

66 Citations

Metrics

Reprints & Permissions

Read this article

Share

Abstract

This study tests persistence of mutual fund returns, turnover rates, and expense ratios over the 20-year period from 1971 to 1990. Multivariate models also are developed to examine synergies among persistence of returns, expense ratios and turnover rates. Potential long-run economies of scale are analysed by determining whether or not there is a significant relationship between asset size and these other operating characteristics. Tests are developed to contrast the decade of the 1970s with the decade of the 1980s and to examine persistence between consecutive years. The results indicate that there was no long-term persistence of returns, expenses, or turnover rates for 151 equity mutual funds that operated over the full two decades from 1971 to 1990. Tests of short-term performance persistence show strong persistence of good performance for periods of one, two and three years. For a four-

year time period, there is no significant persistence of returns. The tests for consecutive years in contrast to tests between decades show that there is short-term, but not long-term persistence for returns.

Previous article

View issue table of contents

Next article >

Related Research Data

Efficiency With Costly Information: A Study of Mutual Fund Performance, 1965-1984

Source: The Quarterly Journal of Economics

Returns from Investing in Equity Mutual Funds 1971 to 1991

Source: The Journal of Finance

Mutual fund investment performance

Source: The Quarterly Review of Economics and Finance

Hot Hands in Mutual Funds: Short-Run Persistence of Relative Performance, 1974–1988

Source: The Journal of Finance

TESTING FOR AUTOCORRELATION IN DYNAMIC LINEAR MODELS*

Source: Australian Economic Papers

The Performance of Mutual Funds in the Period 1945-1964

Source: The Journal of Finance

Determinants of variation in mutual fund returns

Source: Applied Financial Economics

Investment Performance of International Mutual Funds

Related research 1

People also read Recommended articles Cited by 24

Mutual Fund Performance: Does Fund Size Matter? >

Daniel C. Indro et al.

Financial Analysts Journal Published online: 2 Jan 2019 Information for

Authors

R&D professionals

Editors

Librarians

Societies

Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

Help and information

Help and contact

Newsroom

All journals

Books

Keep up to date

Register to receive personalised research and resources by email



Sign me up











Accessibility



Copyright © 2025 Informa UK Limited Privacy policy Cookies Terms & conditions



Registered in England & Wales No. 01072954 5 Howick Place | London | SW1P 1WG