

Performance and Characteristics of Swedish Mutual Funds

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Abstract

This paper studies the relation between fund performance and fund attributes in the Swedish market. Performance is measured as the alpha in a linear regression of fund returns on several benchmark assets, allowing for time-varying betas. The estimated performance is then used in a cross-sectional analysis of the relation between performance and fund attributes such as past performance, flows, size, turnover, and proxies for expenses and trading activity. The results show, among other things, that good performance is to be found among small equity funds, low-fee funds, funds whose trading activity is high, and in some cases, funds with good past performance.

Keywords: Flows, persistence, portfolio evaluation, survivorship bias, style analysis.

JEL Classifications: G11, G12, G23.

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