

Press Release

DALBAR ANNOUNCES ACTIVE VERSUS PASSIVE ANALYSIS DOES PASSIVE PERFORMANCE OVERCOME INVESTOR BEHAVIOR

(February 27, 2017) DALBAR Inc. announced the release of its analysis of active and passive investing and how these approaches affect the returns investors earn. Following its long tradition of looking past theoretical investment statistics, DALBAR has measured the impact these investments have on investors' wallets.

DALBAR's Investor returns show no clear winner.

Over the longer terms, active investments produced better results, reflecting the tendency for investors to remain invested for longer periods. Shorter term results show passive investments ahead, driven in part by the unexpected post-election run-up in the markets.

The explanations for why active investments caught up with the superior investment statistics of the passive funds include better investor retention during market downturns, asset allocation and capital preservation strategies of active investments.

The study also points out the unregulated and unaccountable nature of the indices that are tracked by passive funds.

The study concludes that the choice of active or passive investing should be based largely on the needs and preferences of the investor and the cost of providing asset allocation and capital preservation strategies that are not available in passive funds.

The full report is available for purchase by visiting <https://www.dalbar.com/catalog/product/63>. For more information please contact, Cory Clark at 617.624.7156 or email cclark@dalbar.com

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