Executive Summary

The primary aim of this thesis is to study whether mutual fund attributes affect mutual fund performance. This study examines various mutual fund attributes and develops hypotheses as to their effects on mutual fund performance. Given that the aim is to develop useful guidelines for the lay investor in selection of fund for investment, this study examines mutual fund attributes that are publicly available and can be readily obtained by the lay investor. Since there are many mutual fund attributes, it is difficult to make a general statement that these mutual fund attributes unequivocally do or do not affect mutual fund performance. By answering the aforementioned question through the use of the appropriate statistical tests, this study constitutes a practical value to both the mutual fund attribute/performance literature and lay investors by establishing certain guidelines to follow in selecting mutual funds. The study concludes that there are mixed results concerning whether certain mutual fund attributes affect mutual fund performance. This study adds to the existing literature by introducing new evidence on the causal effects of selected mutual fund attributes on total mutual fund performance by using: (a) different time periods, (b) different attributes, and (c) more recent data. The new results presented in this study address the contradictory conclusions in the previous literature, where five of the eight mutual fund attributes affected mutual fund performance. However, the overall fit of the model is not strong, as suggested by the relatively moderate and inconsistent $R^2$ and Adjusted $R^2$. However, the F-test illustrates that seven out of eight mutual fund attributes, on a combined scale, are statistically significant at 1%. These findings are consistent with those who have found that mutual fund attributes affect performance, but the degree of influence over performance is extremely limited by other mitigating factors, which are outside the scope of this study.