

Actively managed, "hot-performing" funds are regularly promoted by the media and many financial advisors. However, independent and peer-reviewed academic research clearly demonstrates that they rarely beat passive, low-cost funds in terms of net performance. And of those that do, they amount to less than one would expect by random chance alone. As you will observe in this brief video, most fund managers are actually "closet indexers," essentially nothing more than a very expensive index type fund. This is one of the biggest reasons why millions of investors are finally fleeing expensive, underperforming funds in favor of low-cost passively managed funds.