Time and again, the evidence shows that only a small fraction of actively managed funds succeed in beating the market with any degree of consistency. And, that's without taking into account "Survivorship Bias." Survivorship Bias is the tendency for mutual funds with poor performance to be closed, or merged into other funds by mutual fund companies. A widespread phenomenon in the industry, Survivorship Bias, results in an overestimation of the past returns of mutual funds and means that many actively managed funds are doing even worse than reported if Survivorship Bias is taken into account.