New perspectives on mutual fund decision analytics: Contributions from market efficiency and social responsibility

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Abstract

To further help improve the investor’s mutual fund decision process, this PhD thesis provides a new perspective from two different angles: market efficiency and social responsibility. In the first part, we consider the financial calamities from the recent past by looking into market efficiency. Doing so, we enable investors to better understand the performance profile of funds and the way fund managers deal with periods of market distress. In part two, we devote serious attention to the emerging trend of social responsibility in investing, by assessing how fund managers incorporate the concept of sustainability into the investment process. This can help investors to better understand the sustainable nature of a fund and how the fund manager is incorporating social responsibility criteria to drive financial performance. The market efficiency and social responsibility perspective are also linked through their common impact on downside risk.