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DALBAR Releases 30th Annual QAIB Report

Investor Behavior Continues to Hinder Returns

(Marlborough, MA, April 11, 2024) 2024 marks the 30th annual DALBAR Quantitative Analysis of Investor Behavior (QAIB) report, the nation's leading study on investor behavior since 1994. The recently released report looks at how investor behavior influences investment returns from 1985 through 2023 and explores the psychological and practical implications of a strong market year in 2023 after a very challenging year for investors in 2022. Despite strong market performance in 2023, investor behavior continues to hold back returns when compared with the market. The Average Equity Fund and Average Fixed Income Investor's performance in comparison with market benchmarks is revealed and the report provides a framework to improve investor returns by managing behaviors that cause investors to act imprudently.

Key Findings:

- **The Average Equity Fund Investor Underperformed the Market:** The Average Equity Investor earned 5.5% less than the S&P 500 in 2023, the 3rd largest investor gap in the last 10 years.
- **The Average Fixed Income Investor Underperformed to a Lesser Degree:** The Average Fixed Income Investor earned 2.63% less than the Bloomberg Barclays Aggregate Bond Index gain.
- **Emotional Decisions Hurt Returns:** Investors tend to sell out of investments during downturns and miss out on rebounds. The report illustrates the importance of a long-term investment strategy.
- **Retention Rates Increased:** The Average Equity Fund Investor held onto equity funds for a longer period in 2023 compared to 2022.

After dismal returns for the Average Equity Fund Investor in 2022 of -21.17% compared with the S&P 500 return of -18.11%, the Average Equity Fund Investor experienced an even higher gap against the market in 2023, experiencing returns of 20.79% compared with the S&P 500 returns of 26.29%.

To learn more and purchase the QAIB report, please visit www.qaib.com or contact us at info@dalbar.com

About DALBAR

[DALBAR](http://www.dalbar.com) has a 46-year history and is recognized by the industry and government as an independent third-party expert in the business of providing audits, evaluations, ratings, and due diligence. DALBAR certifications are recognized as a mark of excellence in the financial services community.

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