



Kris Freeberg <kris@makinendsmeet.com>

Are these returns too good to be true?

1 message

Kris Freeberg <kris@makinendsmeet.com>
To: kris@makinendsmeet.com

Sat, Apr 24, 2021 at 7:35 AM

Hi Kris,

I just finished updating the database I've been keeping since 1996 of top performing mutual funds. This is [the 26th annual update](#). There are now 246 funds in the database, with short term returns as high as 233.8%, and long term returns as high as 38.8%.

As I did this research, I kept thinking about [news of Bernie Madoff's death](#) earlier this month. Through his affinity scam, he lured a lot of very wealthy, very smart people into his Ponzi scheme with "too good to be true" promises of 8% - 12% return on investment.

Too good to be true? Really?

I've been researching investments for 26 years; I've found investments with returns ranging 38.8% - 233.8%, and they are most certainly true.

Return on Investment is important. I would argue that it's more important than income. I mean, what is the point of earning an enviable, lofty income if it's squandered on foolish or underperforming investments, or not invested at all? On the other hand, a modest income prudently invested can yield larger long term results.

The disconnect between the importance of ROI on the one hand, and massive widespread inattention to it on the other even among the elite, boggles and occupies my mind.

What a difference a year makes. Top performing funds in April of 2020 were pessimistic funds having to do with precious metals, long term government debt, and bear market instruments. Now those pessimistic funds are showing losses, while funds that have to do with the growth and development of the economy have shot through the roof with unprecedented short term returns.

If you think also about recent hype about cryptocurrency and Gamestop . . . for a while there everybody was a day trader with Robinhood installed on their smart phone. All we read about in the news there for a while were cryptocurrencies and Gamestop. Then the bubble burst and the hype subsided.

Meanwhile what about [all the funds on this report](#)? Where is the news about them, other than from me?

Again, this boggles my mind. I guess it's because people have short attention spans and are attracted to what's sensational and to immediate gratification.

And what about these amazing triple digit short term returns? Is that a ripple effect from the hype? Is it pent up demand from the pandemic? I'm not sure, but it's quite real. In one year, people who invested in these funds more than doubled their money. And they're not recent hype. Some of these funds I noticed originally 9-10 years ago.

So far - for twenty-six years - I've performed and shared this research as a public service, supposing that if more people invested better, the world would become a better place. I have benefited from it personally. I do eat my own cooking.

But I've never tried to monetize this research. In the future, that may change.

Anyway

Please use this information in good health, share it widely, generously, and at will. Let's have a conversation about it. Feel free to reply and correspond.

Best wishes,

4/24/2021

Making End\$ Meet Mail - Are these returns too good to be true?

Kris Freeberg, Economist
Making End\$ Meet
(360) 224-4322

