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Timing Matters -- Dollar Weighted Returns.

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JMDinvestments

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While a mutual fund manager may make good decisions that result in a positive return, if investors time cash flows incorrectly, they will end up with lower (even negative) returns. This illustrates the difference between time weighted and dollar weighted returns. Unfortunately, the average investor succumbs to human nature, buying high and selling low, instead of the opposite. [See a good summary article here, WSJ.](#)

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