Historically, little evidence has been found to suggest that real estate investments exhibit superior returns. Further, it appears that real estate mutual funds do not possess the ability to consistently beat other sectors that are heavily invested in.

In this analysis, we examine whether mutual funds investing in real estate have statistically outperformed other categories of equity mutual funds as well as the S&P 500 and DJ REIT Composite Index. This is done by analyzing returns from annual, three year, five year, and ten year periods. The data used to analyze returns of mutual fund investing in real estate were gathered from Morningstar Inc. Data used to analyze returns of different sectors of mutual funds were obtained from E-Trade. Real estate mutual fund used in this study must have assets of $50 million or greater. Other categories of equity mutual funds used in this study include healthcare, technology and energy.