INVESTOR'S BUSINESS DAILY®

How Did Your Mutual Funds Compare To The Week's Best?

By PAUL KATZEFF
INVESTOR'S BUSINESS DAILY
11/14/2015 08:02 AM ET

U.S. diversified stock funds lost 2.47% on average in the week ended Nov. 12, according to Lipper Inc. Excluding funds that do a lot of shorting, hedging and relying on leverage, large-cap growth funds fared best by losing the least, down 2.27% in the week.

Within those traditional market-capitalization-and-style categories, among stock mutual funds with at least $100 million in assets, $148 million Virtus Small-Cap Sustainable Growth had the best week, but only because it lost the least — down 0.17%. That left it up 3.48% for the year going into Friday.

Next best was $308 million Morgan Stanley Institutional Opportunity, which lost 0.18% for its investors in the week. That trimmed its year-to-date gain to 23.55%.

And the third best performer was $458 million Natixis CGM Advisor Targeted Equity . Its 0.39% setback in the latest week left it down 2.33% for the year.

Chefs' Warehouse (NASDAQ: CHEF), held by Virtus, gained 9% in the week.

The distributor to restaurants of specialty foods and ingredients has IBD's Composite Rating of 87, very strong on a scale of 1-99.

The stock gapped up 16% on Nov. 4, the day after earnings per share jumped 40%.

Mercadolibre (NASDAQ: MELI), an Argentine-based online retailer and another Virtus holding, gained 3.5% in the week.

It gapped up 9% in the prior week after reporting a slight decline in EPS and other quarterly results.

Amazon (NASDAQ: AMZN), a Morgan Stanley Institutional holding, rose 15% last week.

Last month the online retail giant, which has a 98 Comp Rating, reported a 118% jump in EPS.

Charles Schwab (NYSE: SCHW), held by Natixis CGM, rose 3.9% last week.

The brokerage and mutual fund company has a mediocre 77 Comp Rating. It enjoyed publicity all week as its annual Impact conference, a magnet for financial advisors, rolled along in Boston.

The latest week's setback broke U.S. diversified stock funds' winning streak at the five-week mark. It also left their year-to-date total return at a 1.42% loss.

Some investors were cheered by strong U.S. jobs data late last week. But it wasn't enough.

Many investors, now that the market has rallied from its August and September pullback, began to worry again — as they had in the spring — about stock valuations being high.

"That's true," said Craig James, president of Craig James Financial Services, based on New York's Long Island. "This does not bode well. It bodes for another leg down in the not-too-distant future, within say six months."

On Monday, the market slipped as investors worried about stock market news that suggested the global economy could be slowing. They also worried about the prospect of the Federal Reserve raising interest rates.

Tuesday was the sole day of broad market gains. Home builders and health care stocks did well.

But Wednesday was another down day as energy stocks helped drag major indices down.

Energy stocks and other commodity stocks weighed on the market on Thursday.

For the week, all sector categories were down. Financial services — many of whose banks would benefit from higher interest rates — were down the least, off 1.07%.

Among world equity funds, Japanese funds advanced 0.82%, making them the only category to gain ground.

Emerging markets funds were the worst laggards, down 3.21% in the latest week.

Latin American funds easily retained the cellar position year-to-date, down 23.23%.

Taxable bond funds slipped 0.59% in the latest week. That left them down 0.98% for the year.

U.S. Treasury funds were down 0.85% in the latest week, reflecting worries about a rate hike. That left Treasury funds off 1.28% for the year.

Tax-exempt bond funds fell 0.29% in the latest week. That cut their year-to-date gain to 1.19%.

Follow Paul Katzeff on Twitter: @IBD_PKatzeff.