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## **Mutual fund performance evaluation: a value efficiency analysis approach**

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**Abstract:** Data envelopment analysis (DEA) is an efficient tool for evaluating mutual fund performance. It is important for investors to select the best funds for investment. In evaluation of mutual fund performance, besides quantitative elements, there are many qualitative elements that are of importance to the investors. In this paper, value efficiency analysis (VEA) was used in mutual funds performance evaluation to incorporate the investor's judgements about qualitative elements into the evaluation. Also, the results of this approach were compared with those of general DEA models. This approach is based on choosing convenient variables (inputs and outputs) by reviewing the past studies. Then the input/output data are analysed using the concept of value efficiency, a novel procedure for incorporating the decision maker's preferences into DEA via the most preferred solution (MPS).

**Keywords:** DEA; data envelopment analysis; value efficiency; mutual fund.

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