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THE WALL STREET JOURNAL.

DOW JONES | News Corp ★★★★★ MONDAY, AUGUST 17, 2026 ~ VOL. CCLXXXVIII NO. 40 WSJ.com ★★★★ $5.00

Last week: DJIA 53732.41 ▼ 304.52 0.56% NASDAQ 26729.16 ▲ 0.1% STOXX 600 657.86 ▼ 0.4% 10-YR. TREASURY (New Issue) yield 4.695% OIL $82.40 ▲ $4.22 EURO $1.1573 YEN 159.30

What's News

Business & Finance

◆ **Stock-picking funds** continued to perform poorly, even in the age of artificial intelligence, against their benchmark passive-fund alternatives, Morningstar data show. **A1**

◆ **The revamped Whopper** is helping propel a comeback for Burger King, which has been drawing diners at a swifter rate than both McDonald's and Wendy's, and whose restaurant sales are growing faster. **A1**

◆ **Federal prosecutors** examining Mark Walter's businesses are focused on four entities that served as intermediaries between insurance companies he controlled that made loans to businesses that he also controlled. **A1**

◆ **Finra found that** people who use social media for investment advice rate their investment knowledge higher than those who don't, but perform worse on an objective knowledge test. **B1**

◆ **'The End of Oak Street'** made its film box-office debut at No. 3, earning $21 million in domestic ticket sales. **B2**

◆ **Booking.com** Chief Executive Glenn Fogel added his voice to the public's disdain for the conditions of contemporary travel, saying "you can't believe you even bothered." **B3**

◆ **Many businesses**—some still smarting from being late to the artificial-intelligence boom—are today spending big on the promise of quantum computing. **B3**

◆ **Everyday classic** cars such as Honda Civics and Toyota Corollas of a certain vintage have become a boon to insurers, which are underwriting more policies on them. **B1**

Worldwide

◆ **NATO warplanes** shot down a drone that entered Romanian airspace and appeared to be Russian in origin, the second downing of a drone in alliance airspace in three days. **A8**

◆ **Trump said he** would substantially reduce joint military exercises with South Korea, touting his "very good relationship" with North Korean leader Kim Jong Un. **A9**

◆ **The U.S. admiral** overseeing the war with Iran visited the Abraham Lincoln as the aircraft carrier prepares to return home following an extended wartime deployment. **A5**

◆ **Iran accused Qatar** of holding three of its air force pilots prisoner, deepening a mystery that dates back to the beginning of the war. **A6**

◆ **Rescue teams in** eastern Indonesia recovered six more bodies, a day after a magnitude 7.7 earthquake, raising the death toll to 53. **A6**

◆ **Crews battled a** wildfire in eastern Belgium that has burned about 12 square miles in the High Fens, a large nature reserve. **A6**

◆ **A team of builders** uncovered $10 million worth of gold during construction work at the site of an old Belgian brewery set to be used as a homeless shelter. **A8**

◆ **With Jair Bolsonaro** under house arrest, the future of Brazil's conservative movement now rests with his eldest son, 45-year-old Flávio Bolsonaro. **A9**

◆ **Died: Tommy John**, 83, namesake of a pioneering elbow surgery that saved his baseball career. **A2** ... **Bou Meng,** 85, rare survivor of a 1970s Khmer Rouge torture center. **A6**

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At Least 6 Dead in Indiana Storms, Flooding

OBED LAMY/AP

INUNDATION: Evacuees haul belongings by canoe in Indianapolis on Sunday, after the White River had swollen to a record crest following heavy rain. At least six storm-related deaths were reported in the state. A break in the rain is expected Monday. **A3**

Little-Known China Company Faces Scrutiny for Funding Iran

Hengli has denied accusations that it imported crude that was under sanction

By Patricia Kowsmann, Rebecca Feng, Anika Arora Seth and Costas Paris

Chinese leader Xi Jinping last year summoned dozens of leaders from the nation's top private companies to a rare meeting, calling on them to help China navigate economic difficulties.

Sitting with luminaries such as Alibaba's Jack Ma and DeepSeek founder Liang Wenfeng, state media reported, was a 55-year-old man named Chen Jianhua, founder of a company called Hengli Group.

To the outside world, Hengli—which in Chinese means "eternal strength"—may not ring a bell. But inside China, it has become an industrial juggernaut. With operations spanning petrochemicals, textiles and shipbuilding, it employs more than 300,000 people and records revenue north of $100 billion a year—more than Tesla or Boeing—according to the company's website.

It has also become a major importer of illicit Iranian crude, according to industry analysts, shipping brokers and the U.S. Treasury, which imposed sanctions on the company's refinery business this year, saying it bought billions of dollars of Iranian petroleum. Hengli's other businesses didn't face sanctions.

U.S. officials say Hengli is one of the biggest players in a vast ecosystem of "teapot" refineries in China that for years have been buying oil that was under sanction.

China's purchases of Iranian oil—mainly thanks to teapots—topped more than $30 billion last year, soaking up nearly all the country's exported petroleum and bankrolling Iran's theocratic regime, according to a March report by the U.S.-China Economic and Security Review Commission.

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Stock Pickers Perform Poorly, As Usual

Even with AI boost, just 27% of large-cap funds did better than indexers over year

By Jack Pitcher

Investment pros say AI disruption has created a stock picker's market. They are still struggling to pick the right ones.

Just 27% of actively managed U.S. large-cap equity funds beat their benchmark passive-fund alternatives in the 12 months ended June 30, according to Morningstar data that compares returns after fees. That is actually an improvement over stock-picking funds' long-term record. In the decade through June, just 13% of active large-cap funds beat their benchmarks.

The fees on actively managed mutual funds have been a cash cow for investment firms for decades, but years of outflows from investors moving to more tax-efficient, and often passive, exchange-traded funds are weighing heavily on the industry.

"If you look at active equity mutual funds, they've had outflows every year consistently since 2015," said Matthew Bartolini, head of SPDR Americas research at State Street Global Advisors. "That's a losing trend only compared to the New York Jets."

In recent Wall Street marketing and outlook materials, stock picking is still all the rage. Active managers argue that higher interest rates have ended the cheap-money tide that lifted all boats, just as AI

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The 'Country Hicks' Who Refused $26 Million From AI

A Kentucky mother and daughter turned down a life-changing offer to build a data center on their farm, dividing the town

By Erich Schwartzel

MAYSVILLE, Ky.—The offer arrived out of nowhere just over one year ago.

An unknown company was scooping up Kentucky farmland, and few plots were more valuable than those owned by Delsia Bare and her mother, Ida Huddleston.

The money would be life-changing. From Bare's farm, the company wanted 463 acres at $48,000 apiece. From Huddleston's nearby piece of property, it sought 71 at $60,000 per acre. Together mother and daughter would collect $26.48 million.

At first the women agreed. Then they discovered what their farmland—the farmland that their family had cultivated for nearly 200 years—would be used for: a 2.2-gigawatt hyperscale data center. That turned their answer into an easy one. No.

"Kick rocks and don't come back," Bare

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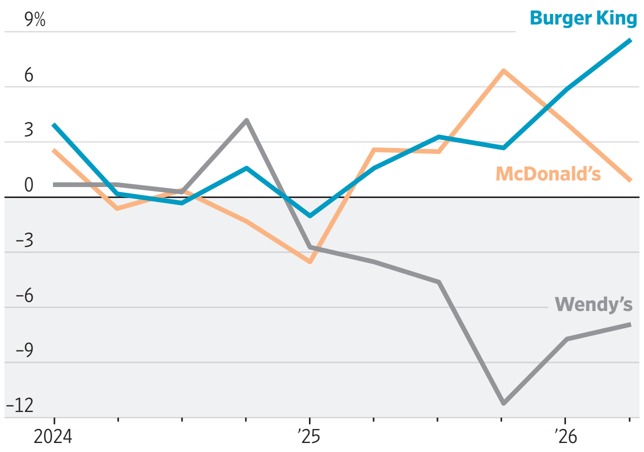
U.S. comparable-store sales, change from a year earlier



Source: the companies

How Burger King Redid the Whopper And Beat Wendy's

By Heather Haddon

To overhaul its signature Whopper, Burger King added a more-premium bun, new mayonnaise, a box to preserve freshness—and a corporate chef who had already worked magic at chicken chain Popeyes.

Overseen by Burger King's U.S. Head Chef Amy Alarcon, who developed the Popeyes chicken sandwich that became a viral sensation in 2019, the revamped Whopper is now helping propel a comeback for the chain. Burger King has lately been drawing diners at a swifter rate than both McDonald's and Wendy's, and its restaurant sales are growing faster.

After struggling for years, Burger King is gaining momentum in a rocky patch for the fast-food industry. Inflation-fatigued consumers are watching their food dollars and eating more at home, while restaurants strain under rising costs, particularly for beef.

"A lot of people are saying they're coming back for the first time in a long time," Tom Curtis, president of the chain's U.S. and Canada business, said in an interview.

Known for its flame-grilled beef, Burger King has struggled for years with outdated restaurants and menu mistakes, like a hand-breaded chicken sandwich that was hard to make. Several large franchise groups declared bankruptcy as their profits declined and hundreds of locations closed.

Restaurant Brands International, Burger King's parent, has spent hundreds of millions of dollars to reverse traffic declines, helping franchisees upgrade restaurants with ordering kiosks and digital menu boards, while expanding marketing.

This month, Burger King reported an 8.5% increase in U.S. same-store sales over its most recent quarter, beating McDonald's results by the largest margin in at least two

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Probe of Dodgers Owner Tightens Focus

By Joe Wallace, Justin Baer and Margot Patrick

Federal prosecutors digging into Mark Walter's business empire are focused on four entities that served as intermediaries between insurance companies he controlled that made loans to businesses that he also controlled, people familiar with the matter said.

Prosecutors and the Securities and Exchange Commission are investigating whether Walter, the chief executive of Guggenheim Partners who owns the Los Angeles Dodgers and various other businesses, or his companies committed fraud by concealing financial connections while borrowing billions of dollars from insurers he controls.

The main entities investigators have narrowed in on, the people said, are ABS Capital, a Miami outfit founded by two former Guggenheim executives; Amistad Financial, an investment company that owns EquiTrust, a life insurer once controlled by Guggenheim and

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Two Guys Eat Around the World, Without Leaving New York

* * *

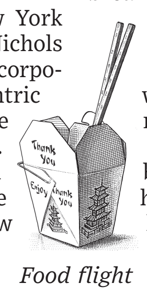
Buddies' plan to try every cuisine turns into a platform creating buzz and community

By Greta Reich

After a year in New York City, Dillon Davis and Nichols Neff were fed up with "corporate slop," the bowl-centric meals that are a staple of sad office lunches. One decision changed their palates—and the trajectory of some New York City restaurants.

In November, Davis suggested the roommates break out of their rut by working their way through the cuisines of every country in the world at local restaurants.

"We knew that the beauty of the city was how diverse it is and how many holes-in-the-walls there were, and



Food flight

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INSIDE

JUSTYNA MIELNIKIEWICZ FOR WSJ

WORLD NEWS

Her Ukraine business was making furniture. Now, she helps drive a drone company. **A8**