

Online Appendix

to accompany

Scale and Skill in Active Management

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1. Manager-Level Analysis

Variable definitions:

- $MgrSize1$ equals $FundSize_{i,t-1}/Nmgrs_{it}$, where $Nmgrs_{it}$ is the number of managers at fund i in month t .
- $MgrSize2$ equals the total assets, including assets from other funds, managed by fund i 's average month- t co-manager. First, we follow Berk, Binsbergen, and Liu's (2014) equation (5) in computing each person m 's assets managed at the end of month $t - 1$:

$$MgrSize_{m,t-1} = \sum_{j \in \Omega_{mt}} \frac{FundSize_{j,t-1}}{Nmgrs_{jt}}, \quad (1)$$

where Ω_{mt} is the set of funds managed or co-managed by person m in month t . Second, we compute the fund's average manager size:

$$AvgMgrSize_{i,t-1} \equiv \frac{1}{Nmgrs_{it}} \sum_{m \in \Psi_{it}} MgrSize_{m,t-1}, \quad (2)$$

where Ψ_{it} is the set of co-managers m at fund i in month t .

- $MgrAge1$ equals the number of years since the manager joined the current fund, averaged across all the fund's current managers.
- $MgrAge2$ equals the number of years since the main manager joined the current fund. The main manager is defined the same way we define manager fixed effects: the main manager in month t equals the month- t co-manager who joined the fund earliest.
- $MgrAge3$ equals the number of years since the manager joined any fund in our sample, averaged across all the fund's current managers.
- $MgrAge4$ equals the number of years since the main manager joined any fund in our sample.

Table A1
Summary of Manager-Level Analysis

The dependent variable in each regression model is *GrossR*, the fund's benchmark-adjusted gross return.

Panel A: Main Sample (March 1993 – December 2011)

<i>FundSize</i>	-0.220 (-0.62)	-0.0131 (-0.66)			-0.425 (-1.25)	-0.0258 (-1.31)		
<i>IndustrySize</i>			-0.0326 (-3.60)	-0.0528 (-5.12)	-0.0277 (-2.14)	-0.0509 (-3.32)	-0.0508 (-3.31)	-0.0525 (-3.40)
<i>MgrSize1</i>							-0.0646 (-1.99)	
<i>MgrSize2</i>								-0.0468 (-0.70)
Observations	270556	258647	283046	271075	270556	258647	259060	264244
Fixed effects	Fund	Mgr.	Fund	Mgr.	Fund	Mgr.	Mgr.	Mgr.
Estimator	RD	RD	OLS FE	OLS FE	RD	RD	RD	RD

Panel B: Extended Sample (January 1979 – December 2011)

<i>FundSize</i>	-0.107 (-0.64)	-0.0131 (-0.62)			-0.268 (-1.69)	-0.0361 (-1.68)		
<i>IndustrySize</i>			-0.0164 (-4.34)	-0.0324 (-6.22)	-0.0179 (-2.09)	-0.0365 (-3.32)	-0.0372 (-3.38)	-0.0318 (-3.50)
<i>MgrSize1</i>							-0.0503 (-1.50)	
<i>MgrSize2</i>								-0.0198 (-0.34)
Observations	285350	271165	314580	296488	285350	271165	271370	289693
Fixed effects	Fund	Mgr.	Fund	Mgr.	Fund	Mgr.	Mgr.	Mgr.
Estimator	RD	RD	OLS FE	OLS FE	RD	RD	RD	RD

Table A2(a)
Counterpart of Paper's Table 3 with Manager Fixed Effects and *FundSize*

Panel A: Main Sample (March 1993 – December 2011)

<i>FundSize</i>	-0.0144 (-1.97)	-0.0884 (-8.19)	-0.0131 (-0.66)				-0.0157 (-2.17)	-0.0712 (-6.71)	-0.0258 (-1.31)
<i>IndustrySize</i>				-0.0171 (-1.94)	-0.0528 (-5.12)	-0.0527 (-3.47)	-0.0169 (-1.92)	-0.0505 (-4.91)	-0.0509 (-3.32)
Constant	0.000532 (2.32)			0.00311 (2.13)			0.00310 (2.14)		
Observations	264838	264838	258647	271075	271075	271075	264838	264838	258647
Estimator	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD

Panel B: Extended Sample (January 1979 – December 2011)

<i>FundSize</i>	-0.0144 (-2.05)	-0.0804 (-8.06)	-0.0131 (-0.62)				-0.0167 (-2.41)	-0.0559 (-5.61)	-0.0361 (-1.68)
<i>IndustrySize</i>				-0.00813 (-2.16)	-0.0324 (-6.22)	-0.0322 (-3.67)	-0.0105 (-1.97)	-0.0350 (-5.28)	-0.0365 (-3.32)
Constant	0.000538 (2.43)			0.00169 (2.78)			0.00209 (2.38)		
Observations	277197	277197	271165	296488	296488	296488	277197	277197	271165
Estimator	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD

Table A2(b)
Counterpart of Paper's Table 3 with Manager Fixed Effects and *MgrSize1*

Panel A: Main Sample (March 1993 – December 2011)

<i>MgrSize1</i>	-0.0265 (-1.77)	-0.163 (-7.65)	-0.0419 (-1.16)				-0.0330 (-2.33)	-0.152 (-7.17)	-0.0646 (-1.99)
<i>IndustrySize</i>				-0.0171 (-1.94)	-0.0528 (-5.12)	-0.0527 (-3.47)	-0.0171 (-1.95)	-0.0512 (-4.99)	-0.0508 (-3.31)
Constant	0.000533 (2.35)			0.00311 (2.13)			0.00314 (2.17)		
Observations	264838	264838	259060	271075	271075	271075	264838	264838	259060
Estimator	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD

Panel B: Extended Sample (January 1979 – December 2011)

<i>MgrSize1</i>	-0.0239 (-1.71)	-0.142 (-7.42)	-0.0210 (-0.58)				-0.0311 (-2.35)	-0.124 (-6.56)	-0.0503 (-1.50)
<i>IndustrySize</i>				-0.00813 (-2.16)	-0.0324 (-6.22)	-0.0322 (-3.67)	-0.0107 (-2.01)	-0.0358 (-5.44)	-0.0372 (-3.38)
Constant	0.000537 (2.45)			0.00169 (2.78)			0.00212 (2.42)		
Observations	277197	277197	271370	296488	296488	296488	277197	277197	271370
Estimator	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD

Table A2(c)
Counterpart of Paper's Table 3 with Manager Fixed Effects and *MgrSize2*

Panel A: Main Sample (March 1993 – December 2011)

<i>MgrSize2</i>	-0.0210 (-1.74)	-0.254 (-10.22)	0.0411 (0.57)				-0.0203 (-1.67)	-0.203 (-9.10)	-0.0468 (-0.70)
<i>IndustrySize</i>				-0.0171 (-1.94)	-0.0528 (-5.12)	-0.0527 (-3.47)	-0.0171 (-1.94)	-0.0490 (-4.76)	-0.0525 (-3.40)
Constant	0.000555 (2.39)			0.00311 (2.13)			0.00314 (2.16)		
Observations	271075	271075	264244	271075	271075	271075	271075	271075	264244
Estimator	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD

Panel B: Extended Sample (January 1979 – December 2011)

<i>MgrSize2</i>	-0.0185 (-1.59)	-0.187 (-10.50)	0.0745 (1.07)				-0.0168 (-1.44)	-0.141 (-8.50)	-0.0198 (-0.34)
<i>IndustrySize</i>				-0.00813 (-2.16)	-0.0324 (-6.22)	-0.0322 (-3.67)	-0.00807 (-2.15)	-0.0288 (-5.49)	-0.0318 (-3.50)
Constant	0.000562 (2.63)			0.00169 (2.78)			0.00171 (2.82)		
Observations	296488	296488	289693	296488	296488	296488	296488	296488	289693
Estimator	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD

Table A3(a)
Counterpart of Paper's Table 7 with Manager Fixed Effects and *MgrAge1*

Panel A: Main Sample (March 1993 – December 2011)

<i>MgrAge1</i>	-0.000140 (-4.75)	0.00000473 (0.19)	0.0000108 (0.33)	-0.000122 (-3.99)	0.00000394 (0.15)	0.00000646 (0.18)
<i>IndustrySize</i>		-0.0532 (-4.84)	-0.0517 (-3.39)		-0.0495 (-4.33)	-0.0483 (-3.07)
<i>FundSize</i>			-0.0272 (-1.21)			-0.0189 (-0.85)
Observations	271075	271075	258647	238210	238210	229245
Fund ages	All	All	All	≥3 years	≥3 years	≥3 years

Panel B: Extended Sample (January 1979 – December 2011)

<i>MgrAge1</i>	-0.000123 (-5.60)	-0.000000831 (-0.04)	0.0000141 (0.47)	-0.000111 (-4.94)	-0.00000134 (-0.06)	0.0000137 (0.42)
<i>IndustrySize</i>		-0.0323 (-5.56)	-0.0375 (-3.48)		-0.0292 (-4.99)	-0.0340 (-3.13)
<i>FundSize</i>			-0.0381 (-1.47)			-0.0287 (-1.10)
Observations	296488	296488	271165	261787	261787	240999
Fund ages	All	All	All	≥3 years	≥3 years	≥3 years

Table A3(b)
Counterpart of Paper's Table 7 with Manager Fixed Effects and *MgrAge2*

Panel A: Main Sample (March 1993 – December 2011)						
<i>MgrAge2</i>	-0.000129 (-4.63)	0.0000263 (1.05)	0.0000310 (1.01)	-0.000120 (-4.04)	0.0000225 (0.85)	0.0000238 (0.70)
<i>IndustrySize</i>		-0.0559 (-4.81)	-0.0545 (-3.54)		-0.0518 (-4.26)	-0.0504 (-3.18)
<i>FundSize</i>			-0.0310 (-1.32)			-0.0216 (-0.93)
Observations	271075	271075	258647	238210	238210	229245
Fund ages	All	All	All	≥3 years	≥3 years	≥3 years
Panel B: Extended Sample (January 1979 – December 2011)						
<i>MgrAge2</i>	-0.000114 (-5.75)	0.0000125 (0.56)	0.0000306 (1.04)	-0.000106 (-5.19)	0.0000104 (0.44)	0.0000278 (0.88)
<i>IndustrySize</i>		-0.0338 (-5.25)	-0.0398 (-3.65)		-0.0305 (-4.63)	-0.0360 (-3.25)
<i>FundSize</i>			-0.0411 (-1.53)			-0.0309 (-1.15)
Observations	296488	296488	271165	261787	261787	240999
Fund ages	All	All	All	≥3 years	≥3 years	≥3 years

Table A3(c)
Counterpart of Paper's Table 7 with Manager Fixed Effects and *MgrAge3*

Panel A: Main Sample (March 1993 – December 2011)

<i>MgrAge3</i>	-0.000189 (-4.67)	0.0000579 (1.32)	0.0000636 (1.33)	-0.000157 (-3.76)	0.0000722 (1.68)	0.0000744 (1.57)
<i>IndustrySize</i>		-0.0598 (-4.56)	-0.0586 (-3.59)		-0.0577 (-4.32)	-0.0567 (-3.42)
<i>FundSize</i>			-0.0253 (-1.23)			-0.0173 (-0.83)
Observations	271075	271075	258647	238210	238210	229245
Fund ages	All	All	All	≥3 years	≥3 years	≥3 years

Panel B: Extended Sample (January 1979 – December 2011)

<i>MgrAge3</i>	-0.000155 (-5.55)	0.0000206 (0.57)	0.0000382 (0.88)	-0.000133 (-4.67)	0.0000304 (0.86)	0.0000454 (1.07)
<i>IndustrySize</i>		-0.0346 (-4.87)	-0.0407 (-3.67)		-0.0326 (-4.68)	-0.0380 (-3.48)
<i>FundSize</i>			-0.0362 (-1.51)			-0.0269 (-1.10)
Observations	296488	296488	271165	261787	261787	240999
Fund ages	All	All	All	≥3 years	≥3 years	≥3 years

Table A3(d)
Counterpart of Paper's Table 7 with Manager Fixed Effects and *MgrAge4*

Panel A: Main Sample (March 1993 – December 2011)

<i>MgrAge4</i>	-0.000211 (-4.73)	0.000222 (1.75)	0.000229 (1.72)	-0.000191 (-4.08)	0.000208 (1.66)	0.000215 (1.60)
<i>IndustrySize</i>		-0.0920 (-3.28)	-0.0916 (-3.24)		-0.0858 (-3.07)	-0.0857 (-3.01)
<i>FundSize</i>			-0.0196 (-0.96)			-0.0110 (-0.54)
Observations	271075	271075	258647	238210	238210	229245
Fund ages	All	All	All	≥ 3 years	≥ 3 years	≥ 3 years

Panel B: Extended Sample (January 1979 – December 2011)

<i>MgrAge4</i>	-0.000166 (-6.07)	0.0000564 (0.54)	0.000121 (0.98)	-0.000151 (-5.42)	0.0000481 (0.46)	0.000106 (0.85)
<i>IndustrySize</i>		-0.0415 (-2.18)	-0.0564 (-2.62)		-0.0371 (-1.98)	-0.0505 (-2.34)
<i>FundSize</i>			-0.0317 (-1.35)			-0.0225 (-0.95)
Observations	296488	296488	271165	261787	261787	240999
Fund ages	All	All	All	≥ 3 years	≥ 3 years	≥ 3 years

Table A3(e)
Counterpart of Paper's Table 7 with Manager Fixed Effects and *FundAge*

Panel A: Main Sample (March 1993 – December 2011)

<i>FundAge</i>	-0.0000359 (-5.49)	-0.0000104 (-1.89)	-0.00000912 (-1.16)	-0.0000297 (-4.66)	-0.00000939 (-1.72)	-0.00000746 (-0.86)
<i>IndustrySize</i>		-0.0516 (-4.94)	-0.0499 (-3.25)		-0.0482 (-4.40)	-0.0473 (-3.00)
<i>FundSize</i>			-0.0205 (-0.97)			-0.0144 (-0.67)
Observations	271075	271075	258647	238210	238210	229245
Fund ages	All	All	All	≥3 years	≥3 years	≥3 years

Panel B: Extended Sample (January 1979 – December 2011)

<i>FundAge</i>	-0.0000372 (-6.21)	-0.0000142 (-2.72)	-0.00000952 (-1.23)	-0.0000320 (-5.39)	-0.0000120 (-2.27)	-0.00000675 (-0.81)
<i>IndustrySize</i>		-0.0309 (-5.85)	-0.0357 (-3.25)		-0.0281 (-5.28)	-0.0327 (-2.98)
<i>FundSize</i>			-0.0306 (-1.23)			-0.0236 (-0.93)
Observations	296488	296488	271165	261787	261787	240999
Fund ages	All	All	All	≥3 years	≥3 years	≥3 years

2. Sector Size

Table A4
Relation Between Sector Size and Fund Performance

The dependent variable is *GrossR*, the fund's benchmark-adjusted gross return. *SectorSize* (v1) is the total AUM of funds in the same sector, divided by the total market cap of CRSP stocks in that same sector. We use the nine sectors defined by Morningstar's size \times growth StyleBox. *SectorSize* (v2) is the same as *SectorSize* (v1) but uses three sectors: small, medium, and large-cap stocks.

Panel A: Main Sample (March 1993 – December 2011)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>SectorSize</i> (v1)	0.00505 (1.34)	0.00579 (1.46)	0.00977 (2.28)	0.0101 (2.26)				
<i>SectorSize</i> (v2)					0.000349 (0.07)	0.00232 (0.37)	0.0185 (2.41)	0.0198 (2.28)
<i>FundSize</i>		-0.136 (-0.39)		-0.388 (-1.17)		-0.177 (-0.52)		-0.428 (-1.29)
<i>IndustrySize</i>			-0.0421 (-3.86)	-0.0379 (-2.54)			-0.0531 (-3.77)	-0.0500 (-2.73)
Observations	260411	249394	260411	249394	260411	249394	260411	249394
Panel B: Extended Sample (January 1979 – December 2011)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>SectorSize</i> (v1)	0.00274 (0.91)	0.00459 (1.32)	0.00935 (2.31)	0.0101 (2.33)				
<i>SectorSize</i> (v2)					-0.00191 (-0.54)	0.000666 (0.13)	0.0156 (2.20)	0.0178 (2.14)
<i>FundSize</i>		-0.0486 (-0.31)		-0.243 (-1.67)		-0.0893 (-0.58)		-0.281 (-1.83)
<i>IndustrySize</i>			-0.0260 (-4.25)	-0.0284 (-2.66)			-0.0321 (-3.72)	-0.0365 (-2.68)
Observations	291640	263810	291640	263810	291640	263810	291640	263810

3. Alternative Proxies for Industry Size

Variable definitions:

- *IndustrySize* (Professional) equals one minus the fraction of U.S. equity held directly by individuals, as reported in Table 1 of French (2008).
- *IndustrySize* (Active) equals *IndustrySize* (Professional) minus the fraction of U.S. equity that is passively managed in either index funds or ETFs. The ETF share is reported in French's Table 1. To estimate the share of index funds, we combine French's Tables 1 and 3. The latter table contains annual data for 1986 to 2006 covering DB plans, DC plans, public funds, and nonprofits. French does not report percent invested passively for open-end mutual funds, so we collect those data from the Investment Company Institute Factbooks.

Figure A1
Time Series of Proxies for Aggregate Industry Size



Table A5
Relation Between Fund Performance and Aggregate Industry Size

The dependent variable is *GrossR*. All size measures are lagged by at least one period. Data are from 1987–2007.

	(1)	(2)	(3)	(4)
<i>IndustrySize</i> (Active)	-0.0362 (-3.50)		-0.0416 (-4.17)	
<i>IndustrySize</i> (Professional)		-0.0284 (-3.69)		-0.0358 (-3.91)
<i>FundSize</i>			-0.0822 (-0.60)	-0.216 (-1.39)
Observations	227333	227333	208622	208622
Estimator	OLS FE	OLS FE	RD	RD

4. Other Robustness Results

Table A6
Counterpart of Paper's Table 3 with Family Size

This table adds *FamilySize* to the specifications in Panel A of Table 3 (Main Sample). *FamilySize* is the sum of *FundSize* across funds belonging to the same family.

Panel A: Main Sample (March 1993 – December 2011)									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>FamilySize</i>	0.000548 (1.33)	-0.00415 (-1.95)	-0.00489 (-1.41)	0.000367 (0.94)	-0.00306 (-2.11)	-0.00308 (-1.84)	0.000792 (1.99)	-0.000124 (-0.08)	-0.000516 (-0.19)
<i>FundSize</i>	-0.0207 (-3.01)	-0.147 (-7.92)	-0.360 (-1.23)				-0.0247 (-3.83)	-0.147 (-7.94)	-0.436 (-1.49)
<i>IndustrySize</i>				-0.0184 (-2.08)	-0.0305 (-3.40)	-0.0300 (-2.33)	-0.0179 (-2.04)	-0.0291 (-3.27)	-0.0271 (-2.10)
Constant	0.000501 (2.13)			0.00327 (2.24)			0.00321 (2.21)		
Observations	273569	273569	268311	277838	277838	277838	273569	273569	268311
Estimator	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD
Panel B: Extended Sample (January 1979 – December 2011)									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>FamilySize</i>	0.000572 (1.40)	-0.00222 (-1.51)	-0.00488 (-1.85)	0.000342 (0.88)	-0.00178 (-1.81)	-0.00178 (-1.39)	0.000809 (2.03)	0.000733 (0.61)	-0.00132 (-0.66)
<i>FundSize</i>	-0.0211 (-3.23)	-0.111 (-7.08)	-0.229 (-1.76)				-0.0261 (-4.23)	-0.107 (-6.85)	-0.291 (-2.16)
<i>IndustrySize</i>				-0.0103 (-2.11)	-0.0183 (-3.58)	-0.0185 (-2.24)	-0.0105 (-2.05)	-0.0168 (-3.21)	-0.0169 (-1.99)
Constant	0.000505 (2.25)			0.00201 (2.48)			0.00204 (2.42)		
Observations	287638	287638	282865	293699	293699	293699	287638	287638	282865
Estimator	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD

Table A7
Business-Cycle Controls

The dependent variable is *GrossR*. *Time Trend* is the number of months since January 1979. $1\{Recession\}$ is a recession dummy, which is equal to one during an NBER recession and zero otherwise. *CFNAI* is the Chicago Fed National Activity Index. All specifications use the OLS FE estimator.

Panel A: Main Sample (March 1993 – December 2011)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>IndustrySize</i>	-0.0326 (-3.60)				-0.0852 (-3.04)	-0.0986 (-3.18)	-0.0945 (-3.22)
<i>Time Trend</i>		-10.26 (-2.99)	-10.77 (-3.07)	-12.12 (-3.24)	23.89 (2.21)	28.03 (2.41)	25.18 (2.31)
$1\{Recession\}$			0.000390 (0.52)			0.000956 (1.18)	
<i>CFNAI</i>				-0.000374 (-1.28)			-0.000491 (-1.63)
Observations	283046	283046	283046	283046	283046	283046	283046

Panel B: Extended Sample (January 1979 – December 2011)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>IndustrySize</i>	-0.0164 (-4.34)				-0.0305 (-1.72)	-0.0329 (-1.81)	-0.0311 (-1.75)
<i>Time Trend</i>		-7.030 (-4.00)	-7.168 (-4.10)	-7.634 (-4.26)	7.102 (0.84)	8.038 (0.94)	6.776 (0.81)
$1\{Recession\}$			0.000282 (0.42)			0.000399 (0.59)	
<i>CFNAI</i>				-0.000229 (-0.89)			-0.000237 (-0.93)
Observations	314580	314580	314580	314580	314580	314580	314580

Table A8
Counterpart of Paper's Table 3 with Trimmed *FundSize*

FundSize (trimmed) equals *FundSize* but sets *FundSize* to missing when it exceeds the 99th full-sample percentile (\$24.4 billion). In all tables, *FundSize* is missing when it is less than \$15 million.

Panel A: Main Sample (March 1993 – December 2011)

<i>FundSize</i> (trimmed)	-0.0600 (-2.43)	-0.664 (-11.25)	-0.518 (-1.13)				-0.0694 (-2.86)	-0.625 (-10.97)	-0.804 (-1.85)
<i>IndustrySize</i>				-0.0169 (-1.93)	-0.0326 (-3.60)	-0.0326 (-2.49)	-0.0170 (-1.97)	-0.0283 (-3.15)	-0.0269 (-2.07)
Constant	0.000548 (2.37)			0.00304 (2.10)			0.00314 (2.19)		
Observations	273041	273041	268356	283046	283046	283046	273041	273041	268356
Estimator	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD

Panel B: Extended Sample (January 1979 – December 2011)

<i>FundSize</i> (trimmed)	-0.0596 (-2.66)	-0.546 (-11.25)	-0.0965 (-0.29)				-0.0738 (-3.31)	-0.504 (-10.73)	-0.399 (-1.45)
<i>IndustrySize</i>				-0.00671 (-1.92)	-0.0164 (-4.34)	-0.0165 (-2.66)	-0.0101 (-1.98)	-0.0150 (-2.86)	-0.0167 (-1.95)
Constant	0.000553 (2.48)			0.00144 (2.58)			0.00205 (2.42)		
Observations	287178	287178	283516	314580	314580	314580	287178	287178	283516
Estimator	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD	OLS no FE	OLS FE	RD

Table A9
Size-Performance Relation with Different Functional Forms

The dependent variable is *GrossR*. All columns use the RD estimator. We divide *FundSize* by 10^6 before estimation, to make the slope coefficients easier to read. We instrument for all forward-demeaned variables that involve *FundSize* by using their backward-demeaned values.

Panel A: Main Sample (March 1993 – December 2011)				
	(1)	(2)	(3)	(4)
<i>Log(FundSize)</i>	0.00156	-0.00229		
	(0.38)	(-0.73)		
 <i>FundSize</i> ²			2.767	5.205
			(0.65)	(1.26)
 <i>FundSize</i>			-0.475	-0.767
			(-1.14)	(-1.91)
 <i>IndustrySize</i>		-0.0258		-0.0298
		(-1.95)		(-2.28)
Observations	248999	248999	262396	262396

Panel B: Extended Sample (January 1979 – December 2011)				
	(1)	(2)	(3)	(4)
<i>Log(FundSize)</i>	0.00151	-0.00163		
	(0.46)	(-0.86)		
 <i>FundSize</i> ²			0.375	1.659
			(0.26)	(1.19)
 <i>FundSize</i>			-0.211	-0.439
			(-0.87)	(-1.98)
 <i>IndustrySize</i>		-0.0153		-0.0186
		(-1.64)		(-2.15)
Observations	262269	262269	278212	278212