

Web Appendix to

**No Place Like Home: Familiarity in
Mutual Fund Manager Portfolio Choice**

Veronika K. Pool, Noah Stoffman, and Scott E. Yonker[†]

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[†]Kelley School of Business, Indiana University.
Pool: vkpool@indiana.edu; Stoffman: nstoffma@indiana.edu; Yonker: syonker@indiana.edu.

Table W1:

Sample representativeness

The table reports summary statistics for fund characteristics for the sample of funds that are included in the analysis and those that are excluded. The exclusions occur primarily when we are unable to identify any of the funds' managers' home states. For fund-specific variables the unit of observation is fund-quarter, for manager-specific variables the unit of observation is fund-manager-quarter. There are 27,430 quarterly fund observations for the sample used in the the paper and 12,267 for those that are excluded.

Variable	Mean	
	Included	Excluded
Fund total net assets (\$'s millions)	1,156.90	582.13
Fund age (<i>FundAge</i>)	8.83	8.64
Growth fund dummy (<i>Growth</i>)	0.48	0.49
Value fund dummy (<i>Value</i>)	0.22	0.20
Small-cap fund dummy (<i>SmallCap</i>)	0.23	0.22
Large-cap fund dummy (<i>LargeCap</i>)	0.56	0.53
Subadvised dummy (<i>Subadvised</i>)	0.32	0.29
Manager tenure (years)	4.75	4.49

Table W2:
Robustness tests

The table reports the coefficient estimates and standard errors from the OLS estimation of the regression equation estimated in column 3 of Table 2 of the paper for various subsamples. Observations are quarterly fund-state observations. $MFAdvState_{i,s,t}$ is a dummy variable that takes a value of one if the adviser of fund i is headquartered in state s during quarter t and is zero otherwise. The estimation in column 2 includes only observations where fund i during quarter t does not employ a subadviser. The estimation in column 3 uses only observations where the mutual fund is headquartered outside of the state of New York. The estimation in column 4 uses only observations where the mutual fund is headquartered outside of the states of California, Illinois, New York, Massachusetts, and Pennsylvania. In columns 5 and 6 only observations where the state is at least 500 and 1000 miles from the mutual fund's headquarters are used in the estimations, respectively. In column 7 the coefficient on $MorningstarBMWt$ is constrained to be equal to one. Standard errors, clustered at the fund-level, are in parentheses. Significance levels are denoted by *, **, ***, which correspond to 10%, 5%, and 1% levels, respectively.

Sample:	full	No sub adviser	No NY Funds	No CA, IL, NY, MA, or PA Funds	MF HQ \geq 500 mi.	MF HQ \geq 1000 mi.	Full
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>PctMgrHmState</i>	0.65*** (0.18)	0.73*** (0.22)	0.95*** (0.20)	1.25*** (0.29)	0.89*** (0.23)	1.28*** (0.35)	0.81*** (0.17)
<i>MFAdvState</i>	0.62*** (0.15)						
<i>MFHQState</i>	0.85*** (0.17)	1.70*** (0.23)	1.24*** (0.18)	1.25*** (0.23)			1.18*** (0.16)
<i>MorningstarBMWt</i>	0.98*** (0.01)	0.97*** (0.01)	0.98*** (0.01)	0.97*** (0.01)	0.97*** (0.01)	0.97*** (0.01)	1.00
<i>Intercept</i>	0.00 (0.02)	0.01 (0.02)	0.00 (0.01)	0.02 (0.02)	0.00 (0.01)	-0.01 (0.01)	-0.03*** (0.00)
<i>AdjR²</i>	0.70	0.68	0.69	0.67	0.71	0.75	0.01
<i>N</i>	940,389	945,795	1,153,416	663,561	1,047,514	638,641	1,392,606

Table W3:

Home-state overweighting and manager selection

The table reports the coefficient estimates and standard errors from the OLS estimation of the regression equation estimated in column 1 of Table 5 in the paper using the subsample of observations where the fund manager's tenure is four years or less. Observations are quarterly fund-manager-state observations. $HmStateExRet1yr$ is the average monthly value-weighted portfolio return in excess of the risk-free rate of companies in the manager's home state over the 1 year prior to the manager's hire date. $HmStateExRet3yr$ is the average monthly value-weighted portfolio return in excess of the risk-free rate of companies in the manager's home state over the 3 years prior to the manager's hire date. $HmStateAlpha1yr$ is the CAPM alpha of the value-weighted portfolio return of companies in the manager's home state estimated over the 1 year prior to the manager's hire date. $HmStateAlpha3yr$ is the CAPM alpha of the value-weighted portfolio return of companies in the manager's home state estimated over the 3 year prior to the manager's hire date. All specifications include fund-state-level fixed effects, a constant, and the levels for the interaction variable being tested (unreported). Standard errors, clustered at the manager-fund-level, are in parentheses. Significance levels are denoted by *, **, ***, which correspond to 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)
$MgrHmStateDum$	0.16*** (0.06)	0.17** (0.07)	0.15** (0.06)	0.15** (0.06)
$MgrHmStateDum \times HmStateExRet1yr$	-1.02 (3.43)			
$MgrHmStateDum \times HmStateExRet3yr$		-3.01 (5.79)		
$MgrHmStateDum \times HmStateAlpha1yr$			-0.38 (5.52)	
$MgrHmStateDum \times HmStateAlpha3yr$				-2.33 (8.38)
$MorningstarBMWt$	0.96*** (0.03)	0.96*** (0.03)	0.96*** (0.03)	0.96*** (0.03)
$AdjR^2$	0.88	0.88	0.88	0.88
N	1,235,577	1,235,577	1,235,577	1,235,577
Fixed effects	fund-state	fund-state	fund-state	fund-state

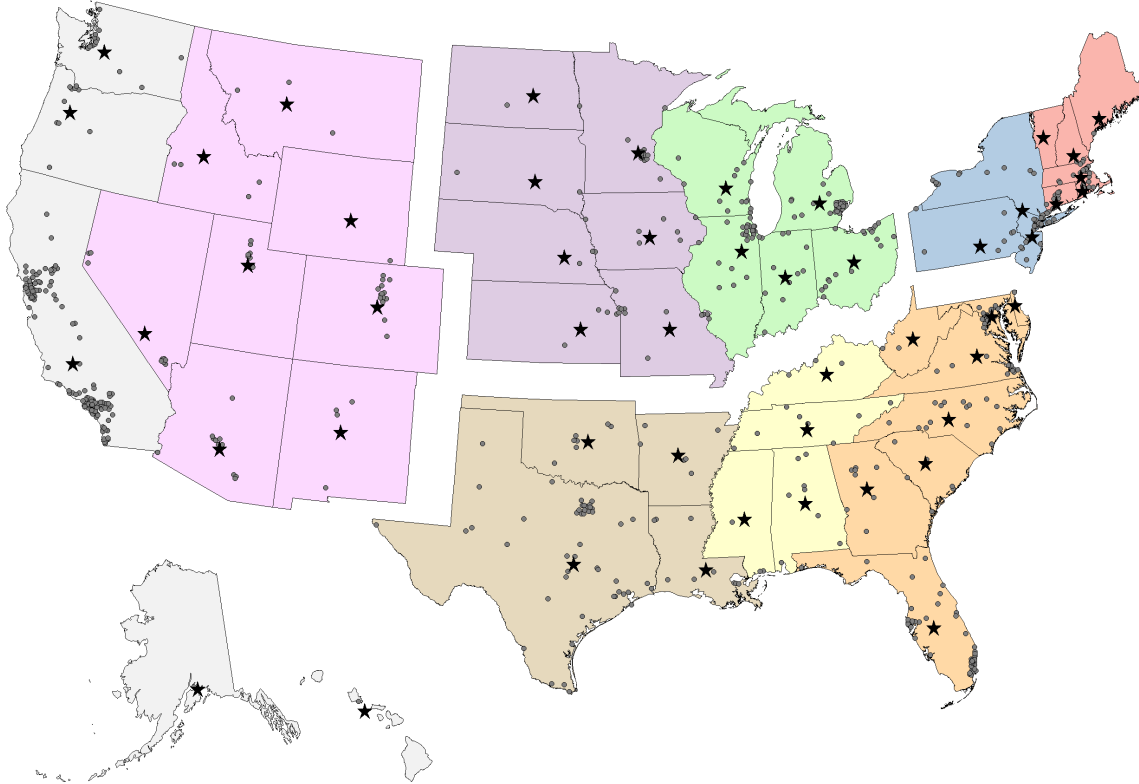


Figure W1: Population-weighted state centers and census divisions

Stars denote the population-weighted center of each state, as calculated by the U.S. Census Bureau using data from the 2000 census. Circles denote cities with a population of 50,000 or more. The four census regions (Northeast, Midwest, South, and West) are shown as separate blocks, while the nine census divisions (New England, Middle Atlantic, East North Central, West North Central, South Atlantic, East South Central, West South Central, Mountain, and Pacific) are identified by different colors. Alaska and Hawaii, which are both in the Pacific division, are shown below the lower 48 states.