The following course outline and list of required and supplemental reading is tentative and subject to change.

Meeting #1

Introduction to the course and presentation assignments

Meeting #2: Performance Evaluation of Managed Portfolios

Required reading

Returns-based evaluation

1. Carhart, M, 1997, "On persistence in mutual fund performance," *Journal of Finance* 52(1), 57–82.

Holdings-based evaluation

2. Daniel, Kent, Mark Grinblatt, Sheridan Titman, and Russ Wermers, 1997, "Measuring mutual fund performance with characteristic-based benchmarks," *Journal of Finance*, 52, 1035–1058.

Supplemental reading

Returns-based evaluation

Mutual Funds

1. Sharpe, William F., 1966, "Mutual fund performance," *Journal of Business*, 39(1), 119–138.
2. Jensen, Michael, 1968, "The performance of mutual funds in the period 1945-1964," *Journal of Finance*, 23(2), 389–416.
3. Lehmann, B., and D. Modest, 1987, "Mutual fund performance evaluation: A comparison of benchmarks and benchmark comparisons," *Journal of Finance*, 42(2), 233–265.
4. Ippolito, Richard A., 1989, "Efficiency with costly information: A study of mutual fund performance," 1965-1984, *Quarterly Journal of Economics*, 104(1), 1–23.
5. Elton, Edwin J., Martin J. Gruber, Sanjiv Das and Matthew Hlavka, 1993, "Efficiency with costly information: A reinterpretation of evidence from managed portfolios," *Review of Financial Studies*, 6(1), 1–22.
6. Malkiel, Burton G., 1995, "Returns from investing in equity mutual funds 1971 to 1991," *Journal of Finance*, 50(2), 549–572.
7. Ferson, Wayne E., and Rudi W. Schadt, 1996, "Measuring fund strategy and performance in changing economic conditions," *Journal of Finance*, 51(2), 425–461.
8. Kothari, S.P., and Jerold B. Warner, 2001, "Evaluating mutual fund performance," *Journal of Finance*, 56(5), 1985–2010.
9. Berk, Jonathan, 2005, "Five Myths of Active Portfolio Management," *Journal of Portfolio Management* 31, 27-31
10. Hunter, D., Eugene Kandel, Shmuel Kandel, and Russ Wermers, 2014, "Mutual fund performance evaluation with active peer benchmarks," *Journal of Financial Economics* 112
11. Berk, Jonathan B., and van Binsbergen, Jules H., 2015, "Measuring skill in the mutual fund industry," *Journal of Financial Economics* 118(1), 1–20.

Hedge Funds

1. Fung, William, and David A. Hsieh, 1997, "Empirical characteristics of dynamic trading strategies: The case of hedge funds," *Review of Financial Studies*, 10(2), 275–302.
2. Fung, William, and David A. Hsieh, 2001, "The risk in hedge fund strategies: Theory and evidence from trend followers," *Review of Financial Studies*, 14(2), 314–341.
3. Mitchell, Mark, and Todd Pulvino, 2001, "Characteristics of risk and return in risk arbitrage," *Journal of Finance* 56(6), 2135–2175.
4. Agarwal, Vikas, and Narayan Y. Naik, 2004, "Risks and portfolio decisions involving hedge funds," *Review of Financial Studies*, 17(1), 63–98.
5. Kosowski, Robert, Narayan Y. Naik, and Melvyn Teo, 2007, "Do hedge funds deliver alpha? A Bayesian and bootstrap analysis," *Journal of Financial Economics* 84, 229–264.
6. Agarwal, V., G. Bakshi, and J. Huij, 2009, "Do Higher-Moment Equity Risks Explain Hedge Fund Returns?" *Working Paper, Erasmus University, Georgia State University, and University of Maryland*.
7. Avramov, Doron, Robert Kosowski, Narayan Y. Naik, and Melvyn Teo, 2011, "Hedge funds, managerial skill, and macroeconomic variables," *Journal of Financial Economics* 99, 672–692.
8. Agarwal, Vikas, Y. Eser Arisoy, and Narayan Y. Naik, 2017, "Volatility of aggregate volatility and the cross-section of hedge fund returns," *Journal of Financial Economics* 125, 491–510.
9. Chen, Yong, Mike Cliff, and Haibei Zhao, 2017, "Hedge funds: the good, the bad, and the lucky," *Journal of Financial and Quantitative Analysis* 52, 1081–1109.

Holdings-based evaluation

Mutual Funds

1. Grinblatt, Mark, and Sheridan Titman, 1989, "Mutual fund performance: An analysis of quarterly portfolio holdings," *Journal of Business*, 62(3), 393–416.
2. Grinblatt, Mark, and Sheridan Titman, 1993, "Performance measurement without benchmarks: An examination of mutual fund returns," *Journal of Business*, 66, 47–68.
3. Grinblatt, Mark, Sheridan Titman, and Russ Wermers, 1995, "Momentum investment strategies, portfolio performance, and herding: Study of mutual fund behavior," *American Economic Review*, 85(5), 1088–1105.
4. Chen, H., Narasimhan Jegadeesh, and Russ Wermers, 2000, "The value of active mutual fund management: An examination of the stockholdings and trades of fund managers," *Journal of Financial and Quantitative Analysis* 35, 343–368.
5. Busse, Jeffrey A., Lei Jiang, and Yuehua Tang, 2021, "Double adjusted mutual fund performance," *Review of Asset Pricing* 11(1), 169–208.

Hedge Funds

1. Griffin, John, and J. Xu, 2009, "How smart are the smart guys? A unique view from hedge fund stock holdings," *Review of Financial Studies* 22, 2531–70.
2. Agarwal, Vikas, Stefan Ruenzi, and Florian Weigert, 2017, "Tail risk in hedge funds: A unique view from portfolio holdings," *Journal of Financial Economics* 125(3), 610–636.

Is better fund performance really skill and Persistence analysis
Mutual Funds

1. Grinblatt, Mark, and Sheridan Titman, 1992, "The persistence of mutual fund performance," *Journal of Finance*, 47(5), 1977–1984.
2. Hendricks, Darryll, Jayendu Patel, and Richard Zeckhauser, 1993, "Hot hands in mutual funds: Short-run persistence of relative performance, 1974–1988," *Journal of Finance*, 48(1), 93–130.
3. Goetzmann, William N., and Roger G. Ibbotson, 1994, "Do winners repeat?" *Journal of Portfolio Management*, 20(2), 9–18.
4. Brown, Stephen J. and William N. Goetzmann, 1995, "Performance persistence," *Journal of Finance* 50(2), 679–698.
5. Elton, Edwin, Martin Gruber, and Christopher Blake, 1996, "The persistence of risk-adjusted mutual fund performance," *Journal of Business*, 69(2), 133–157.
6. Brown, Stephen J., William N. Goetzmann, Roger Ibbotson, and Stephen A. Ross, 1997, "Rejoinder: The J-Shape of performance persistence given survivorship bias," *Review of Economics and Statistics* 79 (2), 167–170.
7. Christopherson, J. A., W. E. Ferson, and D. A. Glassman, 1998, "Conditioning manager alphas on economic information: Another look at persistence of performance," *Review of Financial Studies*, 11(1), 111–142.
8. Carpenter, Jennifer N., and Anthony W. Lynch, 1999, "Survivorship bias and attrition effects in measures of performance persistence," *Journal of Financial Economics*, 54(3), 337–374.
9. Kosowski, Robert, Allan Timmermann, Russ Wermers, and Hal White, 2006, "Can mutual fund "stars" really pick stocks? New evidence from a bootstrap analysis," *Journal of Finance* 61, 2551-2595.
10. Fama, Eugene F. and Kenneth R. French, 2010, "Luck versus Skill in the Cross-Section of Mutual Fund Returns," *Journal of Finance* 65, 1915-1947.

Hedge Funds

1. Agarwal, Vikas, and Narayan Y. Naik, 2000, "Multi-period performance persistence analysis of hedge funds," *Journal of Financial and Quantitative Analysis*, 35(3), 327–342.
2. Jagannathan, Ravi, Alexey Malakhov, and Dmitry Novikov, 2010, "Do hot hands exist among hedge fund managers? An empirical evaluation," *Journal of Finance* 65(1), 217–255.
3. Avramov, Doron, Laurent Barras, and Robert Kosowski, 2013, "Hedge fund return predictability under the magnifying glass," *Journal of Financial and Quantitative Analysis* 48(4), 1057–1083.

Meeting #3: Sources of fund manager skill

Required reading

1. Alexander, Gordon J., Gjergji Cici, and Scott Gibson, 2007, "Does motivation matter when assessing trade performance? An analysis of mutual funds," *Review of Financial Studies* 20(1), 125–150.

2. Kacperczyk, Marcin, Clemens Sialm, and Lu Zheng, 2008, "Unobserved actions of mutual funds," *Review of Financial Studies*, 21(6), 2379–2416.

Supplemental reading

Mutual Funds

1. Chevalier, Judith, and Glenn Ellison, 1999, "Are some mutual fund managers better than others? Cross-sectional patterns in behavior and performance," *Journal of Finance*, 54 (3), 875–899.
2. Coval, Joshua D., and Tobias J. Moskowitz, 1999, "Home bias at home: Local equity preference in domestic portfolios," *Journal of Finance* 54(6), 2045–2074.
3. Coval, Joshua D., and Tobias J. Moskowitz, 2001, "The geography of investment: Informed trading and asset prices," *Journal of Political Economy* 109(4), 811–841.
4. Cohen, Randolph, Joshua D. Coval, and Lubos Pastor, 2005, "Judging fund managers by the company that they keep," *Journal of Finance* 60(3), 1057–1096.
5. Kacperczyk, Marcin, Clemens Sialm, Lu Zheng, 2005, "On the industry concentration of actively managed equity mutual funds," *Journal of Finance* 60(4), 1983–2011.
6. Kacperczyk, Marcin, and Amit Seru, 2007, "Fund manager use of public information: New evidence on managerial skills," *Journal of Finance* 62(2), 485–528.
7. Cohen, Lauren, Andrea Frazzini, and Christopher Malloy, 2008, "The small world of investing: Board connections and mutual fund returns," *Journal of Political Economy* 116(5): 951–979.
8. Cremers, Martijn, and Antti Petajisto, 2009, "How active is your fund manager?" *Review of Financial Studies* 22, 3329–3365.
9. Puckett, Andy, and Xuemin (Sterling) Yan, 2011, "The interim trading skill of institutional investors," *Journal of Finance* 66, 601–633.
10. Duan, Ying, Edith Hotchkiss and Yawen Jiao, 2018, "Business ties and information advantage: Evidence from mutual fund trading," *Contemporary Accounting Research* 35, 866–897.

Hedge Funds

1. Brunnermeier, Markus, and Stefan Nagel, 2004, "Hedge funds and the technology bubble," *Journal of Finance* 59, 2013–2040.
2. Aragon, George O., Michael Hertzel, and Zhen Shi, 2013, "Why do hedge funds avoid disclosure? Evidence from confidential 13F filings," *Journal of Financial and Quantitative Analysis* 48(5), 1499–1518.
3. Agarwal, Vikas, Wei Jiang, Yuehua Tang, and Baozhong Yang, 2013, "Uncovering hedge fund skill from the portfolios they hide," *Journal of Finance* 68, 739–783.
4. Cao, Charles, Bradley A. Goldie, Bing Liang, and Lubomir Petrasek, 2016, "What is the nature of hedge fund manager skills? Evidence from the risk-arbitrage strategy," *Journal of Financial and Quantitative Analysis* 51(3), 929–957.
5. Jiao, Y., Massimo Massa, and Hong Zhang, 2016, "Short selling meets hedge fund 13F: An anatomy of informed demand," *Journal of Financial Economics* 122, 544–567.
6. Cao, Charles, Yong Chen, William Goetzmann, and Bing Liang, 2018, "Hedge funds and stock price formation," *Financial Analysts Journal* 74, 54–69.
7. Chen, Yong, Zhi Da, and Dayong Huang, 2018, "Arbitrage trading: The long and the short of it," *Review of Financial Studies* 32(4), 1608–1646.
8. Agarwal, Vikas, Stefan Ruenzi, and Florian Weigert, 2021, "Unobserved performance of hedge funds," *Journal of Finance* forthcoming, https://onlinelibrary.wiley.com/doi/10.1111/jofi.13368.

Meeting #4: Fund flows, Performance, and Manager Selection

Required reading

1. Sirri, Erik, and Peter Tufano, 1998, "Costly search and mutual fund flows," *Journal of Finance*, 53, 1589–1622.
2. Sapp, Travis, and Ashish Tiwari, 2004, "Does stock return momentum explain the smart "money" effect?" *Journal of Finance*, 59(6), 2605–2622.
3. Berk, Jonathan B., and Richard C. Green, 2004, "Mutual fund flows and performance in rational markets," *Journal of Political Economy*, 112, 1269–1295.

Supplemental reading

Mutual Funds

1. Gruber, Martin J, 1996, "Presidential Address: Another puzzle: The growth in actively managed mutual funds," *Journal of Finance*, 51(3), 783–810.
2. Zheng, Lu, 1999, "Is money smart? A study of mutual fund investors' fund selection ability," *Journal of Finance*, 54, 901–933.
3. Del Guercio, D., and Paula A. Tkac, 2002, "The determinants of the flow of funds of managed portfolios: mutual funds versus pension funds," *Journal of Financial and Quantitative Analysis*, 37(4), 523–557.
4. Lynch, Anthony W., and David K. Musto, 2003, "How investors interpret past fund returns," *Journal of Finance*, 58(5), 2033–2058.
5. Huang, J., Kelsey D. Wei, and Hong Yan, 2007, "Participation costs and the sensitivity of fund flows to past performance," *Journal of Finance*, 62(3), 1273–1311.
6. Frazzini, Andrea, and Owen A. Lamont, 2008, "Dumb money: Mutual fund flows and the cross section of stock returns," *Journal of Financial Economics* 88, 299–322.
7. Keswani, Aneel, and David Stolin, 2008, "Which money is smart? Mutual fund buys and sells of individual and institutional investors," *Journal of Finance* 63(1), 85–118.
8. Sialm, Clemens, Laura T. Starks, and Hanjiang Zhang, 2015, "Defined contribution pension plans: Sticky or discerning money?" *Journal of Finance* 70(2), 805–838.
9. Berk, Jonathan B., and Jules H. van Binsbergen, 2016, "Assessing asset pricing models using revealed preference," *Journal of Financial Economics* 119(1), 1–23.
10. Barber, Brad M., Xing Huang, and Terrance Odean, 2016, "Which factors matter to investors? Evidence from mutual fund flows," *Review of Financial Studies* 29(10), 2600–2642.
11. Song, Yang, 2020, "The mismatch between mutual fund scale and skill," *Journal of Finance* 75(5), 2555–2589.

Hedge Funds

1. Agarwal, Vikas, Naveen D. Daniel, and Narayan Y. Naik, 2004, "Flows, performance, and managerial incentives in hedge funds," Working Paper, Drexel University, Georgia State University, and London Business School, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=424369.
2. Baquero, Guillermo, and Marno Verbeek, 2021, "Hedge fund flows and performance streaks: How investors weigh information," *Management Science* 68(6), 4151–4172.
3. Agarwal, Vikas, Clifton Green, and Honglin Ren, 2018, "Alpha or beta in the eye of the beholder: What drives hedge fund flows," *Journal of Financial Economics* 127(3), 417–434.
4. Liang, Bing, Christopher Schwarz, Mila Getmansky Sherman, and Russ Wermers, 2019, "Share restrictions and investor flows in the hedge fund industry," Working Paper, University of California Irvine, University of Massachusetts Amherst, and University of Maryland, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2692598.

Meeting #5: Managerial Incentives, Performance, and Risk-Taking Behavior

Required reading

1. Brown, Keith C., W. V. Harlow, and Laura T. Starks, 1996, "Of tournaments and temptations: An analysis of managerial incentives in the mutual fund industry," *Journal of Finance* 51(1), 85–110.
2. Chevalier, Judith, and Glenn Ellison, 1999, "Career concerns of mutual fund managers," *Quarterly Journal of Economics*, 114(2), 389–432.

Supplemental reading

Mutual Funds

1. Starks, Laura T., 1987, "Performance incentive fees: An agency theoretic approach," *Journal of Financial and Quantitative Analysis*, 22, 17–32.
2. Chevalier, Judith, and Glenn Ellison, 1997, "Risk Taking by Mutual funds as a response to incentives," *Journal of Political Economy*, 105, 1167–1200.
3. Busse, Jeffrey, 2001, "Another look at mutual fund tournaments," *Journal of Financial and Quantitative Analysis* 36, 53–74.
4. Golec, J., and Laura T. Starks, 2004, "Performance fee contract change and mutual fund risk," *Journal of Financial Economics* 73, 93–118.
5. Ross, Stephen A., 2004, "Compensation, incentives, and the duality of risk aversion and riskiness," *Journal of Finance*, 59(1), 207–225.
6. Kempf, Alexander, Stefan Ruenzi, and Tanja Thiele, 2009, "Employment risk, compensation incentives, and managerial risk taking: Evidence from the mutual fund industry," *Journal of Financial Economics*, 92, 92–108.
7. Hu, P., Jayant R. Kale, Marco Pagani, and Ajay Subramanian, 2011, "Fund flows, performance, managerial career concerns, and risk-taking," *Management Science* 57(4), 628–646.
8. Huang, Jennifer, Clemens Sialm, and Hanjiang Zhang, 2011, "Risk shifting and mutual fund performance," *Review of Financial Studies* 24(8), 2575–2616.
9. Ma, Linlin, and Yuehua Tang, 2019, "Portfolio manager ownership and mutual fund risk taking," *Management Science* 65(12), 5449–5956.
10. Ma, Linlin, Yuehua Tang, and Juan-Pedro Gomez, 2019, "Portfolio manager compensation in the mutual fund industry," *Journal of Finance* 74(2), 587–638.
11. Bai, John, Ma, Linlin, Kevin Mullally, and Yuehua Tang, 2024, "What determines mutual fund managers' compensation? Evidence from U.S. Administrative Earnings Data," Working Paper.
12. Cen, X., Winston W. Dou, Leonid Kogan, and Wei Wu, 2024, "Fund flows and income risk of fund managers," Working Paper.

Hedge Funds

1. Goetzmann, William N., Jonathan E. Ingersoll, and Stephen A. Ross, 2003, "High-water marks and hedge fund management contracts," *Journal of Finance* 58 (4), 1685–1718.
2. Hodder, James E., and Jens Carsten Jackwerth, 2007, "Incentive contracts and hedge fund management," *Journal of Financial and Quantitative Analysis* 42 (4), 811–826.
3. Panageas, Stavros, and Mark M. Westerfield, 2009, "High-water marks: High risk appetites? Convex compensation, long horizons, and portfolio choice," *Journal of Finance* 64 (1), 1–36.
4. Agarwal, Vikas, Naveen D. Daniel, and Narayan Y. Naik, 2009, "Role of managerial incentives and discretion in hedge fund performance," *Journal of Finance*, 64(5), 2221–2256.
5. Ramadorai, Tarun, and Michael Streatfield, 2011, "Money for nothing? Understanding

variation in reported hedge fund fee," Working Paper, University of Oxford.
6. Aragon, George, and Vikram Nanda, 2012, "Tournament behavior in hedge funds: High-water marks, fund liquidation, and managerial stake," *Review of Financial Studies* 25(3), 937–974.
7. Deuskar, Prachi, Z. Jay Wang, Youchang Wu, and Quoc H. Nguyen, 2012, "The dynamics of hedge fund fees," Working Paper, University of Illinois at Urbana-Champaign, University of Oregon, and University of Illinois-Chicago.
8. Lan, Yingcong, Neng Wang, and Jinqiang Yang, 2013, "The economics of hedge funds," *Journal of Financial Economics* 110 (2), 300–323.
9. Agarwal, Vikas, Sugata Ray, and Baozhong Yang, 2016, "A model of hedge fund fees with renegotiation," Working Paper, Georgia State University and University of Alabama, https://www.dropbox.com/s/23omg7srfld98y0/A%20Model%20of%20Hedge%20Fund%20Fees%202016_08_22.pdf?dl=0.
10. Lim, Jongha, Berk A. Sensoy, and Michael S. Weisbach, 2016, "Indirect incentives for hedge fund managers," *Journal of Finance* 71(2), 871–918.
11. Yin, Chengdong, and Xiaoyan Zhang, 2023, "Risking or de-risking: How management fees affect hedge fund risk-taking choices," *Review of Financial Studies* 36(3), 904–944.

Meeting #6 and #7: Liquidity management and Systemic Risk

Required reading

1. Markus K. Brunnermeier, Lasse Heje Pedersen, Market Liquidity and Funding Liquidity, *The Review of Financial Studies*, Volume 22, Issue 6, June 2009, Pages 2201–2238
2. Coval, Joshua, and Erik Stafford, 2007, "Asset fire sales (and purchases) in equity markets," *Journal of Financial Economics* 86(2), 479–512.
3. Choi, Jaewon, Hoseinzade, Saeid, Shin, Sean Seunghun and Tehranian, Hassan, (2020), Corporate bond mutual funds and asset fire sales, *Journal of Financial Economics*, 138, issue 2, p. 432-457.

4. Chen, Qi, Itay Goldstein, and Wei Jiang, 2010, Payoff complementarities and financial fragility: Evidence from mutual fund outflows, *Journal of Financial Economics* 97, 239–262.
5. Goldstein, Itay, Hao Jiang, and David T. Ng, 2017, "Investor flows and fragility in corporate bond funds," *Journal of Financial Economics* 126, 592–613.
6. Christof W. Stahel, 2025, "First-Mover Advantage Among Direct Investors Holding Overlapping Positions and the Regulation of Mutual Funds." *Financial Management.*

Supplemental reading

Theoretical (for background reading)

1. Diamond, Douglas W., and Philip H. Dybvig, 1983, Bank runs, deposit insurance, and liquidity, *Journal of Political Economy* 91(3), 401–419.
2. Shleifer, Andrei, and Robert W. Vishny, 1992, "Liquidation values and debt capacity: A market equilibrium approach," *Journal of Finance* 47(4), 1343–1366.
3. Zeng, Yao, 2017, "A dynamic theory of mutual fund runs and liquidity management," Working Paper, University of Pennsylvania https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2907718 .

Empirical

1. Nicole M. Boyson, Christof W. Stahel, and Rene M. Stulz, 2010, "Hedge Fund Contagion and Liquidity Shocks," *Journal of Finance*, 65 pp.1789–1816.
2. Ellul, Andrew, Chotibhak Jotikasthira, Christian T. Lundblad, 2011, "Regulatory pressure and

fire sales in the corporate bond market," *Journal of Financial Economics* 101, 596–620.
3. Aragon, George O., and Philip E. Strahan, 2012, "Hedge funds as liquidity providers: Evidence from the Lehman bankruptcy," *Journal of Financial Economics* 103(3), 570–587.
4. Ben-David, Itzhak, Francesco Franzoni, and Rabih Moussawi, 2012, "Hedge fund stock trading in the financial crisis of 2007-2009," *Review of Financial Studies* 25(1), 1–54.
5. Jotikasthira, Chotibhak, Christian Lundblad, and Tarun Ramadorai, 2012, "Asset fire sales and purchases and the international transmission of funding shocks," *Journal of Finance* 67(6), 2015–2050.
6. Bhattacharya, Utpal, Jung H. Lee, and Veronika K. Pool, 2013, "Conflicting family values in mutual fund families," *Journal of Finance* 68(1), 173–200.
7. Goncalves-Pinto, Luis, and Breno Schmidt, 2013, "Coinsurance in mutual fund families," Working Paper, The Chinese University of Hong Kong.
8. Hau, Harald, and Sandy Lai, 2013, "The role of equity funds in the financial crisis propagation," Working Paper, University of Geneva, and University of Hong Kong.
9. Agarwal, Vikas, and Haibei Zhao, 2019, "Interfund lending in mutual fund families: Role of internal capital markets," *Review of Financial Studies* 32(10), 4079–4115.
10. Agarwal, Vikas, George O. Aragon, and Zhen Shi, 2019, "Liquidity transformation and financial fragility: Evidence from funds of hedge funds," *Journal of Financial and Quantitative Analysis* 54(6), 2355–2381.
11. Eisele, A., Tamara Nefedova, G. Parise, and K. Peijnenburg, 2020, "Trading out of sight: An analysis of cross-trading in mutual fund families," *Journal of Financial Economics* 135(2), 359–378.
12. Wardlaw, Malcolm, 2020, "Measuring mutual fund flow pressure as shock to stock returns," *Journal of Finance* 75(6), 3221–3243.
13. Aiken, Adam L., Christopher P. Clifford, Jesse A. Ellis, and Qiping Huang, 2021, "Funding liquidity risk and the dynamics of hedge fund lockups," *Journal of Financial and Quantitative Analysis* 56(4), 1321–1349.
14. Dunhong, Marcin Kacperczyk, Bige Kahraman, and Felix Suntheim, 2022, "Swing pricing and fragility in open-end mutual funds," *Review of Financial Studies* 35(1), 1–50.
15. Choi, Jaewon and Kronlund, Mathias and Oh, Ji Yeol Jimmy, Sitting Bucks: Stale Pricing in Fixed Income Funds. *Journal of Financial Economics*, 145(2), August 2022, pp. 296-317.
16. Agarwal, Vikas, George O. Aragon, and Zhen Shi, 2023, "Redemption in kind and mutual fund liquidity management," *Review of Financial Studies* 36(6), 2274–2318.
17. Huang, Sheng, Matthew C. Ringgenberg, and Zhe Zhang, 2023, "The information in asset fire sales," *Management Science* 69(9), 4973–5693.

Meeting #8: Exchange-traded Funds

Required reading

1. Ben-David, Itzhak, Francesco A. Franzoni, and Rabih Moussawi, 2018, "Do ETFs increase volatility?" *Journal of Finance* 73(6), 2471–2535.
2. Dannhauser, Caitlin D., 2017, "The impact of innovation: Evidence from corporate bond ETFs," *Journal of Financial Economics* 125(3), 537–560.
3. Zhi Da and Sophie Shive (2018), "Exchange Traded Funds and Asset Return Correlations," *European Financial Management* 24(1): 136–168.
4. Huang, Shiyang, Maureen O'Hara, and Zhuo Zhong, 2021, "Innovation and informed trading: Evidence from industry ETFs," *Review of Financial Studies* 34(3), 1280–1316.
5. Du, Linda and Starks, Laura T. and Xiaolan, Mindy Z., Active ETFs Cloned from Mutual Funds: Competing for Investor Flows, 2023, SSRN: https://ssrn.com/abstract=4653702

Supplemental reading

Theoretical

1. Bhattacharya, Ayan, and Maureen O'Hara, 2018, "Can ETFs increase market fragility? Effect of information linkages in ETF Markets," Working Paper, Baruch College and Cornell University, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2740699.

Empirical

1. Israeli, Doron, Charles M. C. Lee, and Suhas Sridharan, 2017, "Is there a dark side to exchange traded funds (ETFs)? An information perspective," *Review of Accounting Studies* 22(3), 1048–1083.
2. Agarwal, Vikas, Paul Hanouna, Rabih Moussawi, and Christof Stahel, 2018, "Do ETFs increase the commonality in liquidity of underlying stocks," Working Paper, Georgia State University, Investment Company Institute, and Villanova University, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3001524.
3. Baltussen, G., van Bekkum, S., & Da, Zhi, 2019, Indexing and stock market serial dependence around the world," *Journal of Financial Economics* 132(1), 26–48.
4. Brown, David C., Shaun W. Davies, and Matthew C. Ringgenberg, 2021, "ETF arbitrage, non-fundamental demand, and return predictability," *Review of Finance* 25(4), 937–972.
5. Glosten, Lawrence, Suresh Nallareddy, and Yuan Zou, 2021, "ETF activity and informational efficiency of underlying securities," *Management Science* 67(1), 22–47.
6. Pan, Kevin, and Yao Zeng, 2021, "ETF arbitrage under liquidity mismatch," Working Paper, Harvard University and University of Pennsylvania, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2895478.
7. Evans, Richard B., Rabih Moussawi, Michael S. Pagano, and John Sedunov, 2022, "Operational shorting and ETF liquidity provision," Working Paper, University of Virginia, and Villanova University, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2961954.

Meeting #9: Portfolio Disclosure

Required reading

1. Shive, Sophie, and Hayong Yun, 2013, "Are mutual funds sitting ducks?" *Journal of Financial Economics* 107(1), 220–237.
2. Agarwal, Vikas, Kevin Mullally, Yuehua Tang, and Baozhong Yang, 2015, "Mandatory portfolio disclosure, stock liquidity, and mutual fund performance," *Journal of Finance* 70(6), 2733–2776.
3. Shi, Zhen, 2017, "The impact of portfolio disclosure on hedge fund performance," *Journal of Financial Economics* 126 (1), 36–53.

Supplemental reading

Theoretical

1. Fishman, Michael J., and Kathleen M. Hagerty, 1995, "The mandatory disclosure of trades and market liquidity," *Review of Financial Studies* 8, 637–676.
2. John, Kose, and Ranga Narayanan, 1997, "Market manipulation and the role of insider trading regulations," *Journal of Business* 70, 217–247.
3. Fishman, Michael J., and Kathleen M. Hagerty, 1998, "Mandatory disclosure," in P. Newman, ed.: *The New Palgrave Dictionary of Economics and the Law* (Macmillan Press, New York).

4. Huddart, Steven, John S. Hughes, and Markus Brunnermeier, 1999, "Disclosure requirements and stock exchange listing choice in an international context," *Journal of Accounting and Economics* 26, 237–269.
5. Huddart, Steven, John S. Hughes, and Carolyn B. Levine, 2001, "Public disclosure and dissimulation of insider trades," *Econometrica* 69, 665–681.
6. Fishman, Michael J., and Kathleen M. Hagerty, 2003, "Mandatory vs. voluntary disclosure in markets with informed and uninformed customers," *Journal of Law, Economics, & Organization* 19, 45-63.
7. George, Thomas J., and Chuan-Yang Hwang, 2011, "Disclosure policies of investment funds," Working Paper, Nanyang Technological University and University of Houston.

Empirical

1. Musto, David K., 1997, "Portfolio disclosures and year-end price shifts," *Journal of Finance* 52, 1563–1588.
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Meeting #10: Operational Risk, Financial Misconduct, and Frauds

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Meeting #11: Sustainable Finance

Required reading

1. Lins, Karl V., Henri Servaes, and Ane Tamayo, 2017, "Social capital, trust, and firm performance: The value of corporate social responsibility during the financial crisis," *Journal of Finance*, 72(4), 1785–1824.
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Meeting #12: Fintech

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1. D'Acunto, Francesco, Nagpurnanand Prabhala, and Alberto G. Rossi, 2019, "The promises and pitfalls of robo-advising," *Review of Financial Studies* 32(5), 1983–2020.
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Meeting #12: Behavioral biases, retail investors, and household finance

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