

Internet Appendix

**for “Foreign Ties that Bind: Cross-border Firm Expansions and
Fund Portfolio Allocation around the World”**

A-1 Construction of subsidiary establishment data

Step 1. Assembling the foreign subsidiary dataset

Our primary data sources are the Osiris and Orbis databases from Bureau van Dijk Electronic Publishing (BvD). Orbis is an umbrella product that contains both public and private firms from around the world covered by BvD Electronic Publishing (209 million firms in 2016). Osiris covers only public firms. We use all available annual historical discs of both databases that span our sample period. Each disc provides a snapshot of the data for each year (vintage), starting from 2001 for Osiris and 2005 for Orbis. The Osiris database also covers firms delisted before 2001. Apart from these coverage differences, both databases utilize the same underlying ownership data to link firms. BvD constructs these ownership links using information from annual reports, regulatory filings (e.g. SEC filings), third-party information providers (e.g. Dun and Bradstreet, Creditreform, etc.), financial news, and direct inquiries. The Orbis database also provides financial and registration information of private firms, sourced from regulators and business registry offices in various countries.

We merge the public firms in the BvD databases to our sample firms using SEDOL and ISIN identification numbers where possible, and through name matching for the remainder. For each sample firm, we obtain from Osiris all subsidiaries directly linked to the firm and from Orbis all other private firms that it ultimately owns. The second category includes cases where a subsidiary is known by BvD through its information sources to own other subsidiaries. We do not include subsidiaries that a sample firm owns by less than 20%. Listed (partially owned) subsidiaries are included, but not their down-the-chain subsidiaries (to avoid double counting). BvD provides the location information of each subsidiary based on their countries of registration, except for a small fraction of subsidiaries (0.7%), which are removed from our analysis.

Most subsidiaries in the two BvD databases have an identification number (BvD ID). These IDs (transferable across BvD products) are largely constructed from firm ID numbers used by national business registers or third-party information providers. They are assigned

to subsidiaries that BvD can link to their (private and public) firm universe. BvD IDs can change over time, and we use the ID correspondence file supplied by BvD to track the changes. We utilize BvD IDs to link subsidiaries across database vintages and to extract important subsidiary level information from Orbis, including the *incorporation year* for each subsidiary. Using all the annual vintages of the above BvD databases allows us to identify the first year a subsidiary enters the subsidiary set of a sample firm (not including the year where BvD initiates the reporting of subsidiaries of the firm), which we refer to as the *BvD entry year*.

Our final parent-subsidiary dataset contains 883,221 pairs of sample (parent) firms and *foreign* subsidiaries drawn from all the database vintages. The steps below describe the process of identifying the year in which a sample firm establishes a subsidiary for the first time in a foreign country.

Step 2. Identifying acquired subsidiaries

To identify acquired foreign subsidiaries, we assemble all M&A deals, private placements, and equity block transactions in the Thomson Reuters SDC Platinum database (up to 2014) where an acquirer eventually owns more than 20% of a target, excluding deals where an acquirer already owns more than 20%.

A previously established (listed or private) firm can become a subsidiary through a direct or an indirect acquisition. To identify *direct acquisition* cases, we check if an M&A deal in SDC matches a parent-subsidiary pair in the dataset formed in Step 1. For a positive match, the parent firm must be identified as the acquirer, the target country must be the same as the subsidiary location, and the subsidiary must be identified as the target using: (1) BvD ID - SEDOL link if the subsidiary/target is previously listed, or (2) fuzzy name matching (with visual verification) if the subsidiary/target is unlisted. If SDC identifies that a sample (listed) firm makes an acquisition in a specific foreign country but the target cannot be matched to any known subsidiary, then the target firm in this M&A deal is still added to the parent-subsidiary dataset as another subsidiary of the sample firm. For each directly

acquired subsidiary, the establishment year is then set as the announcement year of the relevant M&A deal.

An indirect acquisition arises when a sample firm obtains ownership of a foreign subsidiary by acquiring the previous parent of that subsidiary (which can be another domestic firm). We identify these cases in the following ways:

- Within our parent-subsidary dataset, any subsidiary that switches from one parent firm to another is considered to be acquired by the second parent firm. The establishment year of the subsidiary is then set as the year of the ownership change.
- For each SDC Platinum M&A deal involving a sample firm as the acquirer and another listed firm as the target, we assemble the set of the listed target firm’s known subsidiaries from our parent-subsidary dataset and from all previous SDC Platinum acquisitions by the target. We then use fuzzy name matching (with visual verification) to identify the subsidiaries in this list that become the acquirer’s subsidiaries after the M&A deal. The establishment year is then set as the announcement year of the relevant M&A deal.
- It is a common practice to name subsidiaries eponymously after their parent firms (see Step 3 below for further discussion). For example, after Geely Automobile Holdings acquires Volvo Personvagnar AB, Geely’s list of subsidiaries contains names such as Volvo Car Germany, Volvo Car Espana, etc. We exploit this practice to identify other indirectly acquired subsidiaries. For each (listed or unlisted) SDC Platinum target acquired by a sample listed firm, we find all subsidiaries whose names contain the shortest name phrase that still uniquely identifies the target firm (“Volvo” in the above example). These subsidiaries are considered to be indirectly acquired if they already exist at the time of their relevant M&A deals. In each case, the establishment year is again set to be the M&A announcement year.

Step 3. Identifying incorporated subsidiaries

The remaining subsidiaries after Step 2 then go through a process that filters out those that are likely to be set up (incorporated), rather than acquired, by their parent firms.

First, we check the correspondence between the BvD entry year and the incorporation year of each subsidiary. If the gap between these two events is a year or less, we consider the subsidiary to be “incorporated”. This reflects the scenario where the parent-subsidiary ownership link is confirmed by BvD around the inception of the subsidiary.

Second, we check if a subsidiary bears the name of its parent. We argue that firms follow the practice of using eponymous names for their subsidiaries to enhance the recognizability of their foreign operations and the marketability of their products. Specifically, using a name parsing algorithm, we consider a subsidiary to be “incorporated” if its name contains one of the following elements:

- the shortest name phrase of the current name (and previous names) of the parent firm that still uniquely identifies the parent firm among all sample listed firms
- the acronym of the parent firm’s name
- the shortest unique name phrase of each of the subsidiaries that the parent firm acquires (as identified in Step 2) before the incorporation of the focal subsidiary
- the most common name phrase among the parent firm’s *domestic* subsidiaries that are not classified as acquired in Step 2.

For each subsidiary that we identify as incorporated by the parent, the establishment year is set to be the incorporation year.

Name changes: The above algorithm assumes that acquired subsidiaries do not change their names to take on their new parent firms’ names. To check the validity of this assumption, we estimate the frequency of name changes, using a sub-sample of acquired subsidiaries identified in Step 2 that BvD can continuously track from their acquisition dates. Only 2.9% of these subsidiaries eventually change their names, and among them, only 0.35% of the new names bear elements of their new parents’ names. Potential classification errors introduced

by name changes appear to be negligible.

Step 4: Manual data collection

In the above steps, we cannot identify the establishment years for subsidiaries that do not have incorporation year information and those that do not match to any M&A targets. We fill the remaining gap in the data by hand-collecting the required information.

The scale of this task is reduced by ignoring some subsidiaries of which the inclusion would not change the cross-border expansion variable (*Post Expansion*), which is based on the establishment year of the *first subsidiary* of each firm and source country pair. Specifically, we do not need to determine the establishment year of a subsidiary if: (1) the parent firm has already established another subsidiary in the same country prior to 1997 (the start of our sample period) or prior to its listing date, (2) the subsidiary is incorporated after the establishment year of another subsidiary in the same country, (3) the subsidiary is linked to its parent firm by BvD immediately after the parent firm's listing date, and (4) the subsidiary is not located in one of the sample source countries.

After applying these filters, we hand collect the missing information on the first subsidiary that appears in the BvD databases for each firm and source country pair (or subsidiaries if they appear in the same year). If there is no incorporation date information for the subsidiary, we search for it using on-line sources (available upon request) from different countries that provide company registration information for their relevant jurisdictions. Then we search for information indicating whether the subsidiary is acquired and the year of the acquisition through Factiva and Google, in each case using both the subsidiary's name and the parent's name as the keywords.

Step 5: Defining the timing of an expansion and sensitivity analysis

The *expansion year* for each firm and source country pair is defined as the earliest subsidiary establishment year among those identified through the steps above. However, our procedure is not exhaustive and for some firm-country pairs, we do not have sufficient information to determine this expansion year. For example, a firm may be identified by BvD

as having a subsidiary in a foreign country starting from 2006, but our steps above cannot ascertain whether this subsidiary is acquired or incorporated at some point earlier. With these cases, we approximate the expansion year using the earliest BvD entry year recorded for each firm-country pair (2006 in the above example). This step accounts for only 8.9% of the observations related to firm-country pairs with subsidiary links.

Finally, the variable *Post Expansion* is constructed for each firm-country pair by taking the value of one for any year from the expansion year, and zero otherwise.

Sensitivity of results to the above data steps

In Table A-IV of this Internet Appendix, we examine several alternative constructions of *Post Expansion* to check if the documented cross-border expansion effect is sensitive to a particular step in our procedure. In Column 4, we split *Post Expansion* into two variables that indicate cross-border expansions executed through an M&A and those executed through the incorporation of a new subsidiary, and show that they are both significant. In Column 5, we show that excluding currently and previously listed subsidiaries, which are perhaps more visible and easier to match than private subsidiaries, does not change our main results. In Column 6, we show that the variable *Post Expansion* remains significant when it is constructed using only subsidiary incorporation year information (that is, by assuming all subsidiaries are incorporated rather than acquired). These results indicate that the documented cross-border expansion effect is not driven by the particular procedure that we use to separate acquired from incorporated subsidiaries. The effect is also not sensitive to the use of BvD entry years as described above. In Column 7 of Table A-IV, we exclude firm-country pairs where the expansion year in each case is determined using the earliest BvD entry year. In Column 8, we completely ignore Steps 2 to 4 and only use BvD entry years to determine the expansion year of each firm-country pair. In both cases, the estimates for *Post Expansion* remain statistically significant.

A-2 Free trade agreements

The FTAs in the list below are agreements that meet the WTO's Regional Trade Agreement definition, and exclude Preferential Trade Agreements (non-reciprocal preferential schemes), Partial Scope Agreements (those that cover a limited set of products), and any FTA agreements signed before 1997 and after 2013 (these agreements do not have both pre- and post-FTA periods). Some FTA agreements involve a trade bloc. For the sample countries in this study, the ASEAN trade bloc includes Indonesia, Malaysia, the Philippines, Singapore, and Thailand; the EFTA bloc that includes Norway and Switzerland; the EU bloc includes Austria, Belgium, the Czech Republic (from 2004), Denmark, Finland, France, Germany, Greece, Hungary (from 2004), Ireland, Italy, the Netherlands, Poland (from 2004), Portugal, Spain, Sweden, and the UK; the MERCOSUR bloc includes Argentina and Brazil, the SACU bloc includes South Africa. For each country pair, the list only includes the first FTA signed during the sample period, and not subsequent revisions or separate agreements (e.g. Singapore may have two agreements with the same partner country, one as a sovereign state and another through ASEAN). The second column lists the year in which an agreement is finally signed by the partner countries (for in-force FTAs in Panel A) or the year in which the last negotiation round is held (for unsuccessful FTAs in Panel B). The third column lists the year in which the first negotiation round for an agreement is held. Unsuccessful FTAs are those where negotiation is initiated (before 2013) but is later suspended or canceled.

	Negotiation ended	Negotiation started
<i>Panel A: Signed and implemented FTAs</i>		
Turkey - Hungary Free Trade Agreement	1997	1995
Israel - Poland Free Trade Agreement	1997	1996
Turkey - Czech Republic Free Trade Agreement	1997	1996
Chile - Mexico Free Trade Agreement	1998	1996
Peru - Chile Free Trade Agreement	1998	1996
Sri Lanka - India Free Trade Agreement	1998	1998
EU - South Africa Trade, Development and Co-operation Agreement	1999	1997
EU - Mexico Free Trade Agreement	1999	1998
Poland - Turkey Free Trade Agreement	1999	1997
EFTA - Mexico Free Trade Agreement	2000	1996
New Zealand - Singapore Closer Economic Partnership Agreement	2000	2000
Israel - Mexico Free Trade Agreement	2000	1998
EU - Egypt Association Agreement	2001	1995
Japan - Singapore Economic Agreement for a New-Age Partnership	2001	2001
Chile - EU Free Trade Agreement	2002	2001
EFTA - Singapore Free Trade Agreement	2002	2001
Pakistan - Sri Lanka Free Trade Agreement	2002	1999
Chile - United States Free Trade Agreement	2003	2002
Chile - EFTA Free Trade Agreement	2003	2000
China - Hong Kong Closer Economic Partnership Arrangement	2003	2002
Korea Republic - Chile Free Trade Agreement	2003	1999
Singapore - Australia Free Trade Agreement	2003	2000
Singapore - United States Free Trade Agreement	2003	2000
ASEAN - China Comprehensive Economic Cooperation Agreement	2004	2001
Australia - United States Free Trade Agreement	2004	2003

Japan - Mexico Economic Partnership Agreement	2004	2002
Thailand - Australia Free Trade Agreement	2004	2002
Singapore, Chile, and New Zealand Strategic Economic Partnership Agreement	2005	2002
India - Singapore Comprehensive Economic Cooperation Agreement	2005	2003
Korea Republic - EFTA Free Trade Agreement	2005	2004
Japan - Malaysia Economic Partnership Agreement	2005	2003
China - Chile Free Trade Agreement	2005	2005
Korea Republic - Singapore Free Trade Agreement	2005	2004
Egypt - Turkey Free Trade Agreement	2005	1998
Thailand - New Zealand Closer Economic Partnership Agreement	2005	2004
MERCOSUR - Peru Free Trade Agreement	2005	2003
Thailand - Peru Free Trade Agreement	2005	2004
ASEAN - Korea Republic Comprehensive Economic Cooperation Agreement	2006	2004
Colombia - United States Trade Promotion Agreement	2006	2004
Colombia - Chile Free Trade Agreement	2006	2006
EFTA - SACU Free Trade Agreement	2006	2003
United States - Peru Trade Promotion Agreement	2006	2003
Japan - Philippines Economic Partnership Agreement	2006	2004
Chile - Japan Economic Partnership Agreement	2007	2005
Egypt - EFTA Free Trade Agreement	2007	1999
Indonesia - Japan Economic Partnership Agreement	2007	2005
Korea Republic - United States Free Trade Agreement	2007	2006
Japan - Thailand Economic Partnership Agreement	2007	2004
Malaysia - Pakistan Closer Economic Partnership Agreement	2007	2005
China - Pakistan Free Trade Agreement	2007	2005
MERCOSUR - Israel Free Trade Agreement	2007	2006
ASEAN - India Comprehensive Economic Cooperation Agreement	2008	2003
Australia - Chile Free Trade Agreement	2008	2007
Canada - EFTA Free Trade Agreement	2008	1998
Canada - Colombia Free Trade Agreement	2008	2002
Japan - Switzerland Economic Partnership Agreement	2009	2007
New Zealand - China Free Trade Agreement	2008	2005
Peru - Singapore Free Trade Agreement	2008	2006
Peru - Canada Free Trade Agreement	2008	2002
EFTA - Colombia Free Trade Agreement	2008	2006
ASEAN - Australia - New Zealand Free Trade Agreement	2009	2005
EU - Korea Republic Free Trade Agreement	2009	2007
Korea Republic - India Free Trade Agreement	2009	2006
EFTA - Peru Free Trade Agreement	2009	2007
Chile - Turkey Free Trade Agreement	2009	2008
Malaysia - New Zealand Free Trade Agreement	2009	2005
China - Taiwan Economic Cooperation Framework Agreement	2010	2010
Hong Kong - New Zealand Closer Economic Partnership Agreement	2010	2001
China - Peru Free Trade Agreement	2010	2007
MERCOSUR - Egypt Free Trade Agreement	2010	2008
EFTA - Hong Kong Free Trade Agreement	2011	2010
India - Japan Comprehensive Economic Cooperation Agreement	2011	2007

Malaysia - Chile Free Trade Agreement	2011	2007
Japan - Peru Free Trade Agreement	2011	2009
Peru - Mexico Free Trade Agreement	2011	2006
Peru - Korea Republic Free Trade Agreement	2011	2009
Chile - Hong Kong Free Trade Agreement	2012	2012
Colombia - EU Free Trade Agreement	2012	2007
EU - Peru Free Trade Agreement	2012	2007
Turkey - Korea Republic Free Trade Agreement	2012	2010
Pakistan - Indonesia Free Trade Agreement	2012	2005
New Zealand - Taiwan Economic Cooperation Agreement	2013	2012
Singapore - Taiwan Economic Partnership Agreement	2013	2011
China - Switzerland Free Trade Agreement	2013	2011
Chile - Thailand Free Trade Agreement	2013	2011
Colombia - Israel Free Trade Agreement	2013	2012
Colombia - Korea Republic Free Trade Agreement	2013	2009

Panel B: Unsuccessfully negotiated FTAs

Mexico - Singapore Free Trade Agreement	2000	2000
Japan - Korea Republic Free Trade Agreement	2004	2003
China - South Africa Free Trade Agreement	2004	2004
Mercosur - Mexico Free Trade Agreement	2005	2005
South Africa - SACU Free Trade Agreement	2006	2003
Thailand - United States Free Trade Agreement	2006	2004
Thailand - EFTA Free Trade Agreement	2006	2005
Egypt - Singapore Free Trade Agreement	2006	2006
Singapore - Canada Free Trade Agreement	2007	2001
Mexico - Korea Republic Free Trade Agreement	2007	2006
Korea Republic - Canada Free Trade Agreement	2008	2005
Malaysia - United States Free Trade Agreement	2008	2006
Mercosur - Turkey Free Trade Agreement	2008	2008
ASEAN - EU Free Trade Agreement	2009	2007
China - Norway Free Trade Agreement	2010	2009
Pakistan - Singapore Free Trade Agreement	2011	2005
Indonesia - India Free Trade Agreement	2011	2011
EU - Malaysia Free Trade Agreement	2012	2010
Colombia - Turkey Free Trade Agreement	2012	2011
EU - India Free Trade Agreement	2013	2007
EFTA - India Free Trade Agreement	2013	2008
Australia - India Free Trade Agreement	2013	2011
EFTA - Belarus, Russia, and Kazakhstan Free Trade Agreement	2013	2010
Israel - India Free Trade Agreement	2013	2010
Canada - Japan Free Trade Agreement	2014	2012
New Zealand - Belarus, Russia, and Kazakhstan Free Trade Agreement	2014	2011
EU - Thailand Free Trade Agreement	2014	2013
New Zealand - India Free Trade Agreement	2015	2011
Thailand - India Free Trade Agreement	2015	2013
Peru - Turkey Free Trade Agreement	2015	2013

A-3 Additional statistics and results

Table A-I. Summary statistics for individual countries/markets

For each host country in the sample, the statistics reported in Columns 1 to 5 are first computed for each year and then summarized as the average across the sample period. Columns 1 and 2 report the number of firms and the total market capitalization (in US\$ billion) of sample listed firms in each country. Column 3 reports the percentage of total market capitalization in each country held by the sample funds. Columns 4 and 5 report the interquartile range of the portfolio bias measures of firms in each country. These bias measures are $\bar{w}_{it}^F - w_{it}^M$ for foreign funds and $w_{it}^D - w_{it}^M$ for domestic funds. For each firm i in year t , \bar{w}_{it}^F is the average of w_{iSt} (the weight of firm i in the host-country portfolio held by funds from S in year t) across source countries, w_{it}^D is the weight of firm i in the host-country portfolio held by domestic funds in year t , and w_{it}^M is the market capitalization weight of firm i in year t . Column 6 identifies whether a country is also a source country in the sample, that is, its funds report foreign equity holdings. Column 7 reports the mean of *Post Expansion* (indicating whether firm i has a subsidiary in country S in year t) for each source country identified in Column 6. This statistic is equivalent to the probability that a source country is the destination country of a cross-border expansion for a given firm-year observation.

	No. of firms (1)	Aggregate market capitalization (2)	Funds' holdings as % of capitalization (3)	Interquartile range of firm-level portfolio bias		Also a sample source country (6)	Prob. of receiving expansion (7)
				Foreign funds (4)	Domestic funds (5)		
<i>Panel A: Developed Markets</i>							
Australia	1184.67	760.21	10.19	0.020	0.014	YES	0.103
Austria	78.39	81.16	11.61	0.443	0.422	YES	0.060
Belgium	116.56	227.02	12.81	0.156	0.185	YES	0.079
Canada	1461.72	948.28	24.25	0.017	0.009	YES	0.127
Denmark	173.94	148.81	15.44	0.107	0.111	YES	0.055
Finland	124.39	197.19	18.89	0.162	0.328	YES	0.041
France	721.00	1560.90	18.54	0.014	0.006	YES	0.127
Germany	790.09	1304.64	18.88	0.015	0.010	YES	0.162
Hong Kong	980.33	1153.99	11.80	0.018	0.014	YES	0.126
Ireland	38.78	66.92	15.84	1.097	0.663	YES	0.074
Italy	249.11	613.60	12.79	0.082	0.055	YES	0.096
Japan	3458.56	3498.94	9.77	0.006	0.003	YES	0.079
Netherlands	135.89	467.16	21.28	0.102	0.240	YES	0.138
New Zealand	93.56	31.57	8.02	0.509	0.257		
Norway	195.94	184.92	14.47	0.132	0.165	YES	0.054
Portugal	60.44	74.35	9.99	0.451	0.759	YES	0.051
Singapore	523.56	316.77	9.86	0.043	0.037	YES	0.105
Spain	149.22	598.18	14.28	0.150	0.161	YES	0.107
Sweden	351.78	375.00	22.58	0.041	0.020	YES	0.067
Switzerland	226.72	827.65	15.58	0.069	0.080	YES	0.080
United Kingdom	1551.11	2451.36	20.73	0.007	0.006	YES	0.237
United States	6585.50	15 002.80	28.15	0.002	0.001	YES	0.270
<i>Panel B: Emerging Markets</i>							
Argentina	76.44	42.23	2.00	0.272	0.255	YES	0.072
Brazil	238.06	430.31	7.82	0.126	0.141	YES	0.115
Chile	174.28	138.97	5.44	0.215	0.158	YES	0.040
China	1561.61	1894.06	3.83	0.035	0.014	YES	0.195
Colombia	48.11	76.93	0.72	1.179	NA		

Czech Republic	37.22	30.04	10.23	0.931	1.897		
Egypt	150.67	46.81	3.26	0.388	NA		
Greece	260.56	107.52	9.51	0.093	0.066	YES	0.035
Hungary	35.78	21.42	16.81	0.439	0.298		
India	1711.72	698.03	8.11	0.012	0.008	YES	0.083
Indonesia	338.61	167.03	7.55	0.079	0.095		
Israel	371.78	100.13	3.43	0.085	0.092		
Korea Republic	1416.33	627.99	11.25	0.015	0.013	YES	0.057
Malaysia	850.22	245.36	6.11	0.030	0.021		
Mexico	116.56	215.49	8.37	0.270	0.302	YES	0.155
Pakistan	226.28	29.14	2.23	0.181	NA		
Peru	103.06	36.57	1.30	0.408	0.303		
Philippines	207.06	83.20	6.16	0.112	0.133		
Poland	271.00	100.09	13.75	0.122	0.061	YES	0.104
Russia	229.72	484.81	1.69	0.120	NA		
South Africa	324.11	293.82	11.76	0.086	0.052	YES	0.050
Sri Lanka	166.83	7.60	4.89	0.330	NA		
Taiwan	1238.94	565.07	9.18	0.031	0.022	YES	0.048
Thailand	446.33	155.65	4.61	0.051	0.051		
Turkey	261.28	137.45	7.71	0.094	0.105		
Developed median			14.80	0.061	0.065		0.096
Emerging median			6.16	0.120	0.094		0.072
World median			9.97	0.093	0.085		0.082

Table A-II. Changes in portfolio weights around an expansion event

Observations are “eventually treated” firm and source country pairs, where for each pair, the firm establishes a subsidiary in the country for the first time *within* the sample period and after its year of listing. The expansion event year (Year 0) is the first subsidiary establishment year. The variable w_{iSt} is the weight of firm i in the host-country portfolio held by funds from source country S in year t . The variable \bar{w}_{it}^{NL} is the average of w_{iSt} for the set of source countries where firm i has *no* subsidiary link in year t . The final column report the t -tests comparing w_{iSt} and \bar{w}_{it}^{NL} .

	No. of firm- country pairs	w_{iSt}	\bar{w}_{it}^{NL}	t -statistics
Year -10	9861	0.403	0.390	0.772
Year -9	12 015	0.383	0.395	-0.881
Year -8	14 436	0.390	0.385	0.440
Year -7	17 395	0.359	0.366	-0.662
Year -6	20 682	0.364	0.362	0.173
Year -5	23 825	0.347	0.365	-1.917
Year -4	28 042	0.348	0.359	-1.314
Year -3	32 616	0.357	0.361	-0.478
Year -2	37 099	0.381	0.371	1.342
Year -1	41 386	0.370	0.361	1.350
Year -0	44 310	0.390	0.348	3.990
Year +1	42 250	0.383	0.357	2.034
Year +2	39 289	0.404	0.364	2.987
Year +3	35 781	0.411	0.374	2.718
Year +4	32 344	0.409	0.377	1.786
Year +5	28 858	0.426	0.386	2.025
Year +6	25 790	0.460	0.396	2.939
Year +7	22 544	0.459	0.410	2.187
Year +8	19 092	0.472	0.409	2.564
Year +9	16 088	0.504	0.445	2.158
Year +10	13 454	0.524	0.436	2.994

*, ** and *** indicate significance at the 10, 5, and 1% levels, respectively.

Table A-III. Foreign expansions and portfolio preferences: foreign vs domestic funds

Observations are firm-years, and for Columns 1 to 3 (4 to 6) include only firms that report subsidiaries (foreign sales) information. The dependent variable is one of the following: \bar{w}_{it}^F (Columns 1 and 4), w_{it}^D (Columns 2 and 5), and $\bar{w}_{it}^F - w_{it}^D$ (Columns 3 and 6), where \bar{w}_{it}^F is the weight of firm i in the host-country portfolio of foreign funds (computed as the average across all source countries), w_{it}^D is the weight of firm i in the host-country portfolio of domestic funds. *Foreign Locations* is the number of foreign countries (among the sample source countries) where a firm has a subsidiary in a given year, scaled by total assets. This is constructed from the subsidiary establishment data. *Foreign Sales* is the proportion of a firm's total revenue derived from foreign operations (obtained from Worldscope). *MSCI*, *Foreign Listing*, *IFRS*, and *Analyst* are the indicator variables for whether, in a given year, a firm is an MSCI All Country World Index constituent, has securities cross-listed in a foreign stock market, follows the International Financial Reporting Standards, and has analyst following, respectively. *Size* is the natural logarithm of total assets in US dollars. *Turnover* is the total trading volume in a year scaled by the number of issued shares. *Book-to-Market* is the ratio of the book value of equity to market capitalization. *Momentum* is the cumulative monthly stock return in a given year. *Dividend Yield* is the sum of all cash dividends per share in a year divided by the stock price at the beginning of the fiscal year. *Debt* is the ratio of total debt to total assets. *Volatility* is the standard deviation of monthly returns. Clustered standard errors are shown in parentheses.

	Foreign funds	Domestic funds	Difference	Foreign funds	Domestic funds	Difference
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Foreign Locations</i>	0.378*** (0.082)	0.279*** (0.060)	0.043* (0.023)			
<i>Foreign Sales</i>				0.064*** (0.020)	0.035** (0.015)	0.029* (0.015)
<i>MSCI</i>	0.285*** (0.035)	0.191*** (0.027)	0.081** (0.028)	0.254*** (0.035)	0.017** (0.007)	0.064** (0.026)
<i>Foreign Listing</i>	0.058*** (0.013)	0.030*** (0.009)	0.008 (0.008)	0.042*** (0.012)	0.016** (0.007)	0.011 (0.007)
<i>IAS</i>	0.098 (0.069)	-0.019 (0.060)	0.094 (0.059)	0.074 (0.090)	-0.034 (0.063)	0.122 (0.064)
<i>Analyst</i>	0.010 (0.007)	0.012*** (0.004)	-0.009*** (0.003)	-0.006 (0.006)	0.003 (0.004)	-0.009*** (0.004)
<i>Size</i>	0.046*** (0.005)	0.036*** (0.004)	0.004 (0.003)	0.049*** (0.007)	0.037*** (0.004)	0.003 (0.005)
<i>Turnover</i>	-0.131 (0.090)	-0.029 (0.061)	-0.148** (0.065)	-0.114 (0.116)	0.070 (0.086)	-0.229** (0.091)
<i>Book-to-Market</i>	-0.047*** (0.005)	-0.036*** (0.004)	-0.003 (0.002)	-0.051*** (0.006)	-0.036*** (0.004)	-0.006*** (0.002)
<i>Momentum</i>	0.021*** (0.003)	0.022*** (0.003)	-0.004*** (0.002)	0.023*** (0.004)	0.023*** (0.004)	-0.003 (0.002)
<i>Dividend Yield</i>	0.006 (0.165)	-0.283 (0.128)	0.114 (0.120)	-0.120 (0.197)	-0.249 (0.160)	0.065 (0.153)
<i>Leverage</i>	-0.019** (0.009)	-0.009 (0.006)	-0.006 (0.005)	-0.014 (0.010)	-0.002 (0.006)	-0.011 (0.007)
<i>Volatility</i>	-0.092*** (0.017)	-0.073*** (0.013)	-0.001 (0.008)	-0.105*** (0.023)	-0.079*** (0.018)	-0.012 (0.009)
Types of fixed effects:						
Firm + host × year	YES	YES	YES	YES	YES	YES
No. of observations	406,894	392,454	392,454	291,308	282,872	282,872

*, ** and *** indicate significance at the 10, 5, and 1% levels, respectively.

Table A-IV. Establishment of foreign subsidiaries and firm weights in foreign funds' portfolios - Alternative portfolio measures
Observations are firm, year, and source country combinations, and include only firm-years with subsidiary information. This table consider alternative constructions of the main portfolio weight variable, w_{iSt} (the weight of firm i in host-country portfolio held by funds from source country S in year t). In Column 1, the dependent variable is w_{iSt} , but calculated by averaging the weight of firm i in the host-country portfolios of *individual* funds from source country S in year t . In Column 2, the dependent variable is w_{iSt} , but calculated using the *fund manager's location* to define whether a fund originates from country S . In Column 3, the dependent variable is an indicator for whether funds from source country S hold shares in firm i in year t . In Column 4, the dependent variable is w_{iSt} , but excludes all observations where w_{iSt} is equal to zero. In Column 5, the dependent variable is the number of funds from S that hold firm i in year t . In Column 6, the dependent variable is the same as that in Column 5, but exclude cases of zero holdings. In Columns 7 and 8, the dependent variable is $w_{iSt} - w_{it}^M$ (portfolio bias) and $w_{iSt} - w_{it}^{MF}$ (free-float adjusted portfolio bias), where w_{it}^M (w_{it}^{MF}) is market capitalization (free-float market capitalization) weight of firm i . The specifications in Columns 7 and 8 follow Equation ??, which incorporate firm fixed effects and source-country \times year fixed effects, and the following control variables (not reported). *MSCI*, *Foreign Listing*, *IFRS*, and *Analyst* are the indicator variables for whether, in a given year, a firm is a MSCI All Country World Index constituent, has securities cross listed in a foreign stock market, follows the International Financial Reporting Standards, and has analyst following, respectively. *Size* is the natural logarithm of total assets in US dollars. *Turnover* is the total trading volume in a year scaled by the number of issued shares. *Book-to-Market* is the ratio of the book value of equity to market capitalization. *Momentum* is the cumulative monthly stock return in a given year. *Dividend Yield* is the sum of all cash dividends per share in a year divided by the stock price at the beginning of the fiscal year. *Debt* is the ratio of total debt to total assets. *Volatility* is the standard deviation of monthly returns. Clustered standard errors are shown in parentheses.

	Simple average weight (1)	Fund location = Manager location (2)	Holding indicator (3)	Portfolio weight, excluding zeros (4)	Number of funds (5)	Number of funds, excluding zeros (6)	Portfolio bias (7)	Free-float adjusted portfolio bias (8)
<i>Post Expansion</i>	0.087*** (0.033)	0.020*** (0.008)	0.008*** (0.002)	0.091** (0.023)	0.034*** (0.005)	0.019*** (0.006)	0.020*** (0.004)	0.024*** (0.005)
Types of fixed effects:								
Firm \times year + firm \times source + source \times year	YES	YES	YES	YES	YES	YES		
No. of observations	9,953,553	9,883,854	9,953,553	1,687,386	9,953,553	1,687,386	9,739,789	7,532,045

*, **, and *** indicate significance at the 10, 5, and 1% levels, respectively.

Table A-V. Establishment of foreign subsidiaries and firm weights in foreign funds' portfolios - Alternative specifications
 Observations are firm, year, and source country combinations, and include only firm-years with subsidiary information. The dependent variable is w_{iSt} , or the weight of firm i in the host-country portfolio held by funds from source country S in year t , except in Column 2, where it is calculated as the weight of firm i in the global foreign-firm portfolio of funds from source country S in year t . *Post Expansion* is an indicator variable for whether firm i owns a subsidiary in source country S in year t . *Listing in Source Country* is an indicator variable for whether firm i has a secondary listing in source country S in year t . Clustered standard errors are shown in parentheses.

	Other ways of constructing <i>Post Expansion</i>							
	Controlling for industry preferences (1)	Controlling for country-pair relationships (2)	Controlling for specific source-country cross-listings (3)	Excluding currently/ previously listed subsidiaries (4)	Using only acquisition years to date expansions (5)	Using only incorporation years to date expansions (6)	Excluding expansions dated by BvD entry years (7)	Using only BvD entry years to date expansions (8)
<i>Post Expansion</i>	0.032*** (0.008)	0.051** (0.024)	0.031*** (0.013) -0.007 (0.011)	0.029*** (0.008)	0.020** (0.010)	0.028*** (0.011)	0.034*** (0.009)	0.017** (0.007)
<i>Listing in Source Country</i>								
Types of fixed effects:			YES	YES	YES	YES	YES	YES
Firm × year + firm × source + source × year								
Firm × year + firm × source + source × industry × year	YES							
Firm × year + firm × source + source × host × year		YES						
No. of observations	9,930,681	9,953,553	9,953,553	9,948,213	9,953,553	9,953,553	9,864,986	7,536,164

*, **, and *** indicate significance at the 10, 5, and 1% levels, respectively.

Table A-VI. Establishment of foreign subsidiaries and firm weights in foreign funds' portfolios - Alternative geographic subsamples

Observations are firm, year, and source country combinations. The dependent variable is w_{ist} , or the weight of firm i in the host-country portfolio held by funds from source country S in year t . *Post Expansion* is an indicator variable for whether firm i owns a subsidiary in source country S in year t . In Column 1, w_{ist} is computed by excluding all offshore funds, which are those domiciled in Ireland, Lichtenstein, Luxembourg, and other tax-haven islands and micro-nations. In Columns 2 to 5, some of the following countries are excluded from the set of source countries: CN, DE, HK, IE, NL, MX, SG, US, and UK, which indicate China, Germany, Hong Kong, Ireland, the Netherlands, Mexico, Singapore, the US, and the UK, respectively. In Columns 6 to 9, developed and emerging equity markets are classified according to the MSCI index classification in a given year. Clustered standard errors are shown in parentheses.

	Excluding offshore funds (1)	Excluding IE as source country (2)	Excluding HK, IE, NL, SG as source country (3)	Excluding US as source country (4)	Excluding US, UK, CN, DE, MX as source country (5)	Host countries = Developed equity markets (6)	Host countries = Emerging equity markets (7)	Both host and source countries are EU members (8)	Host or source country is not a EU member (9)
<i>Post Expansion</i>	0.027*** (0.008)	0.030*** (0.008)	0.019** (0.009)	0.029*** (0.008)	0.034*** (0.010)	0.027*** (0.007)	0.056* (0.033)	0.044* (0.024)	0.029*** (0.008)
Types of fixed effects:									
Firm × year + firm × source + source × year	YES	YES	YES	YES	YES	YES	YES	YES	YES
No. of observations	9,586,345	9,586,345	8,412,351	9,638,214	8,612,103	7,602,452	2,350,684	997,627	8,951,013

*, **, and *** indicate significance at the 10, 5, and 1% levels, respectively.

Table A-VII. Establishment of foreign subsidiaries and firm weights in foreign funds' portfolios – different fund types

Observations are firm, year, and source country combinations. The dependent variable is w_{iSt} , or the weight of firm i in the host-country portfolio held by a particular category of funds from source country S in year t . In Column 1, the construction of w_{iSt} excludes domestic focused funds, defined as those with at least 50% of their portfolios allocated to home-country (country S) stocks. In Column 2, w_{iSt} is constructed using only the holdings of these domestic focused funds. In Column 3, the construction of w_{iSt} excludes country funds, defined as those (from country S) with at least 50% of their portfolio allocated to investing in the host country (the country of firm i). In Column 4, w_{iSt} is constructed using only the holdings of these country funds. In Column 5 (Column 6), w_{iSt} is computed using only newly established (mature) funds, defined as those reporting their first holding less than 3 years (at least 3 years) before year t . *Post Expansion* is the indicator variable for whether firm i owns a subsidiary in source country S in year t . Clustered standard errors are shown in parentheses.

	Excluding domestic focused funds (1)	Including only domestic focused funds (2)	Excluding country funds (3)	Including only country funds (4)	New funds estab- lished < 3 years (5)	Mature funds es- tablished ≥ 3 years (6)
<i>Post Expansion</i>	0.027*** (0.007)	0.013 (0.015)	0.029*** (0.009)	0.023*** (0.009)	0.009 (0.008)	0.025*** (0.007)
Types of fixed effects:						
Firm × year + firm × source + source × year	YES	YES	YES	YES	YES	YES
No. of observations	9,918,312	6,049,463	9,499,245	7,129,412	9,953,553	9,953,553

*, ** and *** indicate significance at the 10, 5, and 1% levels, respectively.

Table A-VIII. Establishment of foreign subsidiaries and firm weights in foreign funds' portfolios - Alternative firm subsamples

Observations are firm, year, and source country combinations. The dependent variable is w_{ist} , or the weight of firm i in the host-country portfolio held by funds from source country S in year t . *Post Expansion* is an indicator variable for whether firm i owns a subsidiary in source country S in year t . The sub-sample in Column 1 excludes firms that do not have any foreign subsidiary in a given year. In Column 2, "eventually treated" firm and source country pairs involve cases where a firm establishes the first subsidiary in a foreign country *within* the sample period and after its year of listing. In Column 3, the regression model exclude firm-year observations where the total fund ownership (that is, the sum of the percentage holdings of all domestic and foreign funds investing in firm i) is greater than 50%. In Column 4, this threshold is further reduced to 20%. Clustered standard errors are shown in parentheses.

	Excluding firm-years with no foreign subsidiaries (1)	Using only "eventually treated" firm-source- country pairs (2)	Excluding firm-years with fund ownership > 50% (3)	Excluding firm-years with fund ownership > 20% (4)
<i>Post Expansion</i>	0.034*** (0.009)	0.022* (0.013)	0.032*** (0.008)	0.028*** (0.009)
Types of fixed effects:				
Firm \times year + firm \times source + source \times year	YES	YES	YES	YES
No. of observations	5,345,609	606,283	9,811,684	8,242,904

*, ** and *** indicate significance at the 10, 5, and 1% levels, respectively.

Table A-IX. Establishment of foreign subsidiaries and firm weights in foreign funds' portfolios – Factset Lionshares data

Observations are firm, year, and source country combinations. The dependent variable is w_{ist} , or the weight of firm i in the host-country portfolio held by funds from source country S in year t , computed using funds' holding data obtained from Factset Lionshares. *Post Expansion* is the indicator variable for whether firm i owns a subsidiary in source country S in year t . *MSCI*, *Foreign Listing*, *IFRS*, and *Analyst* are the indicator variables for whether, in a given year, a firm is an MSCI All Country World Index constituent, has securities cross-listed in a foreign stock market, follows the International Financial Reporting Standards, and has analyst following, respectively. *Size* is the natural logarithm of total assets in US dollars. *Turnover* is the total trading volume in a year scaled by the number of issued shares. *Book-to-Market* is the ratio of the book value of equity to market capitalization. *Momentum* is the cumulative monthly stock return in a given year. *Dividend Yield* is the sum of all cash dividends per share in a year divided by the stock price at the beginning of the fiscal year. *Debt* is the ratio of total debt to total assets. *Volatility* is the standard deviation of monthly returns. Clustered standard errors are shown in parentheses.

	(1)	(2)	(3)	(4)
<i>Post Expansion</i>	0.027*** (0.005)	0.023* (0.012)	0.028*** (0.006)	0.023*** (0.009)
Types of fixed effects:				
Firm + source × year	YES			
Firm × source + year		YES		
Firm × year + source			YES	
Firm × year + firm × source + source × year				YES
No. of observations	8,356,999	8,356,999	8,555,579	8,555,579

*, ** and *** indicate significance at the 10, 5, and 1% levels, respectively.

Table A-X. Establishment of foreign subsidiaries and firm weights in foreign funds' portfolios – top segments data

Observations are firm, year, and source country combinations. The dependent variable is w_{iSt} , or the weight of firm i in the host-country portfolio held by funds from source country S in year t . *Top Segment* is the indicator variable for whether source country S is one of the segments in the top geographic segment disclosure (obtained from Worldscope) of firm i in year t . This variable is constructed for only firms that report at least one foreign country as a geographic segment. *MSCI*, *Foreign Listing*, *IFRS*, and *Analyst* are the indicator variables for whether, in a given year, a firm is an MSCI All Country World Index constituent, has securities cross-listed in a foreign stock market, follows the International Financial Reporting Standards, and has analyst following, respectively. *Size* is the natural logarithm of total assets in US dollars. *Turnover* is the total trading volume in a year scaled by the number of issued shares. *Book-to-Market* is the ratio of the book value of equity to market capitalization. *Momentum* is the cumulative monthly stock return in a given year. *Dividend Yield* is the sum of all cash dividends per share in a year divided by the stock price at the beginning of the fiscal year. *Debt* is the ratio of total debt to total assets. *Volatility* is the standard deviation of monthly returns. Clustered standard errors are shown in parentheses.

	(1)	(2)	(3)	(4)
<i>Top Segment</i>	0.087*** (0.016)	0.074*** (0.024)	0.076*** (0.020)	0.026* (0.015)
Types of fixed effects:				
Firm + source × year	YES			
Firm × source + year		YES		
Firm × year + source			YES	
Firm × year + firm × source + source × year				YES
No. of observations	1,903,934	1,903,934	1,930,590	1,930,590

*, ** and *** indicate significance at the 10, 5, and 1% levels, respectively.

Table A-XI. Activities of foreign subsidiaries and firm weights in foreign funds' portfolios: robustness checks

Observations are firm, year, and source country combinations. The dependent variable is w_{ist} , or the weight of firm i in the host-country portfolio held by funds from source country S in year t . *Subsidiary Sales in Source Country* is the proportion of firm i 's total revenue in year t accounted for by subsidiaries in source country S . In Columns 1 to 3, this variable are constructed for the 2005-2014 period using subsidiaries with at least 5 years of sales (assets) data and located in European countries (excluding Switzerland). Both variables can only be constructed for observations where a firm has a subsidiary in a country in a given year. In Column 4, *Subsidiary Sales in Source Country* is constructed without the requirement that each subsidiary has at least 5 years of reported sales. In Column 5, the construction of *Subsidiary Sales in Source Country* is expanded to include any available pre-2005 sales data. In Column 6, the construction of *Subsidiary Sales in Source Country* is expanded to include any subsidiaries with sales data located outside of Europe. The specifications in Columns 1 and 2 include but do not report the following control variables. *MSCI*, *Foreign Listing*, *IFRS*, and *Analyst* are the indicator variables for whether, in a given year, a firm is a MSCI All Country World Index constituent, has securities cross listed in a foreign stock market, follows the International Financial Reporting Standards, and has analyst following, respectively. *Size* is the natural logarithm of total assets in US dollars. *Turnover* is the total trading volume in a year scaled by the number of issued shares. *Book-to-Market* is the ratio of the book value of equity to market capitalization. *Momentum* is the cumulative monthly stock return in a given year. *Dividend Yield* is the sum of all cash dividends per share in a year divided by the stock price at the beginning of the fiscal year. *Debt* is the ratio of total debt to total assets. *Volatility* is the standard deviation of monthly returns. Clustered standard errors are shown in parentheses.

	Alternative Specifications			Alternative Constructions of <i>Subsidiary Sales in Source Country</i>		
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Subsidiary Sales in Source Country</i>	0.112** (0.049)	0.140*** (0.038)	0.106* (0.054)	0.094* (0.051)	0.144* (0.083)	0.123** (0.063)
Firm-level controls	YES	YES				
Types of fixed effects:						
Firm + source × year	YES					
Firm × source + year		YES				
Firm × year + source			YES			
Firm × year + firm × source + source × year				YES	YES	YES
No. of observations	189,856	189,856	190,862	209,316	300,594	226,310

*, ** and *** indicate significance at the 10, 5, and 1% levels, respectively.

Table A-XII. Return predictability: robustness checks

Each observation is a firm and year combination. The dependent variable is adjusted subsequent-year return ($r_{i,t+1}$) of firm i . In Columns 1, 2, and 3, the adjustment is based on $5 \times 5 \times 5$ (125) benchmark portfolios sorted on their size, book-to-market, and momentum. In Columns 4 to 7, the sort uses terciles to form $3 \times 3 \times 3$ (27) portfolios. The measure \bar{w}_{it}^L (\bar{w}_{it}^{NL}) is the average (across source countries) of firm i 's weight in the host-country portfolio held by foreign funds from countries linked (not linked) with firm i through a subsidiary presence, w_{it}^D is the weight of firm i in the host-country portfolio of domestic funds. Column 4 examines the portfolio bias measures, computed by subtracting firm i 's market capitalization weight (w_{it}^M) from the above measures. In Columns 2 and 6, $\Delta\bar{w}_{it}^L$, $\Delta\bar{w}_{it}^{NL}$, and Δw_{it}^D are the change in \bar{w}_{it}^L , \bar{w}_{it}^{NL} , and w_{it}^D , respectively, from year $t-1$ to year t . In Columns 3 and 7, *Expansion*, $\bar{w}_{it}^L > \bar{w}_{it}^{NL}$ (*Expansion*, $\bar{w}_{it}^L \leq \bar{w}_{it}^{NL}$) indicates whether firm i makes a cross-border expansion in year t and is over-weighted by "linked" foreign funds by a larger (smaller or equal) margin than by "non-linked" foreign funds. *No Current Expansion* is the indicator variable for the remaining multinational firms that do not expand in year t . All models include but do not report the following control variables. *MSCI*, *Foreign Listing*, *IFRS*, and *Analyst* are the indicator variables for whether, in a given year, a firm is a MSCI All Country World Index constituent, has securities cross listed in a foreign stock market, follows the International Financial Reporting Standards, and has analyst following, respectively. *Size* is the natural logarithm of total assets in US dollars. *Turnover* is the total trading volume in a year scaled by the number of issued shares. *Book-to-Market* is the ratio of the book value of equity to market capitalization. *Momentum* is the cumulative monthly stock return in a given year. *Dividend Yield* is the sum of all cash dividends per share in a year divided by the stock price at the beginning of the fiscal year. *Debt* is the ratio of total debt to total assets. *Volatility* is the standard deviation of monthly returns. The specifications in Columns 1 to 3 are estimated using OLS on the pooled data, with standard errors (reported in parentheses) clustered by firm and year. The specifications in Columns 4 to 6 are estimated using the Fama-MacBeth procedure.

	5 × 5 × 5 benchmark portfolios			Portfolio bias	Fama-MacBeth regressions		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
\bar{w}_{it}^L	0.309*				0.235*		
	(0.165)				(0.129)		
\bar{w}_{it}^{NL}	-0.084				-0.048		
	(0.127)				(0.121)		
w_{it}^D	-0.049		0.177		-0.413		-0.291*
	(0.210)		(0.181)		(0.182)		(0.157)
$\Delta\bar{w}_{it}^L$		0.549**				0.465***	
		(0.184)				(0.145)	
$\Delta\bar{w}_{it}^{NL}$		0.013				0.225	
		(0.242)				(0.178)	
Δw_{it}^D		-0.180				-0.446	
		(0.218)				(0.285)	
$\bar{w}_{it}^L - w_{it}^M$				0.289**			
				(0.140)			
$\bar{w}_{it}^{NL} - w_{it}^M$				0.094			
				(0.128)			
$w_{it}^D - w_{it}^M$				-0.169			
				(0.230)			
<i>Expansion</i> , $\bar{w}_{it}^L > \bar{w}_{it}^{NL}$			0.032***				0.023**
			(0.008)				(0.009)
<i>Expansion</i> , $\bar{w}_{it}^L \leq \bar{w}_{it}^{NL}$			0.018**				0.014
			(0.007)				(0.013)
<i>No Current Expansion</i>			0.025***				0.021***
			(0.005)				(0.007)
No. of obs.	150,665	145,787	285,419	184,565	184,565	178,561	343,824

*, ** and *** indicate significance at the 10, 5, and 1% levels, respectively.