Online Appendix for

The Geography of Information Acquisition

I. Mutual fund industry in China and regulations on the site visits

The modern era of the Chinese mutual fund industry started in 1997 after the passage of the Tentative Regulation Guidelines for Security Investment Funds. The first closed-end stock fund was established in 1998, and the first open-end stock fund in 2001. From 2002 to 2005, bond funds, money market funds, listed open funds, and exchange-traded funds, among others, all emerged quickly. The total net assets of investment fund industry jumped from 10.4 billion RMB (1.53 billion USD) in 1998 to 9.17 trillion RMB (1.34 trillion USD) in 2016.

The growth of actively managed open-end equity funds and balanced equity funds, or equity funds as a whole, largely parallels the overall growth of the investment fund industry but is also substantially influenced by the ups and downs of the Chinese stock market. For our sample, the number of equity funds increases from 3 in 2001 to 591 by the end of 2016. The total net assets of these funds vary over time. They start at 11.8 billion RMB in 2001, peak at 2.33 trillion RMB during the stock market boom in 2007, and plummet to 1.03 trillion RMB during the market crash in 2008. The ratio of total net assets of equity funds to total market capitalization ranges between 0.3% and 8.5% from 2001 to 2016, and its variation largely mirrors that of the total net assets. As we discuss in Section IV.A, an important reason for the relatively low ownership by equity funds is the high state ownership of publicly listed state-owned companies. These shares are transferable and counted as part of the public float, but are practically not available to the public and are seldom traded in the open market.

Different from the banking industry that is dominated by the large state-owned banks, the Chinese mutual fund industry is highly competitive with high manager turnover. Poor fund performance often leads to manager termination at the fund and further puts the manager's career in the mutual fund industry in jeopardy (Wang and Ko, 2017). Mutual fund companies in China do not publicly disclose fund manager compensation information. Conversations with fund managers and industry sources indicate that most fund managers receive bonus tied to fund investment performance and the bonus component of compensation is at least 50% of total compensation. The bonus-to-salary ratio for Chinese fund managers is similar to or slightly higher than that of US mutual fund managers. For the US mutual fund industry, Ma, Tang, and Gómez (2018) report that the 70% of those mutual funds that disclose compensation information report a bonus-to-salary ratio greater than or equal to 100%. Overall, the threat of dismissal for underperformance and the bonus compensation for outperformance provide a strong incentive for fund managers to acquire information and improve investment performance.

There are several regulations related to site visits. Article 41 of the "Guidelines of Investor Relations Management," issued by SZSE in 2003, states that "listed companies should accommodate the requests from investors, financial analysts, and fund managers to visit the companies or the project site." In August 2006, SZSE issued the "Fair Information Disclosure Guidelines for Listed Companies in the Shenzhen Stock Exchange" ("Disclosure Guidelines"), which establishes detailed regulations on site visits by investors and financial analysts. To standardize the implementation of the Disclosure Guidelines, SZSE issued the "No. 1 Memo on Information Disclosure" in February 2007. This memo specifies the disclosure format of the site visits in the annual financial reports.

II. High-speed railway system in China

The State Council of China first established the Mid-to-Long Term Railway Development Plan in 2004 and issued a revised Plan in 2008. The Plan set the goal of a national HS railway grid composed of four north-south corridors and four east-west corridors with a budget of 4 trillion RMB (or about 571 billion USD). The purpose of this national infrastructure project is to connect the major cities across provinces with faster transportation. The placement of HS railway routes as well as the cities with HS train stations is based on factors such as regional economic development, population, and resource distribution, among others.

Lin (2017) provides a comprehensive institutional background on HS railways in China. According to a survey in the study, about 40% of HS train passengers travel for business purposes. HS railways mainly compete with air travel for long-distance trips and with traditional railways for short lines, and they quickly became the preferred choice for short-to-median distance business travel. Lin (2017) finds a clear increasing trend in ridership for HS railways where the most heavily used are short-to-medium lines connecting two cities such as Beijing-Tianjin (113 km), Shanghai-Nanjing (271 km), and Guangzhou-Shenzhen (109 km). From 2010 to 2014, HS train ridership increases from 300 million to 830 million, and its percentage of ridership among all different transportation modes increases from about 13% in 2010 to about 28% in 2014.

III. Test for pre-existing trends

A potential concern is that the estimated effect is driven by pre-existing trends. To test whether this is the case, we examine the dynamics of the treatment effects by estimating regression

$$\log(1 + \text{Visit}_{i,j,t})$$

$$= \sum_{k=-2}^{+2} \beta_{t+k} \times \text{Treatment}_{i,j,t+k} + \text{FundFamily} \times \text{Firm}$$

$$+ \text{FundFamily} \times \text{Time} + \text{Firm} \times \text{Time} + \epsilon_{i,j,t}.$$

where $Treatment_{i,j,t+k}$ is a dummy variable that equals 1 if the observation is from a treated pair that experiences a travel time reduction k periods from the event, and $k = +2$ indicates time periods more than 2 or more semi-years after the introduction of a high-speed train. Online Appendix Figure A1 reports the estimated coefficients and the corresponding confidence intervals. All estimated coefficients before the treatment events are small and statistically indistinguishable from zero. These results do not suggest that the (untestable) parallel-trend assumption underlying the difference-in-differences estimator is violated. Moreover, the effect on site visits emerges quickly after the introduction of HS trains and persists over more than two years. This indicates that fund managers take advantage of the permanent shock to information acquisition costs to improve their investment by acquiring more private signals.

Reference

Lin, Y. 2017. Travel costs and urban specialization patterns: Evidence from China's high speed railway system. *Journal of Urban Economics* 98:98–123.

Ma, L., Y. Tang, and J Gómez. 2018. Portfolio Manager Compensation in the U.S. Mutual Fund Industry, *Journal of Finance* 74: 587-638

Wang, Y., and K. Ko. 2017. Implications of fund manager turnover in China, *International Review of Economics and Finance* 51: 99-106

Online Appendix Figure A1: Dynamics of treatment effect

This figure plots results from estimating regression

$$log(1 + Visit_{i,j,t})$$

$$= \sum_{k=-2}^{+2} \beta_{t+k} \times Treatment_{i,j,t+k} + FundFamily \times Firm$$

$$+ FundFamily \times Time + Firm \times Time + \epsilon_{i,j,t}.$$

Observations are at the pair–semi-year level, where each pair is a fund family and a firm. $Treatment_{i,j,t+k}$ is a dummy variable that equals 1 if the observation is from a treated pair that experiences a travel time reduction k periods later, and $k = +2$ indicates time periods more than 2 or more semi-years after the introduction of a high-speed train. Standard errors are two-way clustered at the fund family level and the firm's CSRC industry class level, and dashed lines represent 95% confidence intervals.
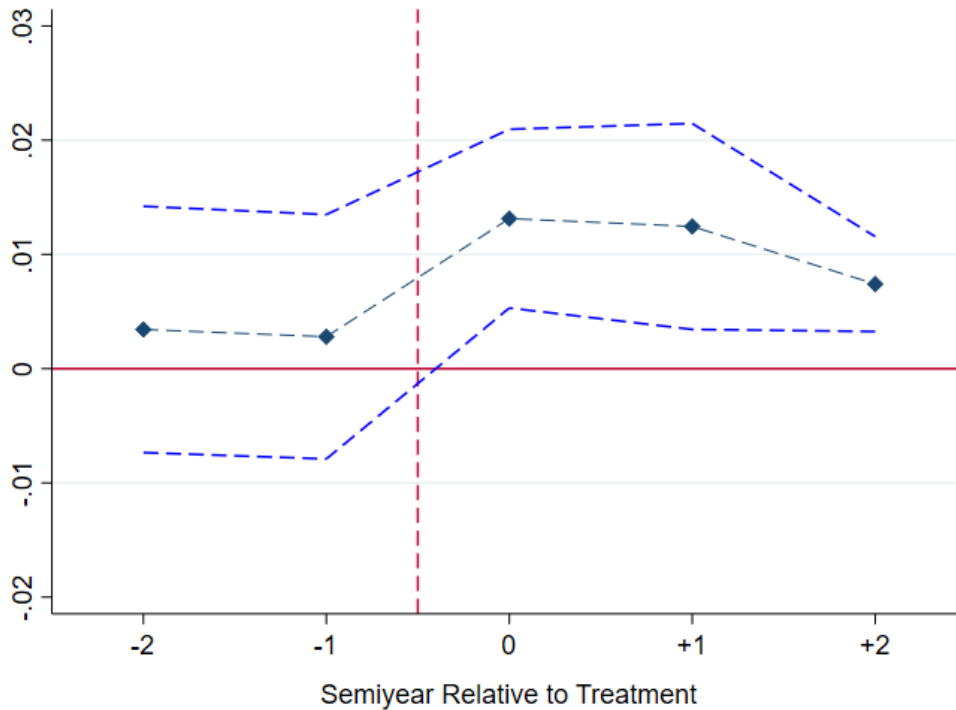
Online Appendix Table A1: Summary statistics

This table presents the summary statistics of fund-family visits and control variables in regressions. The sample include all actively managed equity funds and equity balanced funds in the fund families from January 2007 to June 2017. The fund level holdings are aggregated at the fund-family level every half year. Panel A presents the statistics for the dependent variable in regressions. In panel B, we sort the fund families into 5 groups by their total net assets (TNA), age, and the number of stock holdings in each period, and compute the average number of visits in each period in a group. Group 1 (5) has the least (most) TNA, age, or number of holdings. Panel C presents the statistics of control variables in regressions at the fund-firm half-year level. The variable definitions are provided in Appendix Table A2.

Panel A. Visits	Mean	SD	p5	p50	p95
Fund family visits	53.427	44.637	5.000	42.000	130.000

Panel B. Visits and fund family characteristics					
Group	1	2	3	4	5
TNA	23.0	36.1	49.2	60.0	89.4
AGE	25.7	43.3	49.2	54.8	84.7
# of Holdings	25.7	42.7	49.3	61.4	79.0

Panel C. Control Variables	N	Mean	SD	p5	p50	p95
SIZE	663105	8.693	0.917	7.353	8.618	10.324
ROA	691299	0.070	0.052	0.006	0.063	0.166
SOE	691299	0.287	0.453	0.000	0.000	1.000
AGE	678229	1.517	1.098	-0.539	1.643	2.908
COVERAGE	678753	2.496	1.204	0.000	2.639	4.205
TA_GRO	626617	0.282	0.570	-0.057	0.142	1.026
ABN_RET	659380	0.080	0.366	-0.369	0.019	0.730
SDTEV	662579	0.033	0.015	0.018	0.030	0.056
TURNOVER	663105	3.361	2.610	0.649	2.648	8.525

Online Appendix Table A2: Location and visits excluding Shenzhen funds

This table presents the estimates from a series of OLS regressions. The dependent variable is the logarithm of the number of visits plus one. The sample include all actively managed equity funds and equity balanced funds in the fund families from January 2007 to June 2017. The fund level holdings are aggregated at the fund family level every half year. Different definitions of local areas are used. A firm is considered as local for a fund family if the distance between their cities is 0 km, is less than 100 km, and is less than 200 km. Fund families located in Shenzhen are excluded. Columns 1-3 present the results for stocks that are initially held by fund families. Columns 4-6 present the results for stocks that are not initially held by fund families. The variable definitions are provided in Appendix Table A2. The t-values are reported in parentheses. The standard errors are clustered at the fund-family×firm-city level. ***, **, and * correspond to statistical significance at the 1%, 5%, and 10% levels, respectively.

	With initial position			Without initial position		
	1	2	3	4	5	6
	0	<100	<200	0	<100	<200
LOCAL	0.102***	0.091***	0.070***	0.066***	0.057***	0.043***
	(16.77)	(17.20)	(14.31)	(14.23)	(15.47)	(14.58)
HOLDING	7.334***	7.336***	7.289***			
	(17.28)	(17.30)	(17.25)			
SIZE	0.004	0.004	0.003	0.009***	0.009***	0.009***
	(1.48)	(1.49)	(1.44)	(12.80)	(12.79)	(12.84)
ROA	0.120***	0.120***	0.117***	0.056***	0.056***	0.056***
	(3.74)	(3.72)	(3.64)	(6.56)	(6.56)	(6.58)
SOE	-0.002	-0.001	-0.002	0.000	0.000	0.000
	(-0.38)	(-0.36)	(-0.44)	(0.17)	(0.15)	(0.18)
AGE	-0.016***	-0.016***	-0.016***	-0.006***	-0.006***	-0.006***
	(-6.79)	(-6.78)	(-6.74)	(-10.47)	(-10.46)	(-10.49)
COVERAGE	0.003*	0.003*	0.003*	0.004***	0.004***	0.004***
	(1.77)	(1.77)	(1.88)	(11.97)	(11.96)	(11.93)
TA_GRO	0.001	0.001	0.001	-0.000	-0.000	-0.000
	(0.36)	(0.38)	(0.32)	(-0.24)	(-0.23)	(-0.22)
ABN_RET	0.019***	0.019***	0.020***	0.013***	0.013***	0.013***
	(4.51)	(4.51)	(4.62)	(10.55)	(10.55)	(10.53)
STDEV	0.388	0.395	0.394	0.436***	0.436***	0.436***
	(1.30)	(1.33)	(1.33)	(6.16)	(6.16)	(6.17)
TURNOVER	-0.005***	-0.005***	-0.005***	-0.002***	-0.002***	-0.002***
	(-4.49)	(-4.57)	(-4.50)	(-8.97)	(-8.95)	(-8.97)
Fund-family×time	Yes	Yes	Yes	Yes	Yes	Yes
Firm-city×time	Yes	Yes	Yes	Yes	Yes	Yes
N	58932	58932	58932	406919	406919	406919
Adj. R^2	0.093	0.093	0.094	0.051	0.051	0.051

Online Appendix Table A3: Location and unique visits

This table presents the estimates from a series of OLS regressions. The dependent variable is the logarithm of the number of unique visits plus one. The sample include all actively managed equity funds and equity balanced funds in the fund families from January 2007 to June 2017. The fund level holdings are aggregated at the fund family level every half year. Different definitions of local areas are used. A firm is considered as local for a fund family if the distance between their cities is 0 KM, is less than 100 KM, and is less than 200 KM. A visit is defined as a unique visit in month t if a fund family visits the firm in month t, and has not visited the same firm from month $t-12$ to $t-1$. Columns 1-3 present the results for stocks that are initially held by fund families. Columns 4-6 present the results for stocks that are not initially held by fund families. The variable definitions are provided in Appendix Table A2. The t-values are reported in parentheses. The standard errors are clustered at the fund-family×firm-city level. ***, **, and * correspond to statistical significance at the 1%, 5%, and 10% levels, respectively.

	With initial position			Without initial position		
	1	2	3	4	5	6
	0	<100	<200	0	<100	<200
LOCAL	0.031***	0.029***	0.026***	0.035***	0.031***	0.026***
	(8.50)	(9.50)	(11.20)	(20.00)	(21.99)	(21.35)
HOLDING	3.147***	3.139***	3.127***			
	(12.26)	(12.23)	(12.18)			
SIZE	-0.003*	-0.002*	-0.002*	0.003***	0.003***	0.003***
	(-1.73)	(-1.71)	(-1.70)	(7.24)	(7.25)	(7.26)
ROA	0.040**	0.040*	0.039*	0.040***	0.040***	0.040***
	(1.96)	(1.96)	(1.95)	(6.57)	(6.57)	(6.56)
SOE	0.000	0.000	0.000	0.001	0.001	0.001
	(0.14)	(0.16)	(0.11)	(0.88)	(0.87)	(0.90)
AGE	-0.007***	-0.007***	-0.007***	-0.004***	-0.004***	-0.004***
	(-4.27)	(-4.26)	(-4.28)	(-10.34)	(-10.33)	(-10.33)
COVERAGE	0.000	0.000	0.000	0.002***	0.002***	0.002***
	(0.16)	(0.17)	(0.23)	(6.66)	(6.66)	(6.65)
TA_GRO	0.002	0.002	0.002	0.001	0.001	0.001
	(1.44)	(1.45)	(1.41)	(1.56)	(1.57)	(1.59)
ABN_RET	0.016***	0.016***	0.016***	0.009***	0.009***	0.009***
	(5.20)	(5.21)	(5.19)	(9.48)	(9.47)	(9.49)
STDEV	-0.172	-0.170	-0.164	0.217***	0.216***	0.216***
	(-0.94)	(-0.92)	(-0.89)	(4.38)	(4.36)	(4.36)
TURNOVER	-0.003***	-0.003***	-0.003***	-0.001***	-0.001***	-0.001***
	(-4.45)	(-4.50)	(-4.50)	(-9.26)	(-9.24)	(-9.25)
Fund-family×time	Yes	Yes	Yes	Yes	Yes	Yes
Firm-city×time	Yes	Yes	Yes	Yes	Yes	Yes
N	73286	73286	73286	516702	516702	516702
Adj. R^2	0.036	0.036	0.036	0.030	0.030	0.030

Online Appendix Table A4: Location and repeat visits

This table presents the estimates from a series of OLS regressions. The dependent variable is the logarithm of the number of repeat visits plus one and the sample contains observations of all mutual fund visits (the visit sample). The fund level holdings are aggregated at the fund family level every half year. Different definitions of local areas are used. A firm is considered as local for a fund family if the distance between their cities is 0 km, is less than 100 km, and is less than 200 km. A visits is defined as a repeat visit if a fund family had visited the same firm over the preceding 12-month period. Columns 1-3 present the results for stocks that are initially held by fund families. Columns 4-6 present the results for stocks that are not initially held by fund families. The variable definitions are provided in Appendix Table A2. The t-values are reported in parentheses. The standard errors are clustered at the fund-family×firm-city level. ***, **, and * correspond to statistical significance at the 1%, 5%, and 10% levels, respectively.

	With initial position			Without initial position		
	1	2	3	4	5	6
	0	<100	<200	0	<100	<200
LOCAL	0.089***	0.083***	0.072***	0.088***	0.084***	0.075***
	(7.60)	(8.03)	(8.73)	(13.58)	(15.29)	(16.56)
HOLDING	8.196***	8.155***	8.127***			
	(8.89)	(8.83)	(8.79)			
SIZE	0.023***	0.023***	0.023***	0.040***	0.040***	0.040***
	(3.04)	(3.04)	(3.05)	(13.36)	(13.45)	(13.50)
ROA	0.252***	0.252***	0.243***	0.139***	0.136***	0.140***
	(2.81)	(2.81)	(2.71)	(3.48)	(3.41)	(3.50)
SOE	-0.010	-0.009	-0.012	-0.011**	-0.012**	-0.011**
	(-0.81)	(-0.79)	(-1.03)	(-2.35)	(-2.40)	(-2.33)
AGE	-0.017**	-0.017**	-0.017**	-0.007**	-0.007**	-0.007**
	(-2.47)	(-2.52)	(-2.43)	(-2.48)	(-2.49)	(-2.56)
COVERAGE	0.021***	0.021***	0.021***	0.029***	0.029***	0.029***
	(4.21)	(4.20)	(4.25)	(17.27)	(17.23)	(17.19)
TA_GRO	-0.016*	-0.015*	-0.016*	-0.009***	-0.009***	-0.009***
	(-1.95)	(-1.84)	(-1.91)	(-2.96)	(-3.03)	(-3.00)
ABN_RET	-0.007	-0.008	-0.008	0.014**	0.015**	0.015***
	(-0.63)	(-0.64)	(-0.68)	(2.54)	(2.57)	(2.62)
STDEV	2.312***	2.306***	2.264***	2.185***	2.182***	2.214***
	(3.14)	(3.13)	(3.05)	(7.56)	(7.53)	(7.66)
TURNOVER	-0.001	-0.001	-0.001	-0.002*	-0.002*	-0.002*
	(-0.32)	(-0.35)	(-0.26)	(-1.67)	(-1.65)	(-1.67)
Fund-family×time	Yes	Yes	Yes	Yes	Yes	Yes
Firm-city×time	Yes	Yes	Yes	Yes	Yes	Yes
N	13340	13340	13340	41196	41196	41196
Adj. R^2	0.127	0.127	0.128	0.104	0.105	0.106

Online Appendix Table A5: Company visits and fund trading: Alternative timing definitions

This table presents the estimates from a series of ordinary least squares regressions. The sample includes all actively managed equity funds and equity balanced funds in the fund families from January 2007 to June 2017. The fund-level holdings are aggregated at the fund-family level every half year. Three definitions of local areas are used. A firm is considered local for a fund family if the distance between their cities is 0 kilometers (km), less than 100 km, or less than 200 km. In panel A, the sample includes stocks that have at least one visit from all fund families in the first 2-month of each half-year; the dependent variable is the absolute value of holding change of mutual funds over the same half-year; *Visits* is the number of visits in the first 2-month of each half-year period. In panel B, the sample includes stocks that have at least one visit from all funds in the last 2-month; the dependent variable is the absolute value of holding change of mutual funds over the next half-year; *Visits* is the number of visits in the last 2-month of each half-year period. Columns 1–3 present the results for stocks that are initially held by fund families. Columns 4–6 present the results for stocks that are not initially held by fund families. The variable definitions are provided in Appendix Table A.2. The *t*-values are reported in parentheses. The standard errors are clustered at the fund-family×firm-city level. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

Panel A. First 2-month visits and contemporaneous trading

	With initial position			Without initial position		
	1	2	3	4	5	6
	0	<100	<200	0	<100	<200
LOCAL	-0.007	-0.003	0.004	0.001	0.000	-0.000
	(-1.02)	(-0.50)	(0.82)	(0.62)	(0.17)	(-0.07)
VISITS	0.100***	0.100***	0.099***	0.024***	0.024***	0.024***
	(11.76)	(11.75)	(11.74)	(10.41)	(10.43)	(10.44)
SIZE	0.082***	0.082***	0.082***	0.015***	0.015***	0.015***
	(19.97)	(19.97)	(19.97)	(21.29)	(21.29)	(21.29)
ROA	0.132**	0.132**	0.131**	0.055***	0.055***	0.055***
	(2.42)	(2.42)	(2.40)	(6.16)	(6.16)	(6.16)
SOE	-0.022***	-0.022***	-0.021***	-0.001	-0.001	-0.001
	(-3.56)	(-3.55)	(-3.55)	(-1.41)	(-1.41)	(-1.41)
AGE	0.008**	0.008**	0.008**	-0.001**	-0.001**	-0.001**
	(2.31)	(2.31)	(2.32)	(-1.98)	(-1.98)	(-1.97)
COVERAGE	0.009***	0.009***	0.009***	0.003***	0.003***	0.003***
	(3.27)	(3.27)	(3.29)	(8.92)	(8.92)	(8.92)
TA_GRO	0.001	0.001	0.001	-0.000	-0.000	-0.000
	(0.29)	(0.29)	(0.29)	(-0.02)	(-0.02)	(-0.02)
ABN_RET	0.055***	0.055***	0.055***	0.010***	0.010***	0.010***
	(7.08)	(7.07)	(7.07)	(6.02)	(6.02)	(6.02)
STDEV	1.973***	1.974***	1.976***	0.128*	0.128*	0.128*
	(4.89)	(4.90)	(4.91)	(1.82)	(1.82)	(1.82)
TURNOVER	-0.005***	-0.005***	-0.005***	-0.000	-0.000	-0.000
	(-3.90)	(-3.91)	(-3.92)	(-1.21)	(-1.21)	(-1.21)
Fund-family×time	Yes	Yes	Yes	Yes	Yes	Yes
Firm-city×time	Yes	Yes	Yes	Yes	Yes	Yes
N	42953	42953	42953	241012	241012	241012
Adj. R^2	0.304	0.304	0.304	0.078	0.078	0.078

Panel B. Last 2-month visits and next half-year trading

	With initial position			Without initial position		
	1	2	3	4	5	6
	0	<100	<200	0	<100	<200
LOCAL	0.012*	0.010*	0.015***	0.002	0.001	0.001
	(1.91)	(1.69)	(3.24)	(1.18)	(1.03)	(1.16)
VISITS	0.078***	0.078***	0.078***	0.046***	0.046***	0.046***
	(9.52)	(9.52)	(9.44)	(16.99)	(16.99)	(16.99)
SIZE	0.072***	0.072***	0.072***	0.026***	0.026***	0.026***
	(21.54)	(21.54)	(21.54)	(29.95)	(29.95)	(29.96)
ROA	0.142***	0.142***	0.141***	0.063***	0.063***	0.063***
	(2.90)	(2.90)	(2.89)	(5.98)	(5.98)	(5.98)
SOE	-0.023***	-0.023***	-0.023***	-0.003***	-0.003***	-0.003***
	(-4.56)	(-4.56)	(-4.56)	(-2.79)	(-2.79)	(-2.79)
AGE	0.000	0.000	0.000	-0.002***	-0.002***	-0.002***
	(0.00)	(0.00)	(0.01)	(-2.99)	(-2.99)	(-2.99)
COVERAGE	0.012***	0.012***	0.012***	0.007***	0.007***	0.007***
	(4.93)	(4.93)	(4.95)	(17.07)	(17.07)	(17.08)
TA_GRO	0.002	0.002	0.002	-0.001	-0.001	-0.001
	(0.44)	(0.43)	(0.44)	(-1.28)	(-1.28)	(-1.28)
ABN_RET	0.093***	0.093***	0.093***	0.021***	0.021***	0.021***
	(13.61)	(13.61)	(13.60)	(14.86)	(14.86)	(14.86)
STDEV	2.347***	2.347***	2.357***	0.571***	0.571***	0.571***
	(7.38)	(7.38)	(7.40)	(7.84)	(7.84)	(7.84)
TURNOVER	-0.013***	-0.013***	-0.013***	-0.001***	-0.001***	-0.001***
	(-11.51)	(-11.51)	(-11.52)	(-5.82)	(-5.82)	(-5.82)
Fund-family×time	Yes	Yes	Yes	Yes	Yes	Yes
Firm-city×time	Yes	Yes	Yes	Yes	Yes	Yes
N	44080	44080	44080	289690	289690	289690
Adj. R^2	0.182	0.182	0.183	0.072	0.072	0.072

Online Appendix Table A6: Visits and trading for stocks initially held

This table presents the estimates from a series of ordinary least squares regressions. The dependent variable is the absolute value of holding change of mutual funds. The sample is the stocks that are initially held. The fund-level holdings are aggregated at the fund-family level every half year. Three definitions of local areas are used. A firm is considered local for a fund family if the distance between their cities is 0 kilometers (km), less than 100 km, or less than 200 km. Columns 1–3 present the results if the holding change is positive. Columns 4–6 present the results if the holding change is negative. The variable definitions are provided in Appendix Table A.2. The *t*-values are reported in parentheses. The standard errors are clustered at the fund-family×firm-city level. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	Buy			Sell		
	1	2	3	4	5	6
	0	<100	<200	0	<100	<200
LOCAL	-0.026**	-0.021**	-0.006	-0.000	0.004	0.004
	(-2.58)	(-2.21)	(-0.85)	(-0.02)	(0.78)	(0.91)
VISITS	0.103***	0.103***	0.102***	0.066***	0.066***	0.066***
	(10.81)	(10.79)	(10.72)	(11.28)	(11.23)	(11.27)
SIZE	0.082***	0.082***	0.082***	0.068***	0.068***	0.068***
	(14.75)	(14.74)	(14.71)	(22.59)	(22.60)	(22.59)
ROA	0.087	0.087	0.088	0.100***	0.099***	0.099***
	(1.22)	(1.22)	(1.23)	(2.63)	(2.63)	(2.62)
SOE	-0.028***	-0.028***	-0.028***	-0.010**	-0.010**	-0.010**
	(-3.30)	(-3.30)	(-3.29)	(-2.53)	(-2.52)	(-2.53)
AGE	-0.009*	-0.009*	-0.009*	0.015***	0.015***	0.015***
	(-1.87)	(-1.87)	(-1.88)	(5.90)	(5.90)	(5.90)
COVERAGE	-0.000	-0.000	-0.000	0.011***	0.011***	0.011***
	(-0.05)	(-0.05)	(-0.05)	(6.00)	(6.01)	(6.03)
TA_GRO	-0.001	-0.001	-0.001	-0.004	-0.004	-0.004
	(-0.26)	(-0.27)	(-0.25)	(-1.46)	(-1.46)	(-1.46)
ABN_RET	0.051***	0.051***	0.051***	0.031***	0.031***	0.031***
	(4.68)	(4.69)	(4.70)	(5.60)	(5.59)	(5.59)
STDEV	1.574***	1.568***	1.582***	2.497***	2.499***	2.500***
	(2.68)	(2.67)	(2.70)	(8.56)	(8.57)	(8.58)
TURNOVER	-0.007***	-0.007***	-0.007***	-0.004***	-0.004***	-0.004***
	(-3.56)	(-3.56)	(-3.62)	(-4.21)	(-4.21)	(-4.21)
Fund-family×time	Yes	Yes	Yes	Yes	Yes	Yes
Firm-city×time	Yes	Yes	Yes	Yes	Yes	Yes
N	18076	18076	18076	52962	52962	52962
Adj. R^2	0.408	0.408	0.408	0.330	0.330	0.330

Online Appendix Table A7: Visit, trading, and stock performance: Alternative timing definitions

This table presents the performance of stock portfolios based on mutual fund trading activities and site visits. At the end of each month *j* within a period *t*, we sort all stocks visited by fund families in month *j* into 5 portfolios based on whether the stock is held by the fund family at the beginning of period *t*, and how the fund family trades the firm's stock in period *t or t+1*. We examine both the equally weighted and value weighted portfolio performance over months *j+1 to j+3*, using the size and book-to-market adjusted abnormal returns. We present the results based on the full sample, the sample of local and non-local stocks, and the sample of initially held and not held stocks. Returns are in percentage points. A firm is considered as local for a fund family if the distance between their cities is less than 100 km. In panel A, we use the visit sample in the first 2-month in period *t*, and the trading information is based on the holding change in period *t*. In panel B, we use the visit sample in the last 2-month in period *t*, and the trading information is based on the holding change in period *t+1*. The *t*-values are reported in parentheses. ***, **, and * correspond to statistical significance at the 1%, 5%, and 10% levels, respectively.

Panel A. First 2-month visits, contemporaneous trading, and 3-month adjusted return

	Without initial position			With initial position				
	1	2	3	4	5	6	7	8
EW	Buy	No Act	1-2	Buy	Sell	No Act	4-5	1-4
Full Sample	3.107***	-0.344	3.451*	1.997	-3.190**	-0.498	5.188***	1.109
	(3.60)	(-0.22)	(1.96)	(1.68)	(-2.37)	(-0.14)	(2.89)	(0.75)
Local	5.322***	6.129	-0.807	3.358	-0.605	-0.897	3.963	1.963
	(2.75)	(0.74)	(-0.10)	(1.67)	(-0.34)	(-0.08)	(1.47)	(0.70)
Non-Local	2.296**	-1.684**	3.980***	1.941	-3.698**	-1.301	5.639***	0.356
	(2.23)	(-2.22)	(3.11)	(1.56)	(-2.58)	(-0.37)	(2.97)	(0.22)
VW	Buy	No Act	1-2	Buy	Sell	No Act	4-5	1-4
Full Sample	3.258***			1.989	-3.553**		5.542***	1.269
	(3.62)			(1.65)	(-2.41)		(2.91)	(0.84)
Local	5.128***			3.318	-0.790		4.108	1.810
	(2.75)			(1.67)	(-0.45)		(1.54)	(0.66)
Non-Local	2.424**			1.941	-3.946**		5.887***	0.484
	(2.33)			(1.54)	(-2.57)		(2.96)	(0.30)

Panel B. Last 2-month visits, next period trading, and 3-month adjusted return

	Without initial position			With initial position				
	1	2	3	4	5	6	7	8
EW	Buy	No Act	1-2	Buy	Sell	No Act	4-5	1-4
Full Sample	5.510***	0.092	5.418***	2.139**	-1.442**	-1.331	3.581***	3.371**
	(4.13)	(0.12)	(3.54)	(2.27)	(-2.04)	(-1.28)	(3.04)	(2.07)
Local	5.296**	-1.020	6.316***	0.479	-0.208	-1.193	0.687	4.817
	(2.71)	(-1.15)	(2.95)	(0.20)	(-0.16)	(-0.64)	(0.26)	(1.58)
Non-Local	5.542***	0.121	5.421***	2.432***	-1.820**	-1.594	4.252***	3.110*
	(3.79)	(0.15)	(3.26)	(2.75)	(-2.48)	(-1.39)	(3.70)	(1.82)
VW	Buy	No Act	1-2	Buy	Sell	No Act	4-5	1-4
Full Sample	5.688***			2.374**	-1.455**		3.830***	3.314*
	(4.07)			(2.09)	(-2.07)		(2.87)	(1.84)
Local	5.430**			0.766	-0.071		0.836	4.664
	(2.71)			(0.33)	(-0.05)		(0.31)	(1.51)
Non-Local	5.532***			2.741**	-1.911**		4.651***	2.791
	(3.80)			(2.57)	(-2.61)		(3.60)	(1.55)

Online Appendix Table A8: Unique and repeat visits, trading, and stock performance

This table presents the performance of stock portfolios based on mutual fund trading activities and site visits. At the end of each month *j* within a period *t*, we sort all stocks visited by fund families in month *j* into 5 portfolios based on whether the stock is held by the fund family at the beginning of period *t*, and how the fund family trades the firm's stock in period *t*. We examine both the equally weighted and value weighted portfolio performance over months *j+1 to j+3*, using the size and book-to-market adjusted abnormal returns. We present the results based on the full sample, the sample of local and non-local stocks, and the sample of initially held and not held stocks. Returns are in percentage points. A firm is considered as local for a fund family if the distance between their cities is less than 100 km. A visit is defined as a unique (repeat) visit in month *t* if a fund family visits the firm in month *t*, and has not visited (visited) the same firm from month *t-12* to *t-1*. The *t*-values are reported in parentheses. ***, **, and * correspond to statistical significance at the 1%, 5%, and 10% levels, respectively.

Panel A. 3-month adjusted return post unique visits

	Without initial position			With initial position				
	1	2	3	4	5	6	7	8
EW	Buy	No Act	1-2	Buy	Sell	No Act	4-5	1-4
Full Sample	2.691***	0.270	2.421**	1.954***	-1.248*	-2.449	3.201***	0.737
	(3.89)	(0.38)	(2.45)	(2.64)	(-1.73)	(-1.33)	(3.10)	(0.73)
Local	2.759**	3.761	-1.001	1.713	-1.254	-4.092	2.967*	1.046
	(2.52)	(0.86)	(-0.22)	(1.29)	(-1.11)	(-0.78)	(1.71)	(0.61)
Non-Local	2.503***	-0.310	2.813***	2.156***	-1.431*	-1.154	3.587***	0.347
	(3.59)	(-0.69)	(3.38)	(2.85)	(-1.94)	(-0.71)	(3.40)	(0.34)
VW	Buy	No Act	1-2	Buy	Sell	No Act	4-5	1-4
Full Sample	2.820***			2.344***	-1.344*		3.688***	0.477
	(4.06)			(3.20)	(-1.68)		(3.39)	(0.47)
Local	2.782**			1.791	-1.005		2.796	0.991
	(2.55)			(1.34)	(-0.85)		(1.57)	(0.57)
Non-Local	2.675***			2.537***	-1.523*		4.060***	0.137
	(3.87)			(3.35)	(-1.90)		(3.68)	(0.13)

Panel B. 3-month adjusted return post repeat visits

	Without initial position			With initial position				
	1	2	3	4	5	6	7	8
EW	Buy	No Act	1-2	Buy	Sell	No Act	4-5	1-4
Full Sample	3.550***	1.024	2.526*	1.827**	0.064	-3.400	1.763*	1.724
	(3.41)	(1.03)	(1.75)	(2.60)	(0.07)	(-1.36)	(1.51)	(1.37)
Local	4.828***	-0.611	5.438***	3.959***	0.862	2.938	3.097*	0.869
	(3.48)	(-0.68)	(3.29)	(3.17)	(0.68)	(0.67)	(1.74)	(0.47)
Non-Local	2.891***	1.008	1.883***	1.256*	-0.249	-4.633*	1.504	1.636
	(2.63)	(0.96)	(1.24)	(1.75)	(-0.27)	(-1.72)	(1.29)	(1.25)
VW	Buy	No Act	1-2	Buy	Sell	No Act	4-5	1-4
Full Sample	3.621***			1.724**	-0.115		1.839	1.898
	(3.43)			(2.44)	(-0.12)		(1.57)	(1.49)
Local	4.774***			3.920***	0.734		3.186*	0.854
	(3.36)			(3.28)	(0.58)		(1.83)	(0.46)
Non-Local	3.012***			1.180	-0.382		1.562	1.831
	(2.71)			(1.65)	(-0.41)		(1.34)	(1.39)