Hiding in Plain Sight: The Global Implications of Manager Disclosure

Richard B. Evans
University of Virginia

Pedro Matos
University of Virginia
ECGI

Miguel Ferreira
Nova School of Business and Economics
CEPR
ECGI

Michael Young
University of Missouri

First Draft: December, 2020
This Draft: June, 2021

_____

Richard B. Evans: University of Virginia, Darden School of Business, P.O. Box 6550, Charlottesville, VA 22906-6550, USA. Phone: +1-434-924-4030. E-mail: evansr@darden.virginia.edu. | **Miguel Ferreira**: Nova School of Business and Economics, Campus Carcavelos, Rua Holanda, 1, Carcavelos, Portugal. E-mail: Miguel.ferreira@novasbe.pt | **Pedro Matos**: University of Virginia, Darden School of Business, P.O. Box 6550, Charlottesville, VA 22906-6550, USA. Phone: +1-434-243-8998. E-mail: matosp@darden.virginia.edu | **Michael Young**: University of Missouri, Robert J. Trulaske, Sr. College of Business, Columbia, MO 65211, USA. Phone: +1-716-361-9759. E-mail: myoung@missouri.edu.

Hiding in Plain Sight: The Global Implications of Manager Disclosure

Abstract: Given the potential for agency conflicts in delegated asset management, and the constant push for disclosure by regulators, we examine a clear potential source of agency conflicts in the mutual fund industry: anonymously managed mutual funds. Using a global sample of mutual funds, we find that 17% of funds worldwide, excluding the US, and 22% of emerging market funds do not disclose the names of their management team. Anonymously managed funds significantly underperform, have lower active share, return gap, tracking error, and higher r2 than funds with named managers. They are more frequent in families with cooperative structures, and in bank affiliated funds. Further examining fund performance and activity around changes in SEC disclosure regulation, we find that both performance and fund activity increases following new regulation that required disclosure of manager names. This is important, as it provides evidence that the underperformance of anonymous teams is related to the disincentive brought on by anonymous management, and not solely due to less skilled managers being kept anonymous.

1.   Introduction

The potential for agency conflicts have long been at the heart of delegated asset management (Spatt, 2005). Both in the US, and globally, regulators often propose new disclosure requirements on the part of funds as a solution to these conflicts. Coming out of the Great Depression, increasing disclosure was one of the main motivations underlying the introduction of the Investment Company Act of 1940. Similarly, in the aftermath of the Global Financial Crisis, the overarching theme of the resulting regulation worldwide was a further push for increased disclosure. In response to the crisis, the US passed the Dodd-Frank Act which proposed increased disclosure for almost every segment of the US financial industry.[1] The EU introduced The Markets in Financial Instruments Directive (MiFID) in January of 2007 increasing disclosure, the EU further expanded disclosure requirements by passing MiFID II in January of 2018. This trend of increased disclosure has numerous other examples in Canada[2], China[3] and elsewhere.

The mutual fund literature has documented various examples of agency conflicts: risk-shifting (Brown, Harlow, and Starks, 1996)), market timing (Zitzewitz, 2003)), cross subsidization (Gaspar, Massa, and Matos, 2006), commissions (Edelen, Evans, and Kaldec, 2011), and sub-advising (Moreno, Rodriguez, and Zambrana, 2018), to name a few. Considering both the push for increased disclosure over the past decade, and the potential for agency conflicts inherent in the mutual fund industry, the high rate of anonymously managed funds worldwide is surprising. At the end of 2015, we find that 17% of global mutual funds, excluding the US[4], did not disclosure the name of their fund manager(s). The goal of our paper is to better understand the motivations for keeping managers anonymous, and the implications of anonymous management.

To better understand the trade-off on naming a fund manager it is useful to consider a two-step decision-making process. In the first step, fund families make the decision whether to share credit with

---

[1]The text of the act actually uses the word 'disclosure' 226 times.

[2] The Canadian Securities Administrators introduced new regulation requiring "Fund Fact Sheets" to be posted on fund websites and be provided to investors before the purchase of a fund.

[3] In his 2008 annual report, the Chairman of the China Securities Regulatory Commission (CSRC) made a point of noting that China's regulatory bodies must intensify the protection of the rights and interests of shareholders.

[4] In 2004 the SEC introduced new regulations requiring the disclosure of management team members in US domiciled funds

managers and disclose their names or keep them anonymous. In the second step, managers determine their level of effort based on the family's decision to share credit or keep the manager anonymous. If the family decides to keep the manager(s) anonymous, they will choose a lower level of effort. As the fund family likely factors in the potential responses by managers, their initial decision must be optimized over the costs and benefits of keeping managers anonymous.

In prior work on the topic, Massa, Reuter, and Zitzewitz (2010) argue that the fund families keep their managers anonymous to retain bargaining power, as managers that cannot claim ownership of their record have less ability to pursue outside options. They further argue that if the incentive from credit sharing is larger than optimal pay-for-performance, then a fund family may respond by keeping managers anonymous. Finally, examining comment letters around a 2004 SEC disclosure rule, fund families further argued that for large teams, disclosing all members (including fund analysts), would be burdensome and had the potential to overload investors with information.[5]

While families may benefit from the decision to not disclose manager names, the potential costs are clear. Foremost among these is the potential for managers to exert less effort when they cannot claim ownership of their performance record. Moreno, Rodriguez, and Zambrano (2018) provide evidence for this, and show that sub-advised funds perform worse the sub-advisor's name is not included in the name of the fund. Other potential costs include the inability of funds to use the names of successful managers when marketing funds, and the possibility that some investors prefer funds with named managers (Massa et al.,2010).

To start our examination of anonymously managed mutual funds, we employ what to our knowledge, is one of the most comprehensive databases of global mutual funds and management teams. We start with a global sample of mutual funds that covers 1995 to 2015. To identify the management team

---

[5] U.S. Securities and Exchange Commission, "Comments on Proposed Rule: Disclosure Regarding Portfolio Managers of Registered Management Investment Companies" [Release Nos. 33-8396; 34-49398; IC-26383; File No. S7-12-04] https://www.sec.gov/rules/proposed/s71204.shtml.

structure, we use manager history from Morningstar Direct. We identify the names of each member of the management team every month over the course of the fund's history. Any fund that is described as "Team Managed" or we are unable to determine the names of a manager, is then classified as anonymous. While our focus is anonymous funds, in additional tests we also separate named funds into solo managed funds, and team managed funds, and control for the size of team managed funds. In total, our sample is comprised of 26,967 funds across 32 countries.

Before we examine the performance of anonymous teams, it is instructive to understand their prevalence, and the differences across countries. In general, the prevailing trend across our sample has been a reduction in the percentage of TNA that anonymous teams represent. Even with this trend, as of 2015 we still see large variation in the percentage of anonymous teams, both across continents, and within regions (see Figure 1a). We see very few anonymous teams in the U.S.[6] and Canada, 0% and 2% of total fund assets, respectively. Whereas anonymous teams are much more prevalent in Europe. In Germany, Switzerland, Austria, and Portugal anonymous funds are common, and represent between 18% and 50% of total industry assets. Conversely, Sweden, Norway, France, and Finland are more similar to North America in terms of manager disclosure, and all have less than 5% of all fund assets represented by anonymous teams. We see a similar variation in Asia as well. In the last year of the sample, anonymous funds represent 17% and 47% of total fund assets in Hong Kong and Singapore, respectively, while we do not see any anonymous funds in China. As a part of studying the performance, and implications of anonymous teams, we also examine the factors that contribute to the within, and cross-country variation in anonymous teams.

Our first test of anonymous teams examines their performance, relative to those with named manager(s). Using four-factor alpha as our measure of fund performance we find that across global, ex-US, and regional samples, that anonymous teams significantly underperform their named counterparts. Economically, it is also large, as it represents and under-performance of 0.84% per annum. Excluding the U.S., we again find a significant under-performance of 0.42% per annum of anonymous funds. This result

---

[6] A SEC rule change in 2004 required U.S. domiciled mutual funds to disclose the name of all fund managers

is similar to the 0.58% underperformance of sub-advised funds from Moreno et al. (2018). These initial results treat solo and team managed funds as the same, as long as their manager or management teams are disclosed. While the previous literature on solo vs team management is mixed (Patel and Sarkissian, 2017), we further show that underperformance results on anonymous teams remains if we explicitly separate solo and team managed funds.

Massa et al. (2010) show that the decision to name a manager is a strategic choice on the part of the fund family. While our initial tests control for traditional fund variables, our cross-country sample allows us to explore fund family, country level regulatory, and cultural factors that may play a role in the decision to keep managers anonymous. We find that anonymous funds are more likely to appear in fund families that are more cooperative (Evans et al. 2020), and those that are bank affiliated (Ferreira et al., 2018). Further, anonymous funds are more likely in common law countries, and less likely in those with high levels of disclosure in securities markets. Finally, anonymous teams are more prevalent in countries that rank higher (lower) on the Hofstede Power (Individualism) index. As it is possible that these factors may also affect fund performance, we repeat our initial tests with these additional controls, and continue to find a significant under performance of anonymous teams.

The underperformance of anonymous teams represents a clear cost of strategic obfuscation to the fund family, and its investors. To better understand the possible source of this under-performance we employ 4 common measures of manager activity and effort: active share, tracking error (Cremers and Petajisto, 2009), return gap (Kacperczyk, Sialm, and Zheng, 2008), and R-squared (Amihud and Goyenko, 2013). Consistent with increased agency costs that result from anonymous managers not receiving public credit for fund performance, we find that anonymous funds exhibit lower active share, return gap, and tracking error, and a higher R-squared. Taken together, the results here present clear evidence that anonymous fund management is associated with lower activity and effort.

Choi et al. (2016) propose a model of investor learning, where mutual fund investors use the performance of a manager's other fund(s), to inform their future capital allocation decisions. If fund families

are responding to this mechanism by keeping their less skilled managers anonymous, it could explain the poor performance of anonymous teams we observe. To test for this possibility, we examine the performance of anonymous funds around a 2004 SEC ruling that forced US fund families to disclose the names of all members of the management team. This includes 163 funds that were anonymous prior to the rule change and were required to name their managers following the regulation change. Examining the performance of these anonymous teams around this plausibly exogenous change in disclosure, we find that anonymous funds under-perform in both periods, but that funds experience a significant increase in their performance once the managers are no longer anonymous. Further, we also find a significant decrease in R-squared, and a significant increase in return gap following the SEC rule change. Taken together these results are evidence that manager skill is not the sole driver of the under-performance, and agency costs from anonymity also affects fund performance and manager behavior.

Finally, we examine flows to anonymous funds to determine if investors, conditional on performance, differentiate their flows to funds based on the disclosure of the manager. Thus far we have focused on the fund manager and the fund family. If investors prefer

Our paper contributes to the implication of mutual fund structures and presence of agency conflicts. We show that the disincentives that arise from anonymous management lead to poor fund performance and less effort on the part of managers. Results around SEC regulation provide further evidence that going from anonymous to named increases manager effort and fund performance. Massa et al. (2010) study anonymous management and conclude that fund families keep manager anonymous to retain bargaining power. Using a global sample of funds, we build on this result, and highlight the costs associated with anonymous management.

Our paper also adds to the mutual fund literature on the implication of fund management team structures. The literature on the performance implications of team versus solo managed funds has generally delivered mixed results (Chen, Hong, Huang, and Kubrik, 2004; Massa, Reuter, and Zitzewitz, 2010; Bar, Kempf, and Ruenzi, 2011; Paten and Sarkissian, 2017). Our results provide evidence that the disclosure of

the management team has a larger effect on performance than the number of fund managers. The underperformance of anonymous teams is also similar to Moreno et al. (2018)'s finding that performance of sub-advised funds increases when a co-branding strategy better aligns incentive of the fund family and the contracted fund manager.

With the continued reach for increased disclosure in global markets, our paper also helps to inform policy decisions by regulators. Where asset managers may push back against increased disclosure, our results provide evidence that regulatory focus on disclosure is able to counteract the agency costs that arise from anonymous fund management teams and increase the welfare for retail mutual fund investors. Importantly, as the SEC estimated in 2004 during their rule making process that manager disclosure would have a compliance cost of only an estimated \$804 per fund[7], it is difficult to argue that this type of disclosure represents undue costs to fund families.

The remainder of the paper proceeds as follows. Section 2 outlines the incentives to keep managers anonymous. Section 3 outlines the data and Section 4 presents the main results. Section 5 further explores regulatory changes. Section 6 examines flows to anonymous funds, and Section 7 concludes.

2. Why keep managers anonymous?

In this section, we examine the different reasons why funds may keep management team members anonymous, and identify the costs and benefits associated with that decision. The first channel, and the one that has been directly studied, is that by keeping the names of fund managers anonymous, Massa et al. (2010) argue that it allows funds to limit the bargaining power of successful managers. By keeping the name of the fund manager anonymous, the firm benefits, as successful managers are unable to extract rents, in the form of increased compensation or starting their own fund and capitalize on their good performance. In contrast to the potential benefits from keeping anonymous managers, there are clear costs from this strategy as well. Most significantly, if fund managers are anonymous and cannot claim credit for fund

---

[7] More on the 2004 SEC disclosure rule can be found here: https://www.sec.gov/rules/final/33-8458.htm#P214_66902

performance, there may be less incentive to exert effort, and fund performance will suffer. Additionally, as Massa et al. (2010) argue, if the incentives from credit sharing are larger than optimal pay-for-performance, it will lead to inefficient risk sharing between the manager and the fund family.

Another possible reason for keeping the fund managers anonymous is that fund families know their managers' skill and may be placing their less skilled managers in anonymous funds. In this case, keeping less skilled managers anonymous will limit the amount of information available when investors make their capital allocation decisions. This channel is a form of strategic obfuscation where funds limit the ability of investors to learn and earn higher profits. Ellison and Ellison (2009) describe obfuscation as practices that frustrate consumer search or make it less damaging to firms. In their setting, obfuscation occurs when firms make it difficult to search for price. In our setting, if funds are making it difficult for investors to search for the manager of the fund, this may allow firms to limit the ability of investors to find negative information about the fund manager(s). Choi et al. (2016) introduce a model of investor learning, whereby investors use the performance of a manager in one of their other funds, to make investment decisions about a separate fund with the same manager. If fund families are able to make this search more difficult, not allowing investors to identify the past performance of managers, then from Roussanov et al. (2020) we know this will benefit managers and lower welfare for the investor.

While theoretical literature on the motivation for anonymous management is limited, we are able to gain additional insight into the motivations of fund families using their comment letters around a 2004 SEC ruling that required manager disclosure. While firms were generally accepting of the regulation, many argued that only the "top" managers of a fund should be disclosed. Examples of this include Goldman Sachs arguing that only "investment team leaders" be disclosed, while T. Rowe Price and the Investment Company Institute (ICI) believe that only those managers managing 20% and 10% of fund assets, respectively, should be disclosed. In arguing for limited disclosure, firms proposed that naming junior managers or analysts would "overload the investor with information or make disclosure less meaningful" if it was placed in the prospectus.

In contrast to these arguments made by investment companies, in their 2011 Global Fund Investor Experience Survey, Morningstar outlines the reasons that opaqueness with regards to the management team, only benefits the fund, and not the investors. In their report, Morningstar argue that by not reporting members of the management team, investors are not able to properly track the performance record of managers, or identify manager turnover, which may be a sign of stability issues at the fund. Finally, in his comment around the proposed disclosure rule, John Bogle noted that the industry had moved away from the governing principals of the Investment Company Act, and that "mutual funds must be "organized, operated, and managed" in the interest of the shareowners, rather than the interest of managers and distributors.""

3. Data

To start the process of classifying teams into our three categories of solo, team with names, and anonymous, we download fund manager name data from Morningstar. We use Morningstar Direct as previous papers have shown the names and team types to be more accurate than those found in CRSP and Morningstar Principia. As Patel and Sarkissian (2017) show, Morningstar Direct correctly identifies U.S. management structures 96% of the time, compared to only 77% and 83% for CRSP and Morningstar Principia, respectively. Additionally, the paper further shows that this misclassification causes an underestimation of between 40 and 50 basis points of the impact of teams on fund performance. For each fund, Morningstar reports the start and end date for each manager over the fund's history in the "Manager History" variable. From this, we separate each manager, and identify their start and end date at the fund. Next, we fill this panel monthly, such that we have a fund-manager-month panel. With this in hand we are able to determine for each month in the fund's history the number of fund managers (*Solo* or *Team with names*), or if no manager name was reported (*Anonymous*).

With this in hand we then match this panel to the Lipper global mutual fund database using ISIN, CRSP, then country specific identifiers for Canada, China, and South Korea. The database has previously been used by Ferreira et al. (2013) and, Ferreira, Matos and Pires (2018). Similar to Ferreira et al. (2013),

we exclude all offshore funds (e.g., funds domiciled in Luxembourg or Ireland), fund-of-funds, closed-end funds, index funds, and ETFs. Finally, we conduct our main tests on the primary share class of each fund. This results in a final sample that covers 1995 to 2015, and 26,067 funds from 32 countries. In Table 1, as a percentage of global fund-month observations, anonymous teams represent 10.9% of all observations. Solo managed funds, and teams with manager names reported, represent 50.8% and 23.8% of fund-month observations respectively. Table 2 further details the breakdown of team type by country, as both a percentage of the number of funds, and a percentage of total country assets, across the sample period.

Figure 1a shows the prevalence of anonymous teams across countries, as a percentage of total net assets, at the end of our sample period (2015) and it varies considerably across the world[8]. In general, North America and Asia have much lower rates of anonymously managed funds (except for Hong Kong and Singapore). There is a large variation across countries with Scandinavian countries rank in the top, whereas Germany, Switzerland, and Austria rank at the bottom, in terms of disclosure.

Figure 1b further examines how disclosure has changed over time. Consistent with Patel and Sarkissian (2017), we that team managed funds become more popular in the US over the course of our sample. Additionally, anonymous teams drop to zero after 2005. This is driven by the 2004 regulatory change that mandated the disclosure of fund manager names. Examining the world, excluding the US, we also observe a trend away from solo management. However, after excluding the US, it is clear that anonymous teams are much more prevalent across the world.

4. Main Results

In this section we start by examining the performance of anonymous management teams. We define the variable *Anonymous as a* dummy that is equal one if we are not able to identify the name of the fund manager(s) in the Morningstar data, and zero otherwise. To measure abnormal fund performance, we use a four-factor alpha, where the asset pricing factors are created based on global regions. Following prior

---

[8] We further examine these differences in Section 4.1.

literature, we include as control variables the fund flows, expense ratio, load, fund and family size, the percent of index funds in the family, and a dummy variable that identifies closet index funds. Additionally, we use country and date fixed effects in all models. Consistent with Ferreira et al. (2013), we exclude offshore funds, index funds, and fund of funds.

Table 3 presents base regressions of management disclosure and fund performance. In Panel A of Table 3 we use the fund four-factor alpha, where the asset pricing factors are created based on global regions, as our measure of fund performance. Column 1 of Table 3 uses the full sample of funds from 1995 to 2015. Consistent with our initial hypothesis, that a lack of disclosure is associated with worse performance, we find a significant underperformance of anonymous funds. The coefficient on the *Anonymous* dummy is -0.071 and significant at the one percent level. On an annual basis, this is equivalent to anonymous funds underperforming non-anonymous funds by roughly 0.84% per year. In Column 2 we repeat this test, but exclude all US domiciled funds, and again find a negative and significant coefficient on the *Anonymous* dummy. In Columns 3 to 5 we further split our sample by global sub-samples. Here we use North America, Europe, and emerging markets as our main groupings. In both North America and Europe, we again find a negative a significant coefficient on the anonymous team dummy. In Column 5 of Panel A, we find a negative but insignificant coefficient in the emerging market sample[9]. In Panel B of Table 3 we repeat our tests from Panel A, using benchmark adjusted fund returns as the dependent variable. Consistent with Panel A, we again find that anonymous funds underperform across all sub-samples, with the exception of emerging markets. Overall, the results in Table 3 provide clear evidence that anonymous fund management teams significantly underperform their named peers.

While the previous literature results are somewhat mixed, much of the team/manager performance studies have focused on the difference between solo and team managed funds. In Table 3 we account for this and instead of only examining anonymous funds, we include a *Solo* and *Team w Names* dummies into the regressions to further compare the performance of anonymous funds. In Columns 1 and 2 of Table 4 we

---

[9] We identify emerging markets using the MSCI ACWI index. More can be found here: https://www.msci.com/acwi

include the *Solo* dummy in the main regression from Table 3. For both the full sample in Column 1, and the ex-US sample in Column 2, the under-performance of anonymous teams remains significant. Interestingly, we find a negative and significant coefficient on the solo managed teams in both samples as well. In Columns 3 and 4 we include a *Team w Names* identifier and again find that the coefficient on the *Anonymous* dummy remains negative and significant. Finally, in Columns 5 and 6, we separate the *Team w Names* variable into small and large teams. We define small teams as those with less than 5 members, and large teams with five or more members. Consistent with Patel and Sarkissian (2017) we find that large teams outperform solo teams and small teams. Additionally, the coefficient on the *Anonymous* variable remains unaffected. Taken together, Tables 3 and 4 provide evidence that anonymous fund management is associated with underperformance.

4.1 Non-disclosure determinants

As much of the previous literature on teams and performance has focused on the distinction between solo and team managed funds, it is important for us to understand the family, and country level factors that affect the decision to keep the manager team anonymous. As the SEC required US funds to disclose manager names starting in October 2004, we exclude all US funds from this regression. In all models we include fund size, family size and the percentage of family TNA that is index funds. We also use region fixed effects, as country fixed effects would subsume our country level predictors. Across all columns, we find that smaller fund families and those with a larger share of index funds are more likely to keep their management team anonymous. In Column 1 of Table 5 we focus on the competitive environment inside the family. To do this, we follow Evans et al. (2019) to define a dummy variable *cooperative* that takes the value of 1 if a fund family is defined as cooperative, and 0 otherwise. As we do not have the portfolio manager contract data that Evans et al. (2019) use, we rely on their other three measures to define the fund family as either cooperative or competitive. Namely, fund manager overlap, number of managers per fund, and percentage of solo funds. In Column 1 of Table 5, as well as each additional column, we find a positive a significant coefficient on the cooperative dummy. This is consistent with idea that fund families that foster more cooperative environments are more likely to have managers that remain anonymous. In

Column 2 of Table 4 we further examine bank affiliated funds. As Ferreira, Matos and Pires (2018) show, bank affiliated funds significantly underperform as a result of increased agency costs. Consistent with the potential agency cost that arises from anonymously managed teams, we show that bank affiliated funds are significantly more likely to have anonymously managed teams.

Next, we look at country level regulatory factors that may affect team disclosure. Here we use data from La Porta, Lopez-de-Silanes, and Shleifer (2006) to identify variables that are mostly closely related to the disclosure of manager names. First, we identify a *Common Law* dummy that takes the value of one if the country uses a common law system. La Porta et al. (1997) argue that common law countries provide the most protection for shareholders and creditors. In Column 3 of Table 5 we show that anonymous teams are more likely in common law countries. Potentially a sign that increased investor protection allows firms to keep managers anonymous, as investors know they are protected against mismanagement. Further examining securities regulation, we use liability, public enforcement, and disclosure indices from La Porta, Lopez-de-Silanes, and Shleifer (2006). While do not find any association between increased liability or public enforcement and anonymous teams, we do find that anonymous teams are significantly less likely in countries with higher disclosure environments. If mutual fund investors are accustomed to more transparency from financial institutions, it is consistent that fund families would not keep their fund managers anonymous.

Finally, we test whether cultural factors may affect the disclosure decision. Here we use the power and individualism measure from the Hofstede Cultural Dimensions. We use these two measures as they both relate directly to the dynamics of teams, the recognition of work and the acceptance of inequalities. If fund families do recognize the potential costs that may arise from anonymously managed funds, their decision to keep managers anonymous is likely to be based expected response by managers. In Column 4 of Table 5, we find that anonymous teams are more prevalent in countries with a higher power distance. As countries with high power distance are more accepting of inequalities, it is consistent that fund families in these countries would be more likely to hide the names of managers. Conversely, we find that countries that rank higher on individualism are less likely to have anonymous teams. As these individualist countries

are defined by people acting more in their own self-interest, it is reasonable that these countries would be more likely to name their fund managers.

In Table 5 we show that there are multiple different family, regulatory, and cultural factors that affect the decision to release the names of fund managers. To account for the possibility that these factors also affect fund performance, in Table 6 we include each of these as additional controls in our main regressions from Table 3. In Columns 1 to 4 of Table 6, we show that even after controlling for the cooperativeness of the fund family, and the bank affiliation, we still find that anonymous funds underperform in both the full sample and the Ex-US sample. Next, we include the country level regulatory controls (common law, liability, public enforcement, disclosure) and cultural dimensions (power, individualism). It is important to note here, that our main regressions include country fixed effects, which would subsume some of these measures, as they are time invariant. In this setting, we use region fixed effects. Similar to the results in Columns 1 to 4, we again find that even after controlling for additional determinants of manager disclosure, the coefficient on the *Anonymous* dummy remains negative and significant at the one percent level.

4.2 Fund activity

The most direct type of agency cost that may arise from anonymous teams is a lack of effort. If the public is not able to determine who is managing their fund, it is easy to see that the manager may be less willing to exert effort when they are not able to claim credit (Massa, Reuter, and Zitzewitz, 2010). To better understand why anonymous teams are underperforming, we examine the possibility that they are expending less effort, or their funds are less active. To do this, we use four traditional measures of fund activity: active share, tracking error (Cremers and Petajisto, 2009), return gap (Kacperczyk, Sialm, and Zheng, 2008), and R-squared (Amihud and Goyenko, 2013). As with our previous performance tests, we run each of these on the full global sample, then an Ex-US sample. In Columns 1 and 2 of Table 7, consistent with anonymous managers exerting less effort, we find that funds that anonymous teams, have a significantly lower active share. Importantly, this is even after controlling for the possibility that the fund is classified as a closet index fund. Next, in Columns 3 and 4, we use return gap to examine the intra-quarter trading activity as an

additional proxy for effort. Again, consistent with reduced effort by anonymous managers, we find a lower return gap. Finally, in further evidence that anonymously managed funds are less likely to deviate from their benchmarks, we find reduced tracking error, and increased r-squares for anonymous funds. Taken together, Table 7 presents clear evidence that reduced effort by anonymous managers is a significant factor in the underperformance of anonymously managed funds, and a clear indication of the agency cost that arises from non-disclosure.

5. SEC Portfolio Manager Disclosure Regulation

In this section, we use the 2004 rule change by the SEC that mandated the disclosure of manager name by US fund families to further examine the cause of the underperformance of anonymously managed funds. If fund families know the skill of their managers or management teams, it is possible that they are placing their worst performing managers in anonymous funds. To further examine this possibility, we use the 2004 SEC rule change with regards to fund disclosures. Starting in October of 2004, the SEC increased the mandated disclosure by US mutual funds[10] (SEC Release Nos. 33-8458; 34-50227). As a part of this increased disclosure, US funds were now required to disclose the name of all fund managers. Using this regulatory shock to disclosure, we are able to test the possibility that fund families are placing their worst performing managers in anonymous funds.

We first identify funds that were anonymous prior to the rule change, and those that were not. As of October 2004, 4.1% of US funds in our sample were anonymous. We identify all funds that were anonymously managed in the month prior to the rule change, then create two variables that will allow us to examine the performance of these funds: *Anonymous-Pre* and *Anonymous-Post*. *Anonymous-Pre* is a dummy variable that takes the value of one for anonymous funds prior to the rule change, and zero after the rule change. *Anonymous-Post* is a dummy variable that takes the value of one after the rule change, for funds that were anonymously managed prior to the rule change, and zero before the rule change. In Table 7 we use fund four factor alpha, and benchmark adjusted returns to examine the performance of these funds

---

[10]The full regulation can be found at: https://www.sec.gov/rules/final/33-8458.htm#P60_4661

before and after the disclosure rule. If fund managers are placing their less skilled managers in anonymous funds, and that is driving the under-performance, we would expect the change in regulation to have no impact on fund performance. On the other hand, if the under-performance of anonymous funds is related to agency costs that arise from anonymity, we would expect to see performance improve once fund managers are no longer anonymous. In each Column of Table 8, we find results that are generally consistent with agency cost significant affecting the performance of anonymous funds. While anonymous funds underperform in both periods, we find a significant increase in performance for funds that were anonymous prior to the rule change, once the management teams of these funds were no longer anonymous.

If the change in performance following the SEC rule change is due to shifting incentives of the fund manager, we should also see a change in their behavior. Here we repeat our tests from Table 7, using the same pre- and post-version of the *Anonymous* dummy variables on a sample of only US funds. If manager skill was the only factor driving the under-performance of anonymous teams, we should see no change in the behavior of managers even after they are no longer anonymous. Inconsistent with this, the results in Panel B of Table 8 provide evidence that anonymous managers become more active following the rule change. In Column 1 we see an increase in Active Share and a decrease in r-squared in Column 2. While the difference between the pre- and post- variables, in Column 1 is insignificant, in Column 2 the difference between the pre- and post- variables is significant at the 5% level. Finally, we do not see any difference in active share around the rule change, but we do see a significant increase in return gap once funds are no longer anonymous. Taken together, these results suggest that the underperformance of anonymous teams, is not only due to manager skill.

6. Flows to anonymous funds

To this point, our focus has been on the frictions between the fund manager and the fund family. But it is also important to understand how investors view the decision to keep managers anonymous. If investors do prefer funds with named managers, then the existence of that type continuing in equilibrium would be difficult to understand. In this section we use flows to anonymous funds to

identify if investors, conditioning on performance, exhibit any preference for named or anonymous funds

In Table 9 the dependent variable is percent flow and is defined as the dollar value of net flows to the fund in the current month divided by the previous months total net assets. As with previous test, we run this regression on our full global sample, and then an Ex-US sample of funds. In Table 9, across all specifications we do not find a significant difference in flows to anonymous funds, relative to named funds. This result is important as it provides evidence that investors are not responding to the choice of the fund family to name the manager or keep them anonymous.

7. Conclusion

A large portion of the mutual fund literature focuses on the performance of different management team structures. We explore the implications of anonymous teams on performance and manager activity. Our results show that across all countries and regions, anonymous teams under-perform non-anonymous teams by almost 1% per year. Further examining the causes, anonymous teams have lower active share and return gap, as well as a higher r-squared and lower tracking error.

Further examining the cause of this underperformance using plausibly exogenous regulatory changes, we find evidence that fund families are placing their less skilled managers in anonymous funds, and that agency costs that arise from anonymity both affect anonymous fund performance. Using cross-country variation in securities market regulation we show that increased regulation on disclosure and liability are associated with better performance of anonymous teams. Finally, flows to anonymous teams and the flow-performance relationship provide evidence that retail investors are worse off as a result of anonymous teams.

References

Amihud, Y. and Goyenko, R., 2013. Mutual fund's R 2 as predictor of performance. The Review of Financial Studies, 26(3), 667-694.

Bär, M., Kempf, A. and Ruenzi, S., 2011. Is a team different from the sum of its parts? Evidence from mutual fund managers. Review of Finance, 15(2), pp.359-396.

Brown, K.C., Harlow, W.V. and Starks, L.T., 1996. Of tournaments and temptations: An analysis of managerial incentives in the mutual fund industry. *The Journal of Finance*, *51*(1), pp.85-110.

Carlin, B.I. and Manso, G., 2011. Obfuscation, learning, and the evolution of investor sophistication. The Review of Financial Studies, 24(3), pp.754-785.

Carlin, B.I., Gervais, S. and Manso, G., 2013. Libertarian paternalism, information production, and financial decision making. The Review of Financial Studies, 26(9), pp.2204-2228.

Choi, D., Kahraman, B. and Mukherjee, A., 2016. Learning about mutual fund managers. The Journal of Finance, 71(6), pp.2809-2860.

Cremers, K.M. and Petajisto, A., 2009. How active is your fund manager? A new measure that predicts performance. The review of financial studies, 22(9), 3329-3365.

Ellison, G. and Ellison, S.F., 2009. Search, obfuscation, and price elasticities on the internet. Econometrica, 77(2), pp.427-452.

Evans, R.B., Prado, M.P. and Zambrana, R., 2020. Competition and cooperation in mutual fund families. Journal of Financial Economics, 136(1), pp.168-188.

Edelen, R.M., Evans, R.B. and Kadlec, G.B., 2012. Disclosure and agency conflict: Evidence from mutual fund commission bundling. *Journal of Financial Economics*, *103*(2), pp.308-326.

Ferreira, M.A., Keswani, A., Miguel, A.F. and Ramos, S.B., 2013. The determinants of mutual fund performance: A cross-country study. *Review of Finance*, *17*(2), pp.483-525.

Ferreira, M.A., Matos, P. and Pires, P., 2018. Asset management within commercial banking groups: International evidence. The Journal of Finance, 73(5), pp.2181-2227.

Gaspar, J.M., Massa, M. and Matos, P., 2006. Favoritism in mutual fund families? Evidence on strategic cross-fund subsidization. *The Journal of Finance*, *61*(1), pp.73-104.

Kacperczyk, M., Sialm, C. and Zheng, L., 2008. Unobserved actions of mutual funds. The Review of Financial Studies, 21(6), 2379-2416.

Kumar, A., Niessen-Ruenzi, A. and Spalt, O.G., 2015. What's in a name? Mutual fund flows when managers have foreign-sounding names. The Review of Financial Studies, 28(8), pp.2281-2321.

La Porta, R., Lopez-de-Silanes, F., Shleifer, A. and Vishny, R.W., 1997. Legal determinants of external finance. The journal of finance, 52(3), pp.1131-1150.

Massa, M., Reuter, J. and Zitzewitz, E., 2010. When should firms share credit with employees? Evidence from anonymously managed mutual funds. Journal of Financial Economics, 95(3), pp.400-424.

Moreno, D., Rodriguez, R. and Zambrana, R., 2018. Management sub-advising in the mutual fund industry. Journal of Financial Economics, 127(3), pp.567-587.

Niessen, A. and Ruenzi, S., 2018. Sex matters: Gender Bias in the mutual fund industry. Management Science, 65(7), pp. 3001-3025

Patel, S. and Sarkissian, S., 2017. To group or not to group? Evidence from mutual fund databases. Journal of Financial and Quantitative Analysis, 52(5), pp.1989-2021.

Spatt, C., 2005. Conflicts of Interest in Asset Management. Hedge Fund Regulation and Compliance Conference. Keynote Address.

Zitzewitz, E., 2003. Who cares about shareholders? Arbitrage-proofing mutual funds. *Journal of Law, Economics, and Organization*, *19*(2), pp.245-280.

Figure 1a: Anonymous Teams by Country

Legend:
- (40%,70%]
- (20%,40%]
- (5%,20%]
- (1%,5%]
- [0,1%]
- No data
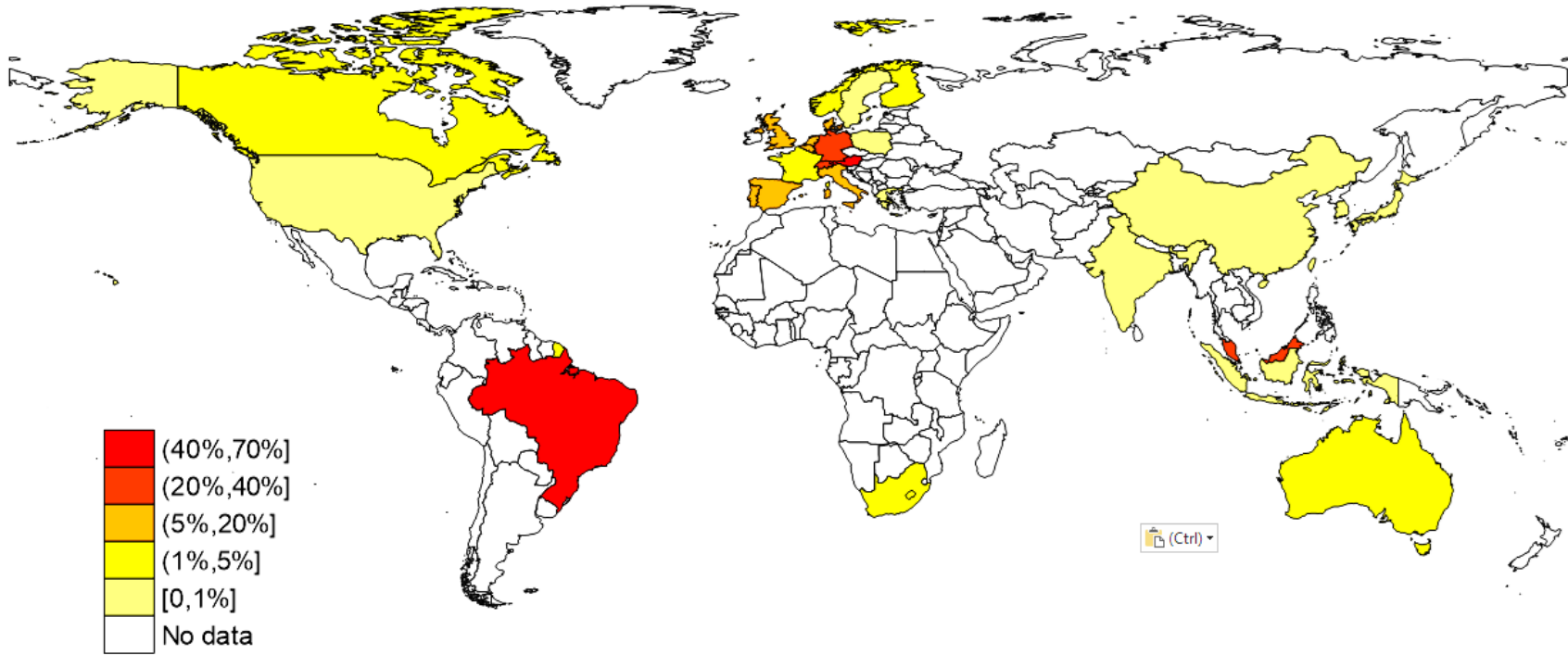
Figure one presents the percentage of funds in a country that are managed by anonymously as of December 2015.

Figure 1b: Team Types Across Time
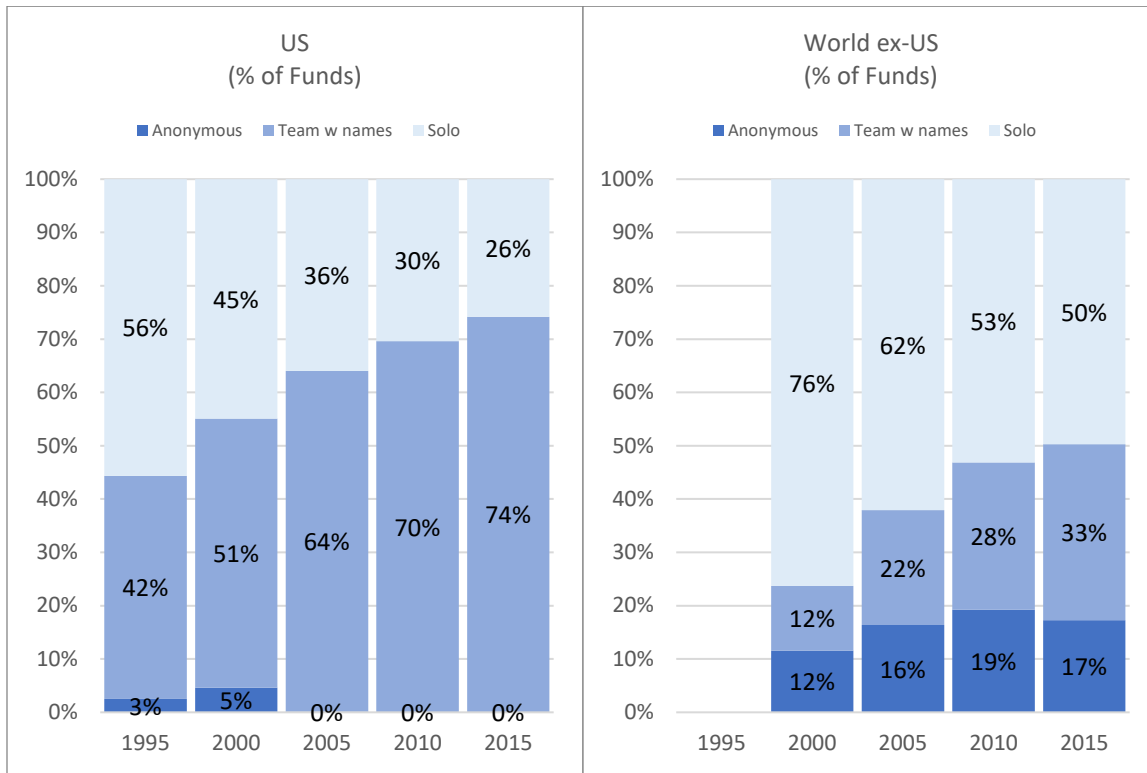
Figure 1b presents the change in the percentage of anonymous teams from 2005 to 2015 across countries.

Table 1: Summary Statistics

This table present the summary statistics for the variables used in our main and supplemental regressions. *Load* is the total load of the fund, both front and back-end. *Expense Ratio* is the total expense ratio of the fund. *Fund (Family) TNA* is the total net assets from all share classes of the fund (family). *Anonymous* is a dummy that takes the value of one if we are not able to obtain the name of the fund management team members. *Team w names* is a dummy that takes the value of 1 if the fund has multiple managers that are named publicly. *Flow* is the monthly net flow into the fund, as a percentage of lagged net assets. *Fund Age,* is the number of months since the fund was launched. *Alpha* is the four-factor alpha of the fund. *Solo* is a dummy that takes the value of one if the fund is managed by a single manager and is named publicly. *Cooperative* is a dummy that takes the value of one if a fund is defined as cooperative following Evans et al. (2019). *Bank (Investment Bank) [Insurance] Affiliated* is a dummy that takes the value of one if the fund is affiliated with a bank, investment bank, or insurance company, respectively. *Index Funds Per Family* is the percentage of the fund family TNA that is comprised of index funds. *Closet Index* is a dummy variable that takes the value of one if the fund is defined as a closet index fund.

VARIABLES	(1) N	(2) Mean	(3) Std. Dev	(4) p5	(5) p25	(6) p50	(7) p75	(8) p95
Load	2,759,000	2.665	3.29	0	0	2	5	7.75
Expense Ratio	2,216,000	0.016	0.008	0.006	0.011	0.015	0.019	0.028
Fund TNA	2,323,000	468.6	2,716	1.66	14.1	56.2	224.4	1,642
Family TNA	2,450,000	20,526	79,097	26.9	553.5	3,125	14,341	57,185
Anonymous	2,051,000	0.109	0.312	0	0	0	0	1
Team w names	2,051,000	0.382	0.486	0	0	0	1	1
Flow	2,297,000	0.007	0.095	-0.08	-0.0177	-0.00295	0.0116	0.119
Fund Age	2,759,000	78.39	59.99	6	29	65	116	198
Alpha	2,144,000	-0.112	3.624	-5.468	-1.599	-0.155	1.306	5.276
Solo	2,051,000	0.508	0.5	0	0	1	1	1
Cooperative	2,759,000	0.754	0.431	0	1	1	1	1
Bank Affiliated	1,026,000	0.444	0.497	0	0	0	1	1
Investment Bank Affiliated	1,026,000	0.256	0.437	0	0	0	1	1
Insurance Affiliated	1,026,000	0.128	0.334	0	0	0	0	1
Index Funds Per Family	2,450,000	0.066	0.213	0	0	0	0.0603	0.398
Closet Index Dummy	2,759,000	0.101	0.302	0	0	0	0	1

Table 2: Team Type by Country

This table presents the percentage of TNA and number of funds, respectively, that each type of fund represents at the end of the year. *Anonymous*, *Solo*, and *Team w names*, are defined the same as in Table 1.

		% of Country TNA			% of All Funds		
Year	Country	Anonymous	Solo	Team w names	Anonymous	Solo	Team w names
2005	Australia	0.15%	75.47%	24.38%	0.91%	51.82%	47.27%
2010	Australia	0.09%	52.53%	47.38%	0.30%	50.75%	48.96%
2015	Australia	0.25%	39.40%	60.35%	1.18%	40.94%	57.88%
2005	Austria	41.59%	52.98%	5.43%	42.19%	51.56%	6.25%
2010	Austria	28.10%	56.92%	14.98%	37.57%	56.35%	6.08%
2015	Austria	49.18%	40.17%	10.65%	51.87%	39.57%	8.56%
2005	Belgium	14.98%	36.97%	48.05%	20.75%	30.82%	48.43%
2010	Belgium	8.41%	24.00%	67.59%	9.67%	26.52%	63.81%
2015	Belgium	15.64%	13.84%	70.52%	16.58%	29.65%	53.77%
2005	Brazil	86.28%	10.99%	2.74%	57.14%	35.71%	7.14%
2010	Brazil	63.18%	34.34%	2.48%	58.99%	36.82%	4.19%
2015	Brazil	64.90%	28.23%	6.87%	63.59%	30.17%	6.24%
2000	Canada	0.16%	79.04%	20.80%	6.25%	68.75%	25.00%
2005	Canada	2.98%	28.52%	68.50%	4.48%	38.04%	57.48%
2010	Canada	7.24%	44.18%	48.58%	8.10%	48.28%	43.62%
2015	Canada	2.89%	39.30%	57.81%	4.84%	46.05%	49.12%
2005	China	0.00%	74.94%	25.06%	0.00%	87.50%	12.50%
2010	China	0.00%	41.28%	58.72%	0.00%	52.00%	48.00%
2015	China	0.00%	57.63%	42.37%	0.00%	62.28%	37.72%
2000	Denmark	0.00%	54.33%	45.67%	0.00%	63.04%	36.96%
2005	Denmark	2.89%	64.48%	32.64%	1.94%	72.90%	25.16%
2010	Denmark	5.48%	73.50%	21.02%	15.27%	62.56%	22.17%
2015	Denmark	3.21%	59.44%	37.35%	6.20%	55.37%	38.43%
2000	Finland	0.00%	100.00%	0.00%	0.00%	100.00%	0.00%
2005	Finland	11.78%	75.96%	12.26%	15.22%	70.29%	14.49%
2010	Finland	5.88%	76.15%	17.96%	13.19%	63.74%	23.08%
2015	Finland	1.25%	69.53%	29.22%	2.13%	63.30%	34.57%
2000	France	0.81%	96.42%	2.77%	5.88%	82.35%	11.76%
2005	France	4.84%	69.48%	25.68%	3.64%	74.85%	21.52%
2010	France	5.64%	64.74%	29.61%	4.55%	67.82%	27.62%
2015	France	3.36%	55.50%	41.14%	4.66%	62.00%	33.33%
2005	Germany	26.25%	38.72%	35.03%	39.71%	43.19%	17.10%
2010	Germany	20.34%	27.66%	52.00%	41.04%	31.79%	27.17%
2015	Germany	18.38%	25.18%	56.43%	38.17%	33.73%	28.11%
2005	Hong Kong	6.82%	43.62%	49.56%	25.00%	31.25%	43.75%
2010	Hong Kong	14.39%	30.35%	55.27%	34.33%	25.37%	40.30%
2015	Hong Kong	17.10%	50.80%	32.10%	48.86%	21.59%	29.55%
2005	India	0.00%	76.49%	23.51%	0.00%	85.71%	14.29%
2010	India	0.00%	67.84%	32.16%	0.00%	71.43%	28.57%
2015	India	0.00%	63.17%	36.83%	0.00%	65.26%	34.74%
2005	Indonesia	0.00%	6.01%	93.99%	0.00%	23.53%	76.47%
2010	Indonesia	0.00%	11.19%	88.81%	0.00%	24.53%	75.47%
2015	Indonesia	0.00%	11.48%	88.52%	0.00%	13.14%	86.86%
2000	Italy	0.00%	96.35%	3.65%	0.00%	92.86%	7.14%
2005	Italy	7.53%	78.97%	13.50%	9.93%	76.47%	13.60%
2010	Italy	9.79%	75.39%	14.82%	15.44%	65.10%	19.46%
2015	Italy	2.43%	54.99%	42.58%	5.26%	54.74%	40.00%
2005	Malaysia	0.00%	100.00%	0.00%	0.00%	100.00%	0.00%
2010	Malaysia	2.01%	95.43%	2.56%	5.88%	88.24%	5.88%

2015	Malaysia	52.85%	43.50%	3.65%	25.00%	53.57%	21.43%
2010	Malta	100.00%	0.00%	0.00%	100.00%	0.00%	0.00%
2015	Malta	38.42%	61.58%	0.00%	50.00%	50.00%	0.00%
2000	Netherlands	0.00%	100.00%	0.00%	0.00%	100.00%	0.00%
2005	Netherlands	3.68%	68.72%	27.60%	5.15%	60.82%	34.02%
2010	Netherlands	0.81%	51.00%	48.20%	5.95%	47.62%	46.43%
2015	Netherlands	1.44%	24.78%	73.78%	9.78%	23.91%	66.30%
2000	Norway	0.00%	100.00%	0.00%	0.00%	100.00%	0.00%
2005	Norway	1.09%	80.21%	18.70%	7.52%	77.44%	15.04%
2010	Norway	0.33%	33.77%	65.90%	5.81%	54.84%	39.35%
2015	Norway	0.13%	28.84%	71.03%	3.88%	44.19%	51.94%
2005	Poland	2.33%	97.67%	0.00%	16.67%	83.33%	0.00%
2010	Poland	0.00%	84.82%	15.18%	0.00%	57.69%	42.31%
2015	Poland	0.00%	57.29%	42.71%	0.00%	60.87%	39.13%
2000	Portugal	35.90%	64.10%	0.00%	25.00%	75.00%	0.00%
2005	Portugal	47.00%	52.33%	0.67%	46.81%	51.06%	2.13%
2010	Portugal	32.21%	67.35%	0.44%	39.71%	58.82%	1.47%
2015	Portugal	39.64%	56.46%	3.90%	19.61%	70.59%	9.80%
2000	Singapore	68.25%	31.75%	0.00%	50.00%	50.00%	0.00%
2005	Singapore	45.61%	51.50%	2.90%	63.08%	32.31%	4.62%
2010	Singapore	53.66%	39.69%	6.64%	60.36%	34.23%	5.41%
2015	Singapore	47.06%	27.98%	24.96%	57.38%	27.87%	14.75%
2000	South Africa	0.00%	100.00%	0.00%	0.00%	100.00%	0.00%
2005	South Africa	4.52%	82.64%	12.84%	3.45%	74.14%	22.41%
2010	South Africa	1.38%	49.02%	49.60%	3.03%	69.09%	27.88%
2015	South Africa	2.20%	45.40%	52.40%	3.70%	57.14%	39.15%
2005	South Korea	0.00%	99.98%	0.02%	0.00%	93.33%	6.67%
2010	South Korea	0.00%	91.26%	8.74%	0.00%	83.10%	16.90%
2015	South Korea	0.00%	93.76%	6.24%	0.00%	88.96%	11.04%
2000	Spain	0.00%	100.00%	0.00%	0.00%	100.00%	0.00%
2005	Spain	17.68%	48.01%	34.31%	37.21%	43.02%	19.77%
2010	Spain	10.63%	47.88%	41.49%	28.51%	52.07%	19.42%
2015	Spain	13.30%	60.17%	26.53%	18.69%	54.67%	26.64%
2000	Sweden	0.00%	78.64%	21.36%	0.00%	86.47%	13.53%
2005	Sweden	0.18%	71.66%	28.16%	0.49%	81.46%	18.05%
2010	Sweden	0.19%	71.24%	28.56%	1.85%	67.78%	30.37%
2015	Sweden	0.18%	53.08%	46.74%	0.82%	67.62%	31.56%
2000	Switzerland	48.13%	49.81%	2.06%	50.00%	25.00%	25.00%
2005	Switzerland	30.27%	51.30%	18.43%	31.33%	46.99%	21.69%
2010	Switzerland	30.10%	37.84%	32.07%	38.08%	35.10%	26.82%
2015	Switzerland	42.80%	23.02%	34.19%	36.09%	30.77%	33.14%
2005	Taiwan	0.00%	95.26%	4.74%	0.00%	91.02%	8.98%
2010	Taiwan	0.00%	95.48%	4.52%	0.00%	92.90%	7.10%
2015	Taiwan	0.00%	91.57%	8.43%	0.00%	92.73%	7.27%
2000	United Kingdom	33.11%	62.29%	4.59%	25.00%	25.00%	50.00%
2005	United Kingdom	4.86%	73.21%	21.93%	9.11%	68.16%	22.72%
2010	United Kingdom	7.04%	67.10%	25.86%	11.47%	63.10%	25.43%
2015	United Kingdom	9.14%	54.44%	36.42%	16.14%	50.53%	33.33%
1995	United States	0.53%	55.22%	44.25%	2.53%	55.63%	41.84%
2000	United States	0.94%	43.15%	55.90%	4.61%	44.89%	50.50%
2005	United States	0.01%	33.79%	66.20%	0.13%	35.99%	63.88%
2010	United States	0.01%	28.90%	71.09%	0.03%	30.39%	69.58%
2015	United States	0.02%	25.02%	74.96%	0.03%	25.79%	74.18%

Table 3: Anonymous Teams and Fund Performance
In this table we present results on the performance on anonymous teams. In Panel A the dependent variable in each column is the four-factor fund alpha. Fund alphas are created using regional factors. In Panel B, the dependent variable is benchmark adjusted fund returns. The main independent variables *Anonymous* takes the value of one if the mutual fund does not report the name of the fund managers, and zero otherwise. All control variables are defined the same as Table 1. Emerging markets are defined based on the MSCI ACWI Index. All models include country and date fixed effects. Standard errors are clustered by fund, *,**,*** represent significance at the 1%, 5%, and 10% level respectively.

Panel A: 4 Factor Alpha					
	(1)	(2)	(3)	(4)	(5)
VARIABLES	4f Alpha	4f Alpha	4f Alpha	4f Alpha	4f Alpha
Anonymous	-0.070***	-0.036***	-0.162***	-0.036***	-0.115
	(0.012)	(0.013)	(0.032)	(0.013)	(0.127)
Load	-0.006***	-0.005***	-0.004**	-0.005**	-0.002
	(0.001)	(0.002)	(0.002)	(0.002)	(0.012)
Flow	0.382***	0.344***	0.388***	0.390***	0.181
	(0.056)	(0.062)	(0.091)	(0.064)	(0.195)
TNA	-0.023***	-0.011***	-0.033***	-0.004	-0.036***
	(0.002)	(0.003)	(0.003)	(0.004)	(0.009)
Family TNA	0.011***	-0.003	0.019***	-0.001	-0.021**
	(0.002)	(0.003)	(0.002)	(0.003)	(0.009)
Total Expense Ratio	-8.926***	-3.087***	-12.362***	-7.778***	1.840
	(1.619)	(0.684)	(1.931)	(0.877)	(1.819)
Fund Age	0.052***	0.063***	0.042***	0.040***	0.199***
	(0.006)	(0.008)	(0.008)	(0.009)	(0.025)
Family Index %	-0.085***	0.017	-0.131***	-0.006	0.038
	(0.020)	(0.031)	(0.024)	(0.034)	(0.069)
Closet Index	-0.009	-0.015	0.010	-0.008	-0.036
	(0.008)	(0.010)	(0.011)	(0.010)	(0.073)
Constant	-0.158***	-0.264***	-0.095*	-0.127***	-0.714***
	(0.041)	(0.041)	(0.051)	(0.049)	(0.129)
Observations	1,344,276	787,030	668,947	509,310	113,279
R-squared	0.037	0.062	0.032	0.044	0.323
FE	Country & Date	Country & Date	Country & Date	Country & Date	Country & Date
Cluster	Fund	Fund	Fund	Fund	Fund
Sample	All	World Ex US	North America	Europe	Emerging

Panel B: Benchmark Adjusted Returns

VARIABLES	(1) Benchmark Adjusted	(2) Benchmark Adjusted	(3) Benchmark Adjusted	(4) Benchmark Adjusted	(5) Benchmark Adjusted
Anonymous	-0.066***	-0.050***	-0.089***	-0.056***	-0.022
	(0.011)	(0.010)	(0.028)	(0.011)	(0.125)
Load	-0.002*	-0.001	-0.002	-0.001	-0.007
	(0.001)	(0.001)	(0.002)	(0.002)	(0.012)
Flow	0.344***	0.150***	0.517***	0.285***	-0.016
	(0.036)	(0.041)	(0.056)	(0.045)	(0.112)
TNA	-0.012***	0.004*	-0.026***	0.008***	0.012*
	(0.002)	(0.002)	(0.003)	(0.003)	(0.006)
Family TNA	0.014***	-0.001	0.023***	-0.003	-0.016**
	(0.001)	(0.002)	(0.002)	(0.003)	(0.007)
Expense Ratio	-8.435***	-4.236***	-11.305***	-7.256***	-1.253
	(1.544)	(0.731)	(2.020)	(0.770)	(1.515)
Fund Age	0.007**	0.006	0.014***	0.008	0.009
	(0.003)	(0.004)	(0.005)	(0.005)	(0.012)
Family Index %	-0.071***	-0.035	-0.091***	-0.028	-0.036
	(0.018)	(0.024)	(0.025)	(0.028)	(0.052)
Closet Index	0.037***	0.060***	-0.009	0.067***	0.097**
	(0.005)	(0.006)	(0.008)	(0.007)	(0.039)
Constant	0.035	0.018	0.009	0.036	0.148**
	(0.032)	(0.027)	(0.042)	(0.030)	(0.075)
Observations	1,549,355	871,465	800,615	556,105	134,549
R-squared	0.025	0.033	0.026	0.062	0.086
FE	Country & Date	Country & Date	Country & Date	Country & Date	Country & Date
Cluster	Fund	Fund	Fund	Fund	Fund
Sample	All	World Ex US	North America	Europe	Emerging

Table 4: Performance of Anonymous versus "Named" Funds

In this table we present results on the performance on anonymous relative to solo and team managed funds. The dependent variable in each column is the four-factor fund alpha. Fund alphas are created using regional factors. The main independent variables *Anonymous* takes the value of one if the mutual fund does not report the name of the fund managers, and zero otherwise. *Solo* is a dummy variable that takes the value of one if the fund is discloses the name of the fund manager, and there is only one manager of the fund. *Team w Names* is a dummy variable that takes the value of one if the fund discloses the name of the managers, and there are multiple named fund managers. *Small (Large) Team* is a dummy variable that takes the value of 1 if the number of team members is less than (greater than or equal to) five. All control variables are defined the same as Table 1. All models include country and date fixed effects. Standard errors are clustered by fund, *,**,*** represent significance at the 1%, 5%, and 10% level respectively.

VARIABLES	(1) 4f Alpha	(2) 4f Alpha	(3) 4f Alpha	(4) 4f Alpha	(5) 4f Alpha	(6) 4f Alpha
Anonymous	-0.082***	-0.055***	-0.064***	-0.028**	-0.065***	-0.027**
	(0.013)	(0.014)	(0.013)	(0.013)	(0.013)	(0.013)
Solo	-0.018***	-0.026***				
	(0.007)	(0.009)				
Team w Names			0.018***	0.026***		
			(0.007)	(0.009)		
Small Team (< 5)					0.012*	0.025***
					(0.007)	(0.009)
Large Team (>=5)					0.041***	0.042*
					(0.011)	(0.024)
Load	-0.006***	-0.005***	-0.006***	-0.005***	-0.006***	-0.005***
	(0.001)	(0.002)	(0.001)	(0.002)	(0.001)	(0.002)
Flow	0.385***	0.344***	0.385***	0.344***	0.383***	0.344***
	(0.056)	(0.062)	(0.056)	(0.062)	(0.056)	(0.062)
TNA	-0.023***	-0.011***	-0.023***	-0.011***	-0.023***	-0.011***
	(0.002)	(0.003)	(0.002)	(0.003)	(0.002)	(0.003)
Family TNA	0.011***	-0.003	0.011***	-0.003	0.011***	-0.003
	(0.002)	(0.003)	(0.002)	(0.003)	(0.002)	(0.003)
Total Expense Ratio	-9.004***	-3.175***	-9.004***	-3.175***	-8.893***	-3.121***
	(1.610)	(0.683)	(1.610)	(0.683)	(1.620)	(0.684)
Fund Age	0.052***	0.063***	0.052***	0.063***	0.053***	0.063***
	(0.006)	(0.008)	(0.006)	(0.008)	(0.006)	(0.008)
Family Index %	-0.086***	0.015	-0.086***	0.015	-0.085***	0.015
	(0.020)	(0.031)	(0.020)	(0.031)	(0.020)	(0.031)
Closet Index	-0.009	-0.015	-0.009	-0.015	-0.009	-0.015
	(0.008)	(0.010)	(0.008)	(0.010)	(0.008)	(0.010)
Constant	-0.145***	-0.238***	-0.163***	-0.264***	-0.167***	-0.268***
	(0.042)	(0.042)	(0.041)	(0.041)	(0.042)	(0.041)
Observations	1,342,685	785,578	1,342,685	785,578	1,344,276	787,030
R-squared	0.037	0.062	0.037	0.062	0.037	0.062
FE	Country & Date	Country & Date	Country & Date	Country & Date	Country & Date	Country & Date
Cluster	Fund	Fund	Fund	Fund	Fund	Fund
Sample	World	World Ex-US	World	World Ex-US	World	World Ex-US

Table 5: Determinants of Anonymous Teams

In this table we examine different fund family and country level factors that relate to the disclosure of manager names. The dependent variable in each model is the dummy variable *Anonymous* is defined the same as in Table 3. *Cooperative* is variable that follows Evans et al. (2018) to define cooperative fund families. *Bank Affiliated, Investment Bank Affiliated, Insurance Affiliated* are dummy variables that take the value of one if the fund is affiliated with a bank, investment bank or insurance company, respectively. *Common Law* is a dummy variable that takes the value of one if the country is a common law country. *Liability, Public Enforcement and Disclosure Index* are taken from La Porta, Lopez-de-Silanes, and Schleifer (2006). *Individualism* and *Power* are the individualism and power distances defined by the Hofstede Cultural Dimensions. All models include region fixed effects and exclude US based funds. Standard errors are clustered by fund, *,**,*** represent significance at the 1%, 5%, and 10% level respectively.

VARIABLES	(1) Anonymous	(2) Anonymous	(3) Anonymous	(4) Anonymous
Cooperative	2.060***	1.077***	1.096***	1.128***
	(0.069)	(0.095)	(0.102)	(0.108)
Bank Affiliated		0.354***	0.260**	0.087
		(0.096)	(0.102)	(0.104)
Investment Bank Affiliated		-0.576***	-0.457***	-0.504***
		(0.109)	(0.117)	(0.116)
Insurance Affiliated		0.125	0.146	0.082
		(0.132)	(0.140)	(0.146)
Common Law Country			1.466***	2.985***
			(0.169)	(0.262)
Liability Index			-1.214***	-2.179***
			(0.254)	(0.330)
Public Enforcement Index			-0.979**	-3.476***
			(0.441)	(0.949)
Disclosure Index			-3.541***	-0.031
			(0.663)	(1.531)
Power				0.011***
				(0.003)
Individualism				-0.066***
				(0.011)
Log (TNA)	-0.132***	-0.121***	-0.077***	-0.051*
	(0.013)	(0.026)	(0.026)	(0.028)
Log (Family TNA)	-0.094***	-0.219***	-0.265***	-0.217***
	(0.013)	(0.023)	(0.023)	(0.025)
Index Fund %	0.113	1.447***	1.924***	1.894***
	(0.179)	(0.296)	(0.310)	(0.310)
Constant	-2.016***	0.353*	3.854***	2.932***
	(0.155)	(0.213)	(0.330)	(0.568)
Observations	1,114,901	410,625	409,388	404,700
FE	Region	Region	Region	Region
Cluster	Fund	Fund	Fund	Fund
Sample	World Ex-US	World Ex-US	World Ex-US	World Ex-US

Table 6: Fund Performance with Additional Controls

In this table we repeat our main tests from Table 3 but include additional fund and country level controls. Columns 1,3,5,7 use a sample of all funds, and Columns 2,4,6,8 use a sample of only non-US funds. The dependent variable in each column is the fund four-factor alpha created using region level factors. All listed independent variables are defined the same as in Table 4. Additional unreported control variables are defined the same as in Table 1. Columns 1 to 4 include country and date fixed effects and Columns 5 to 8 include region and date fixed effects. Standard errors in all models are clustered by fund, and *,**,*** represent significance at the 1%, 5%, 10% level, respectively.

VARIABLES	(1) 4f Alpha	(2) 4f Alpha	(3) 4f Alpha	(4) 4f Alpha	(5) 4f Alpha	(6) 4f Alpha	(7) 4f Alpha	(8) 4f Alpha
Anonymous	-0.078***	-0.054***	-0.062***	-0.061***	-0.112***	-0.106***	-0.123***	-0.108***
	(0.013)	(0.013)	(0.019)	(0.021)	(0.020)	(0.021)	(0.020)	(0.021)
Cooperative	0.026***	0.049***	-0.002	0.028*	-0.000	0.025	0.013	0.042***
	(0.008)	(0.010)	(0.013)	(0.015)	(0.013)	(0.015)	(0.013)	(0.015)
Bank Affiliated			-0.066***	-0.056***	-0.047***	-0.048***	-0.039***	-0.032*
			(0.013)	(0.017)	(0.013)	(0.018)	(0.013)	(0.018)
Inv. Bank Affiliated			-0.007	-0.028	-0.033**	-0.067***	-0.036**	-0.069***
			(0.014)	(0.019)	(0.015)	(0.020)	(0.014)	(0.019)
Insurance			-0.059***	-0.069***	-0.083***	-0.098***	-0.082***	-0.094***
			(0.014)	(0.020)	(0.014)	(0.021)	(0.014)	(0.021)
Common Law					-0.003	-0.005	-0.124***	-0.164***
					(0.028)	(0.028)	(0.038)	(0.039)
Liability Index					0.187***	0.122***	0.192***	0.141***
					(0.045)	(0.046)	(0.045)	(0.046)
Public Enforcement Index					-0.014	-0.022	0.151*	0.142
					(0.089)	(0.087)	(0.089)	(0.088)
Disclosure Index					-0.128	0.005	0.234*	0.315**
					(0.127)	(0.127)	(0.129)	(0.129)
Power Distance							-0.008***	-0.007***
							(0.001)	(0.001)
Individualism Distance							-0.004***	-0.001
							(0.001)	(0.001)
Observations	1,342,685	785,578	561,576	311,896	561,301	311,621	561,301	311,621
R-squared	0.037	0.062	0.036	0.064	0.035	0.062	0.035	0.063
FE	Country & Date	Country & Date	Country & Date	Country & Date	Region & Date	Region & Date	Region & Date	Region & Date
Cluster	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sample	World	World Ex-US	World	World Ex-US	World	World Ex-US	World	World Ex-US

Table 7: Anonymous Funds and Active Management

In this table we examine the activity of anonymous managers. In Columns 1 and 2 the dependent variable is Active Share as defined by Cremers and Petajisto (2009). In Columns 3 and 4 the dependent variable is Return Gap as defined by Kacperczyk, Sialm, and Zheng (2008). In Columns 5 and 6, and 7 and 8, the dependent variables are Tracking Error and R-squared, respectively. All controls are defined the same as in Table 1. Standard errors in all models are clustered by fund, and *,**,*** represent significance at the 1%, 5%, 10% level, respectively.

VARIABLES	(1) Active Share	(2) Active Share	(3) Return Gap	(4) Return Gap	(5) Tracking Err.	(6) Tracking Err.	(7) R Squared	(8) R Squared
Anonymous	-0.026***	-0.022**	-0.025***	-0.020***	-0.003***	-0.002	0.008**	0.003
	(0.009)	(0.010)	(0.006)	(0.007)	(0.001)	(0.001)	(0.004)	(0.004)
Load	0.000	0.002*	0.000	-0.002***	0.000	0.000**	-0.001**	-0.002***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.000)	(0.000)	(0.000)	(0.001)
Flow	-0.000	0.003	0.055***	0.074***	0.009***	0.005***	-0.023***	-0.008**
	(0.005)	(0.007)	(0.019)	(0.028)	(0.001)	(0.001)	(0.003)	(0.004)
Alpha	0.000***	0.000**	-0.012***	-0.017***	0.000	0.000	-0.000***	-0.000***
	(0.000)	(0.000)	(0.001)	(0.001)	(0.000)	(0.000)	(0.000)	(0.000)
TNA	-0.004***	-0.006***	-0.002**	0.004***	-0.001***	-0.001***	0.006***	0.007***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.000)	(0.000)	(0.001)	(0.001)
Family TNA	-0.002**	0.004***	0.008***	0.005***	-0.001**	-0.001***	0.002***	0.001*
	(0.001)	(0.002)	(0.001)	(0.001)	(0.000)	(0.000)	(0.001)	(0.001)
Total Expense Ratio	3.317***	4.584***	-1.962**	1.620***	1.266***	1.071***	-2.249***	-1.677***
	(0.523)	(0.434)	(0.767)	(0.402)	(0.139)	(0.062)	(0.213)	(0.178)
Fund Age	-0.025***	-0.033***	0.012***	0.021***	-0.006***	-0.008***	0.021***	0.031***
	(0.002)	(0.004)	(0.003)	(0.004)	(0.001)	(0.001)	(0.002)	(0.002)
Index % Per	-0.054***	-0.019	-0.030***	0.017	-0.005**	0.000	0.015**	-0.006
	(0.010)	(0.016)	(0.009)	(0.014)	(0.002)	(0.003)	(0.006)	(0.008)
Closet Index	-0.321***	-0.316***	0.028***	0.034***	-0.022***	-0.020***	0.069***	0.068***
	(0.003)	(0.005)	(0.003)	(0.003)	(0.001)	(0.001)	(0.002)	(0.002)
Constant	0.918***	0.865***	-0.091***	-0.192***	0.093***	0.105***	0.746***	0.708***
	(0.015)	(0.022)	(0.020)	(0.022)	(0.004)	(0.004)	(0.009)	(0.011)
Observations	354,061	183,268	1,013,828	548,853	1,312,107	770,639	1,312,107	770,639
R-squared	0.564	0.564	0.075	0.073	0.275	0.236	0.218	0.203
FE	Country & Date	Country & Date	Country & Date	Country & Date	Country & Date	Country & Date	Country & Date	Country & Date
Cluster	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sample	World	World Ex-US	World	World Ex-US	World	World Ex-US	World	World Ex-US

Table 8: Performance around the 2004 SEC Rule Change

In this table we examine fund performance around the introduction of manager disclosure regulation by the SEC in October 2004. The dependent variable in Columns 1 and 3 is the four-factor alpha of the fund, and the fund benchmark adjusted return in Columns 3 and 4. *Anonymous Prior* is a dummy variable that takes the value of 1 if the fund was anonymously managed prior to October 2004. We exclude the year following the introduction of regulation. Columns 1 and 3 include no fixed effects, Columns 2 and 4 include category-month fixed effects. All other control variables are defined the same as Table 3. Panel B of Table 7 examines activity-based fund measures around the SEC rule. The dependent variable in Columns 1 to 4 is the tracking error, r-squared, funds active share, and return gap, respectively. All unreported control variables are defined the same as Table 1. Standard errors are clustered by fund, and *,**,*** represent significance at the 1%, 5%, 10% level, respectively.

Panel A: Fund Performance				
	(1)	(2)	(3)	(4)
VARIABLES	Alpha	Alpha	Benchmark Adj. Ret	Benchmark Adj. Ret
Anonymous Prior	-0.233***	-0.192***	-0.144***	-0.122***
	(0.040)	(0.034)	(0.030)	(0.027)
Post Rule	-0.010		-0.122***	
	(0.011)		(0.009)	
Anonymous Prior * Post Rule	0.163***	0.128***	0.122***	0.082**
	(0.048)	(0.036)	(0.036)	(0.033)
Constant	0.061	0.082*	0.087**	0.097**
	(0.050)	(0.048)	(0.039)	(0.040)
Observations	522,902	521,660	640,428	639,183
R-squared	0.002	0.419	0.003	0.175
FE	N/A	Category*Month	N/A	Category*Month
Cluster	Fund	Fund	Fund	Fund
Controls	Yes	Yes	Yes	Yes
Panel B: Fund Activity				
	(1)	(2)	(3)	(4)
VARIABLES	Tracking Error	r2	Active Share	Return Gap
Anonymous Prior	-0.010**	0.054***	-0.061***	-0.030
	(0.005)	(0.012)	(0.015)	(0.022)
Anonymous Prior * Post Rule	0.002	-0.025**	-0.017	0.042*
	(0.004)	(0.012)	(0.019)	(0.023)
Constant	0.089***	0.781***	0.907***	-0.032*
	(0.005)	(0.013)	(0.019)	(0.019)
Observations	506,457	506,457	161,984	432,777
R-squared	0.515	0.387	0.441	0.236
FE	Category*Month	Category*Month	Category*Month	Category*Month
Cluster	Fund	Fund	Fund	Fund
Controls	Yes	Yes	Yes	Yes

Table 9: Flows to Anonymous Funds
This table examines the flows to anonymous funds. The dependent variable in each column is the percent flow to the fund, defined by the dollar flows to the fund in that month divided by the total assets of the fund at the end of the previous month. *Cumulative Alpha* is the cumulative four-factor alpha of the fund over the previous 36 months. All other control variables are defined the same as Table 1. Columns 1 and 2 use country and date fixed effects, and Columns 3 and 4 include country by date fixed effects. Standard errors are clustered by fund, and *,**,*** represent significance at the 1%, 5%, 10% level, respectively.

VARIABLES	(1) Flow	(2) Flow	(3) Flow	(4) Flow
Anonymous	-0.071	0.001	-0.042	0.036
	(0.045)	(0.046)	(0.044)	(0.045)
Cumulative Alpha (36 mo.)	2.229***	1.947***	2.351***	1.964***
	(0.069)	(0.070)	(0.080)	(0.078)
Flow Lag	0.128***	0.103***	0.131***	0.107***
	(0.006)	(0.005)	(0.006)	(0.005)
Load	-0.017***	-0.017***	-0.018***	-0.018***
	(0.005)	(0.006)	(0.005)	(0.006)
TNA	-0.082***	-0.074***	-0.082***	-0.073***
	(0.009)	(0.010)	(0.009)	(0.010)
Family TNA	0.050***	0.023**	0.055***	0.034***
	(0.007)	(0.009)	(0.007)	(0.009)
Expense Ratio	1.529	-1.633	1.150	-2.382
	(3.369)	(2.180)	(3.542)	(2.202)
Fund Age	-0.494***	-0.250***	-0.531***	-0.312***
	(0.035)	(0.041)	(0.035)	(0.041)
Index Fund %	0.391***	-0.031	0.390**	-0.034
	(0.151)	(0.104)	(0.153)	(0.105)
Constant	2.178***	1.167***	2.319***	1.379***
	(0.187)	(0.207)	(0.188)	(0.207)
Observations	946,891	559,372	946,631	559,112
R-squared	0.031	0.030	0.066	0.079
FE	Country & Date	Country & Date	Country*Date	Country*Date
Cluster	Fund	Fund	Fund	Fund
Sample	Global	Ex-US	Global	Ex-US