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Back to the Roots: Ancestral Origin and Mutual Fund Manager Portfolio Choice

(with M. Ammann, A. Cochardt and F. Weigert)

We exploit variation in the ancestries of U.S. equity mutual fund managers to show that ancestry affects portfolio decisions. We find that funds overweight stocks from their managers' ancestral home countries in their non-U.S. portfolio compared with their peers. Similarly, funds overweight industries that are comparatively large in their manager's ancestral home countries. Stocks linked to managers' ancestry do not outperform stocks in the same countries and industries but held by managers of other ancestries. This supports the notion that ancestry-linked investments are not informed but due to familiarity.