The dynamics of internationalization and impact of foreign

institutional ownership on firm performance

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Abstract

In this paper we investigate the connection between foreign institutional ownership and company performance across a large sample of firms from representative countries. We find a general positive relation between foreign institutional ownership and stock returns, Tobin's Q and firm's profitability. Domestic institutional ownership is negatively related to stock returns and Tobin's Q but positively related to firm's profitability. These results are robust to the inclusion of controls for macroeconomic factors and country and firm specific differences in diversification and globalization. This paper provides new evidence that there are clear corporate performance benefits up to a certain level of foreign institutional ownership, and that the likely link between ownership structure and firm performance is the corporate governance.

Keywords: foreign institutional ownership; ownership structure; firm performance; corporate governance; globalization

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1. Introduction

Generally, financial economists tend to view that a country's domestic investors have an advantage in trading stocks in their country over foreign investors. A leading explanation for this advantage has been that domestic investors have superior information. This view that domestic investors have an edge over foreign investors has been used to explain empirical regularities, such as the home bias, the volatility of capital flows, and herding among foreign investors. The home bias is the least controversial stylized fact in international finance. There is now much evidence that investors overweight domestic stocks in their common stock portfolios. Many authors have attempted to explain the home bias. As reviewed in Lewis(1999) and Karolyi and Stulz (2003), explanations proposed in the literature include barriers to international investment, departures from purchasing power parity, information asymmetries between domestic and foreign investors, hedging of human capital or other non-traded assets, and over-optimism of domestic investors toward home assets.

The home bias indicates that investors show a preference for investing in their home countries. Most arguments fall into one of the following two categories. First, international investors face barriers in selecting and investing in firms' shares. Second, deviations from the international CAPM affect foreign investment holdings. The first category involves both explicit and implicit barriers. Explicit barriers include foreign exchange control, withholding taxes, and other directly observable obstacles. In developed markets, these obstructions have been dramatically reduced over the last thirty years. Implicit barriers include political or country risks and informational asymmetry (Dahlquist and Robertsson 2001). Many studies show that institutional trading is more likely information-driven (e.g. Ke and Petroni 2004, Stulz 2005 and Bushee and Goodman 2007), and large institutional ownership increases the

degree of information asymmetry (Rubin 2007 and Brockman et al 2009). Coeurdacier and Rey (2013) point out that equity home bias has decreased in developed countries due to the financial globalization trend but still remains high in most countries.

This is the first paper to investigate the connection between foreign institutional ownership and company performance across a large sample of firms from representative countries. We find a general positive relation between foreign institutional ownership and stock return. Domestic institutional ownership is negatively related to stock returns and positively related to operating performance. These results are robust to the inclusion of controls for macroeconomic factors and country and firm specific differences in diversification and globalization. This paper provides new evidence that there are clear corporate performance benefits up to a certain level of foreign institutional ownership, and that the likely link between ownership structure and firm performance is the corporate governance.

2. Related Literature and Hypothesis Development

One strand of the literature focuses on the influences of institutional investors on firms' specific corporate governance decisions. Boards of directors, institutional investor activism, hostile takeovers, and executive compensation schemes are common topics. Of the all corporate governance mechanism that have been studied in US and UK, governance through ownership structure becomes the most important element of corporate governance (Slovin et al. 2000). Most studies show that institutional investors prefer stocks of companies with better disclosure (Bushee and Noe 2000, Mitton2002), stocks of larger companies (Gompers and Metrick 2001), stocks of companies that pay cash dividends or repurchase shares (Dahlquist and Robertsson 2001, Grinstein and Michaely 2005), and stocks of companies with better managerial performance (Parrino, Sias, and Starks 2003). Grossman and Hart (1988) hold that managerial opportunism reduces the amount of capital that investors are

willing to contribute to the firm. Chung, Elder, and Kim (2010) show that better governance results in higher stock market liquidity. Falkenstein (1996) and Huang et al. (2011) show that institutional investors prefer stocks that have higher market liquidity and lower return volatility. Aggarwal et al. (2011) find that a change in institutional ownership over time leads to subsequent positive changes in firm-level governance in 23 countries. Specifically, when the ownership of foreign institutions is high, a firm's board tends to have an appropriate size and a majority of independent directors, and is more likely to adopt non-staggered board provisions and fire poorly performing CEOs. Furthermore, institutional investors are found to influence a firm's executive compensation structure (Croci et al. 2012) and CEO turnover decisions (Helwege et al. 2012). Using the annual Russell 1000/2000 index reconstitution, Boone and White (2015) find that higher institutional ownership is associated with greater management disclosure, analyst following, and liquidity, resulting in lower information asymmetry.

Another strand of the literature investigates the effects of institutional shareholders on firm performance. The impact of institutional ownership on firm performance starts with Shleifer and Vishny (1986), they provide a theoretical demonstration that concentrated shareholdings can mitigate free-rider problems of corporate control associated with dispersed ownership. The results of such studies have been mixed. McConnell and Servaes (1990) find that the percent of institutional investor ownership is significant and positively related to a firm's Tobin's Q. Smith (1996) argues that a high level of institutional ownership leads to shareholder activism, which, in turn, can increase shareholders' wealth. Del Guercio and Hawkins (1999) also find a positive relationship between institutional investor ownership and various measures of firm performance. In the U.S., Woidtke (2002) finds a positive relation between a firm's Tobin's Q and the share ownership of private pension funds. Chen et al. (2006) conclude that only concentrated shareholdings by long term independent institutions

can increase a firm's market return and return on assets. According to the cross-country analysis by Ferreira and Matos (2008), firms with higher stock ownership held by foreign and independent institutions, including mutual funds, have higher firm valuations. Utilizing a unique natural experimental setting during the Swedish pension fund reform, Giannetti and Laeven (2009) find that firm value increases with the increased shareholding of public and large private pension funds. Consistent with Yuan et al. (2008), equity ownership by mutual funds has a positive effect on firm performance as measured by Tobin's Q and return on assets. Firth et al (2006) show that the positive effects of mutual fund ownership on firms' return on assets are more significant for state-owned enterprises than for non- state-owned enterprises, and that institutional ownership does not seem to be associated with better firm performance. However, Agrawal and Knoeber (1996) look at the same relationship for a group of firms from 1987 and find it to be negative. Karpoff et al. (1996), Duggal and Miller (1999) and Faccio and Lasfer (2000) find no such significant relationship. Therefore, the impact of institutional ownership on firm performance is still unclear. In addition, due to data limitation, previous studies could not investigate the impact of foreign institutional ownership explicitly on firm's performance, therein lies a unique opportunity for us to conduct this study.

Ownership structure is a key element of corporate governance (Shleifer and Vishny 1997 and La Porta et al. 1999, 2000, 2002). Studies of the monitoring effects of institutional stock ownership on corporate governance thus indicates that the link between ownership and company performance studied in this paper is likely to be corporate governance. The connection between ownership structure and company performance has been the subject of an important and ongoing debate in the corporate finance literature. The ownership has two key components - insider and outsider ownership. Outsider ownership means investors whose interests are in the financial returns of the companies in which they invest. Examples of these

are mutual funds, pension funds, and small individual investors. In contrast, insider owners derive private benefits and financial returns from their investments. Those private benefits may be associated with long-term relationships, intergenerational succession within families, and transactions between parties that are not at arm's length. The distinction between insider and outsider ownership is important because insiders' private benefits are generally viewed as being in conflict with, and at the expense of, outside shareholders and their financial returns.

This paper focuses on outsider ownership, that is, foreign institutional ownership. Foreign institutions have the advantage over domestic ones in that they are not so readily subject to domestic capture and influence. The opening of domestic stock markets to foreign capital which reflects the tendency of these economies towards liberalization has drawn increasing attention from academics and policy-makers. However, there is no consensus on whether foreign capital is of benefit to the development of local stock markets and economies. On the one hand, proponents argue the following. First, the introduction of non-speculating longterm foreign capital into domestic economies brings not only the capital required but also advanced managerial skills, marketing knowhow, business connections and human resource training. Second, foreign capital provides an alternative way of financing, with foreign investors sharing the risk in domestic stock markets. Third, the introduction of foreign capital into domestic stock markets improves risk control and reduces the risk exposure of listed firms. Foreign capital will choose well managed companies in which to invest, and this should further accelerate improvement in corporate governance. In addition, foreign capital can improve information quality in domestic stock markets in good corporate governance environments, and thus substantially decreases transaction costs and risk exposure.

On the other hand, the opponents of international capital flows believe that foreign capital both exposes the domestic stock market to international risk and leads to fragility of the domestic market, especially in the case of immature financial institutes and regulatory bodies. The speculative short-term behaviour of foreign capital is especially likely to destabilize the domestic stock market and accelerate its risk (Stiglitz 1999). For instance, Stiglitz (1999) argues that foreign speculators are responsible for the severity of financial crises.

Foreign investors, who are typically sophisticated institutional investors, may have superior capabilities, resources, and skills to collect and process value-relevant firm specific information (Kim and Yi 2015). Following this line of research, the impact of foreign capital on domestic firm performance is thus of great importance for both developed and emerging economies.

Therefore, the research hypothesis in this paper is:

H₀: Foreign institutional ownership has no impact on firm performance.

H₁: Foreign institutional ownership has a positive impact on firm performance.

This paper offers three distinct contributions. Firstly, this paper offers an in-depth critical analysis and evaluation of how firm-level foreign institutional ownership works as internal corporate governance and contributes to individual stock performance. Most empirical studies of the home bias have used ownership data aggregated on a country level and investigate its impact on portfolio (Kang and Stulz 1997, Jin and Myers 2006, Kho et al. 2006, Rubin 2007, Fernandes and Ferreira 2008, Mondria and Wu 2010). This paper uses foreign ownership of individual stocks as a direct measure of foreign presence in the local market to analyse the relation between foreign presence and stock return. Secondly, this paper shows the linkage between the firm-level foreign ownership and stock return in both emerging markets and developed markets. Previous studies either focused on developed markets such US and UK, or a group of Asian countries. Thirdly, this study is original in analysing a comprehensive and complete cross-sectional sample data over an 11-year period (2004-2014), where most countries' ownership data are available from 2002. In addition, the sample period

will include the most prominent bubble cycles of recent decade: the Global Financial Crisis of 2007-2008.

3. Data

This paper uses Australia, China, India, Finland, UK and US as sample countries to represent emerging and developed markets. The sample stocks are selected based on market capitalisation and well represent different industry sectors. The sample consists of the top 60 firms ranked by average market capitalization of common equity over 11 years period in six different countries. These stocks contain holdings of foreign intuitional investors, domestic institutional investors and domestic non-institutional investors across the entire sample period. The monthly ownership data is sourced from Factset from the beginning of January 2004 to the end of December 2014. Appendix A represents the summary statistics of ownership structure of sample countries. In aggregate, our sample firms represent 62.543% of the entire sample markets. In most existing studies using US data, the number of shares held by institutional investors is usually gathered from sources such as CDA Spectrum (quarterly institutional investors' 13f filings), Morningstar (monthly) or Standard and Poors' Security Owners' Stock Guides. The data used in this study unambiguously show the number of shares held by institutions², separately for domestic and foreign, on the date block holders report changes in their holdings. We aggregate the data to monthly frequency allow for potential delayed reporting. Appendix B provides summary statistics for the entire sample. Due to the highly time consuming process of aggregating institutional ownership at the stock day level across several markets we use representative markets and the largest stocks. Outside of the selected stocks foreign institutional ownership is typically negligible.

 $^{^{2}}$ Regulators require shareholders with holdings greater than 5% of a firm's outstanding shares to report each change in these block holdings. Many institutional shareholders also report smaller stakes. Factset collects these data globally from shareholder registries and company filings. The database also goes under the name Lionshares.

We also use data from other sources throughout the analysis. Daily stock return data are obtained from Thomas Reuter History Tick (TRHT). S&P Compustat is used to collect the total number of share outstanding for each stock during sample period. To be included in the sample, the firm must have a match in all of these data sets.

US, UK, Australia and Finland are chosen as sample markets for developed economies. The share ownership has largely migrated to financial institutions that have ascended to the largest holder of equity. In 2010, domestic financial institutions own almost 50% of US stocks. However, due to data availability, no previous studies have focused on foreign institutional investors in US and UK. In Australia, intermediaries like the mutual fund industry have taken over stock ownership due to a public demand for portfolio diversification, as well as taxation and retirement regulation. This mechanism incentivizes households to give up direct ownership of stocks due to associated tax benefits. The market capitalization and trading turnover of Finnish stock market developed favorably during the 1990s, this was partly due to the success of Nokia Corporation, which was followed by an exceptional increase in foreign ownership of Finnish companies. Finland is also included due to that the market is frequently studied in the related literature as a result of exceptionally transparent share ownership records, which provides opportunity for direct verification of the results.

China and India are chosen as sample markets for emerging economies. China is the largest developing country, and its huge growth potential attracts researchers' attention. In particular, the Chinese stock market has been developing very rapidly since the introduction of the share market in 1990. Second, corporate governance in China in general is poor, which is evidenced by a low quality of accounting disclosure, low transparency of firm operation and

the poor quality of information on the market. In addition, before 2006, the stock market in China was segmented, and large numbers of shares were non-tradable. Third, the ongoing restructuring of China's share market makes this study of interest to potential international investors, although the Chinese government is still the dominant shareholder in the market. As well, the Chinese government has strongly encouraged the recent growth of institutional investment, and these shareholdings now represent more than one third of the market. Fourth, for foreign investors, the investment environment in China is quite different from that of other countries, due not only to some of the specific features of the Chinese stock market, but also to the strong policy restraints the Chinese government has applied to foreign capital. Therefore, it is necessary to understand the influence which foreign investors have on the volatility of the stock market in China. In India, most listed firms are partially privatized, and thus, corporate ownership is highly concentrated in the hands of a single investor associated with the central or local government or government-controlled institutions such as stateowned enterprises. These institutional features provide a unique opportunity to examine the impact of foreign ownership on the flow of firm-specific information to outside investors, and to investigate whether this impact differs systematically with the institutional infrastructure of the market on which foreign shares are traded. India is considered the second most important emerging market due to the size of its population having a great potential for significant growth. No previous studies have investigated India as part of the Asian market.

4. Methodology

4.1 Baseline model

Regression models are estimated to investigate the pattern and variation of ownership structure of listed companies and to document empirically the relationship between company performance and ownership structure. We follow Berglund and Westerholm (2010) and Johnson et al. (2000) methodology and framework, and estimate the following main panel regression for firm i and time t:

Stock Return_{*i*,*t*} =
$$\alpha_0 + \alpha_1 F I_{i,t} + \alpha_2 D I_{i,t} + \epsilon_{i,t}$$
 (1)

$$ROA_{i,t} = \beta_0 + \beta_1 F I_{i,t} + \beta_2 D I_{i,t} + u_{i,t}$$
(2)

$$ROE_{i,t} = \gamma_0 + \gamma_1 F I_{i,t} + \gamma_2 D I_{i,t} + \nu_{i,t}$$
(3)

$$Q_{i,t} = \theta_0 + \theta_1 F I_{i,t} + \theta_2 D I_{i,t} + \omega_{i,t}$$
(4)

There are 47,520 monthly observations based on 60 stocks across 6 markets over 11 years. The firm's success is basically explained by its performance over a certain period of time. The dependent variables are firm's performance measurement. The first one is firm's market performance which is measured by the stock return on each day. The second one is the firm's book performance which is measured by return on assets (ROA) and return on equity (ROE). Accounting-based measurement is generally considered as an effective indicator of the company's profitability and the business when compared to benchmark rate of return equal to the risk adjusted weighted average cost of capital. Return on assets (ROA) as a measure of operating performance (Barber and Lyon 1996). Return on equity (ROE) measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested (Hitt et al. 1997). The last one is firm's future investment opportunities which are proxy by Tobin's Q. Tobin's Q is defined as the ratio of the market value of a firm to the replacement cost of its assets. where market value of a firm is the summation of the product of a firm's share price and the number of common stock shares outstanding, the liquidating value of the firm's outstanding preferred stock, the value of the firm's short-term liabilities net of its short-term assets, plus the book value of the firm's longterm debt, and the replacement cost of its assets is the book value of the total assets of the firm (Chung and Pruitt 1994). Tobin's Q plays an important role in many financial interactions, it has been employed to explain a number of diverse corporate phenomena, such as cross-sectional differences in investment and diversification decisions (Jose et al. 1986; Malkiel et al. 1979), the relationship between managerial equity ownership and firm value (McCon- nell and Servaes 1990; Morck et al. 1988), the relationship between managerial performance and tender offer gains (Lang et al. 1989), investment opportunities and tender offer responses (Lang et al. 1989), and financing, dividend, and compensation policies (Smith and Watts 1992). Firms with high Tobin's Q, or Tobin's Q > 1.00, have been found to be better investment opportunities (Lang et al 1989), have higher growth potential (Tobin and Brainard 1968; Tobin 1969) and indicate management has performed well with the assets under its command (Lang et al 1989).

To capture the ownership structure, there are two set of independent variables are foreign institutional ownership (FI) and domestic institutional ownership (DI). Detailed explanations and sources of all variables can be found in Appendix C.

4.2 Control variables and dummy variables

Stock market size, firm-specific factors and countries' macroeconomic environment may affect company's performance; therefore, to address this problem, we re-estimate our previous regression models with the inclusion of controls and add dummy variables for country fixed effect and company's multinationalisation.

Ln(Size): Market capitalization represents the company's value in the market place. To control for the firm size, we use the natural logarithm of firm's market capitalization at the end of each year (Brennan et al. 1998).

Leverage: Debt can mitigate against managerial inefficiency (Hart and Moore 1990; Stulz 1990) when leverage is sufficiently large, as managers are unlikely to make wealth-destroying investment decisions because they are under legal obligations to service debt payments. Hence, it is expected that an increase in a firm's debt level will attract more foreign investment due to a reduction in agency problem. We use the leverage ratio of each stock to measure debt level.

Consumer Confidence Index (CCI): Prior research have use Consumer Confidence Index as a proxy to study the relation between investor sentiment and stock returns (Lemmon and Portniaguina 2006). Schmeling (2009) reports that when consumer confidence is high, future stock returns tend to be lower in most of the 18 industrialized countries. The macroeconomic sentiment factor, obtained from consumer and business confidence releases, is highly correlated with economic activity, and appears to lead fundamentals especially around important turning points (Beber et al 2015). In addition, Consumer Confidence is found to be significantly related to price jumps in S&P 500 Index-Futures (Miao et al 2013). Therefore, Consumer Confidence Index is a key variable to explain macroeconomic environment.

Business segment: The potential benefits of operating different lines of business within one firm include greater operating efficiency, less incentive to forego positive net present value projects, greater debt capacity, and lower taxes (Berger Va and Ofekb 1995).

Geographic segment: International diversity denotes a firm's increased reliance on foreign markets as a means of growth and financial performance improvement. It refers to the scope of a firm's foreign operations (Tallman and Li 1996). International diversity includes the number of countries in which a firm has foreign business operations (Tallman and Li 1996)

and the geographic diversity of the foreign markets (Sambharya 1995). Diversity therefore reflects the significant cultural and technological variations across the countries, markets, and segments in which a new venture undertakes foreign operations.

Foreign revenues: Researchers conceptualize firms' degrees of internationalization on three dimensions: structural, financial, and psychological. Financial internationalization captures organizations' monetary or revenue dependence on foreign markets (Sullivan 1994a).

Effective Spread: The spread is a measure of the transaction costs paid by investors. It consists of order processing, inventory holding, and adverse selection components. In general, information asymmetry and trading activity are interrelated, as a greater degree of informed trading increases the adverse selection cost. Greater information asymmetry between informed traders and uninformed liquidity providers leads to wider spreads and lower depths as uninformed liquidity traders attempt to minimize losses from trading with informed traders. Therefore, institutional investors may be attracted by narrower spreads, which would suggest an inverse relation between price discovery and spreads (Chakravarty et al. 2004; Korajczyk and Sadka 2008). On the other hand, if market makers set wider spreads in fear of informed trading, this might induce a positive relation (Lee and Yi 2001; Kaul et al. 2002).

Cross listing: Integration with global capital markets and liquidity from the foreign market is crucial for performing arbitrage trading because it brings prices to fundamental values and keeps markets efficient (Shleifer and Vishny 1997). Firms cross-list their stocks to gain access to foreign capital markets and increase investor recognition of their stock.

Dummy variables for home country effect: There are 6 countries in our sample. To control for the country effect, we assign 1 if the company belongs to one of these countries and 0 otherwise. To avoid a non-singular matrix, we include 5 countries out of 6.

Dummy variables for multinationalism effect: There are 6 countries in our sample. To control for the multinationalism effect, we assign 1 if the company has foreign revenues, foreign assets and foreign business operations at any given year, and 0 otherwise.

A detailed definition and justifications of these six control variables and two dummy variables can be found in Appendix C.

The structure of the regression is presented as follows:

$$Stock \ Return_{i,t} = \alpha_0 + \alpha_1 F I_{i,t} + \alpha_2 D I_{i,t} + \alpha_3 In(Size)_{i,t} + \alpha_4 Leverage_{i,t} + \alpha_5 C C I_{i,t} + \alpha_6 Bus_Seg_{i,t} + \alpha_7 Geo_Seg_{i,t} + \alpha_8 F R_{i,t} + \alpha_9 Crosslisting_{i,t} + \alpha_{10} Spread_{i,t} + \alpha_{11} Dummy_C_{i,t} + \epsilon_{i,t}$$

$$(5)$$

$$ROA_{i,t} = \beta_0 + \beta_1 FI_{i,t} + \beta_2 DI_{i,t} + \beta_3 In(Size)_{i,t} + \beta_4 Leverage_{i,t} + \beta_5 CCI_{i,t} + \beta_6 Bus_{Seg_{i,t}} + \beta_7 Geo_Seg_{i,t} + \beta_8 FR_{i,t} + \beta_9 Crosslisting_{i,t} + \beta_{10} Spread_{i,t} + \beta_{11} Dummy_C_{i,t} + u_{i,t}$$
(6)

$$ROE_{i,t} = \gamma_0 + \gamma_1 F I_{i,t} + \gamma_2 D I_{i,t} + \gamma_3 In(Size)_{i,t} + \gamma_4 Leverage_{i,t} + \gamma_5 C C I_{i,t} + \gamma_6 Bus_Seg_{i,t} + \gamma_7 Geo_Seg_{i,t} + \gamma_8 F R_{i,t} + \gamma_9 Crosslisting_{i,t} + \gamma_{10} Spread_{i,t} + \gamma_{11} Dummy_C_{i,t} + v_{i,t}$$
(7)

$$Q_{i,t} = \theta_0 + \theta_1 F I_{i,t} + \theta_2 D I_{i,t} + \theta_3 In(Size)_{i,t} + \theta_4 Leverage_{i,t} + \theta_5 C C I_{i,t} + \theta_6 Bus_Seg_{i,t} + \theta_7 Geo_Seg_{i,t} + \theta_8 F R_{i,t} + \theta_9 Crosslisting_{i,t} + \theta_{10} Spread_{i,t} + \theta_{11} Dummy_C_{i,t} + v_{i,t}$$
(8)

5. Results

Table 1 provides descriptive statistics for our main variables for six countries. On average, the stock return of US is much higher than the rest of the sample countries. UK has the highest proportion of both foreign and domestic institutional investors and highest leverage ratio. Companies from Finland relies the most on foreign revenue. Company size, CCI and business segments are relative similar in each country.

<Insert Table 1>

To avoid problems with multicollinearity in the variables, we do not include highly correlated variables, that is, variables that are expected to measure similar features, in the same regression equation. Table 2 presents a correlation matrix of all variables employed in our main analysis.

<Insert Table 2>

To examine the relations between foreign institutional ownership and stock return, a Granger causality test is conducted to check the causality relation between them. The causality test results are reported in Appendix D. In all cases, there is strong evidence of foreign institutional ownership causes stock return. On the other hand, stock return does not cause foreign institutional ownership. In general, there is a unidirectional causal flow running from foreign institutional ownership to stock return. The causality test results indicate that there is no endogeneity concern and provide a justification for the usage of foreign institutional ownership to stock returns.

We estimate regression models of the stock return as a function of ownership structure and a number of control and dummy variables. Table 3 reports the coefficient estimate for the ownership to company market performance. The dependent variable is the stock return.

Panel A reports the coefficient estimates for Australia. Model 1 and Model 2 are our base line regression models that only consider the effect of ownership structure to stock return. The results show that there is a positive association between the foreign (domestic) institutional ownership and the stock return. On average, the coefficient between the foreign institutional ownership and the stock return is 0.192 and it is significant at 1% level, which means if foreign institutional investors increase their ownership by 1%, the stock return will increase by 0.192%. In model 3 to model 12, after including additional control variables, the coefficient of the foreign institutional ownership is still positive and statistically significant at the 1% level (the average coefficient of the foreign institutional ownership is 0.135). The results show that there is a positive association between the domestic institutional ownership and the stock return. The average coefficient of the foreign institutional ownership is 0.101 and statistically significant at the 5% level. Business segments have a negative impact on firm's market performance (the average coefficient of the business segments is -0.003 and significant at 5%). The size, CCI, geographic segments, foreign revenue, leverage, spread, cross listing and multinationalisation do not have much impact on the stock return. Therefore, a firm with less business line, more foreign or domestic institutional holdings has higher stock return.

We repeat the same models for the other countries. Panel B reports the coefficient estimates for China. Model 1 and Model 2 show that there is a positive association between the foreign institutional ownership and the stock return. In model 3 to model 12, after including additional control variables, the coefficient of the foreign institutional ownership are still positive and statistically significant at the 10% level (the average coefficient of the foreign institutional ownership is 0.046). There is a positive relation between domestic institutional ownership and stock return (the average coefficient of the domestic institutional ownership is 0.011 and significant at the 5% level). The average coefficient of the firm size is 0.001 and statistically significant. There is a negative relation between CCI (the average coefficient is 0.001) and stock return. Spreads have a negative impact on firm's market performance (the average coefficient of the business segments is -0.139 and significant at 1%). The business foreign revenue, segments, geographic segments, leverage, cross listing and multinationalisation do not have much impact on the stock return. Therefore, a larger firm with more foreign or domestic institutional holdings, lower consumer confidence, lower trading cost or information asymmetry generates more return.

Panel C reports the coefficient estimates for Finland. There is a positive association between the foreign institutional ownership and the stock return (the average coefficient of the foreign institutional ownership is 0.194 and significant at the 5% level). The domestic institutional ownership has a negative impact on stock return (the average coefficient of the domestic institutional ownership is -0.054 and significant at the 5% level). Multinationalisation decrease stock return as well (the average coefficient of multinationalisation is -0.032 and significant at the 5% level). However, all these variables are not statistically significant. Therefore, a local firm with more foreign or less domestic institutional holdings generates more return.

Panel D reports the coefficient estimates for India. The results show that there is a positive association between the CCI and the stock return. On average, the coefficient between the CCI and the stock return is 0.001 and significant at 1% level. Geographic segments have a negative impact on firm's market performance with an average coefficient of -0.001 and

significant at 5% level. There is a negative relation between spread (the average coefficient is -0.243 and significant at 1% level) and stock return. However, ownership structure and other variables are not statistically significant. Therefore, macroeconomic environment is the key factor affect stock return in India, higher consumer confidence is preferred and firms with less foreign operations and trading costs generate higher stock return.

Panel E reports the coefficient estimates for UK. The results show that there is a negative association between the foreign (domestic) institutional ownership and the stock return. On average, the coefficient between the foreign institutional ownership and the stock return is - 0.03 and significant at 5% level. The average coefficient of the domestic institutional ownership is -0.043 and significant at 1% level. The results show that there is a negative association between the firm size and the stock return. The average coefficient of the foreign firm size is -0.003 and significant at 1% level. CCI, business segments, geographic segments, foreign revenue, leverage, spread, cross listing and mulinationalisation do not have much impact on the stock return. Therefore, a smaller company that has less foreign or domestic institutional holdings generates higher return. The contrasting results for UK may be caused by the relatively high proportion of institutional foreign ownership in UK relatively to the other countries, and indicates that the association between foreign institutional ownership and firm performance is non-linear.

Panel F reports the coefficient estimates for US. The results show that there is a negative association between the domestic institutional ownership and the stock return. On average, the coefficient between domestic institutional ownership and the stock return is -1.154 significant at the 10% level. The results show that there is a negative association between the firm size (the average coefficient of the firm size is -0.249) and the stock return. The CCI has a negative impact on stock return (the average coefficient of the CCI is 0.167). The foreign

institutional ownership, business segments, geographic segments, foreign revenue, leverage, spread, cross listing and multinationalisation do not have much impact on the stock return. Therefore, a smaller company that has less domestic institutional holdings, less business lines generates higher return in good market condition.

Panel G reports the coefficient estimates for all countries. We repeat model 1 to model 12 and adding a country effect in model 13. The results show that there is a negative association between the foreign (domestic) institutional ownership and the stock return. The results show that there is a positive association between CCI and the stock return (the coefficient of CCI is 0.001). Firm size has a negative impact on stock return (the average coefficient of firm size is -0.005). Amongst all these countries, Finland has a positive impact on stock return (the coefficient is 0.015). The business segments, geographic segments, foreign revenue, leverage, spread, cross listing and multinationlisation do not have much impact on the stock return. Therefore, a smaller company with less institutional holdings performs better when macroeconomic condition increase. In addition, a Finnish company creates higher return due to high transparency in Finland stock market.

<Insert Table 3>

Table 4 reports the coefficient estimate for the ownership to company book performance. The dependent variable is the return on equity (ROE).

Panel A reports the coefficient estimates for Australia. The results show that there is a negative association between the foreign institutional ownership and ROE. On average, the coefficient between the foreign institutional ownership and ROE is -0.531 and statistically significant at the 1% level. The results show that there is a positive association between the firm size and the stock return. The average coefficient of the firm size is 0.05 and statistically significant at the 1% level. CCI have a positive impact on firm's book performance (the

average coefficient of the business segments is 0.03 and significant at the 1% level). Business segments is negatively correlated to ROE (the average coefficient of the business segments is -0.022 and significant at the 1% level), while geographic segments is positively correlated to ROE (the average coefficient of the geographic segments is 0.015 and significant at the 1% level). Leverage has a positive impact on ROE (the average coefficient of the leverage is 0.017 and significant at the 1% level). There is a negative relation between cross listing and ROE (the average coefficient of the cross listing is -0.04 and significant at the 1% level). The domestic institutional ownership, foreign revenues, spread and multinationalisation do not have much impact on the firm's ROE. Therefore, in a good macroeconomic condition, a larger firm with less foreign institutional holdings, less business lines, more foreign operations and less cross listing has better performance.

Panel B reports the coefficient estimates for China. Results show that there is a positive association between the domestic institutional ownership and ROE, and statistically significant at the 1% level (the average coefficient of the domestic institutional ownership is 0.518). The average coefficient of the firm size is 0.015 and statistically significant at the 1% level. Business segments (the average coefficient of the business segments is -0.007) has a negative impact on firm's market performance. There is a positive relation between foreign revenues (the average coefficient is 0.065) and ROE. The foreign institutional ownership, CCI, geographic segments, leverage, spread, cross listing and multinationalisation do not have much impact on the stock return. Therefore, a larger firm with more domestic institutional holdings, less business lines, and more foreign revenue, performances better.

Panel C reports the coefficient estimates for Finland. The foreign institutional ownership has a positive impact on ROE and statistically significant (the average coefficient of the foreign institutional ownership is 1.957). The average coefficient of the firm size is 0.014 and statistically significant. The results show that there is a positive association between the CCI (the average coefficient is 0.036) and ROE. Geographic segments (the average coefficient is - 0.01) and leverage (the average coefficient is -0.145) have a negative impact on firm's book performance. There is a positive relation between foreign revenues (the average coefficient is 0.101), cross listing (the average coefficient is 0.012) and ROE. Multinationalisation has a positive impact on ROE (the average coefficient is 0.794). The domestic institutional ownership, business segments and spread do not have much impact on ROE. Therefore, a larger multinational firm that with more foreign institutional holdings, less foreign operations, less leverage, more foreign revenues and cross listing, generates higher ROE in a good market condition.

Panel D reports the coefficient estimates for India. The results show that there is a negative association between the foreign (domestic) institutional ownership and ROE. The results show that there is a positive association between the CCI and ROE. On average, the coefficient between the CCI and ROE is 0.053 and significant at the 1% level. Business segments (the average coefficient is -0.009), geographic segments (the average coefficient is -0.009), geographic segments (the average coefficient is -0.003), leverage (the average coefficient is -0.056) and spread (the average coefficient is - 3.986) have a negative impact on firm's book performance. Multinationalisation has a negative impact on ROE (the average coefficient is -0.05). Therefore, a larger local firm that with less foreign and domestic institutional holdings, less business lines, less foreign operations, less leverage, less trading costs, generates higher ROE in a good market condition.

Panel E reports the coefficient estimates for UK. The results show that there is a positive association between the foreign (domestic) institutional ownership and ROE, both of them are significant at the 1% level. The average coefficient of the foreign institutional ownership is 0.248, and the average coefficient of the domestic institutional ownership is 0.284. The

average coefficient of the firm size is 0.018 and statistically significant at the 1% level. The results show that there is a positive association between the CCI and ROE. On average, the coefficient between the CCI and ROE is 0.006 and significant at 1% level. Business segments (the average coefficient is 0.027), leverage (the average coefficient is 0.055) and multinationalisation (the average coefficient is 0.219) have a positive impact on firm's book performance. There is a negative relation between geographic segments (the average coefficient is -0.001), foreign revenues (the average coefficient is -0.227) and ROE. The spread and cross listing do not have much impact on ROE. Therefore, a larger multinational firm that with more foreign and domestic institutional holdings, more business lines, more leverage, less foreign operations, less foreign revenues, generates higher ROE in a good market condition.

Panel F reports the coefficient estimates for US. The results show that there is a negative association between the foreign institutional ownership and ROE. The average coefficient of the foreign institutional ownership is -0.926 and statistically significant. Business segments (the average coefficient is -0.007), geographic segments (the average coefficient is -0.018), leverage (the average coefficient is -0.048) and spread (the average coefficient is -60.134) have a negative impact on firm's book performance. Multinationalisation (the average coefficient is 0.082) and foreign revenues (the average coefficient is 0.211) have a positive impact on ROE. The domestic institutional ownership and multinationalisation does not have much impact on ROE. The domestic institutional holdings, size, CCI and cross listing do not have much impact on ROE. Therefore, a multinational firm that with less foreign institutional holdings, less business lines, less foreign operations, more foreign revenues, less leverage, less trading costs, generates higher ROE.

Panel G reports the coefficient estimates for all countries. We repeat model 1 to model 12 and adding country effect in model 13. The results show that there is a positive association between the foreign institutional ownership and ROE. The coefficient between the foreign institutional ownership and ROE is 0.206 and statistically significant. There is a positive association between the domestic institutional ownership and ROE is 0.228 and statistically significant. Geographic segments (the average coefficient is -0.002) and foreign revenues (the average coefficient is -0.088) have a negative impact on firm's book performance. Size (the average coefficient is 0.021), business segments (the average coefficient is 0.012), leverage (the average coefficient is 0.052) and multinationlisation (the average coefficient is 0.110) have a positive impact on ROE. CCI, spread, crosslisting and countries effects do not have much impact on ROE. Therefore, a larger multinational firm that with more foreign and domestic institutional holdings, more business lines, more leverage, less foreign operations, less foreign revenues, less leverage, generates higher ROE.

<Insert Table 4>

Appendix D reports the coefficient estimate for the ownership to company ROA and results are consistent with the results for ROE.

Table 5 reports the coefficient estimate for the ownership to company's future investment opportunity. The dependent variable is the Tobin's Q.

Panel A reports the coefficient estimates for Australia. Model 1 and Model 2 are our base line regression models that only consider the effect of ownership structure to Tobin's Q. The results show that there is a positive association between the foreign institutional ownership and Tobin's Q. On average, the coefficient between the foreign institutional ownership and the Tobin's Q is 2.727 and it is significant at 1% level. However, there is a negative

association between the domestic institutional ownership and Tobin's Q. The coefficient between the domestic institutional ownership and the Tobin's Q is -1.507 and it is significant at 1% level. In model 3 to model 12, after including additional control variables, the coefficient of the foreign institutional ownership is still positive and statistically significant (the average coefficient of the foreign institutional ownership is 1.377). The results show that there is a negative association between the domestic institutional ownership and the Tobin's Q. The average coefficient of the domestic institutional ownership is -1.299 and statistically significant. Company size (the average coefficient is 0.117), CCI (the average coefficient is 0.120), geographic segments (the average coefficient is 0.091), leverage (the average coefficient is 0.064) and multinationlisation (the average coefficient is 0.543) have a positive impact on Tobin's Q. Business segments (the average coefficient is -0.292), foreign revenues (the average coefficient is -0.029) and cross listing (the average coefficient is -0.048) have a negative impact on Tobin's Q. Spread does not have much impact on Tobin's Q. Therefore, a larger multinational firm with more foreign institutional holdings, less domestic institutional holdings, more foreign operations, more leverage, less business lines, less foreign revenues, less cross-listed in other countries, has higher Tobin's Q. In Australia, intermediaries like the mutual fund industry have taken over stock ownership due to taxation and retirement regulation, for those firms with less domestic institutional holding, foreign institutional investors place additional monitoring layer and ensure the firm has more future growth opportunity.

We repeat the same models for the other countries. Panel B reports the coefficient estimates for China. Model 1 and Model 2 show that there is a negative association between the foreign institutional ownership and the Tobin's Q, and a positive association between the domestic institutional ownership and the stock return. In model 3 to model 12, after including additional control variables, the coefficient of the foreign institutional ownership are still negative and statistically significant at the 10% level (the average coefficient of the foreign institutional ownership is -8.567). There is a positive relation between domestic institutional ownership and Tobin's Q (the average coefficient of the domestic institutional ownership is 6.075 and significant at the 1% level). CCI (the average coefficient is 0.118) has a positive impact on Tobin's Q. Business segments (the average coefficient is -0.117), geographic segments (the average coefficient is -0.079) and cross listing (the average coefficient is -0.187) have a negative impact on Tobin's Q. Company size, foreign revenues, leverage, spread and multinationlisation do not have much impact on Tobin's Q. Therefore, a firm with less foreign institutional holdings, more domestic institutional holdings, less foreign operations, less business lines, less cross-listed in other countries, has higher Tobin's Q when macroeconomic condition is good. It is mainly due to some of the specific features of the Chinese stock market and the strong policy restraints the Chinese government has applied to foreign capital.

Panel C reports the coefficient estimates for Finland. There is a negative association between the domestic institutional ownership and the Tobin's Q (the average coefficient of the foreign institutional ownership is -19.426 and significant at the 1% level). Company size (the average coefficient is 0.698), foreign revenues (the average coefficient is 8.394) and cross listing (the average coefficient is 1.493) have a positive impact on Tobin's Q. CCI (the average coefficient is -0.424), business segments (the average coefficient is -1.664), geographic segments (the average coefficient is -0.549), leverage (the average coefficient is (-1.880) and multinationlisation (the average coefficient is -3.090) have a negative impact on Tobin's Q. Foreign institutional ownership and spread does not have much impact on Tobin's Q. Therefore, a large local firm with less domestic institutional holdings, more foreign revenues, more cross-listed in other countries, less business lines, less foreign operations, less leverage, has higher Tobin's Q when market is more volatile. It is mainly due to the severe impact of Dot-com bubble in 2000 on Finnish market as Nokia counts majority of the market shares.

Panel D reports the coefficient estimates for India. There is a negative association between the domestic institutional ownership and the Tobin's Q (the average coefficient of the foreign institutional ownership is -17.820). Company size (the average coefficient is 5.892), CCI (the average coefficient is 3.156), business segments (the average coefficient is 0.236), geographic segments (the average coefficient is 1.143), foreign revenues (the average coefficient is 22.771) have a positive impact on Tobin's Q. Cross listing (the average coefficient is -0.722) has a negative impact on Tobin's Q. Foreign institutional ownership, leverage, spread and multinationlisation do not have much impact on Tobin's Q. Therefore, a large firm with less domestic institutional holdings, more business lines, more foreign operations, more foreign revenues, less cross-listed in other countries, has higher Tobin's Q when market is in good condition. It is mainly due to the fact that most listed firms are partially privatized, and corporate ownership is highly concentrated in the hands of a single investor associated with the central or local government or government-controlled institutions such as state-owned enterprises.

Panel E reports the coefficient estimates for UK. The results show that there is a positive association between the foreign (domestic) institutional ownership and the Tobin's Q. On average, the coefficient between the foreign institutional ownership and the Tobin's Q is 1.398 and significant at 1% level. The average coefficient of the domestic institutional ownership is 0.940 and significant at 1% level. Company size (the average coefficient is 0.612), CCI (the average coefficient is 0.095), foreign revenues (the average coefficient is 0.463), leverage (the average coefficient is 0.010), multinationlisation (the average coefficient is 0.475) have a positive impact on Tobin's Q. Business segments (the average

coefficient is -0.151) and geographic segments (the average coefficient is -0.100) have a negative impact on Tobin's Q. Spread and crosslisting do not have much impact on Tobin's Q. Therefore, a large multinational firm with more foreign and domestic institutional holdings, less business lines, less foreign operations, more foreign revenues, more leverage, has higher Tobin's Q when market is in good condition. There are relatively high proportions of institutional foreign ownership in UK relatively to the other countries; therefore, firms with high institutional ownership are considered with good future prospects.

Panel F reports the coefficient estimates for US. The results show that there is a negative association between the foreign institutional ownership and the Tobin's Q. On average, the coefficient between foreign institutional ownership and the Tobin's Q is -12.136 and statistically significant. Company size (the average coefficient is 0.247), CCI (the average coefficient is 0.168), and foreign revenues (the average coefficient is 1.983) have a positive impact on Tobin's Q. Business segments (the average coefficient is -0.099), geographic segments (the average coefficient is -0.080), leverage (the average coefficient is -0.062), have a negative impact on Tobin's Q. Domestic institutional holdings, spread, cross listing and multinationlisation do not have much impact on Tobin's Q. Therefore, a larger company that has less foreign institutional holdings, more foreign revenues, less business lines, less foreign operations, generates higher Tobin's Q when market is in good condition. It is mainly due to the fact that domestic financial institutions own almost 50% of US stocks and foreign investors have been blamed for destabilizing the market during financial crisis period, therefore, firms with less foreign institutional holdings are viewed with good future investment opportunity.

Panel G reports the coefficient estimates for all countries. We repeat model 1 to model 12 and adding a country effect in model 13. The results show that there is a positive association

between the foreign institutional ownership and the Tobin's Q. On average, the coefficient between foreign institutional ownership and the Tobin's Q is 0.163 and statistically significant. There is a negative association between the domestic institutional ownership and the Tobin's Q. The average coefficient between domestic institutional ownership and the Tobin's Q is -2.137 and statistically significant. Company size (the average coefficient is 0.949), foreign revenues (the average coefficient is 3.337) and crosslisting (the average coefficient is 0.170) have a positive impact on Tobin's Q. CCI (the average coefficient is -0.042), business segments (the average coefficient is -0.298) and geographic segments (the average coefficient is -0.236) have a negative impact on Tobin's Q. Leverage, spread and multinationlisation do not have much impact on Tobin's Q. Therefore, a large firm with more foreign institutional holdings, less domestic institutional holdings, more foreign revenues, more cross-listing, less business lines, less foreign operations, has higher Tobin's Q when market is more volatile. In addition, country differences do not contribute to investors' valuation of firm's future investment opportunities.

<Insert Table 5>

Although the results are mixed across countries, overall, there is a positive relation between foreign institutional ownership and company performance. A higher proportion of foreign institutional investors enhance the quality of corporate governance, therefore, increase stock return, Tobin's Q and firm's profitability. A larger firm performs better in stock return, Tobin's Q and firm's profitability. CCI has a positive impact on company performance, which means market confidence is the critical for company performance. However, firm's Tobin's Q increase when market is volatile as high risk generate high return, Less business lines and foreign operations increase company's performance, which implies that concentrated firms perform better. Foreign revenue and leverage has a mixed impact on company performance, this is mainly due to different tax systems that are imposed in each country, company attempts to maximise their tax benefit through leveraging and exports. Trading cost and crosslisting has a negative impact on company performance but not Tobin's Q, which means home bias and information asymmetric affect company's performance. Multinationalisation plays a key role on company's performance, that is, multinational company generates higher investment returns. Amongst all these countries, a Finnish company performs much better compare to other companies; it is mainly due to highly regulated stock market in Finland.

6. Conclusion

In this paper we investigate the connection between foreign institutional ownership and company performance across a large sample of firms from representative countries. We find a general positive relation between foreign institutional ownership and stock returns, Tobin's Q and firm's profitability. Domestic institutional ownership is negatively related to stock returns and Tobin's Q but positively related to firm's profitability. These results are robust to the inclusion of controls for macroeconomic factors and country and firm specific differences in diversification and globalization. This paper provides new evidence that there are clear corporate performance benefits up to a certain level of foreign institutional ownership, and that the likely link between ownership structure and firm performance is the corporate governance of a firm is significantly impacted by corporate governance and if the functions are appropriately established for the corporate governance system, it attracts investment and helps in maximizing the company's funds, reinforcing the company's pillars and this will result in the expected increase in firm performance. In other words, effective corporate governance protects against probable financial challenges and facilitates

remarkable growth and therefore, corporate governance plays a key role in the growth of the firm performance.

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Table 1 Descriptive statistics for regression variables.

The sample consists of 47520 observations (60 stocks across 6 markets over 11 years). There are seven sets of summary statistics, the panel A is for Australia, the panel B is for China, the panel C is for Finland, the panel D is for India, the panel E is for UK, the panel F if for US and the panel G is for all six countries The stock return on each day is used as the proxy for firm market performance. The return of each stock will be calculated by the difference between trade prices of time t and time t-1 over the trade prices of time t-1. Return on assets (ROA) is defined as net income over total assets. Return on equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Tobin's Q is defined as the ratio of the market value of a firm to the replacement cost of its assets. where market value of a firm is the summation of the product of a firm's share price and the number of common stock shares outstanding, the liquidating value of the firm's outstanding preferred stock, the value of the firm's short-term liabilities net of its short-term assets, plus the book value of the firm's long- term debt, and the replacement cost of its assets is the book value of the total assets of the firm. Foreign Institutional Ownership Ratio: It stands for the percentage of the total number of shares of a company held by foreign investors. Domestic Institutional Ownership Ratio: it stands for the percentage of the total number of shares of a company held by domestic institutions. *Ln(Size)* is the natural logarithm of each firm's market capitalization. *Effective Spread* is the price difference between trade price for sells and mid-point of bid and ask price. *Cross listing* is the number of crosslisting exchanges for each stock. Leverage is the leverage ratio for each stock. Consumer Confidence Index (CCI) is an indicator designed to measure consumer confidence, which is defined as the degree of optimism on the state of the country's economy that consumers are expressing through their activities of savings and spending. A business segment is the number of product lines that a firm has operates. A geographic segment is the number of countries in which a firm has foreign business operations. Foreign revenues are the revenue that company generated in foreign markets.

Panel A: Summary statistics for Australia

	STOCK_RETURN	ROA	ROE	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
Mean	0.202523	0.053439	0.134281	1.278399	0.020788	0.061276	22.72447	100.3296	4.495394	3.546667	0.482088	0.899660	0.000	3.606061
Median	0.000449	0.043500	0.125000	0.912694	0.000000	0.049981	22.56056	100.3730	5.000000	3.000000	0.433754	0.513000	0.000	4.000000
Maximum	787.4508	0.384000	2.423000	11.64834	1.102036	0.533662	25.77536	101.9869	10.00000	12.00000	1.000000	187.4360	0.062530	20.00000
Minimum	-0.0646	-0.2810	-8.2980	-0.5353	0.000000	0.000000	17.71417	98.18658	0.000000	0.000000	-0.9134	0.000000	-1.1459	0.000000
Std. Dev.	10.03513	0.053009	0.291120	1.369513	0.042268	0.057750	1.003961	0.991795	2.222788	2.070410	0.396910	4.226735	0.014429	2.464418

Panel B: Summary statistics for China

	STOCK_RETURN	ROA	ROE	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
Mean	0.002253	0.059973	0.180515	1.464663	0.004128	0.073070	24.37684	98.83636	3.787313	1.881170	0.086044	0.611247	-0.00198	0.140025
Median	0.000473	0.041000	0.165000	0.812534	0.000000	0.052520	24.49230	98.75363	4.000000	1.000000	0.000000	0.362500	0.001318	0.000000
Maximum	4.121594	47.37200	3.759000	17.75752	0.218865	0.722534	27.94873	101.4847	10.00000	15.00000	1.000000	6.060000	0.170946	4.000000
Minimum	-0.097206	-44.701	-1.628	-0.677073	0.000000	0.000000	20.32620	95.51743	1.000000	1.000000	-0.028836	0.000000	-1.974026	0.000000
Std. Dev.	0.063491	1.416671	0.176259	1.967005	0.014844	0.077250	1.390242	1.576213	2.194020	1.731273	0.194757	0.792081	0.037076	0.466278

Panel C: Summary statistics for Finland

	STOCK_RETURN	ROA	ROE	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
Mean	0.014209	0.053064	0.117603	3.261460	0.018374	0.120652	20.511503	100.685851	3.626137	5.640457	0.654599	0.704068	0.008421	6.487310
Median	0.000361	0.041500	0.117000	0.843369	0.001441	0.100788	20.331458	101.019400	4.000000	5.000000	0.674981	0.645000	0.005442	6.000000
Maximum	67.450263	1.435000	3.198000	387.7374	0.374746	0.678869	27.022695	103.512000	9.000000	22.000000	1.000000	3.383265	0.098790	24.00000
Minimum	-0.664804	-1.043	-31.169	-0.588495	0.000000	0.000000	17.179207	96.734650	0.000000	1.000000	0.000000	0.000000	-1.36939	1.000000
Std. Dev.	0.810434	0.069932	0.666968	17.28841	0.041459	0.105583	1.555335	1.522030	1.961572	3.527230	0.311864	0.471314	0.019795	3.259258

Panel D: Summary statistics for India

	STOCK_RETURN	ROA	ROE	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
Mean	0.376088	0.090733	0.235158	7.591757	0.018705	0.070609	26.11919	99.57690	3.752773	2.130890	0.255946	0.998991	0.000456	1.284343
Median	0.000825	0.068000	0.211000	1.307524	0.000000	0.055325	26.10837	99.61782	4.000000	2.000000	0.104663	0.412000	0.000699	1.000000
Maximum	2332.722	0.610000	1.401000	486.2641	0.578141	1.068365	29.27189	100.9655	12.00000	7.000000	1.000000	15.40400	0.550363	10.00000
Minimum	-0.198509	-0.027	-10.614	-0.164007	0.000000	0.000000	20.85115	96.82545	1.000000	1.000000	0.000000	0.000000	-0.571941	0.000000
Std. Dev.	27.51204	0.078082	0.490680	37.93344	0.042143	0.080225	1.101277	1.002414	2.406382	1.216026	0.325152	1.593709	0.015378	1.562911

Panel E: Su	Panel E: Summary statistics for UK														
	STOCK_RETURN	ROA	ROE	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING	
Mean	0.015267	0.061219	0.280160	1.488585	0.214076	0.409284	23.16365	99.88805	4.582019	4.902996	0.641275	2.108763	0.000602	3.789646	
Median	0.000505	0.052000	0.165000	0.931506	0.202263	0.415090	22.65293	100.5437	4.000000	4.000000	0.798823	0.531000	0.000590	3.000000	
Maximum	44.90707	0.397000	18.00000	27.61563	0.625884	0.823281	29.22681	102.5096	12.00000	24.00000	1.000000	1355.000	0.017095	15.00000	
Minimum	-0.053822	-0.184	-3.82	-0.214088	0.000000	0.000000	19.97329	96.47269	1.000000	1.000000	-0.107544	0.000000	-0.012391	0.000000	
Std. Dev.	0.600238	0.055270	0.852768	2.144714	0.113529	0.144275	1.598348	1.487045	2.388428	3.129968	0.370335	32.93011	0.002337	3.372851	
Panel F: Summary	statistics for	US													
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	STOCK_RETURN	ROA	ROE	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
Mean	37.62770	0.074118	0.170118	1.618592	0.004289	0.085600	23.96298	99.10239	3.555901	4.360684	0.378821	0.729924	0.000614	1.403662
Median	0.000642	0.062000	0.158000	1.099576	0.000000	0.069623	23.83743	99.09087	3.000000	4.000000	0.406789	0.419000	0.000439	1.000000
Maximum	41879.95	0.447000	7.614000	18.45533	0.225609	0.814410	26.43703	101.3596	11.00000	16.00000	1.000000	27.29300	0.004226	20.00000
Minimum	-0.048084	-0.096	-17.453	-0.021602	0.000000	0.000000	19.82923	96.70248	1.000000	1.000000	0.000000	0.001000	0.000125	0.000000
Std. Dev.	1015.270	0.057742	0.444017	1.706599	0.018008	0.093062	0.909491	1.257440	2.271009	3.204631	0.271300	1.714568	0.000486	2.492988

Panel G: Summary statistics for all countries

	STOCK_RETURN	ROA	ROE	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
Mean	6.671737	0.065746	0.186871	2.806181	0.114809	0.244282	23.46566	85.40622	3.966121	3.788928	0.420563	1.022426	0.001583	2.782056
Median	0.000539	0.051000	0.160000	0.953901	0.064629	0.182694	23.53745	99.34315	4.000000	3.000000	0.357876	0.490000	0.000895	2.000000
Maximum	41879.95	47.37200	18.00000	486.2641	1.102036	1.068365	29.27189	103.5120	12.00000	24.00000	1.000000	1355.000	0.550363	24.00000
Minimum	-0.664804	-44.701	-31.169	-0.677073	0.000000	0.000000	17.17921	0.597978	0.000000	0.000000	-0.913405	0.000000	-1.974026	0.000000
Std. Dev.	424.6097	0.550767	0.543848	17.39330	0.130010	0.202084	2.135171	34.59333	2.285902	2.994505	0.377633	13.98168	0.019977	3.251179

Table 2 Correlation matrix.

This table presents the correlation matrix of all variables employed in the regression models.

Panel A: Correlation	s for Australia										
	STOCK_RETURN	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
STOCK_RETURN	1.000000										
FI	0.027847	1.000000									
DI	0.047505	-0.150491	1.000000								
INSIZE	-0.038989	0.015818	-0.231861	1.000000							
CCI	0.011244	-0.035004	-0.050577	0.074695	1.000000						
BUS_SEG	-0.044921	-0.039543	0.062214	0.240009	-0.030995	1.000000					
GEO_SEG	0.008480	0.122451	-0.0961	0.296255	-0.008539	0.163088	1.000000				
FR	-0.013307	0.091717	-0.116454	0.190032	-0.042919	-0.126949	0.385802	1.000000			
LEVERAGE	-0.018165	0.024832	-0.059101	0.072478	0.002788	-0.164581	-0.117744	-0.03236	1.000000		
SPREAD	0.007904	-0.047666	0.152639	-0.427798	-0.053159	-0.019169	-0.086759	-0.113668	-0.026365	1.000000	
CROSSLISTING	0.000612	-0.042074	0.091614	-0.064939	-0.061335	0.108399	0.001131	-0.101713	-0.124504	-0.008938	1.000000
	ROA	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROA	1.000000										
FI	0.060092	1.000000									
DI	0.067006	0.620544	1.000000								
INSIZE	0.151149	0.060796	-0.063741	1.000000							
CCI	0.085377	0.321918	0.249710	0.548773	1.000000						
BUS_SEG	-0.002019	0.028921	0.053025	0.189427	0.142289	1.000000					
GEO_SEG	0.092313	0.182856	0.169163	-0.008542	-0.070034	0.185221	1.000000				
FR	0.147974	0.164779	0.211910	-0.079934	-0.050009	-0.046683	0.492325	1.000000			
LEVERAGE	-0.008588	0.034788	0.076108	-0.01588	0.022684	0.035284	-0.033946	-0.086502	1.000000		
SPREAD	-0.08056	-0.139863	-0.059577	-0.332523	-0.409833	-0.074068	0.073450	0.024662	0.000350	1.000000	
CROSSLISTING	-0.129714	0.036496	-0.056269	-0.123994	-0.238035	0.156026	0.213874	0.093444	0.112619	0.088216	1.000000
	ROE	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROE	1.000000										
FI	0.104860	1.000000									
DI	0.129004	0.620885	1.000000								
INSIZE	0.066552	0.057744	-0.065897	1.000000							
CCI	0.077096	0.320626	0.248896	0.547858	1.000000						
BUS_SEG	0.087969	0.029653	0.052716	0.183464	0.138686	1.000000					
GEO_SEG	0.006840	0.183898	0.170844	-0.011983	-0.071706	0.185783	1.000000				

FR	-0.050366	0.166086	0.214899	-0.082474	-0.050491	-0.04869	0.493882	1.000000			
LEVERAGE	0.298207	0.035986	0.077517	-0.016748	0.022689	0.034455	-0.034464	-0.085235	1.000000		
SPREAD	-0.043248	-0.138777	-0.059021	-0.332674	-0.410124	-0.07351	0.076058	0.025928	0.000559	1.000000	
CROSSLISTING	0.029028	0.038136	-0.051901	-0.124543	-0.236883	0.150950	0.216052	0.100567	0.113579	0.088014	1.000000

	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
TOBIN_Q	1.000000										
FI	0.088811	1.000000									
DI	-0.136529	-0.150229	1.000000								
INSIZE	0.071208	0.015369	-0.232135	1.000000							
CCI	0.097784	-0.036017	-0.051873	0.072546	1.000000						
BUS_SEG	-0.416342	-0.040692	0.064041	0.236048	-0.03152	1.000000					
GEO_SEG	0.096354	0.124931	-0.096912	0.294052	-0.00948	0.164537	1.000000				
FR	0.129557	0.093748	-0.118396	0.191470	-0.044268	-0.124496	0.382163	1.000000			
LEVERAGE	0.130912	0.025276	-0.057647	0.073545	0.006178	-0.166668	-0.117174	-0.030031	1.000000		
SPREAD	-0.079944	-0.047455	0.152468	-0.426213	-0.052051	-0.016684	-0.08597	-0.114668	-0.026813	1.000000	
CROSSLISTING	-0.153007	-0.041881	0.091939	-0.065761	-0.061042	0.108478	0.000351	-0.102374	-0.125176	-0.008872	1.000000

Panel B: Correlation	s for China		
	STOCK_RETURN	FI	DI
STOCK_RETURN	1.000000		
FI	0.053136	1.000000	

DI 0.068263 -0.039732 1.000000	
INSIZE 0.024049 -0.179231 -0.275744 1.000000	
CCI -0.020441 0.047799 0.397863 -0.085779 1.000000	
BUS_SEG 0.028723 -0.196995 -0.13255 0.298932 -0.114342 1.000000	
GEO_SEG -0.030924 -0.014367 -0.009875 0.196429 -0.086376 0.018535 1.000000	
FR 0.031643 0.071594 0.048924 -0.1512 -0.029554 -0.188919 0.232614 1.000000	
LEVERAGE 0.009077 -0.031695 -0.15251 -0.226886 -0.103554 0.172939 -0.067037 0.085358 1.000000	
SPREAD -0.332796 0.009641 0.021302 -0.062788 -0.060942 -0.048252 0.005611 -0.029419 0.019339 1.000000	
CROSSLISTING 0.036052 -0.077296 -0.113279 0.076170 -0.151487 0.253640 0.006252 -0.096341 0.263699 -0.101018 1.00000	0

CCI

BUS_SEG GEO_SEG

FR

LEVERAGE SPREAD CROSSLISTING

INSIZE

	ROA	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROA	1.000000										
FI	-0.060611	1.000000									
DI	0.271605	-0.011164	1.000000								
INSIZE	-0.201888	-0.133326	-0.304469	1.000000							
CCI	0.066808	0.014709	0.396252	-0.093868	1.000000						
BUS_SEG	-0.062765	-0.199488	-0.130068	0.272623	-0.118884	1.000000					

GEO_SEG	-0.019529	-0.022954	-0.00248	0.207647	-0.066287	0.020768	1.000000				
FR	0.193220	0.071325	0.052709	-0.145637	-0.014258	-0.183651	0.226234	1.000000			
LEVERAGE	-0.024175	-0.107082	-0.157508	-0.200612	-0.118383	0.202674	-0.068393	0.084712	1.000000		
SPREAD	0.051878	0.001377	0.047272	-0.030627	-0.031392	-0.031449	0.018839	-0.02807	0.011122	1.000000	
CROSSLISTING	-0.058372	-0.086455	-0.112132	0.068954	-0.14654	0.249138	-0.000757	-0.099639	0.266207	-0.077514	1.000000
	ROE	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROE	1.000000										
FI	0.031646	1.000000									
DI	0.250456	-0.039801	1.000000								
INSIZE	-0.028572	-0.176602	-0.287457	1.000000							
CCI	0.061876	0.054182	0.391635	-0.104216	1.000000						
BUS_SEG	-0.107321	-0.195639	-0.128049	0.298655	-0.119882	1.000000					
GEO_SEG	0.094052	-0.014348	-0.005553	0.195175	-0.078213	0.012800	1.000000				
FR	0.119458	0.070987	0.052979	-0.156565	-0.015254	-0.193577	0.229246	1.000000			
LEVERAGE	-0.051066	-0.031123	-0.149185	-0.220728	-0.096228	0.177029	-0.067782	0.090049	1.000000		
SPREAD	-0.009605	0.004587	0.046056	-0.035833	-0.033999	-0.040648	0.021580	-0.024612	0.015148	1.000000	
CROSSLISTING	-0.021353	-0.076409	-0.114581	0.072545	-0.152096	0.253336	-0.001762	-0.101725	0.258217	-0.074685	1.000000
	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
TOBIN_Q	1.000000										
FI	-0.052063	1.000000									
DI	0.437604	-0.039732	1.000000								
INSIZE	-0.216259	-0.179231	-0.275744	1.000000							
CCI	0.298780	0.047799	0.397863	-0.085779	1.000000						
BUS_SEG	-0.16386	-0.196995	-0.13255	0.298932	-0.114342	1.000000					
GEO_SEG	-0.107479	-0.014367	-0.009875	0.196429	-0.086376	0.018535	1.000000				
FR	0.074809	0.071594	0.048924	-0.1512	-0.029554	-0.188919	0.232614	1.000000			
LEVERAGE	-0.022472	-0.031695	-0.15251	-0.226886	-0.103554	0.172939	-0.067037	0.085358	1.000000		
SPREAD	0.051639	0.009641	0.021302	-0.062788	-0.060942	-0.048252	0.005611	-0.029419	0.019339	1.000000	
CROSSLISTING	-0.169647	-0.077296	-0.113279	0.076170	-0.151487	0.253640	0.006252	-0.096341	0.263699	-0.101018	1.000000

Panel C: Correlation	is for Finland										
	STOCK_RETURN	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
STOCK_RETURN	1.000000										
FI	0.003166	1.000000									
DI	-0.040909	0.000620	1.000000								
INSIZE	0.018102	0.128370	-0.139476	1.000000							
CCI	0.009403	-0.041902	-0.231969	0.126624	1.000000						

BUS_SEG	-0.004383	0.064374	-0.083052	0.415375	0.114844	1.000000					
GEO_SEG	-0.010079	0.297569	0.048561	0.374734	0.000926	0.421466	1.000000				
FR	-0.030497	0.090654	-0.082432	0.203859	-0.035129	0.033058	0.336522	1.000000			
LEVERAGE	0.014792	-0.069717	0.032277	-0.101668	-0.08759	0.027687	-0.033291	-0.263157	1.000000		
SPREAD	-0.021815	0.031712	0.109403	-0.53264	-0.167166	-0.143683	0.062698	-0.050754	0.051817	1.000000	
CROSSLISTING	-0.013027	0.209577	-0.123347	0.569966	0.149621	0.367149	0.490488	0.102763	-0.066704	-0.098363	1.000000
	ROA	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROA	1.000000										
FI	0.003783	1.000000									
DI	-0.07092	-0.007201	1.000000								
INSIZE	0.033795	0.107594	-0.146415	1.000000							
CCI	0.093567	-0.040204	-0.232578	0.124039	1.000000						
BUS_SEG	-0.128141	0.039947	-0.084246	0.411581	0.103124	1.000000					
GEO_SEG	-0.106627	0.259872	0.043770	0.361937	-0.007257	0.404375	1.000000				
FR	0.007058	0.091969	-0.090461	0.200503	-0.03577	0.026534	0.337337	1.000000			
LEVERAGE	-0.167566	-0.068923	0.030368	-0.091265	-0.0839	0.042145	-0.024055	-0.262935	1.000000		
SPREAD	-0.132693	0.029851	0.104704	-0.537832	-0.166786	-0.148335	0.056024	-0.056905	0.042416	1.000000	
CROSSLISTING	-0.01903	0.168424	-0.141394	0.562282	0.149566	0.348985	0.466485	0.098701	-0.056013	-0.10914	1.000000
	ROE	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROE	1.000000										
FI	0.002906	1.000000									
DI	-0.032914	-0.006953	1.000000								
INSIZE	0.035927	0.107397	-0.146098	1.000000							
CCI	0.073252	-0.040945	-0.232369	0.123182	1.000000						
BUS_SEG	0.004228	0.038656	-0.084052	0.410275	0.100626	1.000000					
GEO_SEG	-0.00743	0.257457	0.043333	0.357612	-0.01016	0.402548	1.000000				
FR	0.057619	0.090435	-0.090354	0.198193	-0.039283	0.022667	0.336395	1.000000			
LEVERAGE	-0.101893	-0.067446	0.029879	-0.088905	-0.080096	0.048342	-0.019361	-0.257767	1.000000		
SPREAD	-0.022717	0.028491	0.103793	-0.538722	-0.167976	-0.147804	0.061918	-0.055486	0.044258	1.000000	
CROSSLISTING	0.050557	0.167556	-0.141119	0.562209	0.146977	0.345689	0.462197	0.093247	-0.049063	-0.111322	1.000000
	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
TOBIN_Q	1.000000										
FI	-0.00608	1.000000									
DI	-0 125118	0 000620	1 000000								
	-0.123110	0.000020	1.000000								
INSIZE	0.038210	0.128370	-0.139476	1.000000							

BUS_SEG	-0.173758	0.064374	-0.083052	0.415375	0.114844	1.000000					
GEO_SEG	-0.094306	0.297569	0.048561	0.374734	0.000926	0.421466	1.000000				
FR	0.143281	0.090654	-0.082432	0.203859	-0.035129	0.033058	0.336522	1.000000			
LEVERAGE	-0.10552	-0.069717	0.032277	-0.101668	-0.08759	0.027687	-0.033291	-0.263157	1.000000		
SPREAD	-0.047308	0.031712	0.109403	-0.53264	-0.167166	-0.143683	0.062698	-0.050754	0.051817	1.000000	
CROSSLISTING	0.113095	0.209577	-0.123347	0.569966	0.149621	0.367149	0.490488	0.102763	-0.066704	-0.098363	1.000000

Panel D: Correlation	is for India										
	STOCK_RETURN	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
STOCK_RETURN	1.000000										
FI	-0.010075	1.000000									
DI	-0.027424	-0.197086	1.000000								
INSIZE	-0.058046	-0.143011	-0.00329	1.000000							
CCI	0.065767	-0.019147	0.119109	-0.095271	1.000000						
BUS_SEG	-0.075815	-0.055115	0.272671	0.208539	-0.038853	1.000000					
GEO_SEG	-0.042889	-0.14247	-0.095161	0.097688	-0.024566	-0.005231	1.000000				
FR	0.003115	-0.154168	-0.147801	0.050425	-0.019499	-0.117422	0.723512	1.000000			
LEVERAGE	-0.015191	0.146640	-0.155466	-0.239175	-0.09793	-0.040349	-0.029934	0.006169	1.000000		
SPREAD	-0.120259	-0.001693	-0.066771	-0.094867	-0.07016	0.001534	0.078675	0.057127	0.168862	1.000000	
CROSSLISTING	-0.041612	-0.131898	0.201116	0.145877	-0.09286	0.193838	0.281737	0.153046	-0.011504	-0.00608	1.000000
	ROA	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROA	1.000000										
FI	-0.201942	1.000000									
DI	-0.011866	-0.202333	1.000000								
INSIZE	0.180715	-0.138705	0.023986	1.000000							
CCI	0.134710	-0.017507	0.117454	-0.091822	1.000000						
BUS_SEG	-0.050548	-0.060449	0.265453	0.245522	-0.035545	1.000000					
GEO_SEG	0.293154	-0.149082	-0.10753	0.126221	-0.022992	-0.024003	1.000000				
FR	0.345809	-0.158071	-0.159206	0.064630	-0.020051	-0.135596	0.723329	1.000000			
LEVERAGE	-0.291932	0.156642	-0.163094	-0.251605	-0.09689	-0.073643	-0.036786	0.007114	1.000000		
SPREAD	-0.026974	-0.001334	-0.067662	-0.097764	-0.0713	0.000325	0.079140	0.057059	0.172739	1.000000	
CROSSLISTING	-0.097977	-0.13712	0.193090	0.171140	-0.093163	0.181332	0.272938	0.142436	-0.01338	-0.006381	1.000000
	POE	EI		INCIZE	001			ED		SDDEAD	
POE	1 000000	FI	וט	INSIZE	ULI	DUS_SEG	GEO_SEG	FK	LEVERAGE	SPREAD	CRUSSLISTING
	0.110000	1 000000									
	-0.118228	1.000000	1 000000								
	0.030007	-0.190092	0.000000	1 000000							
INDIZE	0.254586	-0.142367	0.004276	1.000000							

CCI	0.130876	-0.017867	0.118236	-0.09143	1.000000						
BUS_SEG	-0.003861	-0.055793	0.273539	0.211460	-0.034174	1.000000					
GEO_SEG	0.085909	-0.145264	-0.098249	0.103078	-0.022088	-0.012011	1.000000				
FR	0.064932	-0.155242	-0.151801	0.048031	-0.019387	-0.125312	0.724968	1.000000			
LEVERAGE	-0.471753	0.158180	-0.157022	-0.257597	-0.096153	-0.065758	-0.031232	0.011130	1.000000		
SPREAD	-0.158105	-0.00118	-0.066809	-0.096615	-0.070813	0.001022	0.079307	0.057305	0.172753	1.000000	
CROSSLISTING	-0.025797	-0.133786	0.199142	0.148915	-0.092011	0.189784	0.278605	0.147504	-0.008515	-0.005891	1.000000
	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
TOBIN_Q	1.000000										
FI	-0.051179	1.000000									
DI	-0.08324	-0.197086	1.000000								
INSIZE	0.116452	-0.143011	-0.00329	1.000000							
CCI	0.033436	-0.019147	0.119109	-0.095271	1.000000						
BUS_SEG	-0.04859	-0.055115	0.272671	0.208539	-0.038853	1.000000					
GEO_SEG	0.168829	-0.14247	-0.095161	0.097688	-0.024566	-0.005231	1.000000				
FR	0.247373	-0.154168	-0.147801	0.050425	-0.019499	-0.117422	0.723512	1.000000			
LEVERAGE	-0.067177	0.146640	-0.155466	-0.239175	-0.09793	-0.040349	-0.029934	0.006169	1.000000		
SPREAD	-0.006465	-0.001693	-0.066771	-0.094867	-0.07016	0.001534	0.078675	0.057127	0.168862	1.000000	
CROSSLISTING	-0.051861	-0.131898	0.201116	0.145877	-0.09286	0.193838	0.281737	0.153046	-0.011504	-0.00608	1.000000

Panel E: Correlations for UK

	STOCK_RETURN	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
STOCK_RETURN	1.000000										
FI	-0.025022	1.000000									
DI	-0.044202	0.062416	1.000000								
INSIZE	-0.004681	-0.066423	-0.339111	1.000000							
CCI	0.016185	-0.043331	-0.011801	0.050350	1.000000						
BUS_SEG	0.011536	-0.089294	-0.077461	0.178891	-0.020466	1.000000					
GEO_SEG	0.007146	0.041006	-0.018538	0.246968	-0.054662	0.170998	1.000000				
FR	-0.011791	-0.08996	0.023785	0.212792	-0.009726	-0.075905	0.443470	1.000000			
LEVERAGE	-0.001026	-0.007708	0.072926	-0.041273	-0.020641	0.045994	-0.053288	-0.137579	1.000000		
SPREAD	0.005576	-0.154991	0.112403	-0.228976	-0.252623	-0.030253	-0.072429	-0.013194	0.014565	1.000000	
CROSSLISTING	-0.006712	0.123499	-0.123628	0.266270	-0.122274	0.168389	0.031719	-0.081369	0.167164	-0.15453	1.000000
	ROA	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROA	1.000000										
FI	-0.053397	1.000000									
DI	-0.024529	0.062128	1.000000								

INSIZE	0.139696	-0.064577	-0.336166	1.000000							
CCI	0.010816	-0.036462	-0.008548	0.049083	1.000000						
BUS_SEG	0.089977	-0.115795	-0.082597	0.182106	-0.012351	1.000000					
GEO_SEG	0.173714	0.027017	-0.024189	0.249350	-0.052881	0.165298	1.000000				
FR	0.174980	-0.094799	0.020494	0.220104	-0.006879	-0.075839	0.447470	1.000000			
LEVERAGE	0.005231	-0.008879	0.076654	-0.039872	-0.017934	0.049425	-0.051913	-0.138351	1.000000		
SPREAD	-0.038739	-0.160474	0.113476	-0.224903	-0.264957	-0.024584	-0.06498	-0.017357	0.015442	1.000000	
CROSSLISTING	-0.152173	0.134644	-0.117971	0.256135	-0.120594	0.183648	0.012197	-0.094538	0.172495	-0.154584	1.000000
	ROE	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROE	1.000000										
FI	0.033600	1.000000									
DI	0.097048	0.064318	1.000000								
INSIZE	0.004463	-0.066512	-0.336636	1.000000							
CCI	-0.001993	-0.038888	-0.009876	0.049670	1.000000						
BUS_SEG	0.137282	-0.108404	-0.078406	0.178471	-0.016889	1.000000					
GEO_SEG	-0.013286	0.026906	-0.024097	0.250285	-0.053375	0.166255	1.000000				
FR	-0.154444	-0.09894	0.017869	0.222550	-0.004237	-0.081511	0.446859	1.000000			
LEVERAGE	0.377799	-0.008949	0.076522	-0.039738	-0.017876	0.049150	-0.051695	-0.137789	1.000000		
SPREAD	-0.012681	-0.15948	0.113625	-0.224962	-0.264858	-0.023492	-0.064954	-0.018056	0.015425	1.000000	
CROSSLISTING	0.083894	0.126959	-0.12066	0.258790	-0.115653	0.171066	0.013011	-0.085276	0.171484	-0.154688	1.000000
	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
TOBIN_Q	1.000000										
FI	0.034475	1.000000									
DI	-0.038826	0.062995	1.000000								
INSIZE	0.424370	-0.066642	-0.338633	1.000000							
CCI	0.087311	-0.043555	-0.010827	0.049975	1.000000						
BUS_SEG	-0.089946	-0.089351	-0.077317	0.178832	-0.02057	1.000000					
GEO_SEG	-0.016218	0.041227	-0.019545	0.247462	-0.054271	0.171135	1.000000				
FR	0.143652	-0.08978	0.022884	0.213249	-0.009336	-0.075826	0.443252	1.000000			
LEVERAGE	-0.003931	-0.007749	0.073198	-0.041356	-0.020724	0.045976	-0.05322	-0.137531	1.000000		
SPREAD	-0.10868	-0.155095	0.112946	-0.229194	-0.252862	-0.030296	-0.072275	-0.013034	0.014533	1.000000	
CROSSLISTING	0.089631	0.123458	-0.123545	0.266232	-0.122397	0.168370	0.031821	-0.081294	0.167149	-0.154578	1.000000
Panel F: Correlation	is for US										
Panel F: Correlation	s for US STOCK_RETURN	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
Panel F: Correlation STOCK_RETURN	s for US STOCK_RETURN 1.000000	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING

DI	-0.258978	0.190368	1.000000								
INSIZE	0.038137	-0.070316	-0.087598	1.000000							
CCI	0.059728	-0.012255	-0.197363	0.262773	1.000000						
BUS_SEG	0.086239	-0.093878	-0.129785	0.336738	0.636026	1.000000					
GEO_SEG	0.030084	-0.046991	-0.132324	0.201288	0.249052	0.442736	1.000000				
FR	-0.020659	-0.037479	-0.155978	0.086241	-0.023474	0.061190	0.656607	1.000000			
LEVERAGE	0.020179	0.018824	-0.088162	-0.066317	0.100347	0.197656	0.005827	0.093117	1.000000		
SPREAD	-0.148423	0.006472	0.544976	-0.388671	-0.620252	-0.540065	-0.042062	0.015267	-0.153715	1.000000	
CROSSLISTING	0.041939	-0.040369	-0.097068	0.072308	0.115690	0.226300	0.058803	0.144226	0.909267	-0.225448	1.000000
	ROA	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROA	1.000000										
FI	-0.117465	1.000000									
DI	-0.161404	0.191406	1.000000								
INSIZE	0.364495	-0.067605	-0.105357	1.000000							
CCI	0.058899	-0.007456	-0.216597	0.198193	1.000000						
BUS_SEG	-0.01856	-0.09642	-0.172153	0.228111	0.603352	1.000000					
GEO_SEG	0.103019	-0.042594	-0.165947	0.084992	0.157394	0.298687	1.000000				
FR	0.323296	-0.038339	-0.154865	0.100780	-0.016405	0.089741	0.742366	1.000000			
LEVERAGE	-0.273794	0.020261	-0.091881	-0.095438	0.081304	0.184649	-0.029294	0.094707	1.000000		
SPREAD	-0.266912	0.003302	0.559690	-0.361232	-0.607359	-0.534989	0.029882	0.009778	-0.143762	1.000000	
CROSSLISTING	-0.137392	-0.039221	-0.099954	0.056360	0.103324	0.224953	0.035970	0.146857	0.909982	-0.218706	1.000000
	ROE	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROE	1.000000										
FI	-0.056793	1.000000									
DI	-0.268912	0.191406	1.000000								
INSIZE	0.258846	-0.067605	-0.105357	1.000000							
CCI	0.035607	-0.007456	-0.216597	0.198193	1.000000						
BUS_SEG	-0.073773	-0.09642	-0.172153	0.228111	0.603352	1.000000					
GEO_SEG	-0.010213	-0.042594	-0.165947	0.084992	0.157394	0.298687	1.000000				
FR	0.197208	-0.038339	-0.154865	0.100780	-0.016405	0.089741	0.742366	1.000000			
LEVERAGE	-0.596396	0.020261	-0.091881	-0.095438	0.081304	0.184649	-0.029294	0.094707	1.000000		
SPREAD	-0.313684	0.003302	0.559690	-0.361232	-0.607359	-0.534989	0.029882	0.009778	-0.143762	1.000000	
CROSSLISTING	-0.487979	-0.039221	-0.099954	0.056360	0.103324	0.224953	0.035970	0.146857	0.909982	-0.218706	1.000000
	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
TOBIN_Q	1.000000										
FI	-0.129011	1.000000									

DI	-0.151949	0.187701	1.000000								
INSIZE	0.442577	-0.073431	-0.095816	1.000000							
CCI	0.205396	-0.019513	-0.226583	0.251123	1.000000						
BUS_SEG	0.183573	-0.103632	-0.155596	0.333138	0.622568	1.000000					
GEO_SEG	0.179601	-0.041559	-0.117697	0.215574	0.289441	0.491655	1.000000				
FR	0.396503	-0.0265	-0.129564	0.113447	0.038285	0.138849	0.648545	1.000000			
LEVERAGE	-0.162829	0.016464	-0.095554	-0.069722	0.092520	0.189813	0.016450	0.122264	1.000000		
SPREAD	-0.320932	0.009264	0.561861	-0.38691	-0.618982	-0.540381	-0.054839	-0.00737	-0.151184	1.000000	
CROSSLISTING	-0.084584	-0.043617	-0.106674	0.069338	0.104130	0.215467	0.073223	0.183209	0.908955	-0.222078	1.000000
Panel G: Correlation	ns for all countries										
	STOCK_RETURN	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
STOCK_RETURN	1.000000										
FI	-0.014158	1.000000									
DI	-0.019907	0.623422	1.000000								
INSIZE	-0.015387	0.060572	-0.062521	1.000000							
CCI	-0.006507	0.319997	0.250186	0.542154	1.000000						
BUS_SEG	-0.014478	0.037997	0.051920	0.181168	0.139262	1.000000					
GEO_SEG	0.000634	0.192446	0.172989	-0.004769	-0.068023	0.192674	1.000000				
FR	-0.011467	0.174688	0.221713	-0.077084	-0.043646	-0.04555	0.489845	1.000000			
LEVERAGE	-0.002437	0.034917	0.073252	-0.016718	0.022479	0.031787	-0.035738	-0.084767	1.000000		
SPREAD	-0.005601	-0.130944	-0.054568	-0.330411	-0.401985	-0.072674	0.074676	0.027479	0.000801	1.000000	
CROSSLISTING	0.003759	0.035717	-0.056215	-0.113444	-0.235194	0.153401	0.230753	0.095164	0.107830	0.091235	1.000000
	ROA	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROA	1.000000										
FI	0.060092	1.000000									
DI	0.067006	0.620544	1.000000								
INSIZE	0.151149	0.060796	-0.063741	1.000000							
CCI	0.085377	0.321918	0.249710	0.548773	1.000000						
BUS_SEG	-0.002019	0.028921	0.053025	0.189427	0.142289	1.000000					
GEO_SEG	0.092313	0.182856	0.169163	-0.008542	-0.070034	0.185221	1.000000				
FR	0.147974	0.164779	0.211910	-0.079934	-0.050009	-0.046683	0.492325	1.000000			
LEVERAGE	-0.008588	0.034788	0.076108	-0.01588	0.022684	0.035284	-0.033946	-0.086502	1.000000		
SPREAD	-0.08056	-0.139863	-0.059577	-0.332523	-0.409833	-0.074068	0.073450	0.024662	0.000350	1.000000	
CROSSLISTING	-0.129714	0.036496	-0.056269	-0.123994	-0.238035	0.156026	0.213874	0.093444	0.112619	0.088216	1.000000
	ROE	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
ROE	1.000000										

11	0.104860	1.000000									
DI	0.129004	0.620885	1.000000								
INSIZE	0.066552	0.057744	-0.065897	1.000000							
CCI	0.077096	0.320626	0.248896	0.547858	1.000000						
BUS_SEG	0.087969	0.029653	0.052716	0.183464	0.138686	1.000000					
GEO_SEG	0.006840	0.183898	0.170844	-0.011983	-0.071706	0.185783	1.000000				
FR	-0.050366	0.166086	0.214899	-0.082474	-0.050491	-0.04869	0.493882	1.000000			
LEVERAGE	0.298207	0.035986	0.077517	-0.016748	0.022689	0.034455	-0.034464	-0.085235	1.000000		
SPREAD	-0.043248	-0.138777	-0.059021	-0.332674	-0.410124	-0.07351	0.076058	0.025928	0.000559	1.000000	
CROSSLISTING	0.029028	0.038136	-0.051901	-0.124543	-0.236883	0.150950	0.216052	0.100567	0.113579	0.088014	1.000000
	TOBIN_Q	FI	DI	INSIZE	CCI	BUS_SEG	GEO_SEG	FR	LEVERAGE	SPREAD	CROSSLISTING
TOBIN_Q	1 000000										
	1.000000										
FI	-0.02754	1.000000									
FI DI	-0.02754 -0.055894	1.000000 0.623296	1.000000								
FI DI INSIZE	-0.02754 -0.055894 0.046418	1.000000 0.623296 0.060457	1.000000 -0.062514	1.000000							
FI DI INSIZE CCI	-0.02754 -0.055894 0.046418 -0.075215	1.000000 0.623296 0.060457 0.320536	1.000000 -0.062514 0.250737	1.000000 0.542552	1.000000						
FI DI INSIZE CCI BUS_SEG	-0.02754 -0.055894 0.046418 -0.075215 -0.091193	1.000000 0.623296 0.060457 0.320536 0.037231	1.000000 -0.062514 0.250737 0.051344	1.000000 0.542552 0.181055	1.000000 0.139706	1.000000					
FI DI INSIZE CCI BUS_SEG GEO_SEG	-0.02754 -0.055894 0.046418 -0.075215 -0.091193 -0.022041	1.000000 0.623296 0.060457 0.320536 0.037231 0.192525	1.000000 -0.062514 0.250737 0.051344 0.172517	1.000000 0.542552 0.181055 -0.004947	1.000000 0.139706 -0.068161	1.000000 0.193022	1.000000				
FI DI INSIZE CCI BUS_SEG GEO_SEG FR	-0.02754 -0.055894 0.046418 -0.075215 -0.091193 -0.022041 0.089078	1.000000 0.623296 0.060457 0.320536 0.037231 0.192525 0.174966	1.000000 -0.062514 0.250737 0.051344 0.172517 0.221521	1.000000 0.542552 0.181055 -0.004947 -0.077066	1.000000 0.139706 -0.068161 -0.043836	1.000000 0.193022 -0.044952	1.000000 0.489398	1.000000			
FI DI INSIZE CCI BUS_SEG GEO_SEG FR LEVERAGE	-0.02754 -0.055894 0.046418 -0.075215 -0.091193 -0.022041 0.089078 -0.01065	1.000000 0.623296 0.060457 0.320536 0.037231 0.192525 0.174966 0.034961	1.000000 -0.062514 0.250737 0.051344 0.172517 0.221521 0.073518	1.000000 0.542552 0.181055 -0.004947 -0.077066 -0.016677	1.000000 0.139706 -0.068161 -0.043836 0.022486	1.000000 0.193022 -0.044952 0.031585	1.000000 0.489398 -0.035592	1.000000 -0.084596	1.000000		
FI DI INSIZE CCI BUS_SEG GEO_SEG FR LEVERAGE SPREAD	-0.02754 -0.055894 0.046418 -0.075215 -0.091193 -0.022041 0.089078 -0.01065 0.001575	1.000000 0.623296 0.060457 0.320536 0.037231 0.192525 0.174966 0.034961 -0.131093	1.000000 -0.062514 0.250737 0.051344 0.172517 0.221521 0.073518 -0.054596	1.000000 0.542552 0.181055 -0.004947 -0.077066 -0.016677 -0.330568	1.000000 0.139706 -0.068161 -0.043836 0.022486 -0.401962	1.000000 0.193022 -0.044952 0.031585 -0.072697	1.000000 0.489398 -0.035592 0.074829	1.000000 -0.084596 0.027572	1.000000 0.000818	1.000000	

Table 3 Determinants of firm's market performance

This table reports coefficient estimates for the cross-sectional regression models. Heteroscedasticity consistent standard errors are reported under the coefficients in brackets. *The return of each stock* will be calculated by the difference between trade prices of time t and time t-1 over the trade prices of time t-1. *Foreign Institutional Ownership Ratio:* It stands for the percentage of the total number of shares of a company held by domestic institutions. *Ln(Size)* is the natural logarithm of each firm's market capitalization. *Leverage* is the leverage ratio for each stock. *Consumer Confidence Index (CCI)* is an indicator designed to measure consumer confidence, which is defined as the degree of optimism on the state of the country's economy that consumers are expressing through their activities of savings and spending. *A business segment* is the number of product lines that a firm has operates. *A geographic segment is* the number of countries in which a firm has foreign business operations. *Foreign revenues* are the revenue that company generated in foreign markets. *Effective Spread* is the price difference between trade price for sells and mid-point of bid and ask price. *Cross listing* is the number of cross-listing exchanges for each stock. *Dummy Multinational* is the dummy variable to measure multinationalisation of the firm. Significance at 1%, 5%, and 10% is indicated next to the coefficients by ***, ** and * respectively.

Stock return (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.002	-0.001	0.058	-0.150	-0.122	-0.130	-0.119	-0.080	-0.097	-0.093	-0.096	-0.094
	0.004	0.005	0.059	0.220	0.228	0.275	0.283	0.308	0.356	0.358	0.358	0.358
Foreign Institutional Ownership (FI)	0.187**	0.196***	0.148***	0.150***	0.156***	0.174***	0.178***	0.121	0.131	0.131	0.128	-0.087
	0.075	0.076	0.050	0.050	0.054	0.064	0.065	0.088	0.098	0.098	0.098	0.364
Domestic Institutional Ownership (DI)		0.050	0.079**	0.080**	0.085**	0.106**	0.106**	0.106**	0.124**	0.124**	0.124**	0.124**
		0.056	0.038	0.038	0.039	0.047	0.048	0.051	0.061	0.061	0.061	0.061
∟n(Size)			-0.003	-0.003	-0.002	-0.002	-0.002	-0.003	-0.004	-0.004	-0.004	-0.004
			0.003	0.003	0.003	0.003	0.003	0.004	0.005	0.005	0.005	0.005
001				0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
				0.002	0.002	0.003	0.003	0.003	0.003	0.003	0.003	0.003
Business segment					-0.002	-0.002*	-0.003*	-0.003**	-0.003**	-0.003**	-0.004**	-0.004**
					0.001	0.001	0.001	0.002	0.002	0.002	0.002	0.002
Geographic segment						0.001	0.002	0.002	0.002	0.002	0.002	0.002
						0.001	0.002	0.002	0.002	0.002	0.002	0.002
Foreign revenues							-0.007	-0.006	-0.010	-0.010	-0.011	-0.011
							0.008	0.008	0.010	0.010	0.011	0.011
∟everage								-0.002	-0.003	-0.003	-0.003	-0.003
								0.002	0.003	0.003	0.003	0.003
Spread									-0.773	-0.790	-0.810	-0.781
									2.255	2.260	2.261	2.262
Crosslisting										0.000	0.000	0.000
										0.001	0.001	0.001
Dummy_Multinational											0.003	0.000
											0.010	0.011
Dummy_Multinational x FI												0.232
												0.378
Adj.R2	0.215%	0.243%	0.492%	0.525%	0.643%	0.787%	0.830%	0.664%	0.769%	0.770%	0.775%	0.797%

Panel A: Regressions for Australia

Stock return (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.000	0.000	-0.015**	-0.009	-0.003	-0.001	0.004	0.013	0.046	0.043	0.043	0.043
	0.000	0.001	0.008	0.026	0.028	0.029	0.030	0.033	0.034	0.034	0.034	0.034
Foreign Institutional Ownership (FI)	0.037	0.037	0.044*	0.044*	0.050*	0.049*	0.049*	0.053*	0.046	0.046	0.046	0.046
	0.024	0.024	0.024	0.024	0.029	0.029	0.029	0.030	0.029	0.029	0.029	0.030
Domestic Institutional Ownership (DI)		0.002	0.006	0.006	0.010	0.008	0.008	0.011	0.017**	0.017**	0.017**	0.017**
		0.005	0.005	0.005	0.006	0.006	0.006	0.006	0.007	0.007	0.007	0.007
Ln(Size)			0.001**	0.001**	0.001*	0.001	0.001	0.001	0.001	0.001	0.001	0.001
			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CCI				0.000	0.000	0.000	0.000	0.000*	-0.001*	-0.001*	-0.001*	-0.001*
				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Business segment					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Geographic segment						0.000	0.000	0.000	0.000	0.000	0.000	0.000
						0.000	0.000	0.000	0.000	0.000	0.000	0.000
Foreign revenues							0.002	0.003	0.001	0.001	0.001	0.001
							0.002	0.003	0.003	0.003	0.003	0.003
Leverage								0.000	0.000	0.000	0.000	0.000
								0.001	0.001	0.001	0.001	0.001
Spread									-0.139***	-0.139***	-0.139***	-0.139***
									0.020	0.020	0.020	0.020
Crosslisting										0.000	0.000	0.000
										0.001	0.001	0.001
Dummy_Multinational											0.000	0.000
											0.001	0.001
Dummy_Multinational x FI												-0.004
												0.120
Adj.R2	0.369%	0.410%	1.025%	1.036%	1.186%	1.222%	1.433%	2.230%	13.260%	13.264%	13.265%	13.265%

Panel B: Regressions for China

Stock return (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.005	0.010**	-0.016	-0.010	-0.016	-0.011	-0.002	-0.017	0.019	-0.052	0.004	-0.065
	0.003	0.005	0.041	0.209	0.215	0.220	0.224	0.237	0.259	0.265	0.265	0.267
Foreign Institutional Ownership (FI)	0.011	0.009	0.004	0.004	0.007	0.017	0.010	0.014	0.015	0.023	0.019	2.199**
	0.070	0.070	0.070	0.070	0.072	0.075	0.076	0.078	0.082	0.082	0.082	0.964
Domestic Institutional Ownership (DI)		-0.042	-0.039	-0.039	-0.047	-0.046	-0.053	-0.056	-0.060*	-0.064*	-0.075**	-0.073**
		0.027	0.028	0.028	0.032	0.032	0.033	0.035	0.036	0.036	0.037	0.037
₋n(Size)			0.001	0.001	0.002	0.002	0.003	0.003	0.002	0.004	0.004	0.004
			0.002	0.002	0.002	0.002	0.002	0.002	0.003	0.004	0.004	0.004
CCI				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
				0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
Business segment					-0.001	0.000	-0.001	-0.001	-0.001	-0.001	-0.001	-0.001
					0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
Geographic segment						-0.001	0.000	0.000	0.000	0.001	0.001	0.001
						0.001	0.001	0.001	0.001	0.001	0.001	0.001
Foreign revenues							-0.017	-0.016	-0.017	-0.019	-0.012	-0.016
							0.011	0.012	0.012	0.012	0.013	0.013
Leverage								0.003	0.003	0.002	0.002	0.001
								0.007	0.007	0.007	0.007	0.007
Spread									-0.198	-0.070	-0.030	-0.032
									0.484	0.494	0.494	0.493
Crosslisting										-0.002	-0.002	-0.002
										0.002	0.002	0.002
Dummy_Multinational											-0.046**	-0.017
											0.019	0.023
Dummy_Multinational x FI												-2.194**
												0.967
Adj.R2	0.001%	0.121%	0.142%	0.142%	0.167%	0.182%	0.335%	0.354%	0.370%	0.464%	0.824%	1.133%

Stock return (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.002***	0.002***	0.012	-0.100***	-0.100***	-0.039***	-0.037	-0.027	-0.026	-0.026	-0.027	-0.028
	0.000	0.001	0.011	0.049	0.051	0.021	0.022	0.024	0.027	0.027	0.027	0.028
Foreign Institutional Ownership (FI)	-0.004	-0.003	-0.004	-0.004	-0.005	-0.001	-0.001	-0.001	-0.006	-0.006	-0.006	0.015
	0.010	0.011	0.011	0.011	0.012	0.005	0.005	0.005	0.007	0.007	0.007	0.068
Domestic Institutional Ownership (DI)		-0.002	-0.002	-0.003	-0.003	-0.001	-0.001	-0.001	-0.004	-0.003	-0.004	-0.004
		0.006	0.006	0.006	0.006	0.002	0.002	0.003	0.004	0.004	0.004	0.004
Ln(Size)			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CCI				0.001***	0.001***	0.000***	0.000***	0.000*	0.000	0.000	0.000	0.000
				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Business segment					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Geographic segment						0.000	0.000*	-0.001**	0.000	0.000	0.000	0.000
						0.000	0.000	0.000	0.000	0.000	0.000	0.000
Foreign revenues							0.001	0.002	0.001	0.001	0.001	0.001
							0.001	0.001	0.001	0.001	0.001	0.001
Leverage								0.000	0.000	0.000	0.000	0.000
								0.000	0.000	0.000	0.000	0.000
Spread									-0.242***	-0.243***	-0.244***	-0.243***
									0.068	0.068	0.068	0.068
Crosslisting										0.000	0.000	0.000
										0.000	0.000	0.000
Dummy_Multinational											0.000	0.000
											0.001	0.001
Dummy_Multinational x FI												-0.022
												0.069
Adj.R2	0.012%	0.019%	0.072%	0.450%	0.495%	1.301%	1.437%	1.368%	2.937%	2.939%	2.948%	2.960%

Stock return (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.013***	0.034***	0.145***	-0.020	-0.019	-0.022	-0.019	-0.012	-0.017	-0.016	-0.016	-0.015
	0.005	0.008	0.040	0.160	0.166	0.187	0.194	0.024	0.024	0.024	0.025	0.025
Foreign Institutional Ownership (FI)	-0.044***	-0.042***	-0.046**	-0.045**	-0.047**	-0.055**	-0.055**	-0.005**	-0.005	-0.005	-0.005*	-0.009
	0.021	0.021	0.021	0.021	0.021	0.025	0.026	0.003	0.003	0.003	0.003	0.007
Domestic Institutional Ownership (DI)		-0.052***	-0.070***	-0.070***	-0.073***	-0.081***	-0.085***	-0.012***	-0.008***	-0.008***	-0.008***	-0.009**
		0.016	0.017	0.017	0.018	0.020	0.021	0.003	0.002	0.002	0.002	0.003
Ln(Size)			-0.004***	-0.005***	-0.004***	-0.005***	-0.006***	-0.001***	0.000	0.000	0.000	0.000
			0.002	0.002	0.002	0.002	0.002	0.000	0.000	0.000	0.000	0.000
CCI				0.002	0.002	0.002	0.002	0.000	0.000	0.000	0.000	0.000
				0.002	0.002	0.002	0.002	0.000	0.000	0.000	0.000	0.000
Business segment					-0.001	-0.001	-0.001	0.000	0.000	0.000	0.000	0.000
					0.001	0.001	0.001	0.000	0.000	0.000	0.000	0.000
Geographic segment						0.000	0.000	0.000	0.000	0.000	0.000	0.000
						0.001	0.001	0.000	0.000	0.000	0.000	0.000
Foreign revenues							0.010	-0.001	-0.001	-0.001	-0.001	-0.001
							0.009	0.001	0.001	0.001	0.001	0.001
Leverage								0.000	0.000	0.000	0.000	0.000
								0.000	0.000	0.000	0.000	0.000
Spread									0.084	0.080	0.079	0.080
									0.155	0.156	0.156	0.156
Crosslisting										0.000	0.000	0.000
										0.000	0.000	0.000
Dummy_Multinational											-0.001	-0.002
											0.001	0.002
Dummy_Multinational x FI												0.004
												0.008
Adj.R2	0.059%	0.193%	0.299%	0.314%	0.334%	0.373%	0.409%	0.540%	0.371%	0.372%	0.380%	0.385%

Panel E: Regressions for UK

Stock return (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.194	0.338	8.229*	-16.909	-17.347	-20.422	-19.918	-20.541	0.009	0.008	0.016	0.017
	0.188	0.258	4.781	14.355	14.615	15.843	16.297	16.551	0.068	0.068	0.071	0.072
Foreign Institutional Ownership (FI)	-2.401	-3.563	-4.141	-2.145	-2.124	-2.302	-2.715	-1.867	0.078	0.088	0.086	3.888
	10.267	10.368	10.362	10.400	10.508	11.809	12.142	12.940	0.100	0.102	0.103	25.164
Domestic Institutional Ownership (DI)		-1.630	-1.773	-1.629	-1.618	-1.968	-2.002	-2.035	-0.009*	-0.009*	-0.009*	-0.009*
		1.999	1.999	1.997	2.030	2.169	2.191	2.218	0.005	0.005	0.005	0.005
Ln(Size)			-0.331*	-0.358*	-0.389*	-0.481*	-0.465*	-0.471*	0.000	0.000	0.000	0.000
			0.200	0.200	0.211	0.238	0.248	0.251	0.001	0.001	0.001	0.001
CCI				0.260*	0.272*	0.326*	0.318*	0.326*	0.000	0.000	0.000	0.000
				0.140	0.143	0.159	0.163	0.166	0.001	0.001	0.001	0.001
Business segment					0.018	-0.026	-0.024	-0.022	0.000	0.000	0.000	0.000
					0.080	0.115	0.119	0.121	0.001	0.001	0.001	0.001
Geographic segment						0.004	0.031	0.032	0.000	0.000	0.000	0.000
						0.085	0.100	0.102	0.000	0.000	0.000	0.001
Foreign revenues							-0.493	-0.538	-0.002	-0.002	-0.003	-0.003
							0.951	0.968	0.004	0.004	0.004	0.004
Leverage								-0.027	0.000	0.000	-0.001	-0.001
								0.140	0.000	0.001	0.001	0.001
Spread									0.378	0.531	0.385	0.375
									1.160	1.195	1.241	1.253
Crosslisting										0.001	0.001	0.001
										0.001	0.001	0.001
Dummy_Multinational											0.001	0.001
											0.002	0.002
Dummy_Multinational x FI												-3.801
												25.162
Adj.R2	0.008%	0.099%	0.472%	0.941%	0.997%	1.203%	1.258%	1.285%	8.546%	9.072%	9.422%	9.458%

Panel F: Regressions for US

Stock return (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12	Model 13
ntercept	0.021*	0.029**	0.113	0.170	0.175	0.200	0.217	0.198	0.030***	0.030**	0.030***	0.032***	0.013
	0.012	0.014	0.109	0.117	0.122	0.136	0.140	0.151	0.012	0.012	0.012	0.012	0.019
Foreign Institutional Ownership (FI)	-0.074	-0.017	-0.012	-0.031	-0.030	-0.045	-0.048	-0.040	-0.003	-0.004	-0.004	-0.013	-0.020
	0.068	0.088	0.088	0.089	0.092	0.107	0.110	0.119	0.009	0.009	0.009	0.015	0.017
Oomestic Institutional Ownership (DI)		-0.059	-0.062	-0.075	-0.077	-0.092	-0.087	-0.078	-0.009	-0.008	-0.008	-0.008	-0.010
		0.056	0.057	0.058	0.061	0.069	0.071	0.076	0.006	0.006	0.006	0.006	0.007
n(Size)			-0.004	-0.008	-0.008	-0.009	-0.010	-0.009	-0.001**	-0.001**	-0.001**	-0.001**	-0.001
			0.005	0.006	0.006	0.007	0.007	0.007	0.001	0.001	0.001	0.001	0.001
CI				0.001	0.001	0.001	0.001	0.001	0.000	0.000	0.000	0.000	0.000**
				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Business segment					-0.002	-0.003	-0.003	-0.003	-0.001	-0.001	-0.001	-0.001	-0.001
					0.004	0.005	0.005	0.005	0.000	0.000	0.000	0.000	0.000
Geographic segment						0.002	0.003	0.004	0.000	0.000	0.000	0.000	0.000
						0.004	0.004	0.004	0.000	0.000	0.000	0.000	0.000
oreign revenues							-0.026	-0.036	-0.004	-0.004	-0.003	-0.003	-0.005
							0.033	0.035	0.003	0.003	0.003	0.003	0.003
everage								0.000	0.000	0.000	0.000	0.000	0.000
								0.003	0.000	0.000	0.000	0.000	0.000
Spread									-0.169	-0.169	-0.168	-0.166	-0.187
									0.143	0.143	0.143	0.143	0.145
Crosslisting										0.000	0.000	0.000	0.000
										0.000	0.000	0.000	0.000
Dummy_Multinational											-0.001	-0.003	-0.005
											0.003	0.003	0.004
Dummy_Multinational x FI												0.012	0.020
												0.016	0.017
Dummy_Australia													0.002
													0.005

Dummy_China													-0.006
													0.006
Dummy_Finland													0.015**
													0.007
Dummy_UK													0.003
													0.005
Dummy_US													-0.004
													0.011
Adj.R2	0.008%	0.002%	0.018%	0.030%	0.034%	0.041%	0.048%	0.043%	0.130%	0.131%	0.133%	0.138%	0.217%

Table 4 Determinants of firm's book performance

This table reports coefficient estimates for the cross-sectional regression models. Heteroscedasticity consistent standard errors are reported under the coefficients in brackets. *Return on equity (ROE) is* the amount of net income returned as a percentage of shareholders equity. *Foreign Institutional Ownership Ratio:* It stands for the percentage of the total number of shares of a company held by foreign investors. *Domestic Institutional Ownership Ratio:* it stands for the percentage of the total number of shares of a company held by domestic institutions. *Ln(Size)* is the natural logarithm of each firm's market capitalization. *Leverage* is the leverage ratio for each stock. *Consumer Confidence Index (CCI)* is an indicator designed to measure consumer confidence, which is defined as the degree of optimism on the state of the country's economy that consumers are expressing through their activities of savings and spending. *A business segment* is the number of product lines that a firm has operates. *A geographic segment is* the number of countries in which a firm has foreign business operations. *Foreign revenues* are the revenue that company generated in foreign markets. *Effective Spread* is the price difference between trade price for sells and mid-point of bid and ask price. *Cross listing* is the number of cross-listing exchanges for each stock. *Dummy Multinational* is the dummy variable to measure multinationalisation of the firms. Significance at 1%, 5%, and 10% is indicated next to the coefficients by ***, ** and * respectively.

ROE (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.132***	0.137***	-0.849***	-4.311***	-3.804***	-3.958***	-3.978***	-3.902***	-3.985***	-3.885***	-3.887***	-3.878***
	0.007	0.009	0.163	0.614	0.420	0.493	0.507	0.529	0.542	0.544	0.544	0.544
Foreign Institutional Ownership (FI)	-0.684***	-0.697***	-0.655***	-0.624***	-0.286***	-0.342***	-0.332***	-0.469***	-0.415***	-0.424***	-0.433***	-1.016*
	0.137	0.138	0.139	0.138	0.098	0.113	0.115	0.148	0.146	0.146	0.146	0.542
Domestic Institutional Ownership (DI)		-0.073	0.094	0.105	0.027	0.086	0.091	0.051	-0.062	-0.052	-0.053	-0.052
		0.101	0.105	0.104	0.071	0.083	0.085	0.086	0.090	0.090	0.091	0.091
Ln(Size)			0.043***	0.041***	0.043***	0.039***	0.040***	0.036***	0.065***	0.064***	0.064***	0.064***
			0.007	0.007	0.005	0.006	0.006	0.007	0.008	0.008	0.008	0.008
CCI				0.035***	0.030***	0.032***	0.033***	0.032***	0.027***	0.026***	0.026***	0.026***
				0.006	0.004	0.005	0.005	0.005	0.005	0.005	0.005	0.005
Business segment					-0.016***	-0.021***	-0.022***	-0.019***	-0.025***	-0.024***	-0.025***	-0.024***
					0.002	0.002	0.002	0.003	0.003	0.003	0.003	0.003
Geographic segment						0.013***	0.013***	0.016***	0.016***	0.016***	0.015***	0.015***
						0.003	0.003	0.003	0.003	0.003	0.003	0.003
Foreign revenues							-0.005	0.000	0.011	0.009	0.007	0.007
							0.014	0.014	0.016	0.016	0.016	0.016
Leverage								0.047***	0.010***	0.010**	0.009*	0.009*
								0.004	0.005	0.005	0.005	0.005
Spread									0.223	-0.245	-0.324	-0.282
									3.516	3.520	3.523	3.523
Crosslisting										-0.004**	-0.004**	-0.004**
										0.002	0.002	0.002
Dummy_Multinational											0.011	0.002
											0.015	0.017
Dummy_Multinational x FI												0.628
												0.562
Adj.R2	0.925%	0.945%	2.299%	3.564%	6.661%	8.161%	8.085%	14.639%	13.936%	14.154%	14.180%	14.247%

Panel A: Regressions for Australia

ROE (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.193***	0.162***	-0.238*	-0.032	0.116	0.029	0.090	0.038	0.347	0.320	0.369	0.371
	0.006	0.008	0.143	0.467	0.475	0.497	0.513	0.528	0.588	0.590	0.591	0.591
Foreign Institutional Ownership (FI)	0.212	0.335	0.290	0.299	0.367	0.347	0.392	0.522	0.367	0.371	0.323	0.419
	0.406	0.398	0.414	0.415	0.458	0.466	0.475	0.469	0.483	0.483	0.484	0.498
Domestic Institutional Ownership (DI)		0.418***	0.504***	0.517***	0.537***	0.505***	0.502***	0.500***	0.561***	0.561***	0.548***	0.544***
		0.078	0.084	0.089	0.094	0.099	0.101	0.102	0.117	0.117	0.117	0.117
_n(Size)			0.016***	0.016***	0.020***	0.019***	0.020***	0.017***	0.011	0.011	0.010	0.010
			0.006	0.006	0.006	0.006	0.007	0.007	0.008	0.008	0.008	0.008
CCI				-0.002	-0.004	-0.003	-0.004	-0.003	-0.005	-0.004	-0.005	-0.005
				0.004	0.005	0.005	0.005	0.005	0.006	0.006	0.006	0.006
Business segment					-0.010***	-0.010***	-0.010***	-0.005	-0.006	-0.006	-0.005	-0.004
					0.003	0.003	0.003	0.004	0.004	0.004	0.004	0.004
Geographic segment						0.004	0.003	0.003	0.005	0.005	0.005	0.005
						0.004	0.004	0.004	0.004	0.005	0.005	0.005
Foreign revenues							0.027	0.059	0.066	0.068	0.085*	0.086*
							0.037	0.041	0.043	0.043	0.045	0.045
Leverage								-0.001	0.004	0.003	0.002	0.002
								0.009	0.012	0.012	0.012	0.012
Spread									-0.169	-0.154	-0.167	-0.169
									0.352	0.354	0.353	0.354
Crosslisting										0.007	0.006	0.005
										0.014	0.014	0.014
Dummy_Multinational											-0.026	-0.022
											0.018	0.018
Dummy_Multinational x FI												-1.621
												2.000
Adj.R2	0.045%	4.611%	5.851%	5.886%	8.903%	8.635%	8.504%	7.578%	9.065%	9.132%	9.649%	9.816%

ROE (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.109***	0.139***	-0.250	-3.844***	-4.008***	-3.915***	-4.087***	-3.533**	-3.754**	-3.192**	-4.050***	-4.946***
	0.019	0.027	0.247	1.245	1.278	1.299	1.320	1.389	1.513	1.546	1.542	1.550
Foreign Institutional Ownership (FI)	-0.078	-0.096	-0.152	-0.082	-0.041	0.105	0.167	0.028	0.031	-0.017	0.043	23.574***
	0.432	0.432	0.434	0.434	0.441	0.458	0.461	0.477	0.498	0.498	0.495	5.777
Domestic Institutional Ownership (DI)		-0.249	-0.206	-0.085	-0.117	-0.098	-0.016	-0.033	-0.052	-0.015	0.159	0.206
		0.162	0.164	0.169	0.187	0.190	0.193	0.203	0.212	0.213	0.214	0.213
Ln(Size)			0.019	0.017	0.026**	0.028**	0.016	0.014	0.016	-0.002	0.001	0.002
			0.012	0.012	0.013	0.013	0.014	0.015	0.019	0.022	0.021	0.021
CCI				0.036***	0.036***	0.035***	0.038***	0.034**	0.036**	0.033**	0.036**	0.041***
				0.012	0.013	0.013	0.013	0.014	0.014	0.015	0.014	0.014
Business segment					-0.016*	-0.012	-0.002	0.002	0.002	0.002	-0.001	0.001
					0.009	0.010	0.011	0.011	0.012	0.012	0.012	0.012
Geographic segment						-0.007	-0.011*	-0.009	-0.009	-0.012	-0.013	-0.011
						0.006	0.006	0.007	0.008	0.008	0.008	0.008
Foreign revenues							0.169***	0.110	0.117	0.134*	0.060	0.014
							0.064	0.069	0.073	0.073	0.074	0.074
Leverage								-0.140***	-0.142***	-0.140***	-0.144***	-0.160***
								0.042	0.044	0.044	0.044	0.044
Spread									1.228	0.251	-0.065	-0.014
									2.833	2.886	2.863	2.849
Crosslisting										0.016*	0.013	0.009
										0.009	0.009	0.009
Dummy_Multinational											0.609***	0.978***
											0.116	0.146
Dummy_Multinational x FI												-23.693***
												5.796
Adj.R2	0.002%	0.127%	0.260%	0.718%	0.872%	0.896%	1.140%	1.771%	1.712%	1.898%	3.564%	4.565%

Papel C: Pagrossions for Finland

ROE (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.241***	0.243***	-1.464***	-4.378***	-4.538***	-4.319***	-4.412***	-2.006***	-2.737***	-2.654***	-2.437***	-2.518***
	0.011	0.013	0.260	1.104	1.130	1.214	1.246	0.650	0.667	0.668	0.671	0.675
Foreign Institutional Ownership (FI)	-0.225	-0.201	-0.055	-0.053	-0.113	-0.125	-0.134	-0.016	-0.174	-0.190	-0.105	1.694
	0.233	0.247	0.245	0.244	0.251	0.264	0.268	0.136	0.182	0.182	0.184	1.672
Domestic Institutional Ownership (DI)		-0.037	-0.003	-0.028	0.067	0.117	0.119	-0.107	-0.092	-0.060	-0.035	-0.037
		0.127	0.125	0.125	0.129	0.135	0.138	0.070	0.091	0.093	0.093	0.093
Ln(Size)			0.065***	0.069***	0.076***	0.087***	0.087***	0.023***	0.031***	0.032***	0.032***	0.032***
			0.010	0.010	0.010	0.011	0.012	0.006	0.006	0.006	0.006	0.006
CCI				0.028***	0.029***	0.024**	0.025**	0.018***	0.022***	0.021***	0.019***	0.020***
				0.010	0.011	0.012	0.012	0.006	0.006	0.006	0.006	0.006
Business segment					-0.016***	-0.016***	-0.016***	-0.012***	-0.004	-0.004	-0.003	-0.003
					0.004	0.005	0.005	0.003	0.003	0.003	0.003	0.003
Geographic segment						-0.029***	-0.029**	0.001	0.007	0.010	0.010	0.010
						0.009	0.014	0.007	0.008	0.008	0.008	0.008
Foreign revenues							0.001	-0.007	0.017	0.015	0.019	0.019
							0.054	0.029	0.030	0.030	0.030	0.030
Leverage								-0.062***	-0.054***	-0.054***	-0.055***	-0.055***
-								0.004	0.004	0.004	0.004	0.004
Spread									-4.063***	-4.140**	-3.884**	-3.858**
									1.671	1.669	1.666	1.666
Crosslisting										-0.006*	-0.006*	-0.006*
<u> </u>										0.003	0.003	0.003
Dummy Multinational											-0.054***	-0.047**
<i>,</i>											0.020	0.021
Dummy Multinational x FI											-	-1.817
<u>, , , , , , , , , , , , , , , , , , , </u>												1.679
	0.0000/	0.0700/	2 1070/	2 7200/	4 7500/		E E720/	22.0700/	26 5740/	26.0200/	27 4050/	07 5010/

Panel D: Regressions for India

ROE (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.220***	0.187***	-0.177	-1.586**	-1.324**	-0.983	-1.172	-1.599**	-0.749	-0.673	-0.576	-0.474
	0.020	0.033	0.161	0.649	0.658	0.733	0.758	0.693	0.657	0.661	0.656	0.658
Foreign Institutional Ownership (FI)	0.197**	0.194**	0.206**	0.211**	0.281***	0.418***	0.367***	0.421***	0.195**	0.206**	0.298***	-0.015
	0.082	0.082	0.082	0.082	0.083	0.096	0.100	0.092	0.084	0.084	0.084	0.200
Domestic Institutional Ownership (DI)		0.083	0.142**	0.141**	0.190***	0.268***	0.333***	0.136*	0.462***	0.460***	0.463***	0.448***
		0.065	0.070	0.070	0.071	0.079	0.081	0.075	0.066	0.066	0.066	0.066
Ln(Size)			0.015**	0.014**	0.008	0.011	0.022***	0.019***	0.023***	0.024***	0.024***	0.023***
			0.006	0.006	0.007	0.007	0.008	0.007	0.007	0.007	0.007	0.007
CCI				0.014**	0.012*	0.007	0.007	0.012*	0.002	0.001	-0.001	-0.001
				0.006	0.006	0.007	0.007	0.007	0.006	0.006	0.006	0.006
Business segment					0.017***	0.033***	0.030***	0.023***	0.031***	0.031***	0.026***	0.026***
					0.004	0.005	0.005	0.005	0.004	0.004	0.004	0.004
Geographic segment						-0.014***	-0.004	-0.003	0.006*	0.006*	0.003	0.003
						0.004	0.004	0.004	0.003	0.003	0.003	0.003
Foreign revenues							-0.191***	-0.071**	-0.236***	-0.238***	-0.314***	-0.315**
							0.035	0.032	0.030	0.030	0.031	0.031
Leverage								0.067***	0.052***	0.052***	0.051***	0.051***
								0.002	0.002	0.002	0.002	0.002
Spread									-2.744	-3.257	-3.561	-3.325
									4.206	4.236	4.203	4.204
Crosslisting										-0.003	-0.004	-0.003
										0.003	0.003	0.003
Dummy_Multinational											0.267***	0.172***
											0.030	0.063
Dummy_Multinational x FI												0.377*
												0.219
Adj.R2	0.082%	0.105%	0.181%	0.252%	0.563%	1.338%	1.992%	16.192%	17.697%	17.715%	19.026%	19.075%

Panel E: Regressions for UK

ROE (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.137***	0.147***	0.103	-0.997	-1.045	-0.861	-0.693	-0.765	0.683	0.675	1.280	1.425
	0.009	0.013	0.236	0.713	0.721	0.747	0.767	0.770	1.016	1.024	1.017	1.034
Foreign Institutional Ownership (FI)	-1.401***	-1.465***	-1.230**	-1.158**	-1.176**	-0.999*	-0.999*	-0.381	-0.483	-0.402	-0.492	4742.640
	0.508	0.511	0.514	0.516	0.517	0.556	0.570	0.598	1.495	1.530	1.472	5679.285
Domestic Institutional Ownership (DI)		-0.109	-0.073	-0.065	-0.090	-0.135	-0.133	-0.158	-0.071	-0.075	-0.071	-0.062
		0.098	0.098	0.098	0.099	0.101	0.102	0.102	0.068	0.070	0.067	0.068
Ln(Size)			0.002	0.001	0.008	0.004	0.000	-0.001	0.007	0.006	-0.003	-0.006
			0.010	0.010	0.010	0.011	0.012	0.012	0.014	0.015	0.015	0.015
CCI				0.011	0.010	0.010	0.009	0.010	-0.006	-0.006	-0.011	-0.011
				0.007	0.007	0.007	0.008	0.008	0.009	0.010	0.009	0.009
Business segment					-0.009**	-0.010*	-0.009	-0.007	-0.007	-0.006	-0.005	-0.004
					0.004	0.006	0.006	0.006	0.009	0.009	0.008	0.008
Geographic segment						-0.004	-0.007	-0.008*	-0.027***	-0.027***	-0.027***	-0.027***
						0.004	0.005	0.005	0.008	0.008	0.008	0.008
Foreign revenues							0.038	0.035	0.322***	0.322***	0.275***	0.276***
							0.045	0.045	0.063	0.064	0.065	0.065
Leverage								-0.021***	-0.046***	-0.050***	-0.062***	-0.063***
								0.006	0.005	0.012	0.013	0.013
Spread									-55.402***	-54.155***	-63.855***	-67.123**
									17.358	17.956	17.741	18.214
Crosslisting										0.005	0.020	0.022
										0.015	0.016	0.016
Dummy_Multinational											0.077**	0.087**
											0.032	0.035
Dummy_Multinational x FI												-4743.16
												5679.328
Adi.R2	1.067%	1.241%	0.844%	1.220%	1.821%	1.849%	1.752%	3.406%	71.441%	71.487%	74.079%	74.398%

Panel E. Regressions for LIS

Panel G: Regressions for all countries													
ROE (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12	Model 13
Intercept	0.160***	0.141***	-0.416***	-0.426***	-0.389***	-0.321***	-0.342***	-0.458***	-0.405***	-0.405***	-0.465***	-0.387***	-0.486***
	0.007	0.009	0.067	0.072	0.073	0.080	0.083	0.079	0.081	0.082	0.082	0.084	0.133
Foreign Institutional Ownership (FI)	0.389***	0.254***	0.206***	0.209***	0.243***	0.339***	0.357***	0.363***	0.189***	0.189***	0.219***	-0.164	-0.114
	0.042	0.054	0.054	0.055	0.055	0.063	0.065	0.062	0.061	0.061	0.061	0.108	0.120
Domestic Institutional Ownership (DI)		0.139***	0.189***	0.191***	0.181***	0.210***	0.246***	0.118***	0.297***	0.297***	0.291***	0.282***	0.299***
		0.034	0.035	0.035	0.036	0.041	0.042	0.040	0.040	0.040	0.040	0.040	0.052
Ln(Size)			0.024***	0.025***	0.022***	0.020***	0.021***	0.023***	0.021***	0.021***	0.019***	0.018***	0.021***
			0.003	0.003	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.005
CCI				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Business segment					0.003	0.012***	0.013***	0.009***	0.015***	0.015***	0.012***	0.012***	0.012
					0.002	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003
Geographic segment						-0.009***	-0.005***	-0.004	0.001	0.001	0.000	-0.001	-0.001
						0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
Foreign revenues							-0.072***	-0.011	-0.081***	-0.081***	-0.121***	-0.123***	-0.126***
							0.019	0.019	0.019	0.019	0.020	0.020	0.021
Leverage								0.064***	0.051***	0.051***	0.050***	0.049***	0.050***
								0.002	0.002	0.002	0.002	0.002	0.002
Spread									-1.164	-1.163	-1.344	-1.259	-1.030
									1.020	1.020	1.017	1.016	1.029
Crosslisting										0.000	0.000	0.000	0.000
										0.002	0.002	0.002	0.002
Dummy_Multinational											0.146***	0.084***	0.100***
											0.019	0.024	0.026
Dummy_Multinational x FI												0.501***	0.451***
												0.117	0.121
Dummy_Australia													0.041
													0.034

Dummy_China													0.062
													0.040
Dummy_Finland													0.019
													0.049
Dummy_UK													0.023
													0.034
Dummy_US													0.011
													0.074
Adj.R2	0.598%	0.713%	1.196%	1.197%	1.281%	1.677%	1.959%	11.999%	11.277%	11.277%	11.835%	12.007%	12.037%

Table 5 Determinants of firm's Tobin's Q

This table reports coefficient estimates for the cross-sectional regression models. Heteroscedasticity consistent standard errors are reported under the coefficients in brackets. *Tobin's Q* is defined as the ratio of the market value of a firm to the replacement cost of its assets. where market value of a firm is the summation of the product of a firm's share price and the number of common stock shares outstanding, the liquidating value of the firm's outstanding preferred stock, the value of the firm's short-term liabilities net of its short-term assets, plus the book value of the firm's long- term debt, and the replacement cost of its assets is the book value of the total assets of the firm. *Foreign Institutional Ownership Ratio:* It stands for the percentage of the total number of shares of a company held by domestic institutions. *Ln(Size)* is the natural logarithm of each firm's market capitalization. *Leverage* is the leverage ratio for each stock. *Consumer Confidence Index (CCI)* is an indicator designed to measure consumer confidence, which is defined as the degree of optimism on the state of the country's economy that consumers are expressing through their activities of savings and spending. *A business segment* is the number of product lines that a firm has operates. *A geographic segment is* the number of countries in which a firm has foreign business operations. *Foreign revenues* are the revenue that company generated in foreign markets. *Effective Spread* is the price difference between trade price for sells and mid-point of bid and ask price. *Cross listing* is the number of cross-listing exchanges for each stock. *Dummy Multinational* is the dummy variable to measure multinationalisation of the firms. Significance at 1%, 5%, and 10% is indicated next to the coefficients by ***, ** and * respectively.

Tobin's Q (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	1.209***	1.308***	2.895***	-13.258***	-13.460***	-12.617***	-13.134***	-13.944***	-13.051***	-11.909***	-12.481***	-12.471***
	0.028	0.040	0.700	2.626	2.339	2.733	2.808	2.927	3.213	3.214	3.183	3.184
Foreign Institutional Ownership (FI)	2.868***	2.586***	2.339***	2.495***	0.776	0.597	0.563	1.545*	1.832**	1.740**	1.298	0.583
	0.595	0.599	0.603	0.599	0.553	0.639	0.649	0.837	0.879	0.876	0.870	3.233
Domestic Institutional Ownership (DI)		-1.507***	-2.017***	-1.957***	-0.976**	-1.020**	-0.951**	-0.927*	-1.327**	-1.210**	-1.302**	-1.300**
		0.438	0.456	0.453	0.402	0.470	0.478	0.485	0.545	0.544	0.539	0.539
Ln(Size)			-0.068**	-0.080***	0.132***	0.119***	0.120***	0.197***	0.201***	0.189***	0.180***	0.180***
			0.031	0.031	0.028	0.033	0.034	0.039	0.048	0.048	0.047	0.047
CCI				0.164***	0.129***	0.122***	0.126***	0.116***	0.109***	0.102***	0.108***	0.107***
				0.026	0.023	0.027	0.027	0.028	0.031	0.031	0.031	0.031
Business segment					-0.258***	-0.283***	-0.279***	-0.279***	-0.302***	-0.297***	-0.319***	-0.319***
					0.011	0.013	0.014	0.014	0.016	0.016	0.016	0.016
Geographic segment						0.097***	0.086***	0.088***	0.101***	0.104***	0.082***	0.082***
						0.015	0.016	0.017	0.018	0.018	0.018	0.018
Foreign revenues							0.148*	0.128	-0.024	-0.055	-0.187**	-0.187**
							0.076	0.080	0.092	0.092	0.094	0.094
Leverage								0.073***	0.077***	0.066***	0.052*	0.052*
								0.022	0.028	0.029	0.028	0.028
Spread									-12.144	-16.844	-20.561	-20.464
									20.281	20.236	20.040	20.050
Crosslisting										-0.047***	-0.048***	-0.049***
										0.012	0.012	0.012
Dummy_Multinational											0.548***	0.538***
											0.091	0.101
Dummy_Multinational x FI												0.770
												3.353
Adj.R2	0.798%	1.202%	1.460%	2.859%	18.755%	19.623%	19.674%	21.028%	23.408%	24.067%	25.642%	25.645%

Panel A: Regressions for Australia

Tobin's Q (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	1.325***	0.769***	1.851	-8.371	-13.091***	-13.617***	-14.653***	-8.720**	-9.090**	-8.383**	-8.436**	-8.437**
	0.076	0.098	1.603	5.251	5.003	5.192	5.160	4.375	3.867	3.867	3.877	3.881
Foreign Institutional Ownership (FI)	-9.595*	-7.403	-8.196*	-8.658*	-13.420***	-13.117**	-11.840**	-7.886*	-5.527*	-5.633*	-5.576*	-5.953*
	5.083	4.837	4.961	4.953	5.133	5.203	5.102	4.036	3.305	3.292	3.304	3.405
Domestic Institutional Ownership (DI)		7.498***	7.212***	6.485***	6.048***	6.295***	6.284***	5.989***	5.228***	5.245***	5.261***	5.278***
		0.900	0.977	1.038	1.028	1.075	1.063	0.869	0.792	0.789	0.792	0.794
Ln(Size)			-0.042	-0.040	0.020	0.081	0.117*	-0.057	-0.055	-0.050	-0.050	-0.049
			0.064	0.063	0.063	0.067	0.068	0.060	0.052	0.052	0.052	0.052
CCI				0.104**	0.145***	0.137***	0.137***	0.114***	0.113***	0.105***	0.105***	0.105***
				0.051	0.049	0.051	0.051	0.043	0.038	0.038	0.038	0.038
Business segment					-0.227***	-0.238***	-0.219***	-0.088***	-0.046*	-0.038	-0.039	-0.040
					0.034	0.035	0.035	0.030	0.026	0.026	0.027	0.027
Geographic segment						-0.116***	-0.121***	-0.088**	-0.059*	-0.057*	-0.057*	-0.058*
						0.041	0.044	0.038	0.031	0.031	0.031	0.031
Foreign revenues							0.302	0.161	0.381	0.326	0.305	0.302
							0.399	0.353	0.295	0.295	0.307	0.308
Leverage								-0.072	0.054	0.094	0.095	0.093
								0.079	0.080	0.082	0.082	0.082
Spread									2.420	1.898	1.923	1.930
									2.293	2.298	2.303	2.305
Crosslisting										-0.189**	-0.188**	-0.186**
										0.093	0.093	0.094
Dummy_Multinational											0.031	0.018
											0.121	0.125
Dummy_Multinational x FI												6.388
												13.682
Adj.R2	0.556%	10.333%	10.273%	10.875%	21.611%	23.309%	22.663%	24.895%	24.404%	25.235%	25.248%	25.292%

Tobin's Q (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
ntercept	3 183***	5.345***	-2 017	39 138	19.810	21 183	14 625	26 456	17 221	73 248	76.985	84 795***
	0.410	0.591	5.329	26.920	27.141	27.675	27.815	28.861	31,277	31.390	31,497	31,664
Foreign Institutional Ownership (FI)	-3.956	-4.694	-6.021	-6.795	-1.865	1.619	1.650	0.313	1.687	-4.546	-4.827	-254.016**
	9.036	8.981	9.037	9.047	9.025	9.430	9.403	9.568	9.938	9.769	9.768	114.509
Domestic Institutional Ownership (DI)		-17.802***	-17.032***	-18.381***	-22.123***	-21.901***	-20.992***	- 20.456***	-20.348***	- 17.244***	-17.982***	-18.176***
		3.527	3.571	3.673	3.993	4.061	4.079	4.234	4.391	4.320	4.352	4.348
_n(Size)			0.353	0.378	1.226***	1.275***	1.289***	1.170***	1.337***	-0.364	-0.381	-0.406
			0.254	0.254	0.274	0.282	0.296	0.303	0.395	0.438	0.438	0.438
CCI				-0.413	-0.328	-0.347	-0.321	-0.397	-0.336	-0.620**	-0.628**	-0.673**
				0.265	0.267	0.272	0.274	0.284	0.298	0.294	0.294	0.295
Business segment					-1.774***	-1.662***	-1.607***	-1.585***	-1.626***	-1.707***	-1.685***	-1.685***
					0.199	0.217	0.228	0.235	0.245	0.240	0.240	0.240
Geographic segment						-0.175	-0.460***	-0.406***	-0.507***	-0.871***	-0.871***	-0.902***
						0.124	0.131	0.134	0.155	0.158	0.158	0.158
Foreign revenues							8.166***	7.226***	7.635***	9.238***	9.707***	10.222***
							1.349	1.433	1.492	1.475	1.513	1.529
everage								-1.929**	-2.037**	-1.772**	-1.782**	-1.656*
								0.869	0.906	0.889	0.889	0.889
spread									19.387	-81.928	-79.282	-79.063
									58.517	58.638	58.653	58.586
Crosslisting										1.481***	1.505***	1.546***
										0.179	0.179	0.180
Dummy_Multinational											-3.090	-6.410**
											2.234	2.700
Dummy_Multinational x FI												250.841
												114.849
\dj.R2	0.010%	1.299%	1.396%	1.519%	5.572%	5.688%	8.314%	8.259%	8.562%	12.222%	12.323%	12.577%

Panel D: Regressions for India												
Tobin's Q (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	9.441***	11.022***	-231.922***	-733.594***	-788.301***	-874.991***	-847.591***	-99.764**	-106.824**	-96.853*	-100.676*	-103.138**
	1.286	1.576	29.339	129.024	134.405	143.570	140.580	43.384	51.575	51.533	51.908	52.252
Foreign Institutional Ownership (FI)	-20.939	-3.760	15.465	14.778	30.700	52.211	56.359*	3.074	-2.508	-4.251	-5.771	49.322
	27.886	29.580	29.031	28.883	30.696	32.135	31.179	9.135	14.053	14.020	14.232	129.879
Domestic Institutional Ownership (DI)		-26.908*	-21.353	-24.974*	-28.784*	-27.524*	-16.446	-5.678	-11.279	-7.406	-7.846	-7.894
		15.538	15.226	15.175	15.805	16.427	15.955	4.702	7.055	7.177	7.214	7.218
Ln(Size)			9.237***	9.810***	10.006***	9.886***	8.175***	1.343***	1.444***	1.562***	1.563***	1.577***
			1.114	1.117	1.175	1.300	1.265	0.412	0.478	0.479	0.479	0.480
CCI				4.892***	5.382***	6.059***	6.299***	0.681*	0.725	0.592	0.622	0.641
				1.226	1.277	1.372	1.343	0.409	0.490	0.490	0.493	0.495
Business segment					0.327	0.501	1.431**	-0.257	-0.157	-0.093	-0.100	-0.099
					0.522	0.580	0.575	0.169	0.209	0.210	0.210	0.211
Geographic segment						10.258***	-2.647*	-0.333	-0.394	-0.016	-0.010	-0.005
						1.107	1.601	0.483	0.581	0.595	0.596	0.596
Foreign revenues							66.662***	10.198***	12.518***	12.283***	12.195***	12.181***
							6.067	1.966	2.329	2.323	2.328	2.329
Leverage								-0.410	-0.432	-0.384	-0.360	-0.358
								0.268	0.301	0.301	0.303	0.303
Spread									-2.769	-11.344	-15.947	-15.160
									129.385	128.982	129.233	129.305
Crosslisting										-0.724***	-0.721***	-0.719***
										0.270	0.270	0.270
Dummy_Multinational											0.982	1.186
											1.564	1.636
Dummy_Multinational x FI												-55.643
												130.387
Adj.R2	0.039%	0.246%	4.790%	5.832%	6.188%	12.931%	20.939%	6.738%	8.073%	8.802%	8.842%	8.860%

Tobin's Q (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	1.274***	1.871***	-10.613***	-20.330***	-20.580***	-23.353***	-23.416***	-24.216***	-23.069***	-23.061***	-22.852***	-22.289***
	0.053	0.087	0.399	1.588	1.580	1.675	1.731	1.776	1.877	1.890	1.878	1.886
Foreign Institutional Ownership (FI)	1.040***	1.094***	1.517***	1.548***	1.463***	1.949***	2.107***	1.715***	1.325***	1.327***	1.610***	0.078
	0.219	0.218	0.205	0.204	0.202	0.222	0.231	0.236	0.239	0.241	0.242	0.564
Domestic Institutional Ownership (DI)		-1.488***	0.514***	0.506***	0.788***	0.991***	1.011***	1.514***	1.641***	1.640***	1.650***	1.571***
		0.172	0.173	0.172	0.172	0.183	0.188	0.193	0.191	0.191	0.190	0.192
Ln(Size)			0.499***	0.496***	0.564***	0.595***	0.594***	0.624***	0.688***	0.689***	0.689***	0.686***
			0.016	0.016	0.016	0.017	0.018	0.018	0.019	0.019	0.019	0.019
CCI				0.098***	0.094***	0.115***	0.114***	0.112***	0.083***	0.083***	0.077***	0.076***
				0.016	0.015	0.016	0.017	0.017	0.018	0.018	0.018	0.018
Business segment					-0.222***	-0.179***	-0.167***	-0.147***	-0.116***	-0.116***	-0.131***	-0.131***
					0.010	0.011	0.011	0.012	0.011	0.011	0.012	0.011
Geographic segment						-0.079***	-0.093***	-0.096***	-0.104***	-0.104***	-0.113***	-0.114***
						0.008	0.009	0.009	0.009	0.009	0.009	0.009
Foreign revenues							0.265***	0.363***	0.636***	0.636***	0.442***	0.439***
							0.079	0.082	0.086	0.086	0.088	0.088
Leverage								0.015***	0.010**	0.010*	0.006	0.006
								0.006	0.006	0.006	0.006	0.006
Spread									5.174	5.122	6.735	7.223
									11.927	12.009	11.931	11.923
Crosslisting										0.000	-0.002	-0.001
										0.009	0.009	0.009
Dummy_Multinational											0.710***	0.239
											0.085	0.178
Dummy_Multinational x FI												1.859***
												0.619
Adj.R2	0.296%	1.271%	12.960%	13.414%	18.354%	18.683%	19.082%	20.334%	24.688%	24.688%	25.692%	25.821%

Panel E: Regressions for UK

Tobin's Ω (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12	
	1 500***	1 600***	0.405	22 500***	04 740***		07 540***	20 101***	14 450	14.045	15.004	14.072	
Intercept	1.599	1.633	0.495	-22.599	-24.742	-25.066	-27.512	-28.191	-14.450	-14.045	-15.064	-14.873	
	0.061	0.083	1.534	4.573	4.460	4.409	4.487	4.524	11.574	11.631	12.036	12.269	
Foreign Institutional Ownership (FI)	-11.415^^^	-11.658^^^	-11.474^^^	-9.590^^^	-10.251^^^	-10.201^^^	-8.443^^	-6.131^	-16.654	-18.946	-18.731	448.062	
	3.265	3.291	3.332	3.288	3.183	3.262	3.317	3.511	16.785	17.118	17.263	4210.600	
Domestic Institutional Ownership (DI)		-0.382	-0.346	-0.205	-0.808	-0.384	-0.385	-0.432	0.329	0.426	0.400	0.395	
		0.635	0.641	0.629	0.613	0.597	0.597	0.600	0.767	0.780	0.789	0.798	
Ln(Size)			0.048	0.023	0.130**	0.245***	0.216***	0.210***	0.432***	0.458***	0.466***	0.461**	
			0.064	0.063	0.064	0.066	0.068	0.068	0.160	0.164	0.167	0.174	
CCI				0.239***	0.242***	0.216***	0.247***	0.255***	0.053	0.043	0.052	0.051	
				0.045	0.044	0.044	0.045	0.045	0.106	0.108	0.111	0.113	
Business segment					-0.187***	-0.175***	-0.189***	-0.180***	0.019	0.011	0.006	0.006	
					0.024	0.032	0.033	0.033	0.098	0.099	0.101	0.102	
Geographic segment						0.001	-0.033	-0.032	-0.140*	-0.134***	-0.141*	-0.143*	
						0.024	0.027	0.028	0.079	0.079	0.082	0.084	
Foreign revenues							0.748***	0.696***	2.757***	2.794***	2.921***	2.926***	
							0.261	0.264	0.662	0.666	0.753	0.761	
Leverage								-0.071*	-0.126**	-0.033	-0.017	-0.022	
								0.038	0.054	0.134	0.142	0.150	
Spread									-227.285	-263.023	-244.441	-245.755	
									197.941	204.216	211.766	214.058	
Crosslisting										-0.123	-0.145	-0.139	
0										0.163	0.174	0.184	
Dummy Multinational											-0.128	-0.114	
											0.343	0.367	
Dummy Multinational x El											0.010	-466 760	
												4210 266	
Adi P2	1 691%	1 7210/	1 7/10/	5 540%	12 000%	11 7020/	12 1220/	12 1010/	15 1070/	45 604%	15 92/0/	45 9460/	
Adj.R2	1.681%	1.731%	1.741%	5.540%	12.909%	11.723%	13.133%	13.191%	45.127%	45.694%	45.834%	45.84	
Tobin's Q (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12	Model 13
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Intercept	2.922***	3.559***	-16.565***	-22.377***	-23.573***	-24.829***	-27.174***	-6.957***	-8.122***	-8.958***	-9.179***	-9.055***	-10.102***
	0.165	0.194	1.508	1.607	1.674	1.860	1.906	0.946	1.134	1.140	1.145	1.173	1.868
Foreign Institutional Ownership (FI)	-4.796***	-0.161	-1.837	0.071	0.114	0.719	0.521	2.071***	1.925**	1.225	1.350	0.754	-0.043
	0.947	1.210	1.213	1.223	1.264	1.472	1.496	0.745	0.846	0.852	0.854	1.490	1.642
Domestic Institutional Ownership (DI)		-4.783***	-3.103***	-1.780**	-1.469*	-1.645*	-3.123***	-1.483***	-1.824***	-1.409**	-1.434***	-1.450***	-1.547**
		0.780	0.789	0.797	0.831	0.948	0.971	0.475	0.554	0.557	0.557	0.558	0.736
∟n(Size)			0.862***	1.287***	1.404***	1.483***	1.499***	0.548***	0.601***	0.607***	0.601***	0.600***	0.643***
			0.064	0.076	0.080	0.090	0.091	0.045	0.053	0.053	0.053	0.053	0.072
001				-0.051***	-0.052***	-0.056***	-0.053***	-0.033***	-0.036***	-0.032***	-0.031***	-0.031***	-0.029***
				0.005	0.005	0.006	0.006	0.003	0.003	0.003	0.003	0.003	0.006
Business segment					-0.348***	-0.309***	-0.186***	-0.297***	-0.277***	-0.315***	-0.326***	-0.326***	-0.329***
					0.056	0.065	0.068	0.033	0.038	0.039	0.039	0.039	0.040
Geographic segment						-0.083*	-0.429***	-0.195***	-0.211***	-0.242***	-0.247***	-0.248***	-0.252***
						0.050	0.057	0.027	0.032	0.032	0.032	0.032	0.033
Foreign revenues							5.853***	2.452***	3.024***	2.994***	2.850***	2.849***	2.741***
							0.445	0.221	0.262	0.262	0.271	0.271	0.286
Leverage								0.012	0.020	0.000	-0.003	-0.004	-0.003
								0.021	0.025	0.025	0.025	0.025	0.025
Spread									-15.007	-14.446	-14.995	-14.848	-15.315
									14.032	14.006	14.006	14.010	14.185
Crosslisting										0.171***	0.169***	0.170***	0.151***
										0.027	0.027	0.027	0.030
Dummy_Multinational											0.519**	0.420	0.190
											0.260	0.330	0.360
Dummy_Multinational x FI												0.786	1.564
												1.610	1.674
Dummy_Australia													0.241
													0.472

Panel G: Regressions for all countries

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Dummy_China													-0.773
													0.561
Dummy_Finland													0.612
													0.691
Dummy_UK													0.262
													0.479
Dummy_US													-0.285
													1.069
Adj.R2	0.168%	0.413%	1.603%	2.271%	2.571%	2.544%	3.876%	3.714%	3.935%	4.313%	4.351%	4.353%	4.391%

Appendix A: The ownership structure

Country	Category	Mean	Median	Standard deviation	N
Australia	Domestic Institutions	0.061	0.050	0.058	2928
	Foreign Institutions	0.021	0.000	0.042	2928
	Non-Institutions	0.918	0.940	0.067	2928
China	Domestic Institutions	0.073	0.053	0.077	651
	Foreign Institutions	0.004	0.000	0.015	651
	Non-Institutions	0.923	0.942	0.078	651
India	Domestic Institutions	0.071	0.055	0.080	1450
	Foreign Institutions	0.019	0.000	0.042	1450
	Non-Institutions	0.911	0.930	0.102	1450
Finland	Domestic Institutions	0.121	0.101	0.105	1994
	Foreign Institutions	0.019	0.002	0.042	1994
	Non-Institutions	0.861	0.885	0.113	1994
UK	Domestic Institutions	0.409	0.415	0.144	7623
	Foreign Institutions	0.214	0.202	0.114	7623
	Non-Institutions	0.377	0.349	0.186	7623
US	Domestic Institutions	0.086	0.070	0.093	738
	Foreign Institutions	0.004	0.000	0.018	738
	Non-Institutions	0.910	0.926	0.093	738

Appendix B: Summary statistics for 60 sample stocks in six countries, 2004 to 2014

This table reports summary statistics for the 60 sample stocks in Australia over the entire study period from 2 January, 2004 to 30 December, 2014. Market capitalisation is calculated as the average of 10 years' market capitalisations. The sample stocks are selected from 9 different industry sectors.

Company	Ave. Mkt Cap	Industry	% of Sample	% of market
BHP BILLITON GROUP (AUS)	107,784,826,972	Materials	13.23%	7.36%
WESTPAC BANKING	64,062,846,430	Financials	7.86%	4.37%
COMMONWEALTH BANK AUSTRALIA	63,342,453,667	Financials	7.77%	4.32%
NATIONAL AUSTRALIA BK	57,033,234,386	Financials	7.00%	3.89%
ANZ-AUSTRALIA & NEW ZEALD BK	48,951,709,221	Financials	6.01%	3.34%
RIO TINTO GROUP (AUS)	32,902,100,645	Materials	4.04%	2.25%
WOOLWORTHS LTD	30,910,384,784	Consumer Staples	3.79%	2.11%
WOODSIDE PETROLEUM LTD	28,273,717,434	Energy	3.47%	1.93%
WESTFIELD CORP	24,333,386,208	Financials	2.99%	1.66%
WESFARMERS LTD	18,844,988,961	Consumer Staples	2.31%	1.29%
CSL LTD	18,087,021,982	Healthcare	2.22%	1.23%
QBE INSURANCE GROUP LTD	17,726,202,502	Financials	2.18%	1.21%
AMP LTD	14,959,380,809	Financials	1.84%	1.02%
MACQUARIE GROUP LTD	13,626,662,548	Financials	1.67%	0.93%
NEWCREST MINING LTD	13,254,377,160	Materials	1.63%	0.90%
SUNCORP GROUP LTD	12,125,707,392	Financials	1.49%	0.83%
ORIGIN ENERGY LTD	11,023,490,154	Energy	1.35%	0.75%
FORTESCUE METAL GROUP	10,642,698,166	Materials	1.31%	0.73%
BRAMBLES LTD	10,280,926,532	Industrials	1.26%	0.70%
SCENTRE GROUP	9,321,530,896	Financials	1.14%	0.64%
SANTOS LTD	9,123,227,488	Energy	1.12%	0.62%
AURIZON HOLDINGS LTD	9,104,879,190	Industrials	1.12%	0.62%
STOCKLAND	8,171,317,361	Financials	1.00%	0.56%

AMCOR LTD	7,840,201,415	Materials	0.96%	0.54%
CROWN RESORTS LTD	7,661,898,648	Consumer Discretionary	0.94%	0.52%
COCA-COLA AMATIL LTD	7,372,043,794	Consumer Staples	0.90%	0.50%
CIMIC GROUP LTD	7,340,900,327	Industrials	0.90%	0.50%
TRANSURBAN GROUP	7,278,888,052	Industrials	0.89%	0.50%
AGL ENERGY	7,007,038,654	Utilities	0.86%	0.48%
GPT GROUP	6,622,797,670	Financials	0.81%	0.45%
GOODMAN GROUP	6,594,740,828	Financials	0.81%	0.45%
ORICA LTD	6,449,312,133	Materials	0.79%	0.44%
INSURANCE AUSTRALIA GROUP	5,874,885,309	Financials	0.72%	0.40%
SYDNEY AIRPORT	5,695,180,965	Industrials	0.70%	0.39%
QANTAS AIRWAYS LTD	5,689,269,853	Industrials	0.70%	0.39%
ASX LTD	5,367,879,420	Financials	0.66%	0.37%
LEND LEASE GROUP	5,308,295,870	Financials	0.65%	0.36%
TABCORP HOLDINGS LTD	5,117,481,713	Consumer Discretionary	0.63%	0.35%
ALUMINA LTD	5,110,723,558	Materials	0.63%	0.35%
WORLEYPARSONS LTD	4,962,395,770	Energy	0.61%	0.34%
COMPUTERSHARE LTD CPU	4,896,305,654	Information Technology	0.60%	0.33%
SONIC HEALTHCARE LTD	4,703,371,285	Healthcare	0.58%	0.32%
ASCIANO LTD	4,494,985,899	Industrials	0.55%	0.31%
BLUESCOPE STEEL LTD	4,422,038,226	Materials	0.54%	0.30%
MIRVAC GROUP	4,408,220,755	Financials	0.54%	0.30%
CALTEX AUSTRALIA LTD	4,311,784,625	Energy	0.53%	0.29%
DEXUS PROPERTY GROUP	4,218,872,234	Financials	0.52%	0.29%
INCITEC PIVOT LTD	4,042,977,677	Materials	0.50%	0.28%
BORAL LTD	3,667,541,055	Materials	0.45%	0.25%
TATTS GROUP LTD	3,633,217,331	Consumer Discretionary	0.45%	0.25%
HARVEY NORMAN HLDGS LTD	3,422,063,086	Consumer Discretionary	0.42%	0.23%
RAMSAY HEALTH CARE LTD	3,388,965,675	Healthcare	0.42%	0.23%
ARISTOCRAT LEISURE LTD	3,324,370,516	Consumer Discretionary	0.41%	0.23%

	AUSNET SERVICES	3,263,382,133	Utilities	0.40%	0.22%
	COCHLEAR LTD	3,175,692,777	Healthcare	0.39%	0.22%
	OZ MINERALS LIMITED	2,983,471,283	Materials	0.37%	0.20%
	METCASH LTD	2,924,041,890	Consumer Staples	0.36%	0.20%
	TREASURY WINE ESTATES LTD	2,869,275,165	Consumer Staples	0.35%	0.20%
	FAIRFAX MEDIA LTD	2,859,275,827	Consumer Discretionary	0.35%	0.20%
	SIMS METAL MGMT LTD	2,729,520,329	Materials	0.33%	0.19%
	Average	13,582,006,305		100.00%	55.61%
	Sum (sample)	814,920,378,289			
_	Sum (Market)	1,465,431,636,950			

This table reports summary statistics for the 60 sample stocks in China over the entire study period from 2 January, 2004 to 30 December, 2014. Market capitalisation is calculated as the average of 10 years' market capitalisations. The sample stocks are selected from 10 different industry sectors.

Company	Ave Mkt Can	Industry	% of Sample	% of market
		Firensis		
	810,335,932,379	Financiais	13.66%	3.05%
BANK OF CHINA LTD	490,914,038,428	Financials	8.28%	1.85%
CHINA PETROLEUM & CHEM CORP	340,537,169,913	Energy	5.74%	1.28%
CHINA LIFE INSURANCE (CHN)	318,916,963,229	Financials	5.38%	1.20%
CHINA SHENHUA ENERGY CO LTD	222,704,843,757	Energy	3.75%	0.84%
PING AN INSURANCE GROUP	210,659,148,392	Financials	3.55%	0.79%
SHANGHAI PUDONG DEV BANK CO	178,466,087,800	Financials	3.01%	0.67%
SAIC MOTOR CORP LTD	162,689,496,480	Industrials	2.74%	0.61%
KWEICHOW MOUTAI CO LTD	159,983,582,035	Consumer Staples	2.70%	0.60%
DAQIN RAILWAY CO LTD	136,282,948,387	Industrials	2.30%	0.51%
CHINA CITIC BANK CORP LTD	128,652,476,653	Financials	2.17%	0.48%
CHINA YANGTZE POWER CO	127,946,168,860	Utilities	2.16%	0.48%
CHINA MINSHENG BANKING CORP	122,912,157,898	Financials	2.07%	0.46%
SHANGHAI INTL PORT GROUP	118,099,244,730	Industrials	1.99%	0.44%
CHINA SHIPBUILDING INDUSTRY	105,278,344,388	Industrials	1.77%	0.40%
CHINA EVERBRIGHT BANK CO LTD	103,419,529,414	Financials	1.74%	0.39%
BAOSHAN IRON & STEEL CO LTD	100,567,243,061	Materials	1.70%	0.38%
PING AN BANK CO LTD	97,704,204,757	Financials	1.65%	0.37%
CHINA UNITED TELECOMMUICATIN	93,832,195,914	Telecommunication Services	1.58%	0.35%
MIDEA GROUP CO LTD	87,827,529,260	Consumer Discretionary	1.48%	0.33%
CITIC SECURITIES CO LTD	86,379,667,765	Financials	1.46%	0.32%
YIBIN WULIANGYE CO LTD	76,155,999,567	Consumer Staples	1.28%	0.29%
HAITONG SECURITIES CO LTD	75,384,580,405	Financials	1.27%	0.28%
HUA XIA BANK CO LTD	71,344,272,057	Financials	1.20%	0.27%
GREE ELEC APPLLIANCES INC	67,406,818,411	Consumer Discretionary	1.14%	0.25%

BEIJING XINWEI TELECOM TECH	61,343,088,963	Information Technology	1.03%	0.23%
SUNING COMMERCE GROUP CO LTD	59,322,386,191	Consumer Discretionary	1.00%	0.22%
CHINA COMM CONSTR CO LTD	57,153,986,124	Telecommunication Services	0.96%	0.21%
CHINA RAILWAY GROUP LTD	56,665,523,194	Industrials	0.96%	0.21%
HENAN SHUANGHUI INVT & DEV	52,853,795,745	Financials	0.89%	0.20%
INNER MONGOLIA YI LI IND CO	52,610,012,918	Consumer Staples	0.89%	0.20%
SANY HEAVY IND CO LTD	52,227,927,115	Industrials	0.88%	0.20%
CHINA RAILWAY CONSTRUCTION	52,139,592,292	Industrials	0.88%	0.20%
CHINA VANKE CO LTD	51,071,843,890	Financials	0.86%	0.19%
CHINA COAL ENERGY CO	49,581,396,175	Energy	0.84%	0.19%
GD POWER DEVELOPMENT CO LTD	45,185,145,732	Utilities	0.76%	0.17%
CHINA NORTHERN RARE EARTH	44,986,413,657	Materials	0.76%	0.17%
ANHUI CONCH CEMENT CO LTD	44,531,077,224	Materials	0.75%	0.17%
YUNNAN BAIYAO GROUP CO LTD	43,463,179,282	Healthcare	0.73%	0.16%
CHINA CSSC HOLDINGS LTD	42,496,097,922	Industrials	0.72%	0.16%
JIANGSU HENGRUI MEDICINE CO	40,438,616,816	Healthcare	0.68%	0.15%
GREAT WALL MOTOR CO	39,361,124,359	Consumer Discretionary	0.66%	0.15%
CHINA OILFIELD SERVICES LTD	37,634,315,350	Energy	0.63%	0.14%
SHANGHAI ELECTRIC GP CO LTD	37,195,556,622	Industrials	0.63%	0.14%
AIR CHINA LTD	35,415,005,866	Industrials	0.60%	0.13%
CHINA NATIONAL CHEMICAL ENG	35,235,502,209	Industrials	0.59%	0.13%
DATANG INTL POWER GEN CO LTD	34,862,926,962	Utilities	0.59%	0.13%
ZIJIN MINING GROUP CO LTD	34,655,557,020	Materials	0.58%	0.13%
AVIC AVIATION ENGINE CORP	34,493,684,091	Industrials	0.58%	0.13%
SDIC POWER HOLDINGS CO LTD	34,159,106,999	Utilities	0.58%	0.13%
CHONGQING WATER GROUP CO LTD	33,720,715,076	Utilities	0.57%	0.13%
CHINA INTL TRAVEL SERVICE	32,570,120,219	Consumer Discretionary	0.55%	0.12%
SHANGHAI INTL AIRPORT CO LTD	32,344,334,673	Industrials	0.55%	0.12%
OFFSHORE OIL ENGINEERING CO	32,201,298,700	Energy	0.54%	0.12%
SHANXI XISHAN COAL & ELEC	31,190,363,263	Energy	0.53%	0.12%

BOE TECHNOLOGY GROUP CO LTD	30,420,268,220	Information Technology	0.51%	0.11%
LUZHOU LAOJIAO CO LTD	29,669,235,305	Consumer Staples	0.50%	0.11%
TASLY PHARMACEUTICAL GROUP	29,282,446,825	Healthcare	0.49%	0.11%
YANZHOU COAL MINING CO LTD	28,358,781,670	Energy	0.48%	0.11%
NARI TECH DEV LTD CO	28,218,627,185	Industrials	0.48%	0.11%
Average	98,857,661,630		100.00%	22.29%
Sum (sample)	5,931,459,697,790			
Sum (Market)	26,606,407,109,924			

This table reports summary statistics for the 60 sample stocks in Finland over the entire study period from 2 January, 2004 to 30 December, 2014. Market capitalisation is calculated as the average of 10 years' market capitalisations. The sample stocks are selected from 10 different industry sectors.

Company	Ave. Mkt Cap	Industry	% of Sample	% of marke
NOKIA CORP	214,693,163,061	Information Technology	65.15%	60.47%
STORA ENSO OYJ	17,065,514,132	Materials	5.18%	4.81%
FORTUM OYJ	15,974,927,288	Utilities	4.85%	4.50%
SAMPO PLC	11,229,378,602	Financials	3.41%	3.16%
KONE CORP	7,282,065,363	Industrials	2.21%	2.05%
TIETO CORP	6,817,395,528	Information Technology	2.07%	1.92%
UPM-KYMMENE CORP	6,621,293,691	Materials	2.01%	1.87%
NESTE OYJ	4,159,663,316	Energy	1.26%	1.17%
METSO OYJ	3,846,636,366	Industrials	1.17%	1.08%
WARTSILA OYJ ABP	3,565,226,900	Industrials	1.08%	1.00%
NOKIAN TYRES OYJ	2,754,920,125	Consumer Discretionary	0.84%	0.78%
ELISA CORP	2,601,122,559	Telecommunication Services	0.79%	0.73%
OUTOKUMPU OY	2,423,387,068	Materials	0.74%	0.68%
SANOMA CORP	1,928,284,853	Consumer Discretionary	0.59%	0.54%
YIT CORP	1,760,893,035	Industrials	0.53%	0.50%
KEMIRA OY	1,537,516,300	Materials	0.47%	0.43%
CARGOTEC OYJ	1,455,130,380	Industrials	0.44%	0.41%
OUTOTEC OYJ	1,344,700,168	Industrials	0.41%	0.38%
KESKO OYJ	1,308,510,022	Consumer Staples	0.40%	0.37%
HUHTAMAKI OYJ	1,226,980,698	Materials	0.37%	0.35%
KONECRANES PLC	1,215,554,831	Industrials	0.37%	0.34%
VALMET CORP	1,204,194,758	Industrials	0.37%	0.34%
AMER SPORTS CORP	1,147,902,412	Consumer Discretionary	0.35%	0.32%
ORION CORP	1,136,673,403	Consumer Staples	0.34%	0.32%
UPONOR OYJ	1,039,502,563	Industrials	0.32%	0.29%

FISKARS OY	855,396,661	Consumer Discretionary	0.26%	0.24%
SPONDA OYJ	827,811,093	Financials	0.25%	0.23%
CAVERION CORP	823,024,990	Industrials	0.25%	0.23%
RAMIRENT OYJ	791,351,028	Industrials	0.24%	0.22%
TIKKURILA OYJ	710,869,635	Materials	0.22%	0.20%
CITYCON OYJ	707,556,489	Financials	0.21%	0.20%
STOCKMANN AB	663,420,970	Consumer Discretionary	0.20%	0.19%
TALVIVAARA MINING CO LTD	641,311,449	Materials	0.19%	0.18%
AHLSTROM (A) OY	640,073,184	Materials	0.19%	0.18%
FINNAIR OY	600,919,414	Industrials	0.18%	0.17%
LASSILA & TIKANOJA GROUP	568,553,270	Industrials	0.17%	0.16%
METSA BOARD CORP	508,043,609	Materials	0.15%	0.14%
FINNLINES OY	467,322,570	Industrials	0.14%	0.13%
ALMA MEDIA OYJ	461,723,253	Consumer Discretionary	0.14%	0.13%
LEMMINKAINEN OYJ	424,542,699	Industrials	0.13%	0.12%
CRAMO OYJ	405,468,074	Industrials	0.12%	0.11%
VAISALA OYJ	340,934,230	Information Technology	0.10%	0.10%
F-SECURE CORP	332,790,146	Information Technology	0.10%	0.09%
MUNKSJO OYJ	279,394,006	Materials	0.08%	0.08%
HKSCAN OYJ	276,307,786	Consumer Staples	0.08%	0.08%
PONSSE OYJ	259,383,506	Industrials	0.08%	0.07%
AFARAK GROUP PLC	257,942,751	Materials	0.08%	0.07%
TECHNOPOLIS OYJ	240,692,928	Financials	0.07%	0.07%
PKC GROUP OYJ	239,896,256	Industrials	0.07%	0.07%
OLVI OYJ	225,765,499	Consumer Staples	0.07%	0.06%
RAPALA VMC OYJ	211,318,784	Consumer Discretionary	0.06%	0.06%
RAISIO PLC	207,275,237	Consumer Staples	0.06%	0.06%
ORIOLA-KD CORP	201,389,328	Healthcare	0.06%	0.06%
BASWARE OYJ	197,156,640	Information Technology	0.06%	0.06%
ATRIA PLC	189,141,219	Consumer Staples	0.06%	0.05%

ASPO PLC	175,219,109	Industrials	0.05%	0.05%
CAPMAN OYJ	131,197,712	Financials	0.04%	0.04%
COMPTEL OYJ	120,347,861	Information Technology	0.04%	0.03%
MARIMEKKO OY	102,322,544	Consumer Discretionary	0.03%	0.03%
APETIT OYJ	102,209,135	Consumer Staples	0.03%	0.03%
Average	5,492,143,508		100.00%	92.82%
Sum (sample)	329,528,610,492			
Sum (Market)	355,015,269,681			

This table reports summary statistics for the 60 sample stocks in India over the entire study period from 2 January, 2004 to 30 December, 2014. Market capitalisation is calculated as the average of 10 years' market capitalisations. The sample stocks are selected from 10 different industry sectors.

Company	Ave. Mkt Cap	Industry	% of Sample	% of market
COAL INDIA LTD	2,083,036,726,009	Energy	8.93%	3.81%
TATA CONSULTANCY SVCS LTD	1,744,790,412,966	Information Technology	7.48%	3.19%
RELIANCE INDUSTRIES LTD	1,519,874,216,115	Energy	6.52%	2.78%
INFOSYS LTD	1,218,894,475,264	Information Technology	5.23%	2.23%
BHARTI AIRTEL LTD	1,134,030,500,969	Telecommunication Services	4.86%	2.07%
ICICI BANK LTD	887,689,909,194	Financials	3.81%	1.62%
HDFC BANK LTD	806,560,221,527	Financials	3.46%	1.47%
HOUSING DEV FINANCE CORP LTD	745,028,803,821	Financials	3.20%	1.36%
HINDUSTAN UNILEVER LTD	691,789,524,297	Consumer Staples	2.97%	1.26%
BHARAT HEAVY ELECTRICALS LTD	650,573,192,350	Industrials	2.79%	1.19%
ITC LTD	615,894,756,465	Consumer Staples	2.64%	1.13%
DLF LTD	586,877,585,573	Financials	2.52%	1.07%
STATE BANK OF INDIA	530,831,062,794	Financials	2.28%	0.97%
SUN PHARMACEUTICAL INDS LTD	461,205,349,052	Healthcare	1.98%	0.84%
LARSEN & TOUBRO LTD	437,843,009,735	Industrials	1.88%	0.80%
BAJAJ AUTO LTD	382,715,886,049	Consumer Discretionary	1.64%	0.70%
RELIANCE COMMUNICATIONS LTD	344,679,389,490	Telecommunication Services	1.48%	0.63%
TATA STEEL LTD	330,246,012,584	Materials	1.42%	0.60%
MARUTI SUZUKI INDIA LTD	326,753,957,736	Consumer Discretionary	1.40%	0.60%
HCL TECHNOLOGIES LTD	320,836,251,171	Information Technology	1.38%	0.59%
IDEA CELLULAR LTD	313,129,027,660	Telecommunication Services	1.34%	0.57%
ADANI PORTS & SPECIAL ECONOM	312,791,566,865	Industrials	1.34%	0.57%
KOTAK MAHINDRA BANK LTD	283,239,662,622	Financials	1.21%	0.52%
JINDAL STEEL & POWER LTD	277,640,760,123	Materials	1.19%	0.51%
HERO MOTOCORP LTD	266,658,913,013	Consumer Discretionary	1.14%	0.49%

NESTLE INDIA LTD	255,570,669,129	Consumer Staples	1.10%	0.47%
POWER FINANCE CORP LTD	244,745,808,595	Financials	1.05%	0.45%
TATA MOTORS LTD	243,742,164,351	Consumer Discretionary	1.05%	0.45%
ADANI ENTERPRISES LTD	228,337,953,826	Industrials	0.98%	0.42%
PUNJAB NATIONAL BANK	213,651,496,034	Financials	0.92%	0.39%
ASIAN PAINTS LTD	209,433,894,201	Materials	0.90%	0.38%
DR REDDY'S LABORATORIES LTD	200,648,074,389	Healthcare	0.86%	0.37%
RURAL ELECTRIFICATION CORP	198,763,043,641	Financials	0.85%	0.36%
MAHINDRA & MAHINDRA LTD	198,310,000,583	Consumer Discretionary	0.85%	0.36%
VEDANTA LTD	194,481,558,311	Materials	0.83%	0.36%
BHARAT PETROLEUM CO LTD	194,257,530,717	Energy	0.83%	0.35%
GAIL (INDIA) LTD	189,702,668,165	Utilities	0.81%	0.35%
BANK OF BARODA	188,210,456,468	Financials	0.81%	0.34%
CIPLA LTD	175,773,212,823	Healthcare	0.75%	0.32%
IDFC LTD	166,644,345,730	Financials	0.71%	0.30%
NATIONAL ALUMINIUM CO LTD	165,021,206,202	Materials	0.71%	0.30%
ACC LTD	164,751,342,348	Materials	0.71%	0.30%
RELIANCE INFRASTRUCTURE LTD	163,372,068,292	Materials	0.70%	0.30%
TECH MAHINDRA LTD	159,441,575,357	Information Technology	0.68%	0.29%
LUPIN LTD	157,640,414,945	Healthcare	0.68%	0.29%
GMR INFRASTRUCTURE LTD	153,028,476,601	Industrials	0.66%	0.28%
JAIPRAKASH ASSOCIATES LTD	152,505,064,951	Industrials	0.65%	0.28%
ORACLE FINANCIAL SVCS SOFTWA	152,023,132,293	Information Technology	0.65%	0.28%
ULTRA TECH CEMENT LTD	149,036,712,271	Materials	0.64%	0.27%
SUZLON ENERGY LTD	148,651,335,627	Industrials	0.64%	0.27%
ABB INDIA LTD	144,925,880,222	Industrials	0.62%	0.26%
UNITECH LTD	143,399,656,459	Financials	0.61%	0.26%
DABUR INDIA LTD	143,116,543,479	Consumer Staples	0.61%	0.26%
RELIANCE CAPITAL LTD	140,923,085,842	Financials	0.60%	0.26%
UNITED SPIRITS LTD	139,072,863,476	Consumer Staples	0.60%	0.25%

BANK OF INDIA	136,069,315,452	Financials	0.58%	0.25%
CANARA BANK	134,828,066,908	Financials	0.58%	0.25%
GLAXO SMITHKLINE PHARM LTD	134,409,021,696	Healthcare	0.58%	0.25%
JSW STEEL LTD	130,933,750,069	Materials	0.56%	0.24%
SUN TV NETWORK LTD	129,448,797,129	Consumer Discretionary	0.56%	0.24%
Average	388,641,372,667		100.00%	42.61%
Sum (sample)	23,318,482,360,029			
Sum (Market)	54,723,522,554,646			

This table reports summary statistics for the 60 sample stocks in UK over the entire study period from 2 January, 2004 to 30 December, 2014. Market capitalisation is calculated as the average of 10 years' market capitalisations. The sample stocks are selected from 10 different industry sectors.

Company	Ave. Mkt Cap	Industry	% of Sample	% of market
BARCLAYS PLC	1,065,144,915,777	Financials	28.33%	25.33%
HSBC HLDGS PLC	511,375,302,239	Financials	13.60%	12.16%
STANDARD CHARTERED PLC	310,540,630,320	Financials	8.26%	7.38%
BHP BILLITON GROUP (GBR)	240,702,788,606	Materials	6.40%	5.72%
BRITISH AMER TOBACCO PLC	232,938,259,758	Consumer Staples	6.19%	5.54%
SABMILLER PLC	204,029,761,656	Consumer Staples	5.43%	4.85%
ASTRAZENECA PLC	195,576,046,115	Healthcare	5.20%	4.65%
ANGLO AMERICAN PLC	168,749,432,379	Materials	4.49%	4.01%
VODAFONE GROUP PLC	94,217,110,789	Telecommunication Services	2.51%	2.24%
BP PLC	82,958,787,766	Energy	2.21%	1.97%
GLAXOSMITHKLINE PLC	74,717,769,011	Healthcare	1.99%	1.78%
ROYAL DUTCH SHELL PLC	72,607,649,143	Energy	1.93%	1.73%
PRUDENTIAL PLC	48,953,191,442	Financials	1.30%	1.16%
RIO TINTO GROUP (GBR)	38,915,088,178	Materials	1.03%	0.93%
DIAGEO PLC	35,916,022,392	Consumer Staples	0.96%	0.85%
ROYAL BANK OF SCOTLAND GROUP	34,361,357,314	Financials	0.91%	0.82%
BG GROUP PLC	32,725,638,670	Energy	0.87%	0.78%
TESCO PLC	28,106,093,543	Consumer Staples	0.75%	0.67%
SKY PLC	24,576,617,927	Consumer Discretionary	0.65%	0.58%
UNILEVER PLC	22,916,819,517	Consumer Staples	0.61%	0.54%
LLOYDS BANKING GROUP PLC	20,463,578,879	Financials	0.54%	0.49%
LONMIN PLC	19,244,712,903	Materials	0.51%	0.46%
BT GROUP PLC	18,340,196,391	Telecommunication Services	0.49%	0.44%
ROLLS-ROYCE HLDGS PLC	10,987,688,313	Industrials	0.29%	0.26%
BAE SYSTEMS PLC	10,481,049,974	Industrials	0.28%	0.25%

ASSOCIATED BRITISH FOODS PLC	9,222,500,093	Consumer Staples	0.25%	0.22%
LEGAL & GEN GROUP PLC	7,809,817,920	Financials	0.21%	0.19%
AVIVA PLC	7,427,524,142	Financials	0.20%	0.18%
PEARSON PLC	7,267,024,940	Consumer Discretionary	0.19%	0.17%
RELX PLC	7,236,599,450	Consumer Discretionary	0.19%	0.17%
ANTOFAGASTA PLC	7,235,159,036	Materials	0.19%	0.17%
KINGFISHER PLC	6,541,933,179	Consumer Discretionary	0.17%	0.16%
LAND SECURITIES GROUP PLC	6,302,077,957	Financials	0.17%	0.15%
MARKS & SPENCER GROUP PLC	6,069,092,887	Consumer Discretionary	0.16%	0.14%
MORRISON (WM) SUPERMARKETS	5,771,577,174	Consumer Staples	0.15%	0.14%
SMITH & NEPHEW PLC	5,663,365,663	Healthcare	0.15%	0.13%
ARM HOLDINGS PLC	5,376,948,515	Information Technology	0.14%	0.13%
CARNIVAL CORP/PLC (GBR)	5,245,747,115	Consumer Discretionary	0.14%	0.12%
BRITISH LAND CO PLC	5,036,346,937	Financials	0.13%	0.12%
NEXT PLC	4,761,641,841	Consumer Discretionary	0.13%	0.11%
UNITED UTILITIES GROUP PLC	4,754,876,262	Utilities	0.13%	0.11%
SMITHS GROUP PLC	4,409,342,360	Industrials	0.12%	0.10%
CAPITA PLC	4,320,089,715	Industrials	0.11%	0.10%
JOHNSON MATTHEY PLC	3,933,992,063	Materials	0.10%	0.09%
SEVERN TRENT PLC	3,789,658,606	Utilities	0.10%	0.09%
INTERCONTINENTAL HOTELS GRP	3,757,639,310	Consumer Discretionary	0.10%	0.09%
ITV PLC	3,630,037,008	Consumer Discretionary	0.10%	0.09%
WHITBREAD PLC	3,358,874,703	Consumer Discretionary	0.09%	0.08%
SAGE GROUP PLC	3,236,181,880	Information Technology	0.09%	0.08%
HAMMERSON PLC	3,040,135,311	Financials	0.08%	0.07%
CAIRN ENERGY PLC	2,922,826,002	Energy	0.08%	0.07%
GKN PLC	2,801,090,067	Consumer Discretionary	0.07%	0.07%
BUNZL PLC	2,781,846,899	Industrials	0.07%	0.07%
REXAM PLC	2,740,560,339	Materials	0.07%	0.07%
CABLE & WIRELESS COMM PLC	2,471,145,920	Telecommunication Services	0.07%	0.06%

PERSIMMON PLC	2,397,656,796	Consumer Discretionary	0.06%	0.06%
AMEC FOSTER WHEELER PLC	2,388,816,081	Energy	0.06%	0.06%
WEIR GROUP PLC	2,386,609,465	Industrials	0.06%	0.06%
TATE & LYLE PLC	2,386,118,823	Consumer Staples	0.06%	0.06%
RSA INSURANCE GROUP PLC	2,362,185,789	Financials	0.06%	0.06%
Average	62,673,059,154		100.00%	89.41%
Sum (sample)	3,760,383,549,250			
Sum (Market)	4,205,884,266,201			

This table reports summary statistics for the 60 sample stocks in US over the entire study period from 2 January, 2004 to 30 December, 2014. Market capitalisation is calculated as the average of 10 years' market capitalisations. The sample stocks are selected from 9 different industry sectors.

Company	Ave. Mkt Cap	Industry	% of Sample	% of market
JOHNSON & JOHNSON	193,070,839,086	Healthcare	8.13%	1.00%
PROCTER & GAMBLE CO	184,009,496,680	Consumer Staples	7.75%	0.95%
PFIZER INC	173,174,226,189	Healthcare	7.29%	0.89%
COCA-COLA CO	135,262,732,801	Consumer Staples	5.70%	0.70%
BERKSHIRE HATHAWAY	95,993,201,563	Financials	4.04%	0.50%
CONOCOPHILLIPS	88,535,898,473	Energy	3.73%	0.46%
ABBVIE INC	78,732,764,372	Healthcare	3.32%	0.41%
ABBOTT LABORATORIES	74,898,191,992	Healthcare	3.15%	0.39%
WELLS FARGO & CO	66,119,504,545	Financials	2.79%	0.34%
VISA INC	58,796,472,666	Financials	2.48%	0.30%
BOEING CO	57,965,377,674	Industrials	2.44%	0.30%
ELI LILLY & CO	55,947,682,205	Healthcare	2.36%	0.29%
UNITEDHEALTH GROUP INC	55,565,096,772	Healthcare	2.34%	0.29%
MONDELEZ INTERNATIONAL INC	42,438,727,319	Consumer Staples	1.79%	0.22%
TARGET CORP	40,803,268,333	Consumer Discretionary	1.72%	0.21%
MASTERCARD INC	36,579,555,260	Financials	1.54%	0.19%
CITIGROUP INC	36,368,110,055	Financials	1.53%	0.19%
TWENTY-FIRST CENTURY FOX INC	32,211,664,794	Consumer Discretionary	1.36%	0.17%
YAHOO INC	31,626,400,512	Information Technology	1.33%	0.16%
DUKE ENERGY CORP	28,181,964,754	Utilities	1.19%	0.15%
LAS VEGAS SANDS CORP	28,061,441,641	Consumer Discretionary	1.18%	0.14%
STARBUCKS CORP	27,532,120,380	Consumer Discretionary	1.16%	0.14%
BIOGEN INC	26,643,043,782	Healthcare	1.12%	0.14%
CORNING INC	26,404,071,369	Information Technology	1.11%	0.14%
MOTOROLA SOLUTIONS INC	25,332,853,157	Information Technology	1.07%	0.13%

EOG RESOURCES INC	24,835,712,052	Energy	1.05%	0.13%
MORGAN STANLEY	24,707,628,402	Financials	1.04%	0.13%
CARNIVAL CORP/PLC (USA)	24,551,577,924	Consumer Discretionary	1.03%	0.13%
AFLAC INC	23,293,887,425	Financials	0.98%	0.12%
STRYKER CORP	22,370,368,896	Healthcare	0.94%	0.12%
APPLIED MATERIALS INC	22,227,118,187	Information Technology	0.94%	0.11%
ALLERGAN INC	21,575,878,989	Healthcare	0.91%	0.11%
SOUTHERN COPPER CORP	20,839,675,224	Materials	0.88%	0.11%
BLACKROCK INC	20,823,112,659	Financials	0.88%	0.11%
NORFOLK SOUTHERN CORP	20,658,927,448	Industrials	0.87%	0.11%
BAKER HUGHES INC	20,577,161,895	Energy	0.87%	0.11%
VALERO ENERGY CORP	20,453,190,864	Energy	0.86%	0.11%
NATIONAL OILWELL VARCO INC	20,389,787,139	Energy	0.86%	0.11%
TJX COMPANIES INC	20,115,047,465	Consumer Discretionary	0.85%	0.10%
CAPITAL ONE FINANCIAL CORP	19,902,108,818	Financials	0.84%	0.10%
CARDINAL HEALTH INC	19,733,685,040	Healthcare	0.83%	0.10%
MCKESSON CORP	19,247,129,071	Healthcare	0.81%	0.10%
HESS CORP	19,144,346,237	Energy	0.81%	0.10%
CSX CORP	19,081,109,590	Industrials	0.80%	0.10%
REYNOLDS AMERICAN INC	18,462,311,089	Consumer Staples	0.78%	0.10%
CME GROUP INC	18,153,459,566	Financials	0.76%	0.09%
MOSAIC CO	17,633,044,390	Materials	0.74%	0.09%
SPECTRA ENERGY CORP	17,585,052,873	Energy	0.74%	0.09%
MARSH & MCLENNAN COS	17,445,459,369	Financials	0.73%	0.09%
PRICELINE GROUP INC	17,389,969,796	Consumer Discretionary	0.73%	0.09%
BECTON DICKINSON & CO	17,367,320,074	Healthcare	0.73%	0.09%
BOSTON SCIENTIFIC CORP	17,334,672,214	Healthcare	0.73%	0.09%
AIR PRODUCTS & CHEMICALS INC	17,274,133,454	Materials	0.73%	0.09%
PRECISION CASTPARTS CORP	17,272,941,476	Industrials	0.73%	0.09%
FIRSTENERGY CORP	16,163,677,581	Utilities	0.68%	0.08%

PG&E CORP	16,124,670,176	Utilities	0.68%	0.08%
BEST BUY CO INC	15,519,454,804	Consumer Discretionary	0.65%	0.08%
MCGRAW HILL FINANCIAL	15,323,439,225	Financials	0.65%	0.08%
KOHL'S CORP	15,127,962,601	Consumer Discretionary	0.64%	0.08%
INTERNATIONAL PAPER CO	15,049,295,982	Materials	0.63%	0.08%
Average	39,566,817,073		100.00%	12.26%
Sum (sample)	2,374,009,024,369			
Sum (Market)	19,371,346,661,622			

Appendix C: The definition of variables

Independent Variables:		
Definition	Justification	Sources
The <i>stock return</i> on each day is used as the proxy for firm market performance. The return of each stock will be calculated by the difference between trade prices of time t and time t-1 over the trade prices of time t-1: $r_{t} = \frac{P_{t} - P_{t-1}}{P_{t-1}}$	The firm's market performance which is measured by the stock return on each day	Thomson Reuters Tick History (Daily)
<i>Return on assets (ROA)</i> is defined as net income over total assets.	Return on assets (ROA) as a measure of operating performance (Barber and Lyon 1996)	Compustat (Quarterly)
<i>Return on equity (ROE) is</i> the amount of net income returned as a percentage of shareholders equity.	Return on equity (ROE) measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested (Hitt, Hoskisson and Kim, 1997)	Compustat (Quarterly)

<i>Tobin's Q</i> is defined as the ratio of the market value of a firm to the replacement cost of its assets. where market value of a firm is the summation of the product of a firm's share price and the number of common stock shares outstanding, the liquidating value of the firm's outstanding preferred stock, the value of the firm's short-term liabilities net of its short-term assets, plus the book value of the firm's long- term debt, and the replacement cost of its assets is the book value of the total assets of the firm (Chung and Pruitt 1994).	Tobin's q plays an important role in many financial interactions, it has been employed to explain a number of diverse corporate phenomena, such as cross-sectional differences in investment and diversification decisions (Jose et al. 1986; Malkiel et al. 1979), the relationship between managerial equity ownership and firm value (McCon- nell and Servaes 1990; Morck et al. 1988), the relationship between managerial performance and tender offer gains (Lang et al. 1989), investment opportunities and tender offer responses (Lang et al. 1989), and financing, dividend, and compensation policies (Smith and Watts 1992).	Capital IQ (Quarterly)
Dependent Variables:		
Definition	Justification	Sources
Foreign Institutional Ownership Ratio: It stands for the percentage of the total number of shares of a company held by foreign investors.	We would like to have a measure of holdings actively traded by foreign owners, relative to holdings actively traded by domestic investors. Foreign Institutional Ownership Ratio is used to capture the foreign ownership structure.	FACTSET
Domestic Institutional Ownership Ratio: it stands for the percentage of the total number of shares of a company held by domestic institutions.	We would like to have a measure of holdings actively traded by foreign owners, relative to holdings actively traded by domestic investors. Domestic Institutional Ownership Ratio is used to capture the domestic ownership structure.	FACTSET
<i>Ln(Size)</i> is the natural logarithm of each firm's market capitalization.	Market capitalization represents the company's value in the market place. To control for the firm size, we use the natural logarithm of firm's market capitalization at the end of each year (Brennan et al. 1998).	Compustat (Daily)

<i>Leverage</i> is the leverage ratio for each stock.	Debt can mitigate against managerial inefficiency (Hart and Moore 1990 and Stulz 1990) when leverage is sufficiently large, as managers are unlikely to make wealth-destroying investment decisions because they are under legal obligations to service debt payments. Since long term continued employment is generally considered to be a management objective, when the debt level is sufficiently high, managers are reluctant to make non-value-maximising investment decisions. Hence, it is expected that an increase in a firm's debt level will attract more foreign investment due to a reduction in agency problem. We use the leverage ratio of each stock to measure debt level.	Capital IQ (Quarterly)
<i>Consumer Confidence Index (CCI)</i> is an indicator designed to measure consumer confidence, which is defined as the degree of optimism on the state of the country's economy that consumers are expressing through their activities of savings and spending.	Prior research have use Consumer Confidence Index as a proxy to study the relation between investor sentiment and stock returns (Lemmon and Portniaguina 2006). Schmeling (2009) reports that when consumer confidence is high, future stock returns tend to be lower in most of the 18 industrialized countries. The macroeconomic sentiment factor, obtained from consumer and business confidence releases, is highly correlated with economic activity, and appears to lead fundamentals especially around important turning points (Beber et al 2015). In addition, Consumer Confidence are found to be significantly related to price jumps in S&P 500 Index-Futures (Miao et al 2013). Therefore, Consumer Confidence Index is a key variable to explain macroeconomic environment.	OECD.org (Monthly)
A business segment is the number of product lines that a firm has operates.	The potential benefits of operating different lines of business within one firm include greater operating efficiency, less incentive to forego positive net present value projects, greater debt capacity, and lower taxes (Berger Va and Ofekb 1995).	Capital IQ (Quarterly)
A geographic segment is the number of countries in which a firm has foreign business operations.	International diversity denotes a firm's increased reliance on foreign markets as a means of growth and financial performance improvement. It refers to the scope of a firm's foreign operations (Tallman and Li 1996). International diversity includes the number of countries in which a firm has foreign business operations (Tallman and Li 1996) and the geographic diversity of the foreign markets (Sambharya 1995). Diversity therefore reflects the significant cultural and technological variations across the countries, markets, and segments in which a new venture undertakes foreign operations.	Capital IQ (Quarterly)

<i>Foreign revenues</i> are the revenue that company generated in foreign markets.	Researchers conceptualize firms' degrees of internationalization on three dimensions: structural, financial, and psychological. Financial internationalization captures organizations' monetary or revenue dependence on foreign markets (Sullivan 1994a).	Capital IQ (Quarterly).
<i>Effective Spread</i> is the price difference between trade price for sells and the midpoint of the bid and ask prices.	The spread is a measure of the transaction costs paid by investors. It consists of order processing, inventory holding, and adverse selection components. In general, information asymmetry and trading activity are interrelated, as a greater degree of informed trading increases the adverse selection cost. Greater information asymmetry between informed traders and uninformed liquidity providers leads to wider spreads and lower depths as uninformed liquidity traders attempt to minimize losses from trading with informed traders. Therefore, informed traders may be attracted by narrower spreads, which would suggest an inverse relation between price discovery and spreads (Chakravarty et al. 2004; Korajczyk and Sadka 2008). On the other hand, if market makers set wider spreads in fear of informed trading, this might induce a positive relation (Lee and Yi 2001; Kaul et al. 2002). The evidence suggests that neither high-frequency nor low-frequency measures of stock liquidity increase when insiders trade (Collin-Dufresne and Fos 2015).	Thomson Reuters Tick History (Daily)
<i>Cross listing</i> is the number of cross- listing exchanges for each stock.	Integration with global capital markets and liquidity from the foreign market is crucial for performing arbitrage trading because it brings prices to fundamental values and keeps markets efficient (Shleifer and Vishny 1997). Firms cross-list their stocks to gain access to foreign capital markets and increase investor recognition of their stock. Informed agents are endowed with superior information about the true value of the stock. This information is revealed through trading where traders seek the cheapest trading location or price advantages. It is likely that a source of liquidity in the trading of cross-listed stocks comes from their foreign counterparts.	Capital IQ (Quarterly).

Dummy variables for home country effect	There are 6 countries in our sample. To control for the country effect, we assign 1 if the company belongs to one of these countries and 0 otherwise. To avoid a non-singular matrix, we include 5 countries out of 6.	
Dummy variables for multinationalism effect	There are 6 countries in our sample. To control for the multinationalism effect, we assign 1 if the company has foreign revenues, foreign assets and foreign business operations at any given year, and 0 otherwise.	

Appendix D: Determinants of firm's book performance

This table reports Granger Causality F test results. Ten lags are used on Granger causality test for all variables. Significance at 1%, 5%, and 10% is indicated next to the coefficients by ***, ** and * respectively.

	H0: Foreign institutional ownership does not cause Stock return	H0: Stock return does not cause Foreign institutional ownership
Australia	4.626***	0.927
China	0.227*	0.212
Finland	1.982***	0.730
India	5.279***	0.074
UK	3.047***	1.236
US	0.028***	0.001
All countries	3.047***	1.236

Appendix E: Determinants of firm's book performance

This table reports coefficient estimates for the cross-sectional regression models. Heteroscedasticity consistent standard errors are reported under the coefficients in brackets. *Return on assets (ROA)* is defined as net income over total assets. *Foreign Institutional Ownership Ratio:* It stands for the percentage of the total number of shares of a company held by foreign investors. *Domestic Institutional Ownership Ratio:* it stands for the percentage of the total number of shares of a company held by domestic institutions. *Ln(Size)* is the natural logarithm of each firm's market capitalization. *Effective Leverage* is the leverage ratio for each stock. *Consumer Confidence Index (CCI)* is an indicator designed to measure consumer confidence, which is defined as the degree of optimism on the state of the country's economy that consumers are expressing through their activities of savings and spending. *A business segment* is the number of product lines that a firm has operates. *A geographic segment is* the number of countries in which a firm has foreign business operations. *Foreign revenues* are the revenue that company generated in foreign markets. *Effective Spread* is the price difference between trade price for sells and mid-point of bid and ask price. *Cross listing* is the number of cross-listing exchanges for each stock. *Dummy Multinational* is the dummy variable to measure multinationalisation of the firms. Significance at 1%, 5%, and 10% is indicated next to the coefficients by ***, ** and * respectively.

Panel A: Regressions for Australia												
ROA (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.051***	0.054***	0.073***	-0.737***	-0.732***	-0.737***	-0.796***	-0.858***	-0.905***	-0.876***	-0.877***	-0.873***
	0.001	0.002	0.028	0.103	0.102	0.115	0.118	0.120	0.126	0.127	0.127	0.127
Foreign Institutional Ownership (FI)	-0.023	-0.030	-0.035	-0.028	-0.037	-0.043	-0.043	-0.046	-0.037	-0.040	-0.042	-0.291**
	0.023	0.024	0.024	0.024	0.024	0.026	0.027	0.034	0.034	0.034	0.034	0.126
Domestic Institutional Ownership (DI)		-0.043***	-0.049***	-0.047***	-0.035***	-0.036*	-0.030	-0.028	-0.036*	-0.033	-0.033	-0.033
		0.017	0.018	0.017	0.017	0.019	0.020	0.020	0.021	0.021	0.021	0.021
Ln(Size)			-0.001	-0.001	0.003**	0.003*	0.003**	0.009***	0.018***	0.018***	0.018***	0.018***
			0.001	0.001	0.001	0.001	0.001	0.002	0.002	0.002	0.002	0.002
CCI				0.008***	0.007***	0.007***	0.008***	0.007***	0.006***	0.006***	0.006***	0.006***
				0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
Business segment					-0.005***	-0.007***	-0.007***	-0.007***	-0.008***	-0.008***	-0.008***	-0.008***
					0.000	0.001	0.001	0.001	0.001	0.001	0.001	0.001
Geographic segment						0.005***	0.004***	0.004***	0.004***	0.004***	0.004***	0.004***
						0.001	0.001	0.001	0.001	0.001	0.001	0.001
Foreign revenues							0.011***	0.006*	0.006*	0.006	0.005	0.005
							0.003	0.003	0.004	0.004	0.004	0.004
Leverage								-0.001	-0.004***	-0.004***	-0.004***	-0.004***
								0.001	0.001	0.001	0.001	0.001
Spread									1.442*	1.308	1.286	1.304
									0.821	0.821	0.822	0.821
Crosslisting										-0.001**	-0.001**	-0.001**
										0.000	0.000	0.000
Dummy_Multinational											0.003	0.000
											0.004	0.004
Dummy_Multinational x FI												0.268**
												0.131
Adj.R2	0.036%	0.281%	0.346%	2.827%	6.591%	10.660%	11.732%	12.937%	17.608%	17.922%	17.959%	18.174%

ROA (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.061***	0.047***	0.085	0.149	0.125	0.078	0.108	0.261	0.288	0.291	0.264	0.263
	0.003	0.004	0.065	0.215	0.201	0.205	0.212	0.180	0.190	0.191	0.188	0.188
Foreign Institutional Ownership (FI)	-0.244	-0.193	-0.262	-0.261	-0.490*	-0.542**	-0.549**	-0.340	-0.359*	-0.359*	-0.304	-0.281
	0.221	0.216	0.230	0.230	0.254	0.252	0.258	0.211	0.208	0.208	0.205	0.219
Domestic Institutional Ownership (DI)		0.198***	0.188***	0.192***	0.190***	0.181***	0.185***	0.167***	0.144***	0.145***	0.155***	0.155***
		0.035	0.038	0.041	0.039	0.040	0.041	0.034	0.037	0.037	0.036	0.037
Ln(Size)			-0.001	-0.002	0.001	0.001	0.002	-0.005*	-0.005***	-0.005**	-0.005**	-0.005**
			0.003	0.003	0.003	0.003	0.003	0.002	0.002	0.002	0.002	0.002
CCI				-0.001	-0.001	0.000	-0.001	-0.001	-0.001	-0.001	-0.001	-0.001
				0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
Business segment					-0.006***	-0.006***	-0.006***	0.000	0.001	0.001	0.000	0.000
					0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
Geographic segment						-0.001	-0.002	-0.002	-0.001	-0.001	-0.001	-0.001
						0.002	0.002	0.001	0.001	0.001	0.001	0.001
Foreign revenues							0.027*	0.037***	0.048***	0.047***	0.034**	0.034**
							0.015	0.013	0.013	0.014	0.014	0.014
Leverage								-0.006*	-0.004	-0.003	-0.003	-0.003
								0.003	0.004	0.004	0.004	0.004
Spread									0.096	0.094	0.105	0.105
									0.110	0.111	0.109	0.109
Crosslisting										-0.001	0.000	0.000
										0.004	0.004	0.004
Dummy_Multinational											0.020***	0.021***
											0.006	0.006
Dummy_Multinational x FI												-0.194
												0.635
Adj.R2	0.208%	5.386%	5.408%	5.424%	11.428%	11.597%	12.132%	12.950%	13.024%	13.031%	16.238%	16.261%

Panel B: Regressions for China

Faller C. Regressions for Filliand												
ROA (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.053***	0.057***	0.033	-0.425****	-0.522***	-0.501***	-0.499***	-0.349***	-0.212	-0.207	-0.145	-0.037
	0.002	0.003	0.024	0.122	0.121	0.120	0.121	0.123	0.132	0.135	0.135	0.135
Foreign Institutional Ownership (FI)	-0.051	-0.053	-0.057	-0.048	-0.026	0.022	0.030	0.014	0.030	0.029	0.025	-3.008***
	0.043	0.043	0.043	0.043	0.042	0.042	0.042	0.042	0.044	0.044	0.043	0.495
Domestic Institutional Ownership (DI)		-0.032***	-0.030*	-0.014	-0.027	-0.019	-0.011	-0.026	-0.036*	-0.036*	-0.049***	-0.054***
		0.016	0.016	0.017	0.018	0.018	0.018	0.018	0.019	0.019	0.019	0.019
Ln(Size)			0.001	0.001	0.006***	0.006***	0.005****	0.005***	0.001	0.001	0.000	0.000
			0.001	0.001	0.001	0.001	0.001	0.001	0.002	0.002	0.002	0.002
CCI				0.005***	0.005***	0.005***	0.005***	0.003***	0.003**	0.003**	0.003**	0.002*
				0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
Business segment					-0.009***	-0.008***	-0.007***	-0.005***	-0.005***	-0.005***	-0.005***	-0.005***
					0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
Geographic segment						-0.002***	-0.002***	-0.002***	-0.001	-0.001	-0.001	-0.001*
						0.001	0.001	0.001	0.001	0.001	0.001	0.001
Foreign revenues							0.008	-0.006	-0.007	-0.007	-0.001	0.005
							0.006	0.006	0.006	0.006	0.006	0.006
Leverage								-0.022***	-0.024***	-0.024***	-0.024***	-0.022***
								0.004	0.004	0.004	0.004	0.004
Spread									-0.998***	-1.006***	-0.977***	-0.981***
									0.248	0.253	0.252	0.249
Crosslisting										0.000	0.000	0.001
										0.001	0.001	0.001
Dummy_Multinational											-0.046***	-0.091***
											0.010	0.012
Dummy_Multinational x FI												3.054***
												0.497
Adj.R2	0.076%	0.295%	0.347%	1.120%	6.382%	7.044%	5.811%	6.723%	7.448%	7.450%	8.686%	10.799%

Panel C: Regressions for Finland

ROA (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.091***	0.094***	-0.104*	-0.936***	-1.083***	-1.060***	-1.067***	-0.576**	-0.979***	-0.891***	-0.846***	-0.851***
	0.002	0.003	0.056	0.234	0.234	0.243	0.241	0.237	0.217	0.213	0.214	0.216
Foreign Institutional Ownership (FI)	-0.172***	-0.137***	-0.120**	-0.119**	-0.138***	-0.141***	-0.128***	-0.087*	-0.196***	-0.215***	-0.197***	-0.071
	0.049	0.052	0.052	0.052	0.052	0.052	0.052	0.049	0.059	0.058	0.059	0.532
Domestic Institutional Ownership (DI)		-0.055***	-0.052*	-0.059**	-0.027	-0.013	-0.002	-0.023	-0.024	0.011	0.016	0.016
		0.027	0.027	0.027	0.027	0.027	0.027	0.025	0.030	0.030	0.030	0.030
Ln(Size)			0.008***	0.009***	0.013***	0.012***	0.010***	0.003	0.007***	0.008***	0.008***	0.008***
			0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
CCI				0.008***	0.009***	0.009***	0.009***	0.006***	0.009***	0.008***	0.007***	0.007***
				0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
Business segment					-0.007***	-0.006***	-0.005***	-0.005***	-0.001	-0.001	-0.001	-0.001
					0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
Geographic segment						0.010***	-0.004	-0.002	0.003	0.007***	0.007***	0.007***
						0.002	0.003	0.003	0.002	0.002	0.002	0.002
Foreign revenues							0.079***	0.067***	0.063***	0.060***	0.061***	0.061***
							0.011	0.011	0.010	0.010	0.010	0.010
Leverage								-0.014***	-0.010***	-0.010***	-0.010***	-0.010***
								0.002	0.001	0.001	0.001	0.001
Spread									0.239	0.158	0.209	0.211
									0.541	0.530	0.530	0.531
Crosslisting										-0.007***	-0.007***	-0.007***
										0.001	0.001	0.001
Dummy_Multinational											-0.011*	-0.011
											0.006	0.007
Dummy_Multinational x FI												-0.127
												0.534
Adj.R2	0.917%	1.229%	2.166%	3.144%	7.466%	9.598%	<u>13.9</u> 90%	18.4 <mark>37%</mark>	24.306%	27.428%	<u>27.6</u> 68%	27.672%

Panel D: Regressions for India

Panel E: Regressions for UK												
ROA (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.064***	0.069***	-0.008	-0.101**	-0.071	-0.046	-0.043	-0.023	-0.049	0.045	0.055	0.056
	0.001	0.002	0.011	0.045	0.046	0.048	0.049	0.050	0.057	0.056	0.056	0.056
Foreign Institutional Ownership (FI)	-0.016***	-0.016***	-0.013**	-0.013**	-0.007	-0.006	0.005	-0.002	-0.017	-0.002	0.007	0.002
	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.007	0.007	0.007	0.007	0.017
Domestic Institutional Ownership (DI)		-0.012**	0.001	0.001	0.000	-0.001	0.000	0.001	0.003	0.000	0.001	0.001
		0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.006	0.006	0.006	0.006
Ln(Size)			0.003***	0.003***	0.003***	0.001	0.001*	0.001*	0.003***	0.005***	0.004***	0.004***
			0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001	0.001
CCI				0.001**	0.001	0.001*	0.001	0.000	0.000	-0.001*	-0.001**	-0.001**
				0.000	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001
Business segment					-0.001*	0.001**	0.001***	0.001***	0.002***	0.002***	0.002***	0.002***
					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Geographic segment						0.002***	0.002***	0.002***	0.002***	0.001***	0.001***	0.001***
						0.000	0.000	0.000	0.000	0.000	0.000	0.000
Foreign revenues							0.012***	0.016***	0.019***	0.017***	0.009***	0.009***
							0.002	0.002	0.003	0.003	0.003	0.003
Leverage								0.000*	0.000*	0.001***	0.001***	0.001***
								0.000	0.000	0.000	0.000	0.000
Spread									-0.402	-1.008***	-1.037***	-1.034***
									0.364	0.360	0.356	0.356
Crosslisting										-0.004***	-0.004***	-0.004***
										0.000	0.000	0.000
Dummy_Multinational											0.027***	0.025***
											0.003	0.005
Dummy_Multinational x FI												0.006
												0.018
Adj.R2	0.112%	0.204%	0.906%	0.969%	0.822%	2.184%	3.285%	3.684%	5.622%	9.315%	11.334%	11.336%

ROA (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Intercept	0.073***	0.075***	0.171***	-0.395**	-0.462***	-0.486***	-0.476***	-0.489***	-0.209	-0.226	-0.062	-0.011
	0.002	0.003	0.052	0.157	0.157	0.164	0.167	0.165	0.600	0.601	0.619	0.633
Foreign Institutional Ownership (FI)	-0.440***	-0.453***	-0.474***	-0.437***	-0.452***	-0.490***	-0.460***	-0.276**	-0.979	-0.825	-0.850	1656.088
	0.113	0.113	0.114	0.114	0.112	0.122	0.124	0.128	0.884	0.897	0.897	3474.340
Domestic Institutional Ownership (DI)		-0.022	-0.027	-0.023	-0.037*	-0.033	-0.032	-0.037*	0.021	0.014	0.015	0.018
		0.022	0.022	0.022	0.021	0.022	0.022	0.022	0.040	0.041	0.041	0.042
Ln(Size)			-0.004*	-0.005**	-0.002	-0.004	-0.005**	-0.006**	0.016*	0.013	0.011	0.010
			0.002	0.002	0.002	0.002	0.003	0.002	0.008	0.009	0.009	0.009
CCI				0.006***	0.006***	0.007***	0.007***	0.007***	-0.001	0.000	-0.001	-0.002
				0.002	0.002	0.002	0.002	0.002	0.006	0.006	0.006	0.006
Business segment					-0.004***	-0.005***	-0.005***	-0.004***	-0.006	-0.005	-0.005	-0.005
					0.001	0.001	0.001	0.001	0.005	0.005	0.005	0.005
Geographic segment						0.003***	0.002**	0.002**	-0.007	-0.008	-0.008	-0.007
						0.001	0.001	0.001	0.005	0.005	0.005	0.005
Foreign revenues							0.017*	0.014	0.129***	0.130***	0.117***	0.118***
							0.010	0.010	0.037	0.037	0.039	0.040
Leverage								-0.006***	-0.009***	-0.015**	-0.019**	-0.019**
								0.001	0.003	0.007	0.008	0.008
Spread									-20.602**	-18.239*	-20.865*	-22.006*
									10.260	10.532	10.808	11.142
Crosslisting										0.009	0.013	0.013
										0.009	0.010	0.010
Dummy_Multinational											0.021	0.024
											0.020	0.021
Dummy_Multinational x FI												-1656.951
												3474.366
Adj.R2	2.118%	2.265%	2.848%	4.822%	8.540%	8.421%	8.252%	11.198%	42.141%	43.110%	44.212%	44.438%

Panel F: Regressions for US

Panel G: Regressions for all countries													
ROA (dependent)	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12	Model 13
Intercept	0.062***	0.062***	-0.043***	-0.052***	-0.055***	-0.046***	-0.056***	-0.048***	-0.067***	-0.053***	-0.060***	-0.050***	-0.043***
	0.001	0.001	0.006	0.007	0.007	0.007	0.007	0.007	0.008	0.008	0.008	0.008	0.013
Foreign Institutional Ownership (FI)	-0.010**	-0.007	-0.017***	-0.014***	-0.004	-0.003	0.001	-0.004	-0.004	0.007	0.010*	-0.037***	-0.076***
	0.004	0.005	0.005	0.005	0.005	0.006	0.006	0.006	0.006	0.006	0.006	0.011	0.012
Domestic Institutional Ownership (DI)		-0.002	0.006*	0.008**	0.010***	0.011***	0.009**	0.008**	0.017***	0.010**	0.009**	0.008**	-0.007
		0.003	0.003	0.003	0.003	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.005
Ln(Size)			0.005***	0.005***	0.006***	0.005***	0.005***	0.005***	0.005***	0.005***	0.005***	0.005***	0.005***
			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001
CCI				0.000***	0.000***	0.000	0.000	0.000**	0.000	0.000***	0.000***	0.000***	0.000***
				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Business segment					-0.003***	-0.003***	-0.002***	-0.002***	-0.001***	0.000	-0.001**	-0.001**	-0.001***
					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Geographic segment						0.001***	0.000	0.000*	0.001**	0.001***	0.001***	0.001***	0.001***
						0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Foreign revenues							0.015***	0.016***	0.022***	0.023***	0.018***	0.018***	0.014***
							0.002	0.002	0.002	0.002	0.002	0.002	0.002
Leverage								0.000	0.000	0.000**	0.000*	0.000	0.000
								0.000	0.000	0.000	0.000	0.000	0.000
Spread									-0.353***	-0.369***	-0.388***	-0.378***	-0.365***
									0.103	0.102	0.102	0.102	0.102
Crosslisting										-0.003***	-0.003***	-0.003***	-0.003***
										0.000	0.000	0.000	0.000
Dummy_Multinational											0.016***	0.008***	0.001
											0.002	0.002	0.003
Dummy_Multinational x FI												0.061***	0.085***
												0.012	0.012
Dummy_Australia													0.003
													0.003

Panel G: Regressions for all countries

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Dummy_China													-0.027***
													0.004
Dummy_Finland													-0.007
													0.005
Dummy_UK													0.012***
													0.003
Dummy_US													0.000
													0.007
Adj.R2	0.042%	0.045%	2.053%	2.146%	3.803%	3.119%	3.835%	3.815%	5.320%	7.030%	7.721%	7.991%	8.922%