# Abstract

We find that affiliated mutual funds of leading banks of syndicates trade the borrowers corporate bond and perform relatively well. We explore the possibility of the observation and find that the cross check between the bank and funds on rating can be the dominating force. The actions in turn help price discovery of the borrowing companies. By analyzing the transmission of information from the private debt (bank loan) to the public debt (corporate bond) market, this research aims to provide insights into the effectiveness of information-based trading in the bond market and the impact of relationships between bond mutual funds and affiliated banks. The findings have implications for bond mutual funds, affiliated banks, regulators, and investors, and contribute to the understanding of information flow of financial institutions.