Institutional Investors as Information Intermediaries: Evidence from Charity-Hosted Investment Conferences

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We examine institutional investors' presentations at charity-hosted investment conferences and show presenters act as information intermediaries at these events by contextually evaluating presented firms. Our study uses a unique setting where the information processing and analyses of sophisticated institutional investors are publicly disseminated, allowing us to examine how expert interpretation of public information aids the information processing of other market participants. Consistent with presentations improving other investors' information processing, prices reflect earnings news faster for presented firms in the quarters after presentations. The effect is stronger for presentations with in-depth analyses, multiple arguments, and longer presentation notes. Presenters are distinct information intermediaries as they use novel arguments compared to pre-conference analyst reports. After the conferences, the content of analysts' reports changes and they improve their earnings forecast accuracy. Our study sheds light on the previously unexplored role of institutional investors as information intermediaries and introduces a novel mechanism—termed the expertise effect—which complements the traditional awareness effect. Together, these effects underscore how institutional investors' presentations reduce information integration costs for other market participants.

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1. Introduction

In the past two decades charity-hosted investment conferences, in which institutional investors pitch stock ideas to an audience, have grown in prevalence and drawn significant media attention (e.g., Singh and Min 2024; Wolinsky 2024). The conferences, organized by nonprofits, gather prominent investment managers, particularly hedge fund managers, who present stock analyses, including recommendations and supporting arguments. For specific firms, presenters combine and interpret publicly available information, such as financial statements, corporate disclosures, and analysts' forecasts. They contextualize their presentations by describing firms' business environments, market structures, competition, and regulations. Audiences in these conferences can vary, yet the media usually broadly deliver the presentation content. Thus, the information presented reaches a broad set of investors around the time of the presentation, as indicated by the spike in Bloomberg searches for the presented firm on the day it is presented.

Whereas institutional investors are traditionally considered consumers of information (e.g., Chen and Cheng 2006; Irvine, Lipson, and Puckett 2007; Mikhail, Walther, and Willis 2007; Busse, Clifton Green, and Jegadeesh 2012; Brown, Wei, and Wermers 2013; Franck and Kerl 2013; Lin, Tan, and Zhang 2016), we study how they act as information intermediaries when they present in charity-hosted investment conferences. Known for their expertise in generating returns (Brunnermeier and Nagel 2004; Agarwal, Jiang, Tang, and Yang 2013; Jiao, Massa, and Zhang 2016), institutional investors could improve other market participants' information processing.

Institutional investors act as information intermediaries in various settings. In the publicly observable domain, they often voluntarily disclose information through channels such as newspapers (Pasquariello and Wang 2024) or letters (Cassar, Gerakos, Green, Hand, and Neal 2018). These disclosures, however, typically lack detailed explanations of the reasoning behind

their investment positions. Beyond these public disclosures, institutional investors likely act as important information intermediaries in less visible non-conference settings, including (1) interactions with sell-side analysts (Kaplan, Xie, and Zhang 2023), (2) private communications with those who have committed (or are considering committing) capital to their funds, and (3) private meetings between investment managers and the firms they invest in (Zhang 2023). While these settings provide indirect evidence of institutional investors' intermediary roles, their actions in these contexts remain largely unobservable to the public.

In contrast to these settings, ours is the only one with publicly observable dissemination of the information processing and analyses being supplied by these sophisticated market participants. We are thus uniquely able to study how expert analysis and interpretation of public information by institutional investors aids the information processing of other market participants.

Understanding how investors process information is central to accounting research. Blankespoor, deHaan, and Marinovic (2020) argue investors must (1) be aware a piece of information exists, (2) acquire it, and (3) analyze and interpret it. These steps lead to awareness, acquisition, and integration costs. We analyze how investors' processing costs change after investment conferences, which may reduce both awareness and integration costs. Many papers study awareness and acquisition (e.g., Hirshleifer, Lim, and Teoh 2009; Blankespoor, Miller, and White 2014; deHaan, Shevlin, and Thornock 2015), whereas some recent papers study information integration costs. Prior work shows such costs can be reduced through factors external to investors' analysis approach, whereas we look at investors' internal capacity to integrate information.

An example of an external factor is disclosure complexity, with common words easier than jargon to understand. Studies examine how changes in external factors affect market outcomes (Miller 2010; Cohen and Lou 2012; Lawrence 2013). However, the impact of changes in investors'

internal information processing abilities remains unexplored. Rather than examining something like a change in disclosure complexity or data availability, we study the impact on investors of an expert investment manager providing a detailed explanation of how she analyzes and interprets publicly available data. Other investors potentially learn from the expert's conference presentation how they can more efficiently process public information about the presented firm.

Using a difference-in-differences approach, we examine whether conference presentations are followed by more efficient price discovery at future earnings announcements, which would suggest institutional investors act as valuable information intermediaries at the conferences. Using earnings announcements has two advantages: (1) all public firms announce their earnings so self-selection into these announcements does not occur and (2) studying information processing costs requires a measure of new information, which earnings announcement surprises provide. To test how quickly earnings news is incorporated in stock prices, we compare intraperiod timeliness (IPT), a measure of the speed with which the market responds to earnings news, during the four quarters before and after the conference presentations of firms by investment managers.

When presented firms receive a long recommendation, prices become more efficient in reflecting earnings news after conferences, compared to control firms matched on total assets, book-to-market ratio, and industry. In contrast, when investment managers engage in short-selling attacks and present a short recommendation (e.g., Ljungqvist and Qian 2016; Zhao 2020; Appel and Fos 2023; Ahn, Bushman, and Patatoukas 2024), we do not observe such an effect. As a consequence, our focus is on long recommendations. Due to the possibility of a selection bias in our results (i.e., investment managers pitching stocks more likely to experience an improvement in their efficiency), we also conduct a propensity score matching and obtain similar results.

Next, we investigate the two mechanisms by which improved price efficiency can occur. First, presentations increase awareness of the pitched stocks. Second, they reduce information integration costs by guiding investors to use information more effectively through detailed case studies and by enhancing their internal capacity for information integration, reflecting a novel mechanism we label the expertise effect. Together, the awareness and expertise effects decrease information frictions and increase price efficiency (Grossman and Stiglitz 1980; Verrecchia 1982; Hirshleifer, Lim, and Teoh 2011). We do not consider acquisition costs because investment managers do not discuss how to obtain information in their presentations. Thus, the presentations are not likely to affect the acquisition costs of other market participants.

Distinguishing information integration from awareness is important for understanding when information intermediaries provide value from interpreting public information rather than from merely disseminating it. Yet, as highlighted by Blankespoor et al. (2020), attempts to isolate the impact of an information intermediary on information integration costs are rare. For example, with regard to the media, Blankespoor et al. (2020) argue that few studies "isolate the effects of media coverage on integration costs, abstracting from awareness and acquisition costs" (p. 32). Two that may do so, and that hint at the possibility of an expertise effect, are Dougal, Engelberg, García, and Parsons (2012), which shows WSJ journalists' writing styles affect returns, and Guest (2021), who finds WSJ articles that include journalist interpretation are associated with more efficient earnings pricing.

Empirically distinguishing between the awareness and expertise effects is challenging. We assess both and highlight the possible existence of an expertise effect. Our first step documents for how many quarters the improved IPT around a firm's earnings announcements persists after presentations. Usually, increased investor attention reverts to the mean within one to two quarters

(Barber and Loeffler 1993; Engelberg, Sasseville, and Williams 2012; Chen 2017). Thus, to the extent that conferences cause temporary shifts in investors' awareness, any change driven by the awareness effect is expected to be short-lived. We find that the effect persists for up to four quarters, suggesting a persistent effect, such as the expertise effect, is at work.

Our second step uses the depth of analysis provided by the presenters to capture variation in treatment intensity, thereby strengthening our causal inferences and further testing the expertise effect. Consistent with the expertise mechanism, our finding is stronger for presentations with in-depth analysis. Furthermore, the magnitude of the post-conference IPT increase grows larger as the number of arguments presenters make in their analyses increases. We find consistent results using the length of the notes of the presentations as a measure of the strength of arguments.

A necessary condition for the expertise effect is that investment managers present original arguments. Based on six categories of firm-specific arguments (assets, profitability, investments, leverage, payout, and governance) and two of general arguments (economy, markets) used by presenters, we develop eight dictionaries to assess the content of analysts' reports. While we find that investment managers are more likely to pitch general arguments if sell-side analysts do so, we find little evidence that investment managers use the same firm-specific arguments as those in pre-conference analysts' reports. These results suggest investment managers are presenting original ideas, making the expertise effect plausible.

Our third step examines whether the presentations affect analysts. Analysts' post-conference awareness is unlikely to increase given their pre-conference coverage of the presented firm. However, analysts may use the guidance provided by investment managers to reduce their information integration costs. We thus test if analysts repeat arguments used in the investment manager presentations. We find analysts do not explicitly adjust their arguments to include content

from the presentations. However, because analysts aim to advantageously position themselves in the field of investment advice (Spence, Aleksanyan, Millo, Imam, and Abhayawansa 2019), they may hesitate to openly incorporate investment managers' arguments (Stolowy, Paugam, and Gendron 2022). Instead, other textual characteristics of analysts' reports may change.

We show that analyst reports indeed have larger file sizes, fewer numbers, inclusion of more weak and strong modals (where strong modal verbs are ones like "must" that indicate a high likelihood and weak model verbs are ones like "might" that indicate a lesser likelihood), and are more readable after investment managers' presentations.

In the fourth step, consistent with some analysts learning from presenters' analyses, we observe that analysts' forecasts become more accurate for firms covered in a presentation. We also find this effect is significantly stronger when investment managers conduct an in-depth analysis and when the analyst is relatively inexperienced. These results suggest that even informed information intermediaries benefit from information provided by investment managers.

We perform four additional tests to assess robustness and provide further insights. First, because the conferences are widely disseminated, it is possible the increase in media coverage persists after the conference and drives an awareness effect. Instead, we find using RavenPack data that the number of newsflash and full articles does not increase in the quarters after the conference for presented firms. Second, in addition to the PSM, we further investigate whether the selection of presented firms explains our results. We test whether investment managers are more likely to select stocks from their portfolios that are slow to incorporate earnings news and find no such evidence. Moreover, our main results remain similar when we additionally control for lagged IPT, mitigating the potential concern that mean reversion of IPT drives our main result.

Third, we investigate whether changes in firms' voluntary disclosures explain our results and do not find that presented firms' earnings guidance increases after presentations. Fourth, we test whether investment managers' presentations involve a "pump and dump" strategy. If so, they are less likely reduce investors' integration costs. We provide several descriptive statistics, and particularly document that investment managers hold stocks they present for over seven quarters after the presentations. The results are consistent with Madelaine (2025), who finds investment managers increase, on average, their position in the presented firm after the conference.

By investigating how the conferences affect information frictions, we contribute to literature on the role of institutional investors in shaping firms' information environments. Prior work shows these investors affect price efficiency, firm transparency, stock liquidity, and reporting conservatism (Jiambalvo, Rajgopal, and Venkatachalam 2002; Piotroski and Barren 2004; Agarwal 2007; Boehmer and Kelley 2009; Baik, Kang, and Kim 2010; Ramalingegowda and Yu 2012; Boone and White 2015). These papers investigate the effect of institutional investors' monitoring, acquiring, and analyzing data as information consumers. By contrast, we show that as information intermediaries they have significant impact on price efficiency and sell-side analysts.

We also contribute to the information frictions literature by introducing and providing evidence consistent with the expertise effect. Using the unique setting of charity-hosted investment conference presentations, we provide suggestive evidence that other market participants internalize the presented information and improve their information integration performance. The notion of market participants internalizing expert analyses distinguishes our paper from work exploiting decreases in information integration costs driven by factors (such as use of plain English) external to investors' ability to use information (Miller 2010; Cohen and Lou 2012; Lawrence 2013; Blankespoor, deHaan, Wertz, and Zhu 2019). While our tests offer only indirect evidence, they

provide insights for future archival-empirical research regarding isolating the impact of events on investors' integration costs. Moreover, our findings may motivate the use of other research methods such as surveys, lab experiments or field experiments to further examine whether an expert's presentation can change investors' internal information processing abilities.

Finally, we add to the literature on the motivations for investors' voluntary disclosures. Prior work establishes that investors voluntarily disclose information to overcome limits to arbitrage (Ljungqvist and Qian 2016; Kovbasyuk and Pagano 2022), obtain feedback (Crawford, Gray, and Kern 2017), or develop their reputation (Crawford, Gray, Johnson, and Price 2017; Luo 2018). We add to evidence of the reputational motive by showing investment managers can behave as benefactors in charity-hosted conferences. Even though this does not preclude more self-interested reasons (Madelaine 2025), we show investment managers participate in the activity of nonprofits and improve the analytical skills of other investors.

2. Institutional Background: Charity-Hosted Investment Conferences

Charity-hosted investment conferences are organized by nonprofits or investment firms and held yearly. They raise awareness and funds for each conference's mission. For example, the Sohn Investment Conference series is held annually in multiple locations. Its goal is to support medical research and programs for childhood cancer. The largest of the series, hosted in New York, attracts over 3,000 investors, and tickets can cost up to $5,000. The ticket purchases are considered charitable contributions.

Organizers invite well-known institutional investors to discuss their stock picks and market outlooks. Presenters are typically selected by the conference organizers based on the organizers' perception of who is most in demand by potential attendees. The decision is sometimes informed by surveys conducted during one annual conference about which presenters attendees would like

to see at the next conference. The organizers have no influence over which stocks the presenters choose to pitch. Luo (2018) shows that institutional investors present to generate better investment opportunities for their funds, but also to maintain their reputation and increase assets under management. Likewise, Madelaine (2025) highlights the existence of presenters' potential conflicts of interest.[1] If opportunistic reasons were to dominate, however, it would work against us finding evidence consistent with the expertise effect mechanism that we propose.

Investment managers usually discuss one to two stocks and give a long or short recommendation. They examine factors such as financial performance, industry trends, competitive positioning, and potential catalysts that could affect stock prices, revealing how they make investment decisions. More importantly, the presentations illustrate how various accounting information can be contextually interpreted to evaluate the presented firm's business model. The analyses often examine accounting information in conjunction with a firm's business environment, including competition, regulations, and market conditions, to identify future growth potential or detect red flags. The presentations direct investors' attention to the presented firms and guide them on how to use information about the firms, potentially lowering information integration costs.

Figure 1 illustrates the presentation of Bill Ackman (Pershing Square Capital Management) during the 2011 Ira Sohn Conference in New York in which he made a long pitch on Family Dollar. He first gave a general presentation of the business (Panel A). Then, he addressed the firm's growth opportunity (Panel B), capital allocation strategy (Panel C), and productivity opportunity (Panel D). Finally, he presented a valuation of the firm, concluding that the shares are inexpensive (Panel

[1] Considering their benefits, some may question why these conferences do not occur more often. Presenters do not determine the supply of these events because they are mainly organized by non-profit organizations. In addition, the number of ideas that can be presented simultaneously to investors is likely limited, as additional stock recommendations might weaken the stock price adjustments (Kovbasyuk and Pagano 2022).

E). All information in the presentation had been publicly available, but Ackman explained how to use it to obtain his recommendation and derived his own estimates.

The wide dissemination of conference presentations implies they are effectively public.[2] Although attendees are primarily from the investment community, such as institutional investors, high-net-worth individuals, and family offices, many market participants follow the presentations through media outlets. CNBC provides live coverage of the Sohn conferences and summarizes presentations promptly (https://www.cnbc.com/sohn/). In addition, *The Wall Street Journal* runs a live blog that follows these conferences with updates on a timely basis (e.g., Grocer 2013). Likewise, *Bloomberg* often reviews stocks picked by investment managers (e.g., Ritholtz 2014). Several blogs like *Market Folly* and *Value Walk*, two of our primary sources about the presentations, also cover the events and subsequently release notes. The presentations matter to investors, as they are followed by immediate market reactions (Luo 2018; Madelaine 2025).

Charity-hosted conference presentations likely convey information beyond that in 13F filings, which contain information only about holdings and not about why investment managers hold their positions.[3] The conferences also differ from shareholder activism. Activists have an agenda to move stock prices and use their equity stakes to put pressure on management. For example, they push firms to increase payout ratios, or want specific directors appointed to boards.

[2] The information must be widely disseminated for investment managers to have a meaningful impact as information intermediaries. The dissemination of information in our setting contrasts with disclosure milieu settings, such as investment conferences organized by investment banks, where firms meet current and potential institutional investors (Bushee, Jung, and Miller 2011). Wide dissemination also distinguishes our setting from others in which investment managers may present their ideas. For example, they could present to current and potential clients in private settings, but dissemination is likely to be limited in these situations.

[3] The 13Fs do not reveal investment managers' net positions even though investment managers frequently use derivatives, such as total return swaps, as part of their strategies. Moreover, the point-in-time nature of 13Fs means investment managers can window dress their positions (e.g., Agarwal et al. 2013; Cao, Da, Jiang, and Yang 2022; Gormley, Kaplan, and Verma 2022). Despite these limitations, investors attempt to imitate the holdings disclosed in 13F filings (Sun, Wang, and Zheng 2012; Aragon, Hertzel, and Shi 2013; Brown and Schwarz 2020). The market reaction to 13F filings suggests investment managers may have considerable impact if they offer more detailed information, as they do in their charity-hosted investment conference presentations.

Activists' presentations thus do not have implications for how investors use information outside the context of the activists' goals. By contrast, investment managers' conference presentations provide firm-specific analyses allowing investors to improve their ability to use information. Note that investment managers can present a stock in a charity-hosted conference and simultaneously engage in activist actions. This occurs before or after 11.2% of presentations (Madelaine 2025).

Conference presentations include some short-selling attacks where investment managers present short recommendations (e.g., Ljungqvist and Qian 2016; Zhao 2020; Brendel and Ryans 2021; Paugam, Stolowy, and Gendron 2021; Appel and Fos 2023). All short recommendations in conference presentations can be viewed as short-selling attacks, but about 83% of our final sample consists of long recommendations. In terms of market impact, short and long recommendations might diverge for at least two reasons: (1) short sellers typically operate with brief investment horizons due to short-selling risk (Engelberg, Reed, and Ringgenberg 2018; Madelaine, Paugam, Stolowy, and Zhao 2023) and (2) investors can receive contradictory signals if attacked firms respond to the allegations (Lamont 2012; Brendel and Ryans 2021). Due to the disparities between long and short recommendations, we distinguish the two in our analyses, allowing us to study the role of institutional investors as information intermediaries more precisely.

3. Hypotheses

3.1. Investment Conferences and Stock Price Discovery at Earnings Announcements

Information costs impede efficient price discovery (Grossman and Stiglitz 1980; Verrecchia 1982; Hirshleifer et al. 2011). Processing information, or the collective act of monitoring, acquiring, and analyzing information, is costly, causing prices to reflect news with some delay. Investment managers may incorporate news into prices faster than less sophisticated market participants (e.g., Campbell, Ramadorai, and Schwartz 2009; Blankespoor et al. 2014;

Hendershott, Livdan, and Schürhoff 2015). Their presentations demonstrate how they process information, and thus may reduce two categories of investors' information processing costs.

First, the presentations can increase awareness about the presented firms, which we refer to as the awareness effect. Investors have limited cognitive and other resources, so they ration attention (Merton 1987; Sims 2003). Awareness is associated with trading decisions, affecting market efficiency (Hirshleifer et al. 2009; deHaan et al. 2015; Drake, Gee, and Thornock 2016). Certain activities can draw attention with, for example, extensive media coverage prompting investors to focus on certain stocks (Engelberg et al. 2012). Similarly, conferences attract market interest, and the content of presentations is widely disseminated. Consequently, the presentations can improve price efficiency.

Second, investment managers' presentations lower information integration costs, which we refer to as the expertise effect. In our setting, investment managers are guiding investors' use of information through their presentations. The presentations demonstrate how investment managers combine and evaluate accounting and other information for specific firms, and can thus improve investors' information integration performance. Investors can also reassess the framework they use to value the presented firms by reconsidering factors they may not have evaluated effectively before the presentations, such as regulatory risks or industry conditions.[4] Therefore, the expertise effect can lower investors' information integration costs and improve price discovery.

However, it is also possible that conference presentations do not affect investors' processing costs. First, investors might blindly focus on the stock recommendation, seeking only a short-term trading opportunity, and thus overlook the presentation's content. Second, if fund

[4] This consideration can be interpreted as a variation of the mosaic theory. That is, collecting information from various sources on several dimensions of target firms is crucial to investors in properly evaluating firms, and the presentations illustrate examples of how such analysis can be done. In other words, investment managers highlight the factors that the market had potentially neglected and show the significance of these elements in valuations.

managers engage in a deceptive behavior (e.g., pump-and-dump and short-and-distort schemes), the presentation content could be devoid of useful information. Third, there may be little room left in competitive markets to further enhance investors' information processing efficiency.

Based on the awareness and expertise effects, we state our first hypothesis as follows:

H1: The speed of price discovery at earnings announcements increases for presented firms after the presentations.

3.2. Assessing Awareness and Expertise Effects

The awareness and expertise effects are not mutually exclusive, sharing some conceptual overlap and potentially interacting. Investors' awareness is necessary for them to incur integration costs. Moreover, if they believe integration costs are too high for a firm, they may choose not to allocate attention to it (Sims 2003; Veldkamp 2011). Thus, the awareness and expertise effects can interact. We test whether the expertise effect plays a role distinct from the awareness effect. We acknowledge that perfectly disentangling the two effects is impossible outside of a controlled setting. Instead, our goal is to provide a set of evidence that suggests the expertise effect is at work.

The content of presentations varies with regard to the extent of analysis provided. Giving more guidance in a presentation would enhance the expertise effect while being unlikely to alter the awareness effect. Given that the expertise effect is expected to be more pronounced when presentations include additional analysis, we formulate our second hypothesis as follows:

H2: The speed of price discovery at earnings announcements increases more for presented firms after the presentations if the presentations include in-depth analyses.

To further assess the awareness and expertise effects, we examine sell-side analysts. They follow news sources and collect data to provide contextual information and forecasts. Given that analysts' awareness of covered firms is expected to remain constant after the presentations, they

are a good group for which to explore whether market participants exhibit improved abilities to integrate new information subsequent to investment managers' presentations.[5]

The presentations can influence how analysts process information. Career concerns motivate analysts to develop their skills to enhance forecast accuracy (Mikhail, Walther, and Willis 1999; Hong and Kubik 2003; Brown et al. 2015). For example, information spillover among analysts is consistent with them learning from each other (Hwang, Liberti, and Sturgess 2019). Analysts may thus use investment managers' presentations to lower their information integration costs. Their reports could be influenced by investment managers' conference presentation arguments and these arguments could also improve analysts' ability to use information, increasing their forecast accuracy. The preceding considerations lead to two hypotheses:

H3a: Sell-side analysts' report content is affected by investment managers' presentations.

H3b: Earnings forecast accuracy improves for presented firms after the presentations.

4. Data

4.1. Sample

As shown in Table 1, we initially collect eight US conference series between 2011 and 2016. We follow Madelaine (2025) by hand-collecting all conference notes from Internet sources, including *Market Folly* and *Value Walk*. In 2017, those sources were among the best finance Twitter accounts to follow according to Forbes (Shah 2017). The stock recommendations are then obtained by reading all notes. The initial sample consists of 434 conference stock presentations.

If a company is presented more than once in the sample period, we retain only the first presentation. For the expertise effect, initial presentations are more likely to have impact, whereas

[5] However, it is possible that changes in investors' awareness influence sell-side analysts. If the presentations increase investors' attention toward the covered firms, it is possible that analysts will prioritize these firms and devote more resources to covering them because they often cater to their clients' information demands (Brown, Call, Clement, and Sharp 2015).

subsequent presentations (especially by the same presenter) may be redundant. Excluding them eliminates about 24% of the treatment sample, resulting in 330 stock presentations.

For all tests, we collect firm-specific data from Compustat, CRSP, Thomson Reuters, and I/B/E/S. We match treatment firms with economically similar control firms based on industry, total assets, and the book-to-market ratio. Specifically, we first require potential control firms to be in the same three-digit SIC industry code with a book-to-market ratio within a range of 0.5 to 1.5 times the treatment firm's ratio. Among these potential control firms, the firm with the most similar total assets is matched to the treatment firm. The same control firm can thus be used for multiple treatment firms, although such instances are rare. We use data from the most recent quarter prior to presentations for the matching process. The sample period is limited to earnings announcements for four quarters before and after the investment conference presentation.[6]

After these steps, the sample includes 223 stock presentations, which further drops to 217 presentations after excluding two conferences (Next Wave Sohn Conferences in New York and San Francisco) due to their small sample sizes. After removing unmatched firms due to missing data, our final treatment sample for the main analyses consists of 189 unique stock pitches. These treatment firms are matched to 174 control firms, resulting in 189 treatment-control firm pairs. In an alternative specification, we match treatment to control firms using one-to-one Propensity Score Matching (PSM), mitigating the concern of a selection bias explaining our results.

In our context, PSM is not necessarily superior to traditional matching, but rather involves a trade-off between simplicity and potential for bias reduction. Traditional matching is generally simpler to implement than PSM, but it may be limited in how fully it controls for confounding

[6] Cleanly measuring the impact investment managers have on the market may be difficult if earnings announcements happen close to presentations. However, observations for which earnings announcements take place in the five-day period before or after the presentations account for less than 2.5% of the sample. We also conduct tests after dropping these observations and find that results do not change in any significant manner.

variables. Conversely, although PSM tends to be more complex to execute it has the potential to better address concerns about confounds by exploiting a predicted probability of treatment assignment. We note, however, that PSM's potential advantage can instead introduce additional biases if the propensity score model is misspecified — a possibility given the novelty of studying investment conference presentations.

Table 1 describes our final sample of 189 stock pitches conducted by 89 presenters across 28 conference-years. The Ira Sohn conference in New York has the most presentations, while the year with the highest count is 2014. Among our stock pitches, 164 are long and 25 are short recommendations. Using notes provided by our sources covering the conferences, we manually classify the presentations. From the notes, we infer whether a presentation includes an in-depth analysis, as investment managers sometimes provide only brief recommendations. A total of 145 stock recommendations have an in-depth analysis. Among these, 121 have complete notes available where we can more accurately assess presenters' in-depth analyses whereas 24 had incomplete notes that do not detail the presentation's content.[7] We exploit this heterogeneity in tests to assess the expertise and awareness effects (see Section 5 for more details).

4.2. Variables

To test whether presentations increase the speed of price discovery, we use intraperiod timeliness (IPT), which estimates the speed at which prices move over a time window (Butler, Kraft, and Weiss 2007; Bushman, Smith, and Wittenberg-Moerman 2010; Twedt 2016; Drake,

[7] In the event that notes are incomplete, it is sometimes possible to infer when an in-depth analysis was conducted by the investment manager. Indeed, in the case where a presenter recommends only one firm, it is probable that an in-depth analysis was conducted. For this reason, we used our judgement in several cases and coded this variable before we started any analysis. While our approach may include measurement error, such error reduces our ability to reject the null hypothesis. Due to these limitations, we also triangulate our results using the content of the notes.

Thornock, and Twedt 2017; Blankespoor, deHaan, and Zhu 2018).[8] The measure uses the area under the curve constructed by plotting the buy-and-hold abnormal return from day zero through day *d* in the event period and scaling this return by the buy-and-hold abnormal return for the entire period. IPT for a six-day period [0,5], for example, is calculated using the following equation:

$$IPT[0,5] = \sum_{d=0}^{4} \frac{BHAR_d}{BHAR_5} + 0.5$$

IPT measures the speed at which information is reflected in prices. A larger number indicates a more efficient price response. The measure is sensitive to a small denominator, so we exclude observations if the absolute value of the buy-and-hold abnormal return is less than 1%.[9] In our main analysis, we also use a set of control variables: firm size computed as the logarithm of the market capitalization (*Log(Market_cap)*), return on assets (*ROA*), leverage (*Leverage*), volatility (*Volatility*), the book-to-market ratio (*BtM*), an indicator if the firm incurs a loss (*Loss*), the logarithm of one plus the number of analysts following (*Log(Analysts)*), and institutional ownership (*Inst_own*). We provide definitions for all variables in Appendix A.

Table 2 reports descriptive statistics, without using logarithms for variables that are transformed with logarithm adjustments for regression analyses. Treatment and control firms are generally similar to each other in terms of the values of most non-matching variables, with both groups having similar ROA, leverage, volatility, and likelihood of losses. The average market value of treatment firms is higher than that of the control firms (averaging $27.91 billion for

[8] We use IPT to measure the speed of price discovery instead of post earnings announcement drift (PEAD), for two reasons. First, the IPT measure has the advantage that it does not depend on earnings expectations measures based on financial analysts' forecasts. If analysts are expected to improve their forecast accuracy following the presentations, an improvement in price efficiency may not be correctly captured by a change over quarters in PEAD. Second, PEAD requires unexpected earnings based on analysts' forecasts, which may not be available for smaller firms. Given our small sample size, further loss of sample due to missing data would be costly.

[9] This eliminates approximately 15% of observations. The approach of excluding observations with small denominators is generally used in the prior IPT literature (e.g., Blankespoor et al. 2018).

treatment firms versus $15.35 billion for control firms). Consistent with treatment firms being larger, analyst coverage is significantly higher for treatment firms (averaging 15.12 versus 11.53). In terms of the matching variables, the mean value of treatment firms' total assets is larger than for the control firms (averaging 51.98 versus 22.10) and the treatment firms' book-to-market values are marginally higher than those of the control firms (averaging 0.50 versus 0.47).[10]

5. Empirical Design and Results

5.1. Investment Managers' Presentations and Price Discovery at Earnings Announcements

5.1.1. Main Results

To test H1, we examine how earnings news is impounded into prices using the [0,5] window relative to earnings announcements for four quarters before and after presentations.[11] We estimate the following difference-in-differences regression, in which the *i* subscripts index firms, the *t* subscripts index quarters, and the *k* subscripts index control variables:

$$IPT[0,5]_{i,t} = \beta_0 + \beta_1 Post_{i,t} \times Treatment_i + \beta_2 Post_{i,t} + \beta_3 Treatment_i + \sum \beta_k \text{Controls}_{k,i,t} + \text{Fixed Effects} + \varepsilon_{i,t} \quad (1)$$

$IPT[0,5]_{i,t}$ is the IPT measure as described in Section 4. $Treatment_i$ is an indicator that equals one if the firm is presented by an investment manager at a conference, and zero for control firms. $Post_{i,t}$ is an indicator that equals one for treatment and control firms in quarters after presentations and zero otherwise. We estimate Equation (1) separately on the type of recommendation (long or short) presented at charity-hosted investment conferences.

[10] It is perhaps unsurprising that the book-to-market ratio differs slightly, on average, between treatment and control firms as we use a book-to-market ratio within a range of 0.5 to 1.5 times the treatment firm's ratio to obtain control firms. With regard to total assets being larger for treatment than control firms on average, we select the potential control firm that has the closest total assets figure to that of the matched treatment firm. Given that some of the very largest firms tend to get pitched in conference presentations, there are times when the closest total assets figure among potential control firms is considerably smaller than the figure for the treatment firm. Aligned with this interpretation, we observe that approximately 72% of the observations in the highest decile of total assets correspond to treated firms.

[11] Alternatives are measures that capture how much of the already available information is integrated into market prices. However, these measures are empirically challenging to develop because they require identifying the relevant information, which could be market-wide factors, industry-specific information, or firm-specific information.

Control variables are *Log(Market_cap)*, *ROA*, *Leverage*, *Volatility*, *BtM*, and *Loss*. We also control for the information environment by including *Log(Analysts)* and *Inst_own*.[12] In some columns, we use year-quarter fixed effects to control for time-varying trends and firm fixed effects to control for firm heterogeneity. We cluster standard errors at the firm level. A positive β_1 coefficient is consistent with investment managers' presentations increasing price efficiency.

The sample used to estimate Equation (1) eliminates the 52 stock presentations that lack an in-depth analysis, leaving us with 165 stock pitches split between longs and shorts. We use only the pitches with in-depth analyses because we expect the conference presentations to impact IPT, at least in part, due to the expertise effect. The expertise effect is not, however, plausible if the conference presentation lacks an in-depth analysis from which market participants can learn.

Panel A of Table 3 reports the results for firms with long pitches. Following the presentations, the speed of price discovery improves at earnings announcements for the firms discussed by investment managers, compared with matched control firms. The coefficient estimate on the interaction term of *Post* × *Treatment* ranges from 0.527 to 0.579 and is statistically significant at the .05 level in the first three columns and at the .10 level in the last column. Regardless of whether control variables, fixed effects, or both are included, the coefficient estimate on *Post* × *Treatment* stays similar. Dividing the coefficient estimates by the average 4.26 value of *IPT[0,5]* reported in Table 2 indicates an average treatment firm improves its speed of price discovery by about 12% to 14% after presentations, consistent with presentations facilitating price efficiency. The result holds in all four columns, including the fourth one with firm and year-quarter fixed effects plus the control variables that can be viewed as the most stringent specification.

[12] We also control for short-term market returns after the presentations by including in Equation (1) the cumulative buy-and-hold returns over the [0,2] window relative to conferences as a robustness check. Short-term returns capture market reactions that are likely associated with the extent of the dissemination of information as well as any change in investors' attention. We find that this test yields results consistent with those in Table 3.

We find that the coefficient for *Post* is negative, but insignificant, indicating that investors do not significantly shift their attention or effort towards peer firms. Consistent with the results in Blankespoor et al. (2018), who include control variables but no fixed effects, the coefficient estimates of the control variables are generally insignificant. The exceptions are that price efficiency is slightly higher for firms that are more profitable or have higher analyst following.

Panel B of Table 3 reports the results for firms where the investment manager advocates a short position. Shorts make up about 13% of our sample and have important differences from long recommendations. They are short-selling attacks, in which the short seller publicizes their view that a stock is overvalued. Short sellers have different incentives because they typically operate with shorter investment horizons due to short-selling risk (Engelberg et al. 2018; Madelaine et al. 2023). In addition, investors can receive contradictory signals if attacked firms respond to an activist short's allegations (Lamont 2012; Brendel and Ryans 2021).

Madelaine, Paugam, Stolowy, and Zhao (2024) investigate earnings announcements as critical follow-up events for short-selling attacks and their target firms. They find short sellers increase their Twitter activity at earnings announcements. Targeted firms engage in earnings management and try to regain control of the stock's investment narrative. Overall, it is ex ante unclear that short presentations will enhance the speed of price discovery around the targeted firm's future earnings announcements. Indeed, the results presented in Panel B of Table 3 show insignificantly negative coefficient estimates on the interaction term of *Post* × *Treatment*.

5.1.2. Propensity Score Matching Results

Table 3 matches control to the treatment observations based on total assets and book-to-market ratio within the same industry. This matching method is reasonably stringent, leading to a set of control firms that align closely with treatment firms. There is still, however, some variation

in the matching variables between the treatment and control groups and the matching variables might not fully account for all the differences between treated and control firms. Thus, we assess the robustness of the results in Table 3 using a Propensity Score Matching (PSM) in Table 4.

We perform PSM separately for longs and shorts as their motivations likely differ. We use logistic regression to estimate the first-stage determinants model on Compustat firms, using one-to-one nearest-neighbor matching with replacement to match treatment with control firms. Panel A reports the results of the first stage estimation for long and short recommendations. For both, firms that are smaller, less leveraged, less volatile, have had a loss, and have lower institutional ownership are more likely to be pitched at conferences. Firms with less analysts are more likely to be selected for long recommendations. For *BtM*, the negatively (positively) significant coefficient for long (short) cases indicates investment managers are more likely to recommend buying (shorting) growth (value) stocks. *ROA* is positively significant only for short cases.

Panels B and C report the second-stage estimation results for long and short recommendations. The estimates for long recommendations in Panel B on *Post* × *Treatment* range from 0.637 to 0.680 and are significant at the .01 level, showing that the PSM results have somewhat larger economic magnitudes and statistical significance than the Table 3 findings. Panel C shows the estimates on *Post* × *Treatment* are generally negative and insignificant for short recommendations, similar to the Table 3 findings. Thus, short recommendations do not improve price efficiency, consistent with the goals of short-selling attacks being distinct. Our remaining analyses are therefore conducted on only the long recommendation presentations, for which the findings are consistent with H1. We next assess the roles of the awareness and expertise effects for the price discovery improvement we document above for long recommendations.

5.1.3. Duration of Impact of Investment Managers' Presentations

We examine how long the impact of presentations lasts. On one hand, presentations transfer knowledge to the market and thus contribute to lowering investors' information integration costs. Once the knowledge is obtained, those receiving it can internalize what they have learned and apply it repeatedly to the analysis of similar issues for the pitched firms in the future. In other words, the expertise effect improves investors' information processing capacities in the long run, making it likely to persist beyond the quarter of the presentation.

On the other hand, a sudden spike in investors' awareness often reverts back toward the prior level. Papers that have examined changes in investors' attention caused by external events (Barber and Loeffler 1993; Engelberg et al. 2012; Chen 2017) find spikes in investor awareness revert to the mean during the following one to six months. Thus, if investment conferences are events causing temporary shifts in investors' attention, any change driven by the awareness effect is expected to be short-lived, concentrating in the first one or two quarter(s) after presentations.

Figure 2 illustrates the duration of the impact of presentations. We construct the figure by adjusting Column 4 of Panel A in Table 3 via introducing separate indicators for each quarter surrounding the firms' presentations using the quarter prior to the conference as the baseline. The figure plots the coefficients of the interactions between *Treatment* and those indicators along with 90% confidence intervals. The results show treatment and control firms exhibit fairly parallel pre-presentation trends, as evidenced by the estimated treatment effects prior to the presentations being insignificantly different from zero. In the post-presentation period, the main effect persists for up to four quarters, though there is a slight but statistically insignificant dip in the third quarter. To better understand the drivers of these effects, we next analyze the content of the presentations.

5.2. Content of Investment Managers' Presentations

We next explore whether the presentation's content is related to its impact on IPT around future earnings announcements for the presented firm. By moving from a single indicator of treatment to measures that capture treatment heterogeneity, we strengthen our causal inferences and provide additional assessment of the expertise effect. First, we use our full sample of 164 long stock recommendations and the variable *Analysis*, which is an indicator set to one when there is an in-depth analysis (e.g., the presenter argues specific elements of the firm's strategy, risks and opportunities are misvalued). We set it to zero when the conference presentation does not clearly contain analytical elements (e.g., the presenter recommends the stock because its dividend exceeds a cut-off). In Appendix B, we provide examples of presentations with *Analysis* equal to one and zero. Even if the notes are sparse and incomplete, we sometimes infer that conference presentations likely contain analytical elements based on the number of firms that presenters include in their presentation (with a single presented firm being more likely to be analyzed) and code it as having an in-depth analysis (e.g., Note 2 in Appendix B).

Second, we use the content of our presentation notes to assess the extent of the expertise effect. We use *Notes_info* based on the notes of the investment managers' presentations, which we generally hand collect from *Market Folly* and *Value Walk*. We consider only long recommendations with an in-depth analysis and complete notes to avoid adding measurement error in our test. For incomplete notes, we cannot accurately assess the presentation content.

Notes_info is measured in three different ways, two of which involve using the arguments made by investment managers to support their presentation recommendations. We follow Madelaine (2025) in defining 32 potential arguments for long recommendations and group them in nine categories, as detailed in Appendix C. Our first version of *Notes_info* is *D_Argument*,

which is an indicator variable set to one if there is a non-zero number of arguments. We alternatively define *Notes_info* as *Log(Arguments)*, which is the natural logarithm of one plus the number of arguments. Our final version of *Notes_info* is *Log(Words_notes)*, which is the natural logarithm of one plus the number of words in the notes. We obtain similar results if we use the inverse hyperbolic sine instead of the logarithm for each of the last two definitions of *Notes_info*.

We estimate the following difference-in-differences regression, in which the *i* subscripts index firms, the *t* subscripts index quarters, and the *k* subscripts index control variables:

$$\begin{aligned} IPT[0,5]_{i,t} = {} & \beta_0 + \beta_1 (Post_{i,t} \times Treatment_i \times Analysis_i) + \beta_2 (Post_{i,t} \times Treatment_i) \\ & + \beta_3 (Post_{i,t} \times Analysis_i) + \beta_4 (Treatment_{i,t} \times Analysis_i) \\ & + \beta_5 Post_{i,t} + \beta_6 Treatment_i + \beta_7 Analysis_i \\ & + \sum \beta_k Controls_{k,i,t} + Fixed\ Effects + \varepsilon_{i,t} \qquad (2) \end{aligned}$$

All variables in Equation (2) are the same as defined for Equation (1), except for the addition of *Analysis*. In an alternative specification, we replace *Analysis* by *Notes_info*. The coefficient of interest is β_1 on the three-way interaction term. The regression captures heterogeneous treatment intensities, as firms that are heavily discussed are relatively more treated. While these presentations are also more likely to attract media and investor attention, we propose that they are particularly likely to influence investors' integration costs, providing an opportunity to further assess the existence of the expertise effect.

Panel A of Table 5 presents the results from estimations of Equation (2). The models in Equation (2) assess the role of the conference presenter's analyses or lack of same, so the sample used in Panel A includes long pitches without in-depth analyses. As this contrasts with the sample selection for the Table 3 analyses, the sample in Panel A of Table 5 of 2,140 observations in Column (4) exceeds the Panel A of Table 3 sample of 1,655 observations in Column (4).

In Panel A of Table 5, coefficient estimates for the three-way interaction term (β_1) range from 1.746 to 1.926 and are significant at better than the .01 level. The findings indicate the

positive impact of the conference presentations on price efficiency at subsequent earnings announcements is much greater when the recommendation is supported by in-depth analysis, consistent with H2. In our Panel A tests, *Post* × *Treatment* (β_2, negative), *Post* × *Analysis* (β_3, negative), and *Post* (β_5, positive) are significant. For pitched firms without analysis, the marginal effect post-conference is equal to $\beta_2 + \beta_5$, which is close to zero. For control firms with analysis, the marginal effect post-conference is equal to $\beta_3 + \beta_5$, which is also close to zero. For control firms without analysis, the marginal effect post-conference is equal to β_5, which is significantly positive. The significant improvement in IPT after conference presentations for control firms without analysis is surprising, as these firms are less likely to be subject to a spillover effect. We conclude that conference presentations of a treated firm may have a positive impact on awareness or information integration not only for the treated firm, but also for (some) peer firms.

Panel B of Table 5 provides the estimations of Equation (2) using *Notes_info* instead of *Analysis*. The third column of results shows the estimate on the three-way interaction term is significant at better than the .05 level when we use *Log(Words_notes)* as the measure of *Notes_info*. Thus, there is evidence that longer content in the notes of a conference presentation increases its impact on price discovery at future earnings announcements of the presented firm. Similarly, the first and second columns of results report positive estimates on the triple interaction term that are significant at better than the .05 level when using *D_Argument* or *Log(Arguments)* as the measures of *Notes_info*. These findings indicate that when investment managers use more arguments to support their presentation recommendations, they have a more positive impact on future price efficiency for presented firms. These results are consistent with the expertise effect of H2.

5.3. Investment Managers' Presentations and Sell-side Analysts' Reports

5.3.1. Pre-conference Analysts' Reports and Presentation Notes

To further explore the expertise effect mechanism, we rely on investment managers' argument categories to relate our conference notes to sell-side analyst reports. We do not consider the category "Other" in Appendix C and develop a dictionary for each of the eight remaining categories (see Appendix D). We then use each dictionary to identify the number of words from it contained in each of the analyst reports for the presented firms. Doing so, we are able to compare the content of analysts' reports to the arguments of conference notes we manually coded.

We obtain analyst reports published within two months before the conferences from LSEG. We do not restrict this sample to the first stock recommendation in an investment conference (although we omit observations if the same stock had been presented at another conference within the prior 6 months). We require non-missing arguments in the notes to compare the content of the analyst reports with the content of the presentation. These choices are made to maximize our number of observations and the power of our test. Next, for each of the eight dictionaries, we scale the number of words found in an analyst's report from a given dictionary by the total number of words included in the analyst's report for all eight dictionaries to obtain the percentage usage of each dictionary. This variable thus measures the relative importance of each dictionary's content within a given analyst's report, with (for each report) the sum of the eight variables being one.

The regression dependent variables are eight indicators set to one if at least one argument from the category is present in the conference notes (*ArgAssets* (11%), *ArgProfitability* (49%), *ArgInvestment* (17%), *ArgLeverage* (5%), *ArgPayout* (19%), *ArgGovernance* (20%), *ArgEconomy* (9%), and *ArgMarkets* (35%)), averages are reported between parentheses. The independent variables are the percentage usages of the eight argument categories in the pre-conference analyst

reports *(%Assets* (11%), *%Profitability* (29%), *%Investment* (14%), *%Leverage* (19%), *%Payout* (2%), *%Governance* (6%), *%Economy* (1%), and *%Markets* (17%)).

If we fail to observe an association between the argument categories in pre-conference analyst reports and the use of those argument categories by the investment manager, our results suggest that investment managers present original ideas distinct from those reported by analysts. Consequently, we opt to exclude fixed effects in order to ensure that we conduct a less conservative test. The results are tabulated in Table 6, with the key findings presented in bold font along the downward diagonal of the table's coefficient estimates. The eight argument categories can be grouped into two sets: (1) those mainly about firm-specific items such as profitability and payout policy and (2) those mainly related to either the overall economy or the firms' markets.

In Columns (1)-(6), we present results for firm-specific arguments and find there is usually no significant association between use of an argument category in pre-conference analyst reports and use of that category by the presenter for the presented firm. The exception is profitability, for which more use of this category in the pre-conference analyst reports is positively associated with its use by the conference presenter. Although we do not place large weight on the absence of a significant result for the other five firm-specific argument categories, the absence of significance is what one would expect if conference presenters develop original insights and arguments for their presentations distinct from those forwarded by analysts in the months preceding the conference.

Inconsistent with the absence of results for these five firm-specific argument categories reflecting a lack of power, we find a significantly positive estimate on the analyst profitability argument category variable in the regression with the profitability argument category of the

conference presenter as the dependent variable. Similarly, when we focus on arguments that are not firm-specific in Columns (7) and (8), we find significantly positive coefficient estimates.[13]

The results in Table 6 suggest presenters' arguments in their presentations are not necessarily novel relative to pre-existing arguments in analysts' reports for economy-wide argument categories and the firm-specific category of profitability. However, with regard to firm-specific argument categories for firms' assets, investments, leverage, payout policy and governance, the findings suggest novelty in the conference presenters' arguments relative to those forwarded by analysts in their reports during the two months preceding the presentations. These results indicate that a necessary condition for the expertise effect to be plausible is met.

5.3.2. Changes in Analysts' Reports around Conference Presentations

Table 6 tests for an observable motive in that conference presenters are likely overt about the originality of their insights and arguments relative to those that have already been disseminated by analysts. In contrast, analysts may be covert about how their post-conference reports are influenced by the conference presentations.

Nevertheless, we find anecdotal evidence that investment managers influence how analysts incorporate information and make recommendations. Our first example is about Sandy Colen from Apex Capital, who pitched The Container Store (TCS) as a long idea at the Ira Sohn San Francisco conference on October 29, 2014. His arguments included store base growth, controlled spending, and better operating leverage. Colen also proposed a significantly higher potential EPS estimate compared to the analyst consensus ($1.40 versus $1.00 for 2017). Bank of America Merrill Lynch published a pre-conference report on October 6 and a post-conference report on November 7.

[13] To address heterogeneities in the number of analysts' reports by company, we also create an aggregate measure of arguments used by analyst reports. For each presentation, we compute the percentage across all of the analysts' reports from the pre-conference period to calculate a percentage usage of that argument category in the pre-conference analyst reports. We obtain similar results, except the coefficient of Column (8) becomes insignificant.

Whereas the first report has a price target below the current price and gives an "Underperform" rating, the post-conference report recommends "Buy," increasing the price target by over 41% (from $17.00 to $24.00) and revising upwards EPS estimates for various horizons. The analysts conclude by writing "we think sentiment has turned and the focus will be on TCS' ability to deliver . . . superior earnings growth, supporting a premium valuation."

Our second example is David Einhorn's presentation of Oil States International (OIS) as a long-term investment during the Sohn New York conference on May 8, 2013. His presentation was preceded by an OIS 8-K filing on May 3, which raised the idea of converting OIS's accommodations business into a Real Estate Investment Trust (REIT). One of Einhorn's primary arguments was precisely that certain assets of the firm could potentially qualify for REIT status. While Barclays did not mention this possibility in their pre-conference reports, they dedicated their first post-conference report to this specific question, referencing Einhorn's presentation.

To assess whether our anecdotal evidence is generalizable, we examine the text of analysts' reports issued around the time of investment conferences. We obtain analyst reports that are published within two months after the conferences from LSEG, following the same methodology as for pre-conference reports.

Using our dictionaries, we now measure the percentage usage of the analyst report argument categories for the reports from both the two months preceding and the two months following the conference presentation. These variables are used as the dependent variables in Panel A of Table 7. The independent variables consist of the eight indicator argument categories from the conference presentation notes, the *Post* indicator variable, and the interactions of each of the eight argument categories with the *Post* indicator. The key coefficient estimates are those on the

interaction of a given conference presentation argument category with the *Post* indicator when the given argument category from the analyst reports is the dependent variable.

In this test, we use a more conservative structure with firm and year-quarter fixed effects, as our goal is to identify whether analysts incorporate investment managers' presentations in their reports after controlling for alternative explanations. The estimates of interest are in bold font and along the downward diagonal of the panel. All of these estimates are insignificantly different from zero, suggesting analysts do not explicitly incorporate investment managers' arguments.[14]

The absence of investment managers' arguments in subsequent analysts' reports does not necessarily indicate that analysts do not benefit from the investment managers' expertise. In Panel B of Table 7, we investigate whether analysts' reports exhibit changed characteristics after the presentations. We use six report characteristics: file size (*Log(Filesize)*), number of words (*Log(Words_reports)*), number of numbers (*Log(Numbers)*), percentage of strong and weak modals (*Strong_modals* and *Weak_modals*), and readability (*Fog_index*). We find analysts' reports have larger file sizes, less numbers, more strong and weak modals, and better readability after the presentations, consistent with H3a.

We interpret these results as evidence that analysts substitute soft for hard information (Liberti and Petersen 2019). By providing reports that include more of their opinion and fewer numbers, the analysts either: (1) do not directly benefit from the presentations, but increase their effort and provide more thoughtful reports to protect their position as information intermediaries, or (2) do not exert more effort, but benefit from institutional investors' presentations.

[14] If we remove all fixed effects, we find *Post* × *ArgLeverage* is negative and significant at the .10 level. With the fixed effects, we also obtain insignificant coefficient estimates if we divide the number of words in each dictionary by the total number of words rather than the total number of words included in the eight dictionaries.

5.3.3. Changes in Analysts' Forecast Accuracy around Conference Presentations

To further assess the awareness and expertise effects, we evaluate the evolution of analysts' forecasts after investment managers' presentations. We estimate the following regressions, in which the *i* subscripts index firms, the *j* subscripts index analysts, the *t* subscripts index quarters, and the *k* subscripts index control variables:

$$Accuracy_{i,j,t} = \beta_0 + \beta_1\, Post_{i,t} \times Treatment_i + \beta_2\, Post_{i,t} + \beta_3\, Treatment_i + \sum \beta_k \text{Controls}_{k,i,j,t} + \text{Fixed Effects} + \varepsilon_{i,j,t} \qquad (3)$$

In an additional test, we also estimate the following model by taking advantage of the variable *Analysis*, as in Panel A of Table 5:

$$Accuracy_{i,j,t} = \beta_0 + \beta_1 (Post_{i,t} \times Treatment_i \times Analysis_i) + \beta_2 (Post_{i,t} \times Treatment_i) + \beta_3 (Post_{i,t} \times Analysis_i) + \beta_4 (Treatment_i \times Analysis_i) + \beta_5\, Post_{i,t} + \beta_6\, Treatment_i + \beta_7\, Analysis_i + \sum \beta_k \text{Controls}_{k,i,j,t} + \text{Fixed Effects} + \varepsilon_{i,j,t} \qquad (4)$$

$Accuracy_{i,j,t}$ is the absolute difference between actual earnings and the corresponding last forecast for each analyst issued within the 45-day period prior to earnings announcements, scaled by the first available price for the announcement quarter. This value is then multiplied by -100, such that a higher value indicates a more accurate forecast. We follow the literature by controlling for firm-specific characteristics. We include the same set of controls used in previous tables (i.e., *Log(Market_cap), ROA*, *Leverage*, *Volatility*, *BtM*, *Loss*, *Log(Analysts)*, and *Inst_own*), and add the firm's stock return (*Return*) and turnover (*Turnover*) over the quarter, and horizon that measures the number of days between the analyst forecast date and the corresponding earnings announcement (*Log(Horiozon))* (Tan, Wang, and Welker 2011). In addition to firm and year-quarter fixed effects, we use specifications with analyst or analyst-firm fixed effects.[15] We cluster

[15] Including analyst-firm fixed effects addresses unobservable analyst-specific characteristics. For example, an analyst could consistently outperform the rest of the group and contribute to a significant result. These fixed effects ensure that we are capturing any over time internal improvement in analysts' ability to issue forecasts.

standard errors at the analyst level in estimating Equations (3) and (4). A positive coefficient estimate on β_1 in Equation (3) is consistent with investment managers' presentations increasing analysts' forecast accuracy, while a positive estimate on the interaction term β_1 in Equation (4) is consistent with accuracy increasing more if managers' presentations include an in-depth analysis.

Table 8 reports the results. Panel A provides descriptive data for analyst forecast accuracy and the control variables. In Panel B, we find accuracy improves for presented firms following the presentations, relative to those not mentioned. The estimates in Columns (1) to (3) indicate an improvement of about 0.072 to 0.086% of the accuracy. For a company with price-to-earnings ratio of 20, an improvement in forecast accuracy of 0.072 to 0.086% of price equals an improvement of 1.44 to 1.72% of earnings. The estimates on the control variables are consistent with prior research, with accuracy positively related to firm size and positively or unrelated with analyst following, while being negatively related with leverage, the book-to-market ratio, loss firms, stock return, and turnover. Coefficients of the control variables are relatively consistent with previous literature even if our different set of variables and fixed-effect structures make comparisons challenging (e.g., Dhaliwal, Radhakrishnan, Tsang, and Yang 2012; Chang, Donohoe, and Sougiannis 2016). We observe negative and significant coefficients for *Post* across columns, consistent with sell-side analysts becoming less accurate in their forecasts of peer firms after presentations of treatment firms. In Panel C, we find the improved accuracy for treatment firms is significantly stronger for presentations which include an in-depth analysis, as the estimates on *Post* × *Treatment* × *Analysis* are positive and significant at the .01 level in all columns.

Finding accuracy improves after a firm is presented in detail at a conference suggests the information from conference presentations benefits analysts. For analysts to benefit from the presentations, they must, for the firms presented, face information processing costs that are

reduced by the presentations' content. Note also that our result holds in all three columns of Panels B and C, including the third columns that have analyst-firm fixed effects and can thus be viewed as the most stringent specifications, as we compare forecasts of the same analysts before and after the presentations and avoid capturing effects due to changes in the composition of analysts.[16]

To further examine the expertise effect, we examine whether analysts' experience (as measured by the number of quarters an analyst has covered a firm) affects their forecast accuracy before and after the presentations (Mikhail, Walther, and Willis 1997; Clement 1999). We estimate the following regression, in which the *i* subscripts index firms, the *j* subscripts index analysts, the *t* subscripts index quarters, and the *k* subscripts index control variables:

$$\begin{aligned} Accuracy_{i,j,t} = {} & \beta_0 + \beta_1 (Post_{i,t} \times Treatment_i \times Inexperienced_{i,j,t}) + \beta_2 (Post_{i,t} \times Treatment_i) \\ & + \beta_3 (Post_{i,t} \times Inexperienced_{i,j,t}) + \beta_4 (Treatment_{i,t} \times Inexperienced_{i,j,t}) + \beta_5 Post_{i,t} \\ & + \beta_6 Treatment_i + \beta_7 Inexperienced_{i,j,t} + \sum \beta_k \text{Controls}_{k,i,j,t} + \text{Fixed Effects} + \varepsilon_{i,j,t} \end{aligned} \quad (5)$$

$Inexperienced_{i,j,t}$ is an indicator that equals one if the number of quarters an analyst has followed the firm is below the median value for all analysts following the firm as of the quarter before the presentation, and zero otherwise. This variable thus captures not only the level of experience of an analyst relative to others following the same firm, but also the progressive change in experience level over time, even after the presentation. The control variables, fixed effects, and standard error clustering remain the same as for the estimation of Equations (3) and (4). We include Firm × Year-quarter fixed effects in Column (4) to control for time-varying effects of analysts' experience level about the firm and compare experienced to inexperienced analysts within the same Firm × Year-quarter. A positive estimate on the three-way interaction term is consistent with less experienced analysts improving their accuracy more than analysts with more experience.

[16] We include analysts who forecast in just one of the pre- or post-presentation periods, which accounts for 25% of all forecasts in our sample. The remaining 75% are from analysts who make forecasts both before and after presentations. Removing the 25% does not affect our results.

Panel D of Table 8 reports the results. For treatment firms, inexperienced analysts improve their forecast accuracy more. The estimates on the three-way interaction term in Columns (2) to (4) are equivalent to an improvement of about 0.055% to 0.091% of price and are significant at better than the .01 level in Column (3), and at the .05 level in Columns (2) and (4). For a company with price-to-earnings ratio of 20, the estimated additional forecast accuracy improvement for inexperienced analysts equals about 1.1% to 1.8% of earnings.

6. Additional Tests

6.1.Media Coverage and Search Indices

In Section 2, we present anecdotal evidence indicating widespread dissemination of presentations by the media. To corroborate the presentations' broad dissemination, we use the Bloomberg search index to proxy for institutional investors' attention. We download the Bloomberg variable "News Heat – Daily Max Readership" (Ben-Rephael, Da, and Israelsen 2017; Ben-Rephael, Carlin, Da, and Israelsen 2021).[17] Figure 3 plots investors' attention on Bloomberg around the time of investment managers' presentations. The figure shows that treatment firms experience a sharp increase in interest from institutional investors around the presentation day. However, a concern arises if heightened media coverage is sustained in subsequent quarters, as such coverage could be the source of the market's processing cost reductions through reduced awareness costs. Such an explanation would be inconsistent with the expertise effect.

We thus examine whether media change their coverage of the presented firms in the quarters following the presentations using media coverage data from Ravenpack for the Dow Jones

[17] Bloomberg aggregates hourly news search counts for a firm to calculate the average score during the last eight hours and compares this number to all hourly counts in the last 30 days for the same company. Bloomberg's attention index assigns a score of 0 if the rolling average of the last eight hours is in the lowest 80%, relative to the score over the last 30 days. A score of 1, 2, 3, or 4 means the rolling average is between 80% and 90%, 90% and 94%, 94% and 96%, or over 96%, relative to the previous month's hourly attention counts. Finally, data are aggregated at the daily frequency by taking the maximum of all hourly scores in the calendar day.

edition which includes news from Dow Jones Newswires and regional editions of *The Wall Street Journal*, *Barron's*, and *Marketwatch*. RavenPack classifies stories into "news flashes," which have no significant text beyond the headline or "full articles," which have at least one paragraph of text. In untabulated regressions, we find no significant change in media coverage after the presentations using either news flashes or full articles. The results are inconsistent with investment managers' presentations leading to enhanced and sustained media coverage of presented firms.

6.2. Stock Selection and Mean Reversion of IPT

When investment managers pitch stocks at conferences, an objective might be to overcome limits to arbitrage (e.g., Ljungqvist and Qian 2016; Kovbasyuk and Pagano 2022). In that case, they would assume prices are not efficiently reflecting public information. As a result, it is possible investment managers are more likely to discuss stocks that less efficiently reflect news to maximize their impact on firms' information environments.[18] This could explain our results if IPT naturally tends to mean revert. We rule out this alternative explanation with two tests in Table 9.

First, we examine managers' portfolio holdings prior to presentations to explore whether a slow adjustment of prices at earnings announcements can explain investment managers' stock selection. We obtain investment managers' holdings data from 13F filings provided by Thomson Reuters through Wharton Research Data Services (WRDS). We estimate the following probit and logit regressions, with the *i* subscripts indexing firms, the *t* subscripts indexing quarters, and the *k* subscripts indexing control variables:

$$Treatment_{i,t} = \beta_0 + \beta_1 IPT\_Rank_{i,t-1} + \sum \beta_k Controls_{k,i,t-1} + \varepsilon_{i,t} \quad (6)$$

[18] Investment managers may believe a stock is mispriced due to the market's limited attention, its lack of ability to integrate information into prices, or both. By helping stocks to realize what they believe to be the correct value through their presentations, they may be able to generate higher returns and benefit from presenting.

IPT_Rank is the quintile ranking of IPT within their portfolios for the [0,5] window for the most recent earnings announcement prior to the manager's presentation.[19] *Treatment* is an indicator set to one if the stock was presented at a conference and zero otherwise. We also add *Mgr_stake* to measure managers' portfolio weight on each firm. A negative estimate on *IPT_Rank* is consistent with stocks slow in reflecting news being more likely to be presented. Panel A reports the likelihood of investment managers selecting a stock is not associated with the firms' price efficiency around its earnings announcements before the conference presentation, whereas it is strongly positively associated with how large a portion of the investment manager's portfolio is represented by the stock, as indicated by a positive coefficient on *Mgr_stake*.

Second, we re-estimate Equation (1) with lagged IPT as an additional control. In this re-estimation we exclude firm fixed effects given our inclusion of the lagged dependent variable as an explanatory variable. As detailed in Nickell (1981), inclusion of both lagged dependent variables and firm fixed effects in a regression model leads to biased coefficient estimates. Panel B reports the results. We find the coefficient estimates on the lagged IPT variables are statistically insignificant in all four columns. While statistical significance is slightly reduced, the magnitude of the coefficient estimates on the interaction terms are 0.501 to 0.559, which are very similar to the range of 0.527 to 0.579 reported in Panel A of Table 3. Overall, these results together suggest mean reversion of IPT is unlikely to be driving an increase in the speed of price discovery for treatment firms after the presentations, relative to control firms.

[19] Specifically, we retain the most recent portfolios of managers prior to their presentations. For each portfolio firm, we identify the most recent quarterly earnings announcement date prior to their 13F filing dates to calculate *IPT*_rank. This approach ensures that the *IPT_rank* variable is based on the most recent earnings announcements preceding the presentations.

6.3. Firms' Disclosure Behavior

An alternative explanation for the observed changes in speed of price discovery and in analysts' forecasts and reports is firms changing their disclosures in response to the presentations and the disclosure changes driving our results. To examine this alternative explanation, we test whether firms change their voluntary disclosures following investment conferences.

We collect data on management forecasts from the I/B/E/S guidance database, retaining annual and quarterly forecasts, and construct two measures. First, the bundled forecast, which is management's forecast guidance issued within five days of earnings announcements, including guidance issued concurrently with earnings announcements. We also use unbundled forecasts, which represent management's guidance issued within 60 days of earnings announcements but excluding any issued within five days of the announcements. For both management forecast measures, we code observations that do not appear in the I/B/E/S guidance database as not issuing management guidance. In untabulated regressions, we find no evidence that managers change their bundled or unbundled forecast guidance after their firm is presented at a conference.[20]

6.4. Investment Managers' Exit Strategy

Investment managers may opportunistically present at conferences stocks they wish to quickly exit to realize gains. Such behavior would likely weaken the role of the expertise effect in improving investors' ability to use non-deceptive information. To assess the concern that investment managers give presentations that have little value, we test whether investment

[20] A possible shortcoming of these estimations is that the I/B/E/S guidance database is known to have coverage issues, particularly for firms with low analyst following or small institutional ownership (Chuk, Matsumoto, and Miller 2013). Thus, to address the database's coverage issues correlated with low analyst following and low institutional ownership, we perform additional tests in which we require a minimum level of these variables for the observation to be included in the regression. Across a variety of cut-off minimum values for analyst following (i.e., 5, 7, and 10) and institutional ownership (i.e., 30%, 50%, and 70%), we continue to find no evidence of managers changing their forecast guidance.

managers engage in market manipulation by pursuing a "pump and dump" strategy. We obtain investment managers' holdings data from 13F filings.

Table 10 reports the results. Panel A shows that investment managers hold the stock they pitch for 7.636 (4.917) quarters following (preceding) the presentations. These findings suggest the motive to participate in conferences is not short-term profit. Moreover, Figure 4 shows presenters increase their stake following their presentations. In Panel B of Table 10, we find the total holding period for presented firms is actually significantly longer than that for other firms in the investment managers' portfolios (10.61 versus 7.08 quarters). This result further indicates it is unlikely that investment managers' motive for presenting is to create a temporary hype.[21]

7. Conclusion

Investment managers share their stock picks at investment conferences, shaping firms' information environments by improving price efficiency following their presentations. Our analysis extends beyond the traditional roles of institutional investors in monitoring, acquiring, and analyzing data as information consumers. Instead, we emphasize their role as information intermediaries having a significant impact on financial markets and their participants. Notably, sell-side analysts improve their earnings forecasts, demonstrating that investment managers' influence extends even to sophisticated and established information intermediaries.

The improvement in price efficiency after these presentations may result from reduced processing costs through heightened investor attention (awareness effect) and decreased integration costs (expertise effect). Although it is challenging to perfectly distinguish between

[21] The reasons explaining the lower number of observations in this table are threefold. First, investment managers are not required to disclose their positions if their institution does not meet the disclosure requirements. Second, there are only four reporting dates in a year, so investment managers may not meet the disclosure requirements on the reporting dates even if the requirements were generally met prior to the last day of the quarter. Third, investment managers can synthetically build long positions without directly holding shares by using derivatives, thus avoiding the disclosure requirements.

these effects, we provide indirect evidence supporting the existence of the expertise effect. Considering the expertise effect as a possible channel by which information integration costs are reduced is important for the broader literature on information intermediaries such as analysts, data providers, traditional media, and social media. Work in this area has clearly established that these intermediaries reduce information awareness and acquisition costs by curating and re-disseminating public information. A smaller subset of this research shows that traditional information intermediaries also reduce information integration costs by summarizing and interpreting the implications of public information for firm value. What has been unexplored, however, is whether the source of impact from intermediaries' summarization and interpretation role is just complexity reduction (akin to using plain English in place of jargon) or instead is the provision of longer-term lessons on how to better use public information in valuing firms.

The nature of conference presentations may raise concerns about the generalizability of the role of institutional investors as information intermediaries as only a handful of investment conferences occur annually. Also, investment managers pick the stocks to present and expend considerable time and resources to prepare for these presentations. Institutional investors do not regularly publicly deliver information interpretation of this caliber, so their role as information intermediaries when presenting at conferences is special in terms of its observability by researchers.

Investment managers do, however, privately deliver information in several settings not directly observable, including: (1) interactions with sell-side analysts (Kaplan et al. 2023), (2) private communications with those who have committed (or are considering committing) capital to their funds, and (3) private meetings between investment managers and the firms they invest (Zhang 2023). Our finding that institutional investors are highly influential on the broader market

when they publicly act as information intermediaries thus suggests that they provide significant value when they supply information analysis and interpretation privately.

Our paper uses the setting of charity-hosted investment conferences, which have been overlooked by prior research with the exception of Luo (2018). Future research can build on our examination of this novel setting to learn more about investment managers' operations as well as their skills by analyzing the presentations in detail. Investment conferences can also be used to study how different characteristics of investment managers, such as reputation, industry experience, track record, or assets under management, influence the market's reaction.

Finally, given the expertise effect facilitates investors' development of their processing capacities, any change driven by it is more persistent than the awareness effect, which prior research shows tends to be transitory. Future research could thus examine the expertise effect in other settings and using controlled environments to assess whether expert presentations improve the processing capacities of presentation audiences.

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Appendix A. Variable Definitions

Variable Name	Description
Dependent variables	
IPT[0,5]	Intraperiod timeliness measure of the speed with which earnings information is impounded into price, measured over the six-day earnings announcement window. IPT[0,5] = $\sum$t=0,4 ($BHAR_t/BHAR_5$)+0.5, where $BHAR_t$ is the buy-and-hold abnormal return from day 0 to day t. Our tests exclude observations with an absolute $BHAR_5$ of less than 1%.
Arg[Arguments]	Indicator variable set to one if the investment manager uses an argument included in the specific category according to the conference notes, and zero otherwise. Appendix C provides a list of all arguments and their appropriate categories.
%[Arguments]	Number of words in an analyst report that are included in the dictionary of the argument, divided by the total number of words in the analyst report that are included in all dictionaries. Appendix D provides the dictionaries.
Filesize	File size (in megabytes) of the analyst report. Log(*Filesize)* is computed as the logarithm of one plus *Filesize*.
Words_report	Number of words in the analyst report. *Log(Words_report)* is computed as the logarithm of one plus *Words_report*.
Numbers	Number of numbers in the analyst report. *Log(Numbers)* is computed as the logarithm of one plus *Numbers.*
Strong_modals	Number of strong modals in the analyst report divided by the total number of words.
Weak_modals	Number of weak modals in the analyst report divided by the total number of words.
Fog_index	Fog Index of the analyst report computed as 0.4 ((words/sentences) + 100 (complex words/words)). Complex words consist of words with three or more syllables.
Accuracy	Absolute difference between actual earnings and the corresponding sell-side analyst's forecast issued within the 45-day period prior to earnings announcements, divided by the first available price for the announcement quarter and multiplied by -100.
Variables of interest	
Treatment	Indicator variable set to one if a firm is discussed by an investment manager at investment conferences and zero for control firms.
Post	Indicator variable set to zero if the quarterly earnings announcement is made before investment managers' presentations and one if the quarterly earnings announcement is made after investment managers' presentations.
Analysis	Indicator variable set to one if the investment managers' presentation includes an in-depth analysis, and zero otherwise. Appendix B provides examples of notes with the variable *Analysis*.
D_argument	Indicator variable set to one if the investment manager uses at least one argument according to the conference notes, and zero otherwise.
Arguments	Number of arguments used by an investment manager according to the conference notes. *Log(Arguments)* is computed as the logarithm of one plus *Arguments*.
Words_notes	Number of words in the conference notes for a specific investment manager's recommendation. *Log(Words_notes)* is computed as the logarithm of one plus *Words_notes*.
Inexperienced	Indicator variable set to one if the number of quarters an analyst has followed the firm in a given quarter is below the median value of all analysts following the firm, as computed in the quarter before the presentation, and zero otherwise.
IPT_rank	Quintile ranking of *IPT[0,5]* within investment managers' portfolios measured at the most recent earnings announcements prior to managers' presentations. A higher ranking indicates a higher IPT.

Mgr_stake	Investment managers' exposure to the treatment firms in their portfolio, calculated as total dollar amount invested in the firm divided by total dollar value of portfolio as reported in the most recent filing prior to managers' presentations.
Lag_IPT[0,5]	*IPT[0,5]* lagged by one quarter.
Other variables	
Market_cap	Market capitalization (Compustat PRCCQ × CSHOQ), measured at the end of quarter *t*. In the descriptive statistics, we report *Market_cap* in billions. *Log(Market_cap)* is computed as the logarithm of one plus *Market_cap*.
ROA	Return on assets, calculated as Compustat NIQ divided by ATQ, measured at the end of the quarter.
Leverage	Ratio of total liabilities (Compustat LTQ) to total equity (Compustat SEQQ if available, ATQ-LTQ if SEQQ is not available), measured at the end of the quarter.
Volatility	Annualized standard deviation of returns over the quarter. This is calculated as follows given 252 trading days in a typical year: (Square root of 252)*log(1 + standard deviation of returns for the quarter).
Loss	Indicator variable set to one if net income (Compustat NIQ) is negative, and zero otherwise.
Analysts	Number of analysts covering the firm. *Log(Analysts)* is obtained as the logarithm of one plus *Analysts*.
Inst_own	Percentage of shares held by institutional investors, calculated at the most recent file date between 100 days prior to the earnings announcement date and the earnings announcement date.
Return	Firm's stock return over the quarter.
Turnover	Number of shares traded in the quarter, divided by the firm's number of shares outstanding.
Horizon	Number of days between an analyst's forecast date and the corresponding earnings announcement date. *Log(Horizon)* is obtained as the logarithm of one plus *Horizon*.
BtM	Book-to-market ratio, calculated as Compustat CEQQ divided by market capitalization, measured at the end of the quarter.
Assets	Total assets in billions (Compustat ATQ, divided by 10^3).

Appendix B. Example of Notes

Note 1: Jeff Ubben at the 2014 Ira Sohn San Francisco conference (Analysis = 1 with complete notes)

LONG Agrium (AGU) Thesis: They have a $750M stake in the company. Generally sees opportunity in the space. AGU has continued to invest in the business the past 7 years, thinks this investment will start to show returns. JANA went after mgmt and lost proxy battle, but this still lead to change in mgmt. They agreed with Jana. AGU's retail business is the jewel of the company. Wholesale business is volatile. AGU has put $7.6B into capex since 2012. $1.7B should start to get returned to stockholders starting in 2016 or 2017. Sees a share price of $120 to $150 a share.

Key reasons for liking AGU:

1) New CEO has a more focused game plan;

2) Strong growth in FCF despite down cycle;

3) Cheap any way you look at it;

4) Well positioned in consolidating market. Thinks this is a good investment that offers potential returns of 20% a year for a few years.

Note 2: Conan Laughlin at the 2013 Robin Hood conference (Analysis = 1 with incomplete notes)

Conan Laughlin pitched long in Amedisys Inc (NASDAQ:AMED), a personalized healthcare company.

Note 3: Joel Greenblatt at the 2012 SALT conference (Analysis = 0)

He also mentioned Wellpoint (WLP) and CVS Caremark (CVS).

Appendix C. Arguments

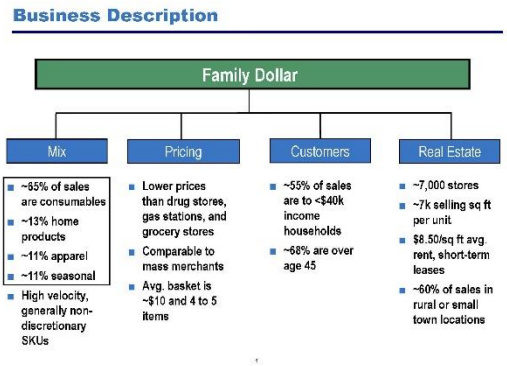
Category	Arguments
Assets	Tangible assets, Intangible assets, Cash
Profitability	High profitability, Profitability increase, Competitive advantage, Operational improvements
Investments	Divestment, Investment opportunities, Takeover acquirer, Takeover target
Leverage	Low debt, Debt reduction
Payout	Dividends, Buyback
Governance	Good management, Activism
Economy	Macroeconomy
Markets	Market shares, Customer base, Low competition, Industry opportunities, Market consolidation, Stability
Other (cannot be unambiguously classified)	Regulation, External event, Commodities, Undervaluation, Insider ownership, Private, Analysts, Growth

Appendix D. Dictionaries

Category	Words in the associated dictionary
Assets	asset, brand, cash, inventory, patent, ppe, property
Profitability	operational, amortization, cogs, cost, depreciation, earnings, ebit, ebitda, eps, expense, fcf, income, margin, noi, overhead, profit, profitability, revenue, roa, roe, roi, sales, sg&a, synergies
Investments	divest, invest, m&a, merge, merger, r&d, spinoff, spin-off, takeover
Leverage	capitalize, debt, delever, equity, leverage, liability, loan, overcapitalized, recapitalize
Payout	buyback, dividend, payout, repurchase
Governance	activism, activist, board, ceo, cfo, management
Economy	macroeconomy, deflation, demographic, demography, economy, employment, estate, housing, inflation, inflationary, population, quota, recession, tariff, unemployment, urbanization
Markets	barrier, competition, competitor, consolidation, customer, disrupt, duopoly, market, monopoly, oligopoly, shares, tam

Fig. 1. Selected Slides of a Stock Pitch

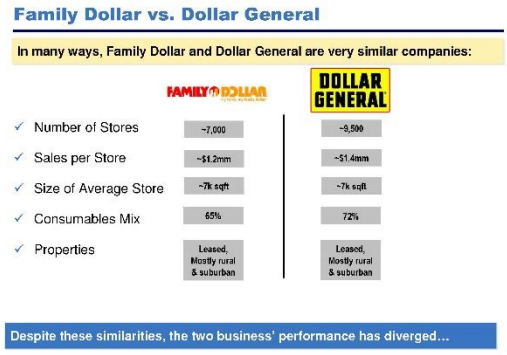
Panel A: Business Description



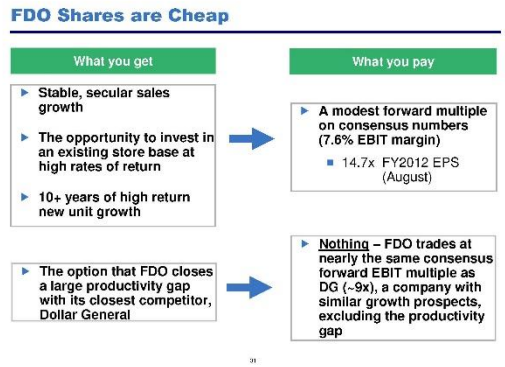
Panel B: Growth Opportunity

Panel C: Capital Allocation Strategy

Panel D: Productivity Opportunity

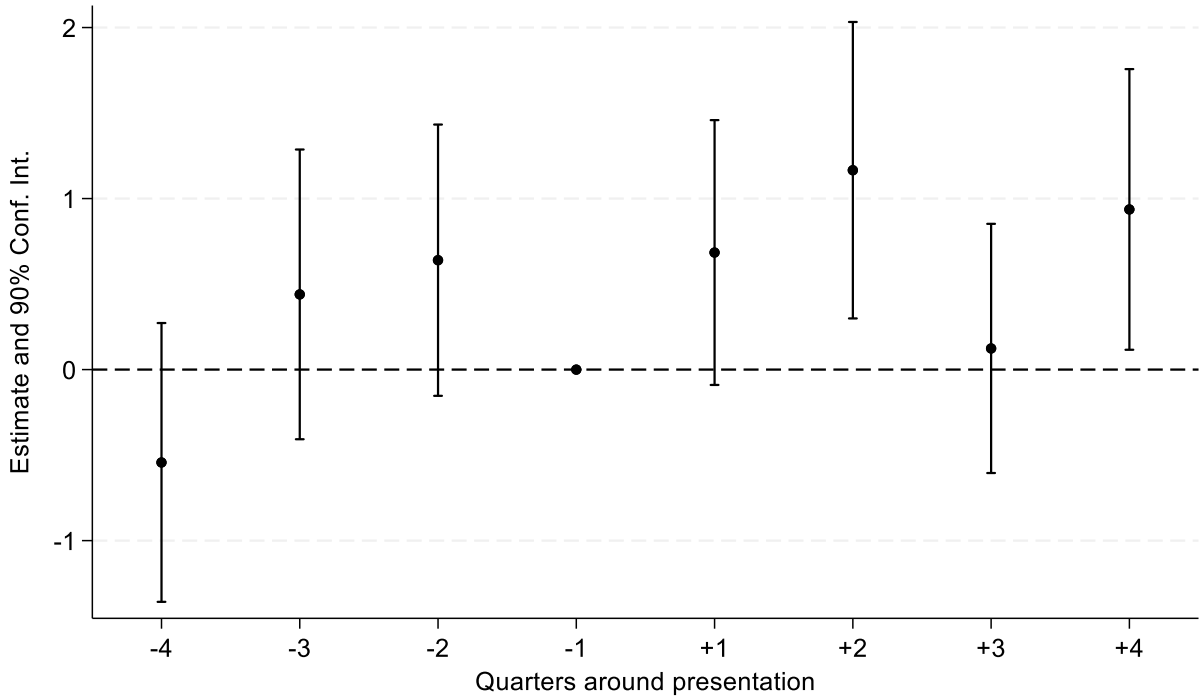


Panel E: Valuation



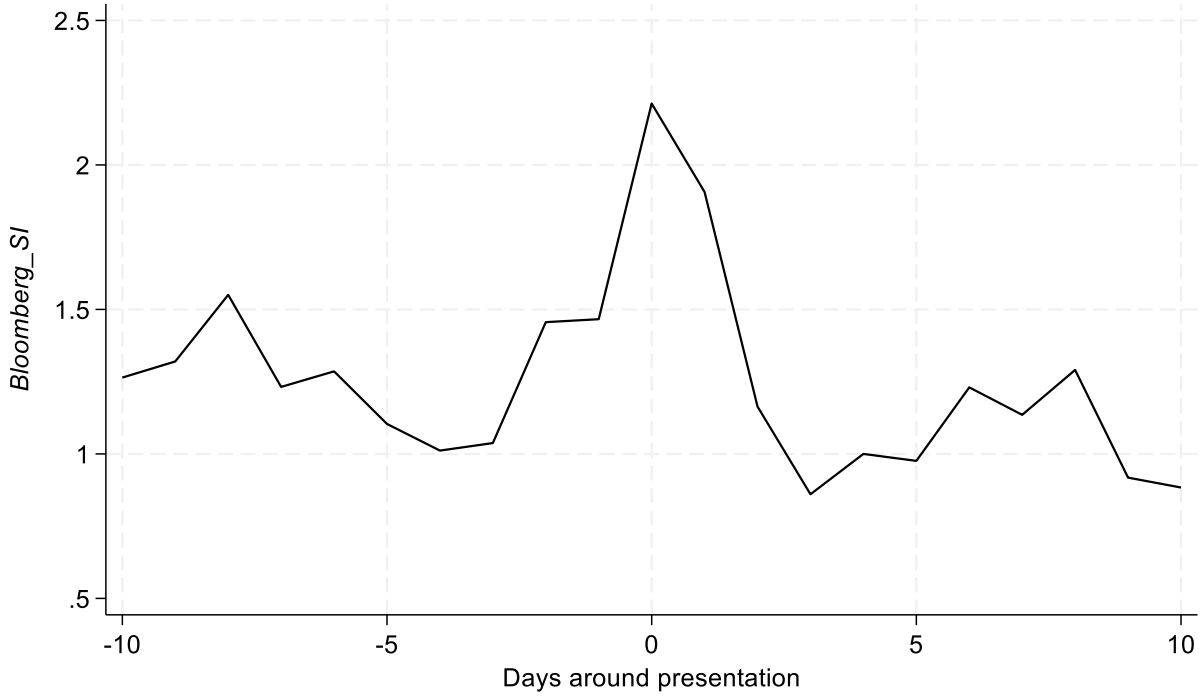
These figures provide selected slides from the Bill Ackman's presentations at the 2011 Ira Sohn conference in New York.

Fig. 2. Parallel Trend and Duration of the Effect



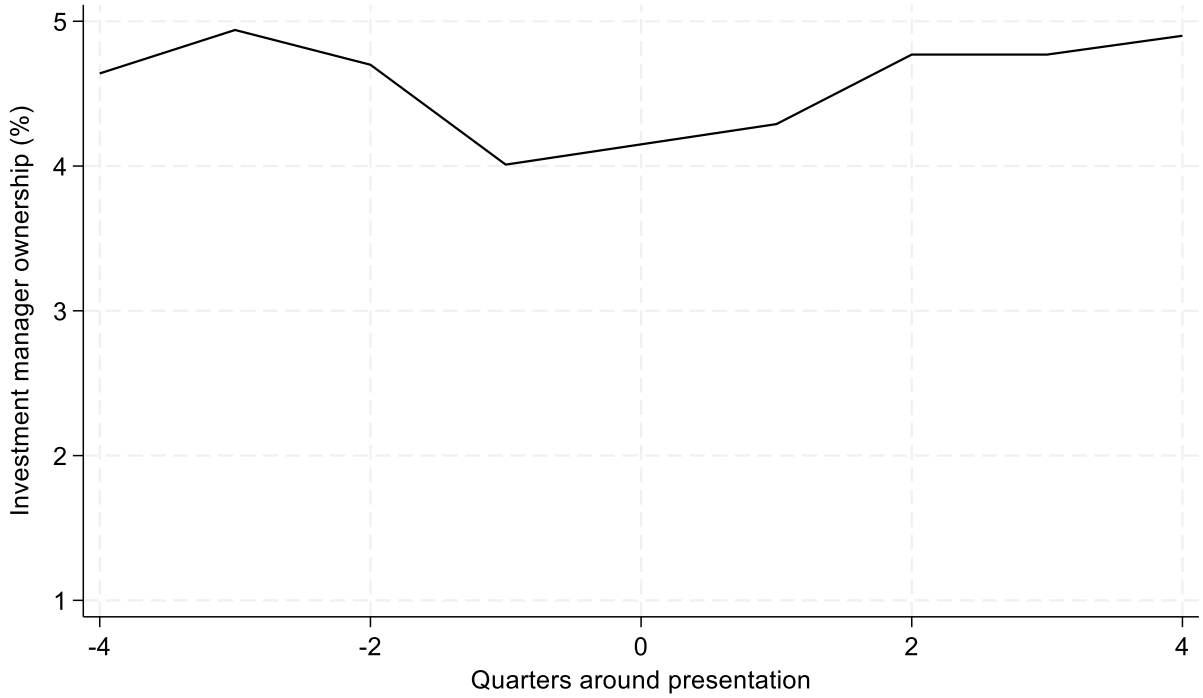
This figure plots the main effect by quarter around presentation. It replicates Column 4 of Panel A in Table 3 by introducing separate indicators for each quarter surrounding the firms' presentations using the quarter prior to the conference as the baseline. The figure plots the coefficients of the interactions between *Treatment* and those indicators along with 90% confidence intervals.

Fig. 3. Bloomberg Search Index



This figure plots the Bloomberg daily search index (*Bloomberg_SI*) of presented firms around the presentation.

Fig. 4. Investment Managers' Stakes in Presented Firms



This figure plots investment managers' stakes in the firms they present at investment conferences by quarter for four quarters before and after the presentations.

Table 1: Sample Selection

	Number
Initial sample of stock presentations (eight conferences from 2011 - 2016)	434
Stock presentations after keeping only first presentations	330
Stock presentations after merging with control variables	223
Stock presentations after removing two conferences	217
Final sample of stock presentations after removing unmatched firms	189
Number of unique presenters	89
Number of conference-years	28
Stock presentations by conference	
Great Investors' Best Ideas (Dallas)	27
Invest For Kids (Chicago)	36
Ira Sohn (New York)	58
Ira Sohn (San Francisco)	19
Robin Hood (New York)	32
SALT	17
Stock presentations by year	
2011	27
2012	34
2013	39
2014	41
2015	22
2016	26
Stock presentations by direction of the recommendation	
Long recommendations	164
Short recommendations	25
Manual classification of stock presentations	
Presentations without an in-depth analysis	44
Presentations with an in-depth analysis	145
Including	
Presentations with an in-depth analysis and complete notes	121
Presentations with an in-depth analysis and incomplete notes	24

This table presents our sample. The number of stock pitches is presented by conference, year, direction of the recommendation, and our manual classification of each presentation's analysis and note completeness.

Table 2: Descriptive Statistics

	Full sample (Obs. = 2,479)		*Treatment* = 1 (Obs. = 1,269)		*Treatment* = 0 (Obs. = 1,210)		
	Mean	Std. dev.	Mean	Std. dev.	Mean	Std. dev.	*t*-stat
IPT[0,5]	4.26	2.80	4.34	2.74	4.19	2.85	-1.33
Market_cap (in billions)	21.78	43.70	27.91	52.46	15.35	30.79	-7.23***
ROA	0.01	0.04	0.01	0.03	0.00	0.04	-1.81
Leverage	2.96	4.49	2.80	4.25	3.11	4.72	1.73
Volatility	0.32	0.16	0.32	0.15	0.32	0.17	0.39
Loss	0.20	0.40	0.19	0.40	0.22	0.41	1.30
Analysts	13.37	10.29	15.12	10.36	11.53	9.90	-8.81***
Inst_own	0.69	0.32	0.69	0.32	0.69	0.32	-0.55
BtM	0.48	0.39	0.50	0.40	0.47	0.38	-2.15*
Assets (in billions)	37.40	120.29	51.98	147.52	22.10	79.84	-6.23***

This table provides the descriptive statistics of our main sample used to test how price discovery changes after investment managers' presentations. All variables are defined in Appendix A.

Table 3: Investment Managers' Presentations and Price Discovery

Panel A: Long Recommendations

	(1) *IPT[0,5]*	(2) *IPT[0,5]*	(3) *IPT[0,5]*	(4) *IPT[0,5]*
Post × Treatment	0.579**	0.572**	0.537**	0.527*
	(2.21)	(2.15)	(2.05)	(1.95)
Post	-0.190	-0.190	-0.152	-0.185
	(-1.03)	(-0.83)	(-0.82)	(-0.82)
Treatment	-0.024		-0.063	
	(-0.12)		(-0.32)	
Controls				
Log(Market_cap)			-0.002	0.183
			(-0.03)	(0.46)
ROA			6.935*	8.725*
			(1.86)	(1.84)
Leverage			0.013	0.018
			(0.87)	(0.41)
Volatility			-0.312	0.322
			(-0.60)	(0.36)
BtM			-0.189	0.260
			(-0.99)	(0.37)
Loss			-0.038	0.395
			(-0.19)	(1.50)
Log(Analysts)			0.159*	0.344*
			(1.84)	(1.72)
Inst_own			0.068	2.708
			(0.30)	(1.56)
Fixed effect	No	Firm / Year-quarter	No	Firm / Year-quarter
Observations	1,655	1,655	1,655	1,655
R^2	0.01	0.20	0.02	0.21

Panel B: Short Recommendations

	(1) *IPT[0,5]*	(2) *IPT[0,5]*	(3) *IPT[0,5]*	(4) *IPT[0,5]*
Post × Treatment	-0.541	-0.662	-0.356	-0.682
	(-0.77)	(-0.85)	(-0.51)	(-0.95)
Post	0.333	1.023	0.434	1.069
	(0.60)	(1.01)	(0.79)	(1.12)
Treatment	-0.128		0.126	
	(-0.23)		(0.26)	
Controls	No	No	Yes	Yes
Fixed effect	No	Firm / Year-quarter	No	Firm / Year-quarter
Observations	243	241	243	241
R^2	0.00	0.28	0.07	0.33

This table examines investment managers' presentations and price discovery at subsequent earnings announcements by presenting estimates from Equation (1). *IPT[0,5]* is the intraperiod timeliness measure that captures the speed at which earnings news is incorporated in market prices over the [0,5] window relative to earnings announcements. *Treatment* is an indicator variable that equals one if the firm is a treatment firm and zero if it is a control firm matched

based on firm total assets, book-to-market ratio, and industry. *Post* is an indicator variable that equals one for firm-quarter observations after investment conferences and zero otherwise. The primary independent variable is the interaction term of treatment indicator and post-conference period indicator. Panel A presents the estimates for long recommendations, while Panel B presents the estimates for short recommendations. Panel B includes all controls of Panel A: *Log(Market_cap)*, *ROA*, *Leverage*, *Volatility*, *BtM*, *Loss*, *Log(Analysts)*, and *Inst_own*. Observations are firm-quarters. All variables are defined in Appendix A. Observations are dropped if the absolute value of the buy-and-hold abnormal return for the period used to calculate IPT is below 1%. All continuous variables are winsorized at 1% and 99%. Standard errors are clustered by firm, and *t*-statistics are reported in parentheses. *** indicates significance at 1%, ** at 5%, and * at 10%.

Table 4: Selection Bias and Investment Managers' Presentations

Panel A: First-stage Estimation

	Long	Short
	(1)	(2)
	Treatment	*Treatment*
Log(Market_cap)	-0.772***	-0.999***
	(0.012)	(0.026)
ROA	0.062	6.729***
	(0.505)	(0.688)
Leverage	-0.021***	-0.017**
	(0.004)	(0.008)
Volatility	-0.928***	-2.743***
	(0.104)	(0.180)
BtM	-0.284***	0.398***
	(0.040)	(0.091)
Loss	0.148***	0.217***
	(0.024)	(0.049)
Log(Analysts)	-0.197***	0.007
	(0.012)	(0.026)
Inst_own	-0.794***	-1.139***
	(0.042)	(0.098)
Fixed effect	Industry/ Year-quarter	Industry/ Year-quarter
Observations	131,127	126,407
Wald Test: $\beta = 0$	8,761.97	2,467.46
	($p < 0.0001$)	($p < 0.0001$)

Panel B: Second-stage Estimation for Long Recommendations

	(1)	(2)	(3)	(4)
	IPT[0,5]	*IPT[0,5]*	*IPT[0,5]*	*IPT[0,5]*
Post × Treatment	0.666***	0.645***	0.680***	0.637***
	(2.74)	(2.68)	(2.79)	(2.64)
Post	-0.197	-0.247	-0.207	-0.249
	(-1.18)	(-1.18)	(-1.23)	(-1.18)
Treatment	-0.131		-0.123	
	(-0.73)		(-0.71)	
Controls	No	No	Yes	Yes
Fixed effect	No	Firm / Year-quarter	No	Firm / Year-quarter
Observations	1,956	1,953	1,956	1,953
R^2	0.01	0.19	0.02	0.19

Panel C: Second-stage Estimation for Short Recommendations

	(1) *IPT[0,5]*	(2) *IPT[0,5]*	(3) *IPT[0,5]*	(4) *IPT[0,5]*
Post × *Treatment*	0.004	-0.394	-0.004	-0.405
	(0.01)	(-0.94)	(-0.01)	(-0.91)
Post	-0.131	0.325	-0.123	0.409
	(-0.37)	(0.68)	(-0.35)	(0.85)
Treatment	-0.418		-0.339	
	(-0.96)		(-0.82)	
Controls	No	No	Yes	Yes
Fixed effect	No	Firm / Year-quarter	No	Firm / Year-quarter
Observations	346	344	346	344
R^2	0.01	0.21	0.05	0.23

This table replicates the results of Table 3 using a Propensity Score Matching (PSM) to match treatment to control firms. In Panel A, we present the first-stage model used to estimate propensity scores for long and short recommendations. Models are estimated using logistic regression and standard errors are reported in parentheses. The discrepancy in the number of observations between the two columns is explained by the exclusion of firms with short recommendations in Column (1) and firms with long recommendations in Column (2). In Panels B and C, we present the second-stage estimations for long and short recommendations examining investment managers' presentations and price discovery at subsequent earnings announcements. *IPT[0,5]* is the intraperiod timeliness measure that captures the speed at which earnings news is incorporated in market prices over the [0,5] window relative to earnings announcements. *Treatment* is an indicator variable that equals one if the firm is a treatment firm and zero if it is a control firm matched based on the propensity score. *Post* is an indicator variable that equals one for firm-quarter observations after investment conferences and zero otherwise. The primary independent variable is the interaction term of treatment indicator and post-conference period indicator. Panels B and C include the following controls: *Log(Market_cap)*, *ROA*, *Leverage*, *Volatility*, *BtM*, *Loss*, *Log(Analysts)*, and *Inst_own*. Observations are firm-quarters. All variables are defined in Appendix A. Observations are dropped if the absolute value of the buy-and-hold abnormal return for the period used to calculate IPT is below 1%. All continuous variables are winsorized at 1% and 99%. Standard errors are clustered by firm, and *t*-statistics are reported in parentheses. *** indicates significance at 1%, ** at 5%, and * at 10%.

Table 5: Heterogeneity in Investment Managers' Presentations

Panel A: In-depth analysis

	(1) *IPT[0,5]*	(2) *IPT[0,5]*	(3) *IPT[0,5]*	(4) *IPT[0,5]*
Post × *Treatment* × *Analysis*	1.797***	1.926***	1.746***	1.907***
	(3.05)	(3.37)	(2.94)	(3.40)
Post × *Treatment*	-1.218**	-1.366***	-1.210**	-1.387***
	(-2.31)	(-2.71)	(-2.27)	(-2.83)
Post × *Analysis*	-1.324***	-1.187***	-1.274***	-1.204***
	(-3.03)	(-2.81)	(-2.87)	(-2.87)
Treatment × *Analysis*	-0.753**		-0.663*	
	(-1.98)		(-1.82)	
Post	1.134***	1.098***	1.139***	1.111***
	(2.87)	(2.70)	(2.81)	(2.73)
Treatment	0.729**		0.607*	
	(2.26)		(1.94)	
Analysis	0.243	1.072***	0.257	0.935**
	(0.83)	(2.77)	(0.91)	(2.46)
Controls	No	No	Yes	Yes
Fixed effect	No	Firm / Year-quarter	No	Firm / Year-quarter
Observations	2,140	2,140	2,140	2,140
R^2	0.01	0.19	0.02	0.19

Panel B: Notes

Notes_info being	*D_Argument*	*Log(Arguments)*	*Log(Words_notes)*
	(1) *IPT[0,5]*	(2) *IPT[0,5]*	(3) *IPT[0,5]*
Post × *Treatment* × *Notes_info*	1.282**	0.810**	0.676**
	(2.09)	(2.05)	(2.01)
Post × *Treatment*	-1.058**	-0.861*	-3.054**
	(-1.97)	(-1.79)	(-1.99)
Post × *Notes_info*	-0.533	-0.256	-0.123
	(-1.12)	(-0.85)	(-0.49)
Post	0.754*	0.592	0.849
	(1.69)	(1.47)	(0.74)
Notes_info	0.974**	0.543*	0.544
	(2.10)	(1.73)	(1.51)
Controls	Yes	Yes	Yes
Fixed effect	Firm / Year-quarter	Firm / Year-quarter	Firm / Year-quarter
Observations	1,861	1,861	1,861
R^2	0.20	0.20	0.20

This table examines investment managers' heterogeneous presentations and price discovery at subsequent earnings announcements. *IPT[0,5]* is the intraperiod timeliness measure that captures the speed at which earnings news is incorporated in market prices over the [0,5] window relative to earnings announcements. *Treatment* is an indicator variable that equals one if the firm is a treatment firm and zero if it is a control firm matched based on firm total assets, book-to-market ratio, and industry. *Post* is an indicator variable that equals one for firm-quarter observations after investment conferences and zero otherwise. Panel A present estimates of Equation (2). *Analysis* is an indicator variable set to one if the presentation includes an in-depth analysis, and zero otherwise. Panel B presents estimates of Equation

(2) after replacing *Analysis* by *Notes_info*. *Notes_info* is measured in three different ways. *D_argument* is an indicator variable set to one if the investment manager uses at least one argument according to the conference notes, zero otherwise. *Log(Arguments)* is the logarithm of one plus number of arguments used by an investment manager according to the conference notes. *Log(Words_notes)* is the logarithm of one plus the number of words in the conference notes. In the two panels, the primary independent variables are the three-way interaction term of the treatment indicator, the post-conference period indicator, and the content of the presentation. Panels A and B include the following controls: *Log(Market_cap)*, *ROA*, *Leverage*, *Volatility*, *BtM*, *Loss*, *Log(Analysts)*, and *Inst_own*. Observations are firm-quarters. All variables are defined in Appendix A. Observations are dropped if the absolute value of the buy-and-hold abnormal return for the period used to calculate *IPT[0,5]* is below 1%. All continuous variables are winsorized at 1% and 99%. Standard errors are clustered by firm, and *t*-statistics are reported in parentheses. *** indicates significance at 1%, ** at 5%, and * at 10%.

Table 6: Investment Managers' Arguments and Pre-conference Analyst Reports

	Conference notes							
	(1) *ArgAssets*	(2) *ArgProfitability*	(3) *ArgInvestment*	(4) *ArgLeverage*	(5) *ArgPayout*	(6) *ArgGovernance*	(7) *ArgEconomy*	(8) *ArgMarkets*
Analyst' reports before the conference								
%Assets	**0.033**	0.646	-0.169	0.216	-0.737*	0.143	-0.030	0.375
	(0.12)	(1.56)	(-0.59)	(1.43)	(-1.71)	(0.46)	(-0.18)	(1.14)
%Profitability	-0.157	**1.068*****	0.030	-0.068	-0.839*	0.170	0.038	0.583*
	(-0.55)	**(2.69)**	(0.09)	(-0.49)	(-1.83)	(0.54)	(0.18)	(1.78)
%Investment	-0.200	1.109***	**0.011**	0.005	-0.732*	0.354	0.105	0.433
	(-0.88)	(2.85)	**(0.03)**	(0.04)	(-1.74)	(1.05)	(0.53)	(1.29)
%Leverage	-0.128	0.935**	-0.089	**0.062**	-0.850*	0.445	0.156	0.622*
	(-0.50)	(2.36)	(-0.26)	**(0.68)**	(-1.88)	(1.44)	(0.80)	(1.85)
%Payout	-0.224	0.873	-0.830	0.004	**1.206**	0.537	-0.301	-1.104
	(-0.32)	(0.87)	(-1.04)	(0.01)	**(1.45)**	(0.62)	(-0.49)	(-1.24)
%Governance	-0.026	0.983*	-0.441	-0.055	-1.003*	**0.318**	-0.056	0.588
	(-0.08)	(1.95)	(-1.14)	(-0.35)	(-1.91)	**(0.82)**	(-0.23)	(1.34)
%Economy	-0.419	-0.327	-0.968	-0.098	-0.687	-0.245	**2.280*****	-1.242
	(-0.51)	(-0.26)	(-0.90)	(-0.23)	(-0.60)	(-0.31)	**(2.68)**	(-1.25)
%Markets	-0.209	1.075**	-0.168	-0.069	-0.954**	0.470	-0.096	**0.887****
	(-0.76)	(2.48)	(-0.47)	(-0.56)	(-2.05)	(1.41)	(-0.44)	**(2.43)**
Constant	0.253	-0.469	0.282	0.048	1.007**	-0.102	0.036	-0.209
	(0.99)	(-1.24)	(0.86)	(0.43)	(2.29)	(-0.34)	(0.19)	(-0.68)
Observations	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740
R^2	0.00	0.01	0.01	0.01	0.01	0.01	0.02	0.02

This table investigates the association between investment managers' arguments (Assets, Profitability, Investment, Leverage, Payout, Governance, Economy, and Markets) and pre-conference analyst reports. *Arg[Arguments]* is an indicator variable set to one if the investment manager uses an argument included in the specific category according to the conference notes, zero otherwise. *%[Arguments]* is the number of words in an analyst report that are included in the dictionary of the argument, divided by the total number of words in the analyst report that are included in all dictionaries. Appendix C provides a list of all arguments and their appropriate categories. The key coefficient estimates are presented in bold font along the downward diagonal. Observations are analyst reports from the two months before the conference. All variables are defined in Appendix A. All continuous variables are winsorized at 1% and 99%. Standard errors are clustered by firm, and *t*-statistics are reported in parentheses. *** indicates significance at 1%, ** at 5%, and * at 10%.

Table 7: Change in Analysts' Reports after Investment Managers' Presentations

Panel A: Content of Analysts' Reports

	Analysts' reports							
	(1) *%Assets*	(2) *%Profitability*	(3) *%Investment*	(4) *%Leverage*	(5) *%Payout*	(6) *%Governance*	(7) *%Economy*	(8) *%Markets*
Conference notes								
Post × *ArgAssets*	**-0.001**	0.022	-0.008	-0.031***	0.002	0.000	-0.001	0.022*
	(-0.07)	(1.22)	(-0.80)	(-3.93)	(1.02)	(0.06)	(-0.56)	(1.95)
Post × *ArgProfitability*	0.012**	**0.002**	-0.022***	-0.000	0.001	0.000	0.002*	0.001
	(2.34)	**(0.13)**	(-3.17)	(-0.06)	(0.48)	(0.08)	(1.88)	(0.13)
Post × *ArgInvestment*	-0.004	-0.046***	**0.015**	0.014*	0.000	0.011***	-0.000	0.015
	(-0.63)	(-2.94)	**(1.52)**	(1.81)	(0.00)	(2.85)	(-0.28)	(1.53)
Post × *ArgLeverage*	-0.018	0.006	0.013	**-0.025**	-0.001	0.005	-0.000	0.009
	(-1.39)	(0.24)	(0.61)	**(-1.63)**	(-0.65)	(0.58)	(-0.02)	(0.81)
Post × *ArgPayout*	0.010*	-0.008	0.002	0.001	**-0.001**	0.002	0.001	0.002
	(1.73)	(-0.56)	(0.29)	(0.13)	**(-0.66)**	(0.64)	(0.59)	(0.20)
Post × *ArgGovernance*	0.009	0.022	-0.012	-0.013	0.001	**-0.002**	-0.000	-0.002
	(1.35)	(1.20)	(-1.26)	(-1.51)	(0.95)	**(-0.56)**	(-0.26)	(-0.17)
Post × *ArgEconomy*	-0.000	-0.005	-0.003	-0.007	0.002	0.001	**-0.002**	0.005
	(-0.04)	(-0.28)	(-0.31)	(-0.62)	(0.59)	(0.10)	**(-0.64)**	(0.45)
Post × *ArgMarkets*	-0.000	0.013	-0.002	-0.011*	0.002*	-0.003	-0.001	**0.002**
	(-0.09)	(0.88)	(-0.34)	(-1.89)	(1.86)	(-0.70)	(-1.24)	**(0.15)**
Main effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fixed effects	Firm / Year-quarter	Firm / Year-quarter	Firm / Year-quarter	Firm / Year-quarter	Firm / Year-quarter	Firm / Year-quarter	Firm / Year-quarter	Firm / Year-quarter
Observations	3,238	3,238	3,238	3,238	3,238	3,238	3,238	3,238
R^2	0.12	0.15	0.10	0.11	0.15	0.10	0.25	0.12

Panel B: Characteristics of Analysts' Reports

	(1) *Log(Filesize)*	(2) *Log(Words_reports)*	(3) *Log(Numbers)*	(4) *Strong_modals*	(5) *Weak_modals*	(6) *Fog_index*
Post	0.003***	0.042	-0.135***	0.017**	0.050***	-0.261**
	(2.84)	(1.48)	(-2.98)	(2.59)	(4.05)	(-2.52)
Fixed effects	Firm / Year-quarter	Firm / Year-quarter	Firm / Year-quarter	Firm / Year-quarter	Firm / Year-quarter	Firm / Year-quarter
Observations	3,254	3,254	3,254	3,254	3,254	3,254
R^2	0.07	0.06	0.07	0.06	0.13	0.10

This table investigates the change in analysts' reports after investment managers' presentations. Panel A documents changes in the content of analysts' reports. *Arg[Arguments]* is an indicator variable set to one if the investment manager uses an argument included in the specific category according to the conference notes, zero otherwise. *%[Arguments]* is the number of words in an analyst report that are included in the dictionary of the argument, divided by the total number of words in the analyst report that are included in all dictionaries. Appendix C provides a list of all arguments and their appropriate categories. *Post* is an indicator variable that equals one for firm-quarter observations after investment conferences and zero otherwise. The key coefficient estimates are presented in bold font along the downward diagonal. The model includes both interaction terms and their corresponding main effects, although the main effect estimates are not tabulated. Panel B documents changes in the characteristics of analysts' reports using six different dependent variables: the filesize (*Log(Filesize)*), the number of words (*Log(Words_reports)*), the number of numbers (*Log(Numbers)*), the percentage of strong and weak modals (*Strong_modals* and *Weak_modals*), and the readability (*Fog_index*). Observations are analyst reports. All variables are defined in Appendix A. All continuous variables are winsorized at 1% and 99%. Standard errors are clustered by firm, and *t*-statistics are reported in parentheses. *** indicates significance at 1%, ** at 5%, and * at 10%.

Table 8: Investment Managers' Presentations and Analysts' Forecasts

Panel A: Descriptive Statistics

	Observations	Mean	Median	Std. dev.
Accuracy	11,514	-0.25	-0.12	0.36
Inexperienced	11,514	0.50	0.00	0.50
Market_cap (in billions)	11,514	39.88	14.96	61.33
ROA	11,514	0.01	0.01	0.03
Leverage	11,514	3.22	1.61	3.89
Volatility	11,514	0.29	0.26	0.13
BtM	11,514	0.56	0.43	0.42
Loss	11,514	0.15	0.00	0.36
Analysts	11,514	20.18	20.00	9.65
Inst_own	11,514	0.72	0.82	0.29
Return	11,514	0.03	0.03	0.16
Turnover	11,514	0.73	0.60	0.49
Horizon	11,514	18.25	16.00	11.79

Panel B: Investment Managers' Presentations and Analysts' Forecast Accuracy

	(1)	(2)	(3)
	Accuracy	*Accuracy*	*Accuracy*
Post × Treatment	0.072***	0.073***	0.086***
	(5.54)	(6.17)	(6.02)
Post	-0.023*	-0.058***	-0.065***
	(-1.96)	(-4.78)	(-4.44)
Treatment	-0.049***		
	(-3.71)		
Controls			
Log(Market_cap)	0.026***	0.193***	0.188***
	(3.92)	(7.14)	(5.34)
ROA	-0.285	-0.846**	-1.080**
	(-0.80)	(-2.20)	(-2.42)
Leverage	-0.009***	-0.005**	-0.004**
	(-5.98)	(-2.37)	(-1.98)
Volatility	0.008	0.053	0.043
	(0.10)	(0.68)	(0.44)
BtM	-0.310***	-0.085	-0.004
	(-11.12)	(-1.56)	(-0.06)
Loss	-0.140***	-0.049***	-0.057***
	(-6.69)	(-2.63)	(-2.87)
Log(Analysts)	0.060***	-0.007	-0.005
	(5.06)	(-0.61)	(-0.34)
Inst_own	0.022	-0.188**	-0.222*
	(0.96)	(-2.04)	(-1.74)
Return	-0.149***	-0.170***	-0.130***
	(-4.24)	(-4.91)	(-3.21)
Turnover	-0.108***	-0.013	-0.003
	(-4.61)	(-0.38)	(-0.07)
Log(Horizon)	-0.001	-0.003	-0.000

	(-0.27)	(-0.64)	(-0.06)
Fixed effect	Analyst / Year-quarter	Firm / Year-quarter	Analyst × Firm / Year-quarter
Observations	7,655	8,008	6,958
R^2	0.43	0.48	0.59

Panel C: Investment Managers' Presentations with In-Depth Analysis and Analysts' Forecast Accuracy

	(1) *Accuracy*	(2) *Accuracy*	(3) *Accuracy*
Post × *Treatment* × *Analysis*	0.093***	0.085***	0.116***
	(4.14)	(4.16)	(4.92)
Post × *Treatment*	-0.021	-0.025	-0.044**
	(-1.13)	(-1.45)	(-2.31)
Post × *Analysis*	-0.082***	-0.116***	-0.140***
	(-4.68)	(-7.21)	(-7.16)
Treatment × *Analysis*	0.007		
	(0.31)		
Post	0.069***	0.085***	0.100***
	(4.50)	(6.36)	(6.16)
Treatment	-0.057***		
	(-2.85)		
Analysis	-0.003	-0.040***	-0.022
	(-0.18)	(-2.58)	(-1.10)
Controls	Yes	Yes	Yes
Fixed effect	Analyst / Year-quarter	Firm / Year-quarter	Analyst × Firm / Year-quarter
Observations	11,148	11,507	10,166
R^2	0.41	0.48	0.59

Panel D: Investment Managers' Presentations, Analysts' Level of Experience and Analysts' Forecast Accuracy

	(1) *Accuracy*	(2) *Accuracy*	(3) *Accuracy*	(4) *Accuracy*
Post × *Treatment* × *Inexperienced*	0.048	0.063**	0.091***	0.055**
	(1.53)	(2.55)	(2.74)	(2.39)
Post × *Treatment*	0.042**	0.041**	0.042**	
	(2.21)	(2.43)	(2.06)	
Post × *Inexperienced*	-0.063**	-0.067***	-0.087***	-0.041**
	(-2.50)	(-3.41)	(-3.28)	(-2.38)
Treatment × *Inexperienced*	-0.057***	-0.042***	-0.066**	-0.037**
	(-2.62)	(-2.60)	(-2.53)	(-2.19)
Post	0.012	-0.025	-0.024	0.029**
	(0.71)	(-1.63)	(-1.29)	(2.44)
Treatment	-0.016			
	(-0.84)			
Inexperienced	0.058***	0.045***	0.064***	0.029**
	(3.23)	(3.61)	(2.97)	(2.02)
Controls	Yes	Yes	Yes	Yes
Fixed effect	Analyst / Year-quarter	Firm / Year-quarter	Analyst × Firm/ Year-quarter	Analyst / Firm × Year-quarter
Observations	7,655	8,008	6,958	7,309
R^2	0.43	0.48	0.59	0.80

This table presents the change in sell-side analysts' forecasts after investment managers' presentations. Panel A presents the descriptive statistics of our sample of analyst forecasts. Panels B, C, and D present results from estimation of Equations (3), (4), and (5). *Accuracy* is the absolute difference between earnings and the forecast, scaled by the first available price for the announcement quarter, and then multiplied by -100. *Treatment* is an indicator variable that equals one if the firm is a treatment firm and zero if it is a control firm matched based on firm total assets, book-to-market ratio, and industry. *Post* is an indicator variable that equals one for firm-quarter observations after investment conferences and zero otherwise. In Panel B, the primary independent variable is the two-way interaction term of the treatment indicator and the post-conference period indicator. In Panel C, the primary independent variable is the three-way interaction term of the treatment indicator, the post-conference period indicator, and the analysis indicator. *Analysis* is an indicator variable set to one if the presentation includes an in-depth analysis, and zero otherwise. In Panel D, the primary independent variable is the three-way interaction term of the treatment indicator, the post-conference period indicator, and the inexperienced indicator. *Inexperienced* is an indicator variable that equals one if the number of quarters an analyst has followed the firm is below the median value of all analysts following the firm as of the quarter before the presentation, and zero otherwise. The table includes the following controls: *Log(Market_cap)*, *ROA*, *Leverage*, *Volatility*, *BtM*, *Loss*, *Log(Analysts)*, *Inst_own*, *Return*, *Turnover*, and *Log(Horizon)*. Observations are analyst forecasts. All variables are defined in Appendix A. All continuous variables are winsorized at 1% and 99%. Standard errors are clustered by firm, and *t*-statistics are reported in parentheses. *** indicates significance at 1%, ** at 5%, and * at 10%.

Table 9: Mean Reversion of IPT

Panel A: Determinants of Investment Managers' Stock Selection

	Probit		Logit	
	(1)	(2)	(3)	(4)
	Treatment	*Treatment*	*Treatment*	*Treatment*
IPT_rank	-0.007	-0.007	-0.023	-0.025
	(-0.28)	(-0.27)	(-0.38)	(-0.41)
Mgr_stake		9.198***		22.236***
		(5.87)		(6.53)
Controls	Yes	Yes	Yes	Yes
Observations	7,768	7,768	7,768	7,768
Pseudo R^2	0.05	0.07	0.05	0.07

Panel B: Reversion of IPT

	(1)	(2)	(3)	(4)
	IPT[0,5]	*IPT[0,5]*	*IPT[0,5]*	*IPT[0,5]*
Lag_IPT[0,5]	0.029	0.026	0.012	0.008
	(1.15)	(0.93)	(0.51)	(0.28)
Post × *Treatment*	0.559**	0.536*	0.519*	0.501*
	(1.98)	(1.88)	(1.84)	(1.76)
Post	-0.196	-0.150	-0.168	-0.122
	(-1.02)	(-0.73)	(-0.87)	(-0.60)
Treatment	-0.017	-0.001	-0.074	-0.051
	(-0.08)	(-0.00)	(-0.33)	(-0.23)
Controls	No	No	Yes	Yes
Fixed effect	No	Year-quarter	No	Year-quarter
Observations	1,390	1,390	1,390	1,390
R^2	0.01	0.04	0.03	0.06

The table provides evidence that our main results cannot be explained by mean reversion of IPT. Panel A presents estimates from Equation (6) and investigates whether a firm's pre-conference IPT explains investment managers' decision to present it. Observations are firms included in investment manager's fund portfolio. *Treatment* is an indicator variable that equals one if the firm is presented in a conference. *IPT_rank* is the quintile ranking of *IPT[0,5]* within investment managers' portfolios measured at earnings announcements two quarters prior to managers' presentations. A higher ranking indicates a higher IPT. Panel B presents estimates of Equation (1) and adds as an explanatory variable *Lag_IPT[0,5]*, that is, *IPT[0,5]* lagged by one quarter. We exclude firm fixed effects given our inclusion of the lagged dependent variable as an explanatory variable. Inclusion of both lagged dependent variables and firm fixed effects in a regression model leads to biased coefficient estimates (Nickell 1981). The primary independent variable is the interaction term of the treatment indicator and the post-conference period indicator. Observations are firm-quarters and are dropped if the absolute value of the buy-and-hold abnormal return for the period used to calculate *IPT[0,5]* is below 1%. Panels A and B include the following controls: *Log(Market_cap)*, *ROA*, *Leverage*, *Volatility*, *BtM*, *Loss*, *Log(Analysts)*, and *Inst_own*. All variables are defined in Appendix A. All continuous variables are winsorized at 1% and 99%. Standard errors are clustered by firm, and *t*-statistics are reported in parentheses. *** indicates significance at 1%, ** at 5%, and * at 10%.

Table 10: Investment Managers' Exit Strategy

Panel A: Number of Holding Quarters for Presented Firms Before and After Presentations

	(a) Before	(b) After	Diff (a) – (b)	*t*-statistic
Obs.	121	132		
Mean	4.917	7.636	-2.719	-3.672***

Panel B: Number of Holding Quarters for Presented and Non-Presented Firms

	(a) *Treatment* = 0	(b) *Treatment* = 1	Diff (a) – (b)	*t*-statistic
Obs.	43,422	151		
Mean	7.08	10.61	-3.532	-5.165***

This table documents investment managers' exit strategy using their holding periods. Panel A reports the average number of holding quarters for presented firms before and after presentations at investment conferences. It assesses how quickly investment managers exit their positions in the presented firms. Panel B reports the average number of holding quarters for presented and non-presented firms in investment managers most recent 13F filings prior to their presentation. It compares holding behavior for stocks that are presented at conferences to those that are not presented.