

## 0.1 Figures

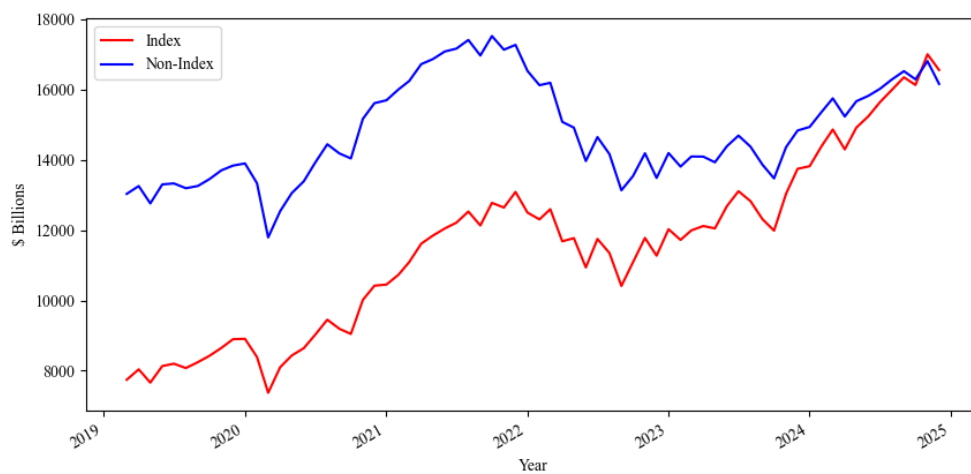


Figure 1: Index vs Non-Index Funds Total Assets

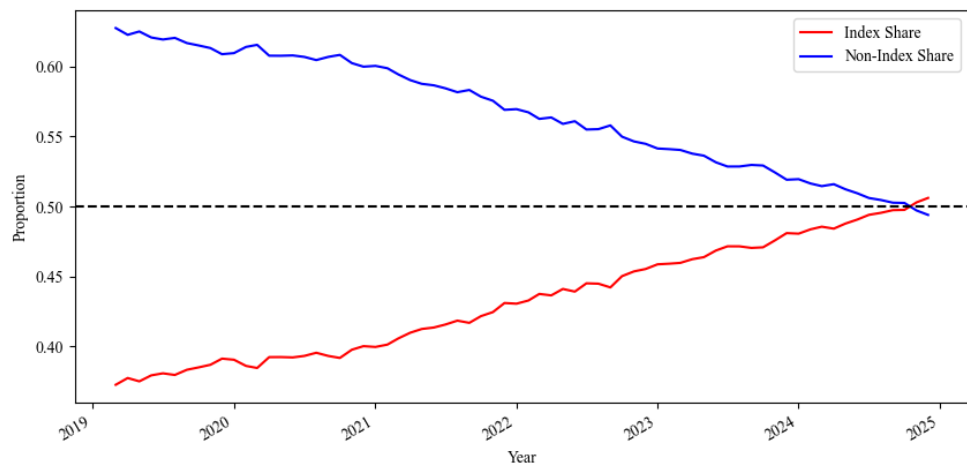


Figure 2: Index vs Non-Index Funds Share of Assets

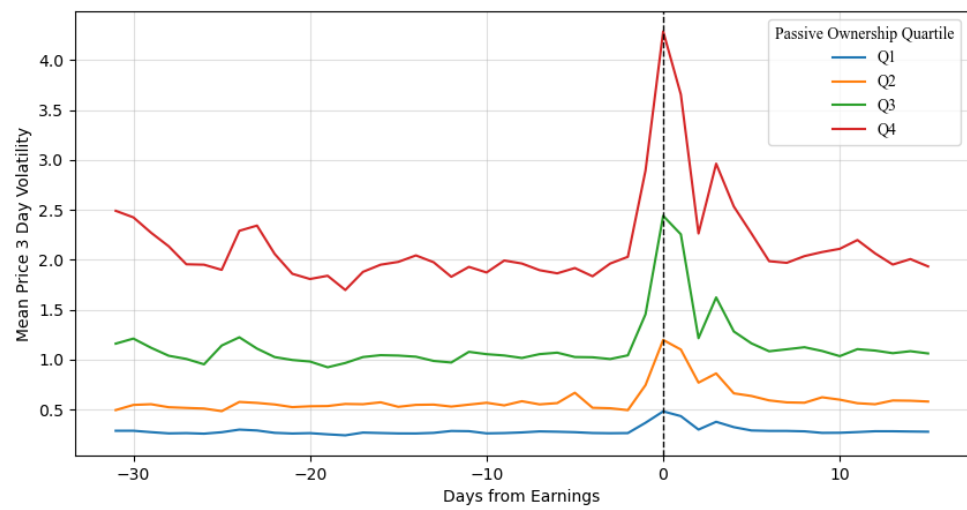


Figure 3: 3 Day Volatility Trends

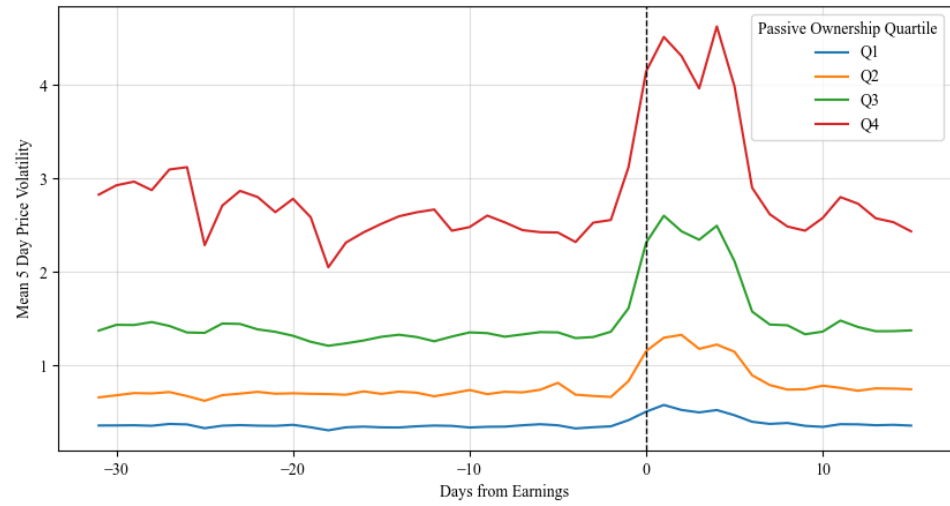


Figure 4: 5 Day Volatility Trends

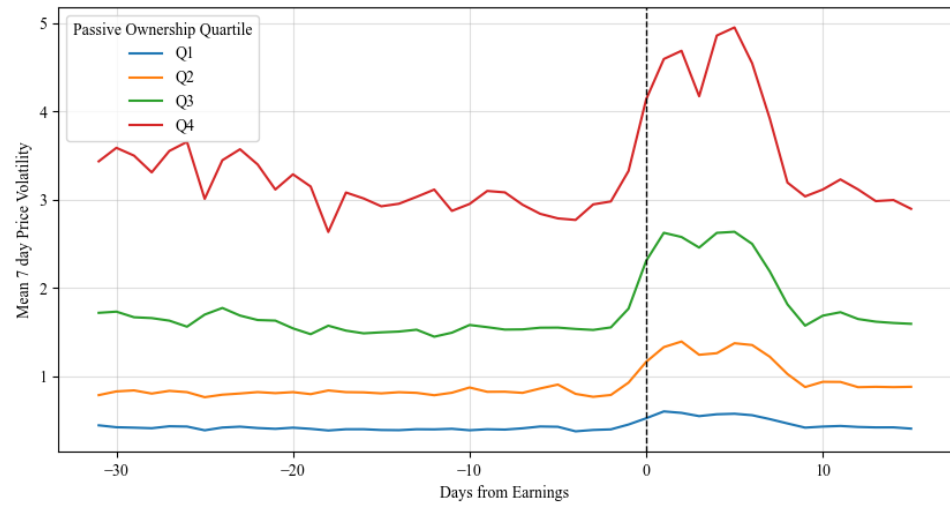


Figure 5: 7 Day Volatility Trends

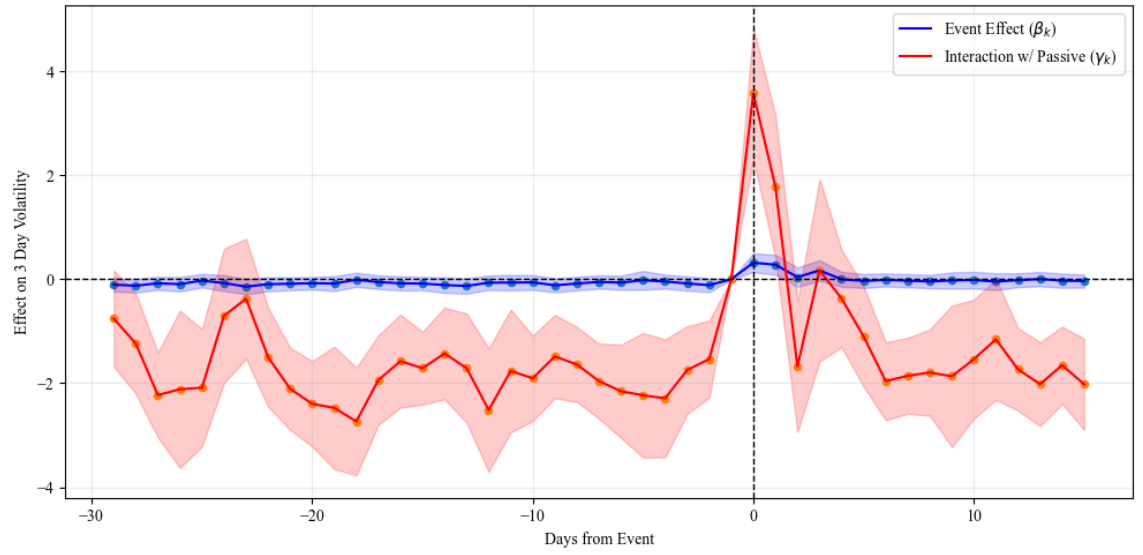


Figure 6: 3 Day Volatility Event Study

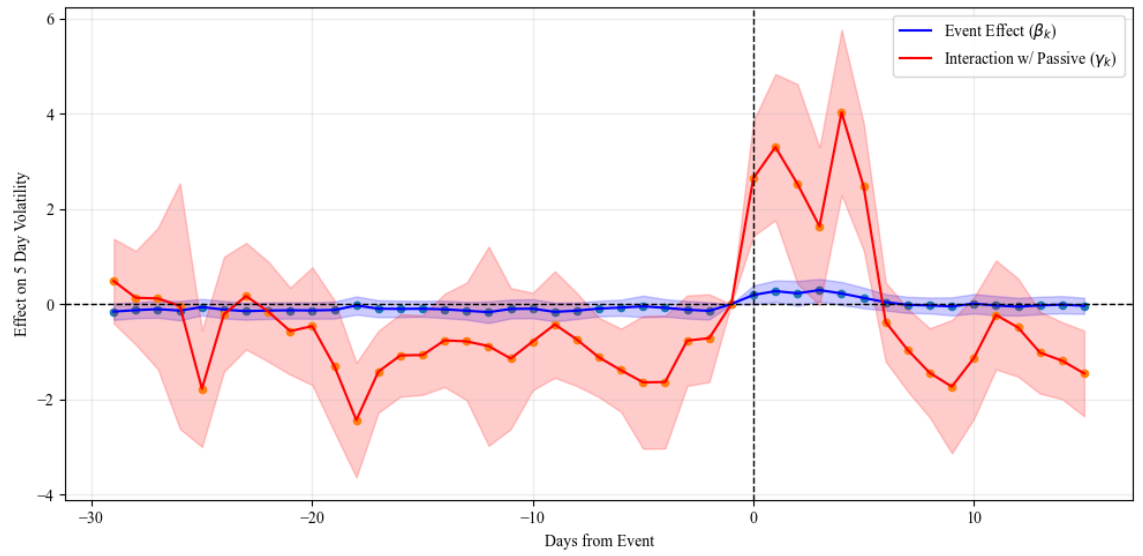


Figure 7: 5 Day Volatility Event Study

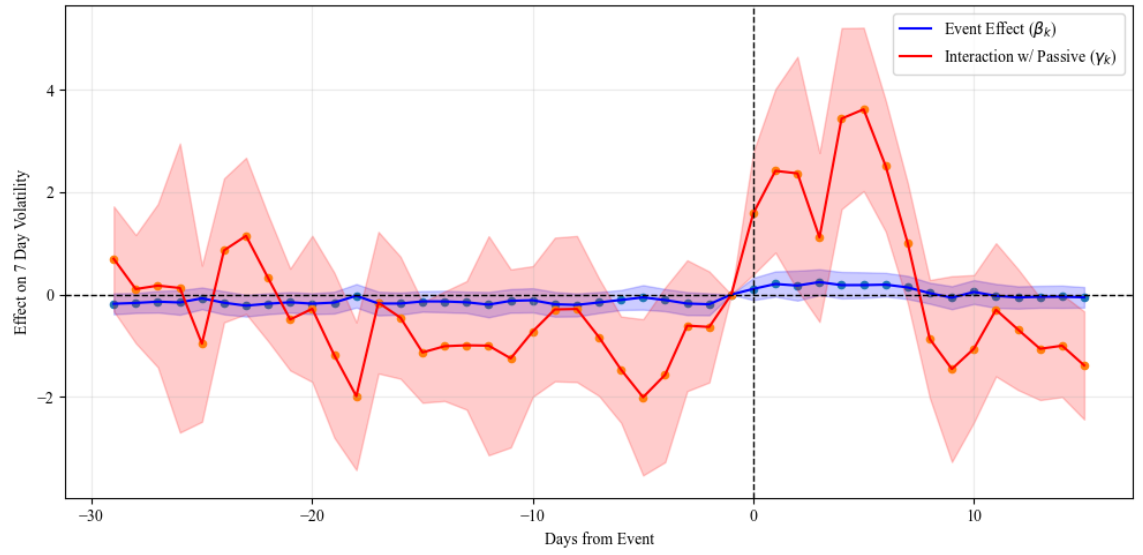


Figure 8: 7 Day Volatility Event Study

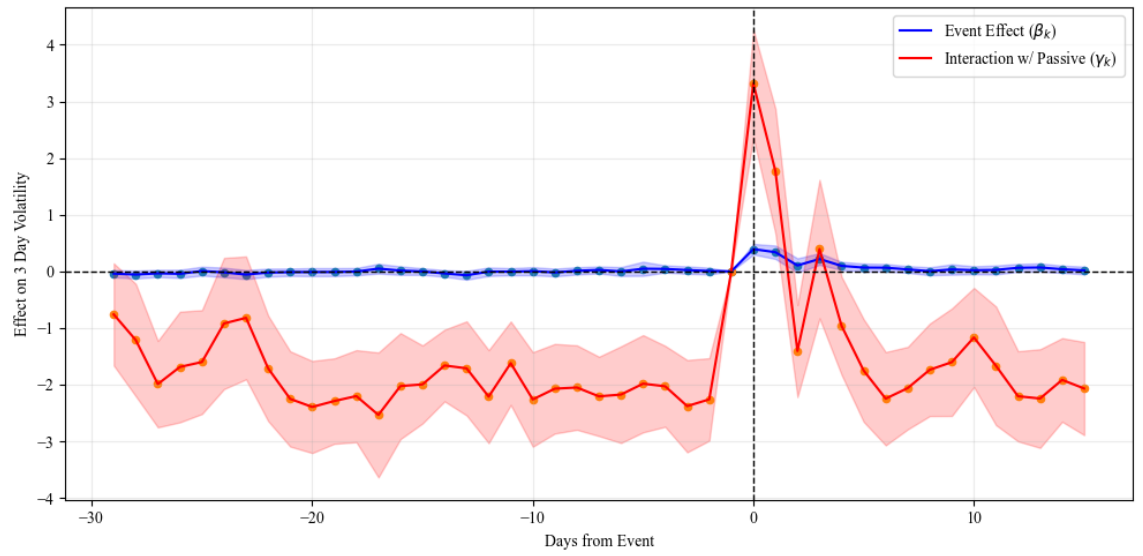


Figure 9: 3 Day Volatility Event Study With Fixed Effects

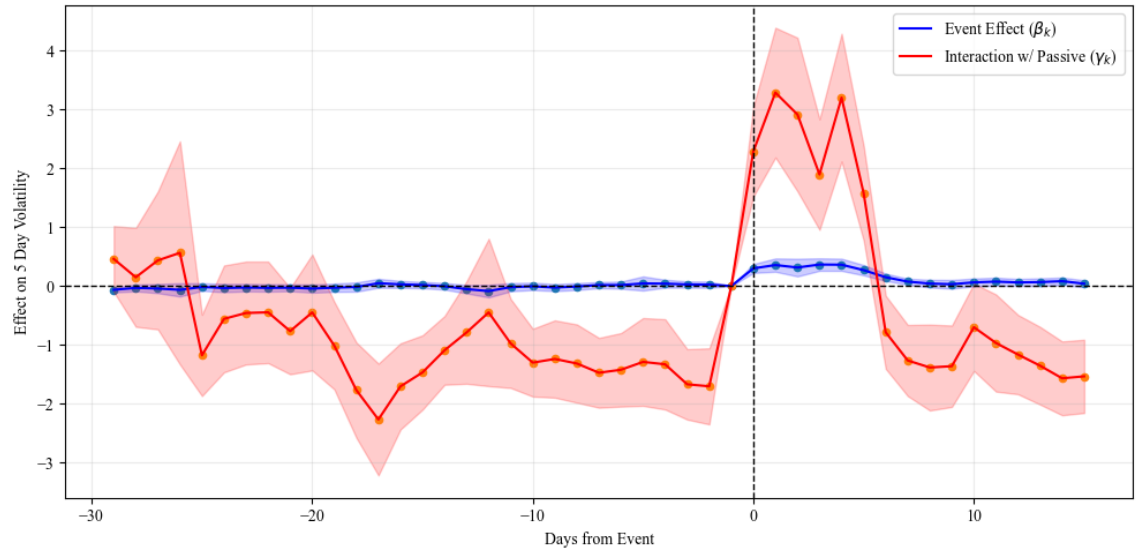


Figure 10: 5 Day Volatility Event Study With Fixed Effects

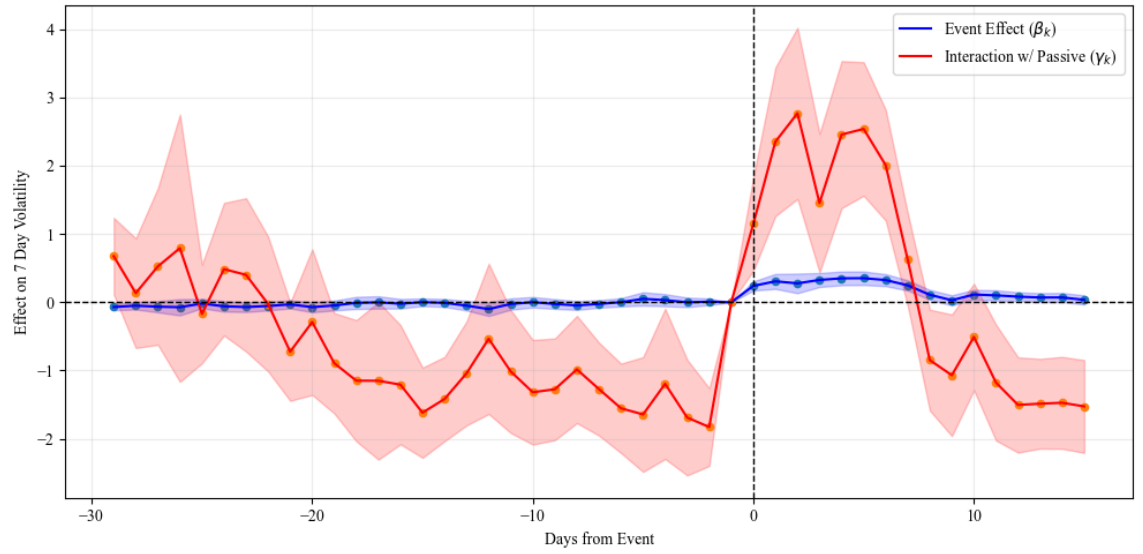


Figure 11: 7 Day Volatility Event Study With Fixed Effects

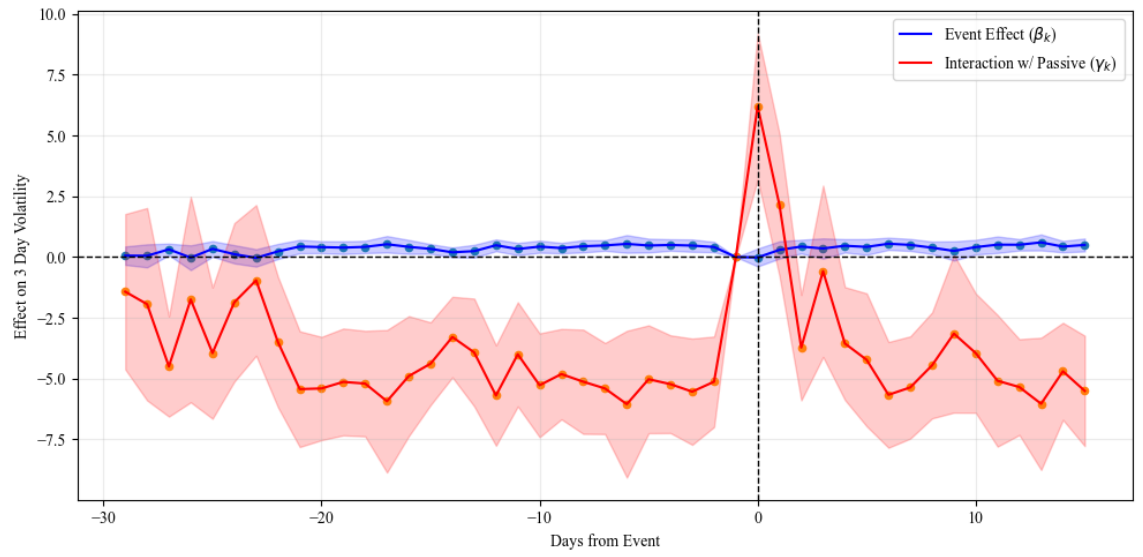


Figure 12: 3 Day Volatility Second Stage Event Study

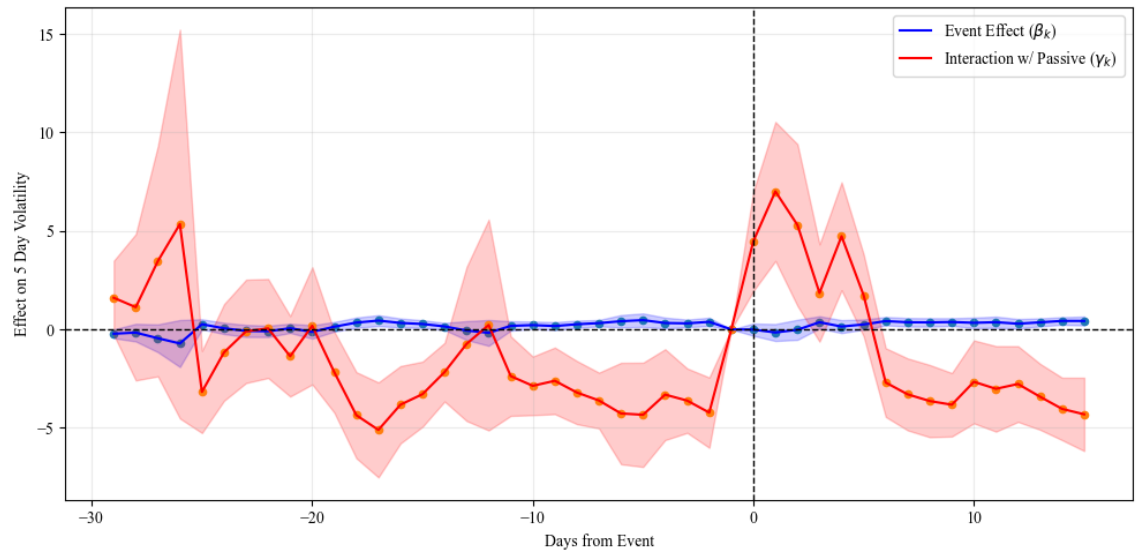


Figure 13: 5 Day Volatility Second Stage Event Study

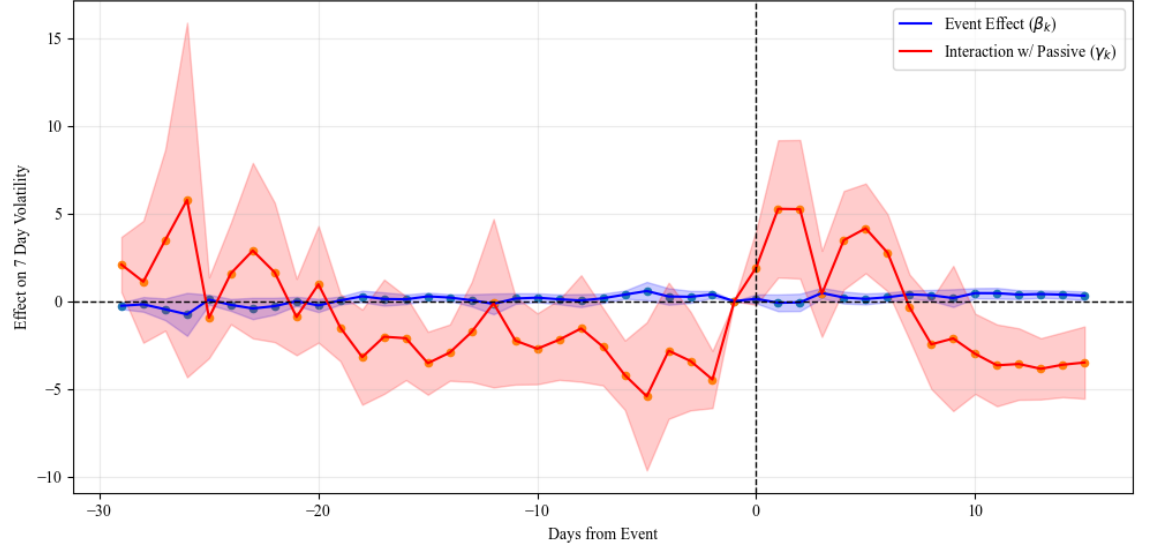


Figure 14: 7 Day Volatility Second Stage Event Study

## 0.2 Tables

Table 1: Summary Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Price	328958	60.1013	175.9282	0.0201	8382.63
Return	328958	-0.0004	0.0468	-0.8041	5.3827
Passive	328958	0.1402	0.1218	0.0	0.9394
3 Day Volatility	328958	1.0662	3.6552	0.0	374.6248
5 Day Volatility	328958	1.3828	4.4345	0.0	355.7887
7 Day Volatility	328958	1.6380	5.1611	0.0005	355.4092



Table 2: Baseline Event Study

	3 Day Volatility		5 Day Volatility		7 Day Volatility	
	(1)	(2)	(3)	(4)	(5)	(6)
Passive Share	5.5958*** (0.666)	3.7643*** (0.569)	5.8749*** (0.808)	3.5394*** (0.678)	6.7007*** (0.942)	4.0647*** (0.958)
Day -2	-0.1147* (0.069)	0.0057 (0.031)	-0.1418 (0.092)	0.0240 (0.027)	-0.1888* (0.109)	0.0081 (0.025)
Day 0	0.3168*** (0.093)	0.3925*** (0.048)	0.1921* (0.101)	0.2998*** (0.039)	0.1111 (0.111)	0.2393*** (0.034)
Day 1	0.2791*** (0.097)	0.3379*** (0.061)	0.2724** (0.116)	0.3567*** (0.058)	0.207 (0.126)	0.3064*** (0.0561)
Day -2 $\times$ Passive	-1.5355*** (0.378)	-2.2602*** (0.371)	-0.7154 (0.469)	-1.7024*** (0.329)	-0.6321 (0.553)	-1.8279*** (0.291)
Day 0 $\times$ Passive	3.5733*** (0.643)	3.3163*** (0.485)	2.6430*** (0.618)	2.2866*** (0.391)	1.5906*** (0.612)	1.1496*** (0.351)
Day 1 $\times$ Passive	1.7811** (0.6995)	1.7712*** (0.561)	3.3009*** (0.7829)	3.2858*** (0.562)	2.4176*** (0.815)	2.3515*** (0.556)
Sector Controls	Yes	No	Yes	No	Yes	No
Fixed Effects	No	Yes	No	Yes	No	Yes
Observations	328,958	328,958	328,958	328,958	328,958	328,958

Notes: Standard errors in parentheses. \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table 3: First Stage Regression

	Share Passive
In S&P 500	0.197*** (0.001)
Sector Controls	Yes
Observations	328,958

Table 4: Second Stage Event Study

	3 Day Volatility	5 Day Volatility	7 Day Volatility
	(1)	(2)	(3)
$\widehat{\text{Passive Share}}$	9.7995*** (2.444)	9.8503*** (3.204)	11.961** (4.832)
Day -2	0.4118*** (0.109)	0.3841*** (0.107)	0.3855*** (0.098)
Day 0	-0.0171 (0.188)	-0.0105 (0.158)	0.1319 (0.131)
Day 1	0.2938 (0.181)	-0.1563 (0.219)	-0.0946 (0.243)
Day -2 $\times$ $\widehat{\text{Passive}}$	-5.1294*** (0.949)	-4.2248*** (0.911)	-4.4625*** (0.829)
Day 0 $\times$ $\widehat{\text{Passive}}$	6.1973*** (1.534)	4.4778*** (1.289)	1.9168* (1.085)
Day 1 $\times$ $\widehat{\text{Passive}}$	2.1432 (1.495)	7.007*** (1.801)	5.2577*** (1.995)
Sector Controls	No	No	No
Fixed Effects	Yes	Yes	Yes
Observations	328,958	328,958	328,958

Notes: Standard errors in parentheses. \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .