

## 0.1 Figures

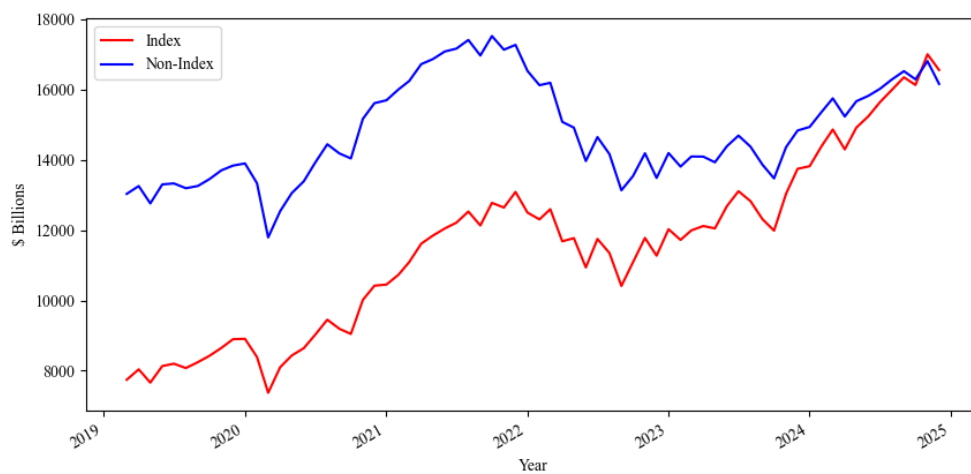


Figure 1: Index vs Non-Index Funds Total Assets

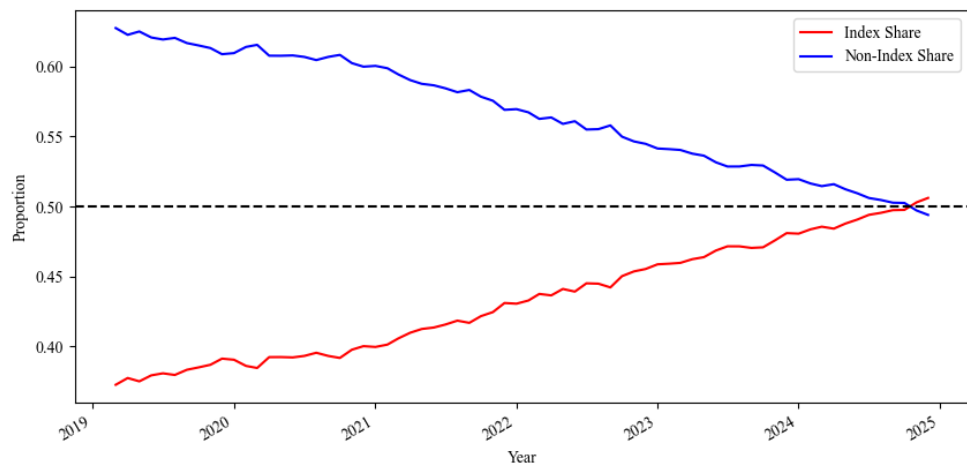


Figure 2: Index vs Non-Index Funds Share of Assets

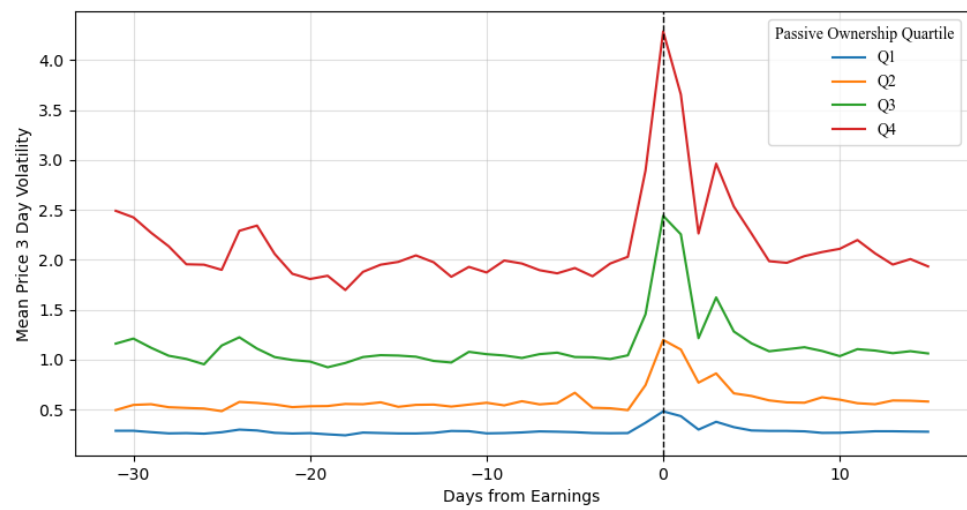


Figure 3: 3 Day Volatility Trends

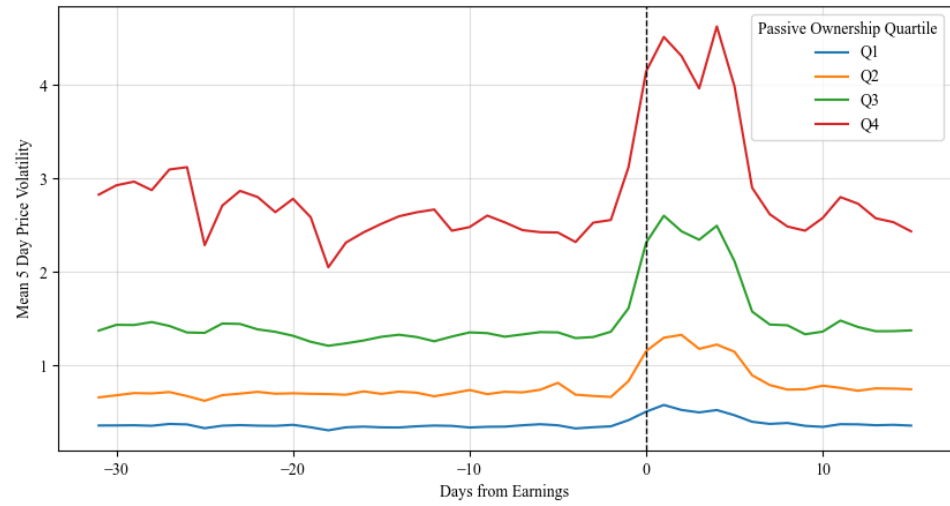


Figure 4: 5 Day Volatility Trends

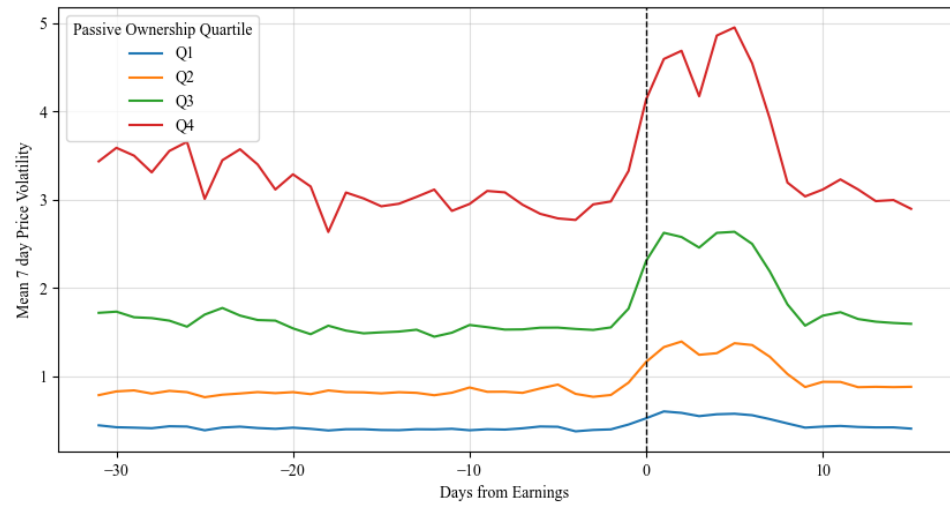


Figure 5: 7 Day Volatility Trends

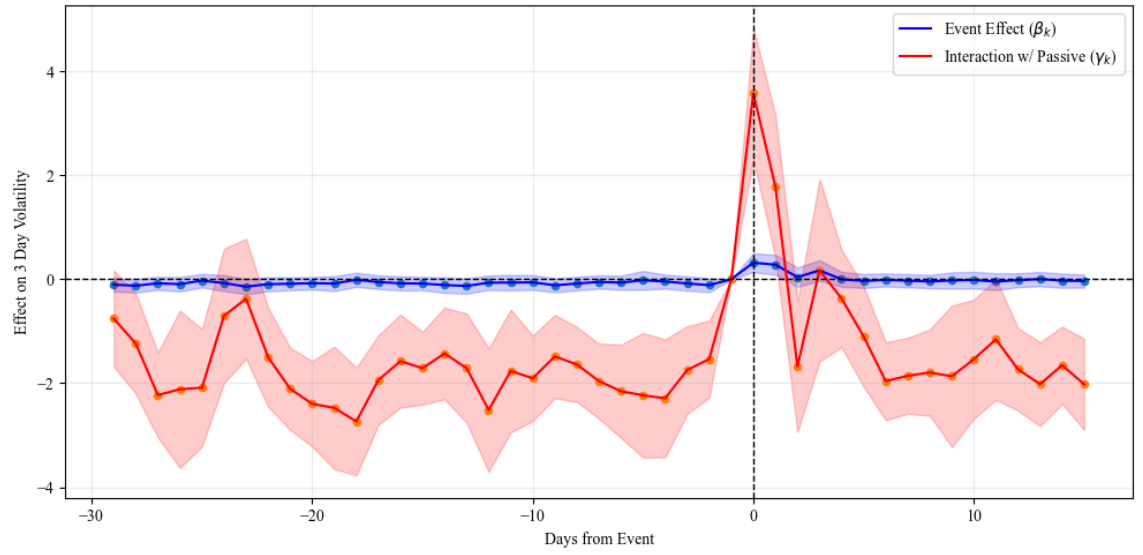


Figure 6: 3 Day Volatility Event Study

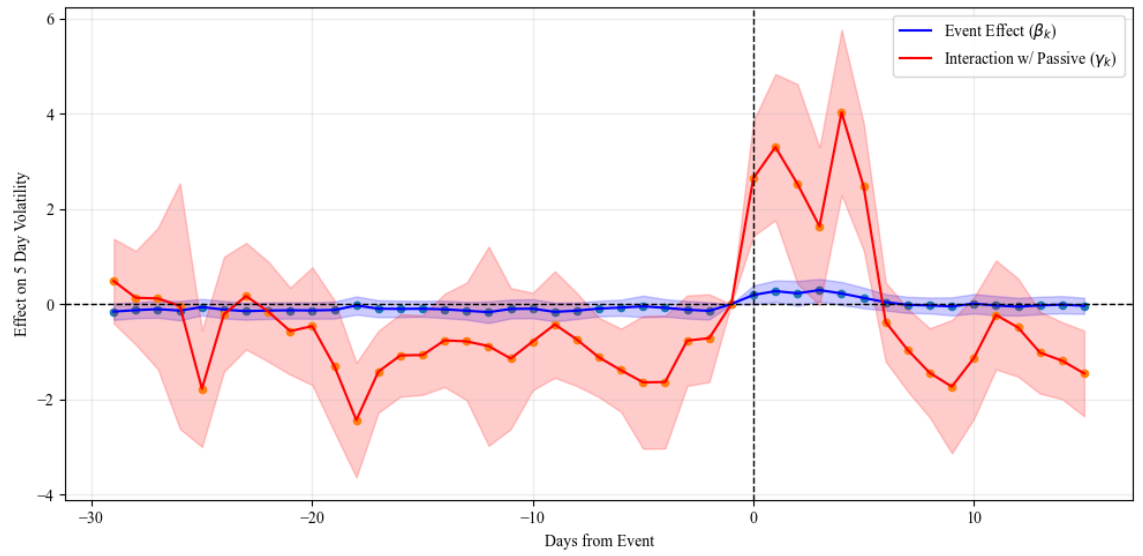


Figure 7: 5 Day Volatility Event Study

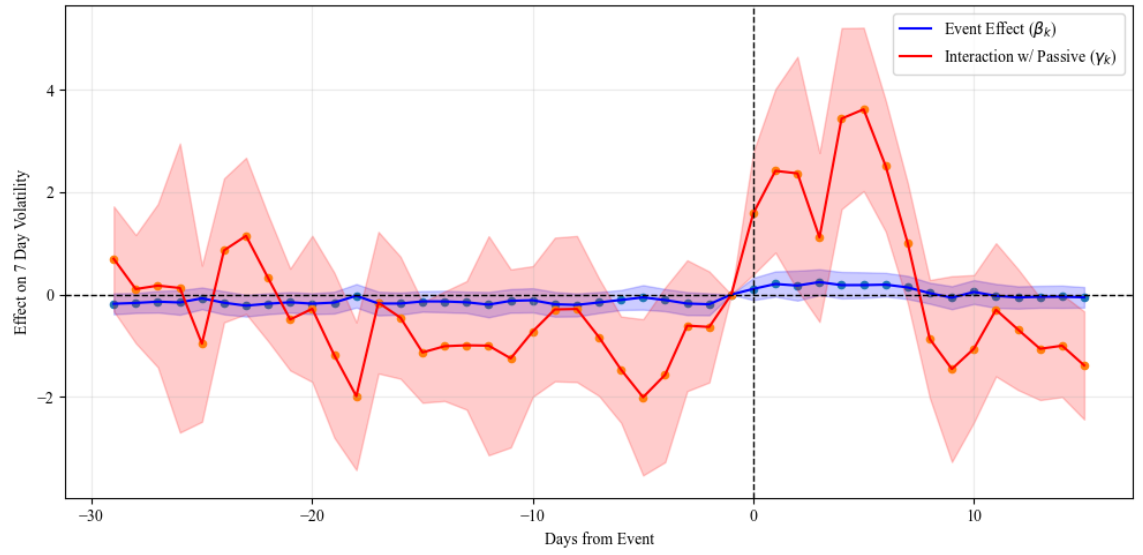


Figure 8: 7 Day Volatility Event Study

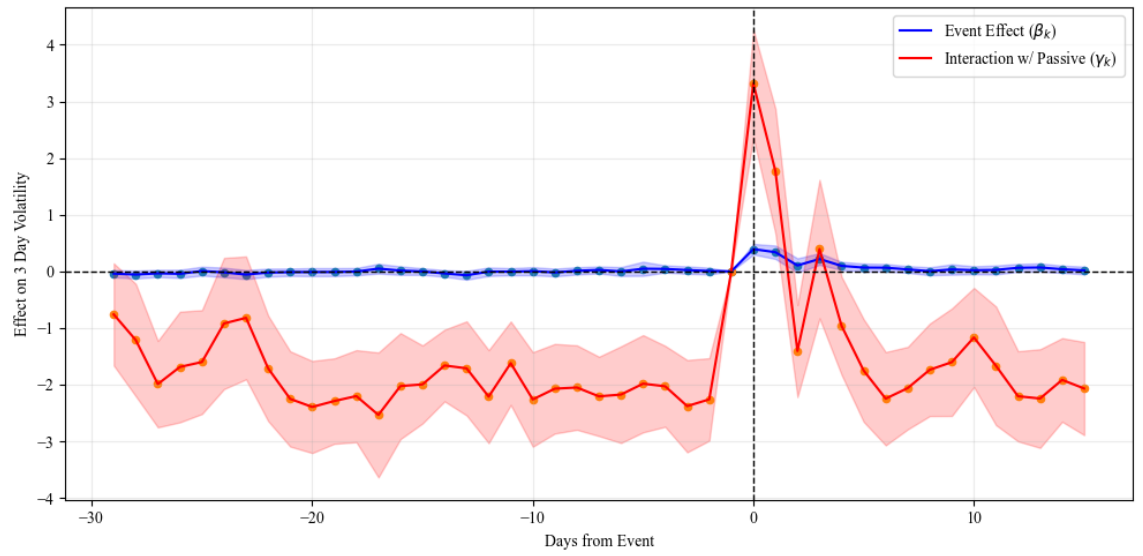


Figure 9: 3 Day Volatility Event Study With Fixed Effects

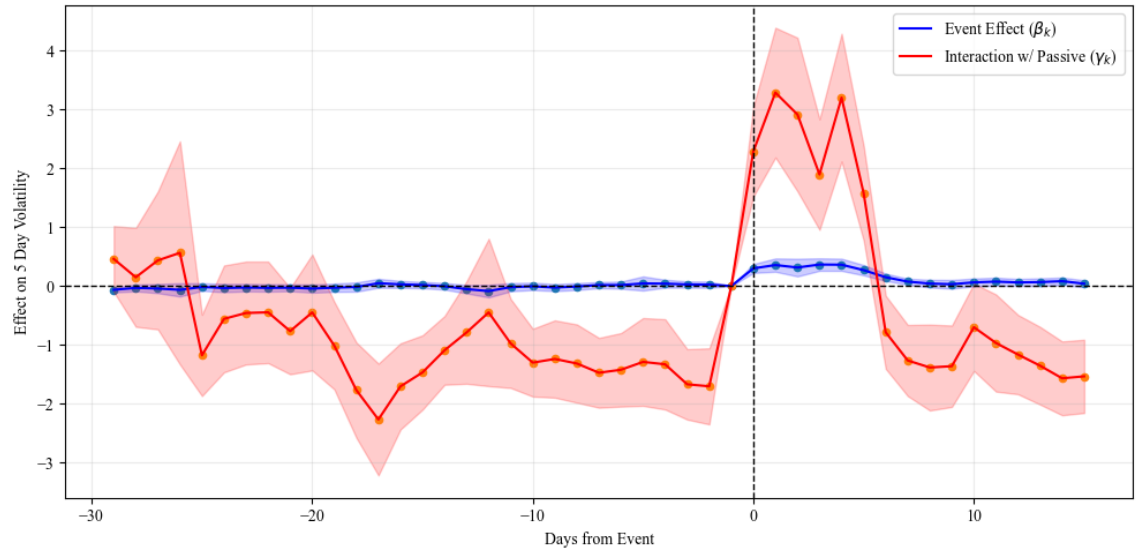


Figure 10: 5 Day Volatility Event Study With Fixed Effects

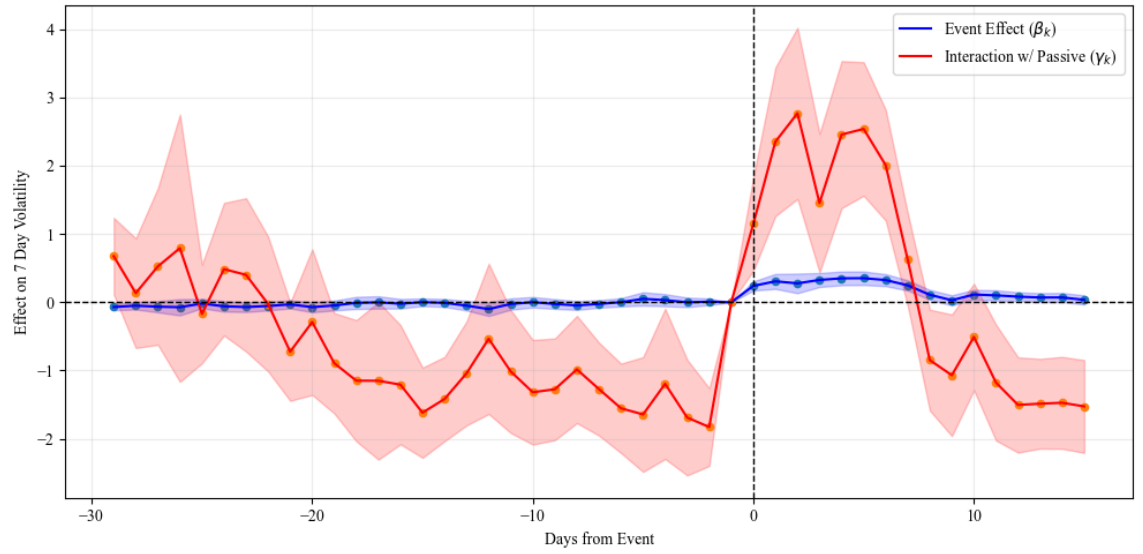


Figure 11: 7 Day Volatility Event Study With Fixed Effects

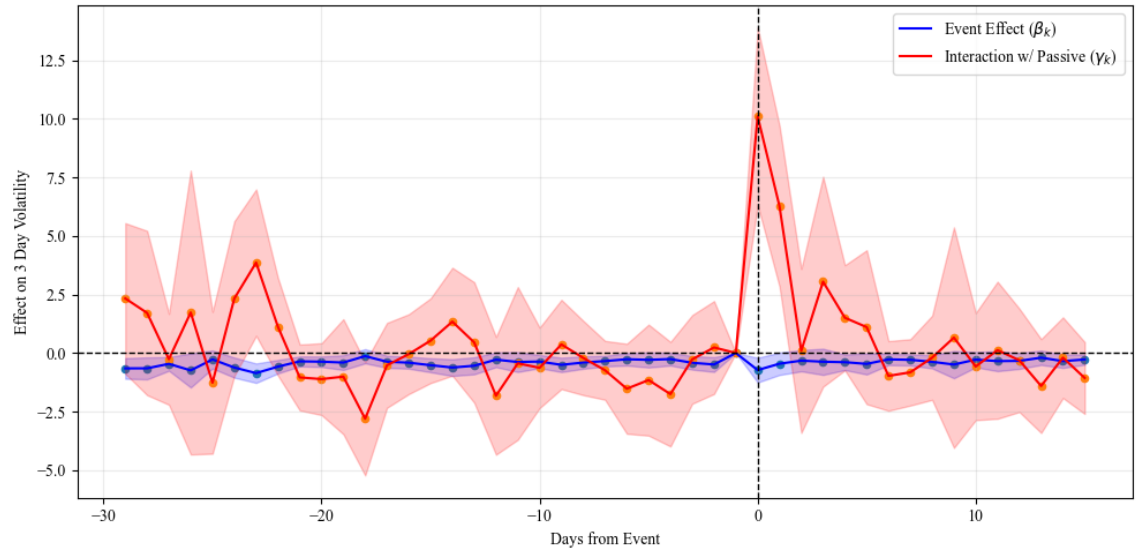


Figure 12: 3 Day Volatility Second Stage Event Study

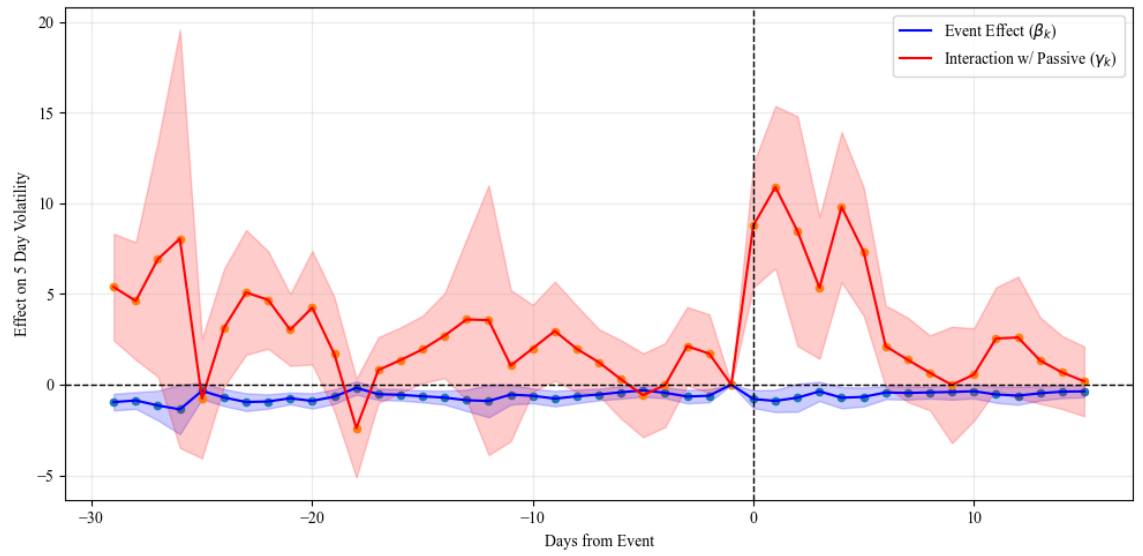


Figure 13: 5 Day Volatility Second Stage Event Study

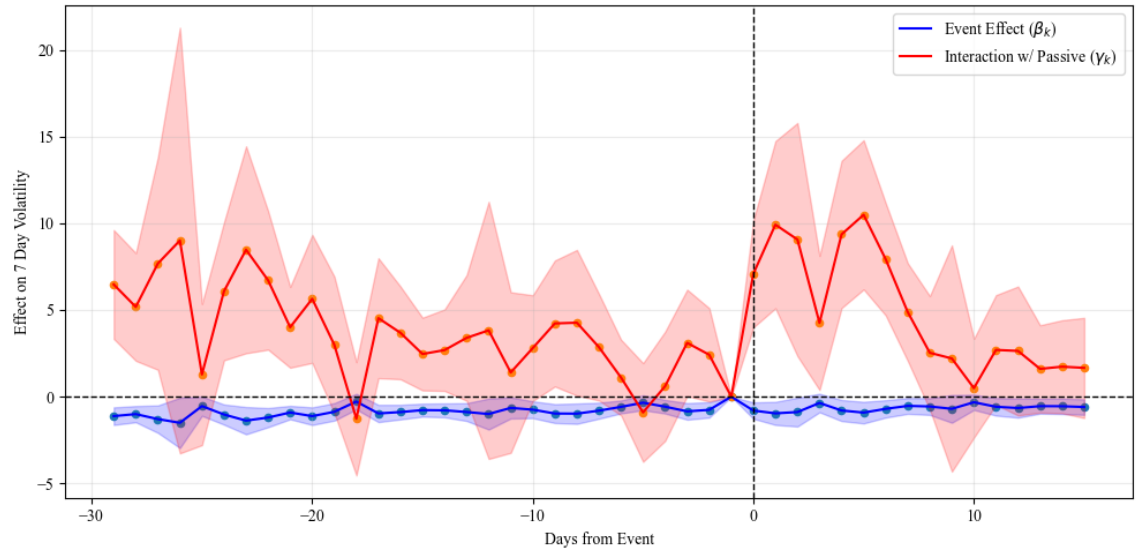


Figure 14: 7 Day Volatility Second Stage Event Study

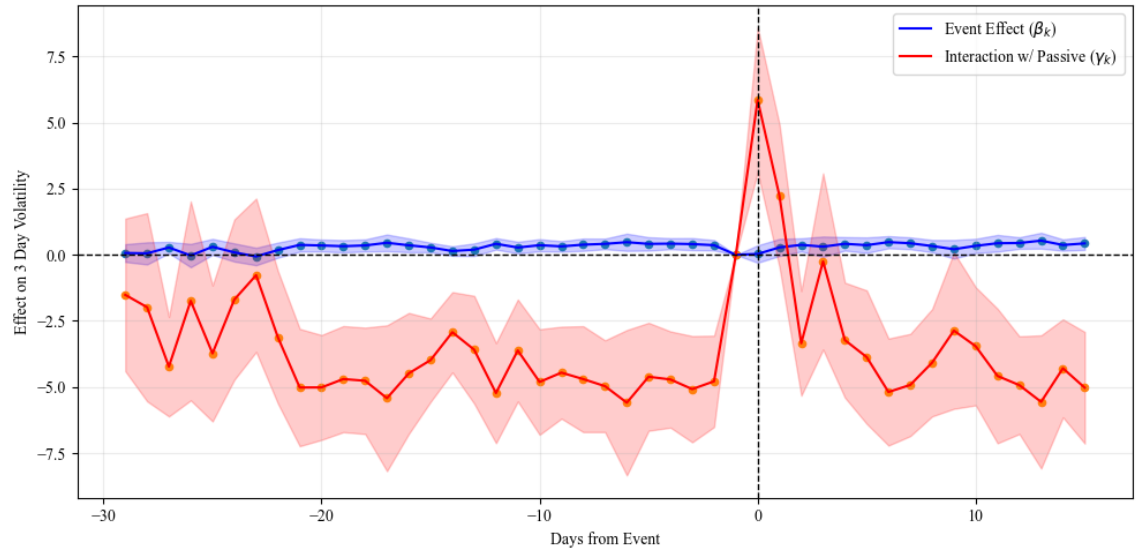


Figure 15: 3 Day Volatility Second Stage Event Study With Fixed Effects



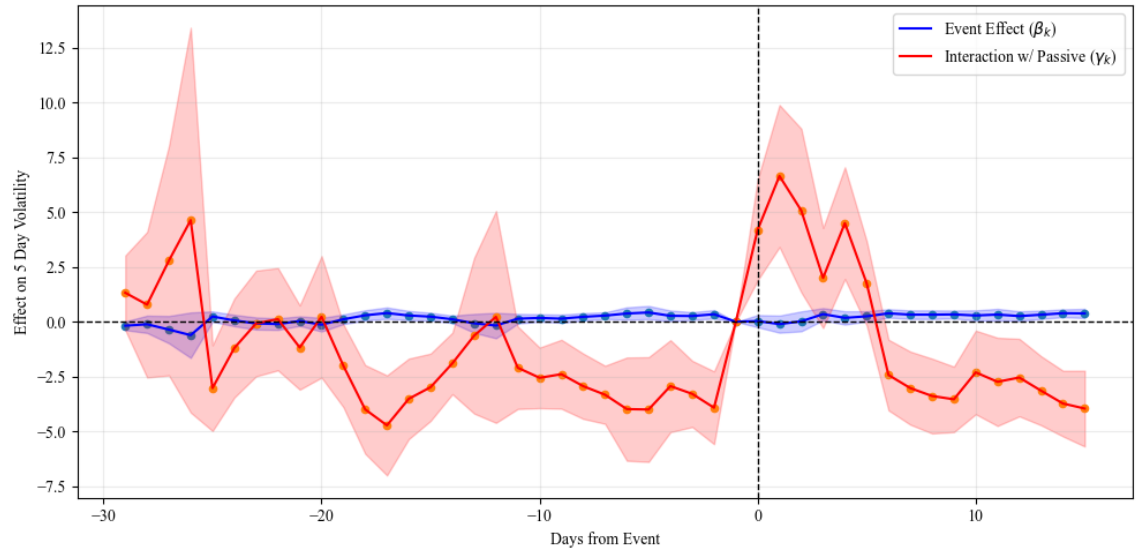


Figure 16: 5 Day Volatility Second Stage Event Study With Fixed Effects

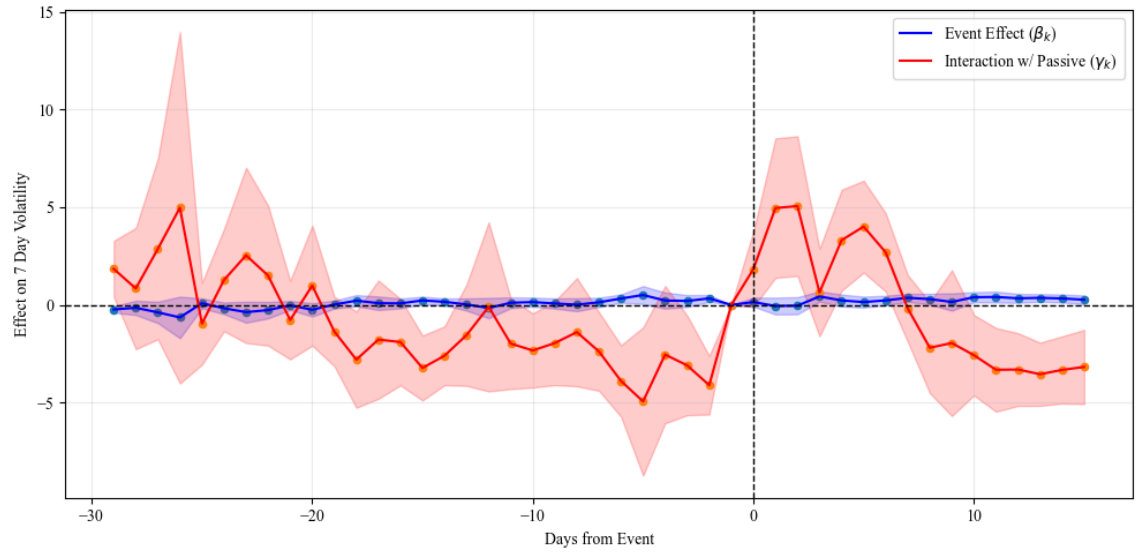


Figure 17: 7 Day Volatility Second Stage Event Study With Fixed Effects

## 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
F-test	134829.6395

Table 4: Second Stage Event Study

	3 Day Volatility		5 Day Volatility		7 Day Volatility	
	(1)	(2)	(3)	(4)	(5)	(6)
$\widehat{\text{Passive Share}}$	8.5789*** (1.088)	9.6878*** (2.489)	9.1813*** (1.349)	10.011*** (3.292)	10.548*** (1.585)	12.234** (4.946)
Day -2	-0.4900*** (0.161)	0.3640*** (0.099)	-0.6094*** (0.186)	0.3418*** (0.099)	-0.7599*** (0.227)	0.3358*** (0.089)
Day 0	-0.7289*** (0.269)	0.0322 (0.168)	-0.7951*** (0.251)	0.0302 (0.142)	-0.7998*** (0.241)	0.1448 (0.117)
Day 1	-0.4575* (0.244)	0.2803* (0.165)	-0.8952** (0.313)	-0.1078 (0.199)	-0.9609*** (0.339)	-0.0535 (0.219)
Day -2 $\times$ $\widehat{\text{Passive}}$	0.2376 (1.012)	-4.7847*** (0.881)	1.7106 (1.106)	-3.9228*** (0.848)	2.4156* (1.372)	-4.1086*** (0.765)
Day 0 $\times$ $\widehat{\text{Passive}}$	10.110*** (1.934)	5.8560*** (1.395)	8.7768*** (1.741)	4.1938*** (1.175)	7.0849*** (1.577)	1.8275* (0.987)
Day 1 $\times$ $\widehat{\text{Passive}}$	6.2813*** (1.755)	2.2324 (1.379)	10.901*** (2.283)	6.6497*** (1.654)	9.9171*** (2.459)	4.9564*** (1.822)
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.