

0.1 Figures

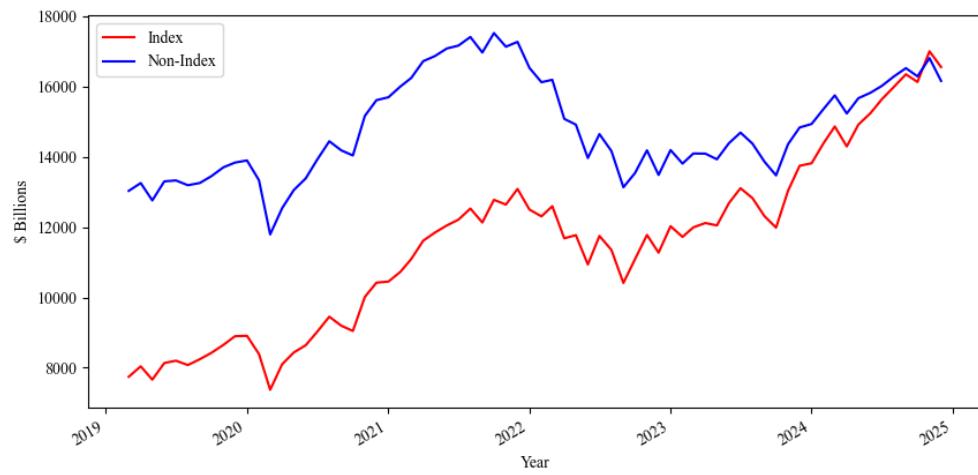


Figure 1: Index vs Non-Index Funds Total Assets

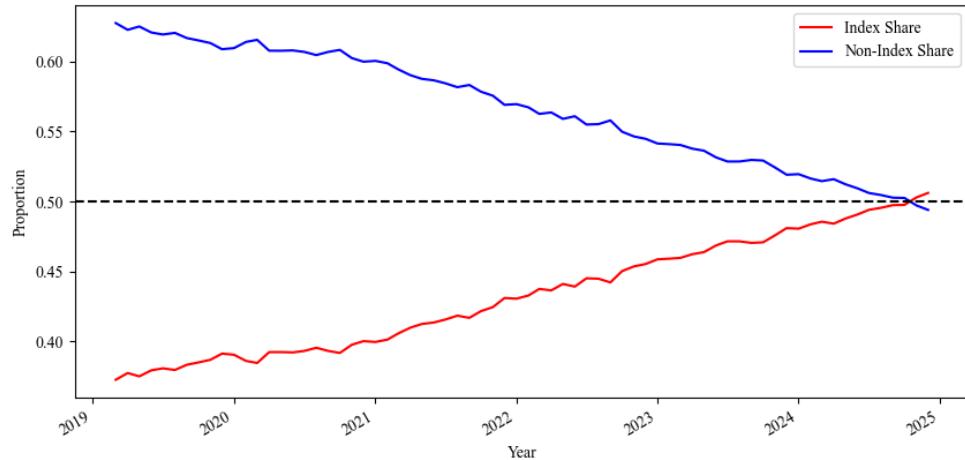


Figure 2: Index vs Non-Index Funds Share of Assets

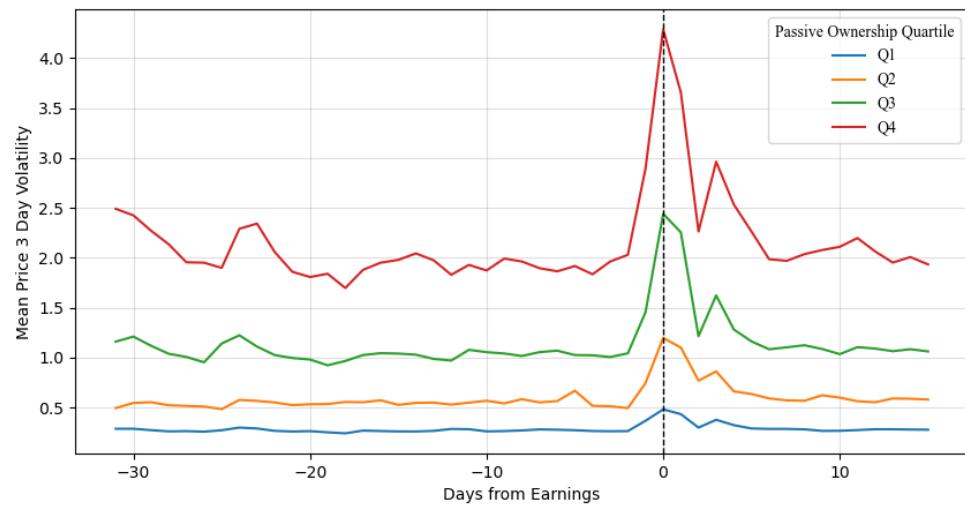


Figure 3: 3 Day Volatility Trends

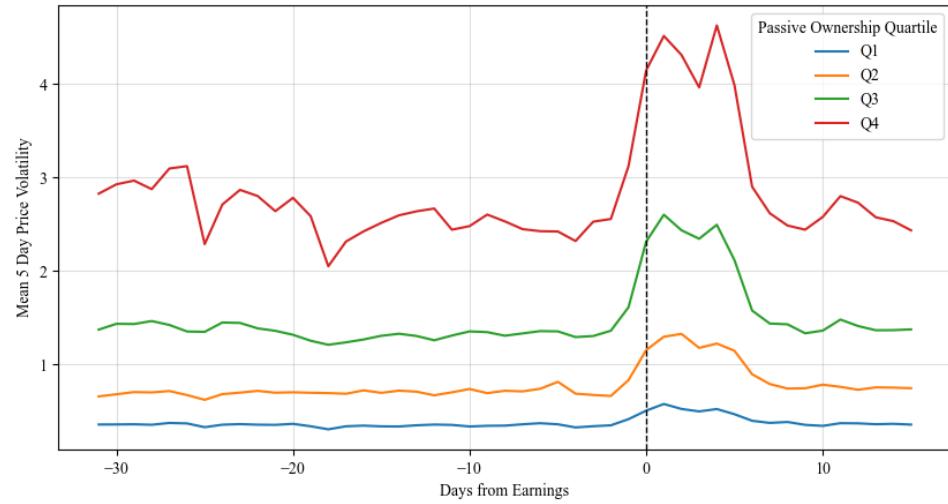


Figure 4: 5 Day Volatility Trends

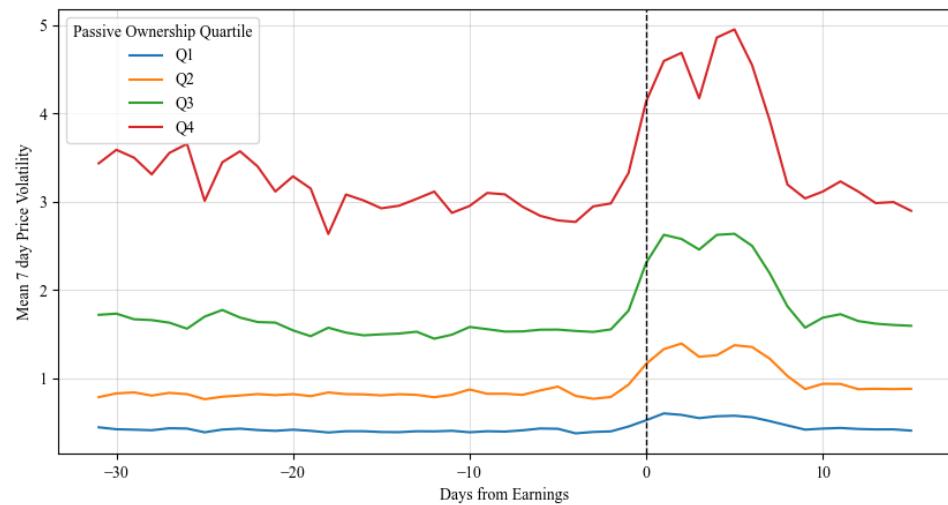


Figure 5: 7 Day Volatility Trends

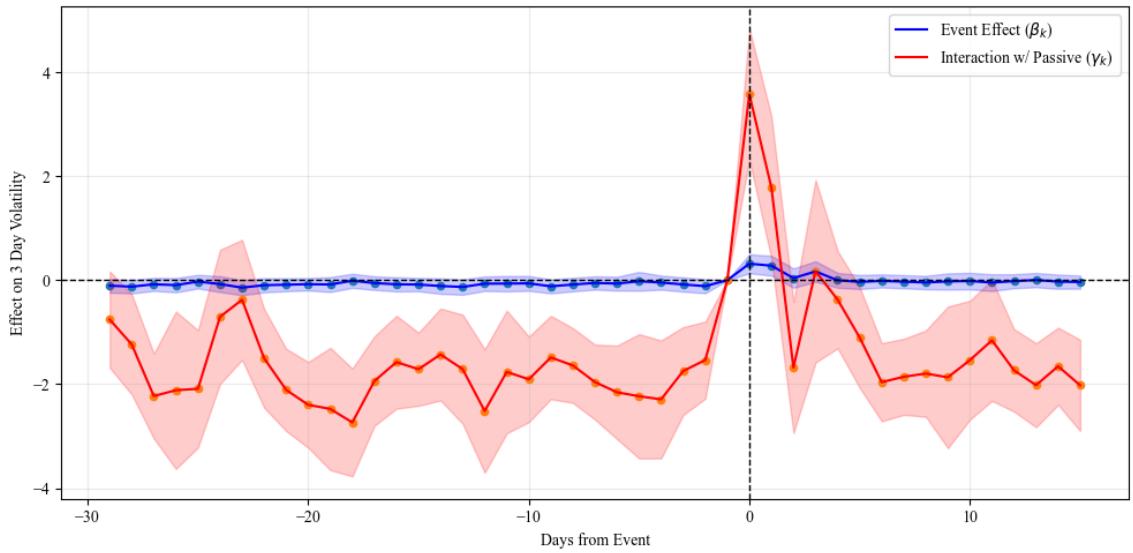


Figure 6: 3 Day Volatility Event Study

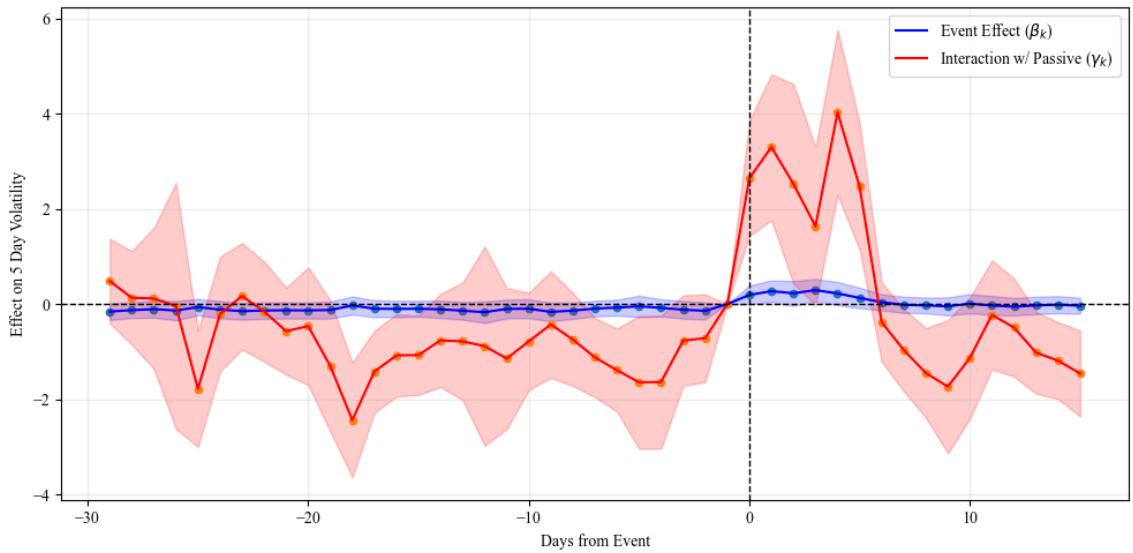


Figure 7: 5 Day Volatility Event Study

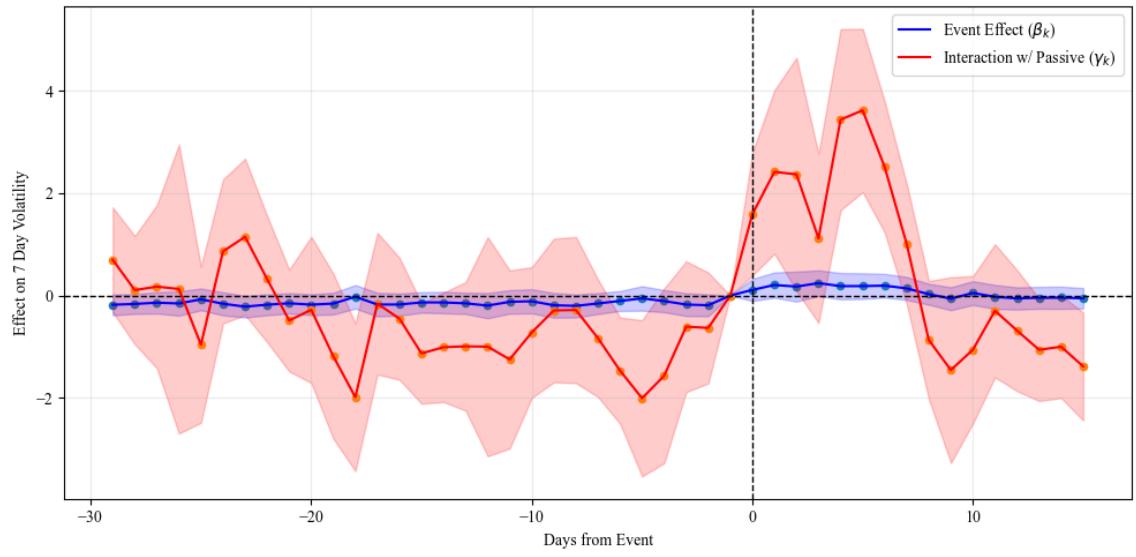


Figure 8: 7 Day Volatility Event Study

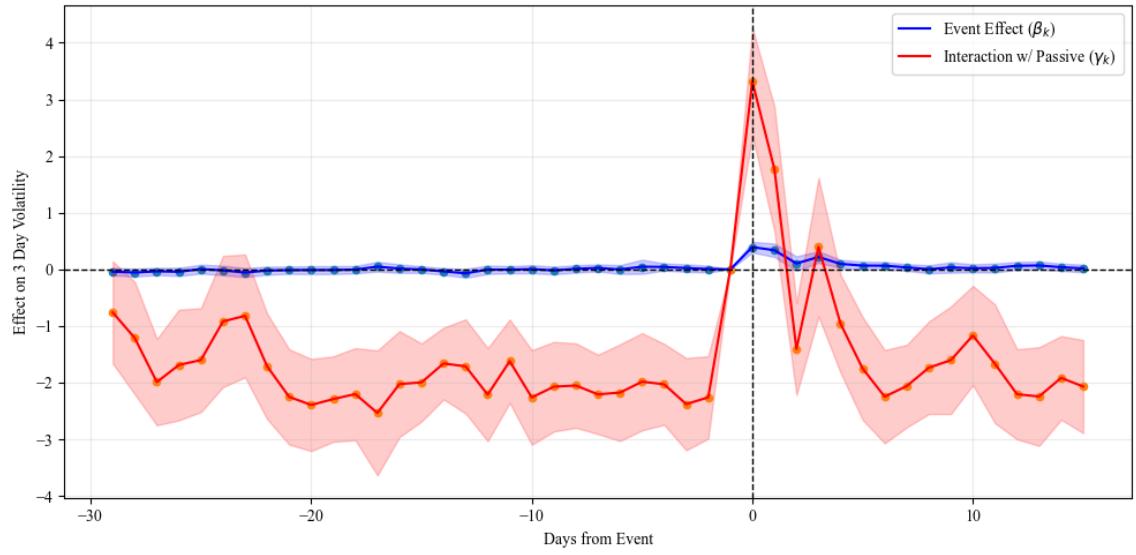
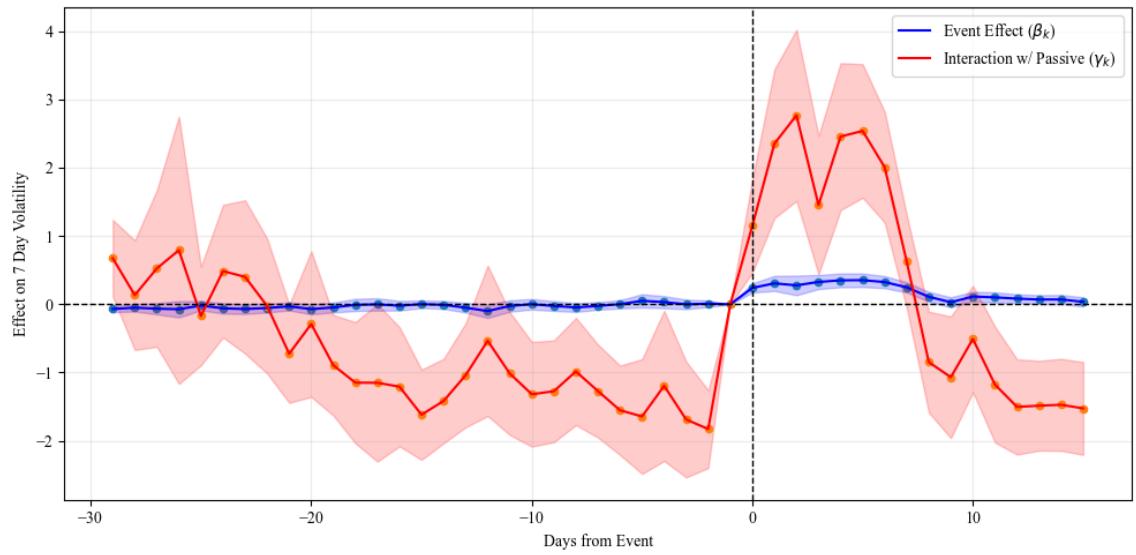
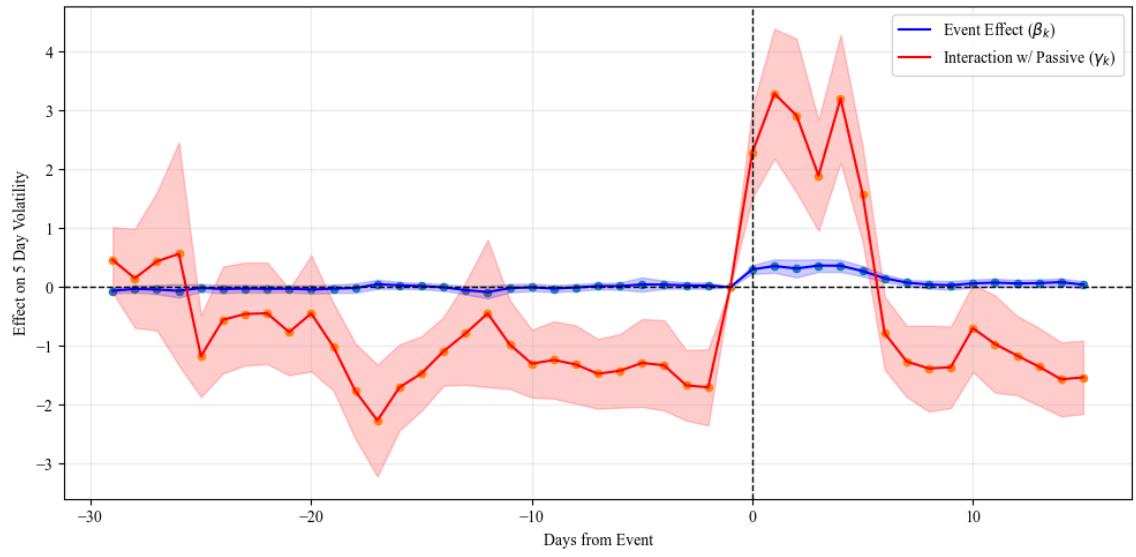


Figure 9: 3 Day Volatility Event Study With Fixed Effects



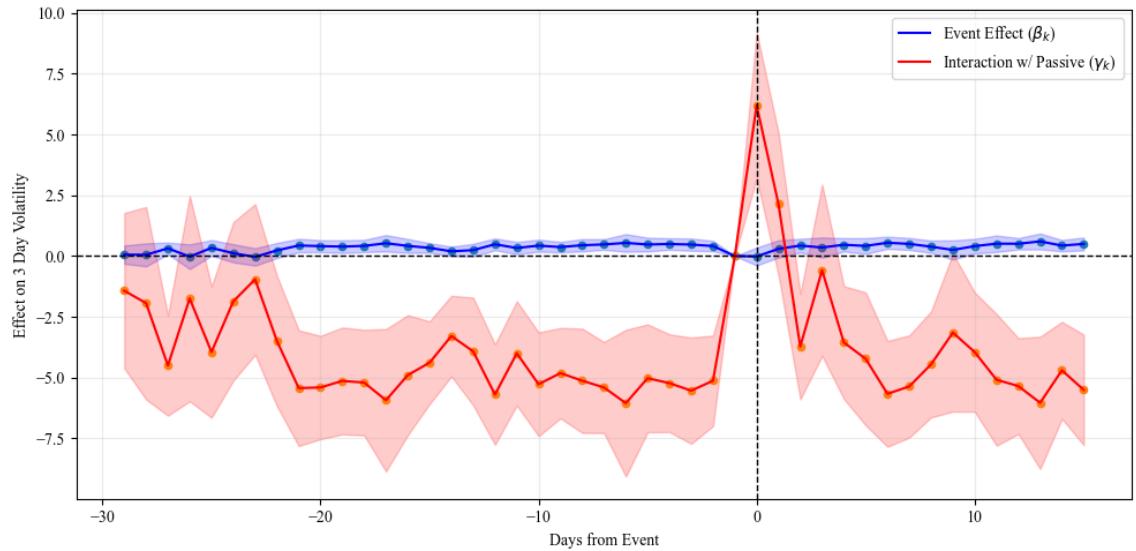


Figure 12: 3 Day Volatility Second Stage Event Study

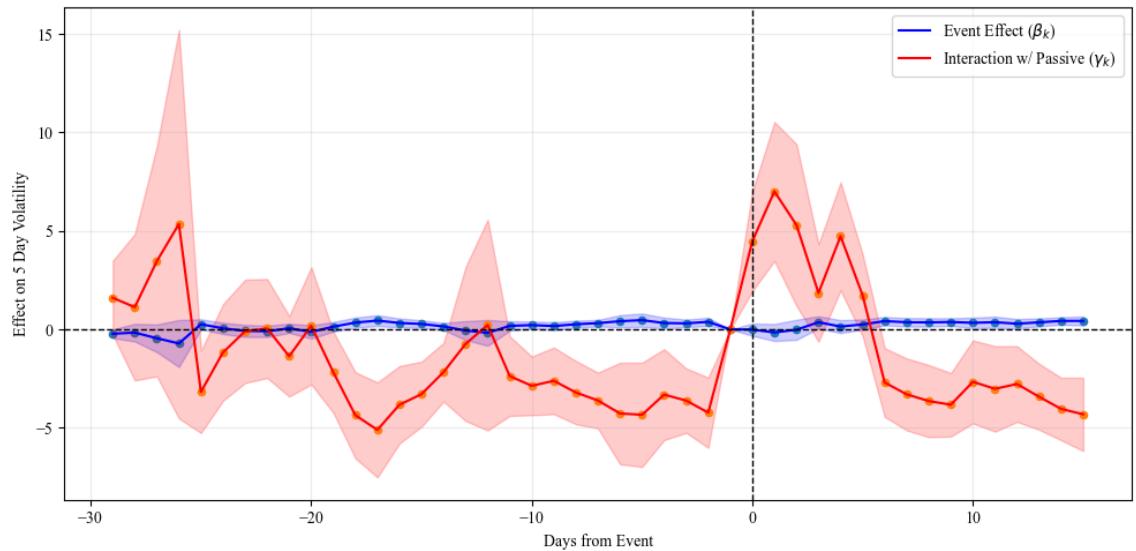


Figure 13: 5 Day Volatility Second Stage Event Study

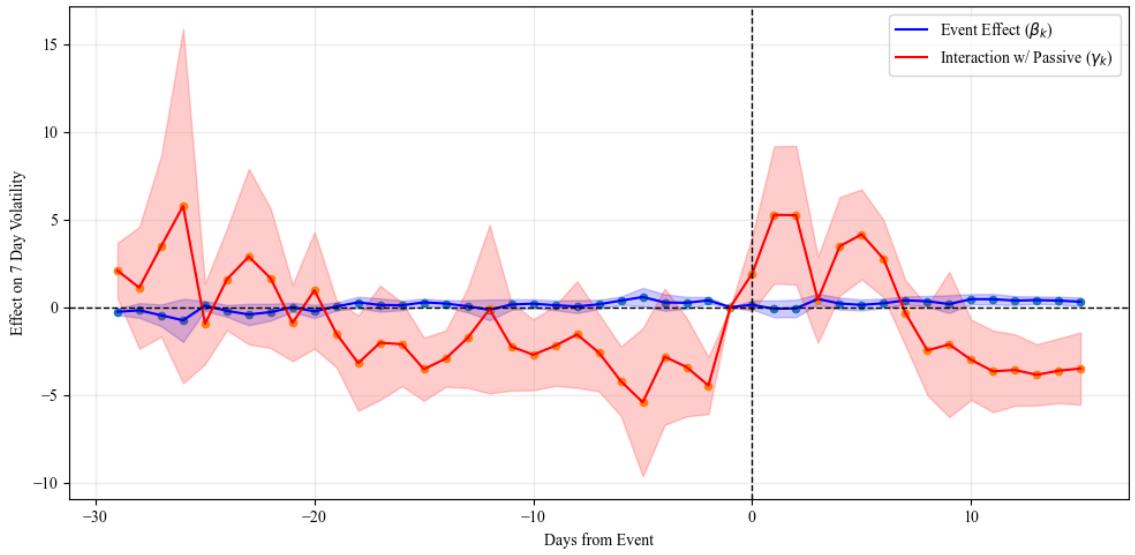


Figure 14: 7 Day Volatility Second Stage Event Study

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 × 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 × 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 × 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) |
| 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 × Passive | -5.1294*** (0.949) | -4.2248*** (0.911) | -4.4625*** (0.829) |
| Day 0 × Passive | 6.1973*** (1.534) | 4.4778*** (1.289) | 1.9168* (1.085) |
| Day 1 × 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.