

Appendix 3 - Winsorized regression of CAR253

Cross-sectional regressions of *CAR253* on all variables of interest with the dataset winsorized at the 1st and 99th percentiles. Models 1-4 show the results for the various skill measures. Model 5 uses the experience measure as the explanatory variable. Models 6-8 are analyzing the different size measures. All variables are explained in Appendix 1.

All models include time fixed and industry fixed effect whose estimates are omitted. In parentheses are t-statistics based on standard errors adjusted for heteroskedasticity and clustering by acquirer. ***, **, * indicate significance at the 1%, 5% and 10% level respectively.

Explanatory variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Top Alpha24	-0.402*							
	(-1.71)							
Top Alpha quarter		-0.166						
		(-0.72)						
Weighted Alpha24			3.404					
			(0.95)					
Weighted Alpha quarter				0.472				
				(0.95)				
Experience					-0.486			
					(-0.45)			
Fund family size (in \$bn)						0.013		
						(1.11)		
Fund size (in \$bn)							-0.044	
							(-0.29)	
Family invested (in \$bn)								-0.045
								(-1.30)
Top holdings	-34.147	-14.316						
	(-0.96)	(-0.34)						
Experienced holdings					-108.091*			
					(-1.91)			
Other holdings	-12.699	-28.355			-28.427			
	(-0.43)	(-1.08)			(-0.56)			
Total holdings			-31.030	-25.847		-38.667*	-26.977	-24.971
			(-1.45)	(-1.20)		(-1.68)	(-1.19)	(-1.15)
Size	0.634	0.102	-0.282	-0.317	-0.393	-0.487	-0.137	0.261
	(0.75)	(0.12)	(-0.48)	(-0.55)	(-0.64)	(-0.74)	(-0.19)	(0.34)
Private	0.443	0.173	0.141	0.088	-0.468	0.718	0.502	0.473
	(0.19)	(0.07)	(0.06)	(0.04)	(-0.20)	(0.30)	(0.21)	(0.20)
Relative size	1.636	1.545	1.351	1.320	-0.272	3.151	3.062	3.158
	(0.34)	(0.32)	(0.28)	(0.28)	(-0.05)	(0.65)	(0.63)	(0.65)
Cash	2.006	1.993	2.004	1.983	0.772	2.124	2.009	1.887
	(1.06)	(1.06)	(1.06)	(1.05)	(0.41)	(1.13)	(1.07)	(1.00)
Equity	-14.104***	-14.182***	-14.129***	-14.279***	-11.971**	-14.393***	-14.422***	-14.429***
	(-2.83)	(-2.85)	(-2.85)	(-2.87)	(-2.34)	(-2.89)	(-2.89)	(-2.90)
Past return	-50.747***	-50.655***	-50.498***	-50.771***	-48.277***	-50.403***	-50.395***	-50.412***
	(-24.59)	(-24.54)	(-24.26)	(-24.73)	(-21.91)	(-24.70)	(-24.74)	(-24.83)
Debt-to-assets	9.329	9.019	9.269	9.100	10.380	8.676	8.558	7.980
	(1.41)	(1.36)	(1.40)	(1.38)	(1.51)	(1.31)	(1.29)	(1.21)
Cash ratio	-0.431	-0.419	-0.384	-0.434	-0.315	-0.429	-0.414	-0.396
	(-0.72)	(-0.70)	(-0.64)	(-0.72)	(-0.49)	(-0.72)	(-0.69)	(-0.66)
Diversify	1.343	1.207	1.254	1.258	1.918	1.389	1.405	1.418
	(0.68)	(0.61)	(0.63)	(0.63)	(0.93)	(0.69)	(0.70)	(0.71)
Hostile	2.096	1.499	1.344	1.401	0.543	0.903	0.854	0.753
	(0.16)	(0.11)	(0.10)	(0.11)	(0.04)	(0.07)	(0.06)	(0.06)
Tobin's Q	-2.218**	-2.228**	-2.180**	-2.209**	-1.733*	-2.274**	-2.270**	-2.284**
	(-2.26)	(-2.27)	(-2.22)	(-2.25)	(-1.77)	(-2.31)	(-2.31)	(-2.33)
Intercept	-24.178	-14.057	-6.996	-6.123	-6.484	-1.322	-7.947	-15.728
	(-1.32)	(-0.78)	(-0.50)	(-0.44)	(-0.44)	(-0.09)	(-0.50)	(-0.92)
Adj. R-squared	0.299	0.298	0.298	0.298	0.274	0.298	0.298	0.298
Number of obs.	2,873	2,873	2,873	2,873	2,574	2,880	2,880	2,880