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Abstract

We investigate whether eponymous hedge funds—those named after their founder/manager—signal managerial ability or ethical behavior. While such funds do not outperform non-eponymous peers, they exhibit lower operational and fraud risks. Survey evidence supports these findings. Eponymous funds that violate regulations and breach investors' trust experience reduced investor flows despite strong performance. Offsetting these costs, eponymous fund managers benefit from lower failure rates and better contractual terms such as higher incentive fees and greater share restrictions. These results suggest that eponymy serves as a credible signal of ethical behavior and personal commitment, valued by investors beyond performance alone.

Keywords: Eponymy; hedge funds; performance; signaling; reputation; trust; ethics; integrity.

JEL classification: G23, G40, G41.

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1 Introduction

"I have been running friends' money for 50 years. Therefore I want to show I'm committed. It's not just that I have my money in the fund, that's easy. I want to show I'm accountable and here I am if you don't like it."

Richard de Lisle, Founder of De Lisle Partners LLP

When asked why he named his fund after himself, hedge fund manager Richard de Lisle explained that it was to signal his personal commitment and accountability in the fund. This intuition reflects a broader challenge in entrepreneurial finance: new ventures often struggle to attract investment due to a lack of reliable signals about managerial ability and firm quality (Shapiro, 1983; Amit, Glosten, and Muller, 1990; Shane and Cable, 2002). Naming a business, especially eponymously, may serve as such a signal, conveying unobservable traits like competence or integrity to outside investors. In this study, we investigate the implications of eponymy—naming a hedge fund after its founder—as a potential signal in financial markets. As Grossman (2005) noted in The Wall Street Journal, hedge funds are fundamentally entrepreneurial ventures, and their performance reflects the decisions and reputations of their founders. We ask whether eponymy in this context signals a manager's ability, trustworthiness, or both.

Our analysis is motivated by two theoretical frameworks. First, Belenzon, Chatterji, and Daley (2017) develop a signaling model where eponymy creates a tighter association between a firm and its founder, thus amplifying reputational stakes. Their model predicts that high-ability entrepreneurs are more likely to choose eponymy, implying better performance among

eponymous firms. Second, Gennaioli, Shleifer, and Vishny (2015) emphasize the importance of trust in the investment management industry, arguing that performance alone does not capture what investors truly seek. Related empirical studies show that trustworthiness, not just returns, plays a central role in investor decision-making.[1] Taken together, these theories suggest that eponymy may serve as a dual signal of both ability and integrity, especially in opaque and lightly regulated environments like hedge funds.

Hedge funds provide an ideal setting to examine these questions. First, the industry is characterized by significant information asymmetry and minimal regulatory oversight (Donaldson, 2008), making credible signals especially valuable. Second, we can observe fund-level outcomes, including performance, risk-taking behavior, regulatory violations, and return manipulation risk—metrics that proxy for both managerial ability and ethical conduct (Brown et al., 2009; Bollen and Pool, 2012).[2] Finally, unlike in private firms where ownership rarely changes hands, hedge fund investors can respond to performance and misconduct through capital flows, offering a more transparent view of the costs and benefits of reputational signaling.

We find that eponymy is relatively common among hedge funds. As of mid-2024, 6 of the 20 largest funds are named after their founders.[3] We construct a comprehensive database of 15,165 funds over the 1994–2018 sample period by merging four hedge fund databases and

[1] Mullainathan, Schwartzstein, and Shleifer (2008) show that many leading investment managers and registered investment advisers advertise their services based not on past performance but instead on trust, experience, and dependability. Empirical studies by Kostovetsky (2016) and Gurun, Stoffman, and Yonker (2018, 2021) support the importance of trust in mutual funds and investment advisory relationships, respectively.

[2] Note that we use trustworthiness, ethical behavior, and integrity interchangeably throughout the paper.

[3] These are Elliott Management (no.3) founded by Paul Elliott Singer, D. E. Shaw Group (no. 7) founded by David E. Shaw, Davidson Kempner Capital Management (no. 13) founded by Marvin Davidson and Thomas Kempner, Marshall Wace (no. 15) founded by Paul Marshall and Ian Wace, Brevan Howard Asset Management (no. 16) founded by Alan Howard and four associates and Ruffer (no. 19) founded by Jonathan Ruffer, Robert Shirley, and Jane Tufnell. See https://www.pionline.com/largest-hedge-funds/2024/full-list for a list of largest hedge funds in terms of assets under management as of June 30, 2024.

using different eponymy criteria to carefully identify eponymous funds in our sample.[4] Based on our main eponymy criterion, we identify 1,312 eponymous funds (8.65% of all funds in our sample) as those that carry at least the first, middle, or last name (or initials) of the founder (or a combination of such names (or initials) in the case of multiple founders) of the fund or the fund family it belongs to.

Our empirical analyses yield several key findings that are consistent with eponymy being used by fund managers to signal their ethical behavior rather than ability. First, controlling for a host of fund and fund family characteristics and potential selection bias associated with hedge fund managers choosing to be eponymous (through an entropy-balance matched sample analysis), we identify the determinants of eponymy. Eponymous funds tend to be smaller, have lower management fees but higher incentive fees, longer redemption notice periods, and are more likely to be U.S.-based. The finding that eponymous funds secure more favorable contractual terms—such as higher incentive fees and longer redemption and notice periods—provides preliminary evidence of both financial and non-financial benefits associated with adopting an eponymous naming strategy. Furthermore, we find that eponymy is more prevalent in funds i) run by solo managers, ii) not affiliated with financial conglomerates, iii) that are retail-oriented, and iv) that do not have outside ownership stake. These findings highlight that signaling ethical behavior through eponymy is more important when there is less monitoring, lower reputational capital, and greater information asymmetry, i.e., when fund managers have stronger incentives to signal their integrity via eponymy.

To understand managers' intentions and investor interpretations of eponymy, we conducted

[4]We exclude eponymous funds that have been founded a long time back as their founders are not alive anymore (e.g., Man Group, Lazard Asset Management, Julius Baer, and JP Morgan). Such founders are not involved in decision making and therefore there is little role for signaling in case of such funds.

two surveys: one with hedge fund managers and one with a broad set of participants across three groups to proxy for hedge fund investors. The survey among managers reveals that 81.81% cited trustworthiness, integrity, and ethical behavior as their primary motivation for using eponymy. Only 36.36% cited skill—and always alongside ethical motives. Complementary surveys across a wide range of participants from different demographic backgrounds show that over 40% of respondents across all samples interpret eponymy similarly, suggesting a broad alignment between hedge fund managers (sender of the signal) and investors (receiver of the signal) in the meaning of eponymy.[5]

Next, we examine whether eponymy is associated with fund performance or skill. Contrary to BCD's prediction if one interprets eponymy as signaling ability, we find no evidence that eponymous funds outperform, even after controlling for characteristics of funds and fund families, selection, and backfill bias. Nor are eponymous managers more skilled based on various hedge fund skill measures proposed in the prior literature. These findings, at first sight, might seem to be at odds with BCD (2017) predictions. However, note that in BCD (2017), eponymy signals not simply the ability of the entrepreneur but more generally the quality of the firm. We believe that a fund's quality is essentially multidimensional and is not only determined by fund performance, but also by another important dimension, which is manager's trustworthiness and integrity. Thus, if hedge fund managers and investors view eponymy as a signal about a fund's overall quality (as suggested by survey evidence), eponymy need not necessarily be associated with superior performance but may instead reflect higher ethical standards and integrity of the fund manager.

[5]In particular, we run a pilot study with our network of friends and colleagues (N = 89), a larger scale study with participants from the UK and the US on Prolific platform (N = 400), and a third study with Masters in Finance students across different business schools in France, India, the UK, and the US (N = 167), with a total of 656 participants.

Consistent with this broader interpretation, we find that eponymous funds exhibit lower operational risk and fewer violations and suspicious return patterns indicative of fraudulent behavior. To further bolster identification, we examine non-eponymous funds whose managers later launch eponymous funds. In particular, we focus on the sub-sample of non-eponymous funds and examine if the launch of an eponymous fund has an impact on the integrity and ethical conduct measures of the existing non-eponymous fund. Specifically, we define treated (control) funds as non-eponymous funds whose managers launch an eponymous (non-eponymous) fund in the same year t. The results of our analysis suggest that non-eponymous funds tend to have lower operational and fraud risk (significantly lower violations and max R^2 measure) following the launch of an eponymous fund by their managers. These results support the hypothesis that eponymy is a credible signal of managerial integrity.

We also explore the costs and benefits of signaling through eponymy. While eponymous managers who maintain investor trust face lower fund failure rates, those who violate that trust are punished more severely—both in terms of reduced inflows and higher likelihood of fund failure. Thus, eponymy creates both a reputational benefit and a cost, consistent with commitment-based signaling.

Finally, we use the actual fund violation data to investigate whether eponymy can strongly predict a fund's likelihood to engage in unethical behavior. We find that the predictive power of eponymy compares well with the operational and fraud risk measures proposed in the literature. Notably, unlike the operational and fraud risk measures that rely on historical data and require significant computation, eponymy is a simple and publicly observable characteristic available to investors at a fund's inception to provide an ex ante prediction of a manager's ethical behavior.

Our study contributes to the literature on eponymy, reputation, signaling, and entrepreneurial finance, particularly in the hedge fund context. We explore if eponymy can act as a tool for hedge fund founder-managers to signal their ability and/or ethical behavior to their investors, and if so, what are the potential implications of eponymy for fund performance and risk-taking. In this regard, our paper also extends the rich literature that examines how other fund characteristics can explain fund performance and risk-taking behavior.[6] In contrast, literature on how naming a fund can influence managers' and investors' behavior is relatively sparse. Green and Jame (2013) document that mutual funds with fluent names attract higher flows.[7] Joenvaara and Tiu (2023) show that hedge fund investors chase funds with names that convey power but such funds disappoint investors by delivering subpar performance. The focus of our paper is different as we examine whether fund managers use their own names to signal their ability or integrity, and the costs and benefits associated with such signaling. Our paper also complements several mutual fund studies, which document that fund investors respond favorably to funds whose managers strategically choose fund names to match with popular fund styles (Cooper, Gulen, and Rau, 2005) and respond unfavorably to funds with foreign-sounding manager names, consistent with investors exhibiting social biases (Kumar, Niessen-Ruenzi, and Spalt, 2015).

Our paper builds on and extends the growing literature on eponymous firms. Deephouse

[6]See for example Ackermann, McEnally, and Ravenscraft (1999), Liang (1999), Brown, Goetzmann, and Park (2001), Naik, Ramadorai, and Stromqvist (2007), Aragon (2007), Agarwal, Daniel, and Naik (2009), Aggarwal and Jorion (2010), Titman and Tiu (2011), Getmansky (2012), Sun, Wang, and Zheng (2012), Schaub and Schmid (2013), Aiken, Clifford, and Ellis (2015), Agarwal, Ruenzi, and Weigert (2017), and Gao, Haight, and Yin (2020) for studies on the cross-sectional relation between fund performance and different fund characteristics such as lockup period, fees, fund age, and uniqueness of investment strategy.

[7]Green and Jame (2013) also show that companies with fluent names have higher investor recognition and higher valuations. Cooper, Dimitrov, and Rau (2001) show that companies that change their name to a dotcom name earn significant abnormal returns, suggesting investors' preference for companies associated with internet during the dotcom bubble.

and Jaskiewicz (2013) find that eponymous family firms tend to have stronger reputations, attributed to heightened motivation among family members compared to their non-family counterparts. Guzman and Stern (2015, 2017) document that eponymous firms exhibit lower growth rates, which BCD (2020) explain through a theoretical model in which founders prioritize reputation ("glory") over growth, particularly in environments where external investors face high costs in assessing entrepreneurial quality. Kliger, Mugerman, and Rooz (2024) provide evidence from Israel that eponymous firms are subject to self-serving belief biases, leading to overly optimistic cash flow forecasts. Minichilli et al. (2022) further show that eponymous private firms in Italy exhibit higher financial reporting quality, consistent with reputational concerns driving more transparent disclosure. The hedge fund setting offers a rich context to extend this literature in several ways. First, we conduct a detailed empirical investigation of eponymy as a signal of both managerial ability and ethical behavior, rather than focusing exclusively on performance or disclosure. Second, we examine the economics of eponymy through a cost–benefit lens, analyzing how investors respond to eponymous naming decisions. Finally, we provide new evidence via a survey on the incentives behind managers' choice to adopt eponymy, offering insights into how naming functions as a strategic reputational signal in financial markets. To the best of our knowledge, ours is the first study in the hedge fund literature to use a survey of hedge fund managers to validate the signaling of trust as a motive behind eponymy.

Our paper offers important implications for hedge fund investors, who are often required to commit substantial capital (due to high minimum investment thresholds), face limited liquidity (due to lockup periods), and incur significant search costs (due to limited disclosure by fund managers). In such an environment, investors may need to rely on qualitative cues

to assess a manager's ability and trustworthiness. Our findings suggest that, even though eponymy is not associated with superior performance or skill, it can nonetheless serve as a valuable signal for identifying trustworthy managers.

2 Data sources and variable construction

Our analysis is based on 15,165 funds with manager/founder names during the period from January 1994 to December 2018. We start in 1994 when commercial databases started tracking defunct funds to mitigate survivorship bias concerns. Hedge fund data come from four data vendors: Eureka, HFR, Morningstar, and Lipper TASS. To estimate the risk-adjusted fund performance or alphas, we obtain Fung and Hsieh (2004) factors from David Hsieh's data library.[8]

2.1 Construction of eponymy variable

Our data contains information on a hedge fund's name, a hedge fund's parent company's name, and a hedge fund manager's name. We construct our main eponymy variable as follows:

$$Eponymy = \begin{cases} 1, & \text{if a fund or company name includes the first, middle, or last name (or initials) of the founder, or a combination of such names (initials) in the case of multiple founders} \\ 0, & \text{otherwise} \end{cases}$$

It is important to note that several funds in our dataset meet our eponymy criterion—being named after their founders. However, these funds were established in the eighteenth, nineteenth,

[8]Source: https://faculty.fuqua.duke.edu/∼dah7/HFRFData.htm

or early twentieth century. Notable examples include Jones Lang LaSalle (founded in 1783 by James Jones), Kleinwort Benson (1786 by Robert Benson), J.P. Morgan (1799 by John Pierpont Morgan), Lazard Asset Management (1848 by Simon Lazard), and Julius Baer Group (1890 by Julius Baer). We exclude such funds from our analysis for two key reasons: (i) they were not originally created as hedge funds, and (ii) their founders are no longer alive, and thus no longer involved in the fund's management or decision-making processes. As a result, these funds are not suitable for testing our central hypothesis—that eponymy signals a manager's ability or integrity. Our analysis therefore focuses exclusively on funds whose founders are still alive and actively involved in managing the fund.

Using the above criterion, we end up with 1,312 funds that correspond to 8.65% of all the funds with manager information in the database, suggesting that eponymy is not an uncommon practice in the hedge fund industry.[9]

2.2 Other variable definitions and summary statistics

Before proceeding with our empirical analyses, we present the definitions and summary statistics of all variables—both dependent and independent—used in our tests. To measure hedge fund performance, we rely on two metrics: the fund's annual raw return for year t, and its annual alpha, calculated by cumulating monthly alphas estimated using 24-month rolling windows each year. To capture managerial integrity, we employ six proxy variables, comprising two measures of operational risk and four indicators of fraud risk. The operational risk measures include *Violation*, a binary indicator equal to one if the fund manager has

[9]Our results are not sensitive to this definition of eponymy. We further use four different subsets of our comprehensive eponymy definiton and our main results using these alternative definitions are essentially similar. See Section A.4 and Table A.8 in the Online Appendix.

been cited for violations of regulatory, civil, or criminal law, and *Omega*, the fund's ω-score as proposed by Brown et al. (2009), which reflects exposure to operational risk, estimated through canonical correlation analysis.[10] To assess fraud risk, we adopt four performance flag indicators from Bollen and Pool (2012), selected based on their high rejection rates among funds with reported violations. These are *Kink* that signals a discontinuity at zero in the return distribution, *% Negative* that flags an unusually low number of negative monthly returns, *% Repeat* that flags excessive repetition of identical returns, and *Max* R^2 that flags suspiciously low explanatory power in return regressions (adjusted R^2 not significantly different from zero). All performance flags are defined at the 10% significance level, and following Lu, Naik, and Teo (2024), we estimate them using two-year non-overlapping windows over our entire sample period.

In addition to our main variable of interest, i.e., *Eponymy*, we control for a total of 17 variables, including 13 fund-level and 4 family-level characteristics. The fund-level controls include assets under management, management fee, incentive fee, minimum investment amount, an indicator variable for the use of leverage, lockup period, redemption period, notice period, a high watermark indicator equal to 1 if the fund uses a high watermark policy and 0 otherwise, a hurdle rate indicator equal to 1 if the fund has a hurdle rate and 0 otherwise, fund age, a US domicile indicator equal to 1 if the fund is domiciled in the US and 0 otherwise, and *Solo manager*, an indicator equal to 1 if the fund is managed by a single manager, and 0 otherwise.[11]

[10]Violation data is sourced from Form ADV filings, available beginning in 2011 following the implementation of the Dodd-Frank Act. In contrast, ω-score can be estimated over the full sample period, but only for funds in the Lipper TASS database, as this database uniquely provides the necessary information regarding manager coinvestment and acceptance of managed accounts. However, our key results remain robust when using a larger sample across all four databases, even without these additional inputs.

[11]The management fee is a fixed percentage of AUM. The incentive fee is a fixed percentage of the fund's net annual profits above a specified hurdle rate. The minimum investment is the initial amount required for investment. The lockup period refers to the initial time period after an investor commits capital during which no withdrawals are allowed. The redemption period is the frequency or interval at which investors are allowed

The fund family-level controls are $AUM_{Fund\,family}$, total assets under management of the fund's parent organization, *FCAHF*, an indicator equal to 1 if the fund is affiliated to a financial conglomerate, and 0 otherwise, *Retail oriented*, an indicator equal to 1 if a fund primarily serves retail investors, and 0 otherwise, *Outside ownership*, an indicator equal to 1 if a fund has sold an equity stake to external investors, and 0 otherwise.

Table 1 presents the summary statistics of all the variables used in our study.[12]

3 Determinants of eponymy

We begin our analysis by investigating potential determinants of eponymy. In particular, we estimate the following multivariate regressions (or subsets of it):

$$Eponymy_{it} = \alpha_0 + FundCharacteristics'_{it}\beta + FundFamilyCharacteristics'_{it}\lambda + \epsilon_{it}, \quad (1)$$

where $Eponymy_{it}$ is an indicator variable that takes on a value of 1 if fund i is identified as eponymous and 0 otherwise, $FundCharacteristics_{it}$ and $FundFamilyCharacteristics_{it}$ are two vectors of thirteen fund-level and four fund family-level characteristics, respectively, as explained in Section 2.2, and ϵ_{it} is the i.i.d. error term.

The first specification, reported in Table 2, present the multivariate regression using only fund-level characteristics. Specifications (2) through (5) build on this by sequentially adding one of the four fund family-level characteristics to Specification (1). The final specification

to redeem their capital after the lockup has expired. The notice period is the amount of advance notice an investor must give the fund before redeeming capital. A high watermark is the minimum return a manager must exceed to earn incentive fee.

[12]Note that summary statistics for the eponymy variable as documented in Table 1 are based on fund-year observations, i.e., eponymous funds constitute 10.20% of fund-year observations that correspond to 8.65% of all funds in our data.

includes all 17 variables, combining both fund- and fund family-level characteristics.

Specification (1) show that smaller funds, those with lower management fees and higher incentive fees, lower minimum investment requirements, longer redemption and notice periods, older funds, US-domiciled funds, and those that are solo-managed are more likely to adopt an eponymous name. A noteworthy observation is that funds with more favorable contractual terms such as higher incentive fees and longer redemption and notice periods are significantly more likely to be eponymous, offering preliminary evidence of both financial and non-financial benefits associated with eponymy. In particular, solo-managed funds are more likely to be eponymous than team-managed funds. This finding is consistent with the hypothesis that eponymy serves as a signal of managerial integrity. Prior research by Patel and Sarkissian (2021) highlights the role of peer effects in team-managed mutual funds in curbing deceptive practices such as portfolio pumping.[13] Given that solo managers lack internal peer oversight, the need to credibly signal integrity may be especially pronounced, making eponymy a more valuable and strategic tool in such settings.

Furthermore, Specifications (2) through (6) indicate that eponymy is significantly more prevalent among funds that i) are not part of large fund families, ii) are not affiliated with financial conglomerates, and iii) do not sell ownership stakes to outside investors. These results offer additional insights into the potential link between eponymy and managerial integrity. First, the finding that eponymous funds are less likely to be part of large organizations is consistent with the observations of Guzman and Stern (2015, 2017) and the theoretical model by Belenzon, Chatterji, and Daley (2020). These studies suggest that eponymous firms tend

[13]Theoretical studies further support this idea. Arnott and Stiglitz (1991) and Mas and Moretti (2009) show that peer monitoring in team-based organizations increases adherence to ethical norms, while Kandel and Lazear (1992) demonstrate that peer oversight combined with joint monetary incentives can help reduce agency costs by reinforcing individual accountability of team members.

to prioritize reputation over growth, which may explain their lower association with large fund families and complex organizational structures. Second, Zheng and Yan (2021) document that financial conglomerate–affiliated hedge funds (FCAHFs) are more prone to regulatory violations and internal conflicts. If eponymy credibly signals a manager's ethical behavior and trustworthiness, then fund managers who value their personal reputation may have lower incentives to affiliate with such entities. The negative association between eponymy and FCAHF affiliation supports this view. Third, a fund's ownership structure also appears to significantly influence the need for reputational signaling. Eponymous managers may be less inclined to sell ownership stakes due to the strong identity link between their name and the fund. Additionally, the presence of outside owners—whose reputations are also at stake—may introduce external governance and monitoring, reducing the manager's incentive to rely on eponymy as a signal of integrity.[14] The observed negative relation between outside ownership and eponymy supports the notion that when external monitoring is already present, managers have less need to rely on eponymy as a reputational signal.

Overall, these findings suggest that signaling ethical behavior through eponymy is more common when reputational capital is lower and monitoring mechanisms are weaker, i.e., when fund managers have stronger incentives to signal integrity proactively.

3.1 Survey evidence

Having identified the likely determinants of the eponymy decision, we next seek to understand why some hedge fund managers choose to name their funds after themselves,

[14]For instance, Mullally (2022) finds that hedge funds with outside owners engage in less return management and are significantly less likely to be charged with fraud by the SEC. Agarwal, Daniel, and Naik (2011), Bollen and Pool (2012), and Dimmock and Gerken (2012, 2016) also show that outside ownership is associated with reduced return manipulation and fraud in hedge funds.

and how this naming decision is interpreted by investors. Managers may adopt eponymy for a variety of reasons—ranging from signaling ability or trustworthiness/ethical behavior to leveraging personal brand recognition. To explore these motivations and investor perceptions, we conduct a survey of eponymous hedge fund managers and a series of surveys across diverse groups to proxy for hedge fund investors. These surveys aim to shed light on: (i) how managers themselves evaluate the rationale behind their eponymous naming decision, and (ii) how this decision is interpreted from the investor's perspective. The survey results offer insight into the likely intentions of eponymous hedge fund founders, the perceived meaning of eponymy among investors, and the degree of alignment between managers (as signal senders) and investors (as signal receivers) regarding the implications of this naming strategy.[15]

We begin our analysis by examining the intentions of eponymous hedge fund managers in naming their funds after themselves. Surveying hedge fund managers presents significant challenges: they rarely disclose personal contact information such as email addresses or phone numbers, and even when reachable, they tend to be highly selective in responding due to the demands on their time. To overcome this hurdle, we utilize data from BarclayHedge and TASS to identify email addresses for 93 eponymous hedge fund managers. In addition, we located 17 eponymous managers with publicly available LinkedIn profiles. In total, we contacted 110 eponymous hedge fund managers, and received responses from eleven, each providing useful insights into their rationale for choosing an eponymous fund name. The results of this survey are summarized in Figure 1 and Table A.5 in the Online Appendix. These results indicate that, according to eponymous hedge fund managers, the primary motivation for naming their funds after themselves is to signal their trustworthiness, ethical behavior, and integrity to investors

[15]Details on survey design and specific questions are provided in Section A.3 of the Online Appendix.

– an explanation selected by 81.81% of respondents. In contrast, signaling managerial skill appears to be of secondary importance: only four managers (36.36%) cited this reason, and in all four cases, it was mentioned in conjunction with signaling integrity, not as a standalone motive. All other explanations were selected by fewer than 30% of respondents and are therefore omitted from the discussion for brevity. Overall, the responses strongly suggest that eponymy is primarily used by hedge fund managers as a reputational signal of ethical conduct, personal accountability, and commitment in managing their funds.

Having established that eponymy is primarily used by fund managers to signal their ethical behavior in managing the fund, we next examine how this signal is interpreted by investors. Ideally, we would have directly surveyed hedge fund investors. However, our dataset does not identify individual investors, nor do we have access to their contact information. To capture investor perspectives as closely as possible, we conducted three separate surveys targeting distinct but relevant populations. First, we ran a pilot study among friends and colleagues who are relatively well-educated and experienced in investment decision-making. Second, we conducted a larger-scale survey with 400 UK and US residents recruited through Prolific, a widely used online research platform (Palan and Schitter, 2018; Bergman et al., 2020). Third, we surveyed 167 master's students pursuing finance-related degrees at business schools across France, India, the UK, and the US. Together, these samples offer a diverse and informative view of how potential or prospective hedge fund investors interpret the eponymy signal. The results of all three surveys are summarized in Figure 2 and Table A.6 of the Online Appendix. Consistent with the intentions of eponymous hedge fund managers (i.e., the sender's signal), these results show that over 40% of survey respondents interpret eponymy as a signal of the manager's trustworthiness, integrity, and ethical behavior—specifically, 50.56% in the

pilot study, 42.00% among Prolific respondents, and 53.29% among master's students.[16] In contrast, fewer than 40% of respondents across all three samples perceive eponymy as a signal of managerial skill or superior fund performance—with 28.09% in the pilot study, 38.75% among Prolific respondents, and 35.93% among master's students selecting this interpretation. Interestingly, a majority of respondents also view the eponymy decision as a way for managers to leverage their existing expertise and name recognition—cited by 56.18% in the pilot study, 70.00% among Prolific respondents, and 68.26% among master's students.

Taken together, the survey evidence suggests that eponymy is predominantly used by hedge fund managers to signal ethical conduct, and this signal is broadly and consistently recognized by investors, reinforcing the interpretation of eponymy as a credible reputational cue.

4 Eponymy and managerial ability

In this section, we formally test the relation between eponymy and fund performance, motivated by the predictions from BCD (2017) model. First, we conduct multivariate regressions to examine the association between eponymy and performance, controlling for a comprehensive set of fund- and fund family–level characteristics. To address potential selection bias in managers' naming decisions, we employ an entropy-balanced matched sample of eponymous and non-eponymous funds. Second, we assess the relation between eponymy and managerial skill by using several skill measures proposed in the hedge fund literature.

[16]We further find that participants who invest in financial markets, possess greater financial knowledge, and are familiar with hedge funds—all proxies for financial sophistication—are significantly more likely to interpret eponymy as a signal of managerial integrity. Supporting details are presented in Section A.3 and Table A.7 of the Online Appendix.

4.1 Do eponymous funds outperform their non-eponymous counterparts?

To answer this question, we conduct a multivariate panel regression analysis using an entropy-balanced matched sample, estimated as follows:[17]

$$X_{it} = \alpha_0 + \alpha_1 Eponymy_i + Z'_{it}\beta + \epsilon_{it}, \tag{2}$$

where X_{it} represents the performance of fund i in year t by either its annual raw return or alpha. The variable $Eponymy_i$ is a binary indicator equal to 1 if fund i is identified as eponymous and 0 otherwise. Z_{it} denotes a vector of fund- and fund family-level control variables as described in Section 2.2, and ϵ_{it} is an i.i.d. error term. All the standard errors in our analyses are clustered both at the fund-family and year levels. Additionally, we include style×year fixed effects based on investment styles reported in commercial databases to control for unobserved, time-varying style-specific factors that may jointly influence fund performance and naming decisions.

Table 3 shows that the performance of eponymous funds is statistically indistinguishable from that of their non-eponymous peers. This evidence suggests that, in contrast to findings for eponymous firms, eponymy in hedge funds does not serve as a credible signal of superior managerial ability.

[17] For details on the entropy-balanced matching procedure, see Section A.1 and Table A.1 of the Online Appendix.

4.2 Is eponymy associated with managerial skill?

We complement our previous analysis by examining the relation between eponymy and managerial skill, using three measures that have been shown in prior research to predict future fund performance: the R^2 measure of Titman and Tiu (2011), the strategy distinctiveness index (SDI) of Sun, Wang, and Zheng (2012), and the unobserved performance (UP) measure of Agarwal, Ruenzi, and Weigert (2024).[18] Specifically, we estimate the following multivariate panel regression:

$$Skill_{it} = \gamma_0 + \gamma_1 Eponymy_i + Z'_{it}\beta + \epsilon_{it}, \tag{3}$$

where $Skill_{it}$ represents one of the three managerial skill measures for fund i in year t (R^2, SDI, or UP). All other variables are as defined in Eq. (2).

Table A.2 in the Online Appendix presents the results. After controlling for a comprehensive set of fund- and fund family-level characteristics, we find that eponymy is associated with significantly higher R^2, significantly lower SDI, and lower although insignificant UP.[19] Since prior literature shows that lower R^2, higher SDI, and higher UP are predictive of superior future performance, these results suggest that eponymous fund managers are less likely to exhibit superior skill. Taken together with the earlier finding that eponymous funds do not outperform their peers, these results further support the conclusion that managerial ability is unlikely to be the primary driver of eponymy in the hedge fund industry.

Importantly, these findings are not necessarily inconsistent with the predictions of BCD (2017). In their signaling model, market participants learn about a firm's overall quality from

[18] Details on the construction of these managerial skill measures are provided in Table A of the Appendix.

[19] The number of observations for the UP measure is smaller because its estimation requires the fund to be present in both commercial hedge fund databases and the Thomson Reuters database, which provides long-equity positions from 13F filings.

the eponymy decision. If quality is understood as a multidimensional construct, encompassing not only performance but also trustworthiness and integrity, then the absence of performance premium among eponymous funds does not necessarily contradict the theory. Rather, it suggests that eponymy may serve as a signal of ethical conduct instead of skill, an interpretation we investigate further in the next section.

5 Eponymy and managerial integrity

Our multivariate analyses thus far provide little evidence that eponymous hedge funds outperform their non-eponymous peers. This raises an important question: How do eponymous hedge funds manage to survive—and in some cases thrive—in such a competitive industry without delivering superior returns? One plausible explanation is that eponymy may signal something other than performance—specifically, a manager's trustworthiness and integrity. In this section, we explore this alternative and novel rationale for eponymy in the hedge fund industry.

According to the theoretical framework developed by Gennaioli, Shleifer, and Vishny (2015) (henceforth GSV), performance represents only one dimension of the value that money managers offer to investors. In addition to returns, managers can provide peace of mind through trust, which may explain why certain funds retain investor support even when performance is subpar. In GSV's model, trust is not inferred from past performance, but instead reflects an additional attribute of the manager's overall value proposition.[20] In an industry characterized

[20]GSV (2015) distinguish between two forms of trust: (i) trust as protection from expropriation or fraud (see Guiso, Sapienza, and Zingales, 2004, 2008; Georgarakos and Inderst, 2011), and (ii) trust as means of reducing investor anxiety about taking risk. While GSV focus on the latter, our analysis does not differentiate between these two aspects. We consider both to be critical components of trust in the hedge fund context.

by limited transparency and several notable investment scandals, establishing and maintaining investor trust is essential for long-term fund viability. Trustworthiness, therefore, may be a key intangible asset that investors value alongside (or even above) raw performance.

Motivated by this theoretical perspective—and building on the survey evidence presented in Section 3.1—we now investigate whether eponymy serves as a signal of managerial trustworthiness and integrity.

5.1 Formal tests of the eponymy-integrity relation

We begin our analyses by examining whether eponymy is associated with lower operational and fraud risks. If eponymy signals a fund manager's trustworthiness and integrity, then eponymous funds should exhibit lower operational and fraud risks, reflected in fewer regulatory violations and a reduced likelihood of return manipulation. In other words, if the signal is credible, one would expect eponymous managers to avoid unethical behavior and adopt stronger safeguards to protect investor capital.

To formally test this hypothesis, we employ a range of operational risk measures and performance-based flags indicative of suspicious return patterns. Recognizing that a fund's risk-taking behavior may also be influenced by other characteristics, we control for a comprehensive set of fund- and fund family–level covariates. For instance, Brown et al. (2009) show that problem funds tend to have different ownership structure (higher number of direct and controlling owners, venture or partnership with other institutions) than nonproblem funds. Zheng and Yan (2021) find that hedge funds affiliated with financial conglomerates (FCAHFs) are more likely to commit legal and regulatory violations and exhibit higher internal conflicts. Accordingly, we estimate the following panel regression:

$$X_{it} = \alpha_0 + \alpha_1 Eponymy_i + Z'_{it}\beta + \epsilon_{it}, \tag{4}$$

where X_{it} represents one of six measures of managerial integrity for fund i in year t, i.e., two proxies of operational risk (*Violation* and *Omega*), and four fraud risk indicators (*Kink*, *% negative*, *% repeat*, and *Max* R^2). The variable $Eponymy_i$ is an indicator equal to 1 if fund i is identified as eponymous and 0 otherwise, Z_{it} is a vector of fund- and fund family-specific controls as described in Section 2.2, and ϵ_{it} is the i.i.d. error term.[21] All the standard errors in our analyses are clustered both at the fund-family and year levels.

Table 4 presents the results of these tests. First, using fund manager's reports of their regulatory, civil and criminal violations in Form ADV filings (*Violation*), we find that eponymous fund managers are less likely to engage in regulatory and legal violations (–0.048 with a t-stat=—2.53). Furthermore, using Brown et al. (2009) ω-score (*Omega*) that captures potential conflict of interest issues, concentrated ownership, fraud, and misconduct (all being indicators of operational risk), we find that compared to non-eponymous funds, eponymous funds exhibit significantly lower ω-scores (–0.048 with a t-stat=–2.36). These results confirm our hypothesis that eponymy is strongly linked with a manager's integrity and trustworthiness.

To conclude our analysis on signaling manager's trustworthiness and integrity in running the fund, we explore whether eponymy is associated with lower fraud risk. Column 3 of Table 4 shows that eponymous hedge funds exhibit lower kink, i.e., lesser discontinuity at zero in their return distribution, indicating that their returns are less likely to be inflated to avoid reporting losses relative to non-eponymous funds. Furthermore, Columns 4 and 5 show that eponymous hedge funds are less likely to report low number of negative returns

[21] We include fund's average raw return and return volatility as additional controls as these may influence both operational and fraud risk.

and repeated returns. According to Bollen and Pool (2012), lower frequency of negative or repeated returns is indicative of manipulations, as in Ponzi schemes. Hence, these results suggest that eponymous fund managers are less likely to engage in return manipulation. Next, we investigate the uniqueness of a fund's return series by looking at the Max R^2 flag, which is obtained by regressing fund returns on a set of hedge fund style factors and triggered when the adjusted R^2 is not significantly different from zero, indicative of fraud risk. The last column in Table 4 shows that eponymous fund returns are significantly less likely to trigger the Max R^2 flag.[22]

Overall, the findings in this section suggest that eponymous funds exhibit significantly lower operational and fraud risks supporting the hypothesis that eponymy serves as a useful signal of a manager's ethical behavior.

5.2 Further evidence on the eponymy-integrity relation

Hedge fund names rarely change once established, so exogenous name changes are highly unusual. [23] However, fund managers may choose to launch new funds, at which point they can either reuse their name (i.e., adopt eponymy) or select a non-eponymous name. This behavior provides a useful setting for strengthening the identification of potential effects of eponymy on managerial integrity. In this section, we focus on a subsample of non-eponymous funds and examine whether the launch of an eponymous fund by the same manager affects the operational and ethical conduct of the manager's existing non-eponymous fund. If eponymy

[22]The economic effects of the overall reduction in operational and fraud risks are also large. The coefficients as documented in Table 4 coupled with the sample means of operational and fraud risks in Table 1 correspond to a reduction of 28.74% and 4.33% in violations and ω-score, and a reduction of 12.16%, 17.41%, 9.56%, and 16.80% in fraud risk measures, i.e., kink, % negative, % repeat, and Max R^2, respectively,

[23]In our sample, only five funds change their names from eponymous to non-eponymous, and just two switch in the opposite direction. This limited sample size of name switchers prevents us from conducting statistically meaningful analyses.

indeed signals managerial integrity, we expect the operational and fraud risks of the existing non-eponymous fund to decline after the manager launches an eponymous fund, reflecting an increase in reputational stakes.

To test this hypothesis, we implement the following identification strategy. We define treatment funds as non-eponymous funds whose managers launch an eponymous fund in year t, and control funds as non-eponymous funds whose managers launch a non-eponymous fund in the same year t. To avoid bias from treatment effect heterogeneity, we restrict the control group to never treated funds (i.e., non-eponymous managers who never launch an eponymous fund).[24] To alleviate any concerns about the distributional differences between the treatment and control groups, we use entropy balancing to match treatment and control funds based on their average 24-month return prior to the launch year. For each launch year t, we collect six years of panel data surrounding the intervention for the $Violation$ and $Omega$ measures. For the performance flag variables, we collect data over six non-overlapping two-year windows centered around year t, because these flags are estimated using two-year windows. Following Cengiz et al. (2019), we finally stack all panels together and estimate the following panel regression for the sub-sample of non-eponymous hedge funds:

$$X_{it} = \alpha_0 + \alpha_1 Treatment_i + \alpha_2 Post_{i,t} + \alpha_3 Treatment_i * Post_{i,t} + Z'_{it}\beta + \epsilon_{it}, \tag{5}$$

where X_{it} is one of the six proxies of a fund manager's integrity (violation, omega, kink, % negative, % repeat, and Max R^2) of fund i in month t, $Treatment_i$ is an indicator equal to 1 if fund i is in the treatment group, and 0 otherwise, $Post_{i,t}$ is an indicator equal to 1 for the three-year period after the launch of an eponymous fund, and 0 otherwise, and $Z_{i,t}$ is a vector

[24]This restriction helps avoid bias from treatment effect heterogeneity, which can arise if previously treated funds are used as controls for later-treated ones (Goodman-Bacon, 2021).

of fund- and fund family-level controls as specified in Section 2.2, along with the fund's mean return and return volatility in period t, and ϵ_{it} is the i.i.d. error term. All regressions include style×year and cohort (i.e., each panel in the stacked regression) fixed effects. Standard errors are clustered at the fund family and yearly levels.

Panel A of Table 5 presents the estimation results. Consistent with our hypothesis, the interaction term α_3 (i.e., Treatment×Post) is negative and statistically significant for several integrity measures. Specifically, non-eponymous funds exhibit significantly lower rates of regulatory violations and lower max R^2 – indicators of improved ethical conduct – following the launch of an eponymous fund by their manager. Panel B reports parallel trends tests. Prior to the launch of the eponymous fund, no significant changes are observed in the operational or fraud risks of non-eponymous funds. That is, none of the interactions terms of *Launch* and $Treatment$ with the exception of one are significant before the event. However, in the three years following the launch, we find a marked decline in integrity-related risk metrics, particularly in violation incidence and max R^2 measure. Taken together, these results suggest that eponymy functions as a credible commitment mechanism, with reputational incentives spilling over to the manager's existing non-eponymous funds. This reinforces our central hypothesis that eponymy serves as a signal of managerial integrity and ethical conduct.

6 Economics of eponymy

Having established robust evidence linking eponymy to managerial commitment and integrity, we now turn to exploring the economic implications of this naming strategy. To that end, we conduct three additional tests designed to deepen our understanding of the

costs, benefits, and predictive power of eponymy. First, we analyze the potential trade-offs associated with being eponymous by evaluating both the rewards and penalties fund managers may face. Second, we examine whether eponymous funds are more or less likely to fail relative to their non-eponymous counterparts. Third, we assess the extent to which eponymy serves as a predictor of future regulatory violations, thereby evaluating its usefulness as an ex-ante signal of managerial behavior.

6.1 Reputational costs and benefits associated with eponymy

A central assumption in BCD (2017) is that eponymy creates a stronger association between a firm and its founder, thereby amplifying the reputational consequences of how the market perceives the firm's quality. To shed light on the economic trade-offs associated with eponymy, we examine how investors respond to good and bad performance of eponymous versus non-eponymous funds, both unconditionally and conditional on regulatory violations. We posit that a fund's reputational capital is built on two primary pillars: performance and trust. Thus, we expect investors to penalize eponymous funds more severely than non-eponymous ones when they experience poor performance or commit regulatory violations—events that undermine the trust investors place in them. Conversely, we hypothesize that positive performance may enhance the reputation of eponymous funds more than that of their peers.

To formally test these predictions, we estimate the following multivariate regression where we allow for the interaction effects of performance and trust to capture investors' differential reaction to good and bad performance of eponymous funds relative to their non-eponymous peers unconditionally and conditional on regulatory violations:

$$
\begin{aligned}
Flow_{i,t+1} = \alpha_0 &+ \alpha_1 Eponymy_i + \alpha_2 Violation_{i,t} + \alpha_3 Eponymy_i * Violation_{i,t} \\
&+ \alpha_4 Perfpos_{i,t} + \alpha_5 Perfpos_{i,t} * Violation_{i,t} + \alpha_6 Eponymy_i * Perfpos_{i,t} \\
&+ \alpha_7 Eponymy_i * Perfpos_{i,t} * Violation_{i,t} \\
&+ \alpha_8 Perfneg_{i,t} + \alpha_9 Perfneg_{i,t} * Violation_{i,t} + \alpha_{10} Eponymy_i * Perfneg_{i,t} \\
&+ \alpha_{11} Eponymy_i * Perfneg_{i,t} * Violation_{i,t} + Z'_{it}\beta + \epsilon_{it}, \qquad (6)
\end{aligned}
$$

where $Flow_{i,t+1}$ denotes annual fund flows to fund i in year $t+1$, $Eponymy_i$ is an indicator for whether the fund i is eponymous, $Perfpos_{i,t}$ ($Perfneg_{i,t}$) is equal to the annual raw return or alpha of the fund when the performance is positive (negative), and 0 otherwise, $Violation_{i,t}$ equals 1 if fund i reports a regulatory violation in Form ADV in year t, and 0 otherwise, $Z_{i,t}$ is a vector of fund and fund family-level characteristics as specified in Section 2.2, style×year fixed effects, and ϵ_{it} is the i.i.d. error term.

Table 6 presents the results using raw returns (column 2) and alphas (column 3). Starting with the reputational costs related to eponymy, although the coefficient on the main interaction term α_3 is negative but not statistically significant, it suggests that violating eponymous funds receive lower net flows than violating non-eponymous funds. Two key findings emerge from the triple interaction terms. First, the coefficient α_7 is negative and statistically significant, indicating that eponymous funds that perform well but also violate regulatory norms receive significantly lower flows compared to their non-eponymous counterparts. In other words, investors appear to discount good performance when it is accompanied by a breach of trust. The difference between α_7 and α_5 is statistically significant in both specifications (p-value = 0.03 and 0.02, respectively), suggesting that eponymous funds are penalized more heavily

for violating trust despite good performance. Second, the coefficient α_{11} is also positive and significant, showing that eponymous funds that both perform poorly and violate regulations suffer even greater losses in investor flows. This highlights the amplified reputational cost of failing on both performance and ethical grounds. The difference between α_{11} and α_9 is statistically significant (p-value = 0.02 and 0.05, respectively), further reinforcing that investors are especially averse to underperforming eponymous funds with regulatory infractions.

Turning to potential benefits associated with eponymy, the insignificance of coefficients α_1, α_6, and α_{10} indicates that eponymy does not generate direct flow advantages based solely on good performance or the absence of violations. However, as shown earlier in Section 3 (and in unreported univariate tests), eponymous funds are significantly more likely to secure favorable contractual terms, including higher incentive fees and longer redemption, notice, and lockup periods—suggesting that the benefits of eponymy may manifest in contracting, rather than flows.

Overall, the analyses in this section support the premise in BCD (2017) that eponymy entails both financial and non-financial (or reputational) costs and benefits.

6.2 Eponymy and fund failure rates

Given our prior findings that eponymy is associated with greater managerial integrity and lower operational and fraud risks, we expect eponymous funds to exhibit lower failure rates. However, our previous analysis also highlights that violations of investor trust—such as regulatory or legal infractions—carry heightened reputational and financial costs for eponymous funds. For example, we showed that violating eponymous funds suffer greater outflows, suggesting they may be more vulnerable to closure when their reputational capital

is compromised. To test these predictions, we examine the relation between eponymy and fund failure using the following multivariate regression specification (or its variants):

$$\begin{aligned} Failure_{i,t+1} =& \alpha_0 + \alpha_1 Eponymy_i + \alpha_2 Violation_{i,t} \\ &+ \alpha_3 Eponymy_i * Violation_{i,t} + Z'_{it}\beta + \epsilon_{it}, \end{aligned} \tag{7}$$

where $Failure_{i,t+1}$ is an indicator variable equal to 1 if fund i ceases operations in year t+1, $Eponymy_i$, $Z_{i,t}$, and ϵ_{it} are defined as in earlier sections, and $Violation_{i,t}$ equals 1 if fund i reports a regulatory, civil or criminal violation in Form ADV in year t, and 0 otherwise. We also extend this specification to examine persistent misconduct by replacing $Violation_{i,t}$ with $Violation - 2yr_{i,t}$, an indicator equal to 1 if the fund reports violations in two consecutive years (year t and year $t-1$), and 0 otherwise.

Table 7 presents the results. In Specification (1), we confirm that eponymous funds are significantly less likely to fail unconditionally, i.e., –1.20% (t-stat=–3.33), consistent with the idea that they operate with greater integrity. This represents a 27.91% reduction relative to the mean failure rate of 4.30% (as reported in Table 1) indicating a meaningful economic effect. Specification (2) reveals that conditional on reporting a violation, eponymous funds are 3.2 percentage points more likely to fail than their non-eponymous peers (t-stat=2.41). When we consider violations reported over two consecutive years, the results are even more striking. Eponymous funds with repeated violations are 5.1 percentage points more likely to fail (t-stat=2.88) relative to both eponymous funds without violations and non-eponymous funds.

Taken together, these results show that eponymous funds benefit from lower failure

rates—likely due to their commitment to ethical conduct. However, when that commitment is broken through regulatory or legal violations, the costs are particularly severe. In line with our previous findings, eponymous managers who fail to uphold the trust associated with their names are more likely to lose investor support and exit the market, reinforcing the reputational stakes embedded in eponymy.

6.3 Ability of eponymy to predict future fund violations

We conclude our analysis of the eponymy-integrity relation by assessing the predictive power of eponymy in identifying future regulatory violations, relative to operational and fraud risk measures proposed in the prior literature. Specifically, we estimate the following logistic regression (or its nested variants):

$$\begin{aligned} Violation_{i,t+1} =& \alpha_0 + \alpha_1 Omega_{i,t} + \alpha_2 PerformanceFlags_{i,t} \\ &+ \alpha_3 Eponymy_i + Z'_{it}\beta + \epsilon_{it}, \end{aligned} \tag{8}$$

where $Violation_{i,t+1}$ is an indicator equal to 1 if fund i reports a violation in Form ADV in year $t+1$, $Omega_{i,t}$ is the ω-score of fund i in year t, $PerformanceFlags_{i,t}$ include four fraud risk indicators estimated over the prior 24 months ending in year t – kink, % negative, % repeat and Max R^2. $Eponymy_i$, $Z_{i,t}$, and ϵ_{it} are defined as in earlier sections.

Table 8 reports the results of these logistic regressions. Specification (1) shows that the ω-score is a statistically significant predictor of violations in the following (t-stat=2.33), with an area under curve (AUC) of 76.90%.[25] Specification (2) shows that the four performance

[25]AUC values range from 50% (random prediction) to 100% (perfect prediction). In line with Iyer et al. (2016), an AUC above 60% is considered desirable in information-scarce environments.

flags, taken together, also effectively predict future violations, yielding an AUC of 77.54%. Specification (3) isolates the role of eponymy and finds a significantly negative coefficient on the eponymy indicator (α_3), suggesting that eponymous funds are less likely to violate. The corresponding AUC of 77.32% is comparable to that of ω-score and joint performance flags, underscoring the strength of eponymy as a standalone predictor. Specification (4) incorporates all the six predictors – ω-score, performance flags, and eponymy – and confirms the robustness of the earlier findings. Among the included predictors, ω-score, % Negative, Max R^2, and eponymy emerge as the most informative variables in forecasting regulatory violations.

Overall, these findings show that eponymy compares favorably with established operational and fraud risk measures in predicting future misconduct. Crucially, while ω-scores and performance flags require historical data and significant computation, eponymy is observable at fund inception. Therefore, existing operational and fraud risk measures can only be used after the fact on an ex post basis. In contrast, eponymy is a readily available ex ante signal for investors to screen for managerial integrity and regulatory risk.

7 Robustness checks

We conclude our analysis by performing a series of robustness checks to validate the core findings of the paper. Specifically, we test the stability of our results related to: i) the lack of outperformance and comparable skill levels between eponymous and non-eponymous funds, ii) the lower operational and fraud risks – indicative of greater managerial integrity – associated with eponymous funds; and iii) the differential investor response to eponymy and regulatory violations. Details on the design, implementation, and outcomes of these robustness tests are

provided in the Online Appendix.

8 Conclusion

This paper provides the first comprehensive examination of eponymy in the hedge fund industry—a relatively common naming practice where funds are named after their founder-managers. Motivated by theories in corporate finance that associate eponymy with managerial ability, and by literature highlighting the importance of trust in asset management, we investigate whether eponymy serves as a signal of a manager's ability or integrity. Our findings are more consistent with the latter. Survey evidence from eponymous hedge fund managers reveals that most choose to name their funds after themselves to signal commitment, integrity, and trustworthiness. A second set of surveys across a broad pool of participants shows that potential investors interpret this signal in a consistent manner, viewing eponymy as a marker of ethical conduct. These perceptions are further validated by our empirical tests, which show that eponymous funds exhibit significantly lower operational and fraud risks, reinforcing the idea that eponymy reflects managerial integrity rather than skill. Taken together, our results suggest that eponymy functions primarily as a signal of trustworthiness and ethical behavior, not superior performance, in the hedge fund industry. These findings have important implications for investors making capital allocation decisions under conditions of limited transparency and significant information asymmetry, where non-performance signals like eponymy may play a valuable role in manager selection.

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Table A.
Variable Construction

The table outlines the construction of the key variables used in our analyses, including measures of eponymy, fund performance, operational and fraud risk, managerial skill, and various fund characteristics.

Name	Description
Panel A: Eponymy Measure	
Eponymy	Indicator variable that takes on a value of 1 if a fund or company name includes the first, middle, or last name (or initials) of the founder, or a combination of such names (or initials) in the case of multiple founders, and 0 otherwise.
Panel B: Performance Measures	
Raw return	Fund's annual raw return for the year t, calculated as $\prod_{j-11}^{j}(1+r_{ij})$, where r_{ij} is fund i's raw return in month j of year t.
Alpha	Fund's annual alpha for the year, calculated as $\prod_{j-11}^{j}(1+\alpha_{ij})$, where α_{ij} is fund i's alpha in month j of year$t$, calculated as the difference between fund i's realized return in month j and its model-fitted return in the same month estimated from the Fung and Hsieh (2004) 7-factor model over 24-month rolling windows from $j-23$ to j. We require at least 18 months of observations to estimate a fund's alpha.
Panel C: Operational and Fraud Risk Measures	
Violation	An indicator variable equal to 1 if the fund manager reports a regulatory, civil, or criminal violation in Form ADV in year t, and 0 otherwise.
Omega	Operational risk measure estimated annually from fund performance, volatility, age, size, fee structure, and other fund characteristics for only TASS funds as in Brown et al. (2009).
Kink	An indicator variable equal to 1 if there is a discontinuity at zero in the hedge fund return distribution at 10% significance level, and 0 otherwise, estimated over non-overlapping 24-month windows starting from a fund's inception with at least 18 months of observations in each window (see Bollen and Pool, 2012, and Lu, Naik, and Teo, 2024).
% negative	An indicator variable equal to 1 if a fund's number of negative returns falls in the bottom 10% of a distribution from 100 simulated random sequences, and 0 otherwise, estimated over non-overlapping 24-month windows starting from a fund's inception with at least 18 months of observations in each window (see Bollen and Pool, 2012, and Lu, Naik, and Teo, 2024).
% repeat	An indicator variable equal to 1 if a fund's number of repeated returns falls in the top 10% of a distribution from 100 simulated random sequences, and 0 otherwise, estimated over non-overlapping 24-month windows starting from a fund's inception with at least 18 months of observations in each window (see Bollen and Pool, 2012, and Lu, Naik, and Teo, 2024).
Max R^2	An indicator variable equal to one if the fund's adjusted R^2 is not significantly different from zero at 10% significance level, and 0 otherwise, estimated over non-overlapping 24-month windows starting from a fund's inception with at least 18 months of observations in each window (see Bollen and Pool, 2012, and Lu, Naik, and Teo, 2024).

(continued on next page)

Table A. Variable definitions (cont.)

Panel D: Hedge Fund Characteristics	
Assets under management	The average of the monthly assets under management reported in the commercial databases ($).
Age	Fund's age since its inception (month).
Management fee	Fixed fee as a percentage of fund's assets under management (%).
Incentive fee	Fixed percentage fee of the fund's net annual profits above a pre-specified hurdle rate (%).
Minimum investment	Minimum initial investment amount that the fund requires from its investors (million $).
Leverage	An indicator variable equal to 1 if the fund uses leverage, and 0 otherwise.
Lockup period	Initial time period after an investor commits capital during which no withdrawals are allowed from the fund (days).
Redemption period	Frequency or interval at which investors are allowed to redeem their capital after the lockup has expired (days)
Notice period	Amount of advance notice an investor must give the fund before redeeming capital (days).
High watermark	An indicator variable equal to 1 if the fund has high watermark provision, and 0 otherwise.
Hurdle rate	An indicator variable equal to 1 if the fund has a hurdle rate, and 0 otherwise.
US domicile	An indicator variable equal to 1 if the fund is domiciled in the US, and 0 otherwise.
Solo-managed	An indicator variable equal to 1 if a fund is solo-managed, and 0 otherwise.
Average return	Fund's average monthly raw return.
Standard deviation of returns	The standard deviation of a fund's monthly returns estimated using 24-month rolling windows.
Flow	The ratio of change in assets under management from year t-1 to year t to assets under management in year $t-1$; i.e., $\frac{AUM_t - AUM_{t-1}*(1+Ret_t)}{AUM_{t-1}}$.
Perfpos	An indicator variable that takes on a value of fund's performance (raw return or alpha) when the fund's annual performance is positive, and 0 otherwise.
Perfneg	An indicator variable that takes on a value of fund's performance (raw return or alpha) when the fund's annual performance is negative, and 0 otherwise.
Failure	An indicator variable equal to 1 if the fund was either once listed in a database but stopped reporting, had a negative average rate of return for the last 6 months, or had a decreased AUM for the last 12 months, and 0 otherwise (see Liang and Park (2010)).
Panel E: Hedge Fund Family Characteristics	
$AUM_{Fund\ family}$	The sum of average monthly AUMs across all funds managed within the same family.
FCAHF	An indicator variable equal to 1 if the fund is affiliated to a financial conglomerate, and 0 otherwise (see Franzoni and Giannetti (2019))
Retail-oriented	An indicator variable equal to 1 if a fund is retail oriented fund, and 0 otherwise (see Section IA.3.2 of the Internet Appendix in Agarwal, Green, and Ren (2018)).
Outside ownership	An indicator variable equal to 1 if a fund sells its ownership stake to outside investors, and 0 otherwise (see Mullally (2022)).

(continued on next page)

Table A. Variable definitions (cont.)

Panel F: Managerial Skill Measures	
R^2	R^2 of the model estimated from regressing a fund's excess returns on Fung and Hsieh (2004) seven factors estimated annually over non-overlapping 24-month windows (Titman and Tiu, 2011).
SDI	Strategy distinctiveness index defined as one minus the correlation between a fund's return and the average return of the style group estimated annually over non-overlapping 24-month windows (Sun, Wang, and Zheng, 2012).
UP	Unobserved performance computed as the difference between a fund's performance and equity portfolio performance estimated annually over non-overlapping 24-month windows (Agarwal, Ruenzi, and Weigert, 2024).
Panel G: Other Variables Used in Robustness Checks	
Pre-fee returns	Fund's returns before fees estimated following the algorithm outlined in Appendix A of Agarwal, Daniel, and Naik (2009).
Backfilling period	Number of months that have been backfilled before entering the database.

Table 1.
Summary Statistics

The table presents the number of fund-year observations (N), mean (Mean), median (Median), minimum (Min), maximum (Max), and standard deviation (StD) of dependent variables (Panel A) and independent variables (Panel B) used in the study. The sample period is from January 1994 to December 2018. All the variables are as defined in Table A.

	N	Mean	Median	Min	Max	StD
Panel A: Dependent variables						
Raw return (%)	100,382	4.791	3.808	−45.591	69.236	16.363
Alpha (%)	85,496	3.298	2.209	−23.891	39.612	9.175
Violation	10,674	0.167	0	0	1	0.373
Omega	8,485	1.109	1.104	0.145	1.899	0.251
Kink	31,819	0.255	0	0	1	0.436
(%) negative	31,819	0.247	0	0	1	0.431
(%) repeat	31,819	0.293	0	0	1	0.455
Max R^2	31,819	0.482	0	0	1	0.499
Flow	11,223	0.215	−0.051	−0.897	3.839	0.541
Failure rate	20,704	0.043	0	0	1	0.202
Panel B: Independent variables						
Fund level:						
Eponymy	100,382	0.102	0	0	1	0.303
AUM (millions)	87,813	235.221	48.617	2.054	4541.243	867.427
Age (months)	100,382	90.487	74	0	780	61.779
Management fee (%)	100,382	1.433	1.5	0	20	0.611
Incentive fee (%)	100,382	14.912	20	0	65	7.794
Min. investment (millions)	100,382	1.713	0.25	0	1000	17.216
Leverage	100,382	0.693	1	0	1	10.004
Lockup (days)	100,382	86.858	0	0	3600	190.773
Redemption (days)	100,382	65.919	30	0	1800	91.019
Notice period (days)	100,382	36.132	30	0	365	32.697
High watermark	100,382	0.764	1	0	1	0.425
Hurdle rate	100,382	0.229	0	0	1	0.419
US domicile	100,382	0.469	0	0	1	0.499
Solo-managed	100,382	0.516	1	0	1	0.499
Fund family level:						
$\text{AUM}_{Fund\,family}$ (millions)	87,813	1415.268	1281.561	2.976	9658.361	5522.373
FCAHF	36,819	0.289	0	0	1	0.454
Retail oriented	36,819	0.128	0	0	1	0.334
Outside ownership	36,819	0.263	0	0	1	0.441

Table 2.
Determinants of Eponymy

The table reports the results of multivariate regressions of eponymy on a range of fund- and fund family-level characteristics, as described in Section 2.2. The t-statistics, shown in brackets, are based on standard errors clustered at the fund family and year levels. *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
Log(AUM)	-0.008^{***}	0.001	-0.012^{**}	-0.012^{**}	-0.011^{**}	-0.001
	[−4.38]	[0.17]	[−2.48]	[−2.39]	[−2.25]	[−0.21]
Management fee	-0.012^{**}	-0.009^{*}	-0.043^{***}	-0.036^{**}	-0.036^{***}	-0.039^{**}
	[−2.00]	[−1.76]	[−2.94]	[−2.43]	[−2.25]	[−2.67]
Incentive fee	0.001	0.002^{***}	0.003^{**}	0.004^{***}	0.003^{**}	0.003^{**}
	[0.65]	[2.97]	[2.17]	[2.69]	[2.21]	[2.19]
Min. investment	-0.001^{***}	-0.001^{**}	-0.001^{*}	-0.001^{*}	-0.001	-0.001
	[−2.68]	[−2.12]	[−1.88]	[−1.75]	[−1.14]	[−0.98]
Leverage	-0.001	-0.001	0.001	0.001	0.001	0.001
	[−0.40]	[−0.71]	[0.50]	[0.62]	[0.76]	[0.78]
Lockup	0.001	-0.001	0.001	0.001	0.001	0.001
	[0.30]	[−0.14]	[1.15]	[1.33]	[0.83]	[0.88]
Redemption	0.001^{***}	0.001^{***}	0.002^{***}	0.001^{***}	0.001^{***}	0.001^{***}
	[4.14]	[4.52]	[3.49]	[3.45]	[3.30]	[3.23]
Notice period	0.001	0.001^{***}	0.001^{*}	0.001^{*}	0.001^{*}	0.001^{**}
	[1.50]	[3.48]	[1.94]	[1.78]	[1.82]	[2.02]
High watermark	0.006	-0.007	-0.007	-0.005	-0.001	-0.007
	[0.60]	[−0.57]	[−0.29]	[−0.18]	[−0.06]	[−0.26]
Hurdle rate	-0.009	-0.014^{*}	-0.018	-0.023	-0.022	-0.027
	[−1.12]	[−1.77]	[−0.93]	[−1.16]	[−1.22]	[−1.42]
Age	0.001^{***}	0.005^{***}	0.005^{***}	0.005^{***}	0.005^{***}	0.005^{***}
	[2.75]	[6.28]	[4.76]	[4.85]	[4.36]	[4.33]
US domicile	0.059^{***}	0.075^{***}	0.047^{**}	0.039^{**}	0.036^{**}	0.029^{*}
	[6.15]	[7.30]	[2.63]	[2.21]	[2.12]	[1.77]
Solo-managed	0.047^{***}	0.043^{***}	0.034^{**}	0.037^{**}	0.034^{**}	0.027^{*}
	[5.13]	[4.96]	[2.07]	[2.29]	[2.37]	[1.77]
Log($\text{AUM}_{Fund\,family}$)		-0.012^{***}				-0.011^{**}
		[−5.89]				[−2.03]
FCAHF			-0.065^{***}			0.042^{**}
			[−3.18]			[−2.03]
Retail oriented				0.051		0.043
				[1.56]		[1.31]
Outside ownership					-0.073^{***}	-0.059^{**}
					[−3.27]	[−2.24]
Intercept	0.178^{***}	0.221^{***}	0.231^{**}	0.224^{***}	0.282^{***}	0.343^{***}
	[5.00]	[5.65]	[3.04]	[2.72]	[4.36]	[3.52]
N	87,813	23,650	23,650	23,650	23,650	23,650
Adj. R^2	6.08%	6.46%	5.36%	4.83%	4.72%	6.48%

Table 3.
Performance of Eponymous Funds

The table presents the results of multivariate regressions of two performance measures (raw return and alpha) on eponymy, along with a set of fund- and fund family-level controls as described in Section 2.2, and style×year fixed effects. The t-statistics, shown in brackets, are based on standard errors clustered by fund family and year. *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

	Raw return	Alpha
Eponymy	−0.124	−0.287
	[−0.33]	[−0.96]
Log(AUM)	0.166	0.193
	[0.86]	[1.40]
Management fee	−0.601	0.074
	[−1.53]	[0.21]
Incentive fee	−0.089**	0.016
	[−2.35]	[0.50]
Min. investment	0.001	−0.001
	[0.98]	[−0.91]
Leverage	0.293	0.061
	[0.76]	[0.19]
Lockup	0.001	0.001
	[0.94]	[0.53]
Redemption	0.001	0.001
	[1.51]	[1.09]
Notice period	0.001	0.009
	[0.01]	[1.56]
High watermark	0.732*	0.135
	[1.77]	[0.42]
Hurdle rate	−0.297	−0.329
	[−0.77]	[−0.92]
Age	−0.003	−0.011***
	[−1.63]	[−5.68]
US domicile	0.375	0.044
	[0.61]	[0.09]
Solo-managed	0.458	0.839***
	[1.18]	[2.85]
Log($AUM_{Fund\,family}$)	−0.135	0.274**
	[−0.82]	[2.30]
FCAHF	−1.214***	−0.425
	[−2.92]	[−1.16]
Retail oriented	−0.987*	−1.435***
	[−1.94]	[−3.49]
Outside ownership	0.329	0.655*
	[0.78]	[1.81]
Intercept	7.731***	−5.761**
	[3.32]	[−2.81]
Style×year fixed effects	Yes	Yes
N	23,650	21,377
Adj. R^2	34.08%	15.06%

Table 4.
Eponymy and Manager's Integrity

The table presents the results of multivariate regressions of six managerial integrity measures on eponymy, controlling for a range of fund- and fund family-level characteristics as described in Section 2.2, along with the fund's average return and the standard deviation of monthly returns in period t and style×year fixed effects. The t-statistics, shown in brackets, are based on standard errors clustered at the fund family and year levels. *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

	Managerial Integrity Proxies					
	Violation	Omega	Kink	% negative	% repeat	Max R^2
Eponymy	-0.048^{**}	-0.048^{**}	-0.031^{**}	-0.043^{***}	-0.028^{*}	-0.081^{***}
	[−2.53]	[−2.36]	[−2.11]	[−2.59]	[−1.93]	[−3.35]
Mean_ret	0.001	0.005	−0.004	0.109^{***}	−0.001	0.021^{*}
	[0.23]	[0.99]	[−0.57]	[5.13]	[−1.60]	[1.74]
SD_ret	0.008^{**}	-0.008^{**}	-0.010^{***}	-0.041^{***}	-0.046^{***}	-0.034^{***}
	[2.03]	[−2.18]	[−3.55]	[−4.72]	[−4.90]	[−3.78]
Log(AUM)	0.001	0.003	−0.008	−0.003	−0.008	-0.018^{*}
	[0.16]	[0.75]	[−1.30]	[−0.45]	[−1.12]	[−1.67]
Management fee	0.046^{**}	-0.045^{**}	0.004	0.026	0.002	0.079^{***}
	[2.32]	[2.25]	[0.25]	[1.55]	[0.13]	[3.25]
Incentive fee	0.002	0.011^{***}	0.003^{**}	-0.003^{*}	−0.001	0.008^{***}
	[0.76]	[6.90]	[2.08]	[−1.78]	[−0.16]	[3.57]
Min. investment	−0.001	0.001	0.001	0.001	−0.001	0.001
	[−0.06]	[1.05]	[0.85]	[1.56]	[−0.64]	[1.04]
Leverage	−0.003	0.095^{***}	0.001	0.029^{*}	−0.001	0.053^{**}
	[−0.14]	[4.58]	[0.01]	[1.81]	[0.95]	[2.21]
Lockup	0.001	-0.001^{***}	0.001^{*}	−0.001	0.001	0.001
	[0.07]	[−4.00]	[1.71]	[−0.99]	[0.27]	[0.93]
Redemption	−0.001	0.001^{***}	−0.001	0.001	0.001	-0.001^{***}
	[−0.61]	[2.62]	[−0.38]	[0.10]	[1.12]	[−3.67]
Notice period	0.001	0.001^{**}	0.001	0.001	−0.001	0.001
	[0.23]	[2.22]	[1.38]	[0.95]	[−1.03]	[0.61]
High watermark	0.023	0.013	0.001	0.042^{**}	−0.006	0.013
	[0.70]	[0.42]	[0.07]	[2.05]	[−0.25]	[0.38]
Hurdle rate	0.017	−0.029	0.009	0.031^{*}	−0.016	0.021
	[0.64]	[−1.29]	[0.52]	[1.74]	[−0.87]	[0.79]
Age	−0.001	-0.014^{***}	0.001	-0.001^{***}	−0.001	-0.001^{***}
	[−0.90]	[−5.24]	[1.32]	[−4.46]	[−0.75]	[−3.13]
US domicile	0.001	-0.071^{**}	0.005	0.023	0.059^{**}	-0.176^{***}
	[−0.02]	[−2.13]	[0.24]	[1.01]	[2.47]	[−3.85]
Solo-managed	0.027	0.025	0.008	0.018	0.004	0.041^{*}
	[1.54]	[1.24]	[0.57]	[1.03]	[0.27]	[1.66]
$\text{Log}(\text{AUM}_{Fund\ family})$	0.001	0.002	0.008	0.018^{***}	0.002	0.017^{*}
	[0.10]	[0.66]	[1.17]	[2.59]	[0.21]	[1.70]
FCAHF	0.185^{***}	0.018	0.019	0.013	0.001	0.013
	[4.80]	[0.53]	[0.92]	[0.53]	[0.03]	[0.35]
Retail oriented	0.112^{***}	0.069^{**}	0.012	0.024	0.025	−0.019
	[3.54]	[2.30]	[0.63]	[1.15]	[1.23]	[−0.71]
Outside ownership	-0.068^{***}	-0.075^{***}	−0.002	−0.019	−0.004	−0.009
	[−3.21]	[−3.31]	[−0.12]	[−1.01]	[−0.25]	[−0.34]
Intercept	−0.018	0.533^{***}	0.208^{*}	0.124	0.537^{***}	0.489^{***}
	[−0.12]	[9.40]	[1.66]	[1.18]	[4.65]	[3.65]
Style×year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
N	10,674	8,485	8,031	8,031	8,031	8,031
Adj. R^2	13.45%	36.60%	15.66%	32.17%	18.34%	20.42%

Table 5.
Change in integrity among non-eponymous funds when their managers launch an eponymous fund

The table reports the results of the following multivariate regression, estimated on the sub-sample of non-eponymous hedge funds:

$$X_{it} = \alpha_0 + \alpha_1 Treatment_i + \alpha_2 Post_{it} + \alpha_3 Treatment_i * Post_{it} + Z'_{it}\beta + \epsilon_{it},$$

where $X_{i,t}$ represents one of six proxies for managerial integrity (violation, omega, kink, % negative, % repeat, and Max R^2) of fund i in year t, $Treatment_i$ is an indicator equal to 1 if fund i is a non-eponymous fund whose manager launches an eponymous fund, and 0 otherwise, $Post_{it}$ equals 1 for the three years following the launch of the eponymous fund, and 0 otherwise, $Z_{i,t}$ are control variables as described in Section 2.2, along with the fund's average return and the standard deviation of monthly returns in year t, and ϵ_{it} is the i.i.d. error term. Panel B reports the results of parallel trends analysis, where $Launch_{t-i}$ represents i period before the launch of a new fund, $Launch_{t+i}$ represents i period after the launch of a new fund. The benchmark period is $Launch_{t-1}$. All regressions control for style×year fixed effects. The t-statistics, reported in brackets, are based on standard errors clustered at the fund family and year levels. *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

Panel A: Main regression

	Managerial Integrity Proxies					
	Violation	Omega	Kink	% negative	% repeat	Max R^2
Treatment	0.031	−0.004	−0.008	−0.019	−0.041	−0.064
	[1.27]	[−1.04]	[−0.23]	[−0.93]	[−1.39]	[−1.28]
Post	0.049	−0.002	−0.009	0.011	−0.035	−0.017
	[1.06]	[−1.24]	[−0.38]	[0.64]	[−1.58]	[−0.69]
Treatment×Post	−0.149***	−0.008	−0.015	−0.024	0.034	−0.176***
	[−3.37]	[−0.92]	[−0.32]	[−0.74]	[0.70]	[−3.00]
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Style×year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Cohort fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
N	8,910	5,386	4,892	4,892	4,892	4,892
Adj. R^2	58.77%	83.55%	29.23%	44.47%	31.72%	45.69%

Table 5.
Change in integrity among non-eponymous funds when their managers launch an eponymous fund (cont.)

Panel B: Parallel trends

	Managerial Integrity Proxies					
	Violation	Omega	Kink	% negative	% repeat	Max R^2
Treatment	0.117*	0.008	0.017	−0.011	−0.613	0.041
	[1.88]	[1.20]	[0.27]	[−0.43]	[−1.54]	[1.00]
Launch_{t-3}	0.008	−0.003	0.033	−0.004	0.011	0.006
	[0.29]	[−0.57]	[1.30]	[−0.25]	[0.44]	[0.32]
$\text{Launch}_{t-3}\times\text{Treatment}$	0.008	−0.017***	0.011	−0.041	−0.014	−0.141
	[0.15]	[−2.57]	[1.17]	[−1.44]	[−0.17]	[−1.62]
Launch_{t-2}	0.022	0.001	−0.029	−0.039*	0.001	−0.016
	[1.01]	[0.22]	[−1.62]	[−1.74]	[0.01]	[−0.68]
$\text{Launch}_{t-2}\times\text{Treatment}$	−0.027	−0.004	−0.118	0.015	0.073	−0.053
	[−0.85]	[−0.71]	[−1.48]	[0.25]	[1.02]	[−0.88]
Launch_{t}	0.018	0.001	0.032	0.011	−0.006	−0.031
	[1.38]	[0.57]	[1.57]	[0.67]	[−0.30]	[−1.57]
$\text{Launch}_{t}\times\text{Treatment}$	−0.123	−0.003	−0.021	−0.058	0.086	−0.114
	[−1.60]	[−0.67]	[−0.39]	[−1.22]	[1.38]	[−1.64]
Launch_{t+1}	0.025	0.001	−0.005	0.023*	−0.033	−0.035*
	[1.50]	[0.30]	[−0.24]	[1.75]	[−1.32]	[−1.80]
$\text{Launch}_{t+1}\times\text{Treatment}$	−0.313***	−0.017**	−0.135*	−0.064	0.036	−0.269***
	[−3.74]	[−2.12]	[−1.85]	[−0.82]	[0.45]	[−4.43]
Launch_{t+2}	0.018	0.004	0.025	0.014	−0.014	−0.044**
	[1.29]	[0.98]	[1.13]	[0.75]	[−0.62]	[−2.10]
$\text{Launch}_{t+2}\times\text{Treatment}$	−0.313***	−0.009	−0.029	−0.101*	0.099	−0.296***
	[−3.74]	[−0.51]	[−0.35]	[−1.83]	[1.44]	[−3.70]
Launch_{t+3}	0.001	0.008*	0.001	0.009	0.001	0.008
	[0.03]	[1.83]	[0.01]	[0.10]	[0.01]	[0.09]
$\text{Launch}_{t+3}\times\text{Treatment}$	−0.273***	−0.013	0.052	−0.004	0.049	−0.279***
	[−3.67]	[−0.90]	[0.75]	[−0.10]	[0.65]	[−4.79]
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Style×year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Cohort fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
N	8,910	5,386	4,892	4,892	4,892	4,892
Adj. R^2	55.18%	82.35%	29.35%	44.61%	31.74%	45.57%

Table 6.
Fund flows in response to regulatory violations and performance
The table reports the results of multivariate regressions of annual fund flows on eponymy, regulatory violations, and fund performance (positive and negative), and their corresponding interaction terms. The estimated specification is as follows: i.e.:

$$\begin{aligned} Flow_{i,t+1} = \alpha_0 + \alpha_1 Eponymy_i + \alpha_2 Violation_{i,t} + \alpha_3 Eponymy_i * Violation_{i,t} + \alpha_4 Perfpos_{i,t} \\ + \alpha_5 Perfpos_{i,t} * Violation_{i,t} + \alpha_6 Eponymy_i * Perfpos_{i,t} + \alpha_7 Eponymy_i * \\ Perfpos_{i,t} * Violation_{i,t} + \alpha_8 Perfneg_{i,t} + \alpha_9 Perfpos_{i,t} * Violation_{i,t} \\ + \alpha_{10} Eponymy_i * Perfneg_{i,t} + \alpha_{11} Eponymy_i * Perfneg_{i,t} * Violation_{i,t} + Z'_{it}\beta + \epsilon_{it}, \end{aligned}$$

where $Flow_{i,t+1}$ represents annual net flows to fund i in year t+1, $Eponymy_i$ and $Z_{i,t}$ are as described in Section 2.2, $Perfpos_{i,t}$ ($Perfneg_{i,t}$) equals the annual raw return or alpha of fund i if performance is positive (negative), and 0 otherwise, $Violation_{i,t}$ is an indicator equal to 1 if fund i reports a violation in Form ADV in year t, and 0 otherwise, and ϵ_{it} is the i.i.d. error term. Both regressions control for style×year and cohort fixed effects. The t-statistics, reported in brackets, are based on standard errors clustered at the fund family and year levels. *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

	Raw returns	Alpha
Eponymy	0.013	0.019
	[0.53]	[1.09]
Violation	−0.017	−0.016
	[−0.63]	[−0.75]
Eponymy*Violation	−0.067	−0.059
	[−1.06]	[−1.03]
Perfpos	0.534***	0.518***
	[5.68]	[3.77]
Perfpos*Violation	−0.157	−0.097
	[−0.65]	[−0.74]
Eponymy*Perfpos	0.105	0.122
	[0.60]	[0.83]
Eponymy*Perfpos*Violation	−0.765**	−0.669***
	[−2.40]	[−2.87]
Perfneg	0.441***	0.242***
	[3.52]	[3.70]
Perfneg*Violation	0.239	0.145
	[0.97]	[0.56]
Eponymy*Perfneg	−0.017	−0.126
	[−0.12]	[−0.98]
Eponymy*Perfneg*Violation	1.112***	0.929**
	[3.53]	[2.47]
Controls	Yes	Yes
Style×year fixed effects	Yes	Yes
N	8,627	8,627
Adj. R^2	15.70%	9.57%

Table 7.
Eponymy and fund failure rates

The table presents the results from multivariate regressions of fund failure on eponymy, regulatory violations, and their interaction (or subsets thereof), i.e.:

$$Failure_{i,t+1} = \alpha_0 + \alpha_1 Eponymy_i + \alpha_2 Violation_{i,t} + \alpha_3 Eponymy_i * Violation_{i,t} + Z'_{it}\beta + \epsilon_{it},$$

where $Failure_{i,t+1}$ is an indicator equal to 1 if fund i fails in year t+1, and 0 otherwise, $Eponymy_i$ is an indicator equal to 1 if fund i is eponymous and 0 otherwise, $Violation_{i,t}$ ($Violation - 2yr_{i,t}$) equals 1 if fund i reports a regulatory, civil, or criminal violation in Form ADV in year t (or in both years t and t-1), and 0 otherwise, $Z_{i,t}$ is a vector of fund- and fund family-level characteristics defined in Section 2.2, along with the fund's average return and the standard deviation of monthly returns in period t and style×year fixed effects, and ϵ_{it} is the i.i.d. error term. The t-statistics, reported in brackets, are based on standard errors clustered at the fund family and year levels. *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

	(1)	(2)	(3)
Eponymy	-0.012^{***}	-0.021^{***}	-0.022^{***}
	[−3.33]	[−3.39]	[−3.36]
Violation		0.013	
		[1.31]	
Eponymy*Violation		0.032^{**}	
		[2.41]	
Violation-2yr			0.006
			[0.60]
Eponymy*Violation-2yr			0.051^{***}
			[2.88]
Controls	Yes	Yes	Yes
Style×year fixed effects	Yes	Yes	Yes
N	20,704	7,923	7,403
Adj. R^2	5.99%	5.74%	5.77%

Table 8.
Ability of eponymy to predict fund violations

The table reports the results of logistic regressions estimating the likelihood of a fund violation on eponymy, the omega score, and performance flag indicators:

$$Violation_{i,t+1} = \alpha_0 + \alpha_1 Omega_{i,t} + \alpha_2 PerformanceFlags_{i,t} + \alpha_3 Eponymy_i + Z'_{it}\beta + \epsilon_{it},$$

where $Violation_{i,t+1}$ is an indicator variable equal to 1 if fund i reports a violation in Form ADV in year t+1, $Omega_{i,t}$ denotes the operational risk of fund i in year t as defined in Brown et al. (2009), $PerformanceFlags_{i,t}$ includes four return-based fraud risk indicators – kink, % negative, % repeat and Max R^2 of fund i in year t, $Eponymy_i$ is as defined in Section 2.1, $Z_{i,t}$ is a vector of fund- and fund family-level control variables as defined in Section 2.2, along with the fund's average return and the standard deviation of monthly returns in period t, and ϵ_{it} is the i.i.d. error term. The t-statistics, reported in brackets, are based on standard errors clustered at the fund family and year levels. AUC is the area under curve measure as defined in Berg et al. (2020). *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

	(1)	(2)	(3)	(4)
Omega	0.581**			0.526**
	[2.33]			[2.01]
Kink		0.215		0.171
		[1.56]		[1.18]
% negative		0.365**		0.435**
		[2.17]		[2.56]
%repeat		0.152		0.106
		[1.03]		[0.73]
Max R^2		0.296*		0.311*
		[1.88]		[1.95]
Eponymy			−0.421**	−0.435**
			[−2.12]	[−2.40]
Fund controls	Yes	Yes	Yes	Yes
Fund family controls	Yes	Yes	Yes	Yes
N	4,126	4,126	4,126	4,126
Pseudo R^2	16.16%	16.11%	16.91%	17.66%
AUC	76.90%	77.54%	77.32%	78.15%

Figure 1. Hedge fund managers' motivations for naming their funds after themselves

The figure displays the percentage of responses from eponymous hedge fund managers for each of the seven explanations provided in the survey. Respondents were allowed to select multiple reasons. See Table A.3 for the full survey message and questions sent to fund managers.

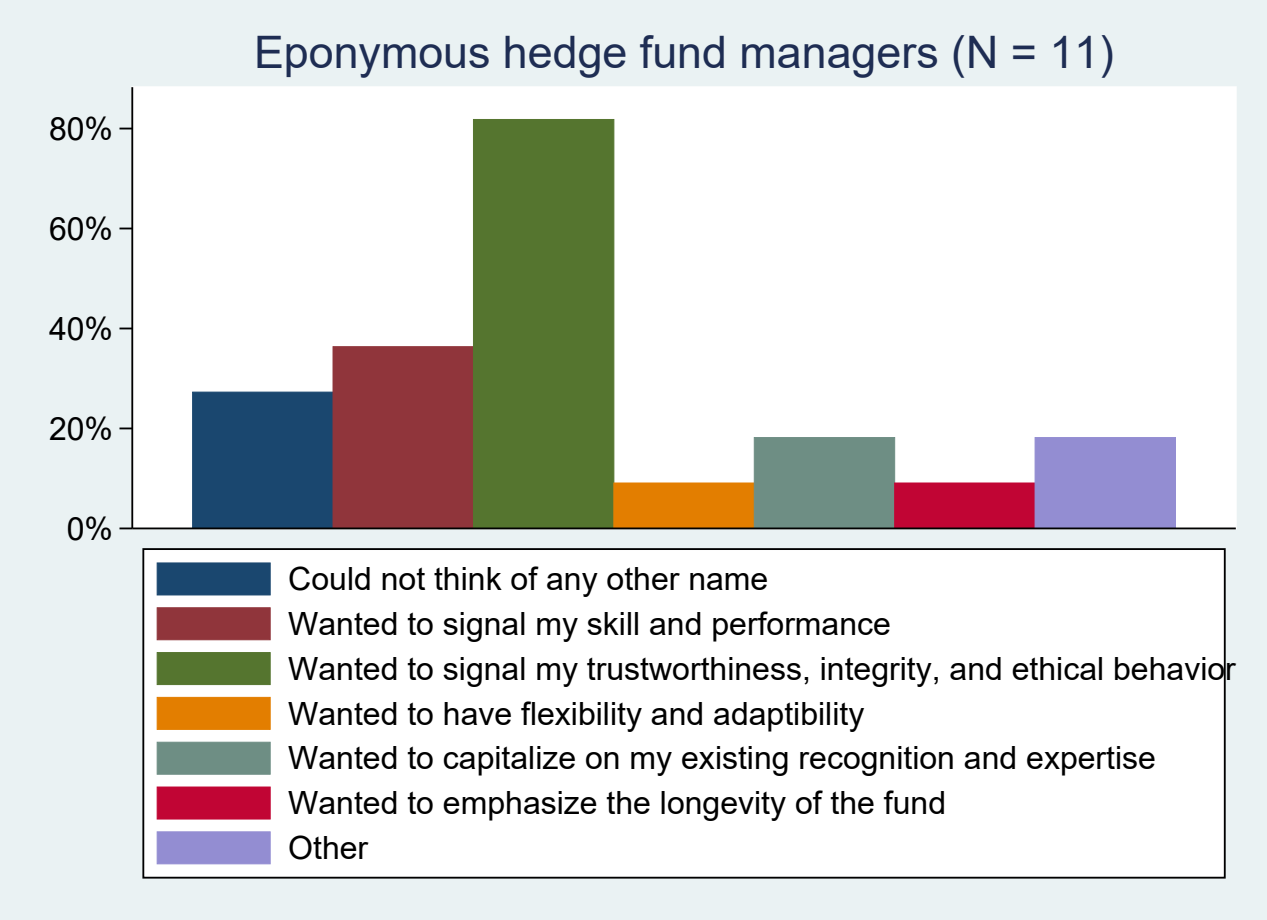
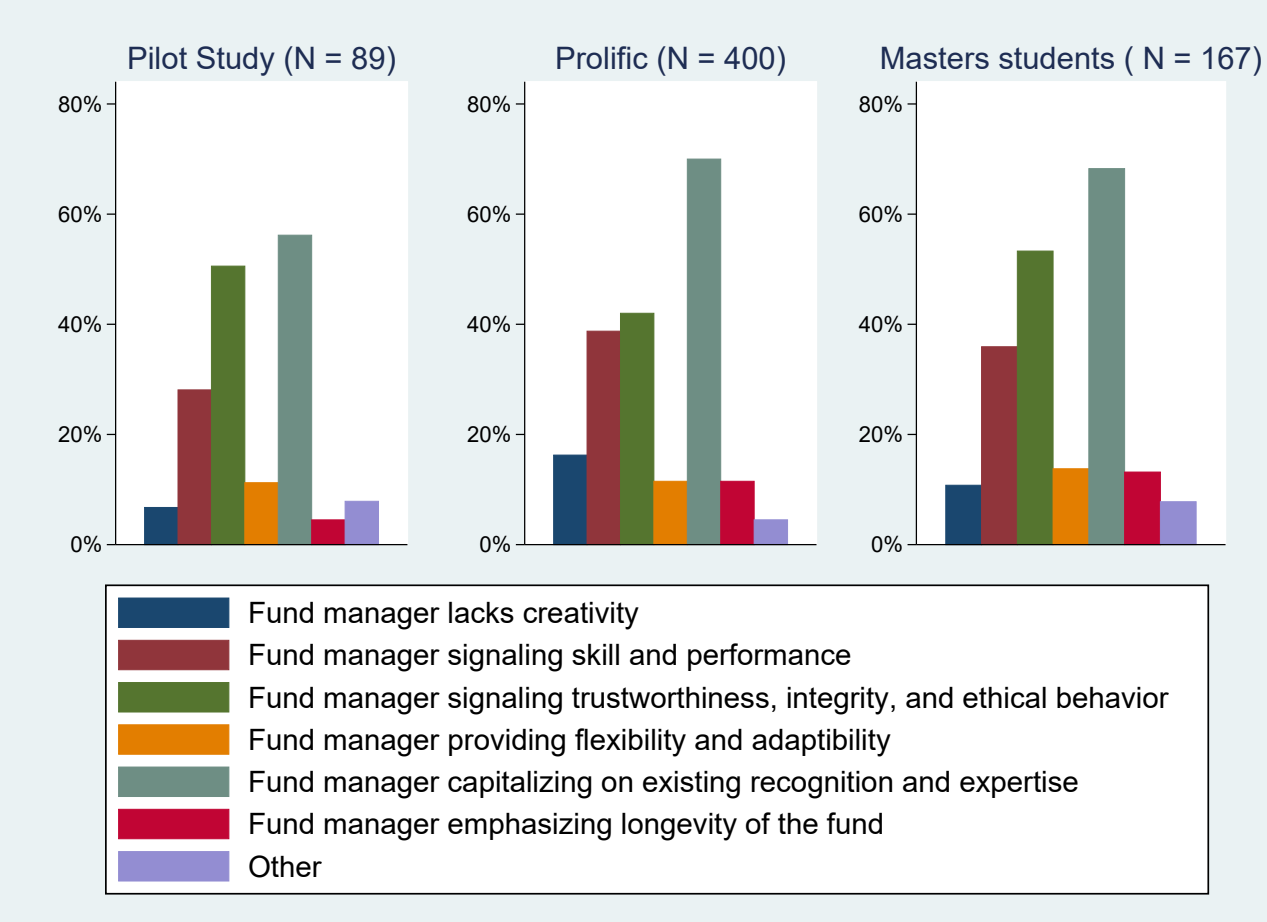


Figure 2. Potential investors' interpretation of eponymy

The figure presents the percentage of responses from three distinct samples to each of the seven explanations provided in Question 4 of the survey. The first sample comprises a pilot study of friends and colleagues (N=89). The second sample includes respondents from the UK and US recruited via the Prolific platform (N=400). The third sample consists of Master's in Finance students enrolled at business schools in France (N=62), the UK (N=25), the US (N=17) and India (N=63). Respondents were allowed to select multiple explanations. See Table A.4 for details of the survey.



Online Appendix for

"Eponymous Hedge Funds"

This Online Appendix presents supplementary analyses not reported in the main text. Section A.1 documents the covariate balance between the treatment (eponymous funds) and control (non-eponymous funds) groups after reweighting via the entropy balancing procedure (Table A.1). Section A.2 reports the results on the relation between eponymy and managerial skill, along with a discussion of the findings (Table A.2). Section A.3 provides details of the surveys conducted with eponymous hedge fund managers and a broad range of participants (Tables A.3 through A.7). Section A.4 introduces four alternative definitions of eponymy and presents the results of our main tests on eponymy-performance, eponymy-integrity and eponymy-fund flows relations using these alternative definitions (Table A.8). Finally, Section A.5 offers additional robustness checks to further validate our main findings (Tables A.9 through A.11).

A.1 Entropy balance matching

This section describes the entropy balance matching (EBM) procedure used in our analysis, following Hainmueller (2012) and Hainmueller and Xu (2013).

Entropy balancing is a reweighting method that extends the traditional propensity score matching approach by assigning continuous weights to control sample in order to achieve covariate balance. Unlike conventional propensity score matching approach, which restricts weights to binary values (0 or 1), leading to potential sample loss, EBM assigns non-zero, continuous weights to most control observations, preserving the full sample and improving the

quality of match. A key advantage of entropy balancing is its ability to achieve near-perfect covariate balance across a rich set of matching variables with minimal sample attrition. In our context, the EBM procedure ensures that eponymous (treatment) and non-eponymous (control) funds are statistically similar across all observable characteristics at the time of fund inception. Specifically, we match on the full set of fund- and fund family-level characteristics defined in Section 2.2 of the main paper, as well as on the fund's investment style category.

TABLE A.1 ABOUT HERE

Table A.1 presents covariate balance statistics between the treatment and control groups after reweighting via the entropy balancing procedure. As shown, the means of all matching variables are nearly identical across the two groups. These results confirm that the EBM procedure yields excellent covariate balance, allowing for a credible comparison between eponymous and non-eponymous funds based on observed characteristics.

A.2 Eponymy and managerial skill

We examine whether eponymy is associated with differences in managerial skill, using three proxies from the literature known to predict long-term fund performance. Specifically, we employ: (i) the R^2 measure from Titman and Tiu (2011), (ii) the Strategy Distinctiveness Index (SDI) proposed by Sun, Wang, and Zheng (2012), and (iii) the Unobserved Performance (UP) metric introduced by Agarwal, Ruenzi, and Weigert (2024). To assess the relation between these skill measures and eponymy, we estimate the following multivariate regression:

$$Skill_{it} = \gamma_0 + \gamma_1 Eponymy_i + Z'_{it}\beta + \epsilon_{it}, \tag{9}$$

where $Skill_{it}$ denotes one of the three managerial skill measures for fund i's year t, estimated annually using non-overlapping 24-month windows. All other variables are as defined in Section 2.2 of the main paper.

TABLE A.2 ABOUT HERE

Table A.2 presents the results from these regressions. After controlling for a broad set of fund- and fund family-level characteristics, we find that eponymy is associated with significantly higher R^2, significantly lower SDI, and a lower although insignificant UP. Given that lower R^2, higher SDI, and higher UP are all indicative of stronger managerial skill and predictive of superior future performance, these findings suggest that eponymous managers are, on average, less likely to exhibit higher skill. Taken together with our findings on performance, these results reinforce the view that the eponymy decision in the hedge fund industry is not primarily driven by managers' intent to signal superior ability.

A.3 Survey on Eponymy

This section outlines the design and implementation of our surveys, which were summarized in Section 3.1 of the main paper, and provides detailed tabulations of the survey responses. The goals of these surveys is twofold: (i) to understand hedge fund managers' motivations for naming their funds after themselves, and (ii) to assess how potential investors interpret eponymy as a naming strategy in the hedge fund context.

In designing and conducting our surveys, we closely followed the guidelines provided by Bergman et al. (2020). Specifically, we ensured the surveys were clearly worded, concrete, and

easily comprehensible. We avoided leading questions that could bias responses and randomized the order of response options to mitigate order effects. Recognizing that the inclusion of certain options could signal their perceived importance, we included both plausible and less plausible explanations, along with an open-ended "Other" option to allow respondents to elaborate. To reduce respondent fatigue, we limited the number of questions to four, all of which could be answered quickly.

The first survey targeted eponymous hedge fund managers. Using data from TASS and BarclayHedge, along with LinkedIn profiles, we identified 110 such managers with accessible contact information. We reached out to 93 managers via email and 17 via LinkedIn, receiving 11 responses. Table A.3 presents an example of the message we used to contact the managers.

TABLE A.3 ABOUT HERE

The second survey aimed to gauge investors' interpretations of eponymy. While we could not directly survey hedge fund investors due to a lack of contact information, we conducted surveys across three distinct samples to approximate the investor perspective. First, we ran a pilot study with 89 participants drawn from our network of friends and colleagues, who are relatively well-educated, affluent, and financially literate. Second, we conducted a broader survey through the Prolific platform with 400 respondents from the US (N = 66) and UK (N = 334). Third, we surveyed 167 Master's students enrolled in finance-related programs at business schools in France (N = 62), India (N = 63), the UK (N = 25), and the US (N = 17). Table A.4 provides the template of the Qualtrics survey used in the study.

TABLE A.4 ABOUT HERE

Table A.5 summarizes the anonymous responses from the 11 eponymous hedge fund managers regarding their motivations for naming their funds after themselves. Nine of the eleven respondents (81.81%) cited signaling trustworthiness, ethical behavior, and integrity as their primary motivation. Notably, three managers (#1, #4, and #10) cited this reason exclusively. Four managers (36.36%) also cited the desire to signal managerial skill and performance, but in all cases this explanation was provided alongside the integrity rationale (respondents #2, #3, #6, and #8).

TABLE A.5 ABOUT HERE

Survey responses from the broader participant samples further corroborate our main findings on the eponymy-integrity relation. Across all three groups, at least 40% of respondents interpret the eponymy decision as a signal of the manager's trustworthiness, ethical behavior, and integrity (50.56% in the pilot study, 42.00% among Prolific participants, and 53.29% among Master's students). In contrast, the explanation that eponymy signals superior skill or performance never exceeded 40% (28.09%, 38.75%, and 35.93%, respectively). Interestingly, a clear majority across all samples viewed eponymy as a means for managers to leverage their existing recognition and expertise (56.18% in the pilot study, 70.00% among Prolific participants, and 68.26% among Master's students).

TABLE A.6 ABOUT HERE

Next, we examine whether participants' interpretation of the eponymy-integrity relation varies with their level of financial sophistication. We proxy financial sophistication using responses to the first three survey questions:, (i) whether the participant invests in financial

markets, (ii) self-assessed financial knowledge (on a scale of 1 to 5), and (iii) whether the participant knows what a hedge fund is. Using the full sample of 656 participants, we construct four subgroups: (i) investors in financial markets (N = 362) vs. non-investors (N = 288), (ii) financially knowledgeable participants (self-rated 3-5; N = 412) vs. less knowledgeable participants (self-rated 1-2; N = 244), (iii) participants who know what a hedge fund is (N = 492) vs. those who do not (N = 162), and (iv) participants who meet all three criteria - invest in financial markets, rate their knowledge as 3-5, and know what a hedge fund is (N = 175) vs. all others (N = 481). We then test whether perceptions of the eponymy-integrity relation differ across these subgroups.

As shown in Table A.7, participants with higher financial sophistication – those who invest in the stock market, possess greater self-assessed financial knowledge, and understand what a hedge fund is – are significantly more likely to interpret eponymy as a signal of fund manager's trustworthiness, ethical behavior, and integrity.

TABLE A.7 ABOUT HERE

Taken together, the survey evidence supports the view that eponymy is predominantly used by hedge fund managers to signal trustworthiness, integrity, and ethical conduct, and that investors broadly and consistently interpret it as such. This alignment between sender and receiver reinforces our hypothesis that eponymy serves as a credible reputational signal in the hedge fund industry.

A.4 Alternative definitions of eponymy

In this section, we replicate our analyses, namely, the relations between (i) eponymy and performance, (ii) eponymy and integrity, and (iii) eponymy and fund flows. using four alternative definitions of eponymy. These definitions are intended to test the robustness of our findings to different criteria for identifying eponymous funds. We define a hedge fund as eponymous under the following four conditions:

$$Eponymy1 = \begin{cases} 1, & \text{if the fund name includes the first, middle, or last name of the founder, or a combination of such names in the case of multiple founders} \\ 0, & \text{otherwise} \end{cases}$$

$$Eponymy2 = \begin{cases} 1, & \text{if the fund or company name includes the first, middle, or last name of the founder, or a combination of such names in the case of multiple founders} \\ 0, & \text{otherwise} \end{cases}$$

$$Eponymy3 = \begin{cases} 1, & \text{Eponymy1 + if the fund name includes the initials of the founder's name, or a combination of the initials in the case of multiple founders} \\ 0, & \text{otherwise} \end{cases}$$

$$Eponymy4 = \begin{cases} 1, & \text{if the fund or company name includes the founder's last name, or a combination of the last names in the case of multiple founders} \\ 0, & \text{otherwise} \end{cases}$$

Using the above definitions, out of 15,165 in our sample, we identify 827 funds (5.45%) under *Eponymy*1 criterion, 1,085 funds (7.15%) under *Eponymy*2, 892 funds (5.88%) under *Eponymy*3 criterion, and 1,045 funds (6.89%) under *Eponymy*4 criterion.[26]

Panels A and B of Table A.8 report the results of our key analyses - presented in Tables 2, 3, and 6 in the main paper - reestimated using these alternative definitions. For brevity, Panel A suppresses the control variables and reports only the coefficients for the eponymy variable, which is our primary focus.

TABLE A.8 ABOUT HERE

As shown in Panels A and B of Table A.8, our main findings remain robust across all four alternative definitions of eponymy. Specifically, we continue to find that (i) eponymous funds do not outperform their non-eponymous peers, (ii) eponymous funds exhibit significantly lower operational and fraud risks, and (iii) investors penalize eponymous funds that commit violations, even when those funds have otherwise strong performance. These results confirm that our conclusions are not sensitive to the specific definition of eponymy employed.

A.5 Further robustness checks

In this section, we conduct a series of robustness checks to ensure that our main results are not driven by specific modeling choices or data-related biases. In particular, we demonstrate that our findings are robust to alternative estimation procedures, delisting and return smoothing biases, potential biases from omission of risk factors in estimation of risk-adjusted

[26]These correspond to 6.49%, 8.42%, 7.07%, and 8.21% of fund-year observations using *Eponymy*1, *Eponymy*2, *Eponymy*3, and *Eponymy*4 criterion, respectively.

performance, imputation of fees, sample consistency across tests, or reporting bias associated with potential exclusion of large and successful eponymous funds from commercial databases.

TABLE A.9 ABOUT HERE

TABLE A.10 ABOUT HERE

A.5.1 Fama and MacBeth (1973) regressions

We reestimate Eq. (2) using the Fama and MacBeth (1973) two-step regression procedure. In the first step, we estimate annual cross-sectional regressions. In the second step, we report the time-series averages of the coefficient estimates using Newey and West (1987) standard errors (with a lag of three) to correct for serial correlation. These regressions address potential correlation in residuals across funds and over time. As shown in Panel A of Table A.9, our main finding—that eponymous funds do not outperform their non-eponymous peers—remains unchanged. Panel A of Table A.10 confirms that eponymous funds exhibit significantly lower operational and fraud risks under this alternative estimation approach.

A.5.2 Delisting bias

Funds that terminated their operations due to poor performance could have stopped reporting returns prematurely, which could bias their performance upward, also known as the delisting bias (Agarwal, Fos, and Jiang, 2013; Aiken, Clifford, and Ellis, 2013). To address delisting bias, we assign a return of –1.61% in the month following delisting, as per Agarwal,

Ruenzi, and Weigert (2024). Panel B of Table A.9 shows that the eponymy-performance relation remains insignificant even after correcting for delisting bias. Similarly, Panel B of Table A.10 confirms that eponymous funds continue to exhibit lower operational and fraud risks. These results hold even under more extreme termination return assumptions of –10%, –20%, and –30%.

A.5.3 Return smoothing bias

Return smoothing can arise from investments in illiquid assets, reliance on stale pricing, or intentional return management (Bollen and Pool, 2008). This could inflate some of the test statistics that we use to make inferences as well as underestimate a fund's volatility. To mitigate this concern, we unsmooth fund returns using the method proposed by Getmansky, Lo, and Makarov (2004). Panel C of Table A.9 and A.10 show that our results regarding both performance and integrity remain robust to this correction.

A.5.4 Omitted risk factors

Eponymous funds may have different exposures to risk factors not captured in the base model. We address this by augmenting the Fung and Hsieh (2004) seven-factor model in two ways. Panel D of Table A.9 includes option-based factors from Agarwal and Naik (2004), and Panel E adds the liquidity factor from Pástor and Stambaugh (2003). In both cases, the estimated alphas for eponymous funds remain statistically indistinguishable from those of non-eponymous funds, indicating that risk factor omission does not drive our main findings.

A.5.5 Fee structure differences

It is possible that eponymous funds may charge higher fees compared to non-eponymous funds, resulting in lower net-of-fee performance for them. To ensure that differences in net returns are not simply driven by fee structures, we estimate pre-fee returns using the algorithm of Agarwal, Daniel, and Naik (2009). Panel F of Table A.9 shows that eponymous funds still do not outperform non-eponymous funds on a pre-fee basis. Furthermore, Panel D of Table A.10 demonstrates that eponymous funds maintain significantly lower operational and fraud risks even after controlling for pre-fee performance.

A.5.6 Sample consistency across tests

Since sample sizes differ between our performance and integrity analyses due to limited availability of operational risk data, we restrict both analyses to the same subset of funds. Results in Panels G and H of Table A.9 confirm that our findings on both performance and integrity remain unchanged.

A.5.7 Reporting bias and mega fund representation

Successful eponymous funds may opt not to report to commercial databases, leading to potential underrepresentation in our sample. To assess this, we compare our sample with the Rich List 25 (RL25) published annually by *Institutional Investor*, which ranks the top 25 highest-paid hedge fund managers and their firms. Table A.11 shows that our sample includes 61% of eponymous and 64% of non-eponymous funds listed in RL25. The 3% difference is statistically insignificant (t-statistic = –0.87), suggesting that eponymous funds are not

systematically underrepresented relative to their non-eponymous peers.[27] We also cross-check against another list of largest 100 hedge funds, HF100, also published by *Institutional Investor*. Unlike RL25, this list does not include manager names. Therefore, using the eponymous funds identified in our sample, we compare the fraction of eponymous funds that are in common with the HF100 list, and eponymous funds that are excluded from the list. We find comparable proportions of eponymous funds across those included and excluded from HF100 (9.54% versus 8.62%). Together, these findings suggest that our baseline results are unlikely to be materially influenced by selection or reporting biases.

TABLE A.11 ABOUT HERE

[27] Note that the Rich List 25 consisted of 30 managers in 2002 and 13 managers in 2005. The list was not published in 2008.

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Table A.1.
Treatment versus Control Groups with Entropy Balance Matching

The table reports the average values of fund- and fund-family characteristics of a matched sample of treatment (eponymous) and control (non-eponymous) funds under entropy balancing. The matched sample of treatment and control funds is created using entropy balance matching approach following Hainmueller (2012) and Hainmueller and Xu (2013). The fund characteristics used in matching procedure are funds' log of asset under management, inception year, management fee, incentive fee, minimum investment amount, leverage dummy, lockup period, lockup dummy, redemption period, notice period, high watermark dummy, hurdle rate dummy, age, US domicile dummy, whether the fund is solo-managed or not (*Solo-managed*). The fund-family characteristics are log of assets managed by the fund's parent company (Log($\text{AUM}_{Fund\,family}$), whether the fund is affiliated with a financial conglomerate or not (*FCAHF*), whether the fund is retail oriented or not (*Retail oriented*), and whether the fund sells ownership stake to outside investors or not (*Outside ownership*). The definitions of fund- and fund-family characteristics are provided in Table A and Section 2.2.

	Treatment (Eponymous)	Control (Non-eponymous)
log(AUM)	17.91	17.91
Management fee (%)	1.29	1.29
Incentive fee (%)	17.12	17.12
Min. investment (millions)	1.56	1.56
Leverage dummy	0.56	0.56
Lockup period (days)	166.71	166.71
Redemption period (days)	123.62	123.62
Notice period (days)	45.49	45.49
High watermark dummy	0.85	0.85
Hurdle rate dummy	0.19	0.19
Age (months)	126.24	126.24
US domicile dummy	0.77	0.77
Solo-managed	0.63	0.63
Log($\text{AUM}_{Fund\,family}$)	18.79	18.79
FCAHF	0.17	0.17
Retail oriented	0.19	0.19
Outside ownership	0.33	0.33

Table A.2.
Eponymy and Managerial Skill

The table reports the results of multivariate regressions of managerial skill on eponymy after controlling for fund and fund family-level characteristics, i.e.,:

$$Skill_{it} = \alpha_0 + \alpha_1 Eponymy_i + Z'_{it}\beta + \epsilon_{it},$$

where $Skill_{it}$ is one of the three managerial skill measures (R^2 measure of Titman and Tiu (2011), strategy distinctiveness index (SDI) of Sun, Wang, and Zheng (2012), or unobserved performance (UP) measure of Agarwal, Ruenzi, and Weigert (2024)) that are estimated annually over non-overlapping 24-month windows, $Eponymy_i$ is an indicator equal to 1 if fund i is eponymous, and 0 otherwise, Z_{it} is a vector of fund and fund family-level characteristics described in Section 2.2 of the main paper and style×year fixed effects, and ϵ_{it} is the i.i.d. error term. The t-statistics, reported in brackets, are based on standard errors clusterd at the fund family and year levels. *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

	Managerial Skill Measure		
	R^2	SDI	UP
Eponymy	0.025^{**}	-0.026^{**}	-0.011
	[2.34]	[−2.35]	[−1.02]
Controls	Yes	Yes	Yes
Style×year fixed effects	Yes	Yes	Yes
N	14,511	10,295	4,502
Adj. R^2	16.10%	23.69%	8.57%

Table A.3.
Sample message sent to eponymous hedge fund managers

Dear Mr. X,

We are three researchers conducting a study to understand a fund's naming decision. In particular, we want to understand why some hedge fund managers choose to give their names to their funds. Given that you have chosen to give your name to your fund, we would like to understand what led you to this decision. We would greatly appreciate if you could respond to the below statement by choosing the reason(s) behind your naming decision.

I named my fund after my name because:

A) I could not come up with any other name.
B) By putting my name, I wanted to signal investors that I am skilled and my fund would perform better than others.
C) By putting my name, I wanted to signal investors that they could trust me in terms of my integrity and ethical behavior in running my fund.
D) I wanted to provide myself flexibility and adaptability without being constrained by a specific brand name.
E) I wanted to capitalize on my existing recognition and expertise.
F) I wanted to emphasize longevity of the fund.
G) Other. Please specify.

We are aware that you should be very busy. Thus, we greatly appreciate your time on this matter and look very much forward to your response. Finally, we would like to emphasize that your answer will remain strictly confidential.

Yours sincerely,

Table A.4.
Survey questions posted on Qualtrics

1) Do you invest in financial markets?

Yes No

2) How would you rate your financial knowledge on a scale of 1 to 5? (1 represents no knowledge of finance, 5 represents expert knowledge of finance.)

1 2 3 4 5

3) Do you know what a hedge fund is?

Yes No

4) Suppose a hedge fund manager decides to use his/her name or initials when naming the fund. (Examples: William F. Marshall names his fund Marshall Investments or Jane C. Reynolds names her fund JCR Capital). If you were an investor, how would you interpret this decision?

A) The fund manager lacks creativity.
B) The fund manager wants to signal investors that he/she is skilled and his/her fund would perform better than others.
C) The fund manager wants to signal investors his/her trustworthiness, ethical behavior, and integrity in running the fund.
D) The fund manager wants to provide flexibility and adaptability without being constrained by a specific brand name.
E) The fund manager wants to capitalize on his/her existing recognition and expertise.
F) The fund manager wants to emphasize longevity of the fund.
G) Other. Please specify.

Table A.5.
Responses of eponymous hedge fund managers

The table summarizes the responses of eponymous hedge fund managers to the survey question as detailed in Table A.3.

	Eponymous hedge fund manager												
Reason(s) behind choosing an eponymous fund name	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10	#11	Total	%
Couldn't find any other name			Yes		Yes				Yes			3	27.27%
Signaling skill/performance		Yes	Yes			Yes		Yes				4	36.36%
Signaling trustworthiness/ethical behavior/integrity	Yes	Yes	Yes	Yes		Yes	Yes	Yes		Yes	Yes	9	81.81%
Flexibility without constraints of a specific name							Yes					1	9.09%
Capitalizing on existing recognition/expertise		Yes									Yes	2	18.18%
Emphasizing longevity of the fund											Yes	1	9.09%
Other					Yes						Yes	2	18.18%

Table A.6.
Survey results

The table summarizes the survey responses from three different participant samples, based on survey instrument detailed in Table A.4. The first sample (Pilot study) comprises friends and colleagues (N=89). The second sample (Prolific) includes UK and US residents registered on the Prolific platform (N=400). The third sample (MSc students) consists of students pursuing finance-related master's degree across various business schools in France, the UK, the US, and India (N=167).

	Sample		
	Pilot study	Prolific	MSc students
Panel A: Financial background			
Invests in financial markets	79.78%	46.00%	66.05%
Financial knowledge (on a scale of 1 to 5)	2.73	2.58	3.15
Knows what a hedge fund is	72.72%	69.75%	89.22%
Panel B: Interpretation of fund manager's eponymy decision			
Lacks creativity	6.74%	16.25%	10.78%
Signaling skill/performance	28.09%	38.75%	35.93%
Signaling trustworthiness/ethical behavior/integrity	50.56%	42.00%	53.29%
Flexibility without constraints of a specific name	11.24%	11.50%	13.77%
Capitalizing on existing recognition/expertise	56.18%	70.00%	68.26%
Emphasizing longevity of the fund	4.49%	11.50%	13.17%
Other	7.87%	4.50%	7.78%

Table A.7.
Eponymy-integrity relation across subsamples based on financial sophistication

The table summarizes the number (column 2) and percentage (column 3) of participants who interpret eponymy as a signal of fund manager's trustworthiness, ethical behavior, and integrity with respect to their answers to the first three questions of the survey. The first, second, and third sub-categories are identified based on: i) participants' financial market investments (Panel A), ii) financial knowledge, in general, rated on a scale of 1 to 5 (Panel B), and iii) knowledge of a hedge fund, in particular (Panel C), respectively. The last sub-category is the intersection of the first three sub-categories, i.e., participants who jointly invest in the stock market, who are financially more knowledgeable, and who know what a hedge fund is vs. the rest of participants (Panel D). *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

	N	Percentage favoring eponymy-integrity relation
Panel A: Financial market participation		
Invests in financial markets	362	48.07%
Does not invest in financial markets	288	43.75%
Difference		4.32%
t-statistic		[1.10]
Panel B: Financial knowledge		
Financially knowledgeable, score >= 3	412	49.64%
Financially less knowledgeable, score < 3	244	40.16%
Difference		9.47%**
t-statistic		[2.36]
Panel C: Knowledge of a hedge fund		
Knows what a hedge fund is	492	48.37%
Does not know what a hedge fund is	162	38.89%
Difference		9.49%**
t-statistic		[2.10]
Panel D: Financial sophistication		
Invests in financial markets, financially knowledgeable, and knows what a hedge fund is	175	53.14%
The rest of participants	481	43.45%
Difference		9.69%**
t-statistic		[2.21]

Table A.8.
Robustness Checks: Alternative Definitions of Eponymy

This table presents the results for the robustness tests for the eponymy-performance and eponymy-integrity relations (Panel A) and eponymy-fund flows relation (Panel B) using four alternative definitions of eponymy as outlined in Section A.2. *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

Panel A: Eponymy-performance and eponymy-integrity relation

	Performance Measures		Integrity Measures					
	Raw return	Alpha	Violation	Omega	Kink	% negative	% repeat	Max R^2
Eponymy1	−0.569	−0.437	-0.049^{**}	-0.049^{*}	−0.011	-0.039^{*}	-0.031^{*}	−0.058
	[−1.28]	[−1.21]	[−2.36]	[−1.92]	[−1.08]	[−1.84]	[−1.68]	[−1.22]
Eponymy2	−0.594	−0.329	-0.063^{***}	-0.051^{**}	-0.029^{**}	-0.035^{*}	-0.036^{**}	-0.064^{*}
	[−1.44]	[−1.01]	[−3.07]	[−2.35]	[−2.27]	[−1.95]	[−2.37]	[−1.77]
Eponymy3	0.097	0.034	-0.042^{**}	-0.041^{*}	-0.026^{**}	-0.054^{***}	-0.032^{*}	-0.081^{***}
	[0.25]	[0.10]	[−2.08]	[−1.76]	[−2.02]	[−2.82]	[−1.92]	[−2.91]
Eponymy4	−0.327	−0.329	-0.055^{***}	-0.068^{***}	-0.036^{**}	-0.031^{*}	-0.031^{*}	-0.074^{***}
	[−0.75]	[−1.00]	[−2.84]	[−2.87]	[−2.11]	[−1.78]	[−1.89]	[−2.70]

Panel B: Eponymy-fund flows relation

	Eponymy1		Eponymy2		Eponymy3		Eponymy4	
	Raw return	Alpha	Raw return	Alpha	Raw return	Alpha	Raw return	Alpha
Eponymy	0.027	0.019	0.001	0.004	0.026	0.027	0.022	0.009
	[1.19]	[1.02]	[0.02]	[0.16]	[1.13]	[1.34]	[0.78]	[0.37]
Violation	−0.012	−0.009	−0.006	−0.004	−0.041	−0.027	−0.008	−0.018
	[−0.29]	[−0.32]	[−0.16]	[−0.16]	[−1.31]	[−1.21]	[−0.20]	[−0.56]
Eponymy*Violation	−0.094	−0.088	−0.081	−0.049	−0.109	−0.061	−0.093	−0.053
	[−0.96]	[−1.11]	[−0.98]	[−0.63]	[−1.56]	[−1.08]	[−1.17]	[−0.65]
Perfpos	0.625^{***}	0.642^{***}	0.537^{***}	0.662^{***}	0.539^{***}	0.626^{***}	0.633^{***}	0.517^{***}
	[8.23]	[3.28]	[6.53]	[3.26]	[6.15]	[2.96]	[8.69]	[2.74]
Perfpos*Violation	−0.156	−0.105	−0.153	−0.162	−0.183	−0.122	−0.155	−0.121
	[−0.75]	[−0.65]	[−0.69]	[−0.84]	[−0.66]	[−0.61]	[−0.89]	[−0.66]
Eponymy*Perfpos	0.041	0.046	0.021	0.067	0.009	0.011	0.063	0.064
	[0.29]	[0.31]	[0.09]	[0.28]	[0.06]	[0.06]	[0.25]	[0.26]
Eponymy*Perfpos	-0.935^{**}	-0.585^{*}	-0.756^{**}	-0.663^{**}	-0.987^{***}	-0.651^{**}	-0.812^{***}	-0.614^{**}
*Violation	[−2.43]	[−1.78]	[−2.54]	[−2.22]	[−2.90]	[−2.01]	[−2.67]	[−2.05]
Perfneg	0.513^{***}	0.232^{**}	0.473^{**}	0.239^{**}	0.482^{**}	0.242^{**}	0.473^{***}	0.253^{**}
	[2.87]	[2.02]	[2.48]	[2.52]	[2.01]	[2.22]	[3.10]	[2.31]
Perfneg*Violation	0.288	0.134	0.189	0.125	0.297	0.169	0.233	0.128
	[1.15]	[0.75]	[0.68]	[0.79]	[1.18]	[0.94]	[0.89]	[0.88]
Eponymy*Perfneg	−0.023	−0.185	−0.118	−0.131	−0.148	−0.181	−0.199	−0.105
	[−0.17]	[−1.42]	[−0.95]	[−1.08]	[−1.06]	[−1.48]	[−1.48]	[−0.95]
Eponymy*Perfneg	1.575^{***}	1.015^{**}	0.951^{**}	0.791^{**}	1.625^{***}	1.119^{***}	1.001^{**}	0.879^{**}
*Violation	[2.98]	[2.21]	[2.39]	[2.17]	[4.62]	[2.85]	[2.40]	[2.25]
Style×year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	8,627	8,627	8,627	8,627	8,627	8,627	8,627	8,627
Adj. R^2	14.48%	13.66%	13.27%	13.66%	13.49%	13.67%	14.35%	12.81%

Table A.9.
Robustness Checks: Performance of Eponymous Funds

This table reports the robustness test results for the eponymy-performance relation presented in Table 3 of the main paper. Panel A presents Fama and MacBeth (1973) regressions with Newey-West standard errors adjusted for three lags. Panel B adjusts for delisting bias by assigning a return of –1.61% in the month following the liquidation. Panel C shows results using unsmoothing returns following the methodology of Getmansky, Lo, and Makarov (2004). Panels D and E report results for alphas based on Fung and Hsieh (2004) seven-factor model augmented with (i) the out-of-the-money call and put option factors from Agarwal and Naik (2004), and (ii) the liquidity factor from Pástor and Stambaugh (2003), respectively. Panel F presents results based on pre-fee returns. Panels G and H report multivariate regression results as specified in Eq. (1), using matched samples of funds for which *Violation* and *Omega* data are available, respectively. *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

	Performance Measure	
	Raw return	Alpha
Panel A: Fama and MacBeth (1973) regressions with 3 lags		
Eponymy	−0.144	−0.309
	[−0.38]	[−1.17]
N	23,650	21,377
Panel B: Adjusting for delisting bias		
Eponymy	−0.091	−0.226
	[−0.24]	[−0.76]
N	28,839	21,548
Panel C: Adjusting for smoothing bias		
Eponymy	−0.072	−0.181
	[−0.17]	[−0.62]
N	21,663	19,582
Panel D: Fung and Hsieh (2004) model augmented with Agarwal and Naik (2004) out-of-the money call and put option factors		
Eponymy	−0.124	−0.312
	[−0.33]	[−1.18]
N	23,650	21,377
Panel E: Fung and Hsieh (2004) model augmented with Pástor and Stambaugh (2003) liquidity factor		
Eponymy	−0.124	−0.259
	[−0.33]	[−0.87]
N	23,650	21,377

(continued on next page)

Table A.9.
Robustness Checks: Performance of Eponymous Funds (cont.)

	Performance Measure	
	Raw return	Alpha
Panel F: Performance based on pre-fee returns		
Eponymy	−0.122	−0.259
	[−0.32]	[−0.87]
N	21,324	19,191
Panel G: Matched by *Violation* sample		
Eponymy	−0.225	−0.283
	[−0.76]	[−0.91]
N	10,674	8,537
Panel H: Matched by *Omega* sample		
Eponymy	−0.155	−0.306
	[−0.83]	[−1.03]
N	8,485	6,531

Table A.10.
Robustness Checks: Integrity of Eponymous Funds

This table reports the results of robustness tests for the eponymy-integrity relation presented in Table 4 of the main paper. Panel A presents Fama and MacBeth (1973) regressions using Newey-West standard errors adjusted for three lags. Panel B adjusts for delisting bias by assigning a return of –1.61% to the month following a fund's liquidation. Panel C reports results using unsmoothed returns based on the methodology of Getmansky, Lo, and Makarov (2004). Panel D controls for pre-fee returns to account for differences in fee structures across eponymous and non-eponymous funds. *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

	Managerial Integrity Proxies					
	Operational Risk		Fraud Risk			
	Violation	Omega	Kink	% negative	% repeat	Max R^2
Panel A: Fama and MacBeth (1973) regressions with 3 lags						
Eponymy	-0.057^{***}	-0.051^{**}	-0.043^{**}	-0.053^{**}	-0.036^{**}	-0.091^{***}
	[−3.37]	[−2.49]	[−2.28]	[−2.45]	[−2.01]	[−3.51]
N	10,674	8,485	8,031	8,031	8,031	8,031
Panel B: Adjusting for delisting bias						
Eponymy	-0.053^{**}	-0.052^{**}	-0.027^{**}	-0.048^{***}	-0.024^{*}	-0.078^{***}
	[−2.53]	[−2.49]	[−2.15]	[−2.98]	[−1.91]	[−3.31]
N	10,694	8,581	8,213	8,213	8,213	8,213
Panel C: Adjusting for smoothing bias						
Eponymy	-0.055^{**}	-0.043^{**}	-0.039^{**}	-0.049^{***}	-0.031^{*}	-0.088^{***}
	[−2.43]	[−2.25]	[−2.49]	[−2.64]	[−1.94]	[−3.61]
N	10,674	8,485	8,031	8,031	8,031	8,031
Panel D: Controlling for pre-fee returns						
Eponymy	-0.063^{***}	-0.043^{**}	-0.035^{**}	-0.043^{**}	-0.028^{**}	-0.074^{***}
	[−2.71]	[−2.01]	[−2.28]	[−2.39]	[−2.09]	[−3.85]
N	8,708	6,546	6,531	6,531	6,531	6,531

Table A.11.
Proportion of eponymous funds in Rich List 25 and eponymous funds common to Rich List 25 and our sample

The table reports the number of eponymous and non-eponymous funds in the Rich List 25 (RL25) only (columns 2 and 5), the number of funds that appear both in RL25 and in our database (columns 3 and 6), and the proportion of overlapping funds to total RL25 funds (columns 4 and 7). *, **, and *** represent significance level at 10%, 5%, and 1%, respectively.

	No. of eponymous funds			No. of non-eponymous funds		
Year	RL25	RL25 and our sample	Percent	RL25	RL25 and our sample	Percent
2002	8	6	75%	22	13	59%
2003	6	3	50%	19	11	58%
2004	8	6	75%	17	12	71%
2005	4	2	50%	9	6	67%
2006	7	4	57%	18	9	50%
2007	7	5	71%	18	13	72%
2009	8	6	75%	17	11	65%
2010	9	5	56%	16	11	69%
2011	8	4	50%	17	12	71%
2012	6	3	75%	19	12	63%
2013	7	4	57%	18	13	72%
2014	5	3	75%	20	11	55%
2015	2	1	50%	23	14	61%
2016	5	4	80%	20	13	65%
		Average	61%		Average	64%
		Difference	-0.03%			
		t–stat	-0.87			

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