

Hedge Fund Stock Trading in the Financial Crisis of 2007–2009

[Get access >](#)

Itzhak Ben-David, Francesco Franzoni, Rabih Moussawi

The Review of Financial Studies, Volume 25, Issue 1, January 2012, Pages 1–54,
<https://doi.org/10.1093/rfs/hhr114>

Published: 01 January 2012

Abstract

Hedge funds significantly reduced their equity holdings during the recent financial crisis. In 2008:Q3–Q4, hedge funds sold about 29% of their aggregate portfolio. Redemptions and margin calls were the primary drivers of selloffs. Consistent with forced deleveraging, the selloffs took place in volatile and liquid stocks. In comparison, redemptions and stock sales for mutual funds were not as severe. We show that hedge fund investors withdraw capital three times as intensely as mutual fund investors do in response to poor returns. We relate this stronger sensitivity to losses to share liquidity restrictions and institutional ownership in hedge funds.

© The Author 2011. Published by Oxford University Press on behalf of The Society for Financial Studies. All rights reserved. For Permissions, please e-mail: journals.permissions@oup.com.

Collection: [SFS Journals](#)

You do not currently have access to this article.

Sign in

[Get help with access](#)

Personal account

- Sign in with email/username & password
- Get email alerts
- Save searches

Institutional access

[Sign in through your institution](#)[Sign in through your institution](#)

- Purchase content
- Activate your purchase/trial code
- Add your ORCID iD

Sign in >

Register

[Sign in with a library card](#)

[Sign in with username/password](#)

[Recommend to your librarian](#)

Institutional account management

[Sign in as administrator](#)

Purchase

[Subscription prices and ordering for this journal](#)

[Purchasing options for books and journals across Oxford Academic](#)

Short-term Access

To purchase short-term access, please sign in to your personal account above.

Don't already have a personal account? [Register](#)

Hedge Fund Stock Trading in the Financial Crisis of 2007–2009 - 24 Hours access

EUR €53.00

GBP £44.00

USD \$58.00

Rental



This article is also available for rental through DeepDyve.