JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

A Global Macroeconomic Risk Model for Value, Momentum, and Other Asset Classes

Ilan Cooper, Andreea Mitrache, and Richard Priestley

Proactive Capital Structure Adjustments: Evidence from Corporate Filings

Arthur Korteweg, Michael Schwert, and Ilya A. Strebulaev

Moment Risk Premia and Stock Return Predictability Zhenzhen Fan, Xiao Xiao, and Hao Zhou

Minimum Wage and Corporate Investment: Evidence from Manufacturing Firms in China Heng (Griffin) Geng, Yi Huang, Chen Lin, and Sibo Liu

The Exploratory Mindset and Corporate Innovation Zhaozhao He and David Hirshleifer

The Puzzle of Frequent and Large Issues of Debt and Equity Rongbing Huang and Jay R. Ritter

Lender Forbearance

Andrew Bird, Aytekin Ertan, Stephen A. Karolyi, and Thomas G. Ruchti

Investing in Low-Trust Countries: On the Role of Social Trust in the Global Mutual Fund Industry

Massimo Massa, Chengwei Wang, Hong Zhang, and Jian Zhang

Local, Regional, or Global Asset Pricing? Fabian Hollstein

Do Private Equity Managers Have Superior Information on Public Markets?

Oleg R. Gredil

Gender, Credit, and Firm Outcomes Manthos D. Delis, Iftekhar Hasan, Maria Iosifidi, and Steven Ongena

Social Transmission Bias and Investor Behavior Bing Han, David Hirshleifer, and Johan Walden

Editors

Hendrik Bessembinder
Jennifer Conrad
Ran Duchin
Mara Faccio
Thierry Foucault
Jarrad Harford
Paul Malatesta

Published by Cambridge University Press for the University of Washington Michael G. Foster School of Business in cooperation with the Arizona State University W. P. Carey School of Business, Boston College Carroll School of Management, HEC Paris, the Purdue University Krannert School of Management, and the University of North Carolina Kenan-Flagler Business School

VOL. 57, NO. 1 February 2022





JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

A PUBLICATION OF THE UNIVERSITY OF WASHINGTON MICHAEL G. FOSTER SCHOOL OF BUSINESS IN COOPERATION WITH THE ARIZONA STATE UNIVERSITY W. P. CAREY SCHOOL OF BUSINESS, BOSTON COLLEGE CARROLL SCHOOL OF MANAGEMENT, HEC PARIS, THE PURDUE UNIVERSITY KRANNERT SCHOOL OF MANAGEMENT, AND THE UNIVERSITY OF NORTH CAROLINA KENAN-FLAGLER BUSINESS SCHOOL.

VOL. 57, NO. 1, FEBRUARY 2022

A Global Macroeconomic Risk Model for Value, Momentum, and Other Asset Classes Ilan Cooper, Andreea Mitrache, and Richard Priestley
Proactive Capital Structure Adjustments: Evidence from Corporate Filings
Moment Risk Premia and Stock Return Predictability
Minimum Wage and Corporate Investment: Evidence from Manufacturing Firms in China
The Exploratory Mindset and Corporate Innovation
The Puzzle of Frequent and Large Issues of Debt and Equity
Lender Forbearance
Investing in Low-Trust Countries: On the Role of Social Trust in the Global Mutual Fund Industry
Local, Regional, or Global Asset Pricing?29 Fabian Hollstein
Do Private Equity Managers Have Superior Information on Public Markets?32 Oleg R. Gredil
Gender, Credit, and Firm Outcomes
Social Transmission Bias and Investor Behavior

MANAGING EDITORS

Hendrik Bessembinder Arizona State University Jennifer Conrad University of North Carolina

Boston College

Mara Faccio

Purdue University

Ran Duchin

Thierry Foucault
HEC Paris
Jarrad Harford
Paul Malatesta
University of Washington

ADVISORY EDITORS

Stephen Brown New York University Mark Grinblatt University of California at Los Angeles

ASSOCIATE EDITORS

George Aragon Arizona State University

Warren Bailey

Cornell University

Turan Bali

Georgetown University

Murillo Campello Cornell University

Riccardo Colacito
University of North Carolina

at Chapel Hill

Jeffrey Coles

University of Utah

Zhi Da

University of Notre Dame

Vivian Fang

University of Minnesota

Todd Gormley

Washington University in

St Louis

Allaudeen Hameed

National University of Singapore

Jie He

University of Georgia

Travis Johnson

University of Texas at Austin

Marcin Kacperczyk
Imperial College London

Jonathan Karpoff University of Washington

Kaili

University of British Columbia

Francis Longstaff

University of California at

Los Angeles

Nadya Malenko

University of Michigan

Ronald Masulis

University of New South Wales

John McConnell
Purdue University

Robert McDonald Northwestern University

R. David McLean
Georgetown University

Darius Palia

Rutgers University
Neil Pearson

University of Illinois at Urbana-Champaign

George Pennacchi University of Illinois at Urbana-Champaign

Jeffrey Pontiff Boston College

David Reeb National University of

Singapore

Matthew Ringgenberg University of Utah

Bryan Routledge
Carnegie Mellon University

Paul Schultz

University of Notre Dame

Mikhail Simutin

University of Toronto

Chester Spatt

Carnegie Mellon University

Kumar Venkataraman

Southern Methodist

University
Yuhai Xuan

University of California at

Irvine

David Yermack
New York University

Scott Yonker

Cornell University **Lu Zhang**

Ohio State University

Guofu Zhou

Washington University in St. Louis

PRODUCTION EDITOR Wendy Katz

vvenuy Raiz

University of Washington

BUSINESS MANAGER Susan Huot

University of Washington

The Journal of Financial and Quantitative Analysis (ISSN 0022-1090), Michael G. Foster School of Business, University of Washington, 810C Condon Hall, UW Box 353200, Seattle, WA 98195-3200, is published 8 times a year in February, March, May, June, August, September, November, and December by Cambridge University Press, One Liberty Plaza, 20th Floor, New York, NY 10006/Cambridge University Press, University Printing House, Shaftesbury Road, Cambridge CB2 8BS, UK for the University of Washington Michael G. Foster School of Business in cooperation with the Arizona State University W. P. Carey School of Business, Boston College Carroll School of Management, HEC Paris, the Purdue University Krannert School of Management, and the University of North Carolina Kenan-Flagler Business School. Periodicals Postage Paid at New York, NY and additional mailing offices. POSTMASTER: Send address changes to Journal of Financial and Quantitative Analysis, Cambridge University Press, One Liberty Plaza, 20th Floor, New York, NY 10006, USA.



JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

PHONE: (206) 543-4598 FAX: (206) 616-1894 E-MAIL: jfqa@uw.edu

URL: jfqa.org

University of Washington Michael G. Foster School of Business 810C Condon Hall UW Box 353200 Seattle, WA 98195-3200 USA

VOL. 57, NO. 1, FEBRUARY 2022

PURPOSE AND FOCUS

The Journal of Financial and Quantitative Analysis (JFQA) publishes theoretical and empirical research in financial economics. Topics include corporate finance, investments, capital and security markets, and quantitative methods of particular relevance to financial researchers. Opinions expressed in the JFQA are those of the authors and do not necessarily reflect those of the University of Washington Michael G. Foster School of Business. For submissions queries, please write, call, fax, or e-mail the JFQA office. For all other information related to the journal, please contact Cambridge Journals Customer Services: Cambridge University Press, One Liberty Plaza, 20th Floor, New York, NY 10006, USA.

SUBMISSIONS

www.editorialmanager.com/jfga

It is JFQA policy to give prompt attention to all submitted manuscripts. Consistent with this policy, honoraria are paid to referees who provide timely reviews. Submit manuscripts online (www.editorialmanager.com/jfqa). Payment is required at the time of submission. Please consult the journal website for current submission details. Manuscripts are considered for publication on the understanding that they have not been previously published in whole or in part, and are not being simultaneously considered for publication elsewhere.

SUBSCRIPTIONS

cambridge.org/jfqa

For individuals or institutions interested in a single journal subscription in 2022, please contact Cambridge Journals Customer Services. In the U.S., Canada, or Mexico, subscription fees are payable in U.S. dollars: journals_subscriptions@cambridge.org. Elsewhere in the world, subscription fees are payable in U.K. pounds sterling: journals@cambridge.org

2022 Annual Subscription Fees

Volume 57: February, March, May, June, August, September, November, and December

Category	Access Type	Price
Organizational	Online & Print	\$897/£508
Organizational	Print only	\$932/£502
Organizational	Online only	\$671/£403
Individual	Online & Print	\$161/£90
Individual	Print only	\$139/£74
Individual	Online only	\$111/£63
Student	Print only	\$37/£27

RIGHTS AND PERMISSIONS

All rights reserved. No part of this publication may be reproduced, in any form or by any means, electronic, photocopying, or otherwise, without permission in writing from Cambridge University Press. General enquiries from the USA, Mexico, and Canada should be addressed to the New York office of Cambridge University Press cambridge.org/us/information/rights/contacts/newyork.htm; general enquiries from elsewhere should be addressed to the Cambridge office cambridge.org/uk/information/rights/contacts/cambridge.htm; permission enquiries from Australia and New Zealand should be addressed to the Melbourne office cambridge.org/uk/information/rights/contacts/australia.htm; enquiries regarding Spanish language translation rights (only) should be addressed to the Madrid office cambridge.org/uk/information/rights/contacts/madrid.htm. Photocopying information (for users in the USA): Copying for internal or personal use beyond that permitted by Sec. 107 or 108 of the U.S. Copyright Law is authorized for users duly registered with the Copyright Clearance Center (CCC), provided that the appropriate remittance is paid directly to: CCC, 222 Rosewood Drive, Danvers, MA 01923, USA. Specific written permission must be obtained for all other copying; contact the nearest Cambridge University Press office.