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## Portfolio concentration and performance of institutional investors worldwide<sup>☆</sup>

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Using data on security holdings for 10,771 institutional investors from 72 countries, we test whether concentrated investment strategies result in excess risk-adjusted returns. We examine several measures of portfolio concentration with respect to countries and industries and find that portfolio concentration is directly related to risk-adjusted returns for institutional investors worldwide. Results suggest, in contrast to traditional asset pricing theory and in support of information advantage theory, that concentrated investment strategies in international markets can be optimal.

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