# XU LI

✉ phd17xl@mail.wbs.ac.uk

📍 2505 Beetham Tower, Birmingham, B1 1BA 📞(+44)7447214567

## EDUCATION

**Warwick Business School - Univesity of Warwick,** Coventry, UK          *2017 - 2022 (Expected)*
*Ph.D. in Finance and Econometrics*
– Advisors: Dr Gi H Kim and Dr Sarah Wang
– Thesis submitted in Sep 2022

**Warwick Business School - Univesity of Warwick,** Coventry, UK          *2015 - 2017*
*M.Sc. in Finance with Distinction*
– Dissertation: Two-step Regression Based Approximation Approach For Pricing High Dimensional American Basket Option in Energy Market (Advisor: Prof. Xing Jin)

**Royal Holloway University of London,** Egham, UK          *2012 - 2015*
*B.Sc. in Finance and Mathematics with First Class Honours*

## RESEARCH INTERESTS

Debt Structure, Capital Structure, Institutional Investors, Liquidity Risk, Credit Market, Empirical Asset Pricing

## WORKING PAPER

**Reaching for Income and Investor Flows in Corporate Bond Mutual Funds** (joint with Gi H. Kim)
**Abstract:** A low-interest rate environment induces higher demand for income-generating assets, such as high-dividend stocks and high-coupon bonds. In this paper, we explore the impact of this "reaching-for-income" phenomenon on fund flows of corporate bond mutual funds. We find that high reaching-for-coupon (RFC) funds, i.e., bond funds whose portfolios pay higher coupons than the benchmark, attract more inflows and have fund flows that are less sensitive to past fund performance. More interestingly, they exhibit a less concave flow-performance relation. Further analyses offer evidence that this altered flow-performance relation may result in greater risk-taking on the part of the fund, contributing to higher fund returns. Our results shed new light on the incentive for "reaching-for-yield" behaviours in the fixed-income market.
**Target Journal:** Journal of Financial and Quantitative Analysis

**Bond Funds Herding and Corporate Debt Issuance** (joint with Gi H. Kim)
**Abstract:** Do corporate bond funds have a real impact on firm policies? In this paper, we examine whether fund herding alters the overall information environment of a firm's credit risk, and thus affects the firm's decision to issue bonds. Using the firm-level measure of herding by U.S. bond mutual funds from 1998 to 2018, we find that fund herding in a firm's existing bonds increases the probability that the firm will issue new bonds. The effect is stronger for opaque firms and during uncertain times, for buy herding over sell herding, and can lead firms to substitute bank loans for bonds. The results are robust to instrumental variable analyses. Overall, our findings are consistent with the positive view of institutional herding that it facilitates information production and enhances a firm's information environment.

**Presentations:** 37th AFFI 2021, AFA Poster 2021 (Virtual), 34th AFBC 2020, Warwick Business School Brown Bag Series
**Initial Submission:** Journal of Banking and Finance

**Cross-Ownership and Corporate Debt Structure** (joint with Suyang Li)

**Abstract:** This paper investigates the relationship between the borrowing firm's cross-ownership and its choice between bank loans and public bonds when raising new debt capital. We find that cross-ownership significantly reduces the firm's use of bank loans when making debt issuance decisions. Evidence from a quasi-natural experiment based on financial institution mergers mitigates reverse causality concerns. Furthermore, the reduced likelihood of issuing bank loans is more pronounced for firms with more significant governance externality and information asymmetry. These findings highlight that the *ex ante* governance and *ex post* informational roles of cross-ownership have real effects on corporate debt structure.

**Presentations:** AFA Poster 2022 (Virtual), Warwick Business School Brown Bag Series
**Target Journal:** Journal of Corporate Finance

## WORK IN PROGRESS

**Two-step Regression Based Approximation Approach For Pricing High Dimensional American Basket Option in Energy Market** (joint with Xing Jin)

**Cross-Ownership and Syndicated Loan Structure**

## CONFERENCES

| | |
|---|---|
| **Warwick Business School Brown Bag Series** | *Nov/2022* |
| – Paper Presentation | *Coventry, UK* |
| **American Financial Association (AFA) 2022 Annual Meeting** | *Jan/2022* |
| – Ph.D. Student Poster Session | *Virtual* |
| **Warwick Business School Brown Bag Series** | *Nov/2021* |
| – Paper Presentation | *Coventry, UK* |
| **37th International Conference of the French Finance Association (AFFI)** | *May/2021* |
| – Paper Presentation | *Virtual* |
| **American Financial Association (AFA) 2021 Annual Meeting** | *Jan/2021* |
| – Ph.D. Student Poster Session | *Virtual* |
| **34th Australasian Finance and Banking Conference (AFBC)** | *Dec/2020* |
| – Paper Presentation | *Virtual* |
| **Warwick Business School Brown Bag Series** | *Oct/2020* |
| – Paper Presentation | *Virtual* |

## CONFERENCE DISCUSSANT

| | |
|---|---|
| **34th Australasian Finance and Banking Conference (AFBC)** | *Dec/2020* |
| – Paper Discussion | *Virtual* |

## TEACHING EXPERIENCE

**Associate Session Tutor: Research Methodology (MATLAB)** *2019-2022*
– MSc Finance, MSc Economics & Finance *University of Warwick, UK*
– For Dr. Gi H. Kim

**Associate Session Tutor: Principles of Finance 2** *2019-2020*
– BSc Accounting & Finance *University of Warwick, UK*
– For Dr. Irem Erten

**Associate Session Tutor: Finance 1: Financial Markets** *2018-2019*
– BSc Accounting & Finance *University of Warwick, UK*
– For Dr. Peter Corvi

**Associate Session Tutor: Corporate Finance** *2018-2019*
– MSc Business & Finance, MSc Business with Accounting & Finance *University of Warwick, UK*
– For Dr. Giorgia Barboni and Dr. Gi H. Kim
– Teaching Excellence Awards for the postgraduate programmes

**Associate Session Tutor: Research Methodology and Dissertation** *2018-2019*
– MSc Finance, MSc Economics & Finance *University of Warwick, UK*
– For Dr. Xing Jin

## CERTIFICATES & AWARDS

**Warwick China Scholarship** *2017-2021*
– University of Warwick *Coventry, UK*

**Teaching Excellence Certificate for Postgraduate Program** *Sep/2019*
– IB92CA: Corporate Finance/ IB92C0: Corporate Finance *Coventry, UK*
– Warwick Business School

**Financial Risk Manager (FRM®)** *Jun/2018*
– Global Association of Risk Professionals *New Jersey, USA*

**CFA level II passed** *Jun/2017*

**M.Sc Finance Top 10% of graduating cohort** *Jan/2017*
– Warwick Business School *Coventry, UK*

## COMPUTER SKILLS

**Software:** MATLAB, Stata, Latex, Microsoft Office
**Databases:** Bloomberg, WRDS, Thomson Reuters Eikon, Thomson Lipper eMAXX

## LANGUAGE

**Chinese** (native), **English** (fluent)

## PERSONAL INFORMATION

**Full Name**: Xu Li
**Date of Birth**: 02/September/1992
**Citizenship**: Chinese

## ACADEMIC REFERENCES

Dr. Gi H. Kim
Associate Professor of Finance
Warwick Business School
University of Warwick
Gi.Kim@wbs.ac.uk

Dr. Sarah Qian Wang
Associate Professor of Finance
Warwick Business School
University of Warwick
Qian.Wang@wbs.ac.uk

Dr. Giorgia Barboni
Assistant Professor of Finance
Warwick Business School
University of Warwick
Giorgia.Barboni@wbs.ac.uk