Fan Yu

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Claremont McKenna College
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Education

Ph.D., Economics, Cornell University (1999)
M.A., Economics, Cornell University (1998)
Graduate Program in Physics, Harvard University (1993-95)
M.Sc., Physics, McMaster University, Canada (1993)
Honours B.Sc., Physics, McMaster University, Canada (1991)
Special Program for Gifted Youths, Nanjing University, China (1987-90)

Academic Experience

Robert Day School of Economics and Finance, Claremont McKenna College
Gordon C. Bjork Chair and George R. Roberts Fellow (05/2012-present)
Professor of Financial Economics (02/2013-present)
Associate Professor of Financial Economics (07/2008-01/2013)
Shanghai Advanced Institute of Finance, Shanghai Jiao Tong University
Visiting Associate Professor of Finance (07/2011-06/2013)
Eli Broad College of Business, Michigan State University
Associate Professor of Finance (07/2007-06/2008)
Paul Merage School of Business, University of California, Irvine
Assistant Professor of Finance (07/1999-06/2007)

Awards and Honors

Risk Who's Who (2008)
FDIC Center for Financial Research Grant (2006-07, 2008-09)
Moody's Credit Market Research Fund Award (2004-05)
UC-Irvine Faculty Career Development Award (2003-04)
Sage Graduate Fellowship, Cornell University (1995-96, 1998-99)
Harvard Teaching Fellowship (1993-95)
Ontario Graduate Scholarship (1992-93)
Harry Lyman Hooker Senior Fellowship, McMaster University (1991-92)
Lloyd G. Elliott First Prize, Canadian Association of Physicists Prize Examination (1991)

Research Interests

Credit risk analysis; fixed income and derivative securities; financial and operational risk management; credit market liquidity; real options; municipal bonds; Chinese local government bonds

Publications

"A Re-Examination of Rating Shopping and Catering using Post-Crisis Data on CDOs," with Robert Owlett, *Economics Letters* 147, 164-167 (2016)

"Credit Derivatives and Analyst Behavior," with George Batta and Jiaping Qiu, *Accounting Review* 91(5), 1315-1343 (2016)

"Are Credit Ratings Relevant in China's Corporate Bond Market?" with Raghav Dhawan, *Chinese Economy* 48(3), 235-250 (2015)

"Social Learning and Parameter Uncertainty in Irreversible Investments: Evidence from Greenhouse Adoptions in Northern China," with Jikun Huang, Thomas Reardon, Scott Rozelle, and Honglin Wang, *China Economic Review* 27, 104-120 (2013)

"The Spillover Effects of Biofuel Policy on Participation in the Conservation Reserve Program," with Zhengfei Guan, Robert Myers, and Feng Wu, *Journal of Economic Dynamics and Control* 37(9), 1755-1770 (2013)

"Endogenous Liquidity in Credit Derivatives," with Jiaping Qiu, *Journal of Financial Economics* 103(3), 611-631 (2012)

"The Determinants of Operational Risk in U.S. Financial Institutions," with Anna Chernobai and Philippe Jorion, *Journal of Financial and Quantitative Analysis* 46(6), 1683-1725 (2011)

"Pricing Credit Default Swaps with Option-Implied Volatility," with Charles Cao and Zhaodong Zhong, *Financial Analysts Journal* 67(4), 67-76 (2011)

"The Information Content of Option-Implied Volatility for Credit Default Swap Valuation," with Charles Cao and Zhaodong Zhong, *Journal of Financial Markets* 13(3), 321-343 (2010)

"The Market for Corporate Control and the Cost of Debt," with Jiaping Qiu, *Journal of Financial Economics* 93(3), 505-524 (2009)

"Risk and Return in Fixed Income Arbitrage: Nickels in Front of a Steamroller?" with Jefferson Duarte and Francis Longstaff, *Review of Financial Studies* 20(3), 769-811 (2007)

"Correlated Defaults in Intensity-Based Models," *Mathematical Finance* 17(2), 155-173 (2007)

"How Profitable Is Capital Structure Arbitrage?" *Financial Analysts Journal* 62(5), 47-62 (2006)

"Introduction to the Special Issue on Capital Structure Arbitrage," *Banque & Marchés* 80, 5-6 (2006)

"Accounting Transparency and the Term Structure of Credit Spreads," *Journal of Financial Economics* 75(1), 53-84 (2005)

"Default Risk and Diversification: Theory and Empirical Implications," with Robert Jarrow and David Lando, *Mathematical Finance* 15(1), 1-26 (2005)

"Is Investor Misreaction Economically Significant? Evidence from Short- and Long-Term S&P 500 Index Options," with Charles Cao and Haitao Li, *Journal of Futures Markets* 25(8), 717-752 (2005)

"Default Correlation in Reduced-Form Models," *Journal of Investment Management* 3(4), 33-42 (2005)

"Modeling Expected Return on Defaultable Bonds," *Journal of Fixed Income* 12(2), 69-81 (2002)

"Counterparty Risk and the Pricing of Defaultable Securities," with Robert Jarrow, *Journal of Finance* 56(5), 1765-1799 (2001)

"Interest Rate, Currency and Equity Derivatives Valuation Using the Potential Approach," with Naosuke Nakamura, *International Review of Finance* 1(4), 269-294 (2000)

"What Is the Value of Knowing Uninformed Trades?" *Economics Letters* 64(1), 87-98 (1999)

Working Papers

"Credit Derivatives and Firm Investment," with George Batta (2016)

"Modeling Municipal Yields with (and without) Bond Insurance," with Albert Lee Chun, Ethan Namvar, and Xiaoxia Ye (2016), revise and resubmit, *Management Science*

"A Unified HJM Approach to Non-Markov Gaussian Dynamic Term Structure Models: International Evidence," with Haitao Li and Xiaoxia Ye (2016)

"Unifying Gaussian Dynamic Term Structure Models from an HJM Perspective," with Haitao Li and Xiaoxia Ye (2016)

Seminar and Conference Presentations

"Credit Derivatives and Firm Investment"
Credit Risk Workshop, Shanghai Advanced Institute of Finance (2016)

"Modeling Municipal Yields with (and without) Bond Insurance"
Claremont McKenna College (2015), University of Technology Sydney (2015), University of New South Wales (2015), University of Sydney (2015), McMaster University (2015), University of Toronto (2015)

"What Drives Chinese Local Government Bond Yields?"
China International Conference in Finance, Chengdu (2014)

"Property Investment and Rental Rate under Housing Price Uncertainty: A Real Options Approach"
Claremont McKenna College (2014)

"Credit Derivatives and Analyst Behavior"
National Taiwan University (2011), Chinese University of Hong Kong (2012), Risk Management Conference, National University of Singapore (2012), Montreal Institute of Structured Products and Derivatives First Conference (2012), Korean Advanced Institute of

Science and Technology (2013), Fudan University (2013), China International Conference in Finance, Shanghai (2013)

"Endogenous Liquidity in Credit Derivatives"
Cheung Kong Graduate School of Business (2010), AQR (2011), Federal Reserve Bank of New York (2011), National University of Singapore (2011), Nanyang Technological University (2011), Shanghai Advanced Institute of Finance (2011), AFA Meetings, Chicago (2012), Trust Company of the West (2012)

"Social Learning and Parameter Uncertainty in Irreversible Investments: Evidence from Greenhouse Adoptions in Northern China"
AEA Meetings, Atlanta (2010)

"Modeling Correlated Default Risk: An Overview"
University of Southern California, Department of Mathematics (2009), California Institute of Technology (2009)

"The Market for Corporate Control and the Cost of Debt"
Claremont McKenna College (2009), Santa Clara University (2009)

"The Determinants of Operational Risk in U.S. Financial Institutions"
McMaster University (2007), Michigan State University (2007), BGI (2008), Claremont McKenna College (2008), McGill/IFM Conference on Risk Management, Mont Tremblant (2008), UT-Dallas (2009), Journal of Investment Management Spring Conference, San Francisco (2009), UC-Riverside (2009)

"Why Does Corporate Governance Explain Credit Spreads?"
Notre Dame Center for Accounting Research and Education Annual Conference, Napa Valley (2007), Bank of Canada (2007), Wilfrid Laurier University (2007)

"The Information Content of Option-Implied Volatility for Credit Default Swap Valuation"
McGill/IFM Conference on Risk Management, Mont Tremblant (2006), Derivative Securities Conference, FDIC (2006), Center for Financial Research Workshop, FDIC (2006), UC-Irvine (2006), HEC Montreal (2006), AEA Meetings, Chicago (2007), BGI (2007), Santa Clara University (2007), SUNY-Buffalo (2007), UT-Dallas (2007), University of Houston (2007), Michigan State University (2007), Mitsui Life Symposium on Global Financial Markets, Ann Arbor (2008)

"Risk and Return in Fixed Income Arbitrage: Nickels in front of a Steamroller?"
Workshop on Capital Structure Arbitrage, Université d'Evry (2005), Pennsylvania State University (2005), Case Western Reserve University (2005), Bank of Canada Conference on Fixed Income Markets, Ottawa (2006)

"How Profitable Is Capital Structure Arbitrage?"
PIMCO (2004), UC-Irvine (2004), Boston University (2005), Cornell University, ORIE (2005), Derivative Securities Conference, FDIC (2005), Cal State-Fullerton (2005), University of Washington (2005), Workshop on Capital Structure Arbitrage, Université d'Evry (2005), FMA Meetings, Chicago (2005)

"Correlated Defaults in Intensity-Based Models"
Blaise Pascal International Conference on Financial Modeling, Paris (2003), EFA Meetings,

Glasgow (2003), Conference on Dependence Modelling for Credit Portfolios, Venice (2003), International Credit Risk Conference, HEC Montreal (2004), The Credit Market: Recent Advances in Research, NYU Salomon Center (2004)

"Accounting Transparency and the Implied Volatility Skew"
University of Houston (2003), UC-Riverside (2003)

"Accounting Transparency and the Term Structure of Credit Spreads"
University of Southern California (2003), University of Toronto (2003), McGill University (2003), UC-Irvine (2003), WFA Meetings, Los Cabos (2003), City University of Hong Kong (2003), HKUST (2003)

"Is Investor Misreaction Economically Significant? Evidence from Short- and Long-term S&P 500 Index Options"
AFA Meetings, Atlanta (2002)

"Modeling Expected Return on Defaultable Bonds"
Derivative Securities Conference, Cornell Theory Center Manhattan (2002), Credit Risk Conference, Stockholm Institute for Financial Research (2002), International Credit Risk Conference, HEC Montreal (2002)

"Default Risk and Diversification: Theory and Empirical Implications"
Risk Management: The State of the Art, NYU Salomon Center (2000), University of Southern California, Department of Mathematics (2000), PIMCO (2000), UC-Irvine (2000), Derivative Securities Conference, Cornell Theory Center Manhattan (2001), Credit Risk Summit, New York City (2002)

"Counterparty Risk and the Pricing of Defaultable Securities"
Cornell University (1998), Rice University (1999), McGill University (1999), Federal Reserve Bank of New York (1999), UBC (1999), University of Wyoming (1999), University of Illinois, Urbana-Champaign (1999), UC-Irvine (1999), University of Iowa (1999), Baruch College (1999), College of William and Mary (1999), Georgetown University (1999), Boston University (1999), Frank Batten Young Scholars Conference, College of William and Mary (1999), Derivative Securities Conference, Boston University (2000)

Professional Services

Editorial Board
Journal of Credit Risk (2016-)
Global Credit Review (2012-)
International Review of Finance (2012-)
Review of Derivatives Research (2007-)

Journal Reviewer
Applied Mathematics and Computation, China Finance Review International, Econometrica, *Finance and Stochastics*, *Financial Analysts Journal*, *Financial Management*, *Financial Review*, *International Review of Finance*, *Journal of Accounting Research*, *Journal of Applied Econometrics*, *Journal of Applied Economics*, *Journal of Banking and Finance*, *Journal of Business and Economic Statistics*, *Journal of Credit Risk*, *Journal of Economic Dynamics and Control, Journal of Empirical Finance, Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Journal of Financial Econometrics, Journal of Financial Economics*,

Journal of Financial Intermediation, *Journal of Futures Markets*, *Journal of Monetary Economics*, *Journal of Money, Credit, and Banking*, *Journal of Risk*, *Management Science*, *Quantitative Finance*, *Quarterly Review of Economics and Finance*, *Pacific Basin Finance Journal*, *Review of Derivatives Research*, *Review of Finance, Review of Financial Studies*

Grant Reviewer
Research Grants Council, Hong Kong (2009, 2012)
Economic and Social Research Council, UK (2005)

Program Committee
Western Finance Association Meetings (2017)
Financial Intermediation Research Society Conference (2011-2015)
Risk Management Conference, National University of Singapore (2011)
FMA Meetings, Dallas (2008)
FMA Fixed Income Paper Award Committee Chair (2006)
FMA Meetings, Chicago (2005)

Session Chair
China International Conference in Finance, Shenzhen (2015)
China International Conference in Finance, Chengdu (2014)
Notre Dame Conference on Market Regulation (2010)
AEA Meetings, Chicago (2007)
FMA Meetings, Chicago (2005)

Discussant
Credit Risk Workshop, Shanghai Advanced Institute of Finance (2016)
China International Conference in Finance, Shenzhen (2015)
Second Annual Moody's Credit Risk Conference in China, Shanghai (2015)
Fixed Income Conference, UNC-Charlotte (2015)
Summer Institute of Finance, Lijiang, China (2014)
China International Conference in Finance, Shanghai (2013)
Risk Management Conference, National University of Singapore (2012)
WFA Meetings, Las Vegas (2012)
Summer Institute of Finance, Kunming, China (2011)
AFA Meetings, Denver (2011)
WFA Meetings, Victoria (2010)
WFA Meetings, Keystone (2006)
McGill/IFM Conference on Risk Management, Mont Tremblant (2006)
FMA Meetings, Chicago (2005)
EFA Meetings, Glasgow (2003)
WFA Meetings, Park City (2002)
Credit Risk Conference, Stockholm Institute for Financial Research (2002)

Teaching

Corporate Finance (CMC)
Fixed Income (CMC)
Asset Pricing and Derivatives (CMC)
Derivatives (CMC)
Topics in Investments and Valuation (CMC)
Research Methods in Financial Economics (CMC)

Derivative Securities (SAIF)
Fixed Income Securities (SAIF)
Investment Strategies and Speculative Markets (MSU)
Investments (UC-Irvine)
Derivatives (UC-Irvine)
Advanced Derivatives (UC-Irvine)