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RESEARCH AND TEACHING INTERESTS

International asset pricing, credit risk, institutional investors

EDUCATION

Desautels Faculty of Management, McGill University, 2016-2022 expected

Ph.D. in Finance

Committee: Vihang Errunza(co-chair), Jan Ericsson(co-chair), Daniel Andrei, external: Ines Chaieb, Alexandre Jeanneret

London School of Economics and Political Science, 2014-2015

M.Sc. in Finance and Economics, *Distinction*

Fudan University, 2010-2014

B.A. in Economics, Major in Finance

The Hong Kong University of Science and Technology, 2013 Spring

Exchange Program

RESEARCH

Do global institutional investors matter for international risk-sharing? (Job Market Paper)

To reconcile the growth of global institutional investment with the persistent outperformance of local pricing relative to global pricing, I propose an international asset pricing model in which retail investors invest locally and global institutions channel risk-sharing indirectly by trading a set of securities from each country, namely, institutional securities. All securities earn a local risk premium that accounts for the residual risk that institutions cannot hedge perfectly across countries. Securities excluded from the investment mandate of institutional investors, namely, retail securities, command an additional retail premium. The local risk premium and retail risk premium are economically important, accounting for about 3.5% and 2.1% of annualized risk premium in developed markets and 5.6% and 2.5% of annualized risk premium in emerging markets.

Presented at: McGill brownbag(2018,2021), HEC PhD brownbag(2019).

Default contagion in a two-tree economy (with Jan Ericsson and Alexandre Jeanneret)

We propose an explanation for default contagion based on a Lucas model with two independent trees. The transmission mechanism is that changes in risk premia related to variations in relative tree size impact the default decision of a borrower. If a negative shock hits one tree, the other tree carries more systematic risk in equilibrium and, thus, experiences a higher cost of borrowing. The higher risk premium also lowers the continuation value for the borrower and tilts the decision towards default.

*presentation by coauthor

Hence, we uncover a novel source of contagion in default probabilities across borrowers with uncorrelated fundamentals. The effect is stronger for borrowers with greater rollover needs.

Presented at: HEC-McGill Winter Finance Workshop.

Who Invests in and What Drives Equity Ownership Around the World world (with Ines Chaieb and Vihang Errunza)

We exploit the increasing availability of international stock holdings data to examine ownership by different stakeholders in 46 markets. Home bias varies across countries, investor types, and is still much higher in emerging markets (EMs). Institutions have become more global but remain under-diversified. The country effect in institutional ownership of EM stocks is large and of similar economic significance as country factors in explaining EM stock returns. Institutions of different types and domicile continue to show strong preference for large firms but exhibit significant differences for the other firm characteristics. The preference of foreign institutions for cross-listed firms continues and is stronger in EMs. The firm characteristics that matter most for US institutions vary significantly across markets and especially in EM countries. Retail investors are mostly present in small and liquid firms.

Presented at: The business school, City University of London(2021)*, Global Finance Conference(2021)*, SFI research days*, JIAR conference(2021)*,

TEACHING

Financial Derivatives(FINE448), Teaching Assistant for Patrick Augustin, McGill, Winter 2018

Investment Management(FINE441), Instructor, McGill, Summer 2020

HONORS & AWARDS

People's Scholarship, Fudan University, 2011-2012

Dean's List, HKUST, 2013 Spring

Graduate Excellence Award, McGill University, 2016-2017

Marcel A. Desautels PhD Fellowship, McGill University, 2016-2017 (the Marcel Desautels Ph.D. Fellowship recipient)

Doctoral Fellowship, McGill University, 2016-2020

AFA Ph.D. Student Travel Grant, 2020

ADDITIONAL INFORMATION

- Languages: Mandarin (Native); English (Full Proficiency);French(Basic)
- Skills: Matlab, PostgreSQL, Relational database, Python, R, MS Office, LaTeX,Stata
- Certification: CFA Level II (June 2016)
- Date of birth: 1991 Nov 20th
- Citizenship: Chinese

REFERENCES

Prof. Vihang Errunza(co-chair)

Bank of Montreal Chair in Finance
Desautels Faculty of management.

McGill University

Vihang.errunza.mcgill.ca.

Prof.Jan Ericsson(co-chair)

Associate Professor of Finance

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Associate professor of Finance

University of Geneva & Swiss Finance Institute.

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Prof.Alexandre Jeanneret

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UNSW Business School of banking and Finance

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