XIAOYU SUN

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EDUCATION

- **Ph.D. of Finance in Management**, Telfer School of Management, University of Ottawa, 2020-Present (expected May 2026)
  Committee: Fabio Moneta (Chair), Adelphe Ekponon, Qianru Qi.

- **MSc. in Finance and Investment with Distinction**, University of Leeds, 2017-2018

- **BSc. (Honor) in Economics**, Dalhousie University, 2015-2017

- **BSc. in Economics**, Shandong University of Finance and Economics, 2013-2015

RESEARCH INTERESTS

ESG, Climate Finance, Biodiversity Finance, Mutual Funds, Institutional Investors, Retail Investors, Corporate Bonds, Empirical Asset Pricing

WORKING PAPERES

"Factor Investing in Corporate Bond Mutual Funds" (Job market paper)

Presentations: FMA (2025); Telfer School of Management, University of Ottawa (2025).

"Despite the widely recognized importance of factors in asset pricing and the rapid growth of factor investing, we know little about how factors operate in the corporate bond market. Using detailed portfolio holdings for US corporate bond mutual funds, I provide novel evidence on their factor exposures and link them to performance at both the bond-holding and fund levels. I show that funds generally tilt their portfolios against well-known academic factors, and these contrarian tilts are highly persistent. This behavior may reflect the limited presence of factor premia in the bond market. However, using holdings-based fund returns, I find positive premia for the bond-traded liquidity factor in the full sample. Additionally, bond momentum and duration deliver negative premia, credit risk earns positive premia in investment-grade fund holdings, and stock momentum generates positive premia in high-yield fund holdings. Despite these factor premia, funds that tilt toward the factors underperform peers that tilt against them. Implementation frictions and heterogenous asset allocations, such as cash, Treasuries, and Rule 144A bonds, significantly offset the benefits of factor tilts at the fund level. Overall, these findings indicate that the practical value of factor investing in the bond market is limited and often eroded by the costs associated with liquidity management and heterogeneous asset allocations."

"Mutual Fund Tournament and ESG Ratings", with Fabio Moneta (supervisor), University of Ottawa *(Under review Journal of Business Ethics: FT50)*

Presentations: The 3rd Conference on Sustainable Banking and Finance (CSBF) (2025)*; EFMA (2025); Canadian Sustainable Finance Network (CSFN) Conference (2025); FMA (2024); The 12th SIIFC International Conference & 8th Shanghai-Edinburgh-London-Cape Town Green Finance and Accounting Conference (2024); Department of Economics, University of Ottawa (2024); Brown Bag Meeting of Telfer, University of Ottawa (2023).

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* Presented by co-author.

"We document a novel form of tournament behavior based on ESG: U.S. equity growth fund managers use Morningstar's ESG Risk Ratings (measured by a five-globe system) as a competitive tool to attract investor flows. We provide evidence of a causal link between past performance and ESG tilts: funds that underperform early in the year strategically rebalance toward higher-rated ESG stocks and sell non-ESG stocks to improve their sustainability ratings by year-end. These portfolio tilts do not enhance financial returns or environmental outcomes, yet investors reward them: underperforming funds that succeed in raising their globe ratings experience smaller outflows than those that do not. A similar pattern emerges among European growth funds, though the tournament centers on Morningstar's Low Carbon Designation. Our findings raise ethical concerns that such ESG tilts may reflect agency-driven incentives rather than a genuine commitment to investors' interests or sustainable impact."

"Retail Investor and Stock Return Predictability", with Fabio Moneta *(Under review Critical Finance Review：ABDC A*)*

Presentation: EFMA (2025)

"Inspired by the influential work of Boehmer, Jones, Zhang, and Zhang (2021), we re-examine the predictability of retail order flow for stock returns using a novel and more accurate retail trading database (VandaTrack) over an extended sample period from 2014 to 2022. We find that the predictability of retail trading persists for up to five weeks from 2014 to 2016, a window that overlaps with Boehmer et al., but is absent out of sample from 2017 to 2022. The predictability observed in 2014-2016 is concentrated in small stocks when buying strongly dominates selling. The predictability for small stocks is seriously weakened because of the improvement in liquidity in the later period. Once we exclude small stocks with low liquidity, the remaining retail order flow lose predictability even in 2014-2016. This paper provides evidence that liquidity is an important factor explaining the decline in predictability of retail trading rather than informed trading."

WORKING IN PROGRESS

"Mutual Funds and Biodiversity Risk", with Jingyu Zhang (Queen's University) and Fabio Moneta

"Corporate Insider Trading and Fund Trading: Evidence from Corporate Decarbonization Commitment", with Jingyu Zhang and Fabio Moneta. Funded by SSHRC-NFRF-Exploration 2025.

"Sophisticated Retail Investors", with Fabio Moneta

"**Corporate Twitter Use and Retail Trading**", with Fabio Moneta and Mohamed Al Guindy

TEACHING AND RESEARCH EXPERIENCE

Independent Lecturer
- ADM3352 Portfolio Management, University of Ottawa, Winter 2026
- ADM3351 Fixed-Income Investment, University of Ottawa, Winter 2024
  (Course enrollment: 72, Average course evaluation score: 4.56/5.00)

Teaching Assistant (2021 - 2025): Corporate Finance, International Business, Finance Theory, Financial Management, Operation Management, Portfolio Management, Multinational Business Finance, Statistics Management, Mathematics for Business.

Research Assistant:
- Research Assistant for Prof. Fabio Moneta, University of Ottawa, 2021 - 2025
- Research Assistant for Prof. Suhaib Riaz, University of Ottawa, 2022

PROFESSIONAL ACTIVITIES

Presentations
- Financial Management Association (FMA), 2025
- The 3rd Conference on Sustainable Banking and Finance (CSBF)*, 2025
- European Financial Management Association (EFMA), 2025
- Canadian Sustainable Finance Network (CSFN) Conference, 2025
- Financial Management Association (FMA), 2024
- The 12th SIIFC International Conference & 8th Shanghai-Edinburgh-London-Cape Town Green Finance and Accounting Conference, 2024
- The Marleau Lecture Series on Economic and Monetary Policy, Department of Economics, University of Ottawa, 2024
- Brown Bag Meetings, Telfer School of Management, University of Ottawa, 2023, 2025

Camps and Conferences (Participant)

- The University of Ottawa AI Replication Games, Institute of Replication, 2025
- SAIF-CAFR Financial Research Summer Camp, Shanghai Jiao Tong University, 2025
- Symposium on Fintech Innovation, Telfer School of Management, 2025
- Annual Telfer Conference in Accounting, Auditing, and Accountability, 2025
- Telfer Conference on Corporate Finance and Banking, 2023, 2024, 2025
- Symposium on Responsible Investing, Telfer School of Management, 2024

AWARD AND GRANTS

Doctorate Admission Scholarship, University of Ottawa, 2020 - 2025
International Doctoral Scholarship, University of Ottawa, 2020 - 2025
PhD Graduate Student Conference Travel Support, University of Ottawa, 2024, 2025

WORK EXPERIENCE

Market Strategy Analyst, Changcheng Security Co., Ltd., Shenzhen, China, 2019 - 2020

SKILLS

Programming Skills: SAS, Stata, Python, R, MATLAB, Excel, LaTex
Certification: CFA Level I
Language: Chinese (native), English (fluent)

REFERENCES

Prof. Fabio Moneta, Full Professor of Finance
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