William Wei Xiong
PhD Student in Finance

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Samuel Curtis Johnson
Graduate School of Management
Cornell SC Johnson College of Business

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January 18, 2022

Entrepreneurship Research Boot Camp
National Bureau of Economic Research
1050 Massachusetts Ave.
Cambridge, MA 02138

Dear NBER ERBC Committee,

I am writing to apply for the admission to the NBER Entrepreneurship Research Boot Camp 2022. I am completing my PhD in Finance at Cornell University, Johnson Graduate School of Management, and expect to defend by May 2024. It is thrilling to see the names of the committee members and speakers in this boot camp. I enjoy reading their papers and find them extremely helpful and inspirational for my own research in venture investment. It would be wonderful to attend their lectures and get to know them in person.

My recent research interests include non-traditional investors' roles in venture capital and the fundraising shakeup in this field. I also care about how private financing affect innovation and technology advancement, as well as its impact on firms' IPO decisions. Another branch of my ideas relates to model-free vs. model-based learning when venture capitalists invest in new and emerging industries with high uncertainty or little prior knowledge. I believe this boot camp can foster my research and insights in venture investment tremendously.

I am very grateful to my advisor, Professor Andrew Karolyi (gak56@cornell.edu), who has gladly agreed to write me a recommendation letter. I also thank Professor Yifei Mao for introducing this boot camp to me. She conducts research in this field and has attended it before.

Enclosed together with this cover letter, you will find my CV, a list of completed economics and finance PhD courses, and an application essay. Thank you so much in advance for considering my application.

Yours sincerely,
William Wei Xiong

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www.johnson.cornell.edu/programs/phd-program/current-students/wx98/

EDUCATION

08/2018 – Present	**CORNELL UNIVERSITY · Samuel Curtis Johnson Graduate School of Management** *Ph.D. Student in Finance* (Advisor: Andrew Karolyi)	Ithaca, NY
09/2013 – 02/2015	**COLUMBIA UNIVERSITY · Fu Foundation School of Engineering and Applied Science** *M.S. in Operations Research*	New York, NY
09/2011 – 12/2011	**SAINT MARY'S UNIVERSITY** *Visiting Undergraduate Student* (with full tuition exemption)	Halifax, Canada
09/2009 – 06/2013	**JINAN UNIVERSITY · Finance Department & Int'l School** *B.Econ. in Finance* (English-immersion program) • Class rank: 1st	Guangzhou, China

ACADEMIC POISITION

03/2015 – 05/2017	**COLUMBIA BUSINESS SCHOOL · Finance Division & Dean's Office** *Research Associate* (Fulltime, Pre-Doctoral) • Professors worked with: Patrick Bolton, Wei Jiang, Gur Huberman, Paul Tetlock, Laurie Hodrick, Neng Wang, Michaela Pagel, Mauricio Larrain	New York, NY

RESEARCH INTERESTS

- Venture Investment, ESG, Asset Management, Political Economics
- Market Microstructure, High-frequency Trading

WORKING PAPERS

Trading Pauses and Low-latency Trading: Predators under the Tide?
(Presentation: Cornell Finance PhD Symposium, Fall 2021)

WORKING PROJECTS

Model-free vs. Model-based Learning in Venture Investment

Global Political Fractionalization and International Asset Management

Do ESG Awareness and Information Precision Affect Price Informativeness and Cost of Capital?

REFEREE SERVICE

- Asia-Pacific Journal of Financial Studies

PHD RA & TA EXPERIENCE

Fall 2021
- RA: Professor Andrew Karolyi

Spring 2021
- RA: Professor Andrew Karolyi
- TA: NCCB 5060 Managerial Finance (EMBA Core), Professor Andrew Karolyi

Fall 2020
- RA: Professor David Ng
- TA: NBA 5430 Financial Markets and Institutions, Professor Maureen O'Hara

Summer 2020
- TA: NCC 5060 Managerial Finance (MBA Core), Professor Lin Will Cong

Spring 2020
- RA: Professor Andrew Karolyi
- RA: Professor David Ng
- TA: NBA 5420 Investment and Portfolio Management, Professor Matthew Baron
- TA: NBA 6060 Evaluating Capital Investment Projects, Professor Hyunseob Kim

Fall 2019
- RA: Professor Murillo Campello
- RA: Professor Hyunseob Kim
- TA: NBA 5430 Financial Markets and Institutions, Professor Maureen O'Hara

Spring 2019
- RA: Professor Murillo Campello

OTHER PRE-DOCTORAL RA EXPERIENCE

06/2014 – 12/2014
- RA: Professor Van-Anh Truong at Columbia University, Engineering School, Industrial Engineering & Operations Research Dept.

PROGRAMMING SKILLS

- Proficient: Python, R, Stata, SAS
- Confident: MATLAB, C/C++, SQL, LaTeX, Mathematica

HONORS & AWARDS

- Cornell Johnson: Harold L. Bache Doctoral Fellowship in Finance (2021)
- Cornell Johnson: Bartholomew Family Charitable Fund Ph.D. Scholarship (2020)
- Cornell Johnson: Byron E. Grote MS'77 PhD'81 Johnson Professional Scholarship (2019)
- China Ministry of Education: China National Scholarship (2011)
- Jinan University: Outstanding Graduate Honor (2013)
- Jinan University: Excellent Student Scholarships (2010, 2011, 2012, 2013)

OTHERS

- Preferred name: William Legal first name: Wei (巍) Legal surname: Xiong (熊)
- Preferred display name: William W. Xiong

Completed PhD Courses

William Wei Xiong

PhD Student in Finance
Johnson Graduate School of Management
Cornell University

Jan 2022

Economics PhD Courses	**Finance PhD Courses**
Microeconomics I	Asset Pricing Theory
Microeconomics II	Empirical Asset Pricing
Microeconomics III	Corporate Finance Theory
Intermediate Mathematical Economics	Empirical Corporate Finance
Econometrics I	Market Microstructure
Econometrics II	International Finance
Econometrics III	
Empirical Strategies for Policy Analysis	
Macroeconomics I	
Macroeconomics II	
Macroeconomics III	

Cornell Microeconomics Qualification Exam: Passed in Summer 2019

Cornell Finance Qualification Exam: Passed in January 2021

NBER ERBC 2022 Application Essay

William Wei Xiong

January, 2022

I enjoy conducting research in empirical finance. My current interests include venture investment, asset management, ESG, global political economics, and market microstructure. They are centered around skilled investors such as institutional investors, venture capitalists, and high frequency traders. I call them "sophisticated investors" in general under my framework.

Particularly, I became highly interested in venture capital since 2020 and started to explore research ideas in this field actively thereafter. The first branch of my interests focuses on non-traditional investors' increasing involvement in the venture investing industry, the changes in the venture ecosystem, and the LP-GP frictions in VC fundraising. They speak to, for example, Chernenko, Lerner and Zeng (2020), and Kwon, Lowry and Qian (2020). Second, I am curious about private financing's impact on innovation and technology advancement, and its effects on firms' going for IPO vs. staying private decisions. I found the work by Bernstein (2015), Acharya and Xu (2017), Aghamolla and Thakor (2019), Bernstein, Dev and Lerner (2020), Ewens and Farre-Mensa (2020), and Iliev and Lowry (2020) quite relevant to that. Lastly, my latest idea is on venture capitalist's choice between model-free learning and model-based learning when investing in new and emerging industires with little prior knowledge and high uncertainty. The idea is inspired by the work of Barberis and Jin (2021) and latest development in psychology and decision neuroscience. It also relates to Gompers et al. (2020) to some extent.

I also pay close attention to the latest news in the VC industry, and follow regular updates and newsletters from PitchBook, CB Insights, AngelList, and Crunchbase. In addition, I feel lucky to have access to some high quality VC data. Cornell recently purchased the PitchBook VC database, which I am really excited about, and we already have VentureXpert here. I have been diving into these two databases to study them carefully as well as thinking about how I can utilize them for my research in venture investment.

Regarding my other research, I have an independent working paper in microstructure, which studies the impact of "limit up-limit down" (LULD) trading pauses mechanism on market quality around a regulatory change or an exogenous shock (i.e. LULD Plan Amendment 10, and/or Covid-19); making use of those events, this paper also investigates how

low-latency or high-frequency trading activities may exploit the LULD trading pauses mechanism and what the consequences are on market quality. It contributes to the trading mechanism, regulation, and high-frequency trading literature.

In my ESG research proposal, I aim to empirically test the impact of rising ESG awareness and information quality on price informativeness and cost of capital. It is inspired by Goldstein et al. (2021), Huang, Karolyi and Kwan (2021), and other latest ESG papers. The key challenge is to gauge ESG awareness among investors, and to measure price informativeness reasonably for this research purpose.

Next, the idea on global political fractionalization and international asset management studies how global investors manage their portfolio as the world becomes more politically fractionalized, and what the impacts are on asset returns. I am thinking about new measures of global political fractionalization. The project relates to Henisz (2000), and Miller (2021), for example. I also find the EPU, WUI, and related indices from Baker, Bloom and Davis (2016), Ahir, Bloom and Furceri (2018), and other sequel papers inspirational to my plan here.

There are some more research ideas that I have brainstormed about or written research proposals on. I cannot list them exhaustively here due to the space limit.

Among my research interests, I am actively trying to settle a topic for my job market paper. Hopefully it can be an idea in venture investment, and that is another motivation for me to apply for the ERBC 2022.

I believe attending this boot camp can elevate my knowledge in venture investment and help me generate new insights and research ideas in this field. It may guide me to study the VC literature and its latest development more systematically. That should equip me with a better sense of what the important yet understudied questions are. The camp could also gear me up with important theories and empirical methodologies in VC research. Moreover, it can provide me an opportunity to learn from the established researchers in this field regarding their way of thinking, insights, and research approaches. Having them as the benchmarks and role models, it would help me improve my research skills in venture investment and encourage me to catch up with them someday. Furthermore, I appreciate the chance to meet the big names in this fields and other enthusiastic PhD students with common interests. This could also be a great networking opportunity to make acquaintances and find co-authors potentially. I hope to write impactful and novel papers in venture investment and make contributions to this field.

This boot camp, as I think, would be an excellent incubator for sparkles, innovative ideas, friendships, and co-authorships. It would be my utmost honor if I can be admitted into it.

G. Andrew Karolyi
Professor of Finance
Harold Bierman, Jr. Distinguished
Professor of Management
Dean

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Cornell
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January 20, 2022

National Bureau of Economic Research
1050 Massachusetts Ave.
Cambridge, MA 02138

Dear NBER Entrepreneurship Research Boot Camp Committee,

It is a great pleasure to recommend my PhD student advisee Mr. William Wei Xiong for admission to the NBER Entrepreneurship Research Boot Camp 2022. William joined the PhD in Finance program at Cornell University in Fall 2018, and I have known him since February 2019 when he approached me to discuss his research interests and proposals.

Before coming to Cornell, he worked as a full-time research associate at the Finance Division of Columbia Business School for more than two years. He also obtained his Master of Science in Operations Research degree from Columbia University Engineering School prior to that. William came to the U.S. in August 2013 for graduate studies after earning his Bachelor of Economics in Finance degree from Jinan University, Guangzhou, China. He spent a semester as an undergraduate exchange student in Canada in 2011. William speaks fluent English and communicates very well.

William has a great passion of and broad interests in empirical finance research. Especially, since last year he has been diving into some ideas on institutional investors' increasing participation in venture investment as non-traditional investors, and on the recent shakeup of fundraising in the venture capital market. One of his ideas speaks to my question on why the IPO in the U.S. has decreased over the years while not elsewhere in the world, and to the partial answer on the U.S. side in Ewens and Farre-Mensa (2020). Besides, he found his interest resonates with the Chernenko, Lerner and Zeng (2020) on mutual funds in the venture investing industry.

He has another idea involves applying model-free and model-based learning from Barberis and Jin (2021) onto venture investment, when VC firms of different age and experience are selecting startup companies in new and emerging fields to invest in.

William also keeps an eye on innovation especially new technologies such as AI, machine learning, and Web3/blockchain. He cares about the real outcomes on productivity, sales, and employment. We recently brought the PitchBook venture capital data to Cornell, adding to the VentureXpert that we already have. William has been actively studying these two databases to explore and solidify research ideas, together with latest news and papers in the VC field.

He is working hard to pin down a topic for his job market paper. I am guiding him to become an independent researcher. William's other research interests include ESG, international asset management, global political economics, and market microstructure. He has a solo working paper studying the effectiveness of the SEC's "limit up-limit down" (LULD) stock-level trading pauses mechanism on market quality around exogenous shocks, and how low-latency / high-frequency trading could exploit the LULD trading pauses. He is also a big fan of Baker, Bloom and Davis (2016), and

Ahir, Bloom and Furceri (2018) and seeks to incorporate the EPU and WUI related indices into his research idea of global political fractionalization and international asset management. Regarding ESG, he came up with a thought to empirically test how increased ESG awareness and information quality affect price informativeness and cost of capital, as inspired by Goldstein et al. (2021), and my own recent working paper with Huang, Karolyi and Kwan (2021).

William loves data and empirical work. He has outstanding data management and coding skills that I have rarely seen among PhD students. I have first-hand experience on that as he is my RA in a few of projects and tasks. For example, two of them are related to my recent R&R papers the top journals. In the first one (with Lee and van Dijk), he was able to reconstruct and improve the accuracy and credibility of our key measure independently and extend it to more recent years. He showed me each step in the most sensible way starting from reliable origins and pointed out potential imperfections in our previous work. We thereafter adopted his reconstructed and extended version of the index as the "gold standard" in our revised paper. For the other paper (with Stulz and Doidge), William quickly identified our needs from the referee's feedback and suggested the most reasonable data items from a large database that was not included in our previous version. He also bridged the gap between the raw data structure and our desired format, restructured the needed data, and merged it with two other large datasets for us. I did not think those were possible. Remarkably, he made things happen.
Speaking of that, William is a young up-and-coming scholar who can boost confidence tremendously in data and empirics when having him by your side. His expertise, work ethic and integrity should make him an excellent co-author to work with.

William is an enthusiast of participating in high-quality conferences, symposiums, and workshops. Every time he attended one, he came to me and talked about impressive papers, big names, rising stars, and outstanding job market candidates that he saw. He also likes to share with me new sparkles, ideas, and thoughts afterward. I believe he can benefit tremendously from this boot camp in the aspects of research, networking, and even finding potential co-authors.

William is a top-flight student with a special talent in data and empirical work that I have collaborated with over the past few years. I strongly recommend him to be accepted into the NBER Entrepreneurship Research Boot Camp 2022, where he can further boost his knowledge in this field and develop new research ideas. He has an enormous potential to produce influential papers in venture capital and would be an asset to this field. I give my highest recommendation for him.

Sincerely,



Andrew Karolyi
Dean, SC Johnson College of Business