Bruce D. Grundy

Professor of Finance
Research School of Finance, Actuarial Studies and Statistics
College of Business and Economics
The Australian National University
+61 0431 247 108   Bruce.Grundy@anu.edu.au

Education

PhD, Finance, Graduate School of Business, University of Chicago 1992.

B. Com. Honours (1st Class), University of Queensland 1977.

Academic Positions

Professor of Finance, Australian National University, 2021–present.

Professor of Finance, University of Melbourne 2005-2021

Ian Potter Professor, Melbourne Business School, 2000-2005.

Professor of Finance, University of Melbourne, 1998-1999.

Andrew Heyer Assistant Professor of Finance, Wharton School, 1991-1998.

Assistant Prof of Finance, Grad School of Business, Stanford University, 1985-1990.

Visiting Positions

Visiting Scholar, University College Dublin, June 2018

Visiting Professor, London Business School, Fall 2013.

Visiting Professor, Wharton School, Uni of Pennsylvania, Fall 2005, 2006, and 2007.

Visiting Professor, Singapore Management University, Fall 2005.

Visiting Professor, University of Chicago, Winter 2003.

Metzler Bank Professor, Goethe-Universität Frankfurt, Summer 1998.

Visiting Professor, Macquarie University, Summer 1994.

Publications

"Intermediary frictions and asset pricing," 2024, *Journal of Financial Intermediation* 58. https://doi.org/10.1016/j.jfi.2024.101085 Co-authors Patrick Verwijmeren and Antti Yang.

"Complementarity of sovereign and corporate debt issuance: Mind the gap," 2023, *Review of Finance* 28(4), 1187-1213. Co-authors: Sjoerd van Bekkum and Patrick Verwijmeren.

"The effect of investor sentiment and the structure of shareholder ownership on corporate investment," 2022, *International Journal of Managerial Finance* 19(1), 155-172. Co-author: Michael Li.

"The external financing of investment," 2020, *Journal of Corporate Finance*, 65, 101745. Co-author: Patrick Verwijmeren.

"Why do option prices predict stock returns? The role of price pressure in the stock market," 2020, *Management Science* 66(9), 3903–3926. Co-authors: Luis Goncalves-Pinto, Allaudeen Hameed, Thijs van der Heijden and Yichao Zhu.

"Can socially responsible firms survive competition? An analysis of corporate employee matching grants," 2019, *Review of Finance* 23(1), 199-243. Co-author: Ning Gong.

"The buyers' perspective on security design: Hedge funds and convertible bond call provisions," 2018, *Journal of Financial Economics* 127(1), 77-93. Co-author: Patrick Verwijmeren.

"Disappearing call delay and dividend-protected convertible bonds," 2016, *Journal of Finance* 71(1), 195-224. Co-author: Patrick Verwijmeren.

"Why are conversion-forcing call announcements associated with negative wealth effects?" 2014, *Journal of Corporate Finance* 24, 149-157. Co-authors: Chris Veld, Patrick Verwijmeren, Yuriy Zabolotnyuk.

"The design of charitable fund-raising schemes: Matching grants or seed money," 2014, *Journal of Economic Behavior and Organization* 108, 147-165. Co-author: Ning Gong.

"Stock returns and the Miller-Modigliani valuation formula: Revisiting the Fama-French analysis," 2013, *Journal of Financial Economics* 110(2), 347-357. Co-authors: Gil Aharoni and Qi Zeng.

"Convertibles and hedge funds as distributors of equity exposure," 2012, *Review of Financial Studies* 25(10), 3077-3112. Co-authors: Stephen Brown, Craig Lewis and Patrick Verwijmeren.

"Do option markets undo restrictions on short sales? Evidence from the 2008 short-sale ban," 2012, *Journal of Financial Economics* 106(2), pp. 331-348. Co-authors: Bryan Lim and Patrick Verwijmeren.

"Investor sentiment, executive compensation, and corporate investment," 2010, *Journal of Banking & Finance* 34, pp. 2439-2449. Co-author: Michael Li.

"Disclosure, hidden charges and indexed pensions," 2005, *Agenda: A Journal of Policy Analysis and Reform,* 12(1), pp. 33-46. Co-authors: Diana Beal and Sarath Delpachitra.

"Stock market volatility in a heterogeneous information economy," 2002, *Journal of Financial and Quantitative Analysis* 37(1), pp. 1-27. Co-author: Youngsoo Kim.

"Momentum: Fact or factor? Momentum investing when returns have a factor structure," 2001, *Review of Financial Studies* 14(1), pp. 29-78. Co-author: Spencer Martin.

"Merton H. Miller: His contribution to financial economics," 2001, *Journal of Finance* 56(4), pp. 1183-1206.

"General properties of option prices," 1996, *Journal of Finance* 51(5), pp. 1573-1610. Co-authors: Yaacov Bergman and Zvi Wiener.

"Option prices and the underlying asset's return distribution," 1991, *Journal of Finance* 46(3), pp. 1045-1070.

“Changing risk, changing risk premiums, and dividend yield effects,” 1990, *Journal of Business* 63(1), pp. 51-70. Co-authors: Nai-fu Chen and Robert F. Stambaugh.

“Optimal investment with stock repurchase and financing as signals,” 1989, *Review of Financial Studies* 2(4), pp. 445-465. Co-author: George Constantinides.

“Trade and the revelation of information through prices and direct disclosure,” 1989, *Review of Financial Studies* 2(4), pp. 495-526. Co-author: Maureen McNichols.

Edited Volumes

Selected Works of Merton Miller: A Celebration of Markets. Vol I Finance, 2002 (University of Chicago Press, Chicago, Ill.)

Selected Works of Merton Miller: A Celebration of Markets. Vol II Economics, 2002 (University of Chicago Press, Chicago, Ill).

Other Publications

“Merton H. Miller (1912-2006),” 2022, in *The Palgrave Companion to Chicago Economics.* Edited by Robert A Cord, 653-677. (Springer International, New York, NY.)

“Hedge fund involvement in convertible securities,” 2013, *Journal of Applied Corporate Finance* 25(4), 60-73. Co-authors: Stephen J. Brown, Craig M. Lewis and Patrick Verwijmeren

“Stock return predictability in rational markets,” 2007, *Insights: Melbourne Economics & Commerce* 1(April).

“Real options analysis and investment appraisal: the opportunities and challenges,” 2006, *Insights: Melbourne Economics & Commerce* 4 (November).

“Book Review: *Pricing and hedging of derivative securities* by Lars Tyge Nielsen,” 2000, *Journal of Financial Research* 23, pp. 391-394.

Working Papers

“The effect of data breaches on the values of breached firms and their competitors,” Co-authors: Mark Cummins, Ronan Powell and Pierangelo Rosati.

“Understanding risk disclosures and exposures: Insights from a novel measure of information content,” Co-author: Stefan Petry.

“Opacity, signaling, and bail-ins,” Co-authors Kentaro Asai and Ryuichiro Izumi.

Work-in-Progress

“Time profile of excess returns on stocks purchased by active equity funds,” Co-authors: Jo Drienko, Anna von Reibnitz and Geoff Warren.

“The effect of sentiment on anomaly-related expectations biases on Returns.” Co-authors: Allaudeen Hameed and Byounghyun Jeon

Awards

2012 FIRN Best Policy Paper Prize

2012 Third Annual Financial Markets & Corporate Governance Research Prize

2010 Quantitative Finance Conference Research Prize

2009, 2010, 2011 Faculty of Business and Economics Teaching Excellence Prize

2006, 2008 Faculty of Economics and Commerce Teaching Award

1998 Geewax-Terker Research Prize

1994 Batterymarch Fellowship

1994 Hauck Teaching Prize (Wharton)

1993 Outstanding Teaching Award (Wharton)

Professional Societies

Fellow: Academy of Social Sciences in Australia

Senior Fellow: Asian Bureau of Finance & Economic Research

Founding Member: The Finance Research Network FIRN

Managing Editor:

International Review of Finance, 2004-2008

Associate Editor:

Journal of Finance, 2000-2003
Journal of Financial Research, 1999-2006
Accounting and Finance, 1999-2002
Journal of Financial and Quantitative Analysis, 1992-1996
Review of Financial Studies, 1988-1994
International Review of Finance, 2008-2014

Advisory Editor:

International Review of Finance, 2010-present

Editorial Board:

Accounting and Finance, 2002-2014

Business Research, 2010-present

Ad Hoc Referee:

Agenda, American Economic Review, Applied Economics, Australian Economic Review, Australian Journal of Management, Accounting and Finance, Banking & Finance, European Economic Review, European Journal of Finance, Financial Analysts Journal, Financial Management, Financial Review, Journal of Accounting Research, Journal of Banking & Finance, Journal of Business, Journal of Business and Economic Statistics, *Journal of Corporate Finance, Journal of Economic Behavior and Organization*, *Journal of Economic Dynamics and Control, Journal of Economic Theory*, *Journal of Finance, Journal of Financial and Quantitative Analysis, Journal of Financial Economics, Journal of Financial Intermediation, Journal of Financial Research, Journal of Financial Services Research, Journal of Political Economy, Journal of Public Economics, Management Science, Mathematical Finance, Review of Accounting Studies, Review of Quantitative Finance and Accounting, Review of Finance, Review of Financial Studies, Quarterly Journal of Economics*

Program Committees:

Australasian Banking & Finance Conference: 2010-2017
American Economic Association Meetings: 1998
American Finance Association Meetings: 2001
ASU Sonoran Winter Finance Conference: 2012-2024
Asian Finance Association Meetings: 2004-2006, 2009, 2012, 2016-2017
Asian FMA Meetings: 2009-2010
European Finance Assoc Meetings: 2000-02, 2005, 2010-15, 2017, 2019-20, 2022-2024
European Financial Management Association Meetings: 1999
Finance Down Under Conference: 2009-2017, 2020
Financial Intermediation Research Society: 2010-2011
Indiana University Symposium on Design of Securities and Markets: 1993
Journal of Accounting Research Annual Conference: 2002-2003
Energy and Commodities Finance Research Conference: 2019
Review of Accounting Studies Annual Conference: 2004-2005
Singapore International Conference on Finance: 2009-2010
SFS Cavalcade Asia Pacific: 2017-2018
Society for Financial Econometrics: 2010
Western Finance Assoc Meetings: 1990, 1991, 1994-95, 1997-98, 2004, 2007-18

External Reviewer:

Australian Accounting Research Foundation Exposure Draft on Director and Executive Disclosures: 2000

Chair External Review Committee Australian National University Research School of Finance, Actuarial Studies and Statistics: 2010

Australian Research Grants Council: 1994, 1995, 2007

Monash University, Accounting & Finance Department, External Reviewer: 2002

National University of Singapore, Department of Finance, External Reviewer: 2015

National Science Foundation Proposals: 1990, 1991, 1994, 1997

Research Grants Council of Hong Kong: 1997, 2000, 2004, 2005, 2008, 2009, 2014

Social Sciences and Humanities Research Council of Canada: 1993, 1994

Singapore Management University Quantitative Finance Programme: 2003-2010

Keynote Speaker:

La Trobe Conference on Financial Markets and Corporate Governance: 2012

Asian FMA Meetings: 2010

Accounting & Finance Association of Australia and New Zealand Meetings: 2003

Australasian Banking & Finance Conference: 2002

16th Malaysian Finance Association Annual Conference: 2014

Conference Organizer:

The Dollars and Sense of Bank Consolidation: MBS Conference 2002

Risk Management and Pricing for Financial Institutions: Lessons from the Closed-End Fund Industry: Wharton Financial Institutions Centre Conference 1995

Finance Down Under Conference: 2007-12, 2015, 2016

FIRN Asset Pricing Group Meeting: 2013, 2014

Session Chair:

Accounting & Finance Assoc of Australia and NZ Meetings: 2003, 2004, 2005

Asian Finance Association Meetings: 2004, 2005, 2006, 2009

Asian FMA Meetings: 2010

Asian Bureau of Finance & Economic Research: 2015

ASU Sonoran Winter Finance Conference: 2017

Australasian Banking & Finance Conference: 2003, 2011

American Finance Association Meetings: 2001

European Finance Association Meetings: 2002, 2005, 2010, 2012

FIRN Annual Conference: 2016

Western Finance Association Meetings: 1995

Conference Presentations:

AGSM Finance and Accounting Camp: 1996, 1997 and 1999

American Finance Association Meetings: 1986, 1989, 1990, 1996, 1997, 1998

Annual Conference in Financial Economics and Accounting: 1995 and 1996

American Mathematical Society Meetings: 1996

Australasian Banking and Finance Conference: 1989, 2007, 2011, 2017

Australian Conference of Economists: 2006

Asian Finance Association Meetings: 2004, 2005 and 2006

Asian FMA Meetings: 2010
Australasian Q-group: 1999, 2004
Conference in Honour of Doug Diamond: 2018
European Finance Association Meetings: 1995, 2002, 2005, 2010-2012, 2014
Finance Down Under: 2010
FIRN Art of Finance Conference: 2012
FIRN Annual Conference: 2022
HKUST Annual Finance Symposium: 2004
NBER Summer Institute: 1998
NBER Financial Risk Assessment and Management Conference: 1995
N.J.C.R.F.S. Conference in Security Design and Innovations in Financing: 1993
Sixth Annual Conference MSMESB: 1991
Third National Symposium on Financial Mathematics: 2004
UBC Summer Finance Conference: 2019
Western Finance Association Meetings: 1984, 1989, 1993, 2010
ZEW Centre: Conference on the Economics of Charitable Fundraising: 2009

Discussant:

AFAANZ Doctoral Colloquium: 2003-2005
Australasian Banking & Finance Conference: 1989, 2002, 2007, 2011, 2017
Accounting & Finance Association of Australia and NZ Meetings: 2006, 2007
American Finance Association Meetings: 1986-900, 1994-95, 2006
Annual Conference on Financial Economics and Accounting: 1992 and 1996
ANU Doctoral Symposium: 2018
ANU Summer Camp: 2008-2012, 2018
Asia-Pacific Finance Association Meetings: 1999
Asian Bureau of Finance and Economic Research Meetings: 2014, 2022
Asian Finance Association Meetings: 2004-2006, 2009
Asian Finance Association Doctorial Consortium: 2005
Asian FMA Meetings: 2010
Behavioural Finance and Capital Markets Conference: 2018
European Finance Association Meetings: 1995, 2002, 2005, 2010-2012, 2018
Fifth Annual Texas Finance Festival: 2003
Finance Down Under: 2011-2013, 2020
FIRN Doctoral Consortium: 2005-07
FIRN Annual Conference: 2010, 2012, 2016, 2022
FIRN Corporate Finance Meeting: 2015
FIRN Asset Pricing Group Meeting: 2015, 2016

FMA Asia Doctorial Consortium: 2010

Paul Woolley Centre on Capital Market Dysfunctionality: 2008, 2009, 2011

Simulation Based & Finite Sample Inference in Finance Conference: 2003

Singapore International Conference on Finance: 2008, 2009

Singapore Management University Summer Camp: 2014

SIRCA Young Researcher Workshop 2012

Western Finance Association Meetings: 1993, 1997

Seminar Presentations:

Aalto University, Arizona State University, Australian Graduate School of Management, Australian National University, Bond University, Boston College, Carnegie-Mellon University, Central Queensland University, Chinese University of Hong Kong, Columbia University, Commodity Futures Trading Commission, Cornell University, Dartmouth College, Deakin University, Duke University, Erasmus School of Economics, Fields Institute for Research in Mathematical Sciences, Goethe University Frankfurt, Hong Kong University of Science and Technology, Humboldt University, Indian School of Business, Insead, Judge Business School, La Trobe University, Lancaster University, London Business School, London School of Economics, Macquarie University, Massey University, Melbourne Business School, MIT, Monash University, National University of Singapore, New York University, Northwestern University, NUS Risk Management Institute, Odense University, Ohio State University, Queen's University, Queensland University of Technology, Rutgers University, Said Business School, Singapore Management University, Stanford University, Tilburg University, University College Dublin, University of Aarhus, University of Adelaide, University of Alberta, University of British Columbia, University of California Berkley, University of California Irvine, University of California Los Angeles, University of Chicago, University of Houston, University of Illinois Champaign, University of Oregon, University of Maryland, University of Melbourne, University of Michigan, University of Minnesota, University of New South Wales, University of North Carolina Chapel Hill, University of Queensland, University of South Australia, University of Sydney, University of Technology Sydney, University of Texas at Austin, University of Vienna, University of Western Australia, University of Washington in St Louis, Vanderbilt University, Victoria University Wellington, Washington University, Yale University

Manuscript Reviewer:

University of Chicago Press

Cambridge University Press

Academic Press

Teaching Experience

Derivatives-related courses: Honours, Masters and PhD courses on options, futures, swaps, mortgage-backed securities, exotics.

Corporate Finance-related courses: Honours, Masters and PhD courses on capital budgeting, mergers and acquisitions, taxation, agency problems, information asymmetries, security design.

Corporate Governance: MBA course

Real Options and Resource Projects: Undergraduate and MBA courses

Financial Management: Executive MBA course

Executive Education: ABN Amro, KPMG, Liechtenstein Global Trust, PaperLinx, PWC, Susquehanna Investment Group, Telstra Risk Management and Assurance, Turkish Capital Markets Board, Pension Funds and Money Management Program

Member of Thesis Committees (*first appointment in brackets*): Mahmoud Agha (Uni. of Western Australia), Alya Al Foori (Sultan Qaboos University), Ken Bechmann (Copenhagen Business School), Jacob Boudoukh (NYU), Cynthia Cia (Monash Uni.), Jennifer Carpenter (NYU), Yangyang Chen (Monash Uni.), Adam Dunsby (Goldman Sachs), Michael Gallmeyer (Carnegie-Mellon University), Pekka Heitala (Insead), Terry Hildebrand (Enron), Ron Kaniel (Uni. of Texas at Austin), Youngsoo Kim (Alberta), Michele Kreisler (Morgan Stanley), Leyi Li (Australian National University), Guan Hua Lim (Uni. of Singapore), Hui Li (Deakin), Zhenhua Liu (RepuTex), Spencer Martin (Ohio State), Krishnan Maheswaran (Uni. of Melbourne), Ed Nelling (Georgia State), Ian O'Connor (Uni. of Melbourne), Rob Reider (J.P Morgan), Mark Vargus (Uni. of Michigan), Chelsea Yao (Uni. of Lancaster), George Wang (Uni. of Manchester), Yichao Zhu (Australian National University), Mengyu Zhou (The Future Fund), Bill Zu (Goldman Sachs).

External PhD Examiner: Aarhus University, Deakin University, Queensland University of Technology, University of Malaya, University of Technology Sydney, University of Sydney, University of Western Australia, University of New South Wales, Massey University

Administrative Positions

Faculty of Business & Economics, University of Melbourne:

- Acting Dean, Faculty of Business & Economics: 2007-2008
- Deputy Dean, Faculty of Business & Economics: 2006-2010
- Graduate Research Directors Group: 2015-2016
- Head, Department of Finance: 2010-2012
- Deputy Head, Department of Finance: 2008-2010
- FEC Advisory Board: 2007-2008
- Convener Melbourne Derivatives Research Group: 2006-2010
- Finance Seminar Convener: 2007-2009, 2018-2019
- FIRN Local Coordinator: 2006-2011
- Coordinator Finance PhD Program: 2007, 2009-2011, 2015-2016
- Research and Research Training Committee: 1999, 2007, 2009-2011
- Honours Committee: 2016-2021

Melbourne Business School, University of Melbourne:

- Director Ian Potter Centre for Financial Studies: 2000-2005
- Academic Planning and Development Committee: 2002-2005
- Curriculum Committee: 2002-2005

University of Melbourne

- Cost Containment Committee: 2007
- Business@Melbourne Coordinating Committee: 2007-2008
- Melbourne Business School Committee: 2006-2011
- Academic Structures Committee: 2008-2009

The Wharton School:

- Convenor Corporate Finance Workshop: 1995-1997
- Wharton Fellows Fund Oversight Committee: 1993-1997
- Recruiting Committee: 1995-1996
- Finance Seminar Convener: 1992-1994

Stanford Graduate School of Business:

- Deans Advisory Committee: 1986-1988
- Finance Seminar Convener: 1988-1990