

# FANQI(GRACE) MENG

The University of Melbourne ◊ Department of Finance

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## RESEARCH INTERESTS

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Venture Capital, Private Equity, Empirical Corporate Finance, IPOs, Hedge Funds, Blockholders, Social Connections

## EDUCATION

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### **The University of Melbourne**

*July 2017 - Present*

M.C. in Finance

Ph.D. in Finance

### **Loyola University Chicago**

*2016*

M.S. in Finance

GPA: 3.9/4.0

Dean's Honor Award (Top 2% of all candidates)

Valedictorian

### **Henan University**

*2013*

B.S. in Finance

GPA: 3.7/4.0

Merit Awards (Top 1% of all candidates)

## WORKING PAPERS

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### “The Exit Behavior of VCs in Post-IPO Portfolio Companies”

#### *Abstract:*

This research investigates the extent to which venture capitalists (VCs) possess private information about their post-IPO portfolio companies and whether they leverage this information for positive abnormal returns. Utilizing holding-level institutional trading data, the study examines VCs' influence on their portfolio companies' aftermarket behavior. Results reveal that only 15% of VCs exit post-lockup expiration, indicating varied post-exit behaviors. The study hypothesizes that these diverse actions stem from VCs' private information about their portfolio companies. Further analysis explores the implications of this information on VCs' aftermarket equity holdings, equity trading around public disclosure, and market reactions. Findings suggest that VCs identify private information and trade in alignment with it, with the market displaying sensitivity to their actions. Overall, the study's outcomes align with the information asymmetry hypothesis, shedding light on VCs' behavior and their impact on the aftermarket dynamics of their portfolio companies.

### “Friends versus Funding: Unpacking the Dynamics of Social Connections and Staged Financing in VC Investment” JMP

#### *Abstract:*

This empirical study investigates the determinants of staged financing in venture capital (VC) investments and assesses its influence on post-investment performance. By employing innovative proxies for monitoring costs and outside opportunities, the study provides compelling empirical evidence supporting the hold-up hypothesis, indicating that VC-staged financing is driven by the severity of external opportunities for entrepreneurs contributing as the first to establish such empirical support. The findings reveal that higher outside opportunities are linked to increased staging, characterized by smaller investments per round, shorter round durations, more financing rounds, and a higher likelihood of additional rounds in the U.S. venture capital market. However, the monitoring hypothesis does not consistently align with the results. It is crucial to acknowledge that due to data limitations, conclusive insights regarding the global venture capital market remain elusive. Furthermore, this research reconciles conflicting empirical findings in prior literature by highlighting a positive correlation between the number of financing rounds and entrepreneurial success when entrepreneurs face greater external

opportunities. Lastly, this study enriches the venture capital and social finance literature by shedding light on the role of social connections in private market investments.

“Friends with benefit: Social Connection and Venture Capital Investment Efficiency” with Linxiang Ma

*Abstract:*

The venture capital market has grown fast for the past two decades and has become one of the most important players in the financial market. However, empirically, we have little evidence of how entrepreneurial firms match with VC investors. Adopting novel data, we find that venture capital investors are more likely to invest in start-ups in regions with which they have stronger social ties. In addition, we find that a match with stronger social ties positively affects startup companies’ post-investment performance from both venture capital investors’ and entrepreneurial firms’ perspectives. Furthermore, our findings are consistent with ”home-bias” literature but inconsistent with the monitoring cost hypothesis. Our results shed light on how social structure can be important in venture financing and contribute to geographic differences in venture capital matching.

## WORK IN PROGRESS

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“The Role of Early Institutional Investors in Post-IPO VC-backed Companies”

“The Impact of VCs on Their Post-IPO Portfolio Companies Risk-Taking”

## TEACHING EXPERIENCE

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### Lecture

Case Study in Finance (The University of Melbourne, Graduate capstone subject)	2020
Derivative Securities (The University of Melbourne, Undergraduate key subject)	2021

### Tutorial

Derivative Securities (The University of Melbourne, Undergraduate)	2018-Present
Quantitative Methods for Business (The University of Melbourne, Undergraduate)	2018
Management of Financial Institutions (The University of Melbourne, Graduate)	2019
Case Study in Finances (The University of Melbourne, Graduate)	2019 - 2021
Corporate Restructuring and Valuation (The University of Melbourne, Graduate)	2019 - 2021
Derivative Securities (The University of Melbourne, Graduate)	2019 - 2021

## RESEARCH EXPERIENCE

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**Research Assistant (The University of Melbourne Department of Finance/Loyola University Chicago)** 2014 - Present

Tom Nohel(Loyola University Chicago)	2014-2016
Patrick Kelly (The University of Melbourne)	2017-2018
Antonio (The University of Melbourne)	2017-2018
Yoon Kang Lee (The University of Melbourne)	2018-2019
Ravi Sastry (The University of Melbourne)	2019-2020
Nick Crain (The University of Melbourne)	2018-2021
Garry Twite (The University of Melbourne)	2018-Present
Minsoo Kim (The University of Melbourne)	2021-2022
Oliver Randall (The University of Melbourne)	2021-2022
Qi Zeng (The University of Melbourne)	2023

Phillip Dolan (The University of Melbourne)

2023

Play a crucial role in supporting and collaborating with professors who have research interests in various areas. Contribute to the advancement of research projects across multiple disciplines.

## CONFERENCE PRESENTATION

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### **Friends with benefit: Social Connection and Venture Capital Investment Efficiency**

2023: CES Annual Conference; The 35th Asian Finance Association Annual Conference; China Finance Review International & China International Risk Forum Joint Conference

2022: The University of Melbourne Department of Finance Brownbag; The University of Melbourne Department of Finance Ph.D. Brownbag

### **Friends versus Funding: Unpacking the Dynamics of Social Connections and Staged Financing in VC Investment**

2023: FMA Annual Conference; FMA Annual Conference Ph.D. Consortium; The University of Melbourne Department of Finance Brownbag; The University of Melbourne Department of Finance Ph.D. Brownbag

2022: The University of Melbourne Department of Finance Brownbag; The University of Melbourne Department of Finance Ph.D. Brownbag

### **The Exit Behavior of VCs in Post-IPO Portfolio Companies**

2021: FIRN Ph.D. Brownbag

2020: The University of Melbourne Department of Finance Brownbag; The University of Melbourne Department of Finance Ph.D. Brownbag

2019: The University of Melbourne Department of Finance Ph.D. Brownbag

## AWARDS

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Doctoral Program Scholarship (The University of Melbourne)	2017-Present
Research Grant (Zhengzhou University)	2016
Valedictorian (Loyola University Chicago)	2015
Dean's Honor (Loyola University Chicago)	2015
Outstanding Student Leaders (Henan University)	2010-2013
Outstanding Student Scholarship (Henan University)	2010-2013

## TECHNICAL STRENGTHS

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<b>Modeling and Analysis</b>	Stata, Matlab, SAS, R, Python
<b>Language</b>	Chinese (Native Speaker); English (Professional); Japanese (Entry Level)
<b>Others</b>	CFA Level II Candidate / FRM Level II Candidate

## REFERENCES

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**Note:** Please contact [jobmarket-finance@unimelb.edu.au](mailto:jobmarket-finance@unimelb.edu.au) to request reference letters. Thanks for your time and consideration!