LU ZHANG

THE OHIO STATE UNIVERSITY
FISHER COLLEGE OF BUSINESS

760A Fisher Hall, 2100 Neil Avenue
Columbus OH 43210, USA
Tel: 614.292.8644. Cell: 585.267.6250
Email: zhanglu@fisher.osu.edu
http://theinvestmentcapm.com/

Google Scholar
YouTube

8/2026

Academic Employment

Max M. Fisher College of Business, The Ohio State University

The John W. Galbreath Chair of Finance, Professor of Finance, 2017-present
Fisher College of Business Distinguished Chair, Professor of Finance, 2015-2017
Dean's Distinguished Chair, Professor of Finance, 2010-2015

Stephen M. Ross School of Business, University of Michigan

Professor of Finance, 2009-2010
Associate Professor of Finance (with tenure), 2006-2009

William E. Simon Graduate School of Business Administration, University of Rochester

Assistant Professor of Finance, 2002-2006

Education

The Wharton School, University of Pennsylvania. 1998-2002. Ph.D. in Finance. 2002. M.A. in Finance. 2000. Ph.D. dissertation: Essays on the cross section of returns

Washington University in St. Louis. 1996-1998. M.A. in Economics. 1997

PBC School of Finance, Tsinghua University (formerly the Graduate School of the People's Bank of China). 1993-1996. M.S. in Finance. 1996

Jiangxi University of Finance and Economics. 1989-1993. B.A. in Economics. 1993

Professional Honors and Awards

Social Sciences and Humanities Research Council (SSHRC) Insight Grant, "The AI-Powered History of Asset Pricing," CAD 288,510, 2026-2031 (with Chen Xue and Shaojun Zhang)

Fidelity Distinguished Academic Keynote, Fidelity Investments, "Corporate asset pricing: A process theory of finance" (YouTube) 9/2025

EDHEC Speaker Series on "The Future of Finance," "Corporate asset pricing" (YouTube), 4/2024

"Digesting anomalies: An investment approach" (Hou, Xue, and Zhang, 2015, Review of Financial Studies) has featured in Bodie, Kane, and Marcus's *Investments* since 2023 (13e)

Overview & Research Ideas (O&R) presenter, "Two dogmas of the consumption CAPM" (YouTube), 2022 Financial Management Association (FMA) Annual Meeting, Atlanta, 10/2022

Keynote: "Realist asset pricing: A Copernican revolution" (YouTube), 2022 Brazilian Meeting of Finance, Vitoria, Brazil, 7/2022

Keynote: "Asymmetric investment rates." 12th Financial Markets and Corporate Governance Conference and Ph.D. Symposium (FMCG 2022), Monash Business School, 4/2022

Finalist, 2021 Spängler IQAM Best Paper Prize for the best investments paper published in Review of Finance "An augmented *q*-factor model with expected growth" (with Hou, Mo, and Xue)

Keynote: "Toward a theory of everything?" (YouTube), 6th Annual University of Connecticut Finance Conference, Hartford, Connecticut, 5/2021

Keynote: "The investment CAPM: Latest developments." 2nd China International Forum on Finance and Policy, University of International Business and Economics, Beijing, China, 12/2019

2019 Spängler IQAM Best Paper Prize for the best investments paper published in Review of Finance, **European Finance Association**, "Which factors?" (with Hou, Mo, and Xue)

Keynote: "The investment CAPM: Latest developments" (YouTube), Swedish House of Finance Conference on "Financial Markets and Corporate Decisions," Stockholm, Sweden, 8/2019

Keynote: "q^5: Stress-testing factor models." 5th AP2-CFF Conference on "Can Financial Research be Used by the Finance Industry?" University of Gothenburg, Sweden, 12/2018

Keynote: "The supply theory of asset pricing." 2nd Annual Conference on "Corporate Policies and Asset Prices," Cass Business School, London, United Kingdom, 12/2018

Invited lecture: "q^5: Stress-testing factor models." 15th Annual Bernstein Quantitative Finance Conference, New York City, 10/2018

Keynote: "The investment CAPM: An update." "Merton H. Miller" European Financial Management 2018 Doctoral Seminar, Milan, Italy, 6/2018

"Replicating anomalies" (with Hou and Xue) featured in Wall Street Journal: "A reality check on stock-market 'anomalies'," by Wesley Gray, 11/5/2017; "When researchers and investors walk into a bar, the investors get hammered," by Jason Zweig, 5/12/2017; "An algorithm, an ETF and an academic study walk into a bar," by James Mackintosh, 5/11/2017

"Replicating anomalies" (with Hou and Xue) featured in Bloomberg: "Professor has some questions about your index funds," by Nir Kaissar, 12/24/2018; "What'd You Miss?" (57:29), 5/24/2017; "Ivory tower wonks help traders make a quick buck," by Noah Smith, 5/11/2017;

"Anomalies, pitches and promises," by Matt Levine, 5/9/2017; "A new paper just took a huge shot at some of the world's hottest investments," by Eric Weiner, 5/8/2017

Second Prize, the Chicago Quantitative Alliance Academic Competition, "Replicating anomalies" (with Hou and Xue), 2017

Keynote: "Replicating anomalies." The Inquire Europe Symposium on "Advances in Factor Investing," Montreux, Switzerland, 10/2017

Keynote: "The investment CAPM." The European Financial Management Symposium on "Finance and Real Economy," Xiamen, China, 4/2017

"Digesting anomalies: An investment approach" (with Hou and Xue) is the most cited article published at Review of Financial Studies in 2015

Second Prize, the Chicago Quantitative Alliance Academic Competition, "A comparison of new factor models" (with Hou and Xue), 2015

The Outstanding Working Professional MBA Elective Faculty Award, Fisher College of Business, The Ohio State University, 2015

Researcher of The Year Award, Ross School of Business, University of Michigan, 2010. "In recognition of his achievements on multiple scholarly dimensions, his stellar reputation in the field of finance, and his efforts to improve the research environment at the Stephen M. Ross School of Business"

Distinguished Referee Award, Review of Financial Studies, 2010

Inaugural Distinguished Referee Award, Review of Financial Studies, 2009

National Bureau of Economic Research: Research Associate, 2009-present, Faculty Research Fellow, 2005-2009, Asset Pricing program

"The value premium" (Zhang, 2005, Journal of Finance) has been featured in Bodie, Kane, and Marcus's *Investments* (a standard textbook for MBA students) since 2006 (7th edition)

"The value premium" is the 4th most highly cited article in the literature on anomalies and fundamental analysis since 2000 with the highest average number of citations per year (Source: Richardson, Tuna, and Wysocki, 2010, Journal of Accounting and Economics)

"The value premium" is among the 25 most cited articles in Journal of Finance since 2004 (source: The American Finance Association Web site)

The 2007-08 NTT Research Fellowship Award, University of Michigan

Gutmann Center Research Fellow, University of Vienna, 4/2007

First Prize, **the Smith-Breeden Award for Best Paper in 2005**, **American Finance Association and Journal of Finance, "The value premium"**

Runner-up for Best Paper Award at the 2005 Utah Winter Finance Conference for "Anomalies"

Runner-up for Barclays Global Investors Award for the Best Conference Paper at the 2005 European Finance Association Meetings for "The new issues puzzle: Testing the investment-based explanation" (with Lyandres and Sun)

Dean's Fellowship for Distinguished Merits, The Wharton School, University of Pennsylvania, 1998-2002

Research

Area of Specialization

Asset pricing, in relation with macroeconomics, corporate finance, labor economics, computational economics, capital markets research in accounting, cliometrics, history of economic thought, as well as history and philosophy of science

Publications

2025 Bai, Hang, Erica X. N. Li, Chen Xue, and Lu Zhang, Firm-level irreversibility, **Critical Finance Review** 14 (4), 447-473. Lead article.

2024 Hou, Kewei, Haitao Mo, Chen Xue, and Lu Zhang, The economics of security analysis, **Management Science** 70 (1), 164-186.

2022 Bai, Hang, and Lu Zhang, Searching for the equity premium, **Journal of Financial Economics** 143 (2), 897-926.

2021 Hou, Kewei, Haitao Mo, Chen Xue, and Lu Zhang, An augmented *q*-factor model with expected growth, **Review of Finance** 25 (1), 1-41. Editor's Choice, lead article. Finalist, 2021 Spängler IQAM Best Paper Prize for the best investments paper published in Review of Finance, European Finance Association.

2021 Petrosky-Nadeau, Nicolas, and Lu Zhang, Unemployment crises, **Journal of Monetary Economics** 117, 335-353. The Washington Post, "Unemployment worst since Depression era," Heather Long and Andrew Van Dam, 5/9/2020. Financial Times, "Few precedents for grim US jobless numbers," Brooke Fox and Steven Bernard, 5/9/2020.

2020 Zhang, Lu, Q-factors and investment CAPM, **Oxford Research Encyclopedia of Economics and Finance**, Oxford University Press. doi: https://doi.org/10.1093/acrefore/9780190625979.013.593. Marginal Revolution, "*q*-factors and investment CAPM," Tyler Cowen, 12/13/2019. Marginal Revolution, "Another take on *q*-factors and investment CAPM," Tyler Cowen, 12/14//2019.

2020 Goncalves, Andrei S., Chen Xue, and Lu Zhang, Aggregation, capital heterogeneity, and the investment CAPM, **Review of Financial Studies** 33 (6), 2728-2771.

2020 Hou, Kewei, Chen Xue, and Lu Zhang, Replicating anomalies, **Review of Financial Studies** 33 (5), 2019-2133. A top-5 highly cited article recently published at Review of Financial Studies. Second Prize, the Chicago Quantitative Alliance Academic Competition, 2017. Wall Street Journal: "A reality check on stock-market 'anomalies',"

Wesley Gray, 11/5/2017; "When researchers and investors walk into a bar, the investors get hammered," Jason Zweig, 5/12/2017; "An algorithm, an ETF and an academic study walk into a bar," James Mackintosh, 5/11/2017. Bloomberg: "Professor has some questions about your index funds," Nir Kaissar, 12/24/2018; "What'd You Miss?" (57:29), 5/24/2017; "Ivory tower wonks help traders make a quick buck," Noah Smith, 5/11/2017; "Anomalies, pitches and promises," Matt Levine, 5/9/2017; "A new paper just took a huge shot at some of the world's hottest investments," Eric Weiner, 5/8/2017.

2019 Bai, Hang, Kewei Hou, Howard Kung, Erica X. N. Li, and Lu Zhang, The CAPM strikes back? An equilibrium model with disasters, **Journal of Financial Economics** 131 (2), 269-298.

2019 Hou, Kewei, Haitao Mo, Chen Xue, and Lu Zhang, Which factors? **Review of Finance** 23 (1), 1-35. Editor's Choice, lead article. **The 2019 Spängler IQAM Best Paper Prize for the best investments paper published in Review of Finance, European Finance Association**. Second Prize, the Chicago Quantitative Alliance Academic Competition, 2015.

2018 Petrosky-Nadeau, Nicolas, Lu Zhang, and Lars-Alexander Kuehn, Endogenous disasters, **American Economic Review** 108 (8), 2212-2245.

2017 Zhang, Lu, The investment CAPM, **European Financial Management** 23 (4), 545-603. Lead article. Marginal Revolution, "Another take on *q*-factors and investment CAPM," Tyler Cowen, 12/14/2019.

2017 Petrosky-Nadeau, Nicolas, and Lu Zhang, Solving the Diamond-Mortensen-Pissarides model accurately, **Quantitative Economics** 8 (2), 611-650.

2016 Zhang, Lu, Factors war, **Tsinghua Financial Review** 37, 101-104.

2015 Hou, Kewei, Chen Xue, and Lu Zhang, Digesting anomalies: An investment approach, **Review of Financial Studies** 28 (3), 650-705. Editor's Choice, lead article. The most cited article published at Review of Financial Studies in 2015. Featured in Bodie, Kane, and Marcus's *Investments* since 2023 (13e).

2014 Liu, Laura Xiaolei, and Lu Zhang, A neoclassical interpretation of momentum, **Journal of Monetary Economics** 67, 109-128.

2014 Tang, Yue, Jin (Ginger) Wu, and Lu Zhang, Do anomalies exist *ex ante*? **Review of Finance** 18 (3), 843-875. Lead article.

2013 Belo, Frederico, Chen Xue, and Lu Zhang, A supply approach to valuation, **Review of Financial Studies** 26 (12), 3029-3067.

2013 Lin, Xiaoji, and Lu Zhang, The investment manifesto, **Journal of Monetary Economics** 60 (3), 351-366.

2011 Gulen, Huseyin, Yuhang Xing, and Lu Zhang, Value versus growth: Time-varying expected stock returns, **Financial Management** 40 (2), 381-407.

2011 Chen, Long, and Lu Zhang, Do time-varying risk premiums explain labor market performance? **Journal of Financial Economics** 99 (2), 385-399.

2010 Li, Dongmei, and Lu Zhang, Does *q*-theory with investment frictions explain anomalies in the cross-section of returns? **Journal of Financial Economics** 98 (2), 297-314.

2010 Wu, Jin (Ginger), Lu Zhang, and X. Frank Zhang, The *q*-theory approach to understanding the accrual anomaly, **Journal of Accounting Research** 48 (1), 177-223.

2009 Liu, Laura Xiaolei, Toni M. Whited, and Lu Zhang, Investment-based expected stock returns, **Journal of Political Economy** 117 (6), 1105-1139.

2009 Li, Erica X. N., Dmitry Livdan, and Lu Zhang, Anomalies, **Review of Financial Studies** 22 (11), 4301-4334. Lead article.

2009 Livdan, Dmitry, Horacio Sapriza, and Lu Zhang, Financially constrained stock returns, **Journal of Finance** 64 (4), 1827-1862.

2008 Liu, Laura Xiaolei, and Lu Zhang, Momentum profits, factor pricing, and macroeconomic risk, **Review of Financial Studies** 21 (6), 2417-2448.

2008 Lyandres, Evgeny, Le Sun, and Lu Zhang, The new issues puzzle: Testing the investment-based explanation, **Review of Financial Studies** 21 (6), 2825-2855. Runner-up for Barclays Global Investors Award for the Best Conference Paper at the 2005 European Finance Association Annual Meetings

2008 Liu, Naiping, and Lu Zhang, Is the value spread a useful predictor of returns? **Journal of Financial Markets** 11 (3), 199-227. Lead article.

2008 Campello, Murillo, Long Chen, and Lu Zhang, Expected returns, yield spreads, and asset pricing tests, **Review of Financial Studies** 21 (3), 1297-1338.

2008 Chen, Long, Ralitsa Petkova, and Lu Zhang, The expected value premium, **Journal of Financial Economics** 87 (2), 269-280.

2006 Gomes, Joao F., Amir Yaron, and Lu Zhang, Asset pricing implications of firms' financing constraints, **Review of Financial Studies** 19 (4), 1321-1356.

2005 Petkova, Ralitsa, and Lu Zhang, Is value riskier than growth? **Journal of Financial Economics** 78 (1), 187-202. Featured in Bodie, Kane, and Marcus's *Investments* since 2006 (7e).

2005 Zhang, Lu, The value premium, **Journal of Finance** 60 (1), 67-103. **First Prize, the Smith-Breeden Award for Best Paper in 2005, the American Finance Association and Journal of Finance**. Featured in Bodie, Kane, and Marcus's *Investments* since 2006 (7e). The fourth most cited article in the literature on anomalies and fundamental analysis since 2000 with the highest average citations per year (Richardson, Tuna, and Wysocki, 2010, Journal of Accounting and Economics). One of the 25 most cited articles in Journal of Finance since 2004.

2004 Brandt, Michael W., Qi Zeng, and Lu Zhang, Equilibrium stock return dynamics under alternative rules of learning about hidden states, **Journal of Economic Dynamics and Control** 28 (10), 1925-1954. Lead article.

2003 Gomes, Joao F., Amir Yaron, and Lu Zhang, Asset prices and business cycles with costly external finance, **Review of Economic Dynamics** 6 (4), 767-788.

2003 Gomes, Joao F., Leonid Kogan, and Lu Zhang, Equilibrium cross section of returns, **Journal of Political Economy** 111 (4), 693-732. Lead article. Reprinted in "Stephen A. Ross, Mentor: Influence Through Generations," ed. Mark Grinblatt, McGraw-Hill Irwin, 2008

Working Papers

Liu, Yicheng, Chen Xue, and Lu Zhang, 2026, Investment-based costs of equity

Bai, Hang, Erica X. N. Li, Chen Xue, and Lu Zhang, 2024, Asymmetric investment rates

Zhang, Lu, 2005, Anomalies, NBER working paper 11322, permanent working paper, runner-up, Best Paper Award at the 2005 Utah Winter Finance Conference

Monograph in Progress

Zhang, Lu, Corporate asset pricing: A process theory of finance

Selected Interviews and Media Impact

Lu Zhang on the evolution of asset pricing models and his first principles approach to improve them, Validea Guru Investor Blog, 11/22/2021

5 surprising things we learned from a factor investing expert, by Wes Gray, Alpha Architect Blog, 6/11/2020

Lu Zhang on the investment CAPM: Latest developments, Financial Markets and Corporate Decisions Conference 2019, Swedish House of Finance, Stockholm, Sweden, 8/28/2019

Five questions: An academic look at factors with Lu Zhang, Validea Guru Investor Blog, 4/24/2019

Professor has some questions about your index funds, by Nir Kaissar, Bloomberg, 12/24/2018

Factor investing insights you won't hear from Fama and French, my interview with Wes Gray, Alpha Architect Blog, 7/25/2018

A reality check on stock-market 'anomalies,' by Wes Gray, Wall Street Journal, 11/5/2017

When researchers and investors walk into a bar, the investors get hammered, by Jason Zweig, Wall Street Journal, 5/12/2017

An algorithm, an ETF and an academic study walk into a bar, by James Mackintosh, Wall Street Journal, 5/11/2017

A new paper just took a huge shot at some of the world's hottest investments, by Eric Weiner, Bloomberg, 5/8/2017

Blog: Finance colada, theinvestmentcapm.com/blog.html

Data Library: global-*q*.org

Teaching

Max M. Fisher College of Business, The Ohio State University

Investment Theory and Practice: MBA, SMF
Advanced Asset Pricing: PhD

Stephen M. Ross School of Business, University of Michigan

Derivative Securities: BBA
Capital Markets and Investment Strategy: MBA
Empirical Methodology in Finance: PhD

William E. Simon Graduate School of Business Administration, University of Rochester

Investments: MBA
Corporate Finance: MBA
Advanced Topics in Capital Markets: PhD

Professional Activities

Professional Leadership

China Finance Review International, International Editorial Advisory Board, 2017-present
Critical Finance Review, Associate Editor, 2010-present
European Financial Management, Associate Editor, 2017-present. Guest Editor, Special Issue on "Corporate Policies and Asset Prices"
Finance Research Letters, Associate Editor, 2013-present
Financial Management, Associate Editor, 2009-2011
Journal of Banking and Finance, Associate Editor, 2015-present
Journal of Financial and Quantitative Analysis, Associate Editor, 2011-present
Journal of Financial Economics, Associate Editor, 2011-present
Management Science, Associate Editor, 2009-2012
Quarterly Journal of Accounting and Finance, Advisory Editor, 2015-present
Review of Financial Studies, Associate Editor, 2009-2012

Service Leadership

Macro Finance Society: Founding President (2012-2013), Board of Directors (2012-2014)
American Finance Association: Nominating Committee (2013)

The Ohio State University: Department of Finance Executive Committee (2011-2018, 2021), Fisher College Promotion and Tenure Committee (2012-2016), both elected by faculty; FTMBA Reimaging Committee, 2023

University of Michigan: Finance Area Chair (2009-2010), Chair of Investments Curriculum Task Force (2008-2009), Ross School of Business Community Values Committee (2007-2008)

Ph.D. Students Supervised (First Placement)

2026 Yicheng Liu. In progress
2025 Cynthia Yin. Cornell University
2023 Byungwook Kim. University of California, Irvine
2023 Richard Ogden. Rowan University
2019 Zhengyu Cao. University of International Business and Economics (UIBE)
2019 Spencer Couts. University of Southern California, Sol Price School of Public Policy
2018 Mengmeng (Mike) Dong. University of California, Riverside
2018 Andrei S. Goncalves. University of North Carolina, Chapel Hill
2017 Ivan Alfaro. BI Norwegian Business School
2016 Hang Bai. University of Connecticut
2015 Woo Hwa Koh. Korea Advanced Institute of Science and Technology (KAIST)
2014 Andrew Y. Chen. Federal Reserve Board
2012 Chen Xue. University of Cincinnati
2009 Ryan Israelsen. Indiana University
2008 Xiaoji Lin. London School of Economics
2007 Erica Xuenan Li. University of Michigan, Ann Arbor
2005 Laura Xiaolei Liu. Hong Kong University of Science and Technology
2005 Horacio Sapriza. Rutgers Business School
2003 Ralitsa Petkova. Case Western Reserve University

Professional Affiliations

American Economic Association. The Econometric Society.
American Finance Association. Western Finance Association. Macro Finance Society

Biography

Dr. Lu Zhang is The John W. Galbreath Chair of Finance, Professor of Finance, at Fisher College of Business, The Ohio State University, as well as Research Associate at National Bureau of Economic Research (Asset Pricing program). He is Founding President of Macro Finance Society, which is an international academic society aimed to advance and disseminate high-quality research at the intersection of finance and macroeconomics. Before joining Ohio State in 2010, he taught at Ross School of Business at University of Michigan and Simon School of Business at University of Rochester.

Dr. Zhang's research focuses on asset pricing. His major contribution is "The investment CAPM," which provides a unified conceptual framework for explaining asset pricing anomalies. As its empirical implementation, the *q*-factor model is a leading workhorse factor model in both academia and investment management industry. Dr. Zhang has published extensively at prestigious academic journals. His Wharton doctoral thesis "The value premium" won **the Smith-Breeden Award for Best Paper for 2005 from American Finance Association and**

Journal of Finance. This thesis has been featured in Bodie, Kane, and Marcus's *Investments* (a standard textbook for MBA students) since 2006 (7e). His article "Which factors?" (with Hou, Mo, and Xue) won **the 2019 Spängler IQAM Best Paper Prize for the best investments paper published in Review of Finance from European Finance Association**. His research articles have been featured in prominent media outlets, such as Bloomberg, Financial Times, Shanghai Financial News, The Economist, The Washington Post, and Wall Street Journal.

Dr. Zhang has extensive teaching experience at the undergraduate, M.B.A., and Ph.D. levels. He has taught Investment Management, Derivative Securities, Capital Markets and Investment Strategy, Corporate Finance, Theory of Finance, and Advanced Asset Pricing. In 2015, he was voted **the Outstanding Working Professional MBA Elective Faculty Award recipient by part time MBA students at Fisher College of Business, The Ohio State University**.

Jiangxi University of Finance and Economics, B.A. in Economics, 1993. PBC School of Finance, Tsinghua University (formerly the Graduate School of the People's Bank of China), M.S. in Finance, 1996. Washington University in St. Louis, M.A. in Economics, 1997. The Wharton School, University of Pennsylvania, M.A. in Finance, 2000, Ph.D. in Finance, 2002.

Married to Yiqing Zhang. Two cats: Kiddy, Mashou. One parrot: Greenie