

## Personal Statement

My name is XXX XXX, and in keeping with what my name means in Chinese – “exceptional leaders in history”, I have been working hard to be a successful person with independent thoughts, a well-rounded skill set, an interactive personality and devoted determination, which will be further enhanced in the prestigious PhD in Finance program at XXX University.

I have always held an independent mind in no matter what I engage in. Such an attitude is important for research because it is the source of innovation. I am proud that I have demonstrated my unique and grounded reasoning through many major moves in the past, which step-by-step efficiently built my fruitful background. For example, I chose my high school and college through thorough researches on teacher profiles, track records and even canteen menus. Also, I courageously proposed a schedule change in my undergraduate curriculum – a rare thing in China’s universities - and I realized such an attitude greatly benefited my growth because I learnt to set my own pace without being a follower. One of my boldest decisions was the investment in XXX Investment with almost all my savings, of course after well thought out judgments. I collectively utilized the asset evaluation techniques I learnt from my past internship in XXX Asset XXX Company - including cost/ revenue method and capital structure analysis - in the examination of this opportunity. In addition, I also helped with its acquisition of XXX XXX Company through conducting market research and field study, utilizing comparable analysis and discounted cash flow model, as well as quantifying the associated risk using scenario analysis. Should I have blindly followed the crowd or cowardly avoided taking action, I wouldn’t have learnt so much. Thus I am avid about extending such a mindset into my PhD study, where I will absorb precedents’ results and generate my own ideas by “standing on the shoulders of giants.”

If my independent and logical thinking make up the framework of my expedition in life, my quantitative and analytical skills are the actual building blocks for further achievements. Besides my outstanding scores in various courses, I think my experience in the 2009 Mathematical Contest in Modeling showed my strong competence in both theory and real world application. During this three-day competition, I led a team in performing in-depth research on the relationship between energy consumption and cell-phone usage, finished an excellent thesis ahead of time and finally won the Meritorious Winner award. But the most impressive thing to me was how exciting it was to abstract the utility concept into concrete analysis, and how efficient it was for me to use MATLAB and SPSS for statistical analysis. Utility functions associated with parameter modeling, linear and non-linear optimization under various constraints, multi-variable regression and the GARCH model - I bridged all the theoretical models with the actual world, which not only trained my quantitative skills but also inspired my aspiration to explore more in practical application. In addition, I paid attention to leverage in-class knowledge in industry analysis. For example I have modeled the Chinese warrant market and understand the pricing mechanism using both Black-Scholes Model and Monte-Carlo simulation. And I also closely followed the current financial innovations such as real estate swap and utility derivatives, and tried to price those from the back of envelop. In

retrospect, I am glad to see my development in quantitative proficiency, and I am eager to leverage them in my future research and study.

In order to excel in the modern world, hard skills are not enough. Thus I work hard to improve my vision and effective communication skills. From the exchange program at the City University of Hong Kong, to the abroad study at UC Berkeley, I expanded my horizons through vigorous communication with peers and professors, and learned about cultural differences as well. Being the leader of various student clubs and organizations, I organized fruitful activities for my fellow students, including the “Class Image Competition”, “Mathematician Magazine”, and so on. Through these I developed ways to balance different priorities, to better manage time constraints and also to connect all levels of participants involved, which will illuminate my future path in both research and career.

I have been passionate about extending various capacities for my success in finance, which has been catalyzed since my childhood. To my understanding, the essences of finance are liquidity, return and risk. All of them are abstract and heavily researched concepts. However, it is because of their formlessness that there is still a vast area for me to explore. I am especially interested in the development of derivative products and its respective market, which is a hybrid of asset pricing, risk management and quantitative modeling. I find it intriguing not only because of its wide coverage – almost anything with a value can be an underlying, but also because it fits into my aspiration and numerically strength. At this moment, not a single model can well explain the market behavior and the Black-Scholes Model is still heavily used, mainly because it brought out the concept of risk neutral pricing and hedging mechanism. I hope that I can further drill into different pricing theories, and come up with some unique findings that fit into the financial markets in developing countries where hedging might not be fully possible. In addition, with further polish in this field, I will be able to continue in my pursuit of academy and shine as an outstanding scholar.

I believe the PhD program at your University will prepare me for my destination. Given my interest in derivative research, I would hope to take the courses of XXX, XXX in my first two years, while at the same time start my preliminary research on XXX through communication with professor XXX, a finance expert in the field of XXX, whose XXX inspired me greatly. In addition, I am keen to use the database and reference archive in the XXX library to satisfy my thirst for extensive reading in XXX, as well as to efficiently utilize the whole set of financial data for my research projects. Last but not least, the world class seminars, discussions and lectures will give me an opportunity to exchange thoughts with world famous gurus, which will in turn inspire new ideas.

Being prepared in various aspects – mind set, knowledge, methodology, experience, and communication – I am ready for the next challenge. I believe I will contribute my energy, passion, and expertise to achieve greater success to your program and ultimately become one of the most influential leaders in the finance world with the powerful support from XXX University.