COLLOQUIUM SERIES: FALL 2015

OPTIMAL PORTFOLIO DIVERSICATION

Abstract:

Interconnectedness of risks may result in high systematic risk. When the number of risks are fixed, maximizing diversication benefits can lower the portfolio risk. In this work, the risk concentration is used to maximize diversication benefits, which is applied to portfolio selection. Since explicit solutions to such optimization problems are generally not available, asymptotic analysis is conducted as an alternative way to study them. A consistent and asymptotic normal estimator of the asymptotic solution is established as well.

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PROFESSIONAL INTERESTS:

Extreme value theory in insurance and finance
Asymptotic analysis of rare events in insurance and finance
Risk aggregation and risk measures
Heavy-tailed distributions in the presence of dependence

WHEN

November 19, 2015
3:30 p.m.

WHERE

61 Schaeffer Hall

RECEPTION

241 Schaeffer Hall
3:00 p.m.