Investigating the effectiveness of diversification strategies based on alternative risk measures

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Abstract

The abstract should summarise succinctly and clearly the motivation for your research, as well as a description of your analysis and findings. The abstract should be written as a single paragraph and ideally should not exceed 200 words. Both title and full abstract should fit on a single title page. You should also include in your abstract a list of keywords, as shown below. The abstract should be drafted after the paper has been written. You may, if you wish, include an acknowledgements page as a separate sheet at the end—this will be included in the word count. A plagiarism declaration in the prescribed UCT format should accompany your final paper as a separate sheet.

Keywords: mean-variance, weighted expected shortfall, portfolio diversification.

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1 Introduction

(Acerbi, 2002)

- 2 Background and Theory
- 2.1 The Mean-Variance Model
- 2.2 Alternative Risk Measures and Diversification
- 3 Methodology and Data
- 3.1 Investor Assumptions
- 3.2 Data
- 3.3 Back-test
- 4 Results
- 5 Discussion and Conclusion

Acknowledgements

References

Acerbi, C. (2002). Spectral measures of risk: A coherent representation of subjective risk aversion. *Journal of Banking & Finance*, **26**(7), 1505 – 1518.

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Appendices

- A Share Data
- B R Code and Backtest
- C Portfolio Compositions
- D Statistical Tests Performed