

Investigating the effectiveness of diversification strategies based on alternative risk measures

Richard Montgomery (MNTRIC006)
Tayla Radmore (RDMTAY001)
Thomas Königkrämer (KNGTHO005)

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mntric006@myuct.ac.za
rdmtay001@myuct.ac.za
thomasekng@gmail.com



Abstract

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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

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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Date: 26th June 2018

Richard Montgomery
MNTRIC006

Tayla Radmore
RDMTAY001

Thomas Königkrämer
KNGTHO005

Acknowledgements

Appendices

A Portfolio Compositions

B Statistical Tests Performed