① Postulating a Prob model $\longrightarrow$ Events Ω

Probabilities P

② Derive P&L Distribution $\longrightarrow$ $X: \Omega \to \mathbb{R}$

$F_X(k) = \mathbb{P}[X \leq k]$

③ Calculate Risk measure $\longrightarrow$ $VaR[X], ES[X]$