

$$\text{Estimated loss } \hat{L}_i = \hat{L}(\mathbf{S}^{(i)}) = \sum_{t=0}^{T-1} \hat{\Delta}_t^{(i)} (e^{-rt} S_t^{(i)} - e^{-r(t+1)} S_{t+1}^{(i)}) + \hat{V}_0$$

