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DEPARTMENT OF STATISTICS AND ACTUARIAL SCIENCE
THE UNIVERSITY OF HONG KONG

Post-Leave Presentation

Mr. CAI Wenlong

Department of Statistics and Actuarial Science
The University of Hong Kong

will give a talk

entitled

PORTFOLIO RISK OPTIMIZATION UNDER REGULARIZATION AND CONSTRAINTS

Abstract

We will revisit the Markowitz Mean-Variance model in portfolio construction and discuss using regularization methods as an improvement. It has been known that estimations of the expected return vector and the covariance matrix are unreliable and can lead to underestimated actual risk of a portfolio, we will show how to use penalty functions such as Lasso to help control the actual risk and discuss the intuition behind the penalty.

on

Monday, August 3, 2015

4:00 p.m. – 5:00 p.m.

at

Room 301, Run Run Shaw Building

All interested are welcome