

For favour of posting

DEPARTMENT OF STATISTICS AND ACTUARIAL SCIENCE
THE UNIVERSITY OF HONG KONG

Departmental Seminar

Dr. Wing Fung CHONG

Department of Mathematics and Department of Statistics
University of Illinois at Urbana-Champaign
U.S.A.

will give a talk
entitled

**TUG-OF-WAR: HOLISTIC PRINCIPLE FOR RISK AGGREGATION
AND CAPITAL ALLOCATION**

Abstract

This talk challenges the state-of-the-art practice of segregating risk aggregation and capital allocation. We introduces a novel holistic principle for aggregation and allocation, to remedy the issues of lack of consistency, negligence of cost of capital, and disentanglement of allocated capitals from standalone capitals in the state-of-the-art two steps procedure. Astonishingly, the proposed holistic principle provides a natural structural relationship among standalone capital, aggregate capital, allocated capital, and diversification benefit, which is consistent with the current market practice of allocating diversified capitals. This talk is based on a joint work with Runhuan Feng and Longhao Jin.

on

Tuesday, January 14, 2020

(Refreshments will be served from 11:15 a.m. outside Room 301 Run Run Shaw Building)

11:30 a.m. – 12:30 p.m.

at

Room 301, Run Run Shaw Building

Visitors Please Note that the University has limited parking space. If you are driving please call the Department at 3917 2466 for parking arrangement.

All interested are welcome