Long run risk sensitive portfolio optimisation

Marcin Pitera

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In this talk discrete-time portfolio optimisation over long run horizon with risk sensitive criterion as the objective function is considered. It is assumed that economic factors which stimulate asset prices are ergodic but non necessarily uniformly ergodic. The existence of solution to suitable Bellman equation using local span contraction with weighted norms are discussed. The form of optimal strategy is presented and examples of market models satisfying imposed assumptions are outlined.

The talk is based on [1].

References

[1] M. Pitera and Ł. Stettner, *Long run risk sensitive portfolio with general factors*, Math. Methods Oper. Res. **83** (2016), no. 2, 265–293.