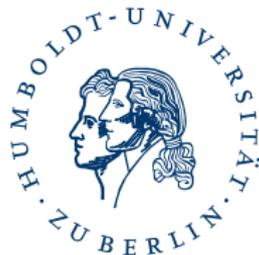


Discussion of “Tail Event Driven ASset Allocation: equity and mutual funds’ markets”

Simone Pieralli

Humboldt-Universität zu Berlin



TEDAS allocation

- ▶ TEDAS performs better than benchmark models if applied to hedge funds

TEDAS allocation

- ▶ TEDAS performs better than benchmark models if applied to hedge funds
- ▶ Higher moments than mean and variance

TEDAS allocation

- ▶ TEDAS performs better than benchmark models if applied to hedge funds
- ▶ Higher moments than mean and variance
- ▶ Improves asset allocation and hedge against tail events

TEDAS allocation

- ▶ TEDAS performs better than benchmark models if applied to hedge funds
- ▶ Higher moments than mean and variance
- ▶ Improves asset allocation and hedge against tail events
- ▶ In this case it is applied to mutual funds data and German stock market data

Observations for motivation

- ▶ Satellites and core dichotomy

Observations for motivation

- ▶ Satellites and core dichotomy
- ▶ Useful tool in screening between satellites

Observations for motivation

- ▶ Satellites and core dichotomy
- ▶ Useful tool in screening between satellites
- ▶ A way of assigning weights

Observations for motivation

- ▶ Satellites and core dichotomy
- ▶ Useful tool in screening between satellites
- ▶ A way of assigning weights
- ▶ It is superior in reducing volatility

Other observations

- ▶ A 1% transaction costs makes much better the hybrid: would this be the same if one uses the naïve or the basic approach? (higher moments?)

Other observations

- ▶ A 1% transaction costs makes much better the hybrid: would this be the same if one uses the naïve or the basic approach? (higher moments?)
- ▶ Figure 5-4 is it because of the ranges that it is different the monotonicity behavior?

Other observations

- ▶ A 1% transaction costs makes much better the hybrid: would this be the same if one uses the naïve or the basic approach? (higher moments?)
- ▶ Figure 5-4 is it because of the ranges that it is different the monotonicity behavior?
- ▶ Testing significance among different results

Thank you for your presentation!

- ▶ Thank you for giving me the chance to review your work and learn a lot!

Thank you for your presentation!

- ▶ Thank you for giving me the chance to review your work and learn a lot!
- ▶ Email: pieralls@hu-berlin.de