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Generalized Performance Ratios and Risk Optimization

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Abstract

In this paper, we generalize the notion of the performance measure by using a variety of coherent risk measures. We prove that these classes of coherent risk measures assure the properties of the acceptability indexes. In separate sections classes associated to Expected Shortfall and Shortfall Risk are examined both with their sensitivity, and also the general static optimization problem of these ratios is studied.

Mathematics Subject Classifications: 46B40, 91G40

Keywords: coherent risk measures; performance ratios; optimization

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