Strategic Asset Allocation and Portfolio Optimal Choice

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The Theme

- On Wall Street, If you cannot beat it, buy it!
- In Financial Market, if we cannot beat its volatility, then use it!

This paper focus on

- What do investors desire?
  - Higher Rate of Return
- How to achieve it?
  - Strategic asset allocation on optimal of portfolio
- What kinds of optimal models?
  - CAPM model
  - Black – Litterman model
  - GARCH/Markov Regime Switching model
- Why this paper needs R to achieve the goal?
  - Magic on Matrix!

Questions

- Questions and suggestions?