

Date of the event:

On Thursday 28th April 2011
From 01:00 PM to 2:00 PM

Location:

Luxembourg School of Finance
University of Luxembourg
4 Rue Albert Borschette
2nd Floor
Modigliani Miller Auditorium (E02-003)
L-1246 Luxembourg

Registrations:

- Free seminar (with lunch included)
- Registrations by email before April 26th, 2011
- At the following address : lsf-events@uni.lu

Information:

Ms Caroline Herfroy
Tel : +352 46 66 44 6335

<http://www.lsf.lu/eng/Research/Seminars-and-Workshops>



The LSF is pleased to invite you to the following lunch seminar:

Evolutionary Finance

*By Professor Thorsten Hens
University of Zürich*

Thursday, 28th April 2011
From 01:00 PM to 2:00 PM



Evolutionary Finance

By Thorsten Hens

The **Luxembourg School of Finance**

Is pleased to invite you to the

LSF Seminar

Evolutionary finance studies the dynamic interaction of investment strategies in financial markets. This market interaction generates a stochastic wealth dynamics on a heterogeneous population of traders through the fluctuation of asset prices and their random payoffs. Asset prices are endogenously determined through short-term market clearing. Investors' portfolio choices are characterized by investment strategies which provide a descriptive model of decision behavior. The mathematical framework of these models is given by random dynamical systems. This chapter surveys the recent progress made by the authors in the theory and applications of evolutionary finance models. An introductory part which presents results on the market selection (and co-existence) of investment strategies, discusses the relation to the Kelly rule and implications for asset pricing theory, and introduces a continuous-time mathematical finance version. Applications are concerned with simulation studies of the market dynamics, empirical estimation of asset prices and their dynamics, and the evolution of investment strategies using genetic programming.

