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PII: S0165-1889(14)00113-4  
DOI: <http://dx.doi.org/10.1016/j.jedc.2014.05.005>  
Reference: DYNCON2998

To appear in: *Journal of Economic Dynamics & Control*

Received date: 19 November 2011  
Revised date: 23 August 2013  
Accepted date: 31 January 2014

Cite this article as: Benjamin Hamidi, Bertrand Maillet, Jean-Luc Prigent, A Dynamic AutoRegressive Expectile for Time-Invariant Portfolio Protection Strategies, *Journal of Economic Dynamics & Control*, <http://dx.doi.org/10.1016/j.jedc.2014.05.005>

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# A Dynamic AutoRegressive Expectile for Time-Invariant Portfolio Protection Strategies<sup>☆</sup>

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## Abstract

“Constant proportion portfolio insurance” is a popular technique among portfolio insurance strategies: the risky part of a portfolio is reallocated with respect to market conditions, *via* a fixed parameter (the multiple), guaranteeing a predetermined floor. We propose here to use a conditional time-varying multiple as an alternative. We provide the main properties of the conditional multiples for some mainstream cases, including discrete-time rebalancing and an underlying risk asset driven by a Lévy process, while evaluating conditional and unconditional gap risks. Finally, we evaluate the use of a Dynamic AutoRegressive Expectile model for estimating the conditional multiple in such a context.

*Keywords:* CPPI, Expected Shortfall, Expectile, Quantile Regression, Dynamic Quantile Model.

*JEL:* G11, C6, G24, L10.

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