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Theory and an Application on Asset Allocation / Oyun Kuramı ve Varlık Bölüşümüne İlişkin Bir Uygulama

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ABSTRACT

In this study, we propose a solution about how an investor should distribute his/her investments among five different instruments (foreign exchange, interest, gold and stock market index) in Turkey. For this purpose, we set a two player zero sum game and determine the strategy of investor in response to the market strategy. We form game matrices in terms of monthly yields that are developed by this strategy, and in turn, we develop the optimum portfolio by using these matrices. In this context, we obtain the data of monthly yields of the investor for 2011-2015 and we analyze which investment is the optimum one by using linear programming. As a result, we find that stock market brings the highest yield in March, June, August and October on the average; bank deposit brings the highest yield in January and July on the average; gold brings the highest yield in February and May on the average; dollar brings the highest yield in April, November and December and finally euro brings the highest yield in September on the average.

KEYWORDS Game Theory; Investment; Asset Allocation

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