Strange stochastic portfolio theory in infinite dimensions

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ABSTRACT

Strange stochastic theory has never been used to model investment portfolios (do not even think about infinite dimensions) but who cares – it is just an example. They have even not been rigorously defined in literature. Some hints and intuitions were given in my recent work of [2].
Anyway, we can warmly think about strange stochastic portfolios that could be defined like [1] did it in case of strange options[a], i.e.

$$d\text{strange}_{\text{portf}}(t) = (\alpha_t + \text{strange}_{\text{portf}}(t))dt + \beta_t dw_s(t),$$

where w_s is Strange motion.

[a] By the way, they have never been defined either.

References

[1] Kowalski J. *On inexistance of strange options*, Medieval Markets, Varsovia, pp. 1–100, 1478.

[2] Smith J., *How a strange portfolio could look like?* Acta Mathematicae — Medius Aevus, Krakdż″w, pp. 12012–12312, 1221.