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*Portfolio Optimization under Convex Incentive Schemes.*

We consider a utility maximization problem of terminal wealth from the point of view of a portfolio manager paid by convex incentives. Even though the manager's utility function is concave, the result is a non-concave optimization problem that does not fit into the classical portfolio optimization theory. Using duality theory, we prove existence and uniqueness of the optimal wealth in general (incomplete) markets. (Received September 12, 2012)