

Package ‘cvar’

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Type Package

Title Compute Expected Shortfall and Value at Risk for Continuous Distributions

Version 0.6

Description Compute expected shortfall (ES) and Value at Risk (VaR) from a quantile function, distribution function, random number generator, probability density function, or data. ES is also known as Conditional Value at Risk (CVaR). Virtually any continuous distribution can be specified. The functions are vectorized over the arguments. The computations are done directly from the definitions, see e.g. Acerbi and Tasche (2002) <[doi:10.1111/1468-0300.00091](https://doi.org/10.1111/1468-0300.00091)>. Some support for GARCH models is provided, as well.

URL <https://geobosh.github.io/cvar/> (doc),
<https://github.com/GeoBosh/cvar> (devel)

BugReports <https://github.com/GeoBosh/cvar/issues>

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cvar-package	<i>Compute Expected shortfall (ES) and Value-at-Risk (VaR)</i>
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Description

Compute expected shortfall (ES) and Value at Risk (VaR) from a quantile function, distribution function, random number generator, probability density function, or data. ES is also known as Conditional Value at Risk (CVaR). Virtually any continuous distribution can be specified. `VaR()` and `ES()` are vectorised over the arguments. Some support for GARCH models is provided, as well.

Details

The name, **cvar**, of this package comes from *Conditional Value at Risk* (CVaR), which is an alternative term for expected shortfall.

There is a huge number of functions for computations with distributions in core R and in contributed packages. Pdf's, cdf's, quantile functions and random number generators are covered comprehensively. The coverage of expected shortfall is more patchy but a large collection of distributions, including functions for expected shortfall, is provided by Nadarajah et al. (2013). Peterson and Carl (2018) and Dutang et al. (2008) provide packages covering comprehensively various aspects of risk measurement, including some functions for expected shortfall.

Package **cvar** is a small package with, essentially, two main functions — ES for computing the expected shortfall and VaR for Value at Risk. The user specifies the distribution by supplying one of the functions that define a continuous distribution—currently this can be a quantile function (qf), cumulative distribution function (cdf) or probability density function (pdf). Virtually any continuous distribution can be specified. The distributions are usually obtained by fitting distributions or specialised models to data. Instead of distributions, data for returns or log-returns can be supplied, as well.

The functions `VaR` and `ES` are vectorised over the parameters of the distributions, making bulk computations more convenient, for example for forecasting or model evaluation.

We chose to use the standard names `ES` and `VaR`, despite the possibility for name clashes with same named functions in other packages, rather than invent possibly difficult to remember alternatives. Just call the functions as `cvar::ES` and `cvar::VaR` if necessary.

Locations-scale transformations can be specified separately from the other distribution parameters. This is useful when such parameters are not provided directly by the distribution at hand. The use of these parameters often leads to more efficient computations and better numerical accuracy even

if the distribution has its own parameters for this purpose. Some of the examples for VaR and ES illustrate this for the Gaussian distribution.

Since VaR is a quantile, functions computing it for a given distribution are convenience functions. VaR exported by **cvar** could be attractive in certain workflows because of its vectorised distribution parameters, the location-scale transformation, and the possibility to compute it from cdf's when quantile functions are not available.

Some support for GARCH models is provided, as well. It is currently under development, see [predict.garch1c1](#) for current functionality.

In practice, we may need to compute VaR associated with data. The distribution comes from fitting a model. In the simplest case, we fit a distribution to the data, assuming that the sample is i.i.d. For example, a normal distribution $N(\mu, \sigma^2)$ can be fitted using the sample mean and sample variance as estimates of the unknown parameters μ and σ^2 , see section 'Examples'. For other common distributions there are specialised functions to fit their parameters and if not, general optimisation routines can be used. More sophisticated models may be used, even time series models such as GARCH and mixture autoregressive models.

The functions VaR and ES are generic (S3). Further methods for them may be defined in other packages.

Author(s)

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References

Christophe Dutang, Vincent Goulet, Mathieu Pigeon (2008). "actuar: An R Package for Actuarial Science." *Journal of Statistical Software*, **25**(7), 38. doi:10.18637/jss.v025.i07.

Saralees Nadarajah, Stephen Chan, Emmanuel Afuecheta (2013). *VaRES: Computes value at risk and expected shortfall for over 100 parametric distributions*. R package version 1.0, <https://CRAN.R-project.org/package=VaRES>.

Brian G. Peterson, Peter Carl (2018). *PerformanceAnalytics: Econometric Tools for Performance and Risk Analysis*. R package version 1.5.2, <https://CRAN.R-project.org/package=PerformanceAnalytics>.

See Also

[ES](#), [VaR](#)

Examples

```
## see the examples for ES(), VaR(), predict.garch1c1()
```

ES	<i>Compute expected shortfall (ES)</i>
----	--

Description

Compute expected shortfall (ES).

Usage

```
ES(dist, p_loss = 0.05, ...)

## Default S3 method:
ES(
  dist,
  p_loss = 0.05,
  dist.type = "qf",
  qf,
  ...,
  intercept = 0,
  slope = 1,
  control = list(),
  transf = FALSE,
  x
)

## S3 method for class 'numeric'
ES(dist, p_loss = 0.05, ..., intercept = 0, slope = 1, transf = FALSE, x)

## S3 method for class 'matrix'
ES(dist, p_loss = 0.05, ..., intercept = 0, slope = 1, transf = FALSE, x)
```

Arguments

<code>dist</code>	specifies the distribution whose ES is computed, usually a function or a name of a function computing quantiles, cdf, pdf, or a random number generator. Can also be a numeric vector or matrix, representing data, see section ‘Details’.
<code>p_loss</code>	level, default is 0.05.
<code>...</code>	passed on to <code>dist</code> .
<code>dist.type</code>	a character string specifying what is computed by <code>dist</code> , such as "qf" or "cdf".
<code>qf</code>	quantile function, only used if <code>dist.type = "pdf"</code> .
<code>intercept, slope</code>	compute ES for the linear transformation $\text{intercept} + \text{slope} \times X$, where X has distribution specified by <code>dist</code> , see Details.
<code>control</code>	additional control parameters for the numerical integration routine.

transf	use only if "dist" represents log-returns. If TRUE, give the result for the returns (not log-returns), see section 'Details'.
x	deprecated and will soon be removed. x was renamed to p_loss, please use the latter.

Details

ES is a generic function for computation of expected shortfall. The default method computes ES corresponding to a distribution, usually fitted or implied by a fitted model. There are also methods for data (numeric or matrix).

Alternative terms for ES include CVaR (conditional value at risk), AVaR (average value at risk), and ETL (expected tail loss).

The default method of ES computes the expected shortfall for distributions specified by the arguments. `dist` is typically a function (or the name of one). What `dist` computes is determined by `dist.type`, whose default setting is "qf" (the quantile function). Other possible settings of `dist.type` include "cdf" and "pdf". Additional arguments for `dist` can be given with the "... " arguments.

Argument `dist` can also be a numeric vector. In that case the ES is computed, effectively, for the empirical cumulative distribution function (`ecdf`) of the vector. The `ecdf` is not created explicitly and the [quantile](#) function is used instead for the computation of VaR. Arguments in "... " are passed eventually to `quantile()` and can be used, for example, to select a non-default method for the computation of quantiles.

If `dist` is a matrix, the numeric method is applied to each of its columns.

Except for the exceptions discussed below, a function computing VaR for the specified distribution is constructed and the expected shortfall is computed by numerically integrating it. The numerical integration can be fine-tuned with argument `control`, which should be a named list, see [integrate](#) for the available options.

If `dist.type` is "pdf", VaR is not computed. Instead, the partial expectation of the lower tail is computed by numerical integration of $x * \text{pdf}(x)$. Currently the quantile function is required anyway, via argument `qf`, to compute the upper limit of the integral. So, this case is mainly for testing and comparison purposes.

A bunch of expected shortfalls is computed if argument `p_loss` or any of the arguments in "... " are of length greater than one. They are recycled to equal length, if necessary, using the normal R recycling rules.

`intercept` and `slope` can be used to compute the expected shortfall for the location-scale transformation $Y = \text{intercept} + \text{slope} * X$, where the distribution of X is as specified by the other parameters and Y is the variable of interest. The expected shortfall of X is calculated and then transformed to that of Y . Note that the distribution of X doesn't need to be standardised, although it typically will.

The `intercept` and the `slope` can be vectors. Using them may be particularly useful for cheap calculations in, for example, forecasting, where the predictive distributions are often from the same family, but with different location and scale parameters. Conceptually, the described treatment of `intercept` and `slope` is equivalent to recycling them along with the other arguments, but more efficiently.

The names, `intercept` and `slope`, for the location and scale parameters were chosen for their expressiveness and to minimise the possibility for a clash with parameters of `dist` (e.g., the Gamma distribution has parameter `scale`).

When argument `dist` represents log-returns, ES is for the log-returns. Use `transf = TRUE` to return its value for the returns. Note that the ES of the returns cannot be obtained by exponentiating the ES for the log-returns.

Value

a numeric vector or matrix

See Also

[VaR](#) for VaR,

[predict](#) for examples with fitted models

Examples

```
ES(qnorm)

## Gaussian
ES(qnorm, dist.type = "qf")
ES(pnorm, dist.type = "cdf")

## t-dist
ES(qt, dist.type = "qf", df = 4)
ES(pt, dist.type = "cdf", df = 4)

ES(pnorm, 0.95, dist.type = "cdf")
ES(qnorm, 0.95, dist.type = "qf")
## - VaRES::esnormal(0.95, 0, 1)
## - PerformanceAnalytics::ETL(p=0.05, method = "gaussian", mu = 0,
##                               sigma = 1, weights = 1)      # same

cvar::ES(pnorm, dist.type = "cdf")
cvar::ES(qnorm, dist.type = "qf")
cvar::ES(pnorm, 0.05, dist.type = "cdf")
cvar::ES(qnorm, 0.05, dist.type = "qf")

## this uses "pdf"
cvar::ES(dnorm, 0.05, dist.type = "pdf", qf = qnorm)

## this gives warning (it does more than simply computing ES):
## PerformanceAnalytics::ETL(p=0.95, method = "gaussian", mu = 0, sigma = 1, weights = 1)

## run this if VaRRES is present
## Not run:
x <- seq(0.01, 0.99, length = 100)
y <- sapply(x, function(p) cvar::ES(qnorm, p, dist.type = "qf"))
yS <- sapply(x, function(p) - VaRES::esnormal(p))
plot(x, y)
lines(x, yS, col = "blue")

## End(Not run)
```

GarchModel	<i>Specify a GARCH model</i>
------------	------------------------------

Description

Specify a GARCH model.

Usage

```
GarchModel(model = list(), ..., model.class = NULL)
```

Arguments

<code>model</code>	a GARCH model or a list.
<code>...</code>	named arguments specifying the GARCH model.
<code>model.class</code>	a class for the result. By default <code>GarchModel()</code> decides the class of the result.

Details

Argument `model` can be the result of a previous call to `GarchModel`. Arguments in `"..."` overwrite current components of `model`.

`GarchModel` guarantees that code using it will continue to work transparently for the user even if the internal representation of GARCH models in this package is changed or additional functionality is added.

Value

an object from suitable GARCH-type class

Examples

```
## GARCH(1,1) with Gaussian innovations
mo1a <- GarchModel(omega = 1, alpha = 0.3, beta = 0.5)
mo1b <- GarchModel(omega = 1, alpha = 0.3, beta = 0.5, cond.dist = "norm")

## equivalently, the parameters can be given as a list
p1 <- list(omega = 1, alpha = 0.3, beta = 0.5)
mo1a_alt <- GarchModel(p1)
mo1b_alt <- GarchModel(p1, cond.dist = "norm")
stopifnot(identical(mo1a, mo1a_alt), identical(mo1b, mo1b_alt))

## additional arguments modify values already in 'model'
mo_alt <- GarchModel(p1, beta = 0.4)

## set also initial values
mo2 <- GarchModel(omega = 1, alpha = 0.3, beta = 0.5, esp0 = - 1.5, h0 = 4.96)
```

```
## GARCH(1,1) with standardised-t_5
mot <- GarchModel(omega = 1, alpha = 0.3, beta = 0.5, cond.dist = list("std", nu = 5))
```

predict.garch1c1	<i>Prediction for GARCH(1,1) time series</i>
------------------	--

Description

Predict GARCH(1,1) time series.

Usage

```
## S3 method for class 'garch1c1'
predict(object, n.ahead = 1, Nsim = 1000, eps, sigmasq, seed = NULL, ...)
```

Arguments

object	an object from class "garch1c1".
n.ahead	maximum horizon (lead time) for prediction.
Nsim	number of Monte Carlo simulations for simulation based quantities.
eps	the time series to predict, only the last value is used.
sigmasq	the (squared) volatilities, only the last value is used.
seed	an integer, seed for the random number generator.
...	currently not used.

Details

Plug-in prediction intervals and predictive distributions are obtained by inserting the predicted volatility in the conditional densities. For predictions more than one lag ahead these are not the real predictive distributions but the prediction intervals are usually adequate.

For simulation prediction intervals we generate a (large) number of continuations of the given time series. Prediction intervals can be based on sample quantiles. The generated samples are stored in the returned object and can be used for further exploration of the predictive distributions. `dist_sim$eps` contains the simulated future values of the time series and `dist_sim$h` the corresponding (squared) volatilities. Both are matrices whose i -th rows contain the predicted quantities for horizon i .

The random seed at the start of the simulations is saved in the returned object. A specific seed can be requested with argument `seed`. In that case the simulations are done with the specified seed and the old state of the random number generator is restored before the function returns. This setup is similar to [sim_garch1c1](#).

Value

an object from S3 class "predict_garch1c1" containing the following components:

eps	point predictions (conditional expectations) of the time series (equal to zero for pure GARCH).
h	point predictions (conditional expectations) of the squared volatilities.
model	the model.
call	the call.
pi_plugin	Prediction intervals for the time series, based on plug-in distributions, see Details.
pi_sim	Simulation based prediction intervals for the time series, see Details.
dist_sim	simulation samples from the predictive distributions of the time series and the volatilities.

Note

This function is under development and may be changed.

Examples

```
op <- options(digits = 4)

## set up a model and simulate a time series
mo <- GarchModel(omega = 0.4, alpha = 0.3, beta = 0.5)
a1 <- sim_garch1c1(mo, n = 1000, n.start = 100, seed = 20220305)

## predictions for T+1,...,T+5 (T = time of last value)
## Nsim is small to reduce the load on CRAN, usually Nsim is larger.
a.pred <- predict(mo, n.ahead = 5, Nsim = 1000, eps = a1$eps,
  sigmasq = a1$h, seed = 1234)

## predictions for the time series
a.pred$eps

## PI's for eps - plug-in and simulated
a.pred$pi_plugin
a.pred$pi_sim

## a DIY calculation of PI's using the simulated sample paths
t(apply(a.pred$dist_sim$eps, 1, function(x) quantile(x, c(0.025, 0.975)))))

## further investigate the predictive distributions
t(apply(a.pred$dist_sim$eps, 1, function(x) summary(x)))

## compare predictive densities for horizons 2 and 5:
h2 <- a.pred$dist_sim$eps[2, ]
h5 <- a.pred$dist_sim$eps[5, ]
main <- "Predictive densities: horizons 2 (blue) and 5 (black)"
plot(density(h5), main = main)
```

```

lines(density(h2), col = "blue")

## predictions of sigma_t^2
a.pred$h

## plug-in predictions of sigma_t
sqrt(a.pred$h)

## simulation predictive densities (PD's) of sigma_t for horizons 2 and 5:
h2 <- sqrt(a.pred$dist_sim$h[2, ])
h5 <- sqrt(a.pred$dist_sim$h[5, ])
main <- "PD's of sigma_t for horizons 2 (blue) and 5 (black)"
plot(density(h2), col = "blue", main = main)
lines(density(h5))

## VaR and ES for different horizons
cbind(h = 1:5,
      VaR = apply(a.pred$dist_sim$eps, 1, function(x) VaR(x, c(0.05))),
      ES = apply(a.pred$dist_sim$eps, 1, function(x) ES(x, c(0.05))) )

## fit a GARCH(1,1) model to exchange rate data and predict
gmo1 <- fGarch::garchFit(formula = ~garch(1, 1), data = fGarch::dem2gbp,
  include.mean = FALSE, cond.dist = "norm", trace = FALSE)
mocoef <- gmo1@fit$par
mofitted <- GarchModel(omega = mocoef["omega"], alpha = mocoef["alpha1"],
  beta = mocoef["beta1"])
gmo1.pred <- predict(mofitted, n.ahead = 5, Nsim = 1000, eps = gmo1@data,
  sigmasq = gmo1@h.t, seed = 1234)
gmo1.pred$pi_plugin
gmo1.pred$pi_sim

op <- options(op) # restore options(digits)

```

sim_garch1c1

*Simulate GARCH(1,1) time series***Description**

Simulate GARCH(1,1) time series.

Usage

```
sim_garch1c1(model, n, n.start = 0, seed = NULL)
```

Arguments

model	a GARCH(1,1) model, an object obtained from GarchModel.
n	the length of the generated time series.
n.start	number of warm-up values, which are then dropped.
seed	an integer to use for setting the random number generator.

Details

The simulated time series is in component `eps` of the returned value. For exploration of algorithms and estimation procedures, the volatilities and the standardised innovations are also returned.

The random seed at the start of the simulations is saved in the returned object. A specific seed can be requested with argument `seed`. In that case the simulations are done with the specified seed and the old state of the random number generator is restored before the function returns.

Value

a list with components:

<code>eps</code>	the time series,
<code>h</code>	the (squared) volatilities,
<code>eta</code>	the standardised innovations,
<code>model</code>	the GARCH(1,1) model,
<code>.sim</code>	a list containing the parameters of the simulation,
<code>call</code>	the call.

Note

This function is under development and may be changed.

VaR	<i>Compute Value-at-Risk (VaR)</i>
-----	------------------------------------

Description

VaR is a generic function for computation of Value-at-Risk. The default method computes VaR corresponding to a distribution, usually fitted or implied by a fitted model. There are also methods for data (numeric or matrix).

Usage

```
VaR(dist, p_loss = 0.05, ...)

VaR_qf(
  dist,
  p_loss = 0.05,
  ...,
  intercept = 0,
  slope = 1,
  tol = .Machine$double.eps^0.5,
  x
)
```

```

VaR_cdf(
  dist,
  p_loss = 0.05,
  ...,
  intercept = 0,
  slope = 1,
  tol = .Machine$double.eps^0.5,
  x
)

## Default S3 method:
VaR(
  dist,
  p_loss = 0.05,
  dist.type = "qf",
  ...,
  intercept = 0,
  slope = 1,
  tol = .Machine$double.eps^0.5,
  transf = FALSE,
  x
)

## S3 method for class 'numeric'
VaR(dist, p_loss = 0.05, ..., intercept = 0, slope = 1, transf = FALSE, x)

## S3 method for class 'matrix'
VaR(dist, p_loss = 0.05, ..., intercept = 0, slope = 1, transf = FALSE, x)

```

Arguments

<code>dist</code>	specifies the distribution whose ES is computed, usually a function or a name of a function computing quantiles, cdf, pdf, or a random number generator. Can also be a numeric vector or matrix, representing data, see section ‘Details’.
<code>p_loss</code>	level, default is 0.05.
<code>...</code>	passed on to <code>dist</code> .
<code>intercept, slope</code>	compute VaR for the linear transformation $\text{intercept} + \text{slope} \times X$, where X has distribution specified by <code>dist</code> , see Details.
<code>tol</code>	tollerance
<code>x</code>	deprecated and will soon be removed. <code>x</code> was renamed to <code>p_loss</code> , please use the latter.
<code>dist.type</code>	a character string specifying what is computed by <code>dist</code> , such as "qf" or "cdf".
<code>transf</code>	use only if " <code>dist</code> " represents log-returns. If TRUE, give the result for the returns (not log-returns), see section ‘Details’.

Details

VaR is S3 generic. The meaning of the parameters for the methods defined in **cvar** and described here are the same as in [ES](#), including the recycling rules.

VaR_qf and VaR_cdf are streamlined, non-generic, variants for the common case when the "... " parameters are scalar. The parameters p_loss, intercept, and slope can be vectors, as for VaR.

Argument dist can also be a numeric vector. In that case the ES is computed, effectively, for the empirical cumulative distribution function (ecdf) of the vector. The ecdf is not created explicitly and the [quantile](#) function is used instead for the computation of VaR. Arguments in "... " are passed eventually to quantile() and can be used, for example, to select a non-default method for the computation of quantiles.

If dist is of class "matrix", then the numeric method is applied to each column.

In practice, we may need to compute VaR associated with data. The distribution comes from fitting a model. In the simplest case, we fit a distribution to the data, assuming that the sample is i.i.d. For example, a normal distribution $N(\mu, \sigma^2)$ can be fitted using the sample mean and sample variance as estimates of the unknown parameters μ and σ^2 , see section 'Examples'. For other common distributions there are specialised functions to fit their parameters and if not, general optimisation routines can be used. More sophisticated models may be used, even time series models such as GARCH and mixture autoregressive models.

When argument dist represents log-returns, VaR is for the log-returns. Use transf = TRUE to return its value for the returns.

Note

We use the traditional definition of VaR as the negated lower quantile. For example, if X are returns on an asset, $\text{VaR}_\alpha = -q_\alpha$, where q_α is the lower α quantile of X . Equivalently, VaR_α is equal to the lower $1 - \alpha$ quantile of $-X$.

See Also

[ES](#) for ES,

[predict](#) for examples with fitted models

Examples

```
cvar::VaR(qnorm, c(0.01, 0.05), dist.type = "qf")

## the following examples use these values, obtained by fitting a normal distribution to
## some data:
muA <- 0.006408553
sigma2A <- 0.0004018977

## with quantile function, giving the parameters directly in the call:
res1 <- cvar::VaR(qnorm, 0.05, mean = muA, sd = sqrt(sigma2A))
res2 <- cvar::VaR(qnorm, 0.05, intercept = muA, slope = sqrt(sigma2A))
abs((res2 - res1)) # 0, intercept/slope equivalent to mean/sd

## with quantile function, which already knows the parameters:
my_qnorm <- function(p) qnorm(p, mean = muA, sd = sqrt(sigma2A))
```

```

res1_alt <- cvar::VaR(my_qnorm, 0.05)
abs((res1_alt - res1))

## with cdf the precision depends on solving an equation
res1a <- cvar::VaR(pnorm, 0.05, dist.type = "cdf", mean = muA, sd = sqrt(sigma2A))
res2a <- cvar::VaR(pnorm, 0.05, dist.type = "cdf", intercept = muA, slope = sqrt(sigma2A))
abs((res1a - res2)) # 3.287939e-09
abs((res2a - res2)) # 5.331195e-11, intercept/slope better numerically

## as above, but increase the precision, this is probably excessive
res1b <- cvar::VaR(pnorm, 0.05, dist.type = "cdf",
                  mean = muA, sd = sqrt(sigma2A), tol = .Machine$double.eps^0.75)
res2b <- cvar::VaR(pnorm, 0.05, dist.type = "cdf",
                  intercept = muA, slope = sqrt(sigma2A), tol = .Machine$double.eps^0.75)
abs((res1b - res2)) # 6.938894e-18 # both within machine precision
abs((res2b - res2)) # 1.040834e-16

## relative precision is also good
abs((res1b - res2)/res2) # 2.6119e-16 # both within machine precision
abs((res2b - res2)/res2) # 3.91785e-15

## an extended example with vector args, if "PerformanceAnalytics" is present
if (requireNamespace("PerformanceAnalytics", quietly = TRUE)) withAutoprint({
  data(edhec, package = "PerformanceAnalytics")
  mu <- apply(edhec, 2, mean)
  sigma2 <- apply(edhec, 2, var)
  musigma2 <- cbind(mu, sigma2)

  ## compute in 2 ways with cvar::VaR
  vAz1 <- cvar::VaR(qnorm, 0.05, mean = mu, sd = sqrt(sigma2))
  vAz2 <- cvar::VaR(qnorm, 0.05, intercept = mu, slope = sqrt(sigma2))

  vAz1a <- cvar::VaR(pnorm, 0.05, dist.type = "cdf",
                    mean = mu, sd = sqrt(sigma2))
  vAz2a <- cvar::VaR(pnorm, 0.05, dist.type = "cdf",
                    intercept = mu, slope = sqrt(sigma2))

  vAz1b <- cvar::VaR(pnorm, 0.05, dist.type = "cdf",
                    mean = mu, sd = sqrt(sigma2),
                    tol = .Machine$double.eps^0.75)
  vAz2b <- cvar::VaR(pnorm, 0.05, dist.type = "cdf",
                    intercept = mu, slope = sqrt(sigma2),
                    tol = .Machine$double.eps^0.75)

  ## analogous calc. with PerformanceAnalytics::VaR
  vPA <- apply(musigma2, 1, function(x)
    PerformanceAnalytics::VaR(p = .95, method = "gaussian", invert = FALSE,
                              mu = x[1], sigma = x[2], weights = 1))

  ## the results are numerically the same
  max(abs((vPA - vAz1))) # 5.551115e-17
  max(abs((vPA - vAz2))) # ""

```

```
max(abs((vPA - vAz1a))) # 3.287941e-09
max(abs((vPA - vAz2a))) # 1.465251e-10, intercept/slope better

max(abs((vPA - vAz1b))) # 4.374869e-13
max(abs((vPA - vAz2b))) # 3.330669e-16
})
```

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