Corrigendum: Local stability analysis of a stochastic evolutionary financial market model with a risk-free asset, *Mathematics and Financial Economics, Vol. 5, p. 185-202 (2011)*, Igor V. Evstigneev, Thorsten Hens, Klaus Reiner Schenk-Hoppé, January 31, 2014.

Equation (12) in the paper misses a factor $\alpha_{t,0}$ in the right-most term. Therefore all subsequent results apply to the system (12) but not the original model (11).

To correct this mistake, one has to replace $1+\beta_{t+1}$ by $(1+\beta_{t+1})\alpha_{t,0}$ throughout the paper, starting from equation (12) on page 192. Note that from page 194 onwards $\alpha_{t,0}=\alpha$ due to assumption (C).

Proposition 2 holds for the corrected model (12). The proof on page 197/198 is corrected by observing that

$$\frac{f(s^t,z_t)}{z_t} \le 2\frac{M(s^t)\bar{d}_{t+1}+(1+\beta_{t+1})\alpha}{(1-\alpha)\alpha\lambda_{t,0}^2}+\frac{\alpha M(s^t)}{1-\alpha}$$

and the integrability condition $E\ln|\frac{f(s^t,z)}{z}|<\infty$ is satisfied if

$$E\ln^+\left[2\frac{M(s^t)\bar{d}_{t+1}+(1+\beta_{t+1})\alpha}{(1-\alpha)\alpha\lambda_{t,0}^2}+\frac{\alpha M(s^t)}{1-\alpha}\right]<\infty$$

which holds thanks to assumptions (18) and (19).

Finally, note that equation (15) should read

$$w_{t+1}^1=\frac{\bar{d}_{t+1}+(1+\beta_{t+1})\alpha_{t,0}\lambda_{t,0}^1}{1-\sum_{k=1}^K \rho_{t+1,k}\lambda_{t+1,k}^1}\, w_t^1$$

and the displayed equation on the middle of page 200 should read

$$\lambda_{t,k}^*-\alpha E_{s_t}\lambda_{t+1,k}^*=E_{s_t}\left((1-\alpha(1-\lambda_0^*))\frac{d_{t+1,k}}{\bar{d}+(1+\beta)\alpha\lambda_0^*}\right).$$

The locally stable investment strategy in Section 4.4 (page 200) for the corrected model (12) is given by

$$\lambda_0^*=1-\frac{\bar{d}}{(1+\beta)(1-\alpha)\alpha}$$

$$\lambda_{t,k}^*=\frac{1}{(1+\beta)\alpha}\sum_{m=1}^{\infty}\alpha^{m-1}E_{s_t}d_{t+m,k}$$

for $k=1,\ldots,K$ under the assumption that $\bar{d}<(1+\beta)(1-\alpha)\alpha$.