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Dear Editor,

During summer of 2005 I supervised a six-week combined Research Experiences for Undergraduates and Research experiences for Teachers. The students under my charge focused in the area of mathematical finance. The program began with an intense 1.5 week "short course" giving background in financial math. During the second week students were expected to pick a research topic of interest, review pertinent literature on the subject, and propose a research project. The two *undergraduates* Beth Bower and Pamela Wentz chose to focus on portfolio optimization.

Markowitz is generally given credit for the variance optimization solution and this technique appears in virtually every mathematical finance textbook. There are many choices for objective functions that could be considered in place of the variance and there is a vast literature concerning theoretical properties of general measures of dispersion. However, there has been relatively little published focusing on the mean absolute deviation and very few empirical studies comparing the resulting portfolios to the traditional mean-variance method. It is my opinion that the *short list of references is appropriate* for the empirical study which was undertaken.

It is my opinion that the paper, "Portfolio Optimization: MAD vs. Markowitz", is reasonably well written, of general interest to a wide range of readers and contains a level of mathematical maturity beyond a typical homework assignment. Although the paper contains little mathematics beyond what one typically sees in an undergraduate program and no new mathematics, the authors needed to make use of ideas from calculus, linear algebra, numerical analysis, statistics and mathematical programming all in context of solving a real world problem; it has been my experience that undergraduates (and many of the graduate students I've taught), have difficulty when asked to combine ideas from different courses. The work was completed by the authors on their own and the help they received was mostly of the type I would give to a masters student, e.g., questions, hints and little nudges in a particular direction.

I certify that Beth Bower and Pamela Wentz were undergraduates at the time this work was completed. I feel the paper is a nice applied math paper and I believe the application is of sufficient interest to warrant the papers publication. My current address and affiliation is:

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Thank you,

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