Cover Letter

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The initial responses to preprints were all the same. “It cannot possibly be true, the result is far too strong!” “Everybody knows” CAPM only holds for expected value, not equality of random variables. When I pointed out it was simply a mathematical theorem, so either there is a mistake in the proof or a counterexample, I got fewer replies.

Several people subsequently claimed this was in fact a known result but were unable to provide a prior citation. One even claimed “This is demonstrated early on in any graduate level presentation of the efficiency frontier and is the result you speak of. It does not need a citation”

I also find it difficult to believe nobody has heretofore picked up this $100 bill from the sidewalk and would be grateful if a referee points me to a published paper with a formula analogous to

where , , and are random variables.