

# Errata for *The Sharpe Ratio: Statistics and Applications*

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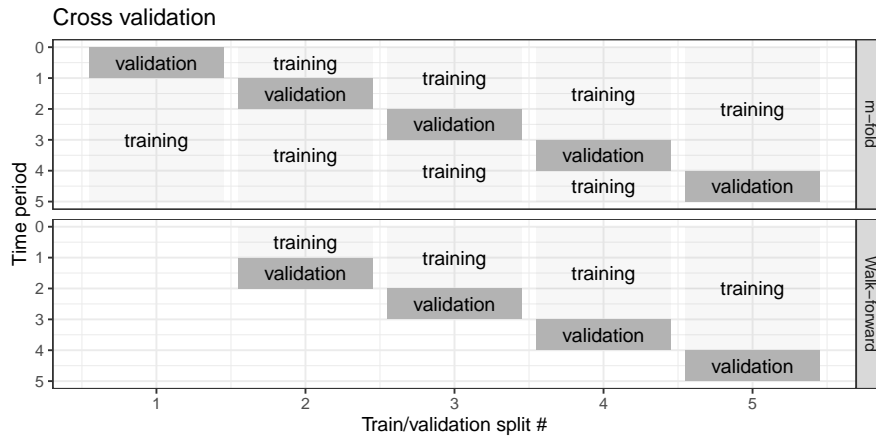
## 1 Errata

- Exercises 2.42 and 2.43 refer to material that was removed from the book, and should be ignored.
- In Example 5.0.2, the variance is not given with sufficient digits. The moments of  $x_t$  should read as:

$$E[x_t] = \begin{cases} 0.01 \text{ mo.}^{-1} & \text{if } f_{t-1} = -1, \\ 0.03 \text{ mo.}^{-1} & \text{otherwise.} \end{cases}$$

$$\text{Var}(x_t) = \begin{cases} 0.001 \text{ mo.}^{-1} & \text{if } f_{t-1} = -1, \\ 0.0081 \text{ mo.}^{-1} & \text{otherwise.} \end{cases}$$

- The different shades of grey in Figure 8.12 are not distinguishable in the printed version of the book. They look as follows:



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