



THE FRANK J. FABOZZI SERIES

THE THEORY AND PRACTICE OF INVESTMENT MANAGEMENT

SECOND EDITION

*Asset Allocation, Valuation, Portfolio
Construction, and Strategies*

FRANK J. FABOZZI, HARRY M. MARKOWITZ, EDITORS

**The Theory and
Practice of
Investment
Management
Second Edition**

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HARRY M. MARKOWITZ
EDITORS



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Harry M. Markowitz has applied computer and mathematical techniques to various practical decision making areas. In finance, in an article in 1952 and a book in 1959, he presented what is now referred to as MPT, "modern portfolio theory." This has become a standard topic in college courses and texts on investments and is widely used by institutional investors for tactical asset allocation, risk control, and attribution analysis. In other areas, Dr. Markowitz developed "sparse matrix" techniques for solving very large mathematical optimization problems. These techniques are now standard in production software for optimization programs. He also designed and supervised the development of the SIMSCRIPT programming language. SIMSCRIPT has been widely used for programming computer simulations of systems like factories, transportation systems, and communication networks. In 1989, Dr. Markowitz received the John von Neumann Award from the Operations Research Society of America for his work in portfolio theory, sparse matrix techniques, and SIMSCRIPT. In 1990, he shared the Nobel Prize in Economics for his work on portfolio theory.