

# Discretionary investment management

## J10: 2017–18 edition

### Web update 1: 29 January 2018

Please note the following update to your copy of the J10 study text:

#### Chapter 10, section D3, page 10/11

Please add the following text to the end of this section:

When the data is for a sample, rather than the whole population, then the sample variance is given by the equation below:

$$S = \sqrt{\frac{\sum (x - \bar{x})^2}{n - 1}}$$

As you will see, the denominator is now  $(n - 1)$ , as using  $n$  tends to underestimate the variance if we are using a sample, rather than the whole population.