

IIE Transactions >

Volume 37, 2005 - [Issue 10](#)

1,597

Views

69  
CrossRef citations to date

3

Altmetric

Original Articles

# Mean-absolute deviation model

Hiroshi Konno & Tomoyuki Koshizuka

Pages 893-900 | Published online: 23 Feb 2007

🗨️ Cite this article

Sample our  
Engineering & Technology  
Journals

>> [Sign in here](#) to start your access  
to the latest two volumes for 14 days

📄 Full Article

📊 Figures & data

📖 References

🗨️ Citations

📊 Metrics

📄 Reprints & Permissions

Read this article

🔗 Share

We survey the Mean-Absolute Deviation (MAD) portfolio optimization model, which was first introduced in 1990 to cope with very large-scale portfolio optimization problems. The MAD model is in fact used to solve huge portfolio optimization models including the internationally diversified investment model, the long-term asset liability management (ALM) model and the mortgage-backed security portfolio optimization model. It was recently shown that the MAD model possess several advantageous theoretical properties. In particular, all capital asset pricing model (CAPM)-type relations for the mean-variance model also hold for the MAD model. Furthermore, the MAD model is more compatible with the fundamental principle of rational decision-making.

## Related research

People also read

Recommended articles

Cited by  
69

## Information for

[Authors](#)  
[R&D professionals](#)  
[Editors](#)  
[Librarians](#)  
[Societies](#)

## Opportunities

[Reprints and e-prints](#)  
[Advertising solutions](#)  
[Accelerated publication](#)  
[Corporate access solutions](#)

## Keep up to date

Register to receive personalised research and resources by email

 [Sign me up](#)



## Open access

[Overview](#)  
[Open journals](#)  
[Open Select](#)  
[Dove Medical Press](#)  
[F1000Research](#)

## Help and information

[Help and contact](#)  
[Newsroom](#)  
[All journals](#)  
[Books](#)

Copyright © 2026 Informa UK Limited [Privacy policy](#)

[Cookies](#) [Terms & conditions](#) [Accessibility](#)

Registered in England & Wales No. 01072954  
5 Howick Place | London | SW1P 1WG

