

Cardinality constrained portfolio optimisation example question

Take

<http://www.brunel.ac.uk/depts/ma/research/jeb/finance/ma3986.xls>

which contains weekly stock price and index data for the S&P500 over 2 years and randomly select any five stocks over any five week time period.

Construct the unconstrained efficient frontier (UEF) and the cardinality constrained efficient frontier (CCEF) for $K=2$ for the stocks you have chosen.