SHARPE2

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Use SHARPE2 to calculate the Sharpe ratio based upon price or valuation data. You have the option of computing the Sharpe ratio using either simple returns or geometric returns. For details on the formulae used to calculate the Sharpe ratio, go to the SHARPE documentation.

Syntax

```
Public Shared Function SHARPE2(
    ByVal PDate() As Date,
    ByVal PValue() As Double,
    ByVal RF() As Double,
    ByVal Scale As Double,
    ByVal Geometric As Boolean,)
```

Arguments

PDate

the date associated with the price or valuation. *PDate* is an expression that returns an Array of **Date**, or of a type that can be implicitly converted to an Array of **Date**.

PValue

the price or value for the *PDate*. *PValue* is an expression that returns an Array of **Double**, or of a type that can be implicitly converted to an Array of **Double**.

RF

the risk-free rate. *RF* is an expression that returns an Array of **Double**, or of a type that can be implicitly converted to an Array of **Double**.

Scale

the scaling factor used in the calculation. *Scale* is an expression that returns a **Double**, or of a type that can be implicitly converted to **Double**.

Geometric

identifies whether or not to use geometric returns in the calculation. *Geometric* is an expression that returns a **Boolean**, or of a type that can be implicitly converted to **Boolean**.

Return Type

Double

Remarks

- If *Geometric* IS NULL then *Geometric* is set equal to False.
- If *Scale* IS NULL them *Scale* is set to 1.
- For daily returns set *Scale* = 252.
- For weekly returns set *Scale* = 52.
- For monthly returns set *Scale* = 12.

- For quarterly returns set *Scale* = 4.
- To calculate the Sharpe ratio using return data, use the SHARPE aggregate function.
- If there are multiple rows for the same date, the *PValue* is accumulated.
- The return values are automatically calculated by putting the *PValue* in *PDate* order.

See Also

- EQALPHA - Intercept of the security characteristic line between an asset and a specified benchmark
- EQBETA - Correlated volatility (beta) between an asset and a specified benchmark
- EQVOLATILITY - Historical volatility based upon price or valuation data
- INFORATIO - Information ratio based upon return data
- INFORATIO2 - Information ratio based upon price or valuation data
- MAXDD - Maximum drawdown based on net asset or portfolio values
- MAXDD2 - Maximum drawdown based on net asset or portfolio returns
- MOIC - Multiple of Invested Capital
- SHARPE - Sharpe ratio based upon return data
- SORTINO - Sortino ratio based upon return data
- SORTINO2 - Sortino ratio based upon price data
- TREYNOR - Treynor ratio based upon return data
- TREYNOR2 - Treynor ratio based upon price or valuation data