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LETTER TO THE EDITOR[1]

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Goerg (2011) introduced a class of so-called Lambert W distributions, which he fit to LATAM equity return data. His Algorithm 3 depends on iterated calculations of empirical means and standard deviations, hence, it is bounded to fail if the underlying population does not have a finite mean and/or variance. Therefore, caution must be exercised in applying Algorithm 3 if an infinite mean and/or variance is a possibility, which might be the case for the LATAM data, as we argue in the supplemental article [Stehlík and Hermann (2015)].

SUPPLEMENTARY MATERIAL

Supplement to "Letter to the Editor" (DOI: 10.1214/15-AOAS864SUPP; .pdf). We provide a more precise discussion on the possibility of infinite mean and/or variance for LATAM data and the applicability of Algorithm 3 of Goerg (2011) for the aforenamed data.

REFERENCES

GOERG, G. M. (2011). Lambert W random variables—A new family of generalized skewed distributions with applications to risk estimation. *Ann. Appl. Stat.* **5** 2197–2230. MR2884937

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