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"FRACTALS & FINANCIAL MARKETS" EVENT MEASURES MARKET RISK

Will we ever be able to "call" the stock market? On Thursday, August 19, 2004, 5:30 - 7:00 p.m., at San Francisco's Commonwealth Club, mathematician Benoit Mandelbrot explains how fractal geometry—already applied in fields such as astronomy, anatomy, computer science, and music—can be used to explain market fluctuations. Co-sponsored by the Mathematical Sciences Research Institute (MSRI), "Fractals & Financial Markets: A Conversation with Benoit Mandelbrot" will describe how even the small price variations sometimes written off as "background noise," and the large shifts dismissed by other models as anomalies are really governed by fractal motion, and why financial markets are riskier than even brokers suspect. Mandelbrot will be interviewed by Lisa Goldberg, Vice President of Barra Inc. Credit Research Group.

Mandelbrot sometimes compares fractals—the intricate, self-repeating designs found on millions of posters and t-shirts—to a beautiful girl who wants to be known for her brains. His system of geometry can reveal the order and simplicity that underlie chaotic data. Some of its most surprising applications describe complex shapes of clouds and coastlines, flood cycles on the Nile, and dollar-euro exchange rates.

Mandelbrot has received recognition worldwide, and his discoveries have been documented in popular media, such as the PBS, 1998 production "Fractals: The Colors of Infinity." He has written for *Scientific American* and the *Wall Street Journal* European edition, amongst others. His books include the classic *The Fractal Geometry of Nature*, which has sold more than 200,000 copies. His most recent book, ***The (Mis)Behavior of Markets: A Fractal View of Risk, Ruin, and Reward***, is his first book on finance for a lay audience.

He has won numerous prizes for his work, including the Wolf Prize for Physics in 1993 and the 1993 Japan Prize. An IBM Fellow Emeritus, he became the Sterling Professor of Mathematical Sciences at Yale in 1999. Mandelbrot holds a doctorate in mathematics from the University of Paris.

The Commonwealth Club is located at 595 Market Street, 2nd Floor, San Francisco, CA. Media should RSVP at 415/597-6712, 415/597-6719.

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