AN ORTHOGONALLY INVARIANT MINIMAX ESTIMATOR OF THE COVARIANCE MATRIX OF A MULTIVARIATE NORMAL POPULATION

By

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Abstract. In the problem of estimating the covariance matrix of a multivariate normal population James and Stein (1961) obtained a minimax estimator by considering the best invariant estimator with respect to the triangular group. In this paper we propose an orthogonally invariant estimator obtained by averaging the minimax estimator with respect to the invariant measure on the orthogonal group. Explicit forms of the proposed estimator are given for dimensions 2 and 3. Risk is evaluated for various population covariance matrices and it shows a substantial improvement over the minimax estimator for a wide range of population covariance matrices.

§ 1. Introduction.

In the problem of estimating the covariance matrix of a multivariate normal population the usual estimator is the sample covariance matrix $S = A/n$ where A is distributed according to the Wishart distribution $\mathcal{W}(\Sigma, n)$. Although S is unbiased it is known that the (sample) characteristic roots of S tend to be more spread out than the corresponding (population) roots of Σ. This can be seen as follows. Let λ_1 be the largest characteristic root of Σ and ξ be an associated unit characteristic vector, then $\xi' S \xi$ is unbiased for λ_1. Let l_1 be the largest sample root, then

$$\mathcal{E}(l_1) = \mathcal{E}(\max_{x'x=1} x'Sx) \geq \mathcal{E}(\xi'S\xi) = \lambda_1 .$$

See Van der Vaart (1961), Anderson (1963). Similarly for the smallest root λ_p, l_p of Σ, S, respectively, we have $\mathcal{E}(l_p) \leq \lambda_p$. It is these implicit maximization and minimization processes for each observed S that makes the sample roots more spread out than the population roots. Actually in terms of majorization the following holds: $(\mathcal{E}(l_1), \cdots, \mathcal{E}(l_p))$ *majorizes* $(\lambda_1, \cdots, \lambda_p)$. See Chapter 12, Section E of Marshall and Olkin (1979).

The above consideration suggests that we shrink the sample roots toward a middle value. This is analogous to the Stein-type estimation of a multivariate normal mean vector. Earlier works along this direction can be found in Stein (1975), Efron and Morris (1976), Haff (1977, 1979a, b, 1980), Eaton (1970), Sugiura and Fujimoto (1982) and others.

Another approach was taken in Stein (1956), James and Stein (1961), Selliah (1964), and Olkin and Selliah (1977). They are concerned with minimax estimation of the covariance matrix. Minimax estimators can be obtained by considering the best invariant estimator with respect to the triangular group G_T^+ (the group consisting of lower triangular matrices with positive diagonal elements). An unappealing property of these estimators is that they depend on the coordinate system.

In this paper we propose an orthogonally invariant minimax estimator which is derived from the minimax estimators above by averaging them. The idea of averaging already appears in Stein (1956) and the specific estimator proposed below is briefly mentioned in Eaton (1970) (his formula 3.6). But it seems to have never been studied carefully.

In Section 2 we derive the estimator and study its properties. Details of computation are given in Section 4. For dimensions 2 and 3 the estimator is given explicitly. For larger dimensionalities the explicit integration involved seems formidable. The Monte Carlo method is always available, but some good approximation is desirable. In Section 3 we study the risk behavior of the estimator. If the number of degrees of freedom is not too large compared to the dimensionality, it shows a substantial improvement over the minimax estimator mentioned above for a wide range of population covariance matrices.

§2. Derivation of the estimator.

Consider the problem of estimating Σ with the following loss functions:

$$L_1(\Sigma, \hat{\Sigma}) = \mathrm{tr}(\hat{\Sigma} \Sigma^{-1}) - \log \det(\hat{\Sigma} \Sigma^{-1}) - p,$$
(2.1)
$$L_2(\Sigma, \hat{\Sigma}) = \mathrm{tr}(\hat{\Sigma} \Sigma^{-1} - I)^2.$$

The best scalar multiples of A for these loss functions have constant risk, but they are not minimax. Minimax estimators were obtained by considering the best invariant estimator with respect to G_T^+. They are of the form

(2.2) $\hat{\Sigma}(A) = TDT',$

where $D = \mathrm{diag}(d_1, \cdots, d_p)$ and $T \in G_T^+$ with $TT' = A$.

For L_1

(2.3)
$$d_i = \frac{1}{n+p+1-2i}, \qquad i=1, \cdots, p.$$

See Stein (1956), James and Stein (1961). For L_2 see Selliah (1964), Olkin and Selliah (1977).

Note that for L_1 we have $d_1 < \cdots < d_p$. The same ordering seems to hold for L_2 as well. This causes a rather unpleasant asymmetry of the estimator: the first few rows and columns become smaller compared to others. This asymmetry leads to the idea of symmetrizing the estimator by averaging over different coordinates. Let Γ be an orthogonal matrix corresponding to a change of orthonormal basis. Applying (2.2) in the new coordinate system we obtain $\hat{\Sigma}_\Gamma = \Gamma T_\Gamma D T_\Gamma' \Gamma'$ where $T_\Gamma T_\Gamma' = \Gamma' A \Gamma$. $\hat{\Sigma}_\Gamma$ has the same constant risk as $\hat{\Sigma}$. Now let μ be a probability distribution on $O(p)$, the group of $p \times p$ orthogonal matrices. An improved estimator can be obtained by averaging:

(2.4)
$$\hat{\Sigma}_\mu(A) = \int_{O(p)} \Gamma T_\Gamma D T_\Gamma' \Gamma' d\mu(\Gamma).$$

Note that $\hat{\Sigma}_\mu$ is minimax being an improvement over a minimax estimator. Interesting cases are (i) μ: the uniform distribution of permutation matrices, (ii) μ: the uniform distribution (Haar measure) on $O(p)$. These cases are briefly mentioned in Stein (1956, formula 4.13), Eaton (1970, formula 3.6), respectively. See Sharma (1980) too.

For this paper we consider the uniform distribution on $O(p)$ and study the resulting estimator:

(2.5)
$$\hat{\Sigma}_0(A) = \int_{O(p)} \Gamma T_\Gamma D T_\Gamma' \Gamma' d\Gamma.$$

Note that $\hat{\Sigma}_0(A)$ is orthogonally invariant. Hence $\hat{\Sigma}_0$ modifies only the characteristic roots of A. Define $\phi_1, \cdots, \phi_p$ by

(2.6)
$$\text{diag}(\phi_1(\alpha), \cdots, \phi_p(\alpha)) = \hat{\Sigma}_0(\text{diag}(\alpha_1, \cdots, \alpha_p)),$$

where $\alpha = (\alpha_1, \cdots, \alpha_p)$. We are interested in the behavior of $\phi_1, \cdots, \phi_p$. We will see the shrinking of the roots mentioned in the introduction. Let us look at the simplest case $p=2$.

THEOREM 2.1.   *For $p=2$*

(2.7)
$$\phi_1(\alpha_1, \alpha_2) = \alpha_1 c_1 = \alpha_1 \left(\frac{\sqrt{\alpha_1}}{\sqrt{\alpha_1} + \sqrt{\alpha_2}} d_1 + \frac{\sqrt{\alpha_2}}{\sqrt{\alpha_1} + \sqrt{\alpha_2}} d_2 \right),$$

$$\phi_2(\alpha_1, \alpha_2) = \alpha_2 c_2 = \alpha_2 \left(\frac{\sqrt{\alpha_2}}{\sqrt{\alpha_1} + \sqrt{\alpha_2}} d_1 + \frac{\sqrt{\alpha_1}}{\sqrt{\alpha_1} + \sqrt{\alpha_2}} d_2 \right).$$

Note that as α_1/α_2 approaches ∞, $\phi_1 \sim \alpha_1 d_1$, $\phi_2 \sim \alpha_2 d_2$. Now for L_1 we have $d_1 = 1/(n+1) < 1/n < d_2 = 1/(n-1)$. This shows that if $\alpha_1 \gg \alpha_2$ then the larger root is shrunk and the smaller root is expanded relative to the unbiased case $S = A/n$. When $\alpha_1 = \alpha_2 = \alpha$ then $\phi_1 = \phi_2 = \alpha(d_1 + d_2)/2$. The shrinking factors c_1, c_2 change smoothly between these two cases.

For $p = 3$ the integration over $O(3)$ is already tedious. We give an infinite series expression for ϕ_1, ϕ_2, ϕ_3. Convergence is reasonably fast but the form of the series is not very revealing. Let $(a)_k = a(a+1) \cdots (a+k-1)$ and let

$$F_1(a \,;\, b,\, b' \,;\, c \,;\, x,\, y) = \sum_{m=0}^{\infty} \sum_{n=0}^{\infty} \frac{(a)_{m+n}(b)_m(b')_n}{m! \; n! (c)_{m+n}} x^m y^n$$

be Appell's hypergeometric function of two variables. Furthermore for convenience let $H(b,\, b' \,;\, c \,;\, x,\, y) = F_1(1 \,;\, b/2,\, b'/2 \,;\, c/2 \,;\, x,\, y)$.

THEOREM 2.2. *Let* $p = 3$ *and* $0 \le \alpha \le \beta < 1$. *Then*

(2.8) $\phi_1(1,\, 1-\alpha,\, 1-\beta)$

$$= \frac{d_1 + d_2 + d_3}{3} - \frac{(d_3 - d_1)(\alpha + \beta)}{15} - \frac{d_2 - d_1}{3} H(1,\, 1 \,;\, 5 \,;\, \alpha,\, \beta)$$

$$- \frac{d_3 - d_2}{105(1-\alpha)} \{(\alpha - \beta)^2 H(3 \,;\, 3 \,;\, 9 \,;\, \beta,\, \gamma) + 3\alpha^2(1-\beta)H(5 \,;\, 3 \,;\, 9 \,;\, \beta,\, \gamma)$$

$$+ 3\beta^2(1-\alpha)H(5,\, 1 \,;\, 9 \,;\, \beta,\, \gamma)\},$$

where $\gamma = (\beta - \alpha)/(1-\alpha)$,

(2.9) $\phi_2(1,\, 1-\alpha,\, 1-\beta)$

$$= \frac{d_1 + d_2 + d_3}{3} - \frac{\alpha}{15}(7d_1 + 5d_2 + 3d_3) - \frac{\beta}{15}(d_3 - d_1)$$

$$- \frac{d_2 - d_1}{105} \{3\alpha^2 H(3,\, 1 \,;\, 9 \,;\, \alpha,\, \beta) + 2\alpha(\alpha - \beta)H(3,\, 3 \,;\, 9 \,;\, \alpha,\, \beta)$$

$$+ 3(\alpha - \beta)^2 H(3,\, 5 \,;\, 9 \,;\, \alpha,\, \beta)\}$$

$$- \frac{d_3 - d_2}{105(1-\alpha)} \{3(\alpha - \beta)^2 H(1,\, 5 \,;\, 9 \,;\, \beta,\, \gamma) + 3\alpha^2(1-\beta)H(3,\, 5 \,;\, 9 \,;\, \beta,\, \gamma)$$

$$+ \beta^2(1-\alpha)H(3,\, 3 \,;\, 9 \,;\, \beta,\, \gamma)\},$$

(2.10) $\phi_3(1,\, 1-\alpha,\, 1-\beta) = (1-\beta)\{d_1 + d_2 + d_3 - \phi_1 - \phi_2/(1-\alpha)\}.$

Note that these formulas suffice for all cases because the estimator is invariant with respect to scale change and permutation of roots.

Although it is difficult to see from these expressions, the shrinking of the roots becomes apparent when values of $(\phi_1,\, \phi_2,\, \phi_3)$ are computed for various choices of α and β.

For general dimension p, $p(p-1)/2$-fold integration is involved. Although infinite series expression as in Theorem 2.2 is always possible in principle, it will be complicated and convergence might be slow. Then a Monte Carlo method can be used. We will discuss this in Section 3 and Section 4. Here we give a qualitative description of the estimator. Note that D can be written as $D = d_1 E_{11} + \cdots + d_p E_{pp}$ where E_{ii} has 1 in (i, i)-th position and 0 everywhere else. Putting this into (2.5) we see that $\phi_1, \cdots, \phi_p$ are linear in $d_1, \cdots, d_p$. Therefore we can write

(2.11) $$\phi_i(\alpha) = \alpha_i c_i = \alpha_i(w_{i1} d_1 + \cdots + w_{ip} d_p), \qquad i = 1, \cdots, p.$$

Let $W(\alpha) = (w_{ij}(\alpha))$.

THEOREM 2.3. $W(\alpha)$ is doubly stochastic, namely $w_{ij} \geq 0$, $\sum_j w_{ij} = 1$, $\sum_i w_{ij} = 1$.

PROOF. It is easy to show that

(2.12) $$\alpha_i w_{ij} = \int (\Gamma T_\Gamma)_{ij}^2 d\Gamma.$$

Hence $w_{ij} \geq 0$. Considering the special case $D = I$ proves $w_{i1} + \cdots + w_{ip} = 1$, $i = 1, \cdots, p$. $\sum_i w_{ij} = 1$ is a consequence of the following lemma.

LEMMA 2.1.

(2.13) $$\mathrm{tr}(\hat{\Sigma}_0(A) A^{-1}) = \mathrm{tr}\, D.$$

Proof is straightforward and omitted.

§3. Risk.

For L_1 the risk can be evaluated in the following fairly simple form and gives a nice qualitative understanding of its behavior.

THEOREM 3.1.

(3.1) $$R_1(\Sigma, \hat{\Sigma}_0) = \mathcal{E}\{L_1(\Sigma, \hat{\Sigma}_0(A))\}$$

$$= -\sum_{i=1}^{p} \mathcal{E} \log c_i(\alpha) - p \log 2 - \sum_{i=1}^{p} \psi\left(\frac{n+1-i}{2}\right).$$

where $c_i(\alpha)$'s are the shrinking factors and $\psi(a) = \Gamma'(a)/\Gamma(a)$.

PROOF. We look at $\mathrm{tr}\, \Sigma^{-1}\hat{\Sigma}$ term first.

(3.2) $$\mathcal{E}_\Sigma\{\mathrm{tr}\, \Sigma^{-1}\hat{\Sigma}_0\} = \mathcal{E}_\Sigma\left(\mathrm{tr}\, \Sigma^{-1}\int \Gamma T_\Gamma D T_\Gamma' \Gamma' d\Gamma\right)$$

$$= \int \mathcal{E}_{\Sigma*}(\mathrm{tr}\ \Sigma^{*-1}TDT')d\Gamma$$

$$= \int \mathcal{E}_I(\mathrm{tr}\ T'TD)d\Gamma$$

$$= \sum_{i=1}^{p} d_i \mathcal{E}\chi^2_{n+p-2i+1}$$

$$= p .$$

where $\Sigma^* = \Gamma'\Sigma\Gamma$. The rest of the proof is straightforward.

COROLLARY 3.1.

(3.3) $\sum \log d_i \leqq \sum \log c_i \leqq p \log(\sum d_i/p) ,$

hence

(3.4) $-p \log\left(\dfrac{\sum d_i}{p}\right) - p \log 2 - \sum \phi\left(\dfrac{n+1-i}{2}\right) \leqq R_1(\Sigma, \hat{\Sigma}_0)$

$$\leqq -\sum \log d_i - p \log 2 - \sum \phi\left(\frac{n+1-i}{2}\right) .$$

PROOF. We use the concavity of log and Jensen's inequality.

(3.5) $\dfrac{1}{p} \sum \log c_i \leqq \log(\sum c_i/p) = \log(\sum d_i/p) .$

This proves the second inequality of (3.3). Now

(3.6) $\log c_i = \log(w_{i1}d_1 + \cdots + w_{ip}d_p) \geqq \sum_j w_{ij} \log d_j .$

Adding over different i we obtain

$$\sum_i \log c_i \geqq \sum_{i,j} w_{ij} \log d_j = \sum_j \log d_j .$$

This proves the first inequality.

It can be easily shown that the right hand side of (3.4) is the minimax risk: $R_1(\Sigma, TDT')$. The left hand side of (3.4) gives an absolute bound for the improvement by using $\hat{\Sigma}_0$. This bound is attained if (3.5) holds with equality, i.e. if $c_1 = \cdots = c_p$. This happens when $\alpha_1 = \cdots = \alpha_p$. Therefore we expect that the largest improvement occurs when $\Sigma = I$. Now since $\hat{\Sigma}_0$ is minimax, its risk has to approach the minimax risk for some Σ. This corresponds to having the equality in (3.6) for all i. This implies that $W(\alpha)$ in Theorem 2.3 is a permutation matrix. In the 2-dimensional case this happens when $\alpha_1/\alpha_2 \to \infty$. In general dimensions it is not easy to say when $W(\alpha)$ approaches a permutation matrix but we expect that it corresponds to the case of extreme singularity of A. Here we

present some Monte Carlo results to illustrate these points.

First consider the case $\Sigma=I$. For $p=2$ and $p=5$ and for selected values of n we list risk of S, minimax risk, risk of $\hat{\Sigma}_0$, and the lower bound given in (3.4). The number in parentheses after the minimax risk is its percentage to the risk of S. The other numbers in parentheses are percentages to the minimax risk.

$$p=2$$

n	$R_1(S)$	minimax	$R_1(\hat{\Sigma}_0)$	lower bd.
2	2.54	2.25(88.7)	2.07(91.8)	1.97(87.2)
3	1.35	1.23(91.3)	1.14(92.5)	1.12(90.5)
4	.927	.862(93.0)	.808(93.7)	.798(92.5)
6	.571	.543(95.1)	.518(95.3)	.515(94.8)
10	.324	.314(96.9)	.304(97.0)	.304(96.8)
15	.210	.206(97.9)	.202(97.9)	.201(97.8)

$$p=5$$

n	$R_1(S)$	minimax	$R_1(\hat{\Sigma}_0)$	lower bd.
5	5.96	4.76(79.9)	3.9 (82)	3.06(64.2)
6	3.99	3.28(82.3)	2.73(83.2)	2.41(73.5)
8	2.52	2.17(86.0)	1.88(86.4)	1.78(82.0)
10	1.87	1.65(88.5)	1.47(88.7)	1.43(86.2)
15	1.14	1.05(92.0)	.970(92.1)	.959(91.1)

The following serves as a concise summary: (when $\Sigma=I$) the ratio of the risk of $\hat{\Sigma}_0$ to the minimax risk is roughly equal to the ratio of the minimax risk to the risk of S. Also note that the absolute lower bound is realistic for n not too close to p. These observations hold in our other Monte Carlo results as well.

The remaining question is how Σ should be close to being singular for the risk to approach the minimax risk.

For $p=2$, the risk depends only on the ratio of two population roots, say, $\lambda=\lambda_1/\lambda_2$ ($\lambda_1\leq\lambda_2$). The following table gives values of the risk for $n=2, 7$, $\lambda^{1/4}=.2, .4, \cdots, 1.0$. $\%$ means percentage of the risk to the minimax risk.

	$n=2$				$n=7$	
λ	risk	$\%$		λ	risk	$\%$
1.0000	2.069	91.8		1.0000	0.4400	95.9
0.4096	2.076	92.1		0.4096	0.4409	96.1
0.1296	2.100	93.2		0.1296	0.4439	96.7
0.0256	2.147	95.3		0.0256	0.4496	97.9
0.0016	2.212	98.2		0.0016	0.4559	99.3

We see that the risk approaches the minimax risk only when Σ is very close to singular. This is a real advantage of using $\hat{\Sigma}_0$. From our other Monte Carlo results the above seems to hold for general p, namely, $\hat{\Sigma}_0$ is a substantial improvement over the constant risk minimax estimator for wide range of population covariance matrices.

§4. Proofs and some computational details.

We are going to give some details of the derivation of Theorems 2.1 and 2.2. First we note the following.

LEMMA 4.1.

$$(4.1) \qquad \hat{\Sigma}_0(A)=2\int_{|\Gamma|=1} \Gamma T_\Gamma D T_\Gamma' \Gamma' d\Gamma.$$

PROOF OF THEOREM 2.1. By Lemma 4.1 we can represent the uniform distribution on $O(2)$ by

$$(4.2) \qquad \begin{pmatrix} \cos\theta & -\sin\theta \\ \sin\theta & \cos\theta \end{pmatrix},$$

where θ is uniformly distributed on $[0, 2\pi]$. Since W is doubly stochastic we only need to calculate $w_{22}(\alpha_1, \alpha_2)=w_{22}(\alpha_1/\alpha_2, 1)$. Let $\alpha=\alpha_1/\alpha_2$ and $A=\mathrm{diag}(\alpha, 1)$. Then by (2.12)

$$(4.3) \qquad w_{22}=\int(\Gamma T_\Gamma)_{22}^2 d\Gamma=\int \Gamma_{22}^2 T_{\Gamma 22}^2 d\Gamma.$$

Let Γ' be given by (4.2). Then it is easy to obtain $T_{\Gamma 22}=\sqrt{\alpha}/\sqrt{\alpha\cos^2\theta+\sin^2\theta}$. Hence

$$(4.4) \qquad w_{22}=\frac{1}{2\pi}\int_0^{2\pi} \frac{\alpha\cos^2\theta}{\alpha\cos^2\theta+\sin^2\theta}\,d\theta$$

$$=\frac{\sqrt{\alpha}}{\sqrt{\alpha}+1}.$$

PROOF OF THEOREM 2.2. We show only some essential steps in the derivation of (2.8) and (2.9). (2.10) is a consequence of Lemma 2.1. Because of the scale invariance we can set $D=\mathrm{diag}(1-e-d, 1-e, 1)$ without loss of generality Let $\Gamma'=(g_{ij})_{1\le i, j\le 3}$. Then

$$(4.5) \quad B=(b_{ij})=\Gamma'A\Gamma=\begin{pmatrix} 1-\alpha g_{12}^2-\beta g_{13}^2 & & \\ -\alpha g_{12}g_{22}-\beta g_{13}g_{23} & 1-\alpha g_{22}^2-\beta g_{23}^2 & \\ -\alpha g_{12}g_{32}-\beta g_{13}g_{33} & -\alpha g_{22}g_{32}-\beta g_{23}g_{33} & 1-\alpha g_{32}^2-\beta g_{33}^2 \end{pmatrix},$$

and

(4.6)
$$T_\Gamma D T'_\Gamma = \begin{pmatrix} (1-e-d)b_{11} & & \\ (1-e-d)b_{21} & -db_{21}^2/b_{11}+(1-e)b_{22} & \\ (1-e-d)b_{31} & -db_{21}b_{31}/b_{11}+(1-e)b_{32} & -db_{31}^2/b_{11}-ev+b_{33} \end{pmatrix},$$

where

(4.7)
$$v = (b_{31} b_{32}) \begin{pmatrix} b_{11} & b_{21} \\ b_{21} & b_{22} \end{pmatrix}^{-1} \begin{pmatrix} b_{31} \\ b_{32} \end{pmatrix}$$

$$= \frac{b_{31}^2 b_{22} + b_{32}^2 b_{11} - 2b_{31}b_{32}b_{21}}{b_{11}b_{22} - b_{21}^2}$$

$$= \frac{g_{32}^2 g_{33}^2 (\alpha-\beta)^2 + g_{31}^2 g_{32}^2 \alpha^2 (1-\beta) + g_{31}^2 g_{33}^2 \beta^2 (1-\alpha)}{1 - \alpha(1-g_{32}^2) - \beta(1-g_{33}^2) + \alpha\beta g_{31}^2}.$$

We used the fact

$$g_{31}^2 = \Delta_{31}^2 = (g_{12}g_{23} - g_{22}g_{13})^2,$$

because $(g_{ij}) = \Gamma' = \Gamma^{-1} = (\Delta_{ij})/|\Gamma| = (\Delta_{ij})$. Now the denominator of v can be written as follows and then can be expanded in an infinite series.

(4.8)
$$1 - \alpha(1-g_{32}^2) - \beta(1-g_{33}^2) + \alpha\beta g_{31}^2$$

$$= (1-\alpha)\left(1 - \beta g_{31}^2 - \frac{\beta-\alpha}{1-\alpha} g_{32}^2\right).$$

Similarly $1/b_{11} = 1/(1 - \alpha g_{12}^2 - \beta g_{13}^2)$ can be expanded. To evaluate the integral we use the fact that $(g_{11}^2, g_{12}^2, g_{13}^2)$ is distributed according to the Dirichlet distribution with parameters $(1/2, 1/2, 1/2)$. One more thing needed is the following expectation $\int g_{11}g_{12}g_{21}g_{22} d\Gamma$. This can be evaluated by noting $(g_{11}g_{21} + g_{12}g_{22})^2 = g_{13}^2 g_{23}^2$ and hence $2\int g_{11}g_{12}g_{21}g_{22} d\Gamma = -\int g_{11}^2 g_{21}^2 d\Gamma$.

Now we discuss Monte Carlo methods to calculate $\hat{\Sigma}_0$ for general dimensionality. One objection to the estimator $\hat{\Sigma}_0$ might be that it is expensive to compute for large p. However as mentioned in Section 3 our Monte Carlo results show that the size of the replications to obtain the estimator need not be too large (at least from the viewpoint of improved risk). For $p=5$, 50 replications practically achieves the same risk as $\hat{\Sigma}_0$. Also note that there is a subtle problem in the application of Monte Carlo method: (i) either we apply (2.5) directly for A, (ii), or we apply (2.5) to the roots of A. From logical point of view (i) is legitimate. Finite averaging itself improves the constant risk minimax estimator. Therefore for the purpose of risk comparison this method was used for the case $p=5$ and $\Sigma=I$. On the other hand the orthogonal invariance does not exactly hold with simulated uniform distribution. From practical viewpoint, however, the latter seems to be a reasonable thing to do.

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