Claims:

What is claimed is:

1. A system for executing a selection from a dynamically-generated electronic database comprising:

the dynamically-generated electronic database comprising a selection parameter determination engine having at least one computer processor configured for:

creating selection parameters according to statistical models for weighting desirability of one or more financial instruments combined with entered user selection preferences for financial instruments, and

creating one or more investment portfolios of financial instruments based on the selection parameters in real-time,

wherein each of the financial instruments is electronically associated with a dynamic electronic label indicating whether the financial instrument is restricted for selection at least in part based upon entered user selection preferences;

a portfolio modeler having at least one computer processor configured for determining a past performance of the investment portfolios of financial instruments during a specified pervious period of time;

a selector engine for converting the selection parameters to electronic output,

wherein the selector engine uses financial valuation data, risk management analysis, and transaction cost minimization to determine the selection parameters to be applied to the financial instruments in the investment portfolios;

wherein the selection parameters are determined based in part by finding an optimized distribution of the financial instruments in each of the investment portfolios such that a total return value, V, of the investment

portfolio is maximized while an expected risk of the investment portfolio is within a desired maximum risk, r:

$$V = \frac{1}{2} x^T C x,$$

$$\sum_{i=1}^{n} u_i x_i \leq r,$$

$$C = \frac{1}{n-1} \sum_{i=1}^{n} (y_i - m)(y_i - m)^T,$$

$$m = \frac{1}{n} \sum_{i=1}^{n} y_i,$$

where y_i is a return of the financial instrument i, u_i is a risk of the financial instrument i, n is total number of financial instruments in the investment portfolio, and x_i is a fraction of total investment of the investment portfolio to be invested in the financial instrument i;

wherein the optimized distribution of the financial instruments in each of the investment portfolios comprises the fraction of total investment of the investment portfolio to be invested in each of the financial instruments in the investment portfolio;

wherein the selector engine electronic output is validated against the past performance of the investment portfolios of financial instruments as determined by the portfolio modeler; and

an execution platform having at least one computer processor configured for executing external selections from a real-time updating external electronic exchange database based on the electronic output of the selector engine.

2. The system of claim 1 further comprising an external data electronic filter having at least one computer processor configured for:

providing external data input to the selection parameter determination engine in the creation of the selection parameters; and

eliminating noise from external data through electronic text processing, standardization and electronic pre-computation;

wherein the external data comprises one or more of financial data, analysts' reports, accounting data, news data, corporate data, and trading data.

3. The system of claim 1 wherein the real-time updating external electronic exchange database is a stock exchange, and the electronic output of the selector engine represents trade instructions of financial instruments.

4. The system of claim 1 wherein the selection parameters engine optimizes the investment portfolio's value according to the equation:

$$Standardized\ Value = Confidence\ Weight\ (\%) * \frac{[Ranking\ of\ value - (Sum\ of\ number\ of\ stocks\ with\ value) * 0.5]}{Sum\ of\ number\ of\ stocks\ with\ value}$$