The Handbook of Portfolio Mathematics: Formulas for Optimal Allocation Leverage (Wiley Trading)

Ralph Vince
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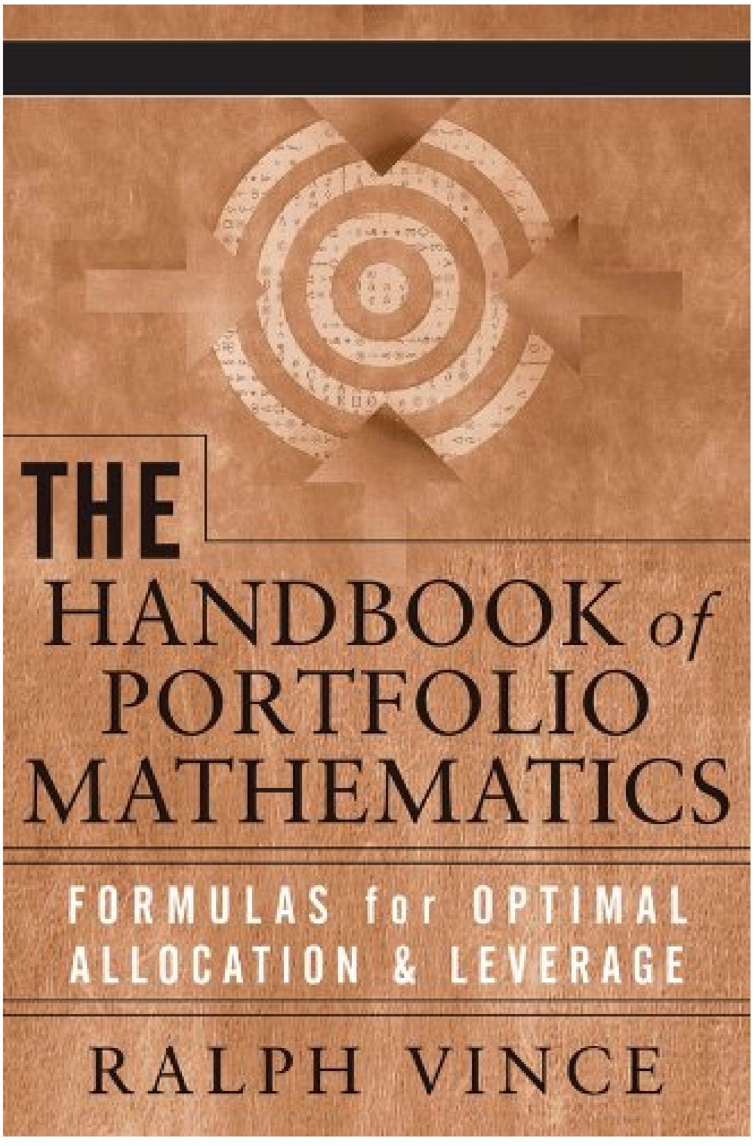

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Ralph Vince : The Handbook of Portfolio Mathematics: Formulas for Optimal Allocation Leverage (Wiley Trading) before purchasing it in order to gage whether or not it would be worth my time, and all praised The Handbook of Portfolio Mathematics: Formulas for Optimal Allocation Leverage (Wiley Trading):

2 of 2 people found the following review helpful. Good idea but lots of obvious errorsBy JiujiuFor the first half:It

presents a good idea (optimal f) and presents some intuitive results related to it. The author did a good job thinking through the concept in the context of how it influence your portfolio draw down and long term profit.But it is definitely not mathematically or statistically valid. Trying not to over complicate a conclusion with formulas is a virtual; however, this book is doing the opposite and much worse: it gives a lot of equations that are neither math accurate nor correct. It is an insult to any serious reader.4 of 6 people found the following review helpful. If You Want To Be More Profitable -- Buy This Book TodayBy Book LoverThis book is Vince's best book, and incorporates all the new knowledge he has accumulated since the publication of his earlier work. The more we are able to refine our money management and risk control the more profitable we will ultimately be. And, this book clearly shows you how to refine your skills in this area - and how to be confident enought to risk the right amount to maximize your return.Your confidence after reading this book will be gained from learning how to calcualte "relevant" risk amounts for each trade based on your current win ratio and payoff ratio by using the optimal f formulas. Vince is a skilled mathematician, and even if you are not, you can use his approach to obtain "relevent" data. Meaning -- don't just guess at what amount to risk, instead determine what your performance statistics are and base your decisions on that -- not on what another trader or educator suggests.In addition to this book by Vince, two other must have books on this subject are Balsara's "Money Management Strategies For Futures Traders" and McDowell's "A Trader's Money Management System".A Trader's Money Management System: How to Ensure Profit and Avoid the Risk of Ruin (Wiley Trading)Money Management Strategies for Futures Traders (Wiley Finance)With these three books you will have the foundation to confidently increase your profits by risking the right amount on every trade for optimal returns.1 of 9 people found the following review helpful. Ralph does it again.By TopGunRalph Vince has produced a number of quality books on portfolio mathematics and analysis. This one is his best yet. Thanks Ralph.

The Handbook of Portfolio Mathematics "For the serious investor, trader, or money manager, this book takes a rewarding look into modern portfolio theory. Vince introduces a leverage-space portfolio model, tweaks it for the drawdown probability, and delivers a superior model. He even provides equations to maximize returns for a chosen level of risk. So if you're serious about making money in today's markets, buy this book. Read it. Profit from it." mdash;Thomas N. Bulkowski, author, Encyclopedia of Chart Patterns "This is an important book. Though traders routinely speak of their 'edge' in the marketplace and ways of handling 'risk,' few can define and measure these accurately. In this book, Ralph Vince takes readers step by step through an understanding of the mathematical foundations of trading, significantly extending his earlier work and breaking important new ground. His lucid writing style and liberal use of practical examples make this book must reading." mdash;Brett N. Steenbarger, PhD, author, The Psychology of Trading and Enhancing Trader Performance "Ralph Vince is one of the world's foremost authorities on quantitative portfolio analysis. In this masterly contribution, Ralph builds on his early pioneering findings to address the real-world concerns of money managers in the trenches-how to systematically maximize gains in relation to risk." mdash;Nelson Freeburg, Editor, Formula Research "Gambling and investing may make strange bedfellows in the eyes of many, but not Ralph Vince, who once again demonstrates that an open mind is the investor's most valuable asset. What does bet sizing have to do with investing? The answer to that question and many more lie inside this iconoclastic work. Want to make the most of your investing skills Open this book." mdash;John Bollinger, CFA, CMT, www.BollingerBands.com

From the Inside FlapRalph Vince has made many contributions to the world of money management in trading over the course of his career, and his thoughts on this subject have captured the attention of both financial professionals and savvy individual traders alike. In The Handbook of Portfolio Mathematics, Vince outlines the essential elements found in his first three groundbreaking booksmdash;Portfolio Management Formulas, The Mathematics of Money Management, and The New Money Managementmdash;and then presents you with new insights that will allow you to implement his ideas in real-world trading situations. For instance, this book discusses drawdown beyond any discussion of drawdown to date. Vince's new portfolio model, the Leverage Space Model, uses drawdown as its risk metric, as opposed to conventional methods which use variance in returns. The result is a portfolio model far superior to any of its predecessorsmdash;some of which have been in use throughout the industry for over half a century. While the first part of this book is purely conceptual, it is also exhaustive in that sense; not on portfolio construction in general, but rather, on portfolio construction in terms of optimal position sizes along the lines of an Optimal f approach. But The Handbook of Portfolio Mathematics goes far beyond theoretical principles; it quickly takes you from basic gambling theory and statistics, through the introduction of the Kelly criterion, Optimal f, and finally onto the leverage space portfolio model for multiple-simultaneous positions. The Handbook of Portfolio Mathematics also tackles the mathematical puzzle posed by attempting to employ such complex concepts and includes discussions of: How the Optimal f framework can be applied with regard to risk of financial ruin and its more familiar, and real-world-applicable cousin, risk of drawdown Reinvestment of returns and geometric growth issues Laws of growth, utility, and finite streams Classical portfolio construction The geometry of mean variance portfolios The common denominatorsmdash;in terms of portfolio and systems managementmdash;that seem to be shared among the more successful commodities funds The Handbook of Portfolio Mathematics is not entirely about trading the markets. It's about very basic, mathematical laws and how they affect us when we engage in a stream of risk-related outcomes that we don't have any control over. Written in an engaging and informative style, this book will guide you through a maze of complex theoretical issues, while arming you with a set of distinct formulas that can be used to achieve optimal fund allocation and leverage, as well as maximum portfolio returns.From the Back CoverThe Handbook of Portfolio Mathematics "For the serious investor, trader, or money manager, this book takes a rewarding look into modern portfolio theory. Vince introduces a leverage-space portfolio model, tweaks it for the drawdown probability, and delivers a superior model. He even provides equations to maximize returns for a chosen level of risk. So if you're serious about making money in today's markets, buy this book. Read it. Profit from it." mdash;Thomas N. Bulkowski, author, Encyclopedia of Chart Patterns "This is an important book. Though traders routinely speak of their 'edge' in the marketplace and ways of handling 'risk,' few can define and measure these accurately. In this book, Ralph Vince takes readers step by step through an understanding of the mathematical foundations of trading, significantly extending his earlier work and breaking important new ground. His lucid writing style and liberal use of practical examples make this book must reading." mdash;Brett N. Steenbarger, PhD, author, The Psychology of Trading and Enhancing Trader Performance "Ralph Vince is one of the world's foremost authorities on quantitative portfolio analysis. In this masterly contribution, Ralph builds on his early pioneering findings to address the real-world concerns of money managers in the trenchesmdash;how to systematically maximize gains in relation to risk." mdash;Nelson Freeburg, Editor, Formula Research "Gambling and investing may make strange bedfellows in the eyes of many, but not Ralph Vince, who once again demonstrates that an open mind is the investor's most valuable asset. What does bet sizing have to do with investing? The answer to that question and many more lie inside this iconoclastic work. Want to make the most of your investing skills? Open this book." mdash;John Bollinger, CFA, CMT, www.BollingerBands.comAbout the AuthorRalph Vince got his start in the trading business as a margin clerk, and later worked as a consultant programmer to large futures traders and fund managers. Vince is also the author of Portfolio Management Formulas, The Mathematics of Money Management, and The New Money Management, also from Wiley. Numerous software companies have incorporated Vince's ideas into their products. Vince is an ultra-marathon runner and jiu jitsu black belt.