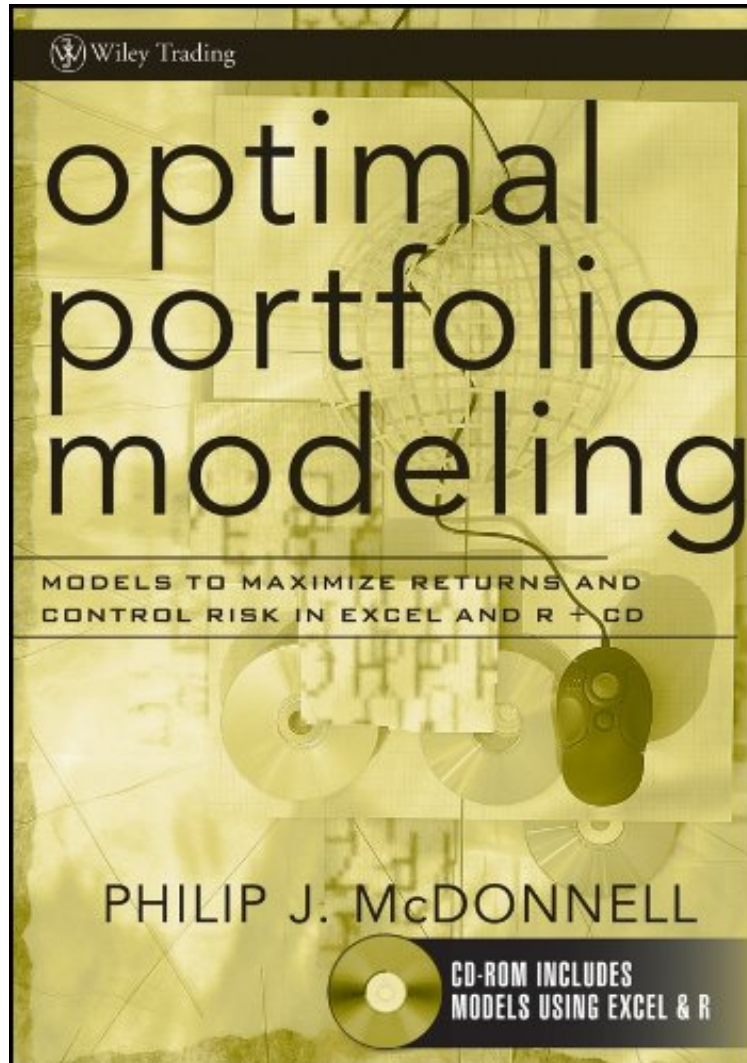


Optimal Portfolio Modeling (Wiley Trading)

Philip McDonnell

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Philip McDonnell : Optimal Portfolio Modeling (Wiley Trading) before purchasing it in order to gage whether or not it would be worth my time, and all praised Optimal Portfolio Modeling (Wiley Trading):

0 of 0 people found the following review helpful. One piece of the puzzleBy RobertI have been trading for a few years and it has been all downhill and am still searching for the right method. This book is written on the premise that efficient market hypothesis has priced itself to correspond with the sum of all human knowledge, therefore in order to outperform the market you must have better information or analysis than the rest of the participants collectively. Smarter than everyone else in the world put together it might seem.Academic studies have shown that most individual investors actually lose money and according to the author successful investing requires two essential ingredients:1. a winning edge2. adequate risk managementThis book will not provide you with a winning edge, for that you will have

to look elsewhere. But it will certainly provide you with all the information and tools to set up a risk management strategy which can be as complicated or simple as you desire. It certainly goes far beyond the simple mantra of only risking set percentage of your account per trade but I am not sure if the retail investor really needs that sort of complexity. Also, a large chunk of the book is taken up with instructions for programming R language which is something that I doubt I will ever do. Ultimately though, if adequate risk management will get you at least half way to being a successful investor then this book is certainly worth studying.

Optimal Portfolio Modeling is an easily accessible introduction to portfolio modeling for those who prefer an intuitive approach to this discipline. While early chapters provide engaging insights on the statistical properties of markets, this book quickly moves on to illustrate invaluable trading and risk control models based on popular programs such as Excel and the statistical modeling language R. This reliable resource presents modeling formulas that will allow you to effectively maximize the performance, minimize the drawdown, and manage the risk of your portfolio.