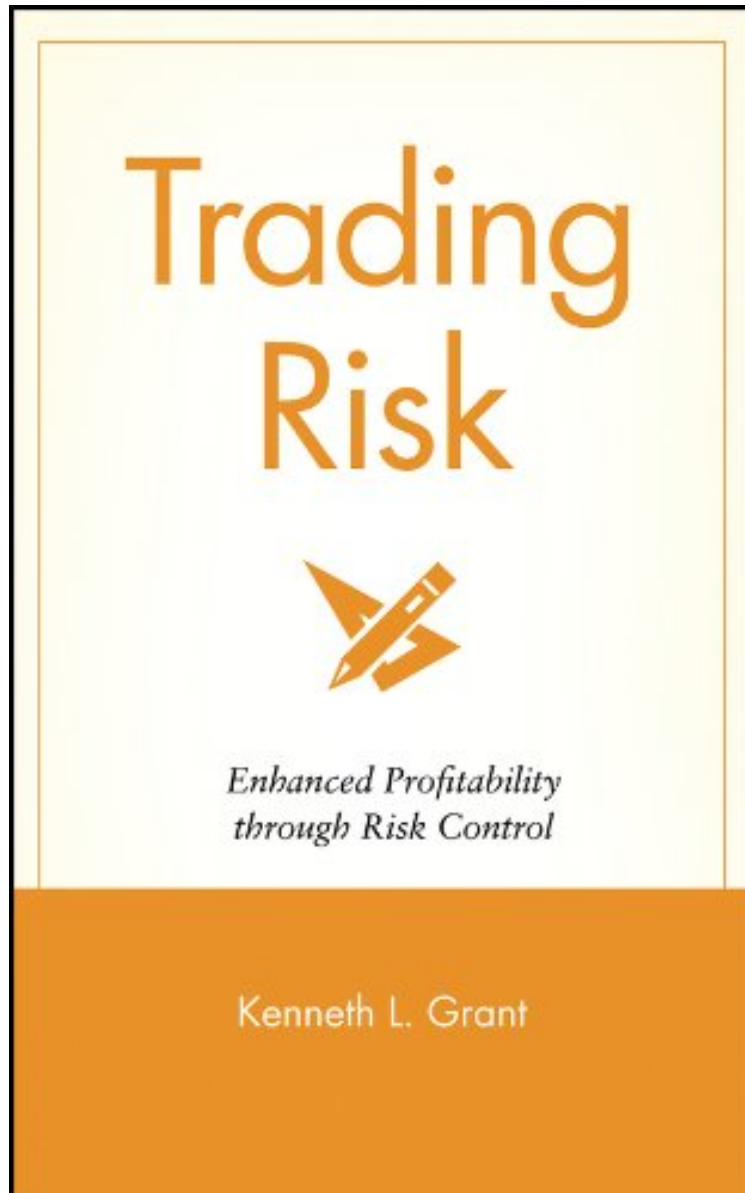


(Mobile pdf) Trading Risk: Enhanced Profitability through Risk Control (Wiley Trading)

Trading Risk: Enhanced Profitability through Risk Control (Wiley Trading)

Kenneth L. Grant

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Kenneth L. Grant : Trading Risk: Enhanced Profitability through Risk Control (Wiley Trading) before purchasing it in order to gage whether or not it would be worth my time, and all praised Trading Risk: Enhanced Profitability through Risk Control (Wiley Trading):

1 of 1 people found the following review helpful. A decent book on riskBy Chris JaronskyI think this book covers the

topic of risk adequately. I got it last year and finally got around to reading it this week. If I had to buy it today I would probably pass, at \$55 its twice what I paid for it in November. Someone must really like it? I read this book to further refine my risk strategies. What I found was a book that explained risk in detail, but did not seem to offer me much in the way of finetuning my system. Although it did give me more confidence in my system and confirmed to myself that I am on the right road. I liked the story of one risk manager from the book. This person had pages and pages of complex mathematical formulas to arrive at his funds risk levels. But if you turned over the page it said "equals five percent". LOL. So my 5% risk strategy has been correct all this time and I didn't have to use a Cray supercomputer to arrive at that number! If you are new to risk assesment or need to figure out complex hedging risk strategies this is a good book. If you have a pretty good understanding of risk already, you may want to pass on this book.

6 of 6 people found the following review helpful. A Worthy Investment
By Mercenary Trader
Note: as it stands, my review barely scratches the surface of this noteworthy book. I intend to return to here, and delve much deeper, at some point down the road. (Had we but world enough and time...) My attitude towards trading books is this: if I come away with at least one good idea or useful insight, the cost of purchase is paid for a hundred times over. Ken Grant's book contains a handful of useful ideas for improving performance, and some interesting perspectives to boot. When someone has worked with the best of the best (Jones, Cohen, et. al) their views carry weight. Ideas aside, I found Grant's overall philosophy of risk to be worth the price of admission. While the subject matter doesn't delve especially deep, this isn't a book for beginners. To fully appreciate the observations, a little seasoning is required. Grant speaks to those with a well developed respect for the markets, typically earned by grinding it out, experiencing the inevitable ups and downs over time, and taking a good hard knock or two. If you are a beginning trader still in the bright-eyed, bushy-tailed phase (having not yet received your first frying pan to the face), this book may bore you. If you are a crusader in search of the holy grail, or a techno-junkie hooked on chart patterns and oscillators, the lack of packaged advice may frustrate. But... if you have been around the block, seen the ups and downs, and love the game enough to make excellence and longevity your true ideals, then this book might be for you.

Another great thing about Trading Risk is the way new light gets shed on `dull' concepts. These are important ideas that routinely get the short shrift. Sure, you may know all about standard deviations and portfolio adjustment; but can you see the forest for the trees? Maybe yes, maybe no... but for those who say `nothing new here,' I question how hard they actually looked. Risk Management as an Investment--one of the book's key themes--is a rich concept with multiple layers, and well worth delving into.

15 of 17 people found the following review helpful. Most Useful Risk Management Book on the Market
By Andrew L. Weinberg
Ken Grant is a world-class risk manager and an entertaining, thought-provoking writer who has successfully intertwined his knowledge of performance-enhancing risk management techniques, human history, rock-and-roll wisdom and an engaging account of his own experiences and anecdotes as head of risk management/ Chief Investment Officer at some of the largest and most consistently profitable hedge funds in the nation. This book is fascinating, insightful and fairly easy to read, but is also a highly detailed and practical tool for anyone seeking a blueprint for implementing Ken's own dynamic and adaptive risk management processes. Ken offers up valuable insights and methodologies along with case studies gleaned from his long and highly successful career at the epicenter of the hedge fund universe. Ken's wisdom and graceful writing style make it a pleasure to read this book on what can be a difficult and confusing subject. Trading Risk can help develop a discipline that fits your personal trading style and risk tolerance in a manner designed to elicit some control and order to the seemingly chaotic maelstrom of long/short equity trading. Reading and implementing some of the techniques in this book can help make you a better and more consistently profitable trader with lower volatility and less downside risk.

While there are quite a few books on this subject ranging from purely statistical/mathematical treatises to the "for Dummies" types, I found Grant's Trading Risk to be the most accessible for non quant types (like me) who want to be able to combine real-time risk monitoring with historical statistical trend analysis. This book teaches you how to do that, and does so in a way that is both easily understandable and immediately implementable - each chapter reveals increasingly sophisticated techniques that build on each other in succession, yet each may be utilized right away, so you don't need to finish the whole book before you can begin to benefit from it. It describes in plain English how to take your past performance and break it down, slice and dice it position by position overlaid against the broader market trends, gain insight from the "hows and whys" of your winners and losers and how to adapt your trading strategy accordingly. In short, this is real-world stuff from a guy who has spent his entire career in the trenches with some of the smartest, toughest, most successful traders on the planet. In the hedge fund world a lot of investors made a great deal of money with just a couple of great years, and then either retired, blew-up or stagnated. Ken has thrived - since the birth of the modern hedge fund industry - by continually refining his approach. He is the real deal, and so is this book.

Revolutionary techniques that traders can implement to improve profits and avoid losses No trader, professional or individual, can afford not to have a solid risk management program integrated into his or her trading system. But finding a precise mathematical model to replace subjective decision-making processes is a challenge. Traditionally, risk management has focused solely on loss avoidance, but in Trading Risk, hedge fund risk manager Kenneth Grant presents some-thing completely new; how to manage a portfolio to minimize risk and increase profits by putting

more capital at risk. Trading Risk details a risk management program that can help both money managers and individual traders evaluate which elements in a portfolio are working efficiently and which aren't. By illustrating an extremely simple set of statistical and arithmetic tools this book can help readers enhance their performance in many financial markets. Kenneth L. Grant is Cheyne's Global Risk Manager, and is the Managing Member for Cheyne Capital, LLC, the firm's U.S. arm. Mr. Grant is a pioneer in the field of hedge fund risk management and capital allocation. Before joining Cheyne, he created risk control programs at two of the world's leading hedge funds, Tudor Investments and SAC Capital, where he was eventually promoted to the title of Chief Investment Strategist. Mr. Grant holds a Bachelor of Science in Economics and Mathematics from the University of Wisconsin, an MA in Economics from Columbia University, and an MBA from the University of Chicago Graduate School of Business.

From the Inside Flap It is an age-old maxim—and one that few would challenge—that traders run the risk of crashing by taking on too much risk. But as Kenneth Grant asserts in Trading Risk, money managers and individual traders also suffer by not taking enough targeted risk. Small, profitable trades are fine, but they'll never harvest the substantial profits investors require to take their portfolios to the next level. What traders need is a reliable system for managing risk—so they can confidently make the big investments they desire and achieve the results they deserve. Kenneth Grant has managed portfolio risk for several of the world's most elite, successful hedge funds. Now, he shares his trade secrets, showing how the aggressive trading that is the signature of leading hedge funds can be applied by traders at all levels without excessive risk. Trading Risk offers revolutionary yet practical techniques for real-world traders, not superficial theories or complex quantitative formulas. Grant's proven scientific strategies are presented in accessible language any trader can understand—and put into practice. Many professional traders are constrained by firm-wide risk management rules that stifle major growth. Individual traders are often overwhelmed by books presenting quantitative formulas that practically require PhDs to implement. Both kinds of traders too often default to a loose collection of subjective rules of thumb. Grant's system is a simple yet effective solution—and it strips away much of the subjectivity that makes major deals appear too hazardous for many traders. Using an extremely simple set of statistical and arithmetic tools, Grant illustrates how to evaluate which portfolio elements are working and which are not. He then shows you how to control your exposure—and prepare for inevitable periods of suboptimal performance without going bust. Grant also helps you interpret the statistical makeup of your portfolio, and discusses how to use these statistics to make decisions consistent with both your financial objectives and your constraints. Trading Risk demonstrates that traders virtually always have control over their portfolios and that risk can be managed even during the worst market crises—from Enron to the tech bust. With this book in hand, you'll be able to devise and execute a customized risk management strategy. Whatever type or level of trader you are, Trading Risk offers the key to dynamic investing that doesn't leave your assets out of control.

From the Back Cover A revolutionary system for fearless trading without excessive risk "Trading Risk provides a useful and intuitive roadmap of the risk management process, as written by an individual with unique experience and insight into this topic. It is an engaging read and covers complex subject matter in a straightforward and often-entertaining manner." — Stanley Shopkorn, Shopkorn Associates "Ken Grant's eminently readable new book on risk management is a rare blend of theory and practical applications. It is a great starting point for the novice and deep enough for the experienced practitioner." — Mark R. Graham, Managing Partner, Blue Elite Fund, Ltd. "This book describes a very practical approach to risk management in a lucid and entertaining manner. Anyone concerned with the topic of risk management ought to find it of interest." — Susan Estes, Managing Director, Countrywide Securities "Thoughtful, unique, detailed, actually enjoyable, and comprehensible reading for what is normally a boring and confusing topic." — Dwight Anderson, President, Osprei Management, LP "A must-read for risk managers of companies of all sizes who want to preserve capital and take practical advantage of trends in the marketplace. This is a clearly written, funny, and entertaining guide to a very serious topic that affects all corporations. This very complex topic was simplified and made easy to understand by a true expert in the art of risk management." — Phupinder Gill, Managing Director President Chicago Mercantile Exchange

About the Author Kenneth L. Grant is Cheyne's Global Risk Manager, and is the Managing Member for Cheyne Capital, LLC, the firm's U.S. arm. Mr. Grant is a pioneer in the field of hedge fund risk management and capital allocation. Before joining Cheyne, he created risk control programs at two of the world's leading hedge funds, Tudor Investments and SAC Capital, where he was eventually promoted to the title of Chief Investment Strategist. Earlier in his career, Mr. Grant led risk management efforts for the Chicago Mercantile Exchange and Societe Generale. He is also a member of the Board of Directors of the Managed Futures Association (MFA), and is a founding member of MFA's Hedge Fund Advisory Committee—the industry's leading trade relations organization. He is a principal author of MFA's Sound Practices for Hedge Fund Managers (2000). Mr. Grant holds a Bachelor of Science in Economics and Mathematics from the University of Wisconsin, an MA in Economics from Columbia University, and an MBA from the University of Chicago Graduate School of Business.