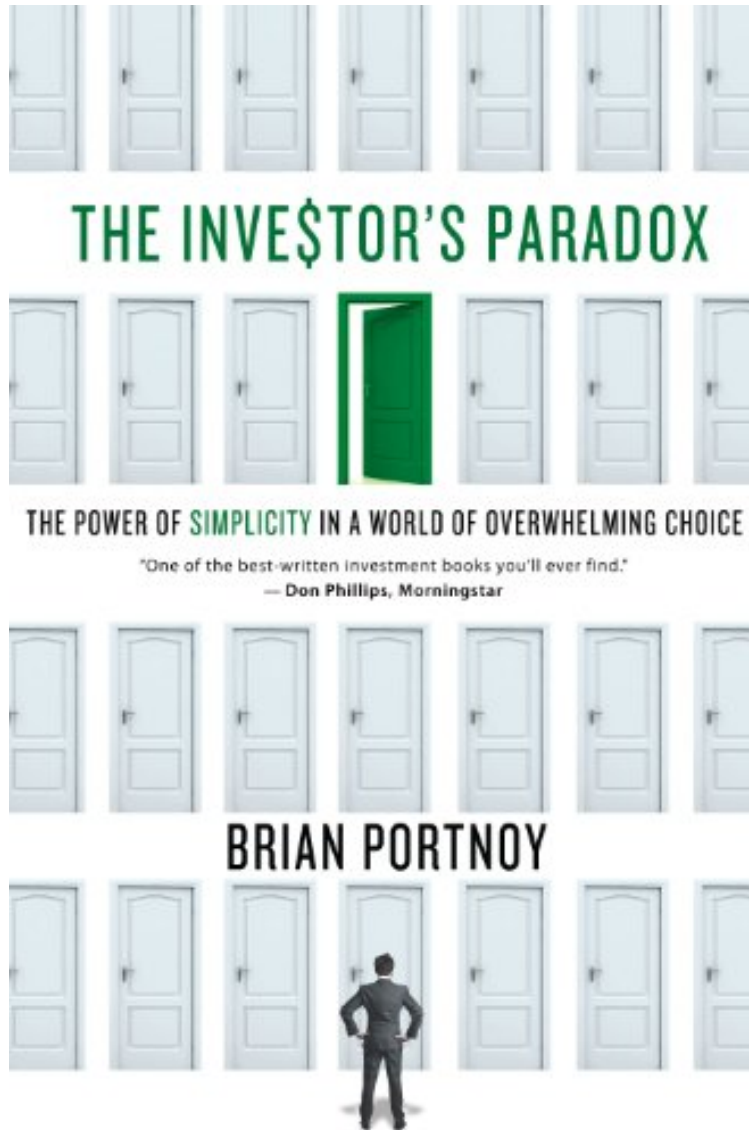


The Investor's Paradox: The Power of Simplicity in a World of Overwhelming Choice

Brian Portnoy

DOC | *audiobook | ebooks | Download PDF | ePub



#445911 in eBooks 2014-01-07 2014-01-07 File Name: B00FIL9B8S | File size: 64.Mb

Brian Portnoy : The Investor's Paradox: The Power of Simplicity in a World of Overwhelming Choice before purchasing it in order to gage whether or not it would be worth my time, and all praised The Investor's Paradox: The Power of Simplicity in a World of Overwhelming Choice:

1 of 1 people found the following review helpful. Vital for success in today's marketsBy John KowalkowskiNo longer an investor's paradise, financial markets have become an "Investor's Paradox". The decades-long bull market fueled by debt, low interest rates and muted volatility has given way to extremely

challenging and risky markets. An overwhelming variety of investment choices are now available, some as complex as the new market dynamics. But will they help us succeed? Brian Portnoy's guidebook to this new environment arrives just as investors are trying to make sense of it all. Drawing on behavioral science, it shows how our craving for more investment choices can ultimately make us less successful: the "Investor's Paradox". The book covers a lot of ground: behavioral finance, market evolution, financial innovation, an insider's look at hedge funds, a risk-management framework and more. The behavioral finance material goes deep but is still engaging. It decodes the psychology behind investing mistakes and is essential reading for both professional and retail investors. We're shown why viewing decisions through a behavioral lens and weighing method over individual outcomes is key to investment success. Hedge funds are demystified as the author shows how they're structured and the various strategies, constraints and risk profiles on offer. Again, crucial knowledge for investors facing the ongoing convergence of alternatives into the mainstream. The approach for evaluating funds is open, flexible and may seem a bit loose. Trust, risk, skill and fit are the four core dimensions for developing insight and forming expectations. No repeatable formulas or checklists here, but it's a solid platform for identifying strengths and risks. We're also reoriented from the traditional goal of outperforming a benchmark to a broader measure, meeting investor objectives. The "Risk Prism" framework identifies sources of out-performance and risk in any portfolio. This is another highlight of the book: an actionable model for managing risk and return. Each side of the prism fine-tunes exposure: Concentration, Directionality, Leverage, Illiquidity and Complexity. Madoff and Long Term Capital Management fund implosions are fascinating tie-ins with the risk and behavioral frameworks. This is an in-depth exploration of how investors can meet today's complex market challenges. It's steeped in history as well as the most current research, strategies and trends, but still very entertaining. The decades long bull market is all many of us have ever known, and this guidebook will help us navigate the new and very difficult investing landscape.

2 of 2 people found the following review helpful. Comfort in ambiguity By B Marcus I'm an occasional investor who reads a lot of personal finance. After doing a search on investing, I did the thing they tell you not to do... I initially judged this book in on its cover. The picture on the cover really spoke to me. This is how the average investor feels while making choices in this field. I knew he was on to something. Turns out, this book goes way beyond its cover. While the book is about investing, it is actually more broadly about how hard it is to make good decisions given how much information is out there (too much). Dr. Portnoy puts in context how to think about making smart investment decisions. And precisely because it's not a technical "how to" primer (which I find so boring and can never make it through), I now have some new frameworks and stories to help me make sense of many things. It's probably not the only book I'll need on good investing, but I can't think of another that has made me feel smarter about it.

1 of 1 people found the following review helpful. Pulling Back the Veil on a Cloistered Craft By Eddyfication As an industry professional, avid reader, and make-believe writer, I read Mr. Portnoy's book with equal parts relish and envy. In addition to helping me properly describe to others what it is that I do for a living, it revealed new tricks of the trade that will inform my craft going forward. Ultimately, though, this book takes an important but under-appreciated part of the financial world and brings it the fore. The investment community — both professional and hobbyist — is the better for it, as is anyone with an interest in choice theory. The ability to weave current and historical financial events with pop culture references makes this book a rare combination of insightful and digestible. Mr. Portnoy's prior professional and educational experiences leave him in a unique position to opine and elucidate on an otherwise complicated topic, which he does here in impressive style. I can think of no better guide to help navigate the jungle that is manager selection. This book is highly recommended for anyone interested in good, succinct writing on a topic that is more important than many realize.

Investors are in a jam. A troubled global economy, unpredictable markets, and a bewildering number of investment choices create a dangerous landscape for individual and institutional investors alike. To meet this challenge, most of us rely on a portfolio of fund managers to take risk on our behalves. Here, investment expert Brian Portnoy delivers a powerful framework for choosing the right ones — and avoiding the losers. Portnoy reveals that the right answers are found by confronting our own subconscious biases and behavioral quirks. A paradox we all face is the natural desire for more choice in our lives, yet the more we have, the less satisfied we become — whether we're at the grocery store, choosing doctors, or flipping through hundreds of TV channels. So, too, with investing, where there are literally tens of thousands of funds from which to choose. Hence "the investor's paradox": We crave abundant investment choices to conquer volatile markets, yet with greater flexibility, the more overwhelmed and less empowered we become. Leveraging the fresh insights of behavioral economics, Portnoy demystifies the opaque world of elite hedge funds, addresses the limits of mass market mutual funds, and discards the false dichotomy between "traditional" and "alternative" investments. He also explores why hedge funds have recently become such a controversial and disruptive force. Turns out it's not the splashy headlines — spectacular trades, newly minted billionaires, aggressive tactics — but something much more fundamental. The stratospheric rise to prominence and availability of alternative strategies represents a further explosion in the size and complexity of the choice set in a market already saturated with products. It constitutes something we all both crave and detest. The Investor's Paradox

lights a path toward simplicity in a world of dangerous markets and overwhelming choice. Written in accessible, jargon-free language, with a healthy skepticism of today's money management industry, it offers not only practical tools for investment success but also a message of empowerment for investors drowning in possibility.

“There are a dozen or so classic books on picking stocks, a task relatively few individual investors do today. In contrast, there have been no great texts--until now--explaining how to pick fund managers, a task almost every investor, from the richest hedge fund buyer to the smallest 401(k) participant is tasked with doing. Brian Portnoy has produced the first great text on picking fund managers. It not only includes decades worth of valuable insights, it's also one of the best written investment books you'll ever find.” Don Phillips, Morningstar
“The Investor's Paradox is totally original, thoroughly engaging, and remarkably well written. It must be considered an important contribution to the literature on how we make decisions about investments in the real world. This book is consistently insightful and often entertaining, offering many examples based on Portnoy's broad experiences. Novice and expert investors alike should take heed of Portnoy's major accomplishment.” Emmanuel Roman, CEO, Man Group
“The investment bookshelves are littered with recommendations on picking stocks and allocating assets. The Investors' Paradox addresses the far more relevant topic of manager selection, and it does this superbly. Building from his deep understanding of human behavioral biases, Portnoy's structured approach to evaluating skill cuts through the noise of past performance and marketing materials to deliver a clear and creative framework for choosing investment advisors. Also a gifted writer, Portnoy has written a classic. Highly recommended for anyone making investment decisions.” Mark Carhart, Chief Investment Officer, Kepos Capital
“The Investor's Paradox has arrived at just the right time. We face an unprecedented amount of choice in implementing investment strategies, and this insightful book helps filter out the noise to home in on what matters when making these critical decisions, whether you are a sophisticated allocator or an individual investor. I can't think of a better book on how to choose the best investment experts.” Ted Seides, Co-Chief Investment Officer and President, Protege Partners
“The Investor's Paradox... demystifies the opaque world of hedge funds. Portnoy offers practical advice on the limits of mass-market mutual funds and the false dichotomy between "traditional" - long-only mutual funds - and "alternative" investments such as hedge funds.” The Philadelphia Enquirer
About the Author
Brian Portnoy, Ph.D., CFA, is a veteran of the hedge fund and mutual fund industries. He is currently the Director of Investment Education at Virtus Investment Partners, a multi-asset platform of boutique investment managers who deliver a broad array of investment solutions. In that role, Brian leads the firm's educational initiatives for clients and financial advisors related to sound investing and effective decision-making. Over the previous 15 years, he held senior strategy, investment, and research roles at Chicago Equity Partners, Mesirow Financial, and Morningstar. Brian is a regular contributor at Forbes.com and Yahoo! Finance, speaks about investing and decision-making to audiences all over the world, and has lectured on the history and future of hedge funds at the U.S. Securities and Exchange Commission as part of their Leading Authors series. Brian pursued his research and teaching interests in political economy at the University of Chicago, where he earned his doctorate. He earned his B.A. from the University of Michigan. Brian holds the Chartered Financial Analyst (CFA) designation, is a member of the Economic Club of Chicago, and is active in various charitable activities on Chicago's north side, where he lives with his wife and children.