



Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street

William Poundstone

Download now

[Click here](#) if your download doesn't start automatically

Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street

William Poundstone

Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street William Poundstone

In 1956 two Bell Labs scientists discovered the scientific formula for getting rich. One was mathematician Claude Shannon, neurotic father of our digital age, whose genius is ranked with Einstein's. The other was John L. Kelly Jr., a Texas-born, gun-toting physicist. Together they applied the science of information theory—the basis of computers and the Internet—to the problem of making as much money as possible, as fast as possible.

Shannon and MIT mathematician Edward O. Thorp took the "Kelly formula" to Las Vegas. It worked. They realized that there was even more money to be made in the stock market. Thorp used the Kelly system with his phenomenally successful hedge fund, Princeton-Newport Partners. Shannon became a successful investor, too, topping even Warren Buffett's rate of return. *Fortune's Formula* traces how the Kelly formula sparked controversy even as it made fortunes at racetracks, casinos, and trading desks. It reveals the dark side of this alluring scheme, which is founded on exploiting an insider's edge.

Shannon believed it was possible for a smart investor to beat the market—and *Fortune's Formula* will convince you that he was right.

William Poundstone is the bestselling author of nine nonfiction books, including *Labyrinths of Reason* and *The Recursive Universe*.

In 1956 two Bell Labs scientists discovered the scientific formula for getting rich. One was mathematician Claude Shannon, neurotic father of our digital age, whose genius is ranked with Einstein's. The other was John L. Kelly Jr., a Texas-born, gun-toting physicist. Together they applied the science of information theory—the basis of computers and the Internet—to the problem of making as much money as possible, as fast as possible.

Shannon and MIT mathematician Edward O. Thorp took the "Kelly formula" to Las Vegas. It worked. They realized that there was even more money to be made in the stock market. Thorp used the Kelly system with his phenomenally successful hedge fund, Princeton-Newport Partners. Shannon became a successful investor, too, topping even Warren Buffett's rate of return. *Fortune's Formula* traces how the Kelly formula sparked controversy even as it made fortunes at racetracks, casinos, and trading desks. It reveals the dark side of this alluring scheme, which is founded on exploiting an insider's edge.

Shannon believed it was possible for a smart investor to beat the market—and *Fortune's Formula* will convince you that he was right.

"*Fortune's Formula* may be the world's first history book, gambling primer, mathematics text, economics manual, personal finance guide and joke book in a single volume. Poundstone comes across as the best college professor you ever had, someone who can turn almost any technical topic into an entertaining and zesty lecture."—*The New York Times Book Review*

"*Fortune's Formula* may be the world's first history book, gambling primer, mathematics text, economics manual, personal finance guide and joke book in a single volume. Poundstone comes across as the best college professor you ever had, someone who can turn almost any technical topic into an entertaining and zesty lecture."—*The New York Times Book Review*

"Seldom have true crime and smart math been blended together so engagingly"—***The Wall Street Journal***

"An amazing story that gives a big idea the needed star treatment . . . *Fortune's Formula* will appeal to readers of such books as Peter L. Bernstein's *Against the Gods*, Nassim Nicholas Taleb's *Fooled by Randomness*, and Roger Lowenstein's *When Genius Failed*. All try to explain why smart people take stupid risks. Poundstone goes them one better by showing how hedge fund Long-Term Capital Management, for one, could have avoided disaster by following the Kelly method."—***Business Week***

"Poundstone, a two-time Pulitzer Prize nominee, takes us from chalkboard to stock market and back as he explains the 'Kelly formula' for gambling through the lives of those who developed and exploited the system. It is a rollicking tale about money, mathematics and greed."—**Bloomberg**

"A dazzling array of math geniuses, rogues, swindlers, Nobel Prize winners, gun-toting physicists—all massaging the formulas that give them an edge in creating fortunes."—**George J. W. Goodman (aka "Adam Smith"), author of *The Money Game and Supermoney***

"This is a wonderful tale of how mathematics got married to gambling and went off to honeymoon in Las Vegas, before finding ultimate happiness in the biggest casino of all—the world financial markets. Poundstone has produced a rogues' gallery of mobsters and mathematicians, kneecappers and handicappers, card sharps, professors, systems players, numbers runners, and number crunchers—the best 'investment advisers' you can find. Anyone interested in playing the markets should buy this book and read it immediately."—**Thomas A. Bass, author of *The Eudaemonic Pie* and *The Predictors***

"The true story of the intertwining lives of financial legends, mathematical geniuses and crooked mobsters. Who would you expect to win an intellectual battle between professional gamblers and Nobel Prize winners? This book confirms what I'd long suspected, that the successful gambler knows more about managing money than the most PhD-laden investment banker. Poundstone's book explains that knowledge, and you'll be surprised by its elegance and simplicity. A fascinating book, both a cracking good yarn and a practical guide for investment success."—**Paul Wilmott, mathematician, bestselling author, and editor of *Wilmott magazine***

"From bookies to billionaires, you'll meet a motley cast of characters in this highly original, 'outside the box' look at gambling and investing. Read it for the stories alone, and you'll be surprised at how much else you can learn without even trying." —**Edward O. Thorp, author of *Beat the Dealer* and *Beat the Market***

"What a fantabulous book! *Fortune's Formula* provides a deep but crystal-clear understanding of information theory, card-counting schemes, plunging necklines, mean-variance mapping, junk bonds sold short and gambler's ruin, all part of an epic suspense tale crowded with eccentric geniuses and cold-blooded killers. You'll never follow a horse race, push forward a casino chip or enter a market the same way again. Read this and weep for the edge you only *thought* that you had, then read it again for a real one."—**James McManus, author of *Positively Fifth Street***

 [Download Fortune's Formula: The Untold Story of the Scienti ...pdf](#)

 [Read Online Fortune's Formula: The Untold Story of the Scien ...pdf](#)

Download and Read Free Online Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street William Poundstone

From reader reviews:

Arthur Bailey:

The book Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street gives you the sense of being enjoy for your spare time. You need to use to make your capable a lot more increase. Book can being your best friend when you getting anxiety or having big problem with your subject. If you can make reading a book Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street to become your habit, you can get a lot more advantages, like add your current capable, increase your knowledge about several or all subjects. You could know everything if you like open up and read a publication Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street. Kinds of book are several. It means that, science reserve or encyclopedia or some others. So , how do you think about this e-book?

Ralph Overman:

What do you about book? It is not important together with you? Or just adding material if you want something to explain what the ones you have problem? How about your spare time? Or are you busy individual? If you don't have spare time to perform others business, it is make one feel bored faster. And you have extra time? What did you do? Every person has many questions above. They have to answer that question mainly because just their can do that. It said that about guide. Book is familiar in each person. Yes, it is proper. Because start from on jardín de infancia until university need this specific Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street to read.

Robert Journey:

Do you one among people who can't read gratifying if the sentence chained inside straightway, hold on guys this particular aren't like that. This Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street book is readable by you who hate the perfect word style. You will find the info here are arrange for enjoyable reading through experience without leaving actually decrease the knowledge that want to give to you. The writer connected with Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street content conveys the thought easily to understand by lots of people. The printed and e-book are not different in the information but it just different as it. So , do you nonetheless thinking Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street is not loveable to be your top list reading book?

Katrice Fredericksen:

Don't be worry in case you are afraid that this book will certainly filled the space in your house, you may have it in e-book method, more simple and reachable. This specific Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street can give you a lot of good friends because by you checking out this one book you have factor that they don't and make a person more like an

interesting person. This specific book can be one of a step for you to get success. This publication offer you information that maybe your friend doesn't realize, by knowing more than additional make you to be great persons. So , why hesitate? Let's have Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street.

Download and Read Online Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street William Poundstone #XPIGYU7TWV9

Read Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street by William Poundstone for online ebook

Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street by William Poundstone Free PDF d0wnl0ad, audio books, books to read, good books to read, cheap books, good books, online books, books online, book reviews epub, read books online, books to read online, online library, greatbooks to read, PDF best books to read, top books to read Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street by William Poundstone books to read online.

Online Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street by William Poundstone ebook PDF download

Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street by William Poundstone Doc

Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street by William Poundstone Mobipocket

Fortune's Formula: The Untold Story of the Scientific Betting System That Beat the Casinos and Wall Street by William Poundstone EPub