

Poundstone, William.

**Fortune's Formula.**

Hill and Wang, 2005.

"Fortune's formula" is the Kelly criterion. Much of the book is entertaining episodic anecdotal history of characters like Shannon, Kelly, Thorp, Milken, Boesky and Long Term Capital Management. The formula-free discussion of mathematical aspects of the Kelly criterion is rather good. Entertaining account of dispute between the proponents of Kelly (math types) and economists led by Samuelson who viewed it as too risky even in the long run. Memorable slogan: 100% Kelly strategy marks the boundary between aggressive and insane investing.