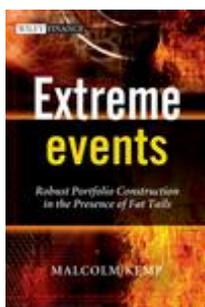


## Extreme events: Robust portfolio construction in the presence of fat tails

[Nematrian website page: [ExtremeEvents](#), © Nematrian 2015]

[Link to resource pages on the Nematrian website relating to this book, including charts, specimen questions and answers \(for students and lecturers\) and links to other material on the Nematrian website referred to in this book](#)



This book, published by Wileys in November 2010, combines a comprehensive treatment of modern risk budgeting and portfolio construction techniques with the specific refinements needed for them to handle extreme events.

It explains in a logical sequence what constitutes fat-tailed behaviour and why it arises, how we can analyse such behaviour, at aggregate, sector or instrument level, and how we can then take advantage of this analysis.

Along the way, it provides a rigorous, comprehensive and clear development of traditional portfolio construction methodologies applicable if fat tails are absent. It then explains how to refine these methodologies to accommodate real world behaviour, i.e. behaviour that includes extreme events from time to time.

Most of the references contained in *Extreme Events* can be viewed [here](#). Those referring back to the Nematrian website are listed [here](#).

In the writing, editing and printing process, a few errors appear to have crept into the book, see [Extreme Events Errata](#). Please advise the author if you spot any others. Endorsements of the book include the following: [Extreme Events – Book Endorsements](#)