

# The Fat Tail Trader's Manifesto

“Naïve empiricists plant us, he argued in *The Black Swan*, in ‘Mediocristan.’ We actually live in ‘Extremistan.’”

— *Nassim Nicholas Taleb*

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## Embrace Market Chaos or Get Left Behind

Markets don't fit bell curves—extremes happen all the time.

**Action Step:** Stress-test your trades against extreme scenarios.

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## The Law of Large Numbers Can Mislead

A single black-swan wipeout erases years of average gains.

**Action Step:** Size trades strategically, accounting for high-impact outliers.

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## Rethink Risk—It's Not Just a Statistic

Risk isn't volatility; it's the catastrophic event lurking just out of view.

**Action Step:** Cap potential losses with protective hedges or options.

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## Beware Over-Reliance on Financial Models

Oversimplified models fail when chaos hits.

**Action Step:** Question every assumption and trust your market awareness.

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## Market Narratives Trump Pure Statistics

Stories drive markets more than numbers.

**Action Step:** Craft worst-case narratives before you pull the trigger—rethink if the story ends badly.

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## Don't Just Survive—Get Stronger

Antifragile strategies thrive on volatility and chaos.

**Action Step:** Deploy asymmetric, low-risk/high-reward trades that benefit from disorder.

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## Maintain Humility in Trading

Overconfidence in markets is a fast track to ruin.

**Action Step:** Document and review every trade to stay grounded and realistic.