

# The Art (and Science) of Trading:

## The Hidden Force Driving Client Outcomes



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### Let's be honest – trading gets a bad rap sometimes.

Movies still love to portray traders as adrenaline junkies shouting into phones, fueled by caffeine and chaos. And to be fair, that's not entirely wrong — that was the vibe on the trading desk at Lehman Brothers in the '90s.

But times have changed. The real art and science of trading today is far more disciplined, strategic, electronic, and efficient than Hollywood ever shows. It no longer takes two-plus minutes to get an order down to the floor of the exchange — now trades can be executed instantly through an algorithm without “talking to” (or yelling at) anyone.

I've been at this for a while — through bull markets, bear markets, commissions moving from 1/4 per share to 1/8, to 1/16, to full decimalization; from high-touch to algorithmic execution; through Long-Term Capital's collapse, the dot-com bubble burst, and the Great Financial Crisis. And I can say without hesitation: trading is my sweet spot. It's where market theory meets human psychology, and where data, instinct, and experience collide.

### Trading Is Not Guesswork. It's Judgment.

The biggest misconception is that trading is about “timing the market.” In reality, it's about having a long-term, disciplined approach that can withstand drawdowns and take advantage of mispriced stocks.

At SGI, we don't rely on luck; we rely on process. Our Portfolio Managers use a quantitative framework designed to build portfolios that can weather volatility and generate alpha. When we trade into those rebalanced portfolios, we factor in liquidity, execution costs, market movements, and depth-of-book — elements most investors rarely think about but always benefit from.

That's where the “science” comes in. Algorithms, trade cost analytics (TCA), and technology help us see and react to market movements with precision. But don't confuse precision with perfection. Even the best traders can't predict macroeconomic surprises, geopolitical shocks, earnings volatility, or unexpected corporate announcements — all of which the market loves to throw at us. And that's where the art takes over.

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## The Art of Knowing When *Not* to Trade

One of the hardest lessons, for new traders and seasoned investors alike, is restraint. The urge to “do something” in a fast-moving market is powerful. But often, the smartest move is no move at all.

There’s a subtle beauty in stepping back, letting the market noise fade, and allowing fundamentals and discipline to guide decisions. Many times, the stocks will revert to more reasonable level. Sometimes being a great trader is less about pressing the button and more about knowing when *not* to press it.

## What Trading Really Does for Investors

At Summit Global, our trading team serves two key audiences: our external investors — from institutions to high-net-worth families — and our internal Portfolio Managers, who rebalance our funds and ETFs each month. The mechanics vary, but the mission never changes — execute intelligently, efficiently, and with as little market disruption as possible.

For institutional and high-net-worth clients, this means blocking orders, setting thoughtful limits, requesting quotes when trade size exceeds available liquidity, and monitoring execution step-by-step. It’s precise, methodical work, the kind that makes a meaningful difference over time.

When it comes to our mutual fund rebalances, we take an even deeper dive. We assess liquidity, choose the most appropriate execution algorithms, and determine how to reduce market impact — for example, using hidden algorithms for less liquid names to keep prices steady. We constantly track performance versus benchmarks and pause orders when we believe a short-term reversal is likely. It’s part science, part judgment, and always rooted in discipline.

ETF rebalances add a layer of nuance. Before anything else, we analyze each position’s P&L to decide whether a “custom rebalance” is needed. (That rabbit hole deserves its own article, and trust me, I’ll get there another day.)

In every case, trading is the bridge between strategy and results. Every basis point saved in execution matters. And that’s not theory. It’s real, measurable value for investors.

## Markets Have No Mercy (But They Teach You Everything)

Here’s something every good trader learns early: the market doesn’t care how you *feel*. It doesn’t reward confidence, it rewards discipline. It doesn’t forgive impatience, it punishes it. But it’s also an incredible teacher. Every day is a masterclass in humility, pattern recognition, and adaptability. You learn to think probabilistically, to plan for multiple outcomes, and to always — *always* — respect risk.

## Final Thoughts

*Trading isn’t just about buying and selling. It’s about understanding market behavior, staying disciplined amid uncertainty, and adapting with precision when conditions shift.*

*For our clients and for the internal strategies we support, trading is the quiet engine behind performance. When we do our job well, it often goes unnoticed. But the impact? Absolutely tangible.*

*As for me? I wouldn’t trade it (pun fully intended) for anything.*

**Robin Kaukonen**  
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# Let's Navigate This Together.

Your financial journey isn't about reacting to every twist and turn. It's about staying focused, informed, and empowered. At Summit Global Private Wealth, we're here to help you thrive through volatility with a Managed Risk Approach and strategies designed for the long term.

**We encourage you to connect with your advisor.** Let's review your plan, talk through your concerns, and make sure your goals are aligned with the strategy in place.

Together, we can transform uncertainty into opportunity and build toward the future with clarity and confidence.



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