

20 Rules for Markets and Investing

- 1 Be humble or the markets will eventually find a way to humble you.
- 2 There is no reward without risk. If it seems too good to be true, it probably is.
- 3 The longer your holding period, the higher your odds of success.
- 4 Every time is different. You haven't seen this movie before. No one has.
- 5 Price targets are pointless. Forecasts are foolish.
- 6 Plans > Prophecies. Evidence > Opinions.
- 7 Cycles and Trends exist. That does not mean they are easy to predict or navigate.
- 8 Concentration = fastest way to build wealth & fastest way to destroy it.
- 9 The only certainty is uncertainty. Expect the unexpected. Suspend disbelief.
- 10 Time is infinitely more valuable than money.
- 11 Saving is more important than investing. No savings = no investing.
- 12 Lower fee beats higher fee on average. Passive beats active on average. Simplicity beats complexity on average.
- 13 Being good at suffering is a superpower.
- 14 Doing nothing (low frequency) usually beats doing something (high frequency). First, do no harm.
- 15 Don't be afraid to say "I don't know." Stay within your "circle of competence."
- 16 Volatility and Sentiment are mean-reverting at extremes.
- 17 No one rings a bell at the top or the bottom. Many ring it in hindsight.
- 18 The best strategy is the one you can stick with long enough to reap the benefits of compounding.
- 19 Diversification & asset allocation protect us from our inability to predict the future.
- 20 Learn to control your emotions or your emotions will control you.