

Bulls win in bull markets. Bears win in bear markets. Eagles soar above and take advantage of

opportunity

Brokers believe in one **market cycle** and it's all bull

A passive investment portfolio requires **active RISK MANAGEMENT**

RISK MANAGEMENT is not choice, it's **necessity**

Diversification DOESN'T PROTECT AGAINST RISK OF LOSS

The surprise gap is the difference between returns promised and **RETURNS RECEIVED**

FIDUCIARIES ARE TO **CLIENTS** WHAT **BROKERS** ARE TO **SALES GOALS**

STOCK MARKET AVERAGES ARE **INFINITE, ISN'T**

YOUR LIFE EXPECTANCY **ISN'T**

Compounding of interest requires **stability of PRINCIPAL**

REALISTIC RETURN EXPECTATIONS must flow through every **financial goal** you set

I know that in investing, I only have to do few things right so long as I do not **do too many things wrong**

The **TREND** *is your* **FRIEND**

Always adhere to Buffett's two rules of investing:

- 1 **DON'T LOSE MONEY**
- 2 **REFER TO RULE #1**

I always try to keep my **head when others are losing theirs**

The most dangerous words in investing are **"This time it's different"**

IN THE **"LONG RUN"** IT IS **"LOSS PREVENTION"** THAT IS MORE IMPORTANT THAN **"CHASING RETURNS"**

Cut your losers short & let your **winners RUN**

We don't try and predict the market, we just **watch & react to what it tells us**

Investing without a discipline is like driving with your **EYES CLOSED**

Only losers add to a losing position

Investing without **SPECIFIC GOALS** IS **ARBITRARY**

SPECULATING
Without an investing strategy & discipline you are just

DON'T TURN A PROFIT INTO A LOSS TRYING TRYING NOT TO PAY TAXES

emotions have no place in your **INVESTING STRATEGY**

In bull markets you can either be **"long"** or **"neutral"**
In bear markets you can only be **"neutral"** or **"short"**

MANAGE **RISK & VOLATILITY** RATHER THAN MANAGE FOR **GAINS**

I don't have to be right all the time. long-term investing success is a **70% GAME**

Fundamentals tell you **"what"** to buy, *technicals* tell you **"when"** to buy it