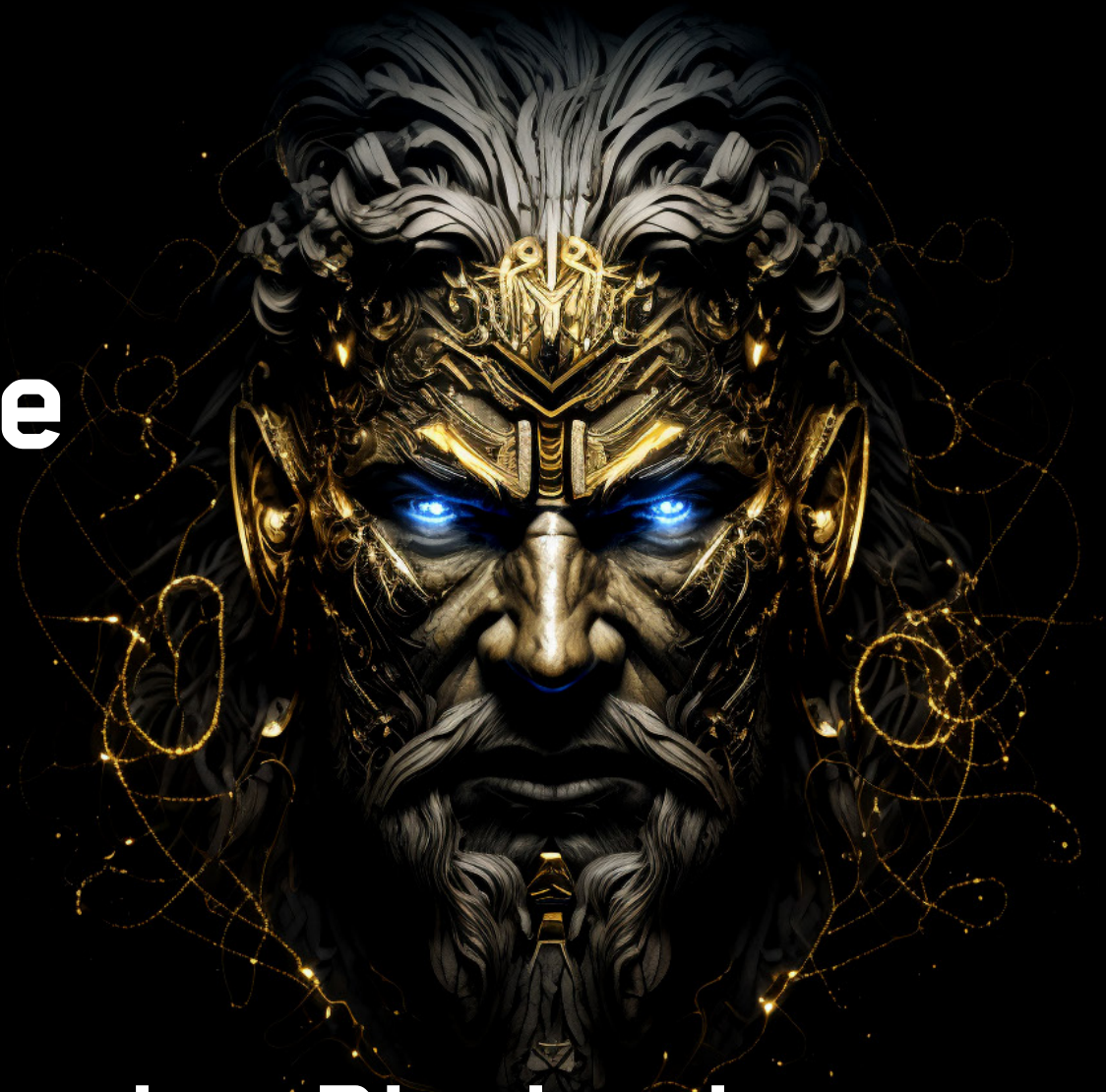


The first
6 figures in the
**Stock
Market**

Contemporary Investor Playbook





Ondrej Slunecko

Investor in the US markets
since 2017, \$300k net
worth before 25

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2024 Ondrej Slunecko

There are 22 millions millionaires in the US. Basically every single one of them achieved that through either (or combination of) stock market, real estate or business. And if they could do it, you can too.

Even more importantly, investing in stock market is scalable beyond limits, once you know how. Similar principles that apply from \$0 to \$100k are applicable to go to \$1M or even \$1B. You only need to expand your timeline, the more outrageous your goals are. And you should aim towards outrageous goals!

The reason I have personally chosen stocks as my personal vehicle to scale my net worth is accessibility. Establishing a business requires lots of skills, and real estate requires upfront capital as well as hands-on involvement (and a lot of bureaucracy).

Stock market is simple, you only need 3 things - phone, some \$\$\$ and knowledge.

Between 2020 and 2024, the market has been all over the place. Pandemic of 2020, sudden drop and quick V-shaped recovery. Then mania of 2021 with speculation peaking in the first half of the year. And then 2022 and long drawn out bear market, from January til December. 2023 was a recovery, almost the mirror opposite of 2022, with stocks climbing January til December.

And of course, all this can be exciting to experience and participate in.

However, as a long term investor, you want to become a **stone cold shark**. Learn the game, do what's necessary and ignore everything that does not serve a purpose - such as obsessing about news and refreshing your portfolio multiple times per day to see if your stocks are up or down.

No.

You want to establish **your own process** so you can do a lot with minimum time invested. Taht allows you to focus on making more money to

invest or establish other means to secure more money, power and influence.

Stock market is thus semi-passive. It requires some of your attention, but never more than needed. It is easy to slip to pointless discussions.

You want to **control your portfolio**, do not let it control you. Make your decision, have high conviction. And the way to achieve that is through knowledge and experience. Investing is a game of decades, and that might appear to suck, we all want to get rich quick. Bur if you want to get immensely wealthy - the decade or two are little price to pay.

So when you are in Cabo in 2040 and look back, you realize it was worth it to stay **consistent and persistent!**

Contemporary Long-Term Investing

“Stock market was invented to capitalize on people’s greed, envy and desire, but it is exploited by those that are patient, diligent and resilient.”

Stock market is the greatest **wealth multiplier** mechanism. And there are many ways how to make money in it. And even more how to lose some.

So the number one thing is to decide which market game you want to participate in and understand the rules.

You can day trade, swing trade, play with stocks, bonds, warrants, options and other even more complex instruments.

However, what I found out to be the most optimal way is what I call **“Contemporary Long Term Investing.”**

Imagine if Warren Buffett or Peter Lynch were born today. That is the mindset I adopted when I started investing back in 2017 and that mindset helped me to cross 6-figure net worth in just 3 years. From \$0 to \$100k without any formal knowledge - just observing what the greats did in their early days and emulating certain timeless aspects and principles.

The First 6 Figures in the Stock Market

Why Does the Market Go Up?

As a long term investor, you are rewarded for having your capital tied in companies that produce real stuff and provide services. **Value creation.**

Companies that increase their revenue, profits and free cash-flow also get more valuable. There are many other metrics to follow and get to higher levels and more granular understanding, however the simple principles are cornerstone.

The stock market itself (as aggregate) is also designed to go up over long time for several reasons:

Inflation props up value of assets

Economy and productivity (GDP) improves

Government collects taxes from gains

The game is rigged (ever so slightly) in the favour of investors.

And you get better results by investing in the proper companies.

Play long term games:

If you want to get rich quickly (and lose it all), you should go to the casino. Instead, own one.

Building great things takes time. The value in the stock market is not created by speculation on prices and trying to get the next hot thing. It is created by the combination of **people, machines and processes.**

Companies you own create great things, improve lives and grow. And value of our assets grows with them. The merit of investing is in **proper allocation of capital** into the hands of people who know what they are doing. Give them what they need and get out of their way. Over time, they will make the world slightly better and we will be rewarded for providing them the resources to do so.

Being long allows us to care little bit less about short term whims of the market and focus on what needs to be done. We are focusing on **what is behind the ticker symbol**. It might so happen that we buy a great company just before the market correction or crash.

That happens and nobody can successfully predict them, at least not every time. However the great company in question will sail through the crash and **return stronger** from the experience. We are not worried, because we are choosing companies we know can navigate through storms.

Thus, we are aiming to achieve compounded annual growth rate (CAGR) of 20%+ over very long period of time. And we are not bothered if one year we are 20% down as long as we are 50% up the next year. That is the nature of the stock market and fighting against it can often prove to be costly in the long run.

REQUIRED

Prerequisites

Path to become better investor, understand market and multiply your wealth is simple, but not easy.

What is required: discipline, having some capital to deploy.

What is **NOT** needed: be genius, spend hundreds of hours studying.

Non-professional investor, picking individual companies should expect time commitment of 5-10hrs/week in the first year which might gradually go down to 5hrs/week.

Initially you have to understand the principles and start building out your portfolio, you need to spend more time and attention, however once you have firm grasp on the basics, you can slowly transition to **“manage and maintain”** mode.

There are many millionaires and multimillionaires that have multiple ventures and businesses and having stock market portfolio is just one fraction of their overall attention bandwidth.

What you need, however is to have capital to deploy. The first \$100k is the hardest.

The First 6 Figures in the Stock Market

And even though you can start with just \$100/month to learn the ropes, it is meaningful to take this path more seriously at the point when you can deploy \$500+/mo into the market.

From there you can grow to 6 figures within couple of years and 7 figures in few more. Ideally, you also build other income streams alongside investing, so you can invest more and compound faster.

But let's start at the beginning and understand the most important formula of investing. **The investing trifecta** in the first lesson.



Me, trying to predict macro, 2024, colorized

Lesson 01:

Investing Trifecta

In the game of asset accumulation and appreciation there are three important forces that influence your outcome. And by influence I mean there is an enormous difference in the outcome depending on the multipliers.

So the wealth formula in the simplest form looks like this.

CAPITAL DEPLOYED * CAGR * TIME = WEALTH

CAPITAL DEPLOYED

Capital deployed is the money that you put into the market, I think of my money as soldiers going into war. Looking for POWs.

How much money are you able to contribute to your investment account is especially important during the initial phases. 20% return on \$10k is \$2k. 20% return on 100k is \$20k.

As Charlie Munger said, the first \$100k is a **B*TCH**, but you gotta do it. B.A.M.N.!

And he said that in the 90s. Yikes. So inflation adjusted it's probably the first \$200k that's the hardest.

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Anyhow, the main point is, getting the seed money is painful. And for most people it comes from earned income. Meaning you want to **maximize your earning potential** (priority) and minimize spending (secondary).

Once you cross 7 figures, your earned income is most likely not going to make that much of a difference and getting **outsized returns** becomes the most important part of the equation.

CAGR

CAGR aka compounded annual growth rate is the multiplier for your portfolio. If you would make a chart, it would be how steep is the angle towards the peak. Compound interest is regarded as the **8th wonder of the World** by Warren Buffett. The difference between getting 10% per year versus 20% per year over 30 year period is 17x versus 237x.

Mind blowing! Humans are not that well equipped to **understand compound interest**. Small variance in input over long enough period of time translates into imposing difference in the output.

CAGR:

That's the difference between a millionaire and billionaire. It's completely different league.

This number puts an incredible pressure on investor that wants to go **above and beyond**. When you invest in a company and intend to hold it long term, it is of utmost importance to make a correct decision. Let's say you have \$10k to invest and deciding between two companies.

Company A and company B.

Over 10 year period stock price of company A rises from \$10 to \$100, a 10-bagger.

Over the same period stock price of company B rises from \$10 to \$20, you doubled your money.

The difference between the results is enormous, exponential. So you better be correct about the decision you are making today.

TIME

And finally the time. The one you cannot impact, it flows in one direction and is common for all people. But wait. You actually can, in a sense, make a dent.

Start investing **as soon as possible**. If you are in your early twenties that's perfect. Twenties are damn important, if you start your adult life right you will reap the reward. **Make hard decisions early**.

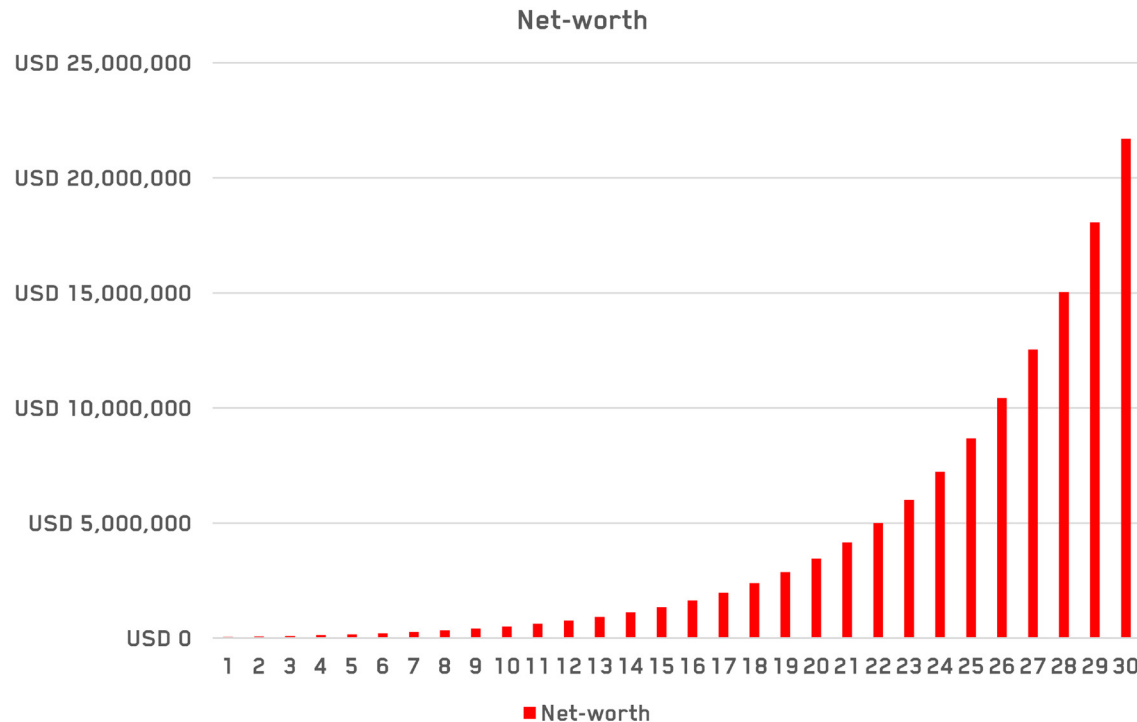
Lesson 02: The Long-Game

Stock market is multi decade wealth multiplier. It starts small and in your first 2-3 years you might be questioning if it actually leads anywhere, I certainly did. However **the longer you keep going** the crazier it gets.

Starting with \$50k, adding \$10k per year compounding at rate of 20% gets you over \$20M USD portfolio in 30 years.

And now imagine where you can be if you add multiple streams of income along the way to add more fuel.

There will be days you will be doubting the progress, because we always see only that immediate surrounding, but when you **zoom out**, the progress over 5+ years is eye-opening.



The First 6 Figures in the Stock Market

GROWTH-VALUE-DIVIDEND:

Generally speaking, there are three broad categories of stocks; growth, value and dividend.

Some investors prefer one or the other. We love them all. Being exposed to all three categories gives us an advantage to deploy capital efficiently and re-focus as different categories **fall out of favour and return again**.

In a broad sense, these categories are uncorrelated. Growth stocks often **outperform** value stocks in the short to medium term, however value and dividend stock offer stable growth over very long periods.

Holding stocks in every category thus again, limits risk posed by concentrating portfolio. If we only held growth stocks, we might end up holding the short end of the stick during **unfavourable broad market conditions**.

Simultaneously, preferring value stocks would only hinder our long term performance by missing the best opportunities.

On top of that, dividend stocks offer relatively predictable cash-flow, which is often sustained during bear markets and allows deployment of additional resources when they can produce best returns.

Thus, we are looking for the best companies to hold across the **full market spectrum**.

Lesson 03

Stellar Management Team

CEO is the captain of the ship we are buying. It is good to listen what they and their team are saying. We are looking for a company that has management team with **proven track record, experience and great dynamics**.

And there are many ways how the C-suite contributes to the betterment of the business. They bring their knowledge and unique view as well as look what is ahead and prepare accordingly.

Under a great CEO, company can reach the stars. Just look at what Lisa Su did with AMD. When she became CEO, AMD was a two buck chuck, now its over 140 USD.

We wish we saw her vision sooner.

And there are many great visionaries as her, and we want to work with them.

Additionally it is crucial that the shareholders and management team visions are **aligned and right incentives are in place**. We do not want a CEO that spends time on golf course or yacht.

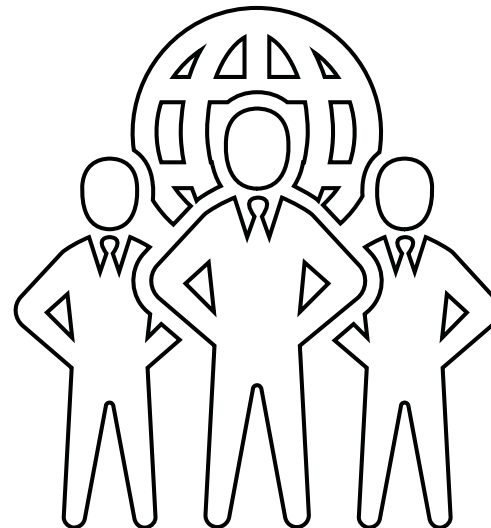
We are looking for a person on a mission.

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Person with the **skin in the game**.

Many times it has proven to be great investment when the founders are still managing the company. If you build an empire from rubble, you care about it and want it to prosper.

Thus, we always listen to conference calls and pay extra attention to whom do we give our trust.



FAVOURABLE ENVIRONMENT:

Never bet against the US, cultural and economic behemoth that needs to be respected. The financial sector is strong and has a long tradition. United States has one of the **most investor friendly legal environment** and track record of transparency.

Due to unique socioeconomic conditions, United States are positioned for continuous strong growth over coming decades.

The country has always **bred the most entrepreneurial minds and people with true grit**. Unique mentality and hardships which many Americans encounter makes the country stronger and competitive.

Now compare that to Europe, where the overarching bureaucracy and unfavorable business conditions hinder the economic growth.

On the opposite side of the spectrum, many emerging countries might seemingly appear appealing and offer unparalleled growth opportunities. However, absence of a stable legal framework, corruption and opaque business structures pose an unjustifiable risk.

Thus, we see the United States as the **most promising environment** from a long term risk/reward standpoint and we have gathered expertise over the years that allows us to operate in their investor friendly framework.

Lesson 04

Aligned with Supertrends

If we know what is going to happen, we can adequately position ourselves to profit from the ever changing **nature of reality**.

I did not fully understand the impact of change that is coming until I read Lars Tvede's best-selling book, Supertrends, and seen his future-as-a-service platform of the same name.

From that point, I knew that disruption is not just a buzzword, but a real threat.

So I always ask myself whether my potential investment benefits from **the direction humanity is heading**.

It is my duty not only to predict the future, but also shape it by investing in the companies that are changing the world for the better.

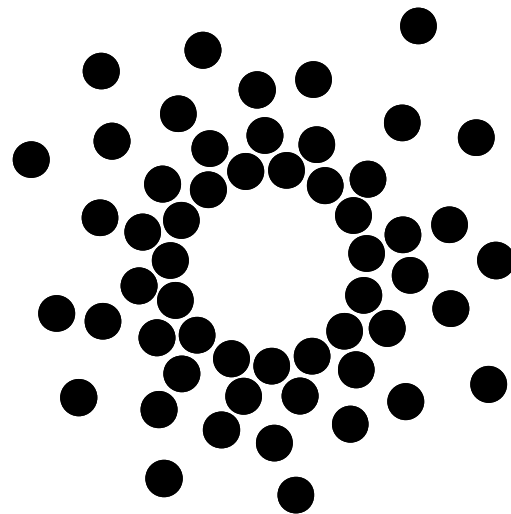
Capital allocation is an art of **changing the flow of resources** where they are needed the most.

We all are voting how the future will play out, voting with our wallets, we decide what to buy, what services to use and where to spend our time.

The future is the outcome of all the decisions
The First 6 Figures in the Stock Market

that are happening all around the world at the moment. Let's make our contribution count.

In simple terms, ignore industries that are dying or stagnant and focus on companies that are certainly in position to enjoy growth as far as we can see. **The world is moving in one direction only - forward.**



INDUSTRY LEADERS WITH MOATS:

We are always seeking companies that have longterm sustainable competitive advantages, significant barriers of entry or wide moats around their business.

Such barriers of entry can take many forms. Patents, reputation, strength of the brand, up-front capital required to entry the industry or well-connected management team. Those companies tend to be **industry leaders** that proved to be resilient and with limited exposure to extrinsic factors.

We are always thrilled to work with **A-class players who are aiming to outperform**. Those that challenge the status quo. We do not want 'the next something' we want 'the thing'. The leader that is being copied, imitated and attacked.



Lesson 05

Concentrated portfolio

Diversification is a **protection against ignorance**, said Warren Buffet during his annual shareholder meeting of Berkshire Hathaway. At 90 years of age, the guy holds over one third of his public portfolio in one stock, Apple.

We hold the Oracle of Omaha in a high regard, so whatever he said during his long career always made us reflect. What did he mean by that?

Well, actually it is pretty simple we realized as soon as we applied a dose of common sense. As an investors, our number one priority is to understand the companies we want to be involved with. Can we have proper understanding of more than 15 companies? Certainly not. And even if we could, why would we have more?

We want to **own the number one player in the industry**. We want to go with our best ideas not the twentieth idea that got quickly jotted down during lunch to fill our portfolio.

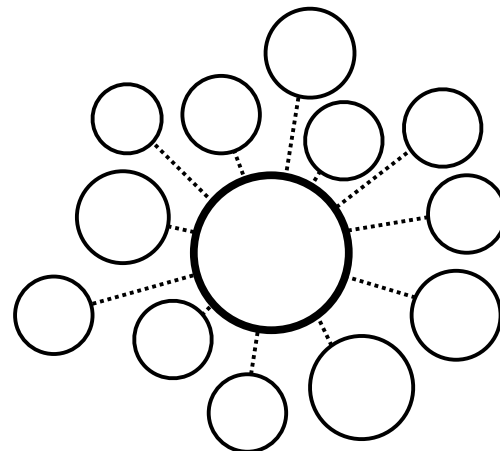
We do not want to own sub prime businesses. We are looking for **crème de la crème**.

And as Joel Greenblatt concluded during his **The First 6 Figures in the Stock Market**

fruitful career and proved mathematically during his time in the academia, by holding just eight companies, you **eliminate 81% of the risk** compared to owning just one stock.

Thus, in ideal case we would like to hold 7-12 companies (for portfolio up to \$1M).

Those that are on top of their game in their respective industries, with one company taking up to one third of our capital, if deemed necessary.



WAR CHEST:

Mr. market is a moody fellow. One day it tries to sell you plucked chicken for a fortune and next day it might serve you **roasted ribs for dime**.

For these cases, you always want to have little bit of money on the sidelines. We call it war chest. When there is blood on the street, we reach into the chest and start buying, even though we might be **bleeding with the crowd**.

That approach allowed us to greatly benefit from the Coronavirus Crash in the spring of 2020. As the market was plummeting and we watched our assets loose value across the portfolio we went on a hunt.

We were able to **gobble up on stocks** of several great companies that were only beaten down because half of the people did not believe in them and the other half thought that the world is ending. Of course we knew that the world will spin just fine and that those companies will soon be in top shape again.

And as we watched our assets to recover through the rest of the year, some of those new acquisitions doubled up and we ended the year with hefty profits that would not be possible without cash ready to be deployed.

Thus we always aim to keep 10-20% of our portfolio in cash and cash equivalents in case **new opportunity arises**.

Lesson 06

Consistency Kills

Investing is half brainpower and half stomach. Ability to **withstand volatility** of your portfolio and keep going is paramount.

The stock market is often described as a roller-coaster, with highs and lows that can make even the most experienced investors feel uneasy.

As a long-term investor, it's crucial to have the ability to mentally withstand these fluctuations, as trying to time the market or making impulsive decisions based on short-term changes can be detrimental to your investment portfolio.

One of the key benefits of being a long-term investor is that you have a longer time horizon to **ride out market fluctuations**. This means that even if the market experiences a downturn, you have the ability to wait for it to recover before selling your investments.

What to do in bad market? Don't look at your portfolio and go and make more \$ to invest! That's the best time to deploy new cash in the market, so instead of feeling sorry for yourself, use it as a **fuel for your ambition**.

My portfolio is down? Perfect, I can go

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and put more money in to get even juicier returns!

You need to have the mental fortitude to resist the urge to sell when the market is down, which can be difficult when you see the value of your investments decreasing.

One way to help improve your ability to withstand market fluctuations is to have a robust portfolio.

Having a clear investment strategy and sticking to it can help you stay focused on your long-term goals and avoid making impulsive decisions based on short-term market movements.

Warren Buffet has been **net buyer of stocks since he was 11 years old chimp**. And never stopped stacking new companies under his Berkshire Hathaway investment vehicle.

You ought to do the same. **Amass massive fortune**.

Market Fluctuation:

It's important to maintain a long-term perspective when it comes to your investment portfolio. While it's natural to want to see immediate returns on your investments, it's important to remember that the stock market is a long-term game.

By focusing on the long-term growth potential of your investments, you can avoid getting caught up in short-term market fluctuations and **stay focused on your overall financial goals**.

Additionally, understanding how the market works and maintaining a clear understanding of the market cycles can help you make better-informed decisions and increase your confidence in your investment choices.



Lesson 07 Resist Temptation

There are many players that benefit from market movements. Whether market goes up, down, sideways, there are people and organizations that make money all the time.

The banks, the market makers, speculators, hedge funds, day traders, algorithmic traders and grifters selling you the hottest latest stock.

You have to **cut through all this BS.**

Market wants you to be active, trade in and out and extract fees from you if you invest in ETFs or more exotic funds.

Market makes very little from someone who buys and holds for years.

But you have to resist the urge that market tries to incite. **Resist the seduction.**

If you get swayed by temptation of getting rich quick, you will never get wealthy. For getting rich quick, it is more reasonable to build a product or business. So I will stress this once more - contemporary long term investing is **a wealth multiplier.**

It should never consume all of your time, while simultaneously it should have one of

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the highest levels of impact on your overall net-worth. Once you cross 6 figures, you might as well find out your net worth is rising faster through your investments than through earned income.

Which is great, since in most jurisdiction, it is earned income that's taxed the highest, and **investment income enjoys many benefits.**

Overall you should avoid excess risk. The kind of risk that might ruin you, but **aim for healthy and calculated level of risk.** The risk you understand and the risk you can emotionally withstand.

You learn that through experience. Sure, there are many guides, rules of thumb, but every person reacts to risk differently.

Your first 3 years of investing will be litmus test, so do not give yourself hard time yet.

Light the Fire:

Ideally you want to have 6-months worth of expenses in your rainy day emergency fund, and raise that number if there are other people depending on you.

On the other hand, never allow yourself to have **too big of an emergency fund.** You want to invest everything above that. Make yourself **slightly uncomfortable.** Knowing that the money is always out there and you can get it while simultaneously you do not have it yet and you need to go and get it.



Lesson 08

Setting Financial Goals

In order to know how to set up your portfolio, you need to know what type of investor you are. This depends on your financial goals. Is your goal to preserve your wealth?

You'll want a defensive portfolio. Do you want passive income? You are looking for a dividend portfolio.

Our goal, however, is to create wealth over time. We want to save & invest a proportion of our income we don't immediately need so it can grow over time.

Okay, now that we know what kind of investor we want to be, what does this actually mean?

Well, as mentioned above, it starts with saving. Write down all your income and expenses and divide it into fixed and variable. Try to minimise fixed expenses. Look at how much goes to variable expenses and how necessary it was to incur these expenses. See what percentage of your income you need for (unexpected) variable costs.

Now that you have a good idea of your income, see what percentage of your income you don't need in the short term.

This should be at least 50% of your income, preferably more.

The more aggressive your investing, the sooner you get to insane numbers.



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Risk and return in investing:

Risk and return are two important concepts in investing. Risk refers to the chance that an investment's actual return will be different than expected. An investment with a higher risk has often (but now always) the potential for a higher return but also a greater chance of losing value. On the other hand, an investment with a lower risk has a lower potential return but also a lower chance of losing value.

Return, on the other hand, refers to the amount of money an investment generates over a certain period of time, typically measured in terms of percentage changes in the investment's value. It can include dividends, capital gains, and interest. The relationship between risk and return **can be visualised as a trade-off**. In general, the more risk an investment carries, the higher the potential return. This is because investors demand a higher return to compensate them for taking on more risk. Conversely, lower-risk investments generally offer lower returns.

For example, a savings account at a bank is considered a low-risk investment, and it typically offers a low return, typically lower than inflation. On the other hand, investing in a technology startup is considered a high-risk investment, and it could offer a higher return, but there is also a higher chance of losing the investment.

It's worth noting that different investors have different risk tolerance, which means that they are willing to accept different levels of risk in exchange for different potential returns. This is dependent on your goals and your financial plans.

Lesson 09

Asset Allocation

Asset allocation and diversification are two important concepts for beginner investors to understand.

Asset allocation refers to how you divide your investment portfolio among different types of assets, such as stocks, bonds, and cash. The idea behind asset allocation is to spread your investments across different asset classes in order to reduce risk and increase the chances of earning a positive return.

Diversification is an important part of asset allocation, as it allows you to spread your investment risk over a variety of assets.

Diversification is the practice of spreading your investments across different types of assets and industries, in order to reduce the overall risk of your portfolio. It means investing in different types of assets, such as stocks, bonds, real estate, and commodities, in order to reduce the risk that any one investment will have a significant impact on your overall portfolio.

Diversification can be achieved through investing in different asset classes,

sectors, countries, or even currencies. Research has proven that diverse portfolios outperform indexes such as the S&P 500 and that diversification eliminates non-market risk.

In summary, asset allocation and diversification are important concepts in investing. Asset allocation is the process of dividing your investment portfolio among different types of assets, in order to reduce risk and increase the chances of earning a positive return. Diversification is spreading your investments across different types of assets and industries, in order to reduce the overall risk of your portfolio.

Asset allocation, is very individual. I myself manage an active portfolio of mostly volatile growth and tech stocks.

Big mainstream banks try to pigeonhole people, as in 'you are this type of investor so we will put your money in these funds just like we do with everyone else', but it is better to set your own goals and based on that, manage and allocate your money correctly to achieve those goals as quickly as possible.

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BONUS 25 Tenets

1) Your advantage as an investor does not come from following the advice of Wall Street experts. It comes from your own knowledge and understanding of specific companies, industries and the world in its entirety. You can do better than the experts by being grounded and in tune with the society and its changes.

2) In past decades, the market has been dominated by 3 groups, professional investors, algorithms and index funds. Contrary to what many people think, this actually makes it easier for individual investors to succeed. By not following the crowd and making your own investment decisions, you have a good chance of outperforming the market.

3) Owning stock makes you part owner of the company, figure out what's going on in your company.

4) It is not possible to accurately predict changes in interest rates, the economy, or the stock market. It's best to ignore such forecasts and focus on the performance and prospects of the specific companies you have invested in.

5) The stock market in the United States has a long tradition, ease of access to information and stable legislative environment. Simultaneously, US companies are most of the time the pinnacle of innovation, so investing in the US is one of the wisest options there is.

6) The performance of a company's stock may not always match the success of the company's operations in the short term. However, in the long run, the success of the company and the success of its stock are directly linked. This disparity is what makes a successful investment.

7) It's important to understand the investments you own and the reasons for owning them. Someone's tweet with rocket emojis does not count.

8) Owning stocks is like running a business - don't get involved with more than you can handle. As a part-time investor, you should focus on a relatively small number of companies, under 7 is more than enough before you reach 6 figures and 12 companies can safely get you to \$1M.

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9) Don't feel like you absolutely have to be invested, if there is no company that fits your criteria, you can just park your money in the bank for the time being.

10) Accounting is a language of business and many portfolios were ruined by companies with weak balance sheets and poor cash-flow quality.

11) Be cautious with trendy stocks in trendy industries - candle that burns fast burns out.

12) The smaller the company, the more proof of performance you should expect.

13) If you're considering investing in an industry that is currently facing challenges, it's a good idea to choose companies that have a strong track record and are likely to weather the storm. Also, wait for some signs of revival, graveyard is full of inventions that were made obsolete.

14) When you invest \$1,000, in a stock, the most you can lose is that original amount. However, with patience and a good investment, you have the potential to earn 10 or 50 times your original investment.

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Individual investors have the ability to focus on a smaller number of high-quality companies, compared to professional fund managers that are often required to diversify their holdings across many stocks. This can make it harder for fund managers to achieve large returns.

15) Long shots often do not pay off. All returns need to be risk-adjusted.

16) Individual investors can often find promising companies to invest in before professional investors in their ivory towers on Wall St. can even notice them.

17) Stock market dips are a normal occurrence, everyone expects snow in the Alpes and they should expect market dip almost every year, and drop every few years. If you are prepared for these declines, they won't harm your investments. In fact, a market drop can be a good opportunity to buy high-quality stocks at discounted prices, as many investors sell in a panic.

18) While anyone has the brainpower to make money in the stock market, not everyone has the stomach to handle the ups



and downs of investing. If you tend to sell off your investments during times of market stress or uncertainty, it may be best to avoid stocks.

19) There will always be many concerns or uncertainties in the market. It's important to focus on long-term investments and not get swayed by short-term news or predictions. If you need to sell a stock, make sure to do so for solid reasons, such as a decline in the company's financial health, rather than just because of temporary market fluctuations or negative headlines.

20) There are always companies in the stock market whose success is not fully recognized by investors and analysts. For every 10-15 companies you research, you might find 1 or 2 that makes you pleasantly surprised.

21) If you don't research companies before investing in their stocks, you are essentially throwing darts blindfolded, on a floating raft while standing on one foot. This approach is unlikely to lead to success.

22) When you own stocks in high-quality companies, you have the luxury of being **The First 6 Figures in the Stock Market**

patient and waiting for your investments to pay off. Even if you missed out on an opportunity to invest in a great company early on, you may still benefit from owning it in the long term. On the contrary, options, which are financial contracts that give you the right but not the obligation to buy or sell a security at a specific price on or before a certain date, have a limited shelf life and time is working against you.

23) If you are willing to invest your money, but don't have the time or interest to research specific companies, you can simply invest in index funds and expect 6-7% return while sleeping well at night. If you aim for 20%+ returns that are possibly with individual stocks, you have to put in the work.

24) In the long term, a group of carefully selected stocks will outperform bonds or a savings account. However, if the stocks are chosen haphazardly, keeping your money in safe might be safer than being careless investor.

25) Investing is exhilarating, mentally stimulating, and dangerous if you don't do your due diligence.



