THE FIRM GRIP INVESTORS

# 6 CORE RULES TO INVESTING

Your helpful guide to get a Firm Grip on your investments.

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# Introduction

This is not a list of hot stock tips. This is a framework built on proven principles of long-term success. We boil down the most critical aspects of wealth-building into **Six Core Rules** designed to protect you from yourself.

The checklist is separated into two parts:

·**Part 1: Disciplined Decisions (Planning & Structure)**

This section focuses on the **input**: establishing the stable, rules-based foundation your portfolio needs to survive and thrive through market ups and downs.

·**Part 2: Consistent Returns (Action & Maintenance)**

This section focuses on the **output**: the maintenance checks and practical safeguards that maximize your wealth by ensuring your returns are consistent and protected from unnecessary costs.

By committing to these six rules, you transition from being a casual guesser to a **systematic, disciplined investor.** This discipline is your greatest asset.

**Let's get started.**

# PART 1 - THE DISCIPLINED DECISIONS

## Planning & Structure

This section focuses on preventing mistakes and establishing a well diversified portfolio.

✅ **Rule 1: Determine your time horizon.**

· **Action:** Figure out why you are investing (e.g., retirement, buying a home in 15 years) and set a definite time frame for when you'll need the money. This is the period you're prepared to leave your funds untouched, even if the market dips.

· **The Grip (Why This Matters):** This timeline becomes your anchor. It stops you from making panicked, fear-based decisions during market drops that could severely damage your long-term plan.

✅ **Rule 2: Build Your Foundation First.**

- **Action:** Establish a strong, steady base for your portfolio by primarily using a few well-researched Exchange-Traded Funds (ETFs). Look for funds that track broad market indices (like the S&P 500 or global markets) to achieve instant diversification.
- **The Grip (Why This Works):** Your foundation must withstand market shocks. ETFs spread your risk across hundreds or thousands of companies, insulating you from the failure of any single stock. They are the bedrock of a successful long-term plan.

✅ **Rule 3: Know your ‘why’ before you buy.**

- **Action:** For every new investment—whether it's a single stock, an ETF, or a mutual fund—you must perform adequate research and write down a clear summary of why you are buying it. This includes understanding what the underlying company does or what the ETF holds and its goal, ensuring the investment aligns perfectly with your long-term goal.
- **The Grip:** This research ensures you buy for a real reason, not hype. When fear hits the market, your documented reason acts as your fundamental anchor, keeping your decisions systematic and free from panic.

# PART 2 - THE CONSISTENT RETURNS

**Action & Maintenance**

This section focuses on the concrete steps to maximize growth and minimize risk.

✅ **Rule 4: Auto-pilot your investing.**

· **Action:** Decide on a fixed amount you will invest every month. Then, set up an automatic transfer so this amount moves from your bank account into your investment account on the same day each month. This happens automatically, regardless of what the market is doing.

· **The Grip (Why This Works)**: This technique is called Dollar-Cost Averaging (DCA). It completely removes your emotions from the buying process. You aren't trying to guess if the market is high or low; you are simply sticking to a reliable plan. This consistency is the secret to long-term success.

✅ **Rule 5: Review your portfolio.**

- **Action:** Conduct a quarterly review of your portfolio. Check the division (or allocation) of your assets to ensure your ETFs and individual stocks still align with the original percentages you set in your plan.
- **The Grip (Why This Works):** This regular check acts as your portfolio compass. It ensures you follow your own plan by identifying when you need to rebalance, preventing investments that grew too fast from creating unnecessary risk creep.

✅ **Rule 6: Never Overpay for Access.**

- **Action:** Ensure your transaction and ongoing management fees (Expense Ratios) do not exceed 1% per trade. Always prioritize low-cost brokerage services and index funds when setting up your automatic investments.
- **The Grip (Why This Works):** Overpaying for fees is the fastest way to shrink your future wealth. Over 20 years, a difference of just 1% in annual fees can consume tens of thousands of dollars of your potential profit. Fees are a guaranteed loss that eats into your compound returns.

# MAINTAIN YOUR FIRM GRIP

**The Only Predictable Factor is Your Discipline**

You have now completed the Firm Grip Checklist. You are no longer navigating the markets based on random headlines; you are operating with a clear, systematic plan.

**The Power of Sequential Discipline**

The core benefit of the Six Core Rules is achieved by following them in order. The rules move you from strategy to action to ensure consistent, sustainable results.

| Rule set | Core outcome |
|---|---|
| **Part 1: Disciplined Decisions (Rules 1-3)** | You first establish your **goal and time anchor** (Rule 1). You then decide on the **best diversified assets** to meet that goal (Rule 2), and ensure every component is **researched and justified** (Rule 3: Due Diligence). |
| **Part 2: Consistent Returns (Rules 4-6)** | You put the strategy into action through **consistent automation** (Rule 4: DCA). You then **control and maintain** the health of the portfolio quarterly (Rule 5: Review), and **protect** the returns from unnecessary drag (Rule 6: Fees). |

**This is just the beginning of the discipline. Want to learn how to put these 6 core rules into practice? Follow The Firm Grip Investors on Instagram and take the first step toward Disciplined Decisions, Consistent Returns .**