

Define Your Game

Write the rules before the market tests them.

ONE PAGE PER POOL OF MONEY · SEVEN LINES · A PURCHASE LOG

Every account you own is playing an investing game, whether you named it or not. This worksheet makes you name it — the objective, where the return comes from, the horizon, the edge, the limits, what would prove you wrong, and how you will keep score — while you are calm, so the rules are already written when the market tests them.

HOW TO USE IT

- ☐ Fill in one Pool page for each separate pool of money: the emergency fund, a dated goal such as tuition, retirement, and any speculative account.
- ☐ Write in your own words. The lists below are prompts, not boxes to tick. You can type into the fields on screen or print the pages and write by hand.
- ☐ Before each purchase, add a line to the Purchase Log. If the holding's game is not the pool's game, it belongs in a different account.
- ☐ Review every Pool page once a year, at a calm moment. Change the rules then — never in the middle of a decline.

PROMPTS FOR THE SEVEN LINES

WHERE THE RETURN COMES FROM

- Contractual cash flows (interest)
- Business earnings
- Rent
- Revaluation
- A later buyer
- Spreads and services
- Control

EDGES

- None, deliberately (own the market)
- Patience
- Behavior
- Analysis
- Information
- Execution
- Access
- Structure (tax or account)

SCOREBOARDS

- Was it there when needed?
- Goal funded on its date
- Purchasing power kept
- Liability funded in full
- A named benchmark
- The plan's required return
- Profit on a capped stake

THE SIXTH LINE IS THE ONE THAT MATTERS MOST.

"The thesis is wrong when the price falls 20%" describes discomfort. "The thesis is wrong when margins decline three quarters in a row" can be checked, and it does not move when you feel worse. Write a condition, not a price.

Pool 1

ACCOUNT AND WHERE IT IS HELD

THE GAME IT PLAYS

1. My objective is...

The real-life outcome this money supports.

2. My return should come from...

One source: interest, business earnings, rent, revaluation, a later buyer, spreads and services, or control.

3. My time horizon is...

When the money may be needed, and how long the idea needs to work. The shorter of the two governs.

4. My claimed edge is...

What you have that the other side of the trade does not — or "none, deliberately."

5. I can tolerate...

The largest decline you can live through without selling, plus limits on illiquidity and on any one holding.

6. The thesis is wrong when...

Evidence that would prove the idea wrong — a condition you can check, not a price that hurts.

7. My scoreboard is...

A goal, a liability, purchasing power, or a named benchmark — chosen now, not after the results.

WRITTEN ON

NEXT REVIEW

Pool 2

ACCOUNT AND WHERE IT IS HELD

THE GAME IT PLAYS

1. My objective is...

The real-life outcome this money supports.

2. My return should come from...

One source: interest, business earnings, rent, revaluation, a later buyer, spreads and services, or control.

3. My time horizon is...

When the money may be needed, and how long the idea needs to work. The shorter of the two governs.

4. My claimed edge is...

What you have that the other side of the trade does not — or "none, deliberately."

5. I can tolerate...

The largest decline you can live through without selling, plus limits on illiquidity and on any one holding.

6. The thesis is wrong when...

Evidence that would prove the idea wrong — a condition you can check, not a price that hurts.

7. My scoreboard is...

A goal, a liability, purchasing power, or a named benchmark — chosen now, not after the results.

WRITTEN ON

NEXT REVIEW

Pool 3

ACCOUNT AND WHERE IT IS HELD

THE GAME IT PLAYS

1. My objective is...

The real-life outcome this money supports.

2. My return should come from...

One source: interest, business earnings, rent, revaluation, a later buyer, spreads and services, or control.

3. My time horizon is...

When the money may be needed, and how long the idea needs to work. The shorter of the two governs.

4. My claimed edge is...

What you have that the other side of the trade does not — or "none, deliberately."

5. I can tolerate...

The largest decline you can live through without selling, plus limits on illiquidity and on any one holding.

6. The thesis is wrong when...

Evidence that would prove the idea wrong — a condition you can check, not a price that hurts.

7. My scoreboard is...

A goal, a liability, purchasing power, or a named benchmark — chosen now, not after the results.

WRITTEN ON

NEXT REVIEW

Pool 4

ACCOUNT AND WHERE IT IS HELD

THE GAME IT PLAYS

1. My objective is...

The real-life outcome this money supports.

2. My return should come from...

One source: interest, business earnings, rent, revaluation, a later buyer, spreads and services, or control.

3. My time horizon is...

When the money may be needed, and how long the idea needs to work. The shorter of the two governs.

4. My claimed edge is...

What you have that the other side of the trade does not — or "none, deliberately."

5. I can tolerate...

The largest decline you can live through without selling, plus limits on illiquidity and on any one holding.

6. The thesis is wrong when...

Evidence that would prove the idea wrong — a condition you can check, not a price that hurts.

7. My scoreboard is...

A goal, a liability, purchasing power, or a named benchmark — chosen now, not after the results.

WRITTEN ON

NEXT REVIEW

Purchase Log

Fill in a line before you buy. If the game you write here is not the game of the pool it sits in, it belongs in a different account.

[illegible]

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Fill in a line before you buy. If the game you write here is not the game of the pool it sits in, it belongs in a different account.

[illegible]