**Key Concept #1**

**Concentrate on the process, not the result.**

If you strive to trade at your top level every day and consistently improve your understanding, level of expertise, and skills, you will win big. Don't concentrate on winning; concentrate on the process that creates winning.

**Key Concept #2**

**Make money and decisions from your skills, not your ability to see a crystal ball clearly.**

Don't try to predict the markets; try to learn how to locate runaway trending instruments, and to exploit low-risk, high-reward opportunities for entering with those trends. Don't waste time predicting the environment; invest time developing the skills and abilities necessary to profit from any environment.

**Key Concept #3**

**It's never the markets - it's always you.**

Statistics and society may predict, but you alone determine whether you will succeed or fail. Remember, you alone are in control - take responsibility for your performance and your life. There are always tremendous opportunities in the markets. It's not what happens; it's what you do with what happens that makes the difference between profit and loss.

**Key Concept #4**

**Every event holds the seed of a positive message or meaning.**

Eventually every trader will face a larger-than-desired series of losses, or drawdown. How you react and what meaning and lessons you take from that challenge will determine how successful a trader you become. Man's greatest changes, ideas and improvements come from challenging adversity, and a trader's greatest improvements usually come from drawdowns. Seize each day and each loss and mistake as an opportunity to learn, and grow, not as evidence of your inadequacy

**Key Concept #5**

**Seek to embody the true spirit of competition.**

The Latin root for competition means "to conspire together." The idea isn't to try to beat your opponent. It's to pit yourself against a competitor so that you both improve faster and perform at a higher level than you would alone. Coach John Wooden said it best, "Never try to be better than someone else, but never cease to try to be the best you can be."

**Key Concept #6**

**Farming versus cramming. Long-term trading success is like farming - there are no shortcuts.**

Seek to study new methods and tools for farming your skills and understanding, not tips and predictions

**Key Concept #7**

**Develop a love and respect for trading, free markets, and individual liberty and initiative so that profits are just the gravy.**

Successful traders whose personalities are analyzed have in common an understanding of how trading and investing is a key component in the growth of the free enterprise system. Even day traders, who are often viewed as "bottom feeders," play an important role by providing liquidity that enables traders to hedge, companies to raise money, and small investors to hold stock with limited risk. The more you understand about how the financial markets ultimately contribute to progress for humankind by fueling new innovations and technologies, the more you feel that what you are doing is not purely self-serving, but part of a remarkable whole.

**Key Concept #8**

**Become a voracious learner, reader, and knowledge seeker.**

The more you learn, the more you earn. It's what you learn after you're sure you know everything that really makes you successful.

**Key Concept #9**

**Don't seek money; seek "real wealth."**

Real wealth, as I call it, isn't money or material goods, it is the creative and productive force, the indomitable spirit inside everyone. A person possessing real wealth has the ability to experience life with an unbridled capacity for joy regardless of his financial condition. Real wealth is contained in the knowledge that what you have inside you is the source of your happiness and success, and that what life throws at you or takes away from you will only make you stronger. That feeling of certainty, confidence, abundance, and security is wealth.

You can never get true feelings of security, happiness, abundance, success, or wealth from material goods, for these feelings come from within you. But if you develop the inner feelings and knowledge that security, happiness, abundance, success, and wealth come from within you, you can acquire all the riches you desire. It's not what you get in life, it's what you become that matters. A person who becomes happy, dynamic, enthusiastic, energetic, growing, producing, and contributing will create wealth and grow rich. A person who focuses on negative circumstances can win the lottery and he'll only experience his misery in style.

The person who is able to learn and grow because of the circumstances in his life is wealthy. He may be temporarily broke, but he can never be poor. The person who lets circumstances depress and control him is poor. He may temporarily acquire riches, but he will lose them or never enjoy them fully. The key to real wealth is not the circumstances we find ourselves in, but the meaning we take from them.

A person who gets his feelings of adequacy from the environment will only feel brief illusions of adequacy because we can't control the world we live in any more than we can control the markets we trade in. And who would want to anyway! How exciting and illuminating would trading really be if we knew in advance the high, low, and close, every day. It would be completely dull - virtually dead. Life itself is the process of growing and adapting as an organism to new input and situations, not trying to recreate only the situations we've already experienced.

Seeking money as a result of trying to improve the world by creating something of value, or by assisting others is a very noble pursuit that can lead to feelings of true abundance, happiness, confidence, and self-worth. Seeking money by trying to take advantage of or cheat others won't help produce anything but feelings of inadequacy.

And one doesn't get rich and the money suddenly changes his life. That's backwards. Wealth is a result of successful living, not the source of it. Developing a character and value structure that is consistent with happy, productive living is the process that produces the result of real wealth and abundance.

**Key Concept #10**

**Understand and believe that investing and trading create and add real value to mankind.**

Traders and investors are in the business of directing the force of the lifetime accumulation of our unconsumed productivity (savings, capital) to the areas that will most benefit mankind. Investing can entail assuming the risk of wheat price declines from a farmer; eliminating currency risk for a multi-national company; increasing the ease at which a company can acquire the capital to develop new factories, products, and innovations; helping to produce an efficient set of rewards and punishments for successful or unsuccessful management of a company, or simply increasing the liquidity of the structure that allows all of the above transactions to occur. In each case the result is the most efficient process for linking capital to its most productive uses, as indicated by demand, known to man.