

The Zurich Axioms

Gunter, Max

1. **On Risk:** Worry is not a sickness but a sign of health. If you are not worried, you are not risking enough.
 - Always play for meaningful stakes
 - Resist the allure of diversification
2. **On Greed:** Always take your profit too soon.
 - Decide in advance what gain you want from a venture, and when you get it, get out.
3. **On Hope:** When the ship starts to sink, don't pray. Jump.
 - Accept small losses cheerfully as a fact of life. Expect to experience several while awaiting a large gain.
4. **On Forecasts:** Human behavior cannot be predicted. Distrust anyone who claims to know the future, however dimly.
5. **On Patterns:** Chaos is not dangerous until it begins to look orderly.
 - Beware the historian's trap.
 - Beware the chartist's illusion.
 - Beware the correlation and causality delusions.
 - Beware the gambler's fallacy.
6. **On Mobility:** Avoid putting down roots. They impede motion.
 - Do not become trapped in a souring venture because of sentiments like loyalty or nostalgia.
 - Never hesitate to abandon a venture if something more attractive comes into view.
7. **On Intuition:** A hunch can be trusted if it can be explained.
 - Never confuse a hunch with hope.
8. **On Religion and the Occult:** It is unlikely that God's plan for the universe includes making you rich.
 - If astrology worked, all astrologers would be rich.
 - A superstition need not be exorcised. It can be enjoyed, provided it is kept in its place.
9. **On Optimism and Pessimism:** Optimism means expecting the best, but confidence means knowing how you will handle the worst. Never make a move if you are merely optimistic.
10. **On Consensus:** Disregard the majority opinion. It is probably wrong.
 - Never follow speculative fads. Often, the best time to buy something is when nobody else wants it.
11. **On Stubbornness:** If it doesn't pay off the first time, forget it.
 - Never try to save a bad investment by averaging down.
12. **On Planning:** Long-range plans engender the dangerous belief that the future is under control. It is important never to take your own long-range plans, or other people's, seriously.
 - Shun long-term investments.

Mats Larsson, September 27 2018

P.S. Please see the review of the book *The Zurich Axioms* for more color on the philosophy presented. Or read the book.