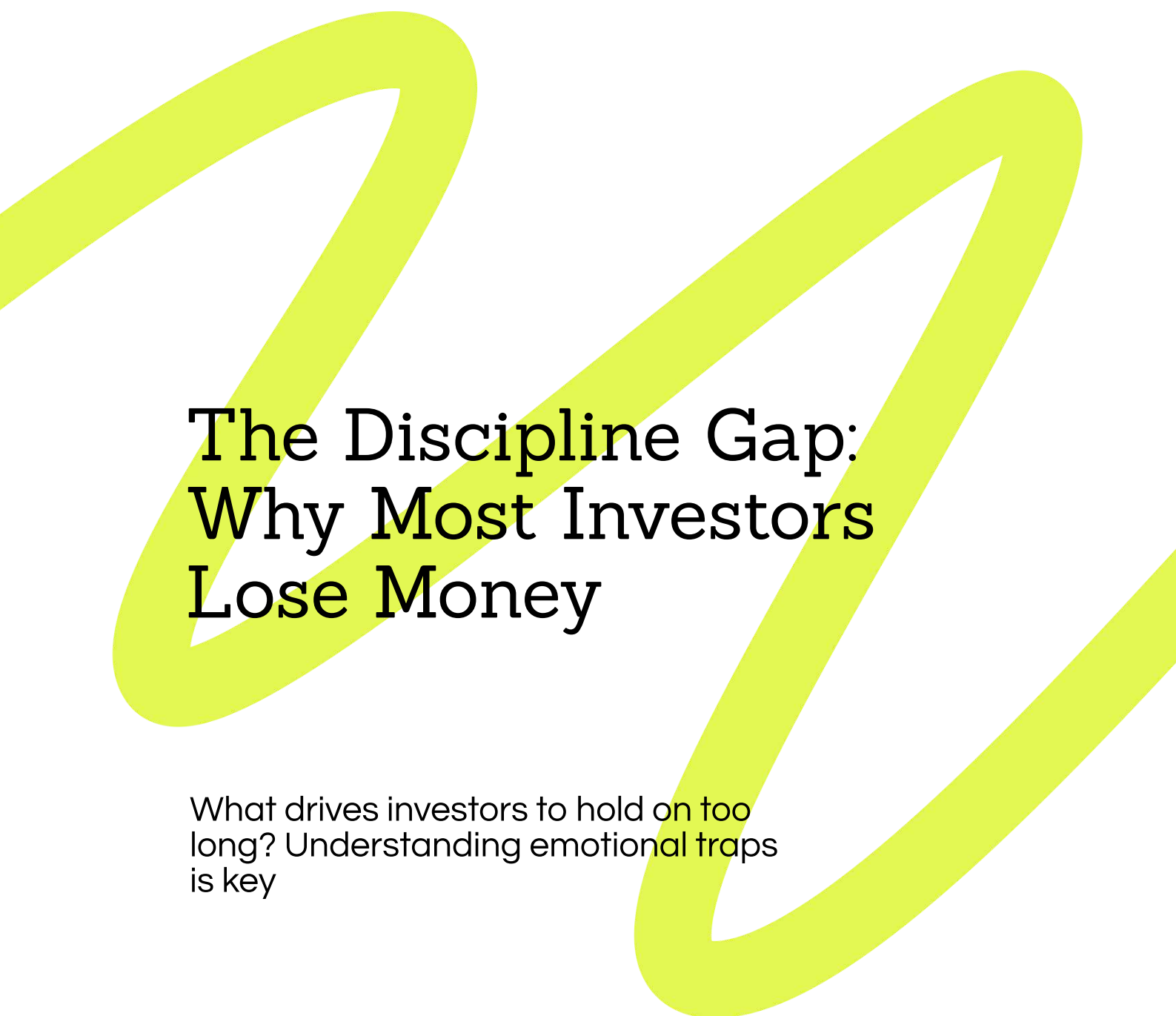




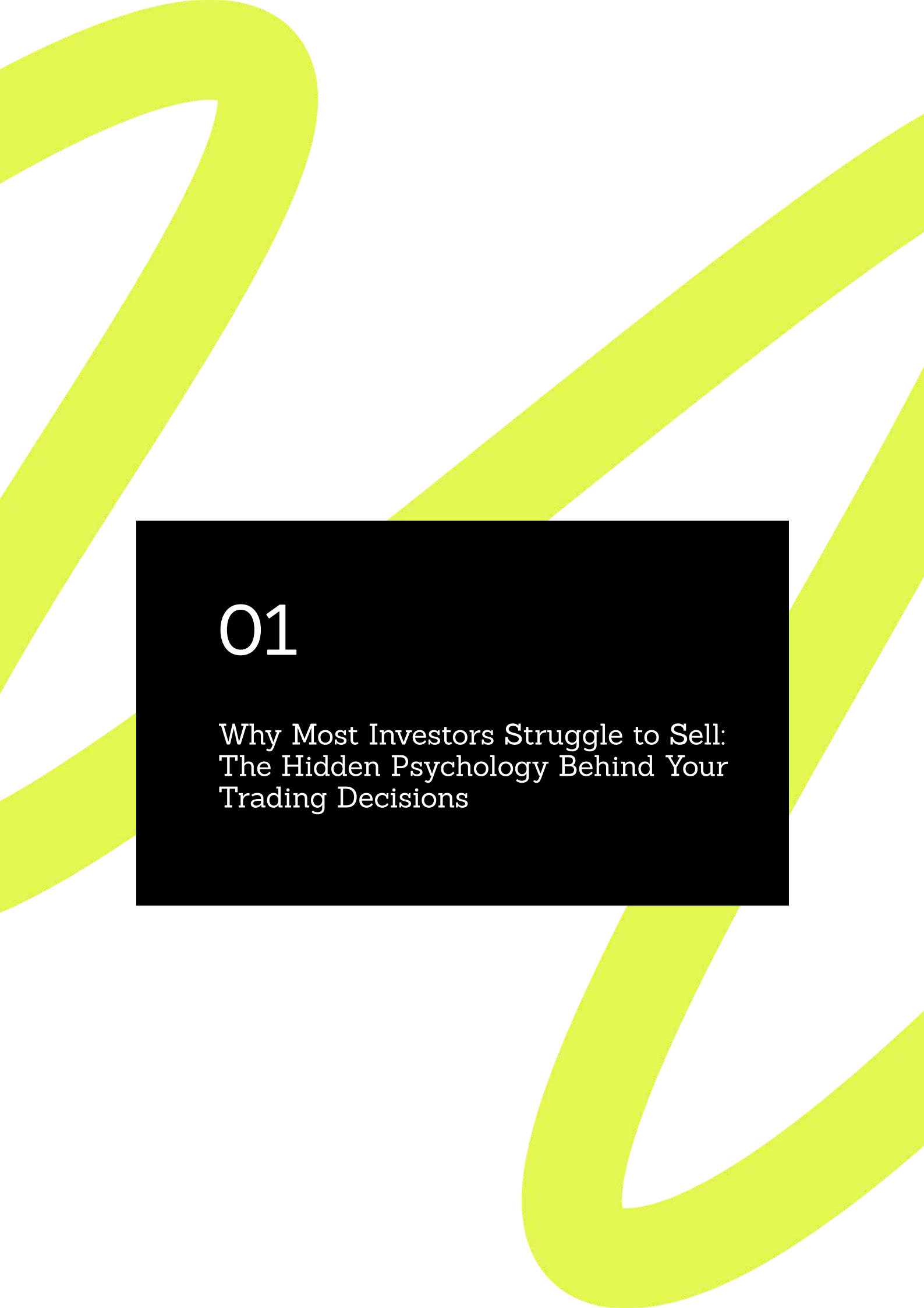
The Discipline Gap: Why Most Investors Lose Money

What drives investors to hold on too long? Understanding emotional traps is key

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01

Why Most Investors Struggle to Sell:
The Hidden Psychology Behind Your
Trading Decisions

At Market Insider, we've reviewed thousands of portfolios over the years. Ranjeet has personally spoken to investors from every walk of life—city traders, retirees managing their ISAs, self-employed business owners trying to build a nest egg. And no matter how different their backgrounds, one pattern kept coming up again and again.

It wasn't that they lacked access to information. It wasn't that they didn't understand how markets work. And it wasn't even that they were lazy or careless.

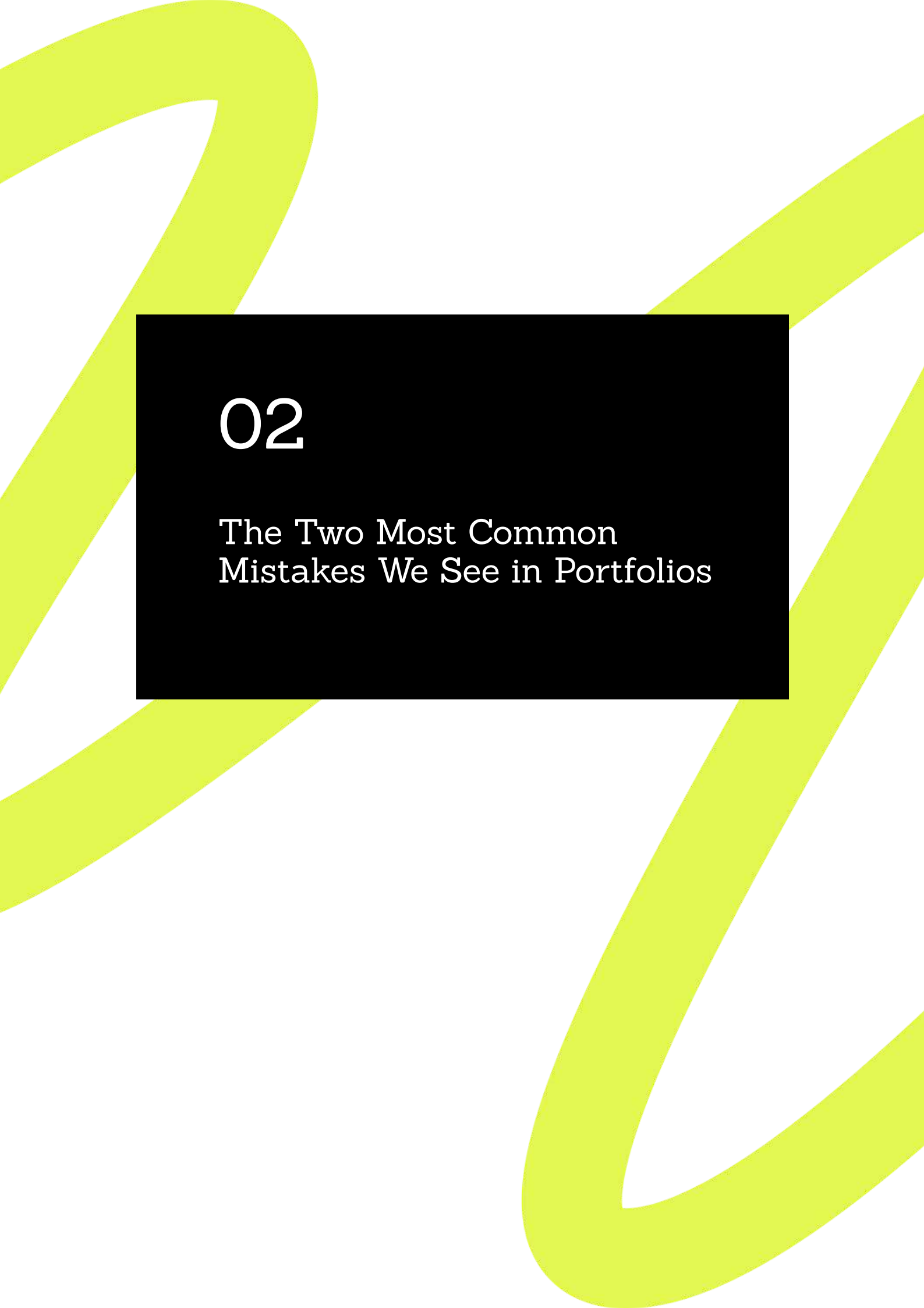
It was something much more subtle—and much more powerful.

Most investors simply don't have the discipline to sell.

Whether they're sitting on a profit or nursing a loss, the decision to exit a position is the point where emotion takes over and logic goes out the window.

This is not a theory. It's a statistical reality. According to DALBAR, an independent research firm that studies investor behaviour, the average equity fund investor has consistently underperformed the market by about 4% per year over the past two decades. That gap isn't because of bad research or poor stock selection. It's because of poor timing—specifically, the inability to buy and sell rationally.

So why is it so hard to sell? And what can you do about it? Let's take a closer look.



02

The Two Most Common
Mistakes We See in Portfolios

When we review portfolios at Market Insider, there are two mistakes we see more than any others:

1. Not selling when you're in profit.
2. Not selling when you're losing money.

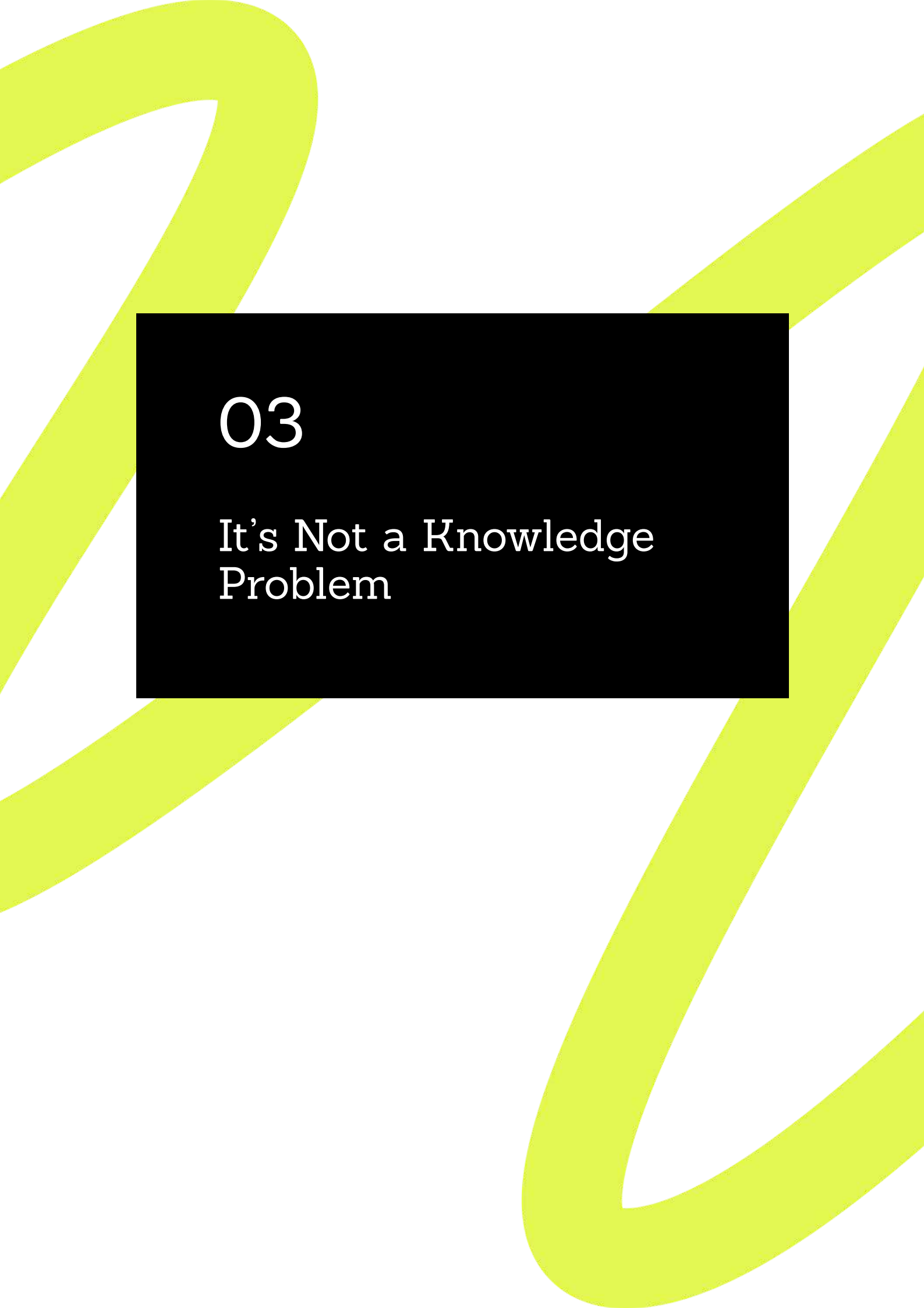
You might think those are opposite problems, but they actually share the same root cause—psychological resistance.

Let's say you're up 20% on a position. Logically, that's fantastic. But emotionally, you start thinking, If I sell now and it keeps going up, I'll feel like an idiot. So you hang on longer than you planned.

This is called FOMO—Fear of Missing Out.

And when you're losing money, the reverse happens. You're down 20%, and instead of cutting your loss, you tell yourself, It'll bounce back. I'll just hold until I'm back to breakeven. That's loss aversion in action—an unwillingness to accept defeat.

If you recognise yourself in either scenario, you're not alone. According to behavioural finance researchers at the University of Chicago, investors feel the pain of loss about twice as strongly as the pleasure of gains. This is why so many portfolios end up stuck—positions that should have been sold ages ago continue to drag down performance.



03

It's Not a Knowledge
Problem

Most investors think that if they just learn more—read more books, follow more experts, watch more financial news—they'll solve this problem.

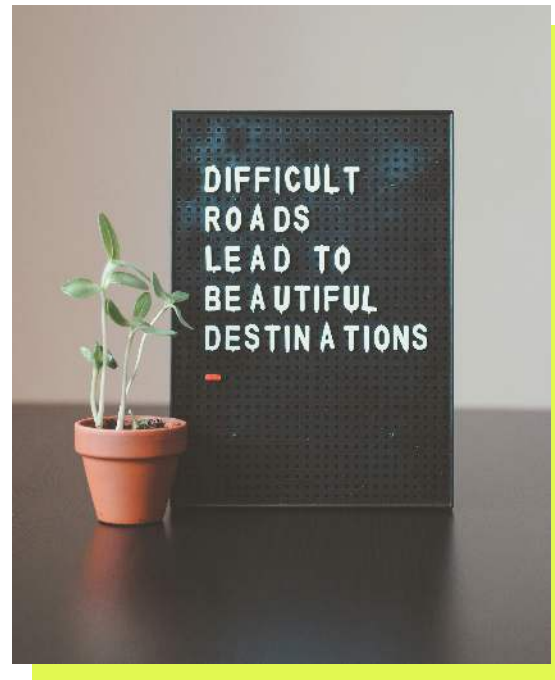
But in our experience, more knowledge doesn't fix it. More information can actually make things worse, because you can always find a justification to hold on just a little bit longer.

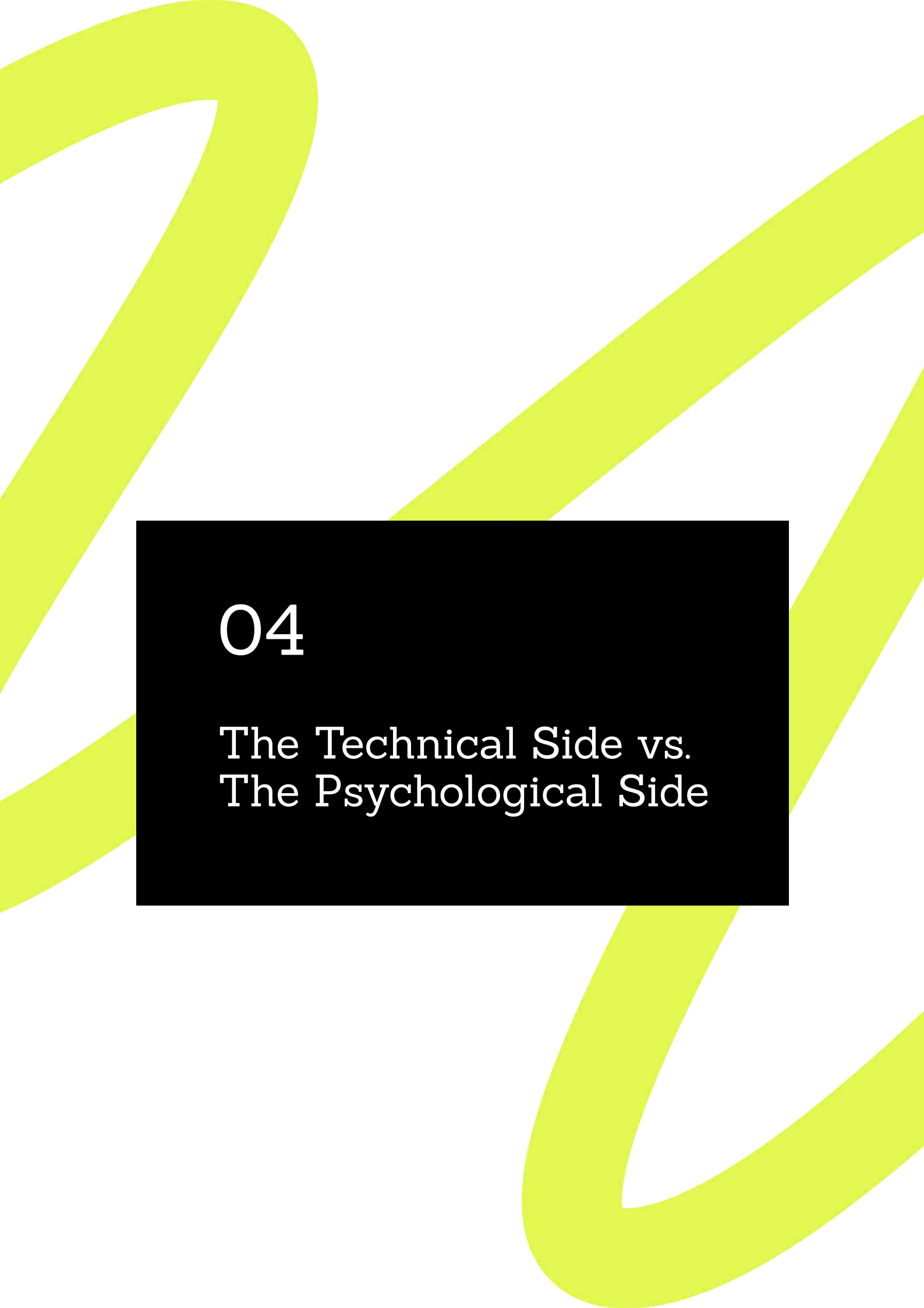
The truth is, this is not a lack of information problem. It's a lack of discipline problem.

Professional investors know this. Ask any trader who's survived more than a decade in the markets, and they'll tell you the same thing: your mind is your biggest enemy.

Sure, you need a process. You need research. You need a strategy.

But if you don't control your psychology, none of that matters.





04

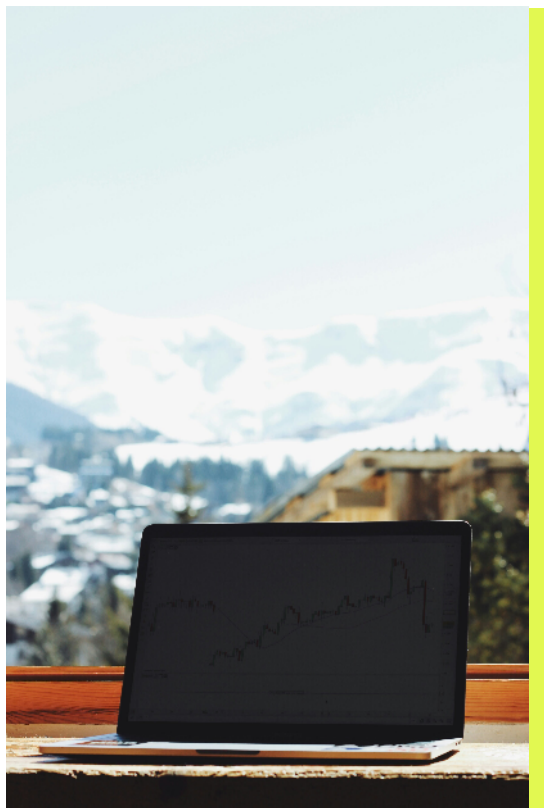
The Technical Side vs.
The Psychological Side

Trading success has two parts:

1. **The Technical and Analytical Side**—understanding valuations, dividends, earnings announcements, economic cycles, and all the other moving pieces.
2. **The Psychological Side**—your discipline, your mindset, and your ability to act on your plan without emotion getting in the way.

Most investors focus 95% of their energy on the first part. They spend hours analysing charts and reading broker reports. And then, when it comes time to act, they freeze.

This is why even highly intelligent, well-informed people still fail in the markets. It's not because they don't understand the numbers. It's because they don't understand themselves.





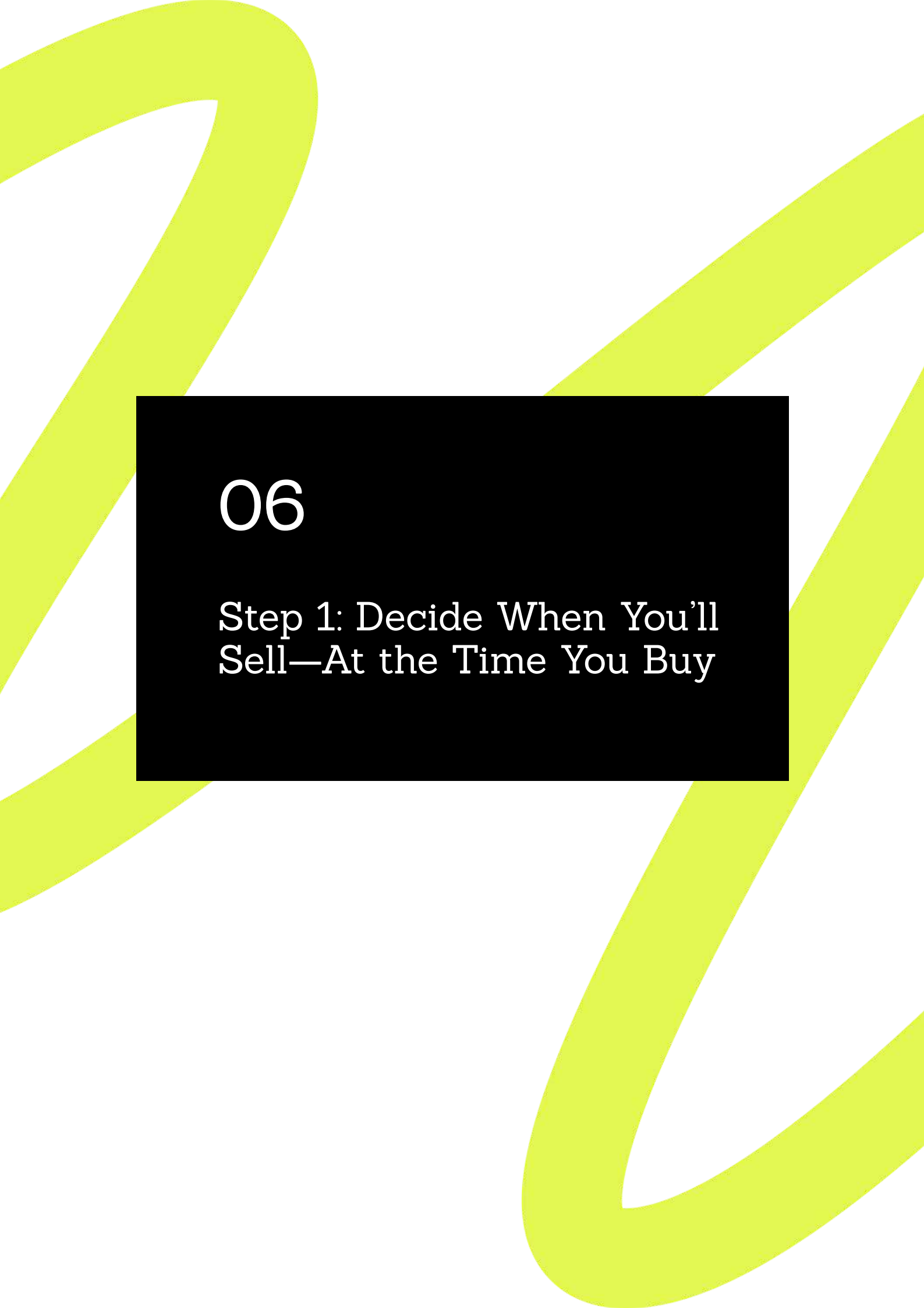
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The Good News:
Discipline Is Trainable



This is where it gets encouraging. Developing technical knowledge takes years. But fixing your psychology is much faster. With the right tools and systems, you can transform how you approach selling in a matter of weeks—not decades.

In fact, there are two simple steps that we recommend to every client who wants to build better discipline.



06

Step 1: Decide When You'll
Sell—At the Time You Buy

This is critical. You can't rely on yourself to make a rational decision in the heat of the moment.

At the time you enter a trade, you are calm. You're looking at the numbers objectively. That's the perfect moment to decide your exit points.

- **Profit Target:** For example, "I will sell when the price is 20% higher."
- **Stop Loss:** "I will sell if it falls 10%."

This might sound obvious, but most investors never do it. They buy first, and then decide later. And when later comes, emotion clouds their judgment.

If you only do one thing after reading this report, make it this: Write down your exit criteria the day you buy.





07

Step 2: Place Your Sell
Orders Immediately

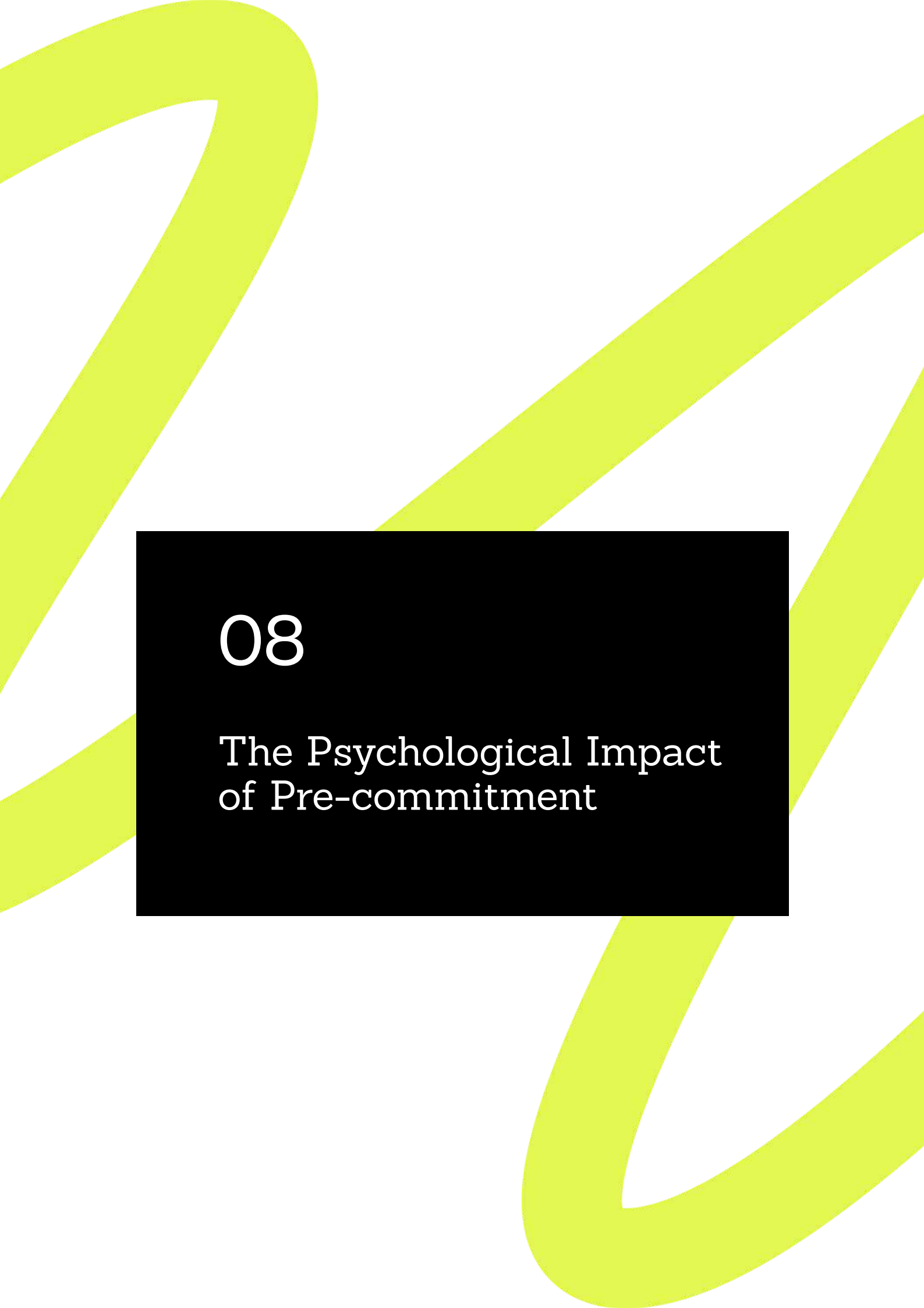
Even if you set targets, you still need to remove yourself from the decision-making process.

That means placing your stop-loss and limit orders straight away.

When your targets are pre-set in the market, you don't have to wrestle with yourself later. The decision is made, the order is sitting there, and it will execute automatically.

This single practice will transform your discipline more than any book or seminar.





08

The Psychological Impact
of Pre-commitment



In psychology, this is called pre-commitment. Nobel Prize-winning economist Thomas Schelling wrote about this decades ago. He showed that when people publicly commit to a course of action—and lock in their decisions in advance—they are far more likely to follow through.

It's the same principle behind automatic savings plans. If you have to decide every month to save money, you probably won't. But if you set up an automatic transfer on payday, you'll save without thinking about it.

Selling is no different.



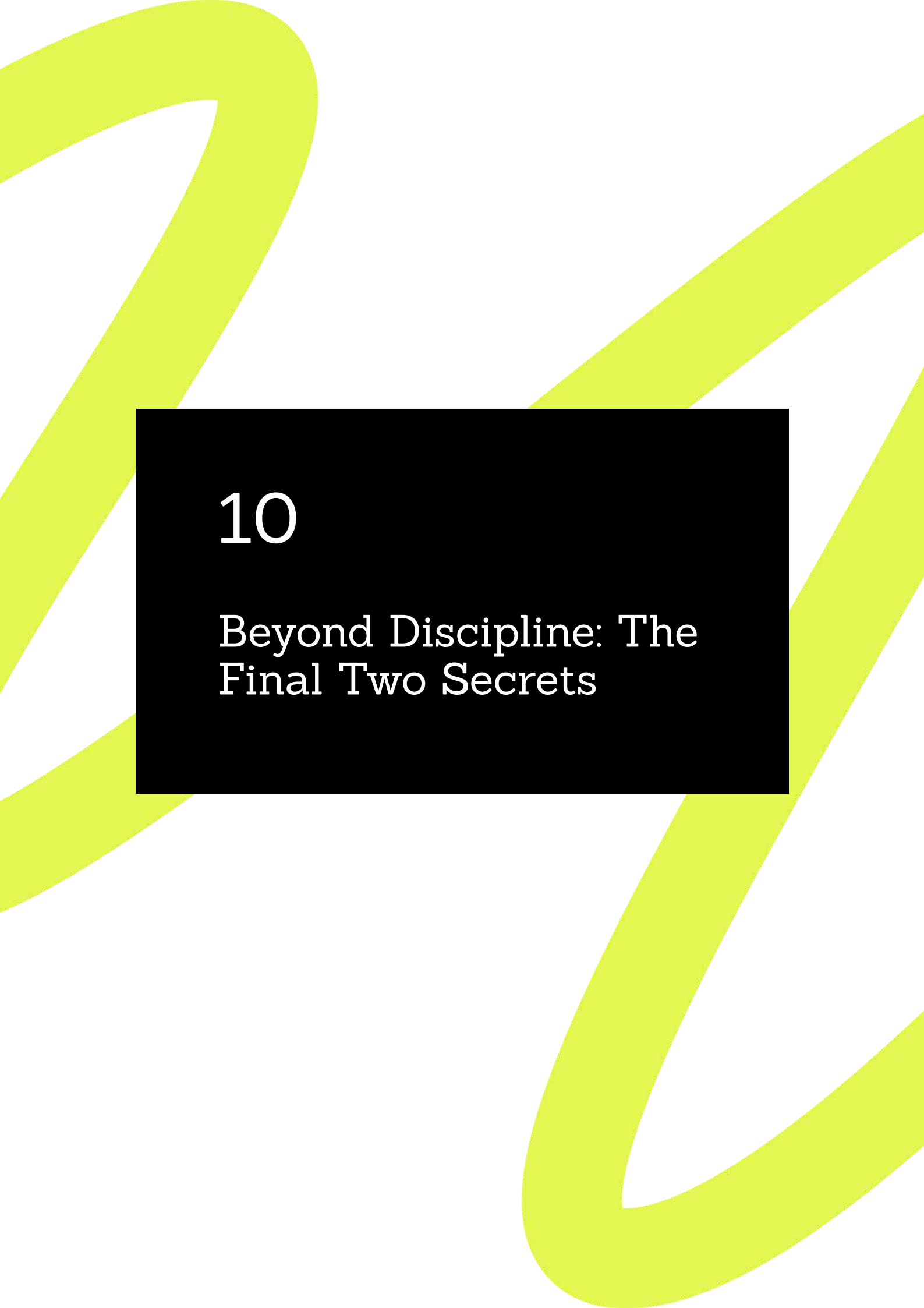
09

What Happens When
You Get This Right?

When you combine these two steps—setting your targets and automating your exits—something magical happens. You take emotion out of the process. You stop second-guessing yourself. You start executing consistently.

At Market Insider, we've seen clients increase their portfolio returns by as much as 15–20% per year simply by adopting better discipline.

Not because they changed what they bought. But because they changed how they sold.



10

Beyond Discipline: The
Final Two Secrets

Of course, there are other techniques that can help you get even stronger results. In our premium membership, we teach:

- **Dynamic Position Sizing:** Adjusting your exposure based on volatility and conviction.
- **Momentum Scaling:** Locking in profits progressively as price moves in your favour.

These are more advanced, but they build on the same foundation: having a plan, and sticking to it.

If you want to learn more about these methods, we offer a free Telegram channel exclusively for high-net-worth investors (£250k portfolios and above). You'll get twice-weekly research, trade ideas, and deeper insights into the psychology of successful investing.



11

Final Thoughts: It's Not
About Being Perfect

Let's be clear: no trader is perfect. You'll still have moments of doubt. You'll still question your decisions.

But if you put these simple rules in place—decide your exits upfront and automate your orders—you'll protect yourself from the biggest risk of all: your own emotions.

Knowledge is important. But discipline is what turns knowledge into profit.

If you're serious about taking your investing to the next level, start here.

And remember: the hardest part isn't learning what to do—it's actually doing it.

Market Insider does not provide investment advice and therefore is not regulated by the Financial Conduct Authority (FCA). We provide research and analysis to allow our clients to make better informed decisions, helping them to grow their share portfolios with more control. However, performance is not guaranteed and your capital is at risk.





The Discipline...

In "The Discipline Gap: Why Most Investors Lose Money," Ranjeet uncovers the psychological barriers that prevent investors from selling, revealing that emotional decision-making often trumps logical analysis. With insights from thousands of portfolios, he emphasizes that true trading success hinges not on knowledge, but on disciplined execution. This book provides practical strategies to transform your approach to selling, helping you escape the cycle of underperformance and reclaim your financial future.