Leveraged
Life

My 4 Margin Rules

The rules I set before my very first leveraged trade

I'm in my mid-forties. Corporate job. Married with one kid. 25 years of investing. Before I borrowed a single dollar on margin, I set these 4 non-negotiable rules.

01 Never exceed 50% of available margin

I will never use more than half of what I can borrow. A margin call — where WealthSimple forces me to liquidate positions to cover the debt — is the nightmare scenario. The 50% ceiling keeps me far enough away that normal market volatility will never push me there.

WHY THIS MATTERS: Protects against forced selling at the worst possible time.

02 Every trade needs a written thesis first

Before any leveraged position, I write out exactly why I'm making it and post it publicly on Blossom. If I can't explain the trade clearly enough to publish it, I don't make it. Conviction must be documented before capital is deployed.

WHY THIS MATTERS: Eliminates emotional and impulse trading with borrowed money.

03 Interest is always in the return calculation

A 10% gain funded by borrowed capital at 10% interest is a 0% gain. Every single return I calculate accounts for the full cost of borrowing. The interest compounds daily and deserves to be front and centre — never buried in a footnote.

WHY THIS MATTERS: Ensures I never fool myself about whether leverage is actually adding value.

04 Full transparency — especially on losses

The wins go on screen. The losses go on screen. The moments of doubt go on screen. After 25 years of investing I know that losses are where the real lessons live. If this experiment proves that Buffett was right and leverage destroys value — that conclusion is

WHY THIS MATTERS: Accountability keeps discipline intact month after month.