THE
INTELLIGENT INVESTING BLUEPRINT

How To Have More Choice and Financial Freedom Using Shares, Property and Business Investment Strategies

BY

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First Edition 2016 |

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INTRODUCTION

If you are reading, or listening to this book you most likely are already investing or are about to start investing. And why? Because you have chosen to use Shares, Property or Business Investments as a key tool to providing yourself with more Freedom in your Lifestyle.

It's highly typical that you already know there is more to life than just 'existing'. You have dreams and desires for yourself, your family and for those you care about that are unmet. And maybe over the years you've tried to find way to achieve them without success. Or you've had 'part' success. The intention of this book is to ensure you are educated and learn more investment opportunities and considerations in an easy to understand way - so that, if you want to, you can **Enjoy MORE of What You Want In Life.**

So what are we all after? Well for those of you who have already seen the posts on the **Intelligent Investing HQ** Facebook page or on the **Intelligent Investing HQ** YouTube Channel - or even for those of you already part of one of the **Intelligent Investing HQ** Coaching programs or the online Mastermind Group - you will have heard this before.

We are all here for an experience. As humans we have the capacity to experience something just within ourselves. And also to experience and share with others. I reckon ultimately life is about being happy. I know - that sounds very simple. But I'm a big believer in keeping life simple and not trying to make everything so complicated.

Personally I am happiest when I am in 'my flow'. Just doing activities that give me joy. And this is often giving something to others. It may be my time, my love, my compassion, my mateship. And it's in giving that we get to experience the true depth and purpose of life.

OK now! Getting a bit heavy. So how does this relate to investing?

I have discovered, as I'm sure you have as well, that good financial and investment strategies can greatly aid in achieving your lifestyle dreams.

Any successful investor will tell you that an investment strategy that allows them to get results that support their lifestyle is 'what it's all about'. The bottom line - why invest at all. What's the point? If you can achieve all your experiences without using financial or investment assets or products - then please crack on. Do it and enjoy.

Investing is not mandatory. It's not the only way to experience more of what you want in life. It is simply a vehicle. A vehicle that some people choose to use to expand on the opportunities they already have. Or the opportunities they want to create. It's a means to an end. It is NOT the end itself. I have used financial and investment strategies to create a multi-million dollar portfolio that gives me more time, more choice and the quality of life that I want. To spend time with my family and friends and to experience so much of what life has to offer.

I have been teaching, coaching and mentoring people from around the world for over 10 years now, how they too can experience a lifestyle of freedom and choice. So what will you get from reading this book or listening to the audio? Well, let me be clear up front.

This book is NOT about the latest and greatest stock market, property development or business marketing tips. And indeed there may be some concepts in here that you have heard of before. You will quickly learn why some existing concepts and theories either don't work at all - or are often mis-understood.

What this book will SHOW YOU is the importance of developing an investment strategy that is relevant and supportive of YOUR goals. Not someone else's. Plus the importance of then adjusting the strategy as your life situation changes. The book will SHOW YOU the system you can apply to generate greater investing success regardless of what types of investment or investments you choose.

Now - how is this possible? How can one system work across any investment.

Because it's about aligning your personal goals with your investment strategy. Most people don't have an investment strategy. They view investments and their financial set-up in a kind of isolation to everything else. And often use the 'set & forget' mentality. And that just by itself - creates a huge problem.

In the book you will learn about how to determine:

- what your personal goals are,
- what financial results do you need to support those goals,
- how to analyse an investment,
- what investment considerations are relevant to each investing decision,
- how to link the results of the investment with your personal goals,

- how to measure the investments performance, and
- who do you need to guide and support you.

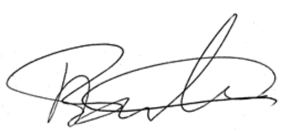
Each chapter can be read in isolation. There are also free downloads, action items, videos and other amazing offers - all designed to SUPPORT you in your intelligent investing journey.

But by understanding and applying the full system you will see how effective and efficient this can be. This is the system and process that you can implement RIGHT NOW in your current investments. Or in the investments that you are about to start building.

Your lifestyle of more *time,* *choice* and *freedom* will be achieved faster, with less stress and these results will have a compounding effect both in your ongoing investments and in your personal lifestyle.

So why even improve your financial and investment IQ?

And what's the importance and difference of using an Authentic, Intelligent Investing strategy?



Well, let us begin ...

Duncan Buchanan

CHAPTER 1

So What Is Authentic, Intelligent Investing?

I'd Experienced a Lifestyle of Happiness & Freedom - Temporarily.

So… "How do I make it Permanent?"

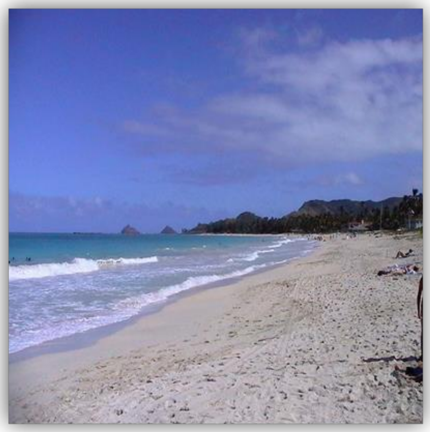
Sometimes when you talk with successful investors they may be able to tell you a story of the one, single life changing event that was the catalyst - the driver to just changing their lives.

For me it was a series of events. In addition, it is one that I occasionally share in detail at live events because there are quite a few inter-related occurrences.

But there WAS a single timeframe that was the key driver for me to DEMAND of myself a pivotal change.

I had been on a military exchange from the Australian Army working with the United States Marine Corps (USMC) and posted to one of their Battalions stationed in Hawaii. I mean...Hawaiiiii baby!!!

Palm trees and coconuts. Mai Tais, beaches and sunsets. It really was a paradise to live. And the conditions of service allowed us to get a house near the Marine Corps base which was at Kaneohe Bay on Oahu. So we lived in the next suburb of Kailua.



The house was next to the beach, in fact there were only two houses between us and the sand. We would walk out our front door, down the sandy path and onto the beach overlooking the Pacific Ocean in about 30 seconds. The rent was humongous. Several thousands of dollars a month and we didn't have to pay it. Nor did we need to pay for electricity or water.

Due to the low exchange rate back then the Aussie dollar was equivalent to only US 0.44c. My salary was effectively doubled for those years so we could afford to still buy groceries, etc.

My wife was working a Part-Time job in Honolulu and loving it. Her salary covered what little living expenses we had. My "doubled" salary was free to be used anyway we wanted. So we ate out a lot, travelled every few weeks. Took 3-4 weeks off every 6 months and travelled overseas somewhere in the Northern Hemisphere. Travelled around the US mainland, Western Europe, the UK, went on Cruises and visited all the other Hawaiian island several times.

I mean we had not a care in the world. It was an amazing couple of years. Sure there were tough times - I had two overseas operational tours with the Marines including being involved in the US-led operations in Iraq in 2003.

But overall it was magical. And then to top it all off in the last few months we were there, Penni become pregnant with our first child. Our time was up by this stage and back to Australia we came.

And we returned to Melbourne. We had been living in Darwin before going to Hawaii so we had not really experienced winter or cold for about 5 years. Nor had we been part of a big 'city' for many years either. So Melbourne, Australia's 2nd largest capital city, was a big shock to the system.

I was working 1 1/2 hours away from the house - so was commuting 3 hours a day on top of the working day. And within just 4 weeks of arriving back in Australia, Penni gave birth to our first child - a boy. I was wrapped. I had always committed to wanting to be a Dad that was closely involved in the upbringing of my kids. To help out at home and to be part of nurturing them and sharing values and ideals.

But when I found myself leaving home when it was dark, coming home when it was dark after a long work day plus 3 hours commute. Well this was tough. And I was NOT happy. This was a strain on both of us. And was so different to the life we had been living only a few months earlier.

We had experienced, albeit temporary, what we felt a great lifestyle was. Plenty of choice, freedom, great experiences, travelling and sharing this with other people we loved - family and friends.

This new experience in Melbourne was not it. This was not fun. There was no choice. We both felt very unsettled, not relaxed and aside from a beautiful baby boy - life kinda sucked.

When you know something has to change - well something has to change. What I mean by this statement is for something in your life to change you can’t keep taking the same action and expecting the changes to just ‘magically’ happen. You need to change something if you want to experience something different.

Back then we believed the answer to having our freedom back and also having more time and choice - was to have more money. “If we have more money,” we said to each other “then maybe we could work less or do more fun things. Then we will be more relaxed and happy”

The Army was not going to give me a pay raise no matter how good I was or how hard I worked. Therefore, we needed alternatives. Over the next 12 months I spent heavily on property investing courses, share trading course, internet business, multi-level marketing opportunities and just plain old saving, saving, saving. Becoming super-frugal and living the lives of a hermit.

This was the start of our journey to Lifestyle Choice through investing. So much changed over the following decade. Some investments made us good money and some lost us good money. Some were quite easy and enjoyable, others were stressful and ones we wished we had never started.

As I look back though, two things have remained constant.

Firstly - *remembering why I was investing at all in the first place*. Although in the first few years this 'investing thing' became a bit clouded and at times I forgot all about it. Over the years an understanding as to why I was investing has never changed. I mean, what was it all for.

Earlier I shared that when we were living in Hawaii we felt we were living our 'dream lifestyle'. We never had to worry about money. Bills were always paid. We could go out and do things whenever we wanted. We never felt we needed to 'miss out' because we couldn't afford an experience financially or we had no time. We had heaps of time, plenty of choice and had loads of experiences that made us happy.

Even now - this focus to experience a lifestyle of freedom, fun and helping others has not changed. This for us, and I would suggest for every investor, is the REAL reason why we all invest.

Secondly, the need for *continued growth and contribution*. This trait or characteristic has also remained constant over the years. In fact, it has actually grown in importance. As our life evolves so must we. Investing in myself - to be a better person, a better husband and father, a better investor and better at business. Continuing to learn from others and study myself.

This constant will always be with me. And I relish each and every day to be challenged and to grow and share that contribution with others.

Ultimately - we want more TIME, more FREEDOM and CHOICE so that we can LIVE THE LIFE WE CHOOSE.

Our investing has given us that freedom. It has allowed us to travel all over the place. To have long weekends away - just because we can. To sometimes be the only Dad at the school assemblies and class-room shares. To Coach the local Club soccer and District Rep teams. To allow my wife to connect with her passions and contribute to netball, nippers and help foster a beautiful, loving family environment. We can also be in a position where she builds her own freedom business. To contribute to our local community and to develop the support to build schools in developing countries around the world.

Investing is a vehicle that gets us from where we are now to where we want to be. Over the years, you will need to change and modify that vehicle. How and when to do that I'll outline for you in the following chapters.

A final note on how to make your Intelligent, Authentic Investing permanent. To be successful in creating and maintaining your intelligent, authentic investment portfolio, it's so important to invest in something other than that which will give you purely a financial return. To fully experience the quality of life you want, you must also invest in **your time**, invest in **your energy** and invest in **your emotions**. This is why Intelligent Investing includes conscious, authentic investing decisions that are aligned with your goals, dreams and desires.

By investing this way, your investments SUPPORT your lifestyle. The focus is experiencing the Time and Freedom which then allows you to do whatever it is that is ***Most Important to You.***

How to Experience More of What You Want in Life

As I referred to earlier we all experience what I call 'normal' problems. And I'm sure anyone reading this is wanting to change their current situation to one with more choice, more time and more freedom.

Intelligent Investing is not just about the money. It's about the experiences that money can give us. Doing what we enjoy makes us a living. However it's in what we Give to Others that Makes us a Life.

And giving to others may be through finances, through energy, emotions, time, skills, education, compassion, love and so much more. And why try and create something from scratch. When there are proven systems and steps out there that will allow you to experience this kind of Life.

The Intelligent Investing Blueprint on the surface provides the steps to understand, enhance and then manage your financial investments. And it has become far more than that. So many clients have experienced a growth in their personal development. Some have experienced significant life changing realisations. Others have learned things which have had a ‘smaller’ impact on their lives. And improved them as well.

The Intelligent Investing Blueprint Defined

The Intelligent Investing Blueprint - the name itself has been selected quite carefully. Understanding this definition will help you decide if the Blueprint is what you know in your heart and your intuition that you need. I want to quickly expand on each word for you. Because if you know what I know…just in the definitions of the words - then the lessons, tips and guidance in the book will help you so much more. Or you will decide that you are happy just doing what you’ve always done and keep getting what you’ve always had. Your call :-)

Firstly - Investing. As I eluded to before investing is where we invest our time, money, energy and resources. The term ‘investing’ for most people immediately brings to mind financial investing. And this book is about the overall reason BEHIND WHY you may want to invest. PLUS some practical action steps to follow on the financial investing side.

The online and personalised 1:1 training cover the other areas in our lives in which we can invest. But that is for those who want to get their lives and investing to the next level.

The definitions of Investing as found through *dictionary.com* states:

"to put (money) to use, by purchase or expenditure, in something offering potential profitable returns, as interest, income, or appreciation in value."

Also

"to use, give, or devote (time, talent, etc.), as for a purpose or to achieve something"

So clearly we see that investing is most common considered with reference to finance and ALSO relates to investing through time or resources in order to achieve something.

When I refer to investing in this book and throughout our different education and training, investing refers to BOTH the investment of money *as well as* the investment of time or skill. Both investing though occurs for one purpose. And that is to achieve something. We all invest for a reason.

Secondly - Intelligent. This is defined as:

"to have or show an understanding of"

For example an Intelligence Test is about testing someone's understanding rather than the level of their acquired knowledge. Don't mix up intelligence with information or knowledge. If making Intelligent decisions was solely based on knowledge then surely librarians would be the most intelligent people. It's not about knowledge or information.

Have you heard the saying "Knowledge Is Power"? Well that's garbage. And as someone who, during my nearly 18 years in the military worked in areas that collected 'information'. I can confirm that knowledge is useless unless you do something with it. Information is a collection of data, research and opinions. To be intelligent we need to apply it to our own situation, our own goals and become educated.

I hope that you can now understand that the basis of Intelligent Investing is about:

Investing with the purpose to achieve something withan understanding of what is happening.

We can even go one step further and ask what does the word understanding mean. Understanding by definition means:

"Good judgement or insight - sympathetic to feelings (to be understanding towards someone), power of thought, of agreement or harmony"

What we learn here is that by making Intelligent decisions, this shows an understanding of something. It also means that we are making those decisions with good judgement, through the power of thought and in agreement of harmony with ourselves or others.

Now I feel this may be getting pretty deep for some of you. What I really what you to take away from this chapter is that making Intelligent Investing decisions can also be described as:

Investing your Time or Money to achieve something through good judgement in harmony with yourself or others.

And you will see this theme permeate throughout the book. And I know you will gain further clarity into why investing with purpose and in harmony with your surrounds will in ALL situations give you a better result than not doing it. EVERY TIME - Guaranteed!!

Finally, is the last word - **Blueprint**. Almost a throw away word now that we've delved deep into the other two words. Yet still purposeful as it's definition is:

"something which acts as a plan, model, or template for others."

What you can see here is that a Blueprint is a plan that can be customised for other (people) and other (results). It 'acts' as a model. The Blueprint itself is not THE model. It is the template, the system in which when applied to individual goals and lifestyle will act, or provide the plan or strategy in which you achieve your result.

So when we put all this together - the *Intelligent Investing Blueprint* - what you are about to learn more about; and what I encourage you to get more involved with after this book is:

This may or may not resonate with you. Either way that's fine. It's important to get clear as to the power and purpose of Intelligent Investing. And from here you can learn about the Intelligent Investing Blueprint - use the 3-Step System to align your financial and investing results to you can Enjoy More of What You Most Want In Life.

> **Investing Your Time or Money to Achieve Something of Purpose Through Good Judgement & Harmony By Using An Existing, Flexible System or Plan.**

The Game of Investing

Success with the Intelligent Investing Blueprint I believe is similar to a game of sport. We need to firstly know what game we are playing. By this I mean, once we are clear about our future personal and financial goals and have been able to articulate clearer and more defined results that we want - we can then select the game that produces these results.

If you want fast flowing, high impact results that the game of lawn bowls is probably not the best game to play. Maybe getting into a game like ice hockey is better aligned with not only the results you want but also how you want to achieve them.

Then we need to know the rules of the investing game. No point playing your selected game without knowing how to play and what the rules are.

The rules are there so everyone playing knows how to interact with each other, how to play the game safely and everyone is aware of their roles and when the game finishes.

What the boundaries are.

What happens if you break the rules.

How to know when to call Full-Time and to stop playing the game.

The same applies to selecting your investment strategy. Knowing the rules and how the game is played and you will find you will have a HUGE benefit in the success you want.

I have met so many people trying to use the rules of lawn bowls in the middle of an ice hockey game. It's the right game - but they are playing it the wrong way.

I guess the final part of knowing your investing game comes for the personal interaction that sport has. Every sporting team and sports person has a Coach.

The Coach of the team is there to assist both the individuals and the team as a whole to get the result that is the most important to achieve. The Coach is experienced in the game and has achieved their own personal success from playing the game.

The Coach will devise the strategy and guide the team towards the best way to achieve the desired outcome. He is able to work with the individuals in the team to develop their strengths and also to optimise the strengths of other team members to make the game more fun and more successful.

However the Coach really comes into their own when the game gets hard. Or the team is losing. Knowing how to adjust the game plan is critical. A good Coach will not blindly follow one, single game plan regardless of if the game changes.

Either the rules can change or even the playing conditions require adjustments to be made.

When you are in the middle of the game and focused on your role, it is often challenging to see the big picture and know WHEN and HOW to change. This is a key reason why your

Coach is so important. Imagine trying to play the game without a Coach

No-one knows their roles and if the experienced players who may be able to adjust to changes cannot affect the changes of their team mates. Adjustments can be made, the game can be played in a disjointed environment. It's the difference between a smooth game and a really hard-fought battle.

Your Team will help determine if you win or lose the game. It's one thing having a team where each person is individually brilliant, but if they are not playing as a team but rather as a bunch of individuals then there is no team cohesion and the results just don't look promising.

Each player will have their own strengths and if played as a team, with the one goal in mind and the central guidance of the Coach the results are magnified and so much easier to achieve. Some ideas of how to select your team is outlined later in the book.

CHAPTER 2

The 5 Most Common Mistakes (And How To Solve Them)

What Does Not Work

Making your Intelligent Investing portfolio permanent is, as I hope you understand by now, all about having more TIME, FREEDOM and QUALITY OF LIFE. From the time I made my very first investment in a managed fund at the age of 17 to the present I've tried just about every type if investment vehicle that's out there.

I've learned about the finance and property industry from the inside. I've built and run successful finance and property businesses. I've coached small business owners on how to grow their profits and enhance their client's experience. The common theme was…you guess it. Less Mistakes with more CHOICE and more TIME.

Having had the privilege of speaking with thousands of investors around Australia and overseas there are not too many types of investments which I have not seen or been a part of, and, I know there are more out there I am yet to discover.

Through my own experiences and being blessed to have had so many people share with me their journeys, I have a very good idea as to what works and what does not work. This has been over a decade so far of learnings and there is always some new distinctions that pop up every now and then. You never stop learning, especially if you are aware enough to know that the world is forever changing, as are we humans. Every day we change and every day we have the chance to grow and make a contribution for the better in the lives of others.

In this chapter I want to firstly share some distinctions on the types of investing activity that does not work and is not productive. With the remained of the chapter about providing you with solutions so that you can build your own strategy. However it's very important to spend some time on the areas that can be improved and what the learnings from others have been.

Please note that whilst this is not an exhaustive list, I am going to share with you the ***FIVE Most Common Mistakes*** that investors around the world make. And in some cases, they may not even realise they are making them.

These are also situationally dependant. This means that these challenges are not applicable to everyone all the time. Each challenge has its own 'subset' of challenges which would be another book in itself just to analyse each and every one. Be aware of these challenges, I'm sure some of you will very easily relate to one or more of them.

Here's my last point: These mistakes are what I call 'normal' problems. You will experience some or all of them to some degree. Be kind to yourself and know it's OK to experience some or all of these 'normal' problems at some point. And it's only OK if you then do something about it and change so you don't keep making the some mistakes. This is your first chance to start changing. To start doing something about it. Once you become aware of and are conscious of alternate options that will help you - it's very difficult to knowingly do nothing. Or even knowingly decide to keep acting in a manner that has not served you the best in the past.

So let's get clear on these five common mistakes and then I'll show you how to change them.

Mistake #1 - Information Overwhelm

Ever heard this "just do more research", "the devil is in the detail", "you'll be fine if you study the market". Now whilst all this is true, far too many people (me included) get to information overwhelm. There is SOOOOOO much information out there and a lot of if is conflicting - how do you know what is right and what is wrong? And when you overlay this with a lack of time (which I'll discuss next) you can have a huge compounding problem.

As an Investment Educator and Coach, it's actually kinda good to see people in Information Overwhelm. Why? - would you ask. Because it means that you are actually 'out there looking'. You are smart enough to know that there is more to learn and you want to change or at least gain some certainty that you are on the right path.

It shows me that you are active and already interested in ‘getting it right’.

So what is the problem? Investors can make rushed decisions and more commonly make poorly informed decisions when trying to get a result. They don’t know what information to believe and what steps to take, and it’s often because there is a lack of alignment between investment strategy and personal goals. The investment decisions are being made in isolation.

Also it’s common that some investors will take guidance from others who are NOT on the same page as them. They have not achieved what you want and are talking to you from a place of theory - and not practical experience.

As there is significant information available now - in fact more so than ever before (and it’s only going to get greater) there is a difference between information and education. Between data and intelligence. The result is a gap between what you need to know and what you think you need to know, and the confusion of how to bridge that gap.

It is important to know what’s available and then be educated enough to relate the available information to your own current and future situation. This will empower you to make great decisions, be more at peace with your decisions and in turn enjoy the results you want.

How and what details are relevant to you? Well I will discuss more about this in the Second Step in the Intelligent Investing Blueprint, which is of MOVE.

Mistake #2 - Not Enough Time

This is a big one and to be blunt can be honestly re-phrased into “not enough time spent on priorities”. There are 168 hours in a week - for everyone. Enough time to invest in yourself. It is easy to get caught up into non-productive activities. These may make you feel good in the short time (or may not) but certainly don’t help you get closer to your Investment Freedom goals.

I do note that we are all busy, and sometimes get busy being busy. I’m not denying that. However - what is most important to you though. A common challenge as I said is people saying to me “Duncan I know it’s important but I don’t have enough time”.

In one thousand years - how will you be remembered? In fact in 100 years how will you be remembered? Chances are that you will be forgotten. Sorry to tell you :-) So in the short time that you DO have in this life where do you CHOOSE to spend your energy? Again, I think they key word here is ‘choice’.

There are two problems that are experienced in the feeling of ‘not having enough time’. Firstly, some people look to only what is available to them within a 24 hours day rather than a 168-hour week. And by planning the most important things - and then actually scheduling them into a calendar over a whole 168 hour week you'd be surprised at how much you can actually achieve.

The second issue is that when there is time available - because you can still be confused and experiencing information anxiety that whilst you have the time - it's just not productive. Either nothing happens at all, or you use the time inefficiently because you don't have the guidance and support to know where you should be focusing your attention.

The solution is to know that in the limited time you have - where do you spend your time and energy? What are the key distinctions and action steps in that week that will serve you and lead you closer to your desired outcome. Being able to 'cut through' the noise and information overwhelm, you'll discover that you do have the time. You just didn't know how to best use it or what you needed to focus on. Get clear on how you are going to use your time for your finances and investments. If you are confused, work with someone who can assist you put that plan and structure together so you can become more and more effective.

Mistake #3 - Don't Have a Plan

Here's the next one. "Duncan - I know my life HAS to change. What I'm doing is just not working. I'm just not sure where to go from here and what I want".

Hallelujah!! Someone being honest and upfront. The importance of setting goals and targets are critical. This is a key distinction that I'll expand on later.

You must, must, must link or align your personal goals *with* your financial and investment goals. They do NOT operate in isolation. The first few steps I work with my 1:1 clients on, are gaining clarity in BOTH areas.

You need to know what is important to you in life. What your big and little goals are. And then have a plan to get there. Then look at what financial considerations you need in order to make these happen. This is where you start aligning your personal goals with your investment strategy.

Your investment strategy is NOT fixed in stone; it is not a hard-copy document that is rigid regardless. It must be flexible and you must be able to adjust your strategy to suit your life conditions. I've met too many people who are working on an outdated investment plan. It was great when their life conditions where in a different place. However, as their life has evolved, their investment strategy has not; and they are left floundering. At least not optimising their opportunities.

I would suggest that your investment plan or strategy is not so much as set of goals that you feel you need to 'tick off'. Rather, it is about INTENT. My time in the military and mission planning was all about what was called 'Commander's Intent'. This is the same with your financial and investment strategy. It's about understand the 'Intent' of what you are achieving. As there will always be several ways to to achieve the intent.

Even if you don't get it exactly right - sometimes close enough is indeed good enough. Information overwhelm, lack of time priorities and unclear goals is all magnified by this fear of being 'left out' and making mistakes.

Mistake #4 - Fear of Making Mistakes

Hey this is a genuine emotion. And one that is also surmountable, and one to be very aware of. So many have worked hard for so long to build up some savings or to get to the place you are in right now. The last thing you want to do is to 'stuff it up'.

On the other hand, maybe you're not quite at where you want to be and are fearful of making the wrong decisions and losing money, time or both.

When combined with information overwhelm, with conflicting information from so many free (and paid) sources two things generally occur:

a. You do nothing. It's a case of "it's all too hard" so you do nothing. Nothing changes, well in fact your situation can often get worse if you do nothing. Not changing as the rest of the world changes means you are left behind. You are not evolving. You may simply be repeating the same pattern over and over again.

b. You do anything. You start to feel pressured that you should do something. "Something is better than nothing" you say to yourself. Therefore, you do anything in an effort to feel that you are making a decision. You may be acting and deciding simply for the sake of it. Maybe it's to prove to your partner, yourself or your friends that you can make a decision.

I would suggest neither of these actions work. It just ain't a happening thing to get to 'analysis paralysis'. There is a solution to this which is linked to knowing what information is relevant to you and what stage in your investing and lifestyle journey.

Mistake #5 - Try To Go It Alone

I reckon this is the SINGLE BIGGEST mistake, challenge, heartache that I see people experience. Because there still seems to be so much financial fear out there and a reluctance to ‘get help’ or to more correctly phrase this to “invest in yourself”. The result is that so many people still seem willing to ‘gamble’ tens and hundreds of thousands of dollars to see if an investment works.

Rather than just investing in themselves and seeking some guidance first.

I’m forever amazed. But here’s the thing.

THIS WAS ME!!!!

I did exactly this. When I first starting seeking a Freedom Lifestyle and one that I could choose where and with whom I spent my time and energy - I spent heaps of money (and time) into different courses. Trying to learn as much as I could.

I was focusing ONLY on the information or the next ‘shiny thing’ that could become my saviour. I believed I needed to do it all myself. Yes I could get lots of information. But information without context is just more noise. It’s about aligning your personal situation with your financial situation so that you can enjoy more of what you want.

It is CRITICAL to get clear on what information, action and strategies are relevant to you at each stage in your life. That is what will make the difference for you - that I can guarantee.

Now *three things* are accelerated, if you reach out.

Firstly, you can save thousands and thousands of dollars by avoiding mistakes and also learning what works. At the start I used the University of Trial and Error. It was financially painful and put a strain on my emotions and relationships. I wish I had me 12 years ago.

Whether you and I end up sharing your journey or you get some support from someone else - that's completely up to you. Just make sure whoever you choose to work with (or play with) has personal, practical experience and is coming from a place of integrity and authenticity.

Secondly, you save massive amounts of time. I've been working in this finance and investing space for over a decade. And in some areas it's taken me 10 years to get the right structure and process for the optimal results. Why take 10 years like me, when you can learn how to do this in a few months.

Time, unlike money, is not something you can get back. I believe this is one of the most precious commodities on the planet. Trade it and use it wisely. If you could ‘short-cut’ your results and achieve more of what you wanted - how would you feel about that? What more enjoyable experiences could you share?

Thirdly, is what happens if things don’t go the way you want. What if some of your decisions are not managed properly or something else ‘pops up’ and you need to change your direction or change your action steps.

Having someone to help you when the going is rough is sure a MASSIVE help. Heard the saying “A problem shared is a problem halved”. What this really means is by sharing and getting some support you get the energy and wisdom of someone who has either been through the same experience or knows how to navigate around it.

Some specialists in their fields are actually paid well, not for when things go right - but when they go wrong. Some pilots for example are the best - not because they can fly a plane in a straight line - but when something goes wrong they have the most experience to rectify that.

Invest in your team and invest in a coach. Someone who is working beside you to not just guide your way to success, but also to steer you through any challenges. This could save your entire financial future and your entire lifestyle.

Action Taking Resources

1. If you want to gain some clarity for yourself about what is important to you or not important to you in your Investing Lifestyle. Then complete the Intelligent Investing Self-Assessment available online at

https://www.surveymonkey.com/r/XKZFGH7

This is great to get your mind opened up to the possibilities you are either missing - or to discover the areas you need to get some help with .

2. Do you have questions right now that you would like an answer to? Maybe you need someone to give you some guidance about your current investing strategy.

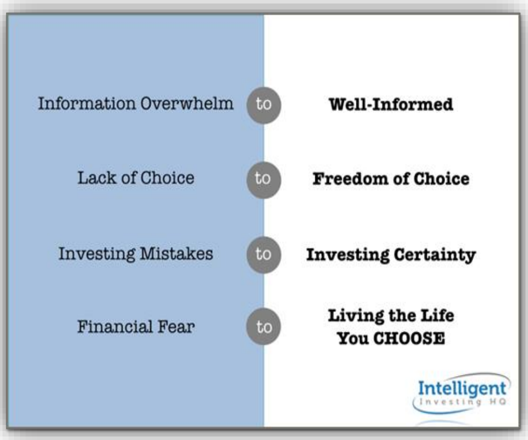
You can book a **Complimentary Investment Clarity Call**. Go to this link and select a suitable day and time for us to call you.

https://intelligentinvestinghq.acuityscheduling.com/schedule.php?appointmentType=1191627

CHAPTER 3

Introducing The 3-Step System of the Intelligent Investing Blueprint

This Investing Blueprint is designed to take you on a journey. A journey where you can move away from what you DON'T want and move closer to what you DO want.



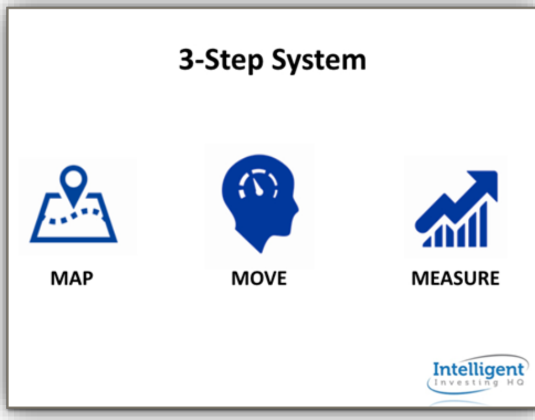
The 3 Steps of the Intelligent Investing Blueprint are the 3 M's:

MAP **MOVE** **MEASURE**

<u>MAP</u>

"Know your start & end points and what you need to do to get there."

It is so easy to do some research, to go to courses or learn new action steps and get excited about doing something different. Nevertheless, are you actually improving? Or do you just keep experiencing the same results, the same frustrations and eventuating settling for whatever 'comes your way'.



On completion of this step, you will have the MAP ready to use for your Investing Lifestyle journey.

- You will know where you are starting from - in detail and how you got there.
- You will know where you want to get to - And Why you want to get there.
- You will know what you need to start changing to Make It Happen.

Building an investment strategy that is aligned to your personal goals and dreams must contain an awareness and a 'reality check' on what tools, resources and opportunities do you have to start with.

Unlocking these key areas through the MAP step then prepares you for the next step. And this is where you get into both growing your Investment IQ, cutting through the noise and understanding what is relevant to you. Then taking Action and making the results happen.

MOVE

"Understand the different Investment Tactics and Strategies available

and learn to apply them Intelligently and with Purpose."

Information Overwhelm, Lack of Time and Repeating Mistakes result from a Lack of Knowledge and Financial Intelligence. If you don't develop your Financial and Investment Intelligence you will be forever living in Doubt, in Fear and without Freedom or Choice. Is that what you want?

The objective of this step, is to allow you to be better informed and have the practical steps to MOVE along your Lifestyle Freedom journey.

- You will be educated on Different Investing Options and how to Analyse Opportunities.

- You will learn about Financial Lending rules and what you need to do to leverage safely.

- You will understand how to use different Ownership Structures like Companies, Trusts, Self Managed Super Funds (SMSFs) and Personal entities as well as the Tax Implications.

- You will know WHO you need on your Lifestyle & Investing Freedom Team.

This step of the Intelligent Investing Blueprint is about taking the building blocks you've put in play in the previous step of MAP and developing your investment strategy. This is where the decisions are made and the action taken.

The final step after MOVE is where you will MEASURE the performance and results of your investments and how they are supporting your goals and lifestyle that you developed in the first step of MAP.

MEASURE

"Review your progress to determine what adjustments you need to make to both

Stay on Track AND Enjoy yourself as you go."

You now must ensure your investments are doing what you want them to do. This is both a detailed and big picture step. If you don't measure your performance, how do you know the true results of your Investments and of your Financial Freedom progress? You will remain inefficient and your Goals will fail without ALWAYS conducting this process.

With good attention to this step, you will have a good understanding of how to MEASURE your Lifestyle & Investing Freedom progress.

You will learn what to Measure and How to Measure it.

You will know how to safely control Debt Management.

You will be able to start interpreting financial data like Balance Sheets and Profit & Loss Statements.

You will be better organised and know what tracking and recording information is important.

As with the previous steps of MAP and MOVE, this final step of MEASURE is further divided into several different areas of focus. These areas are extremely interchangeable. And you will often find yourself reviewing over several categories at once.

I hope you can now begin to understand the importance of all 3 Steps of the Intelligent Investing Blueprint system. They are linked to each other. As changes to one area will have a flow on affect to all the other areas. This book will help you understand all the moving parts involved and provide you with the framework in which you can develop and implement these strategies yourself.

Our 1:1 Coaching provides that personalised guidance and facilitates getting a lot of this work done for you. Remembering all the options available to us at any one point in time and knowing what action steps to take is always very challenging. You learn as you go. You will make mistakes and hopefully learn from them and improve as you go. This all takes more time, money and emotional energy.

The 1:1 Coaching aims to minimise most of this. Significantly reduce the large amount of time you will spend on this, reduce the expenses and costs you will incur by making it more direct and purposeful and allow you to enjoy and 'de-stress' from making your lifestyle more free and secure.

Action Taking Resources

1. WATCH THE 5 FREE VIDEOS outlining these investing solutions. Simply visit

www.DuncanBuchanan.com

CHAPTER 4

The Intelligent Investing Blueprint Step #1 – MAP

As the name suggests the step of MAP is about understanding how to plan your journey. And if it's the right journey for you at whatever stage in your life you are at. When I teach about the MAP step, either in the Online Courses or through the Personalised 1:1 Coaching, we cover off on four key areas.

Firstly - what are your biggest **Frustrations and Aspirations**. Now why is this an important very first step. Well until you know and actually WRITE DOWN what you are concerned about, then also what excites how - how can you map a plan without knowing the answers to these fundamental questions.

Secondly - what are your **Future Goals & Results.** What are the MOST IMPORTANT things to you in life. You actually get to work through what I've called the Future Goals Planning System. Over the years, I've found it challenging when someone has said - "So, write down your top 10 goals".

Where do I start? This system is broken down into easy to action, bite-sized chunks whereby you will end up with just One Top Goal per Life Category for a 12 month period.

You will still be able to work on and achieve other goals. It's important to not get overwhelmed with so many possible action steps - that again you get swamped and nothing happens. I'm all about simplicity and lots of small wins.

Thirdly - **How did you get** to where you are now? Now this is an amazing process to go through. Some people are a bit, well almost confronted by this. Because it can bring up some emotional 'stuff' and it can also highlight areas in your life that you know you need to change but are off procrastinating and hoping it will magically fix itself.

Here you spend some time learning about values and beliefs. What are your money stories? What do believe about finance and wealth? Where did your learnings comes from?

This is a hugely impactful process just by itself. I can teach you and show you the best systems and processes to live the life of your dreams. To achieve great results through investing.

If you still have some crappy beliefs that are not serving you - then the best systems won't help. It's like having a beautiful, new shiny car and not knowing how to drive it.

The fourth and last area in the MAP step is - working out **Your Current Position**. There is no point gaining clarity on where you want to get to - that future destination if you don't know where you are starting from.

Frustrations & Aspirations

The very first stage in the MAP step is getting clear about what are your big dreams and what are the things that concern you. This stage is about gaining clarity around your frustrations and fears; your wants and aspirations? In addition, it's important to complete this very first stage in the MAP process, because I want to help you get clarity about what it is that drives you, and what it is that you're afraid of. Because once you get clear on that, it's going to enable you to look back at the assets that you already have, or the journey that you've already been on, and say "… you know what? I think I'm at this stage in my life because of these things…"

So why is this important? Let me give you a quick example. If one of your concerns or fears is something like "I'm scared I'm going to run out of money", then you start approaching all financial and investment decisions, coming from a place of "I think I'm going to run out of money".

Now imagine if you had a different filter to view and to assess your financial investment opportunities, With that filter~~s~~ being "I know I can never run out of money". Do you think that you would assess opportunities differently if you had a filter that told you "You could never run out of money"? As opposed to a filter that said, "I'm going to run out of money"? Of course you would.

By getting clarity on this very first starting point, through either one-on-one coaching or online programs, you should now be able to understand how much of a huge benefit this will be to you.

If you are trying to make investment decisions that don't actually meet what you want, that don't actually meet what your aspirations are, then you can easily fall into S.O.S. (also known as 'shiny object syndrome'). You're chasing the next shiny ball. You're looking for something that might look good on the surface, but you know what? Deep down you don't really need it. That is why it's so important to understand both your fears and your aspirations, as the very first thing that you need to do.

The next process that I'll take you though in the MAP step, is that of getting clarity around your Future Goals and Results. This way you will know what you aspire to.

Future Goals and Results

It is not just a matter of simply write down your goals. Because that can be very confronting and it can be a tad overwhelming for some. Therefore, I'll take you through a systemised approach on how you can work out what your future goals are. Really Briefly, here is the process that you will enjoy.

I suggest you break your life goals into categories. These could be, for example career, business, finance, income, wealth, relationships, health, love, family, travel, recreation, contribution, church, charity, spirituality, etc. But you don't want to have any more than 5, plus or minus 2 categories. From there you brainstorm all the things that you want in these categories.

You then should allocate a timeframe to each one. I would suggest you break these down into your 12month, 2 year, and 5-year objectives (maybe add a 10year + group if you like). Simply write the number next to each goal.

Now re-write your goals grouped in Timeframe by category. So write out all 12 month goal for each category. Then all 2 year goals in each category, etc.

Now you need to assign a cost to them. For example if one of your goals is to travel overseas twice a year, business class. Then what will that cost? Maybe another goals is to pay off your home mortgage. Excellent!! What will that cost? Do this for every goal.

Some of your goals will not have a specific dollar value to it - that's OK. A further detailed step is to outline action steps for each one - but that's another, more advance process I'll take you through another time.

Now you have your goals, with a cost attached to them. Grouped in categories by timeframe. This is an EXCELLENT result to get to.

So many people fail to even do this. So well done.

However, you now may have 20, 50 or more goals in total. What do you focus on? *Where do you even start?*

Now here's one more step.

Look at ONLY your 1-Year Goals. Select the TOP GOAL, the most important one, single 12 month goal in each category. The one in which when you look back to now in 12 months time and you've achieve this goal - you will be most grateful that it has been accomplished.

This way you will be able to start with just 4, 5 or 6 goals that you want to achieve in 12 months. Some people write down 101 goals and then they don't know where to start, their focus is split and they're going in many directions.

Whereas what you want to do is at the very least, look at one single goal in each category and know what you need to focus on and act upon. Then you'll be able to look back at the end of the year and say "I am so grateful I have achieved that one particular thing".

The next process that you need to do is to ask yourself "How do I actually get here? How did I get to the position I'm at?"

Strengths & Weaknesses / Values & Beliefs

This can be a little bit challenging because this is the time to spend looking at, what I would call 'Your values, and Your beliefs'. What do you believe is possible, and what do you most value? Because 9 out of 10 times, in fact I'll stop being generous - 10 out of 10 times, where we are all at right now is all based on what our values and what our beliefs are.

If you value wealth, if you want to have financial security, but you value wealth maybe at number 8, 9 or 10 in your list of values. Well it's pretty hard to justify why it should be working, because all your attention is going to other things.

And it might be a belief that you've had that you're not worthy of money, or you can't have it or you don't deserve it, or it's all too hard or whatever it is.

But here's the thing. I can give you the best tools, strategies, skills and resources to get you the financial investment objectives that you so rightly deserve. However if you've got a crappy set of values and beliefs, then no matter how good a system is I give you. You will default back into your old way of doing things. And it's not going to serve you. You're going to take a fantastic vehicle, and you're going to crunch the gears, you're going to drive it into the ground, and it's not the vehicles fault, it's the driver of the vehicle.

You need to understand where you're at, and why. And that is important. From here we then start reviewing you're current position.

Current, Starting Position

This is where we get all the information and data together on your current financial position. For example - What's in your bank account? What's your asset base? How much money do you have in the bank? What is your asset value? Do you use stocks or shares or business or property or a combination of both? What savings do you have? What's the superannuation plan that you're on? What's your expenses?

Really drill down to what your current financial position is as of right now. And that way, you can start mapping out a path - mapping out a journey. Your mapping out a position where you can then say "Ok, now I know where I want to get to, now I know where I'm at right now, I can begin to see that there is a gap, I'm not at where I want to be". Therefore we can now start to plan the steps that you need to take to close that gap.

From this point, you move into the *next step* of the 3 Step process. Which is MOVE. This is where you start exploring what are all the opportunities that are open to you.

It's a fantastic process, especially because as you explore opportunities that are open to you, you have already reframed what it is that you want. You're already clearer on where you are at right now. Therefore, of all the opportunities out there, you can start removing the ones that don't suit you, the ones that you physically can't achieve at this exact moment in time.

This doesn't mean you get rid of them all together. Be mindful of the steps you need to take for now. You will be more laser focused, and understand better what's going to work and what's not going to work. In addition, this is going to give you a lot more clarity as you move into the second step of the Intelligent Investing Blueprint, and that is the step of MOVE.

Action Taking Resources

1. Download your Complimentary Future Goals Planning Guide and watch the Training Video. You can use this over and over again for the REST OF YOUR LIFE.

Simply go to:

www.DuncanBuchanan.com/Resources

This Goal Planning Guide will take you through a step-by-step process. At the end, you will be able to list the Number #1 Goal in each of your selected Life Categories.

Print this out and pin it up somewhere you can always refer back to it. So you can stay focused on what is most important to you.

CHAPTER 5

The Intelligent Investing Blueprint Step #2 - MOVE

Everyone is different, with different goals and different starting positions. Therefore every strategy is different. Not one person, ever in over 10 years that I've been coaching has been the same.

The list of possible action steps to learn is like a huge shopping list. And it's not exhaustible. I'll give you some ideas shortly of what you need to know about. As there is so much information out there, it's impractical to cover it all in this book. I customised every strategy to every single 1:1 client I have the honour of serving. And even through the online programs you will have the insights that few investors have, to piece together an Authentic, Intelligent Investing Strategy that will DIRECTLY support your goals. Giving you:

- Greater Peace of Mind
- More Time to Do What You Love
- Less Fear of Making Mistakes
- Greater Confidence & Clarity in your Decision Making

- And an Increased Freedom of Choice

During the various education and investment programs, some of these action items I will go through in more detail with you **if the situation is relevant**. Some we will not discuss at all. Again because it's just information and not relevant at that particular time. This is part of cutting away the Information Overwhelm by having someone guide you as to what is relevant and when.

Like the MAP step there are, however six broad areas of focus throughout the MOVE step. I will go into each of these in more detail as we go.

Firstly - getting a better idea into the **Different Types of Investments** available. And generally we keep this to financially based investments. And here's the thing. Most people start with researching investment opportunities FIRST, rather than understanding what the RESULTS are they want to achieve.

This is why we cover what we do in the MAP step - so you are armed and aware of what the goals and related results are. Then start matching the investment opportunities to the results. This is NOT performed in isolation - but rather aligned to your values and lifestyle. So you can have BOTH an amazing lifestyle AS WELL as continuing to grow your investments to support that lifestyle.

The second focus area in MOVE is learning how to better **Analyse Deals**. An amazingly successful process that is not taught anywhere else, is what I call the *Reverse Investment Analysis*. It's basically reverse engineering the normal 'investment analysis' approach to quickly define which is the right investment deal for you. And this is outlined in a following chapter.

The key to analysing investment deals is knowing the result or purpose. Remaining broad in initially assessment and only then narrowing down your options based on a few key considerations as you go. This helps to remove the emotion so you are investing with logic. And also reduces your risk because you are far clearer on WHY and WHAT you may invest in, rather than try to shortcut the process and jump straight into the HOW.

The third area of focus is **Lending and Finance Servicing**. This area comes into play when you decide you need or want to leverage. Understanding the lending rules is complex as they change daily. It's important to understand what the changes are and more importantly how you can optimise the bank and financial sectors rules to your advantage.

The next two areas are closely linked together and sometimes I will discuss them at the same time depending on an individuals situation. And these are Ownership or Entity Structures and Tax Considerations.

Ownership Structures is all about what types of ownership (or entity) will own and control the investments. This could be an Individual, Jointly, Partnerships, Companies, Trusts or Self Managed Super Funds (SMSFs). All have very different legal implications, capital gain implications, servicing and leverage options as well as tax considerations.

Understanding ownership structure is critical to the successful operation and results of your investments. If you get this wrong this will have BOTH short term and long term implications which I've seen cost people hundreds of thousands of dollars through wrong decisions.

Tax Considerations are important but I believe not critical. And here's why. I have never met someone going broke who has paid tax. If you are paying tax you are making a profit. Bottom line. The amount of tax you pay though determines how much profit you get to keep.

Tax planning is not about how much profit you make - it's how much you get to keep. This is determined a lot by the Ownership Structure which is why strategically these two are often intertwined. And often needs to be done in advance through forward planning. Once profits (or losses) occur it's very hard to go back and undo them or change how it happened or where the profits went to.

The last area within the MOVE step is that of having an **Expert Team**. This is different to a team of experts. You can have a team of individual experts. Each person specialising in their own field and guiding you solely from their place of specialisation. However an expert team is one that is coordinated. One in which you manage the interactions between some of your team. And you guide - or have someone help you - guide all the players in your team.

Again, this required forward planning and making sure your team knows YOUR GOALS and your objectives. It's not about them. It should be about you and their support is to support you and not 'feather their own nest'. Be comfortable with who you select on your team. And also be OK to change your team members as your lifestyle changes and different situations require it.

Start Building Your Investment Strategy

Let's get right into it. For example, you want to invest and decided you want cash-flow in the short term as part of immediate lifestyle needs.

There are so many options to choose from. You could decide you wanted to use Foreign Exchange trading. Or let's say using a Property example - you wanted to renovate a house and on-sell it.

Both examples have a key component (other than knowledge).

And that's TIME. But if you are working Full-Time, juggling work and home commitments, then you may well be time poor. Hence the investing concept does not match you present life conditions.

So either your life conditions need to change to suit the investing plan - or the investing plan needs to be modified to compliment your life position. This is s simple example to illustrate that the right types of investments are determined by <u>far more</u> that just "can I get a good return".

This is why **Authentic, Intelligent Investing** is so much more than 'acquired knowledge'. It's not about simply just 'doing it'. It's about understanding or getting in harmony with your personal and financial situation and harmonising the two. And knowing the flow on implications resulting from your decisions.

Whenever I am working with a client to enhance their investment strategy - one common question I ask them in this process is "Then What?" Always ask yourself "What is the next step AFTER this step that I am working on". Get an idea, an intention as to what will happen next. "Then What?" is a powerful question that every investor should ask themselves.

Remember the definition we agreed earlier, that Intelligent Investing was:

Investing Your Time or Money to Achieve Something of Purpose Through Good Judgement & Harmony By Using An Existing, Flexible System or Plan.

And when you overlay your values and beliefs, your wealth profile and understand your strengths and weaknesses this will give you a HUGE advantage and SIGNIFICANT comfort factor when selecting the types if investments that suit you PLUS give you the result you want.

Sometimes we will make investing decisions that are NEEDED (maybe not wanted initially) to allow us to better position ourselves to get what we WANT later on.

I don't like using the word 'sacrifice'. I hear people all too often say they need to 'sacrifice' one thing in order to have another. Sometimes you may DECIDE through CHOICE to target something bigger and the short term decisions are helping you achieve the bigger goal.

If you feel you have to sacrificing something and that's a problem for you - then the priority for your bigger goals is not very big or not really important. View short term CHOICE as a stepping stone to the more pleasurable experience.

Types of Investments

I believe there are three main types of financial investments, and these are:

a. Business

b. Shares

c. Property

Which one do you use? I use all three. And some people will only ever use one. And may also use only one version of the many options available within that investment class.

So do you need to diversify in your investments? Well put it this way. If you got into a rhythm. And were getting great results from one type of investment - why would you change?

Diversification is not a requirement. It's a choice based on the types of investments and-what your overall lifestyle and investment strategy is. This will become clearer as we go through the process.

Investing is different from Saving. Investing is about leverage. Savings is finite and limited. If you make one dollar and you save that one dollar, in 5 years this is still one dollar. In fact in 5 years this may be less than one dollar due to inflation.

Whereas Investing is limitless and infinite. If you took that one dollar and invested it over 5 years. Then you have the chance to increase the value of that one dollar. Again, it is about having choice.

To know which option you should use you need to understand which gives you the result you need.

Here is where we look for whether you want equity or cash flow.

Equity is generally viewed as large sums of money or cash, whereas cash flow is often a short-term ongoing income stream.

The other things to consider when selecting an investment is:

- Time availability - what time do you have to put into not just setting it up, but the ongoing management and tracking of it's performance.

- Resources - what tools and resources do you have or need.

- Skill / Knowledge - do you have all the skills to undertake this investment or will you need to get a team to assist you.

- Energy - what energy and emotion are your bringing to the investment. You may have the all of the above, and without the drive and commitment your investment will flounder.

When it comes to choosing which investment option is most suitable for you, there are a couple of basic questions that you need to ask yourself before making a decision:

- How much risk do I feel comfortable taking?
- What type of return am I seeking for my money?
- How long will I be investing for?

The answers to these questions will help guide you in choosing the right investment option or mix of options that you will use.

Also - do you want to be an active investor or a passive investor. Do you want to be more hands-on, involved in the day to day, or to have a more detailed understanding of the investment operations.

Or would you prefer to be more passive. And let others do the 'grunt work'. This is common for many investors. And can be their undoing if it's not done correctly.

I am a HUGE believer and have proven this myself and with many others - that passive investing is like delegation. You can delegate the investing detail and management to someone else.

But delegation is <u>not abrogation</u>. As a passive investor it's still <u>up to you to make the decisions</u>. You can't expect someone to do everything for you. You still need to track the performance of your investments as a passive investor and make changes accordingly.

An example of passive investing is most often seen in property investing or share / managed fund investing. You may own an investment property and use a property manager to collect the rent, check on the tenants and so on. But the property performance, it's investing performance is still your responsibility. Is it performing? Do you need to change the tenants (or even the property manager)?

Now regarding shares or managed funds. Sure you don't control how the company or funds manager invests your funds. You are after the return - be it long term growth or short term cash-flow. However, if the investment is not performing the way you need it to, a passive investor still needs to make the call and take responsibility of their investments.

We will discuss what you need and how you can measure the performance later as part of the MEASURE step of the Intelligent Investing Blueprint.

Again this is SO much EASIER through Intelligent Investing. You are no longer trying to assess your investments in isolation - but can make your decisions Intelligently and with a PURPOSE because you are considering your:

- Other investments
- Your current and future goals
- Your time, resources and emotional energy.

This will ALL have a bearing to play on the investing decisions you make.

Investing In Business

I view Investing in a business in two ways:

a. Investing in someone else's business could be to provide seed capital or start-up capital, pre-IPO funds or franchising finance. You may have daily or routine involvement in the business itself or you may not.

b. Investing in your own business. This is the most common form of business investment and typical of a small business owner / operator. You are wanting to own and grow a business and this is your investment.

This book is not about how to grow and be successful in business. The other training covers this in far more detail (check out www.DuncanBuchanan.com for more info).

To be successful you can use exactly the same concepts outlined in the first two chapters:

- Be clear on the RESULT you want,
- The timeframe you have, and
- The resources available to you.
- Do you want your business to provide you income in the short-term?
- Or build it up to longer term residual income?
- Or a combination of both?
- Do you want to grow your business with a view to sell it?

This should drive the decision points you make about business functionality and how you invest in your own business. In the other training we go into business development and growth in far more detail. And I'm happy to share with you some key distinctions now though.

Be Clear About the Lifestyle You Want From Your Business.

What I mean here is do you want a business that consumes all your time? Do you want to create something that you only need to work 2 or 3 days and have 4 or 5 day weekend?

Do you want a retail, physical presence or do you want to be online?

From here you then want to delve deep into your target market. And get really specific. Another word for this is to ‘Niche’. The businesses that get the most traction and not trying to be all things to all people. They are understanding the needs and wants, the fears and frustrations of their target market.

Then all you need to do is to solve the problem for them. This makes the business far more sustainable and also far more honest. Because you are being genuine in offering them a way to enjoy a better lifestyle.

As I said this book is not about the merits of your individual business. Because I don’t know what it is. This part of your Intelligent Investing Blueprint is about understanding, that if one of your chosen investment vehicles is through a Business, you need to understand how to assess its merits. And how you wish to employ it both in the short and long term in order to optimise the Experiences in Life that you want to have.

Investing in Shares / Stock Market

This is another great investing option. And again so many ways in which you can access the share or stock market. And I mean so many ways. These include, but are not limited to:

- Direct Shares
- Managed Funds
- Foreign Exchange
- Options
- CFDs
- Promissory notes
- And more...

So when I am talking about Shares as an investment opportunity I am referring to basically all of the above. The decision to use stock market based investments, provides the investor with a range of decisions that need to be made. For example Shares can be held or traded for capital gain or cash-flow. So just like Business or Property, Shares can be used to achieve exactly the same results.

It is the nature of the investment that varies. Because Shares are nearly completely based on perceptions of the market at any point in time, they are much more liquid. This means they can be bought and sold quickly. This is where share trading can be used to generate short term cash-flow. This cash-flow can be a result of income received by the value of the share as perceived by the stock market.

But traders use the concept of buying and selling, rather than holding for income.

One of the big advantages with investing in shares versus either property or business is that it can be done with much smaller outlays. Rather than 10's or 100's of thousands of dollars for a single transaction, shares can be bought or sold for dollars and cents.

The disadvantage is that to make returns that often have an impact of provide a worthwhile result for investors, there still needs to be a large volume of transactions to mimic the return of other investment types. Either large, single transactions or highly frequent, smaller transactions.

Where Does The Profit Come From?

The share market provides profit via Capital Gain and Income - the same as the other investments. That being said this is the only way that any investment will generate a financial return.

As the value of the asset goes up and down and investors buy and sell that asset, so too is Capital Gain or Loss generated. As you will learn in the future Chapters, as there is no such thing as a direct tax paid on Capital Gain - the Gain (or Loss) is added to Personal Income and taxed accordingly.

The share market can also produce ongoing residual income. This is generally in the form of dividends. This is the investment return or cash-flow that can be made through shares whilst still owning them.

The buying and selling (or trading) of shares generates income without retaining ownership.

Investing in Property

Property investment is generally divided into two categories - Residential and Commercial.

Commercial can also be further specified into Retail, Office, Medical, Aged or Industrial.

Investing in Property, like Shares or Business, is only limited by education and imagination. Just like Shares there are so many different ways you can utilise property. And again….whilst I know you've read this several times already…the selection of your property comes back to Results.

I have often been asked to comment on ‘residential Vs commercial’. Both are fine - just like all investments. You just need to understand HOW they work, link them to the RESULTS you want and align the investment with your LIFESTYLE.

If we just refer to the main headings of property for now, that of residential and commercial, the overall investment in property also has many options.

These include:

- Buying something that’s already built
- Building something new
- Renovating
- Sub-Dividing
- Strata Titling
- Lease Options

Nearly all of these options are available in either residential or commercial. And they ALL work. Just like shares and business, you simply need to understand which one will work FOR YOU and each stage in your life.

One of the disadvantages of property as an investment is the larger sums of money that are required to purchase or control these assets.

However one of the advantages is, that you can generally leverage better than either shares or business through borrow other people's money and still controlling 100% of the investment asset. Again there are so many varied ways to do this and the detail is very individual based.

This is covered in the other training in much more detail. For now understand that property, like shares has the opportunity for investors to be creative and generate profit.

After all - the ONLY reason anyone should be investing is to put yourself in a better position in your life that by not investing. That really is the bottom line. Else why would you do it in the first place.

Which Property Scenario Should I Use?

Whilst this book does not have the space to go into each of the property opportunities in detail (or it would be a long book - which no one would read), I do want to share some more insights into the different property investment scenarios.

So here's the rub! The method I use to select what property scenario I will use at any point comes back to the Reverse Investment Strategy that I outlined earlier. I find this is CRITICAL to determine how to prosecute the deal.

Property, due to larger financial capital outlay to manage and control, requires some robust considerations. You really need to understand your own:

a. Risk tolerance - are you doing something you've never done? Are you doing something you've always done? How do you feel about that? What would happen if you lost all your capital in this deal?

b. Personal Cash Outlay - how much do you need to get the deal moving? How much do you actually have available? What else could you use this for?

c. Borrowing Funds - how much do you need to borrow? Where will it come from? And what cost and for how long?

d. Timings - how long will the project, investment take to get a return. How long do you have to put into managing the performance of the deal? Where else can you invest your time?

These are only a small snapshot of the considerations that I consider when working 1:1 with clients on developing their investment strategies. I also cover this in more detail in the online Intelligent Investing workshop.

For now, use some of the questions above for your own purposes. Make sure you have thought through these and know the answers for each one.

So…Which Investment Opportunity Will Work For Me?

Having been an active investor in Shares and Real Estate for over a decade and having spoken with thousands of people both in Australia and overseas - I have a pretty good idea of what works and what does not work.

And the great news is that there is no right or wrong answer. One is not better than the other, and anyone who tells you otherwise does not understand the financial and investment world.

Sure - some people will have their own personal preferences, and some have become hugely successful, financially, in one investment type more so than another. But, this does NOT make one better than the other.

It's largely because there are so many great opportunities and different methods of using these investments - and the seemingly lack of financial and investment education - that drives me to educate you so you can get better results in a safe and purposeful manner. Because there is so much 'noise' in the world about money and investing, many people get caught up in trying to find the next 'magic pill'.

Financial success is rarely defined by most people with some believing it can magically happen overnight, and is then lumped in with the "how to get fit doing no exercise" concept.

It's takes time and planning. Education and measurement. And an understanding that your financial and investment decisions is directly linked to your personal Lifestyle and Experiences you want to have, and even to your health and your relationships. It's so very important to understand the flow on implications of any investment decision.

Investing, finance and money has a MASSIVE impact on how people feel about themselves and others. I've seen investing decisions affect people's health - both in a good and not so good way. As well as relationships ending - and starting, over financial and investment goals.

As *The Authentic Investor* I will teach and show you how all these are inter-linked. In the 1:1 and online training I will go into these factors in more detail for you.

For now KNOW - that Intelligent Investing is more than just financial investing. It's about where you invest your time, invest in your health, your relationships, your experiences and your Self.

Analysing Investment Opportunities

With all the different Investment Opportunities available how do you know which is the right one? Note I specifically use the words "right one" as opposed to "best one" for a very distinct reason.

ALL INVESTMENTS WORK. JUST NOT FOR EVERYONE AT EVERY STAGE IN YOUR LIFE.

This is VERY important to understand. When analysing your investing opportunities it's about which ones are right for you. Which ones give you the Results you want that directly support the Goals you are after.

You see so many investors get caught up into chasing the "next big thing". The next stock market boom. The next property hotspot. The next popular business.

Often this is based from their current perception and limited to non-existent investment strategy. As well as 'keeping up with the Joneses'. (an Aussie term for trying to compete with others to be seen to be very successful).

As much as many of us don't want to admit it - this is the truth.

Successful Investments Align with Your Lifestyle

There are two things here. One is realising the need for ongoing investment education as a key principle for successful investing. Note - *successful investment* versus 'better investments'.

The second is Ego. Understanding that it's not about what type of investments you have or how much you have. It's really about getting grounded and being HONEST with YOURSELF.

So what experiences and feelings give you the most Joy and Happiness? Now decide on the financial and investment decisions that allow you to experience and feel even MORE Joy and Happiness.

This can sound a bit 'woo-woo' I appreciate. I reckon some of you out there at this point are think "Yeah right!! Show Me the Money!!"

This is why the earlier Chapters covering the step of MAP is so important to understand. Once you get clear on the end Results - then the Investment analysis becomes easier. Because you are making purposeful investment decisions. You are being true and authentic to yourself and others. Which not only gives you more success. It WILL give you more security, more peace and more happiness. Why -

because your investments are aligned with your lifestyle and with having more of all those things that are most important to you in life.

It's not about which one is BETTER it's about which one is RIGHT. Guess what? This will change.

Flexible Strategy

As your life progresses, your goals will change. Different priorities and opportunities in your life will present themselves and your investment strategy then needs to change. It is NOT written in stone. It is flexible and when your lifestyle and experiences adjust - so too must your strategy.

Here is something I know. Someone who is 25 years old, single with a good job and wanting to start investing to enhance their lifestyle has very different goals to a married couple in their 40's with three school-aged children. Which is different again to someone in their mid-50's with retirement at the fore-front of their mind.

This is just proof that as you life changes, so too must your investment strategies. And whilst these examples are different in age by some decades - people of similar age, sex and lifestyle will have different goals, values and dreams. Everyone is different. Every single investment strategy I've ever helped develop has been unique. No single strategy is-he same as another.

As you analyse your opportunities, be mindful of where your support and education is coming from. Are you being told the same as everyone else? Has your personal goals, fears and aspirations been considered by the person or company giving you a hand?

If not - please change to someone who will understand you. Whether it's me or someone else I don't care (well, of course I've love to work with you if you are serious to make a change). But really there are some great people around. You have to look hard to find them, to interview them and make sure your are comfortable with spending time with them on your journey to lifestyle freedom.

Reverse Investment Analysis

I have devised a very successful approach to investment analysis. This is basically the opposite of what nearly all investor's do. And is also directly opposite to 90% of advice you will receive from stock brokers or financial planners.

I call this the Reverse Investment Analysis. And this is a 5 step process.

GOALS -> RESULTS -> PRICE POINTS -> TIMING -> INVESTMENT OPPs

Firstly, you start with your **Goals.** This is what you went through in the first step of MAP in the Intelligent Investing Blueprint. Know what is MOST IMPORTANT to you in life and you then have some clear targets to aim towards.

Secondly, is the **Results**. What financial and investment results do you need to achieve these goals? Are they cash-flow, equity growth or a combination of both. Exactly how much do you want. Again this has been defined in the earlier MAP step.

Thirdly, is the **Price Points**. This includes how much you are choosing to invest of your own cash or available equity. In addition, if you need to borrow how much and where are you getting these funds from. Also what is the total price point you are choosing to commit towards your investment results.

Fourthly, is **Timing**. This in itself is two-fold. What timeframe do you want to achieve these Results in? And also how much time are you prepared to commit to achieving the results that you want from the price point you are investing? For example, if you are working Full-Time, juggling work and home commitments, then you may well be time poor. Therefore, an investment options that has extensive time commitment does not match you present life conditions.

Finally, the Investment Opportunity itself. The previous four will allow you to assess several options from the investment opportunity 'bucket'. There will be *more than one way* to get the Results to meet the Goals. So depending on the Price Point and the Timeframe, the most suitable and right Investment Opportunities will start to become clear.

You will find that there is give and take in all the first 4 steps. By adjusting any one area there is a flow on impact to the others. Therefore you will be able to better analyse various options as you compare one option to another.

<u>Investment Comparison</u>

You know time and time again I've come across people who present me with a single investment option that they are clearly either already involved in or are thinking about it and ask me "So is it a good investment?" My first response always is "Compared to what?"

You MUST research and compare multiple investment opportunities before you commit to whatever you choose. You can't just look at one in isolation and ask yourself "Is this a good one?" Because you have not compared it to something.

So make sure you look at several options. And by following the Reverse Investment Analysis process this will reduce your mistakes and allow you to make more confident decisions.

Finance / Lending Considerations

Picture this. A man walks into a clothing shop.

The shop attendant asks him "sir can I help you."

The man says "yes I think so."

The shop assistant then replies "what are you looking for"

The man states "I think I am looking for a blue shirt."

The shop assistant says "that's wonderful. Over here are our selection of blue shirts. which one would you like."

The shop assistant of course has been just doing her job. The customer has stated that they wanted a blue shirt. And she has shown them the range of blue shirts available and ask the customer to select one.

This is very similar to the world finance.

Unfortunately many investors approach financing and lending without really understanding 'what is what', and they get caught up with what they think the 'want' versus what they actually 'need'.

Imagine the experience the customer in the clothes shop would've had if the assistant had asked some open-ended questions like "what do you need your blue shirt for?" "What are you thinking of wearing it with" or "when do you need it?" Alternatively, if the customer had explained the reason for their request in the first place.

This opens up a much wider dialogue between the financier and the investor. Where the investor can now share all the results wanted from the blue shirt.

It could be that you didn't need that type of funding at all. It could be that the funding would not suit the investment result. It could be that a completely different approach was required.

Unless this was suggested or challenged by the expert, or the customer had the knowledge to know what to ask for; then the customer was always destined to make a poor decision, due to lacking information which would then lead to a poor outcome.

In this section I want to specifically address the differences when borrowing money or using finance. This is the SECOND BIGGEST mistake I constantly see investors make through a lack of education in the details of investing finance.

Finance terminology and language is so very important. I am always making an effort with clients I have worked with over the years to never 'assume' a level of knowledge. Sometimes what I believe is very simple can be quite complex is someone else's world. In the world of finance and of lending, terminology mix-up can have catastrophic effects.

Firstly when we need money or finance we are 'borrowing'. I hear people say "I am going to ask what my lending limit is" or "I want to see how much I can lend."

They are not lending the funds - they are not the source of the capital. They actually want to borrow or have access to the funds from another source for a given period of time.

There are THREE key terms that every investor must understand when they are in the process of finance review. I'll explain each of these terms for you and how you can link them directly back to your own personal situation. The terms that I use are:

- Servicing Capacity
- Accessible Equity
- Buying Power

Servicing Capacity

This is the amount that an external funds provider will loan you. They are the 'lenders' and you as the investor are the 'borrower'.

The term 'servicing capacity' can be inter-changed with the term 'borrowing capacity'. As this term is all about knowing exactly how much you can borrow or the loan amount you can 'service' through your income. However, over the years I've seen bank lending officers and finance brokers mix up borrowing capacity with overall buying power.

Remember earlier on when we spoke about knowing the game and the rules of the game?

If the rules use certain terms then it’s best to adopt, understand and use the same terms. Don’t make up your on or use others. If you want to speak French, understand and speak French. Don’t use Spanish.

The finance industry uses the term servicing. What this means is that a KEY variable - in fact the most significant factor when assessing how much an external provide with capital is willing to lend to any entity is can they ‘service’ the debt.

Servicing the debt consists of two components:

a. *Principle*

b. *Interest*

Principle is the total amount borrowed. In basic terms - the lender wants it back at some point. Therefore they expect and calculate your ability to re-pay the amount borrowed. After all, it’s their money. They acquired it. They kindly agreed to lend it to you for a defined period. So we need to pay them back.

Interest is an extra amount we pay to the lender (often a bank) for the loan to be provided. They are taking on the risk of lending us THEIR money. And one of the ways they both mitigate risk and also as a ‘Thank You’ from the borrower allowing them to access the funds, is that the lender will ask for Interest (or basically a payment) for releasing the funds to the borrower.

If you borrowed funds, not only do you need to re-pay the amount borrowed. However, the lender will charge you a percentage (%) of interest. This can be any amount they choose.

So we are required to pay those funds as well.

Accessible Equity

This is simply the amount of cash that you have access to. The key word here is access. This could be in the form of cash savings or equity in a business or a property.

There could be equity secured against an asset where you have reduced the initial loan and thereby may have access to extra equity.

Equity is NOT simply the difference between the value of an asset and the debt against it at that time. For example if your asset like a property or your home is worth $500,000 and the loan is only $200,000 there is NOT $300,000 accessible equity (assuming you still want to live in the home and not sell it).

The amount of equity is the equity that you can access. Again, for example the same $500,000 home may be suitable to secure a loan of 85%LVR against it. This is $425,000 worth of debt. Therefore the ACCESSIBLE equity is the new potential loan of $425,000 less the current debt of $200,000 provides you with $225,000 in accessible equity (not $300,000).

This accessible equity is what investors can use for further investing or to create a security buffer.

Buying Power

This is where you combine the accessible equity with the servicing capacity to determine the buying power. This gives you the amount of 'money' you can 'spend' on your investment.

For example if your servicing capacity is $350,000 (the amount a bank will lend you) and your accessible equity is $120,000 - then the buying power is $350k + $120k = $470,000. This is the maximum amount you can spend.

Other variations that affect your Buying Power include, but are not limited to - Adjusting the servicing capacity, Interest Rates, Repayment Options, Time Periods, Types of Investments, etc. ALL these and more influence your Buying Power.

When determining your buying power it's VERY important to ensure that the person who is providing you this information fully understands the difference between each term. If they don't - it may be time to educate them to ensure these amounts are both accurate and clear. Alternatively, use someone else!

Note - when determining your accessible equity be sure where the funds are coming from. Are they cash, or capital from other investments to be sold. Or is this equity going to be borrowed. Here is the thing. If you are able to access equity through borrowing then be SURE you know if this is included or not in your servicing capacity.

For example if your team has determined that your servicing capacity is $450,000 - and you have discovered you can also obtain $100,000 in accessible equity - does this $450,000 include or exclude the $100,000 in accessible equity.

On the outset you may think that the resulting buying power is $450k + $100k = $550,000. But if the $100,000 equity that you are accessing is included in the servicing capacity assessment. As you understand you need to service this new debt as well.

Then your buying power has been reduced from $550,000 to $450,000. This is a significant difference and if your team has not calculated this correctly you can either be going to contract on something you cannot afford and may end up in all sorts of strife.

This is another excellent example of why understanding terminology and language in the finance and investment game is so very important.

Repaying the Loan Versus Managing Debt

Do you repay the loan in full? Or only partly repay? Or repay none at all and only cover the interest?

There are merits for each one of the above and again it comes down to strategy, your age, the results you intend to experience from the investment and several other factors. Again you can see the importance of an investment strategy. And also the dire consequences of lost time and money if you fail to follow this 3-Step System.

Now we have to be aware of the types of loan repayments available. Investment loans are generally divided into two types.

Paying the Interest Only (IO) or paying both the Principle And the Interest (P&I).

Interest Only

Here the lender agrees to accept only interest payments for a short period of time.

Like everything, you are learning in this book, we need to understand the considerations and results of every option. This allows us to make more well-informed decisions.

Whilst there are many variables to consider, I will outline the main ones.

An advantage to paying interest only is that the investor retains extra cash-flow that they are not having to pay to the lender for the IO period. This means that rather than having to ALSO pay the principle component back, that the investor can redirect this 'retained' cash-flow into another direction.

This other direction is all based on the investment strategy and will change as cash-flow requirements change, as investment opportunities change, as the lender's policy and it's requirements change and lifestyle and personal needs change.

DID YOU KNOW - You can still make Principle payments on an Interest Only loan. The IO loan, as outlined above is a contractual agreement with your lending that you agree to make the minimum monthly interest payments. There are generally no rules stopping you from making Principle payments if you choose to, and this can dramatically reduce the loan if you tackle it this way for a few years.

Remember though, over the IO period there is no principle being paid back at all. So once the IO period expires the full principle amount will be calculated over a shorter period. Thus your monthly repayments will increase so you need to have planned and be ready for this.

Be honest to yourselves - ALL investment decisions have a personal, emotional component attached it them. The difference is the investment itself should not be an emotional one - but rather the RESULT that you want to achieve FROM the investment is where the emotion should be directed.

Principle & Interest (P&I)

In this agreement the borrower has accepted to repay BOTH the principle and interest at the same time over an agree period of time. Every repayment will have a component of repaying the actual sum originally borrowed as well as an Interest component calculated on the remaining balance of the sum borrowed.

In some situations this is the only form of repayment allowed. And again, like IO this P&I payment structures has it's own considerations. And it's basically the flip side of the Interest Only options.

A good thing about P&I payment is that the principle amount, the amount that eventually needs to be paid back is being paid back in small amounts right from the start of the repayment period.

The counter to this is you will have a higher monthly cash-flow commitment. You are also contractually obliged to make these minimum repayments every month. If you have other commitments or needs crop up, then you cannot re-divert these funds to support those requirements.

You are LOCKED in.

Failure to meet these minimal payments are often 'flagged' in your credit history.

Credit Reporting

Your credit history is an important area to be aware of. The rules within Australia have changed in the last few years regarding how credit is recorded on-every individual. If you pay your bills on time you are fine.

If you've missed the odd payment, for whatever reason (even if you believe it was not your fault) this can have a negative impact on your ability to secure any investment funding. So please check on your personal credit history. Simply Google "Credit Report" and there are various options available to you to not view your credit history, but also to use an alert method. This was you can be informed if anyone makes enquiries of, or tries to change your credit history without your permission. This is valuable information to have.

Security Buffer

Accessing equity can also provide you a 'sleep at night' factor. This is a financial buffer that I maintain both for personal expenses as well as investment expenses. Again there is no one 'magical' amount that you must retain.

However, you never want to spend everything you have. You should always maintain a buffer - a way to protect yourself against any changes. You could apply for access to your available equity but not as funds to spend. This will allow you to ensure you have a safety buffer available if required. *It's important to note that even if you have not used these funds, they are accessed as 'used' for future lending servicing assessments. Just like a credit card limit.*

So what is a buffer? Basically it's an amount of readily available cash or equity that ensures your personal lifestyle is not adversely affected if there is any short-term changes to your investment portfolio. The last thing you want to experience is having to channel money, (energy and time) from your personal lifestyle to 'prop up' your investments.

I cover this in more detail in the following Chapter under Personal Finance Levels.

Entity / Ownership Structures

Who or what owns the investment is an important strategic planning consideration. Why? Because the entity that owns the investment has the legal right to not only control the asset, but is also responsible for all the income and expenses associated with the asset.

In general terms the ownership structure is the deciding factor into:

1. Who or What legally owns the investment and therefore can make decisions as to the future of that investment.

This entity is responsible for the decision to buy, sell or hold. This does not necessarily mean it actually MAKES the decisions - but it is RESPONSIBLE for the decision. I'll explain that in more detail later on.

2. Who or What is responsible for the Financial management of the investment and where the profit and loss, income and expenses is distributed.

From a purely financial perspective, the ownership structure has a DIRECT impact into both Tax Considerations including Capital Gain/Loss and regular Income Tax considerations; as well as the routine financial profit/debt management.

Let me try explain these so they are a bit easier to understand. In general terms and I'll give you some practical examples as we go. Because getting this wrong at best can make ongoing management of the investment 'messy' and at worst cost you thousands and thousands of collars.

Your investments can only ever be owned by either:

- *A Natural person or persons; or*
- *A Company / Trust.*

Firstly natural persons. This means - well a human being. As differentiated from a Company. Natural person ownership of your investment can further be divided into:

a. Sole ownership,

b. Tenants-In-Common (reserved for property ownership), and

c. Joint ownership.

Sole Ownership

Sole ownership is self-explanatory I'm sure. This is when you investment is owned by a single person. That individual has the right of full control of the asset as well as being responsible for all income and expenses, all profit and loss.

Tenants-In-Common

This is very similar to Joint investing. In fact, the financial management of Income and Expenses is virtually identical. Where the major variation exists is in the percentage of legal ownership?

Under a two-person joint investment, the investment you will recall is split 50/50. Under Tenants In Common, you can decide what the percentage apportionment will be. It could still be 50/50. But it could also be 60/40, 80/20, 99/1. Whatever you want. This is applicable only to natural persons as the Tenants In Common option does not apply for Companies and/or Trusts.

Once however, the decision is made and the documents are signed you cannot keep changing it. Being able to adjust percentage ownership of an asset could give you some great advantages depending on your situation.

For example, if a couple have decided they need a cash-flow investment in order to generate regular income. And one person is working Full-Time and the other is not working at that moment. Then whilst they decide to have both parties in the investment agreement, it makes most sense from a tax planning perspective to have the person who is not working receiving the bulk of the income. They decide to split it 99/1.

DID YOU KNOW - Estate planning considerations is an interesting area when comparing Joint investments with Tenants In Common. The main variation here, is that in a Joint investment, if one party dies that their 50% allocation is automatically assigned to the remaining party.

In a Tenants In Common investment, if one party dies their percentage allocation is not automatically assigned to the remaining party or parties, but is allocated to their estate for the estate manager to determine where the asset is assigned.

Joint Ownership

Joint ownership most commonly involves two people. However, Joint Ownership can involve more than two persons or two entities. It is in this ‘space’ that you will also hear about the term JVs or Joint Ventures.

Joint ownership is reserved for when two or more parties share in both the legal control of the asset as well as the financial distributions and management of that asset.

Decision Making

This is the first stage that can bring in complications because now there is more than just one opinion, one goal, one desire. There is more than one set of life dreams and past life experiences that have a vested interest in the performance, control and ongoing management of the investment.

So you really need to know, trust and have agreed goals (not necessarily the same goals) when owning an investment asset together. As I discussed in the earlier section on investment selection and the importance of aligned your personal goals with your investment selection - this is so true even in the simple example of Joint investment ownership.

This is why I specifically used the words above “agreed goals”. Both parties do not need to have exactly the SAME goals. Your investment selection can support the goals of each individual person even if the goals are different. The key here is that you both have AGREED on the results you want to reach.

For example, I’ve met with people where one person wanted to sell the investment and the other person wanting to keep it. And then disagreement between each party as to the intention of the investment when they bought it in the first place. I have seen these challenges most often within family members. Yep - even between husband and wife. As well as between parents and siblings and also between siblings.

This is why the RESULT for each party is important and then the associated ownership structure MUST meet both the investment result and any relevant timeframe for the investment to be successful. This can also get more detailed when considering ongoing debt management, income dispersion and down to who will receive the mail and conduct the daily/weekly/monthly management of the investment asset.

As you have done with your goals, write down what the results are you want to get from the investment and over what timeframe. The last thing you want is problems with how your investment will be managed if you can't agree with the other person.

Financial Management

As I outlined before, this 50/50 split relates to both the legal control and the ongoing financial considerations.

With Joint ownership of an investment, where the legal control is split 50/50 then so too is the cash-flow and debt management. Let me break this down into the two key components of Income and Expenses to help you understand this better.

As we outlined earlier your personal cash-flow or budget is made up of Income and Expenses. And so too are your investments. Different investments will have different Income and Expenses considerations. Some will be quite regular and routine. Others will be more 'ad-hoc' and will need to be managed as they occur.

I will discuss the Income options triggered by a Capital Gain/Loss in the next section of Tax Considerations. The area of Capital Gain or Loss is an important consideration and MUST be considered BEFORE you purchase the asset.

Income. Where is the income going to go? Who gets it? How often? Etc.

Whether your investment is Shares, Property or Business where is the income going to go? In a Joint ownership structure this will be enforced by the 50/50 arrangement if it's two parties OR as per your previously written Joint Venture (JV) Agreement. All income is shared as per the agreement to each party. There are no variances allowed legally. You can't decide to change this 'just because'.

This includes business profit, share income or dividends as well as property rent.

‘Where’ the income actually goes - as into which bank account is something I’ll outline in the next Intelligent Blueprint Step of MEASURE. The interim step of where the income initially goes before it reaches it’s ultimate destination is irrelevant right now.

What you DO need to know in ADVANCE is what is the final distinction of the income. This is key when related to the ongoing management of the investment asset. Again if the result of the investment asset is cash-flow then remember this is being split 50/50 between the joint owners.

Expenses. Here’s something I find so many people overlook. They may have had some thought into who, what and when the income should be distributed. But many people forget about any associated expenses. In a Joint ownership investment BOTH parties are also responsible for 100% of the expenses. You are not responsible for only 50% of the expenses. Why? - I hear say.

Because as a legal, joint investment the owners collectively must meet 100% of all expenses. Again this highlights why you must be clear on your personal goals and lifestyle and then why LINKING the investment strategy to match you Lifestyle is so important.

If you stuff this up, either individually or together, you will find yourself in the financial 'hurt locker'.

So when you are making your financial considerations within a Joint investment ownership, make sure you've worked out in advance how the expenses will be managed. There are so many different ways this can occur it is really individually specific.

And when making these consideration you now need to consider BOTH Income and Expenses at the same time. You cannot make decisions on these separately as they are both inextricably linked to each other.

Company / Trusts

Separate to an asset being owned and controlled by a natural person, the other option is to use a Company and/or Trust to own and control the asset.

Once set-up the capital gain and income distributions and management is again very similar to investing in Joint names or Tenants In Common. The main reason whilst the end results are similar is that a Company is still controlled by real people. The rules for Company & Trust operations globally are controlled by the local government bodies.

Although companies are viewed as a legal person. Obviously, this is in name only and a Company Constitution cannot make decisions by itself. Therefore, the decisions are the responsibility of the real persons - the Company Directors.

Trusts are entities that are controlled by Companies. They cannot make decisions as they own assets “in trust”. The company will dictate where the profits and loss go and make the decisions on the current and future operations and management of these assets.

In Australia and New Zealand, companies are either Proprietary Limited (Pty Ltd) or just Limited (Ltd). In the United States there are several options including Limited Liability Company (LLC), a C Corporation or an S Corporation. There are plenty of detailed descriptions about Companies online. This is a good place to start. On the other hand, just ask someone with experience.

The next structures to understand are Trusts. There are two main types of Trusts in Australia. These are Discretionary Trusts and Unit Trusts.

So what is the difference between a Discretionary Trust and a Unit Trust?

Well firstly, a Discretionary Trust (as its name suggests) allows the trustee, so the person that makes decisions on behalf of that trust, the discretion to determine where profits and losses are allocated. This decision can be made at any time and can be changed at any time, so it’s a very flexible structure. In one financial year, all profits could be distributed to one beneficiary. In another financial year it could all be distributed to a second beneficiary. You could apportion it however you like within the bounds of the trust deed, and the trustee constitution.

A Unit Trust is a little bit more fixed. A Unit Trust means that a certain amount of units have been assigned to unit holders. Anytime profit or less is required to be distributed, it must be done always in accordance with the amount of units that the unit holders has.

Any entity can be a unit holder. It can be an individual or it can be another company trust structure. Any profits, gains, losses, etc, at distribution time have to be assigned as per the allocation of the units. You can’t decide "I’m going to change that allocation” as you can through the discretionary ability of a Discretionary Trust. Unit trusts and Discretionary trusts are both great investment vehicles, and they also have their upsides and they have their downsides. Again this is why it’s so important for you to understand:

- how they work,
- how they can apply to you,

- how they can apply to the results that you want to get, and

- how they apply to the investment opportunity that you may want to undertake.

You need to consider all of these before you determine the entity structure. Because here's the thing. Before you launch into your investment opportunity, you need to make sure your entity structure is already confirmed. This is because there are flow on implications through tax considerations, through legal implications and a wide range of other serious factors to consider.

This is very important and will have a follow-on impact to you as an investor, both in the short term and especially in the long-term. If you muck it up it's going to cost you thousands, tens of thousands, possibly hundreds of thousands of dollars if you get this one bit wrong.

That is why it's so important, during the process of understanding all of your options under the MOVE step to get better educated. To gain more clarity around not only what's possible, but what's relevant to you and why is it relevant. It's going to allow you to make intelligent investing decisions that will save you tens and hundreds of thousands of dollars over your lifetime. That is massive. So you need to get this right.

Self Managed Super Fund (SMSF)

Another special type of Trust is a Self Managed Super Fund (SMSF) Trust. It is a Trust structure designed to provide financial returns to individuals in their retirement.

DID YOU KNOW - A Self Managed Super Fund (SMSF) is not a ‘fund’ similar to a Managed Fund. It is not an investment vehicle. It is just a Trust. This is a common mistake amongst many people. An individual cannot ‘invest’ in a SMSF and expect a return like you can with a Managed Fund or a Retail or Industry Fund. A SMSF is a Trust, which then allows the individual to decide what they wish the Trust to invest in.

This is a great benefit to some people. A Managed Fund or a Retail or Industry Super Fund is designed to invest in bulk to service large numbers of people. Therefore, there is no tailoring to an individual and an individual has say in exactly where their funds are invested.

In a SMSF, it is Self-Managed. An individual now has the ability to decide exactly where and how their Super funds can be invested within the Regulations and Compliance requirements of the Superannuation Industry.

The SMSF Trust requires a Trustee, which can either be an Individual or a Company. With the SMSF Trust having up to four members. There are many and varied benefits for people using a SMSF, however this is much personalised. Therefore care and careful due diligence is required. A comprehensive understanding of the advantages and disadvantages must be explored.

The set-up of an SMSF and the end of year tax auditing and compliance must be completed by someone who is licensed to provide these services.

The opportunities within a SMSF are extensive if you know how to optimise this investment to best support your retirement options. There are so many but some of the main opportunities include:

- The ability to have up to four members within a SMSF Trust.

- The ability to personalise your investment options to tailor to your individual needs over time, with a focus towards retirement.

- Using your SMSF for wealth creation, income generation or capital protection.

- To invest in a range of opportunities including direct shares, managed funds and direct real estate. Be aware that all investments have regulations to which one must comply.

- Increased visibility of your retirement wealth allowing greater confidence in the SMSF and retirement decisions.

- The ability to leverage or borrow funds under certain conditions for certain investment classes.

- Significantly lower tax rates in a SMSF as compared to Company or Personal Income tax. More information is outlined below in the Tax Considerations section.

It is important to remember that the sole purpose of a SMSF is for your retirement. Money made or saved within your SMSF cannot be used for personal purposes other than relating directly to retirement. For example, you cannot withdraw money from your SMSF account to spend on the annual family holiday or pay for personal bills and expenses.

Tax Considerations

For all investor's my view of tax planning is this is the 'cherry on the cake'. I believe investment decisions should not be made for tax benefits alone. Sure, it can be a consideration and is very important when planning your investment strategy. But tax planning should not be relied on or viewed as essential to achieve investment success. You should know how you can make a profit without tax benefits.

When considering your investment strategy, the tax considerations that you should have are two-fold:

a. Income Tax implications; and

b. Time.

Hang on, I hear you say. Time is not a tax consideration. It ABSOLUTELY is and a huge one that so many investors neglect. Again - like the legal ownership structures what I am about to share with you is not tax planning advice. It is general in nature and your specific needs will warrant how you utilise the various tax laws in your country.

The tax planning examples I will provide here are based on Australian tax law. However the tax considerations that I will outline for you are universal. And exactly the same tax considerations regarding investment return and timeframe can be applied regardless of where you live.

<u>Income Tax.</u> Let me go over the most obvious one first. That of Income Tax considerations.

Generally speaking with any investment there are two main tax considerations. That of Income Tax and that of Capital Gain. The former is relatively short term or calculated annually whereas the latter is derived only after the investment is sold. This could be after a matter of months or after many years or decades.

Whilst these are calculated differently and have their own methods of assessment - there is only one type of tax in Australia that is payable. And that is Income tax. Contrary to popular belief there is no such thing as Capital Gain Tax. It's not a tax that is stand-alone that you pay separately to other taxes.

The tax considerations within a Self Managed Super Fund (SMSF) is also very different. Capital Gains within a SMSF is currently taxed at 10% (about 1/3 of the standard Company tax rate), Income taxed at just 15% (about 1/2 of the Company tax rate) and any Capital Gain or Income within the SMSF Pension phase currently deemed to be Tax Free. This in itself requires careful investment strategies and planning to optimise these potential benefits whilst adhering to the regulations of the Superannuation Law.

Any Capital Gain (or Capital Loss for that matter) is added to your Personal Income and then the final amount that you are taxed on your Capital Gain is calculated based on your Personal Income of that Financial Year. There are specific rules that deem how the Capital Gain (or Loss) is calculated, but remember that you are not paying any standalone tax on the Capital Gain you make.

Now - how is the Capital Gain calculated?

Firstly, to have a Capital Gain assessed and any associated tax paid, you have to sell your investment asset. If your investment asset increases in value over time, you are not taxed on any of the gain during the period of ownership. Only when you finally sell.

The key issue to be aware of here is the total amount of Personal Income that is taxed in the Financial Year. Therefore you need to plan when the tax is required to be paid and how it will be paid. Tax considerations can play an impact into not only WHEN to sell the investment asset, but also what TYPE of investment asset you purchase and just as importantly, what Ownership Structure you take on.

The Ownership Structure has a direct correlation to how much tax is paid. As I said, this is because there is no such thing as stand-alone Capital Gains Tax. The total Capital Gain is added onto an individual's personal Income.

If an investment is jointly owned, then as I highlighted earlier the profits are split 50/50. Therefore, any associated Capital Gain is split and added to each individual's personal income.

So the more entities involved in investment ownership, the more detailed investment considerations need to be made to optimise your investment results.

Your future Capital Gain / Loss considerations will be legally dealt with, based on the pre-determined ownership structure. If you get this wrong it can cost you tens, if not hundreds of thousands of dollars. If you get it right, you can equally save tens or hundreds of thousands of dollars as well.

I know which option you'd prefer - right?

Again your investment strategy is ALL linked to the LIFESTYLE that you want and the level of Freedom and Choice that is important to you in your planning.

Time. Now the second consideration you may remember is Time. In Australia currently, if you sell your investment asset within 12 months of purchase then 100% of the Capital Gain is added to your personal Income and the tax is then calculated. If you sell your investment after 12 months of purchase then only 50% of the Capital Gain is added to your personal income and the tax calculated. This can make a significant difference especially the greater the Capital Gain.

Also, be aware that the actual date in which the Gain is calculated may not be the date of your decision to sell, but on the date of the contract of sale. Please ensure you check on this before making any decisions as this then allows for tax payment deferral through simple date planning.

Another great example is using the profits from a sale for up to 18 months before you even have to pay tax on it. For example, if you sell your investment asset EARLY in the FY and the contract is also early in the FY you re not required to pay tax on that Capital Gain until it is assessed and added to your final personal Income at the conclusion of that FY.

Furthermore, tax is not required to be paid until after you receive your Tax Assessment from the Tax Department which, if lodging via a qualified accountant, can be up to 9 months after the end of the tax year.

This could mean you make a Capital Gain profit in July of the Financial Year. You receive the CASH as well in the same month. Then in the following June you reach the end of the current FY. Your accountant submits you Tax Return in the February or March of the year after that.

Which means you have been able to use the profit you received in July for about 20 months (nearly 2 years) before having to pay any tax on it. This gives you plenty of time for planning but also by planning this in advance you may be able to use this cash profit to further minimise the tax you need to pay.

Timing therefore is an essential element of Tax Considerations. And one that is heavily over looked by investors.

Tax Minimisation

In Australia, tax minimisation is accepted by the Tax Department. Too many investors pay far more tax than they need to because they don't understand the rules that apply to them.

They either think it's smarter to try and prepare their own tax return in an effort to save $200 or $300 dollars and then miss out on the $1,000's that is actually owing to them.

Let me be very clear on this point though. I am a fan of paying tax. Yes - you heard me. Why?? Because you don't go broke paying tax. The only reason for paying tax in the first place is that you have made a profit. In addition, as mentioned before, making a profit is the only reason to invest in the first place.

We want more TIME, more FREEDOM, more CHOICE and a better QUALITY OF LIFE. This does not happen through poor investing decisions and making losses. It comes from making Intelligent Investing decisions linked DIRECTLY to our person goals, dreams, personality and lifestyle.

Paying tax means that I am contributing back to the community via the government. My taxes help pay for people's wages. They pay for schools, hospitals, road and parks. I am not adverse at all to paying tax.

But I also do not intend to pay anymore tax than I legally have to. As a wise man once said:

"The Tax Department does not do that good a job. We don't need to tip them."

This book is not one in which I will list all the tax minimisation strategies available to you. There are resources available to you online. I direct people that I coach to select businesses that can provide the detailed tax planning for you, based on your personal needs. But you OBVIOUSLY need to know the rules and the tax minimisation options available to you based on both your investment type and the ownership structure you have used.

Again, you can see that all of these considerations in this MOVE step of the Intelligent Investing Blueprint are linked together. When working on and developing Investment Strategies for my clients all of this individual steps are revisited over and over again. Because a change in one has a flow on impact to others.

Your Team

Once you start getting clearer as to what the 'rules of the finance game' are you will need to start building your team.

Whatever your definition of success is, consider anyone successful in the world. Now or in the past. Think about what they did and you will realise that NO-ONE did it on their own. They build a team of people around them to get them to that point.

Be it in any endeavour - sport, politics, religion, business, personal development, wealth creation, community and charity support - there has been a team of people assisting that person achieve their dreams.

The Top #1 Mistake

Remember when I said earlier that a lack of education was the 2nd biggest mistake investors make. Well this is the Top #1 Mistake!!

I have seen too many people have the false impression that success means “doing it all on my own”. This simply does not work, feel free to contact me if you wish to challenge that.

So who do you need when you are putting your team together? Well - just like any successful people you have thought about, the first team member you need is a coach. A mentor. Someone who is an expert in the field that you need the support. They have a proven track record in their own right and practise what they teach. They walk their talk.

Here’s the thing. Go and work with someone who will not only teach you what to do and what mistakes to avoid - but can SHOW you HOW to do it. And provide that ongoing support to make it happen. If they are walking their talk, you know you are getting IMMENSE value from your interaction with them. Because every time they learn something new or they interact with someone else (that you don’t even know about) they are passing on this continuous stream of education, guidance and support, and it’s relevant to you.

Your team must work on YOUR goals and dreams. Not theirs.

Your team must know your personal goals, your fears and aspirations. Then provide you the solutions so that you can implement them and live the life you choose. This is why a GREAT COACH is so important. You don't just want someone who is 'qualified' or has lots of 'information'. But someone you can relate to. Someone who explains WHY they suggest what you should do.

Information is NOT power. Information by itself is just useless noise that takes up energy to remember or use. Align the information with practical action. And make that practical action relevant to your lifestyle. This turns the information into education.

This is part of the reason that I am so passionate about education. Without education, we are not even given the CHANCE to change, to grow and to contribute. We can't be expected to change if we don't even know what's possible. Then, even if you realise you could be living a higher purpose or achieving so much more - you will get stuck in HOW you actually implement that.

So who do you need on your team?

That will depend on what you discovered in the MAP step. You will have worked out what your Future Goals and Aspirations are. You will have uncovered where you are at right now (and how you got there) and this will start to show you the GAP that you need to bridge.

Now as you start taking action in the MOVE step, you will need different support in skills, education, resources or time. That is the knowledge and education on what steps you need to take - then the resources to start working on it - and the associated time to make it happen.

Therefore, your team will be people who can assist you in these areas.

Now I'd suggest that most of these people are 'real people'. You will be able to plug some of the holes or bridge some of the gaps through books, online courses and training, weekend workshops, etc. However, nothing comes close to real, live ongoing education and support.

You may not need the live, ongoing support in every area and from every person on your team. At a minimum, you need a real, live Coach, and they can at least direct you, to when and where you need what type of support.

The last thing you want, as I discussed at the start of the book, is to be trapped in the *5 Common Investing Mistakes* and get no traction and go no-where. A lack of results generates a lack of belief in yourself. You then question your potential or goals and wonder if the action steps are correct or not.

But the reverse applies to. Good support will allow you to start taking the RIGHT action. The action that you need to take, rather than what you want to take. The improved results gives you greater belief in yourself and then the internal potential and drive will allow you to spiral upwards to the lifestyle that you choose.

Your Team Mates

As I outlined above you need to get the type of people on your team that will assist you with your education and results. These people would include:

- Investment Strategist
- Finance Broker
- Accountant
- Investment Bookkeeper
- Personal Risk Insurance Broker

- Property Insurance Broker
- Solicitor / Conveyancer
- Town Planner
- Builder
- Stock Broker
- Quantity Surveyor
- Property Manager

Here's my last piece of advice on selecting your team. Some of these people you will want to pay for. If you truly want more TIME, more CHOICE and more FREEDOM - and you know someone can show you how to make that happen - what would you pay for that?

If you could spend more time with the people you love, have the experiences you want and experience the joy of being free to choose what you want - I'd suggest this is PRICELESS.

There are amazing people out there that will fit the criteria I've outlined above. They must walk their talk. They must be committed to you and not 'feathering their own nest'. They are not a one-off. If you find those people - harness them. Even if you pay to work with them for a short period of time

- even if only 3 or 6 months - just to get a better feel and see what results they can help you with.

And then make the decision to ask for their help for a longer period of time and also who else they recommend you get support from. Don't be stingy. Over the years I've learned and seen from other clients I've worked with that whilst I am also a big fan of 'Free Stuff' they BEST stuff is quality stuff. Others have worked hard to learn and to be willing to teach and empower you. They genuinely want to share with you and help you. And as you would not work completely for free - respect their skill level.

The great thing about paying for getting AWESOME education is it's with you for the rest of your life. It's not a fad. It does not go out of fashion. Imagine who else you could share your new found education and results with. Your children? Your parents? Your friends? Or maybe others who are less fortunate and you want to make a difference to the world.

So What Happens Now? The Last Step

You have now completing reading (or listening) to the Second Step of the Intelligent Investing Blueprint, and that step is MOVE.

You have got an insight into the **Different Types of Investments** available as well as learning how to better Analyse Deals, including using the Reverse Investment Analysis. As your investment opportunities are analysed, you need to have a comprehensive understanding of **Lending and Finance Servicing**, **Ownership Structures** and **Tax Considerations.** And finally, in order to assist making all this happen in the most effective manner possible you will create an **Expert Team.**

As you can see there are A LOT of moving parts and considerations in both the MAP and MOVE step of the

Intelligent Investing Blueprint. And assuming you have implemented these suggestions in both of the previous steps you will have created and invested in some awesome opportunities. All designed to give you more TIME, more CHOICE and more FREEDOM. So you can ENJOY more of what you want in life.

So how do you know if it's all going to plan? You can't just invest in 'stuff' and forget about it. You need to track and manage your shares, property or business. The next chapter outlines the third and final step that is absolutely critical to your success. That step is called **MEASURE.**

Action Taking Resources

1. Download **'The Intelligent Investing Checklist'**. This walks you through each step discussed in this book to help you ensure you giving yourself every opportunity to align your personal and investing goals. So that you can enjoy MORE of what is MOST IMPORTANT to you in life. Get the checklist at

www.DuncanBuchanan.com/Resources

2. Do you have questions right now that you would like an answer to? Maybe you need someone to give you some guidance about your current investing strategy.

You can book a **Complimentary Investment Clarity Call**. Go to this link and select a suitable day and time for us to call you.

https://intelligentinvestinghq.acuityscheduling.com/schedule.php?appointmentType=1191627

CHAPTER 6

The Intelligent Investing Blueprint Step #3 – MEASURE

This can be a little bit complicated to start with - which is why as part of your team I strongly encourage you to work with an investment specialist bookkeeper or equivalent. This made a significant difference to my portfolio when I employed someone to manage all the paperwork, chase investment returns, answer questions from brokers, agents and JV partners, to provide me updated monthly and quarterly reports and returns.

This achieved two SIGNIFICANT things. For the first time, being truly honest with myself, I could SEE how each individual investment was performing, and also the performance of the various portfolios overall. You can't hide from plain and simple black and white numbers.

Measuring what was working, allowed me to magnify those decisions that were working. Measuring also allowed me to get rid of what was *not* working.

Secondly, and almost more importantly, I had a HUGE amount of time back. Time that I previously spent on preparing tax returns, managing the portfolio, balance back accounts, etc. Someone else who was better at it than me and also loved what they did – did it all for me. And better than me!

So please get someone else to help you. If you love the detail and the numbers, at least get the education on how to do it right from the start. Get some help in setting everything up. Do some training and off you go.

Often the better option is to have it all 'Done for You' model. Allow someone else who loves it, who you trust and has personal experience in investment and financial management to do it all for you.
There are five key areas that you need to understand in the MEASURE step.

The **first** key area is being aware of the different **Personal Financial Levels**. These levels are about taking you from financial security through to financial independence. What's involved in each and how to measure them.

The **second** area is knowing how to actually **Track Your Investments**. This is all about what systems should you use and why? The difference between personal finance and investment finance. And why they should be separate when allocation funds and managing performance. This area also includes software optimisation and putting in as much automation as you can to KEEP IT SIMPLE.

The **third** area is knowing your **Key Investment Dates and Details**. You need to get clear on what is owed, and by whom. Key dates of investment returns, dividends, rent, etc. Renewals, Licences or the like that can easily lapse without a reminder. Also making sure that you are planning ahead of due dates and optimising the planning that may affect tax or the amount of profit you can keep in a financial year.

The **fourth** area is a relatively simple one to ignore and this is Information Collation & Storage. What paperwork do you need to keep and why? Where and how do you file it? Who needs copies of what, and the best ways to optimise checklists to again keep this all very simple?

The **fifth** and last area in the MEASURE step is that of knowing What To Measure. And as I indicated above is linked to how you practically track your different finance. You don't want systems put in place if you don't know what you are measuring. Or even why you are measuring it. So this area helps you understand what you are actually measuring, to what level and how often.

Different Personal Financial Levels

So firstly, different personal financial levels. The MOST COMMON term used when people start discussing their financial goal is one I'm sure you've heard of. Everyone calls this term 'Financial Freedom'. I find this to be a very ambiguous phrase because what does it really mean? Everyone's definition is going to be different. So I would suggest that there are 3 different personal levels of finance that you may want to adopt. Rather than one single, all encompassing and generic goal of 'financial freedom' (whatever that means). And achieving any of these in my opinion gives you Financial Freedom.

Each one is consecutive. In that you strive to achieve the first one, move onto the second one, achieve the second one and then move on to the third one. And you don't need to have all three. That is a huge distinction that I believe people need to be aware of.

You don't need to have all 3. You can achieve the first one only. And that's OK. Because I tell you what, if you achieve the first one, I'm confident that would have a massive transformation in your life by just having security around the first personal level of freedom. And this one I call **Financial Security.**

The level of Financial Security is based around you having enough capital, enough cash flow, and enough investments so that you have security on your personal level. So how would you calculate that? What I would suggest to you to do, is to calculate what do you *need* to spend. What are your personal expenses that you have.

Firstly list out what are all the personal expenses you have, and these are personal expenses that you need to survive. So not cable and Fox TV, not 5 coffees a day, not eating out every night, not whatever other unnecessary luxuries you have. This is just what you need to live every day. So your expenses might be things like mortgage, electricity bills, rates, water, school fees (for those of us that have kids), and then all the other things that are associated with having a family. How much you would spend on food? Internet connection is probably something that you really need to survive on these days. Personal loan repayments, if you borrowed money for a car or something that you need in your day-to-day interaction. So work out what your expenses are. Some of these you'll pay annually, some of them you'll pay weekly or fortnightly or monthly, just list all of them.

Then work out what they all cost and then break out that amount per month. So some expenses that you'll pay annually, for example insurance, just divide that by 12. If there are expenses that you pay fortnightly, then multiply that by 26 to get an annual figure, and then divide it by 12. Ok?

You should now have a monthly figure, which includes ALL your expenses that you need to survive - or that you need to be SECURE. Hence, the name of this level is Financial

Security. Next, you need to determine a time period that you want to be safe for.

What I mean is if your income stopped, if you had no means of paying all of these bills and these expenses, what would you do? So your first level is Financial Security as is not calculated initially on purely a dollar figure - but rather a time period. Calculate what it's going to cost you - X dollars per month. Then how many months of financial security do you want?

For some people, if you've changed jobs or you're moving, or your just need a bit of a break, then you may need one or two months. You might want longer than that. So you could decide you want 3 months of security, or 6 months, or you could even want to have 12 months as your Financial Security level.

So just work out what that amount is monthly. Another example is if your personal expenses run at say $3,000 a month and you want to have 6 months of security - you need to multiply $3,000 by 6 and you get $18,000. You want to make sure then that the first level is you've got $18,000 in available equity. These are funds that you could access quite quickly, in order to cover the living expenses for yourself and your family for 6 months. If you're expenses are $5,000 a month, and you want to have a year of personal financial security, then $5,000 multiplied by 12 is $60,000. You need to have $60,000 of accessible funds. That doesn't mean this cash is sitting in the bank. It could be in a pre-drawn term deposit, you could have something in shares, it could be a combination of all of the above. It could be you don't need all the money as a lump sum at once - but you've made sure it's available over the time period that you have decided,, and that's your first personal financial level called Financial Security.

The second level, I actually name **Financial Freedom**. In addition, the second level is where you then bring investments in, and you say "You know what. I want to use investments to cover part or all of my lifestyle".

So again, it's similar to the previous level. Once you've got that first level you might want to start bringing in a few little luxuries, other than just necessities. And this may then bring you to $4,000, $5,000 or $8,000 a month. And then what you really want to aim for is to use investments - returns on investments to cover part or all of your ongoing lifestyle.

What that means is you get to the point where the return that you're getting from your investments will cover all of your lifestyle. You won't actually have to work, you won't actually have to go and get a separate job. Your returns, your income, your dividends, your profit, and whatever it is that comes from your investments will actually cover all of your ongoing lifestyle.

And again, I would suggest be kind to yourself. It's not JUST about having your investments covering 100% of all of your expenses. If you get to a point where your investments cover 70%, 50% or 25% of all your lifestyle expenses, then I still think that is a massive benefit to you. This is where we really start getting some choice and freedom. It gives you choice of freedom on how much you have to work, how much extra income you need to earn and the ability to prioritise what is most ENJOYABLE to you. And do MORE of that :-)

The last personal financial level, is what I call **Financial Independence**. And that is where we get to the point that, no matter what our heart desires, no matter what it is that you want to do, you've got income coming through your investments that will allow you to effectively do whatever you want, whenever you want. Your expenses are covered, your personal lifestyles covered and all your luxury items are covered. That's another awesome level to aspire to.

These are the 3 different personal financial levels that you need to get clear about in the Measure step. Understand that if you know what your want first, that this will link directly back to the very first step of MAP. Because this is where you are starting to determine what your results are and from there you start looking at the types of investment deals you should make in the step of MOVE in order to get you to those different levels of personal investing finance. Then you've got to move on to the next stage of measure, and that is how do you track those finances?

Tracking You Investment Performance

The next category within the MEASURE step is knowing how to actually track your investment performance. There's heaps of different ways in which you can track your investment's performance. You can just use pen and paper, a good old cash book. You can use spreadsheets.

Then you start to move into software programs, and there's plenty out there. There's QuickBooks, there's MYOB, and there's Xero. They're probably the 3 biggest and most common ones that are used.

You can use whatever you like, but again when you look at how you're going to track your investments I would suggest you probably want to make it as simple as you can for yourself. Even for someone like my wife, who is very numbers focused, very detailed and loves doing a lot of the performance measurement tracking, report writing and development, she has a system that keeps it simple and automated. For someone who doesn't like a lot of that numbers detail and thinks in big pictures, then for me I need to have something that I can easily comprehend through reports and I want to make sure that the tracking is very simple.

You want to be tracking both your investment finances, and your personal finances. They can be tracked with the same software, but you can also do it slightly differently if you choose. For example, for several years we have tracked everything in Xero, across the board. But in the past we had used Xero for investments only, and either MYOB or even spreadsheets for our personal finances. As we wanted to automate it and get it as simple as possible, then available software programs that allowed us to simplify our measurements was essential.

The reason why being able to better track your investments performance is so important is - well, what is the point of owning investment assets if you don't actually understand how they're performing?

You need to be able to look into the details of what you're actually going to measure and that's something that I'm going to cover towards the end. So how are you going to track it. You could use paper, you could use spreadsheets, you can use software, you want to automate it and I would strongly encourage you to keep it as simple as you can.

Key Investment Dates and Details

The next requirement to better MEASURE your Intelligent Investing is the ability to track your investment details. So what kind of details do you actually want to track? Well I would suggest there are a lot of details that you want to track and I'll give you some examples.

Within the investing world, you might be needing to track dividend returns, profit or loss of share transactions or return on investment of certain assets - just to name a few. You might want to be tracking rent, looking at income, and then also to understand the expenses side. So there might be interest, maintenance, office management, training, travel, computer expenses, internet connection, office rent, and the list goes on.

Therefore you need to make sure you've got a good process to track investment details and key dates. What kind of dates, you ask? Let me give you a property example. This will give you an idea as to some of the dates and detail that if recorded all in one location it will make your life far easier tracking the requirements of your investments.

You should be recording things like:

- When rent is due.
- When insurance is due.
- When your council rates or water rates need to be paid.
- When your insurance renewal is up.
- When your property inspections going to be.
- When your rental period expires.
- When your property management period expires.

Shares you might be looking at when dividends are due, when income is due, when interest needs to be played. Is there a margin call that's coming up? Again you need to be looking at what your opportunities are, your key dates and then you schedule them into your calendar so you know what's coming up and you don't get caught out.

If you have these key dates, you're never going to get caught out by not having the ability, or forgetting to actually follow up on what you need to. It's very important that you have the ability to track key investment details. These Key Investment Dates & Details are applicable to Property, Shares and Business.

Information Collation & Storage

The fourth requirement of the MEASURE step is called Information Collation & Storage. This is where you need to understand what information is relevant to you at what time. Where is your paperwork going to be stored and how often do you need it?

It might be things like - What do you need for licensing or for compliance? How do you actually collate and record your documentation? Do you need hard copies or do you need soft copies? Do you need to put something into a binder and file it in a cupboard or do you need scan it and keep it electronically on a hard drive? Can you upload it into the cloud and store it online?

For a lot of our investments, I encourage people to have 2 sets of paperwork - One is what I would call 'set and forget' paperwork. This paperwork is often either related to the purchase or the sale of an asset. It might be annual expenses or even expenses that are even less frequent than annual. Basically you can file this information and you don't need to see it on a regular basis.

The second set of information you need is related to regular reporting. This is where you might want to keep details of monthly bank statements, information on interest or rate payments, business transactions. This is material and paperwork that you've got to use on a regular basis, or that you collect on a regular basis. And you keep these in two separate areas.

What to Measure

The fifth and last component of the MEASURE step is - what do you actually measure? At this point you should have an understanding of:

a. what the different personal financial levels are;

b. how to track your investments;

c. what kind of investment dates and details do you need to be aware of; and

d. The information collation & storage options.

Measurement is about getting a Result. Owning investments are about aligning your *investment result* with your *personal lifestyle.*

I know this is a theme that has been consistent throughout this book. And this is something that I stress so much when I work one-on-one with clients, or indeed throughout the online training programs. You really must be able to link the results of your investments with what you want from your lifestyle. So what do you measure?

Well let me paint this picture for you. Imagine that you have spent a whole bucket load of time understanding the MAP process. You've got an idea of your goals, you've got an idea of your results, and you've got an idea of your time frame.

You've then gone through the MOVE process and determined with help from the Reverse Investment Strategy approach that you want to buy a piece of residential real estate in order to get to the result that you want.

You then go and purchase this asset and this may cost you anywhere between $450,000-$600,000. You've done the best deal you possible can. You've secured it and you're very happy it's settled. You've got your next asset secured in your investment portfolio.

But here's the thing!!

How do you know if that asset is giving you the result that you want?

How do you know if it's either increasing or decreasing in value?

What is your rental return, what expenses do you have?

What is your monthly outgoings, what are your quarterly outgoings, what are your annual outgoings?

The last thing that you want to do when you hold an investment, be it a business investment, be it a share investment, be it a real estate investment is not measure and track the performance.

I know I've said it throughout the book - but *investing is a business and you need to treat it as such.* Through your investing, you need to make sure you are tracking it for lifestyle purposes.

If you want cash flow for example as a result of your investment, you need to track the measurement and the performance of that investment to make sure you're getting cash flow.

If you're after long-term asset growth is your investment actually going up in value? Are you getting the equity growth that you need?

This is what you need to track in the MEASURE step. You need to be able to read a Profit & Loss Statement (P&L). You need to be able to read and understand a Balance Sheet. This is something that you should look at minimally every financial quarter, every 3 months. You should be pulling out the data of all of your assets and have giving it a quick once over. This way, you're able to track and measure the performance of your investment assets by:

- individual entity,
- individual investment,
- overall entities, or
- overall portfolio.

You can drill down to just the investments or you can drill down to just the income. You can drill down to just the expenses or you can look at percentages and comparing budgeted vs actual returns.

Unless you measure the investments that you have, it is impossible to build a strong investment base and become financially secure, free or independent.

You want to be able to adjust them because as things change, as your life changes, as opportunities crop up, you might want to expand your portfolio, contract your portfolio or you might need to move your portfolio in a different direction.

You need to have the flexibility to do that, and the only way you do that is by staying on top of your assets, by monitoring the measuring and tracking your performance assets. And again if you can't do that, go and work with someone who can. Work with someone who's got the automation system in place. Work with someone who loves this stuff and understands the details, and can just give you the reports. That way you are well informed, and you can make educated decisions about what you need to do next.

Action Taking Resources

1. You know you need to measure and track your investment performance. This is both as an individual asset and also within the ownership or entity structure.

Book Your **FREE Investment Performance Analysis** by visiting

www.ThePropertyInvestorsBookkeeper.com

Whilst this system has primarily been setup for property investors - the resources, tools and support available are applicable across all investment classes. This has been designed to create the clarity and freedom you need PLUS giving you LOADS of your time back. Worth at least checking it out.

CHAPTER 7

How To Make It Happen

The intention of this book was to ensure you received an outline of the opportunities and considerations you can adopt if you'd like to **Enjoy MORE of What You Want In Life**.

After over 10 years of both personal investing experience and coaching clients who live around the world in business and investing strategy I know this works. This book was not about 'get rich quick'. Nor was it designed to give you all the details of exactly what you need to set-up and manage your own investment strategies.

Why not? Because as you have learnt from this book, every individual has a unique set of goals and beliefs. Of desires and values. Therefore, every lifestyle is different and the aligned investment strategies are also different.

The 3-Step System of the Intelligent Investing Blueprint will allow you more detailed understanding than I hope ever before. My intent was to make this an easy to understand book and outline sometimes complex theories in a more easy to understand manner.

My Mistakes & What I Changed

Personally, my journey started in the Step #2 phase of MOVE before I really did anything else. I failed to spend any time on myself and my goals. I definitely did not invest in myself or my family. Only in 'money making stuff'. There was no real performance tracking or measurement. There was an annual tax return and as long as I still owned investment I was under the false impression that everything was fine.

The first change I had to make was understanding the importance of taking responsibility for my own future. I could either sit around and let life 'just happen' around me or I could 'step-up' and take control. Investing time, money and energy into personal development, goal planning, finance and investment education was the best thing I ever did.

It allowed me to gain perspective on what mattered to me and also Why! Over the years this depth of knowledge has driven me to want to educate and empower others to take control of their financial and investment future for ONE REASON...So That We Can All Enjoy More Of Who We Can Be and To Enrich the Lives Of Those Around Us.

The second change was to be more clear on my goals and purpose - and every year my wife and I review this and adjust as needed. This was a massive step in the right direction.

Thirdly, I now needed better investment performance tracking and measurement. No longer was I going to blindly ‘hope’, or assume that as long as I wasn't not going backwards life was sweet. Developing better and more easy to use and automated process has allowed the portfolio to not only grow in equity value and cash-flow, but to grow in the areas we needed it and at the time we needed it.

Action Taking Resources Summary

Throughout the book, there have been several sections which had provided you an internet link or description on an action step or process that you can use to start improving your financial and investment freedom journey. Listed below is a summary of all those various opportunities.

A NOTE TO THE WISE - these resources and opportunities alone will not change your current or future situation unless you UNDERSTAND them, IMPLEMENT them and BUILD your team.

Remember this is all designed so you can align your new investment strategies with your personal lifestyle goals.

1. Your **Complimentary Investment Clarity Call**. Go to this link and select a suitable day and time for us to call you.

https://intelligentinvestinghq.acuityscheduling.com/schedule.php?appointmentType=1191627

2. Your Investing Fears & Aspirations Self-Assessment.

https://www.surveymonkey.com/r/XKZFGH7

3. The "3 Mistakes That Stop People From Achieving Financial Freedom" Report & 3-Part Video Series.

www.IntelligentInvestingHQ.com

4. Future Goals Planning Guide.

www.DuncanBuchanan.com/Resources

5. The Intelligent Investing Checklist.

www.DuncanBuchanan.com/Resources

6. Property Performance & Tracking Solution.

www.ThePropertyInvestorsBookkeeper.com

7. The Intelligent Investing HQ YouTube channel.

https://www.youtube.com/channel/UC63YTDHmOIwZ3S5lJlgW63A

8. The Intelligent Investing Mastermind Facebook Group

https://www.facebook.com/groups/intelligentinvestingmastermind

This Intelligent Investing Blueprint is designed to move you away from Financial Fear TO Living the Life That You Deserve.

From Information Overwhelm TO Relevant & Well-Informed

From	Time Poor	TO	Plenty of Time
From	Lack of Choice	TO	Freedom of Choice
From	Investing Mistakes	TO	Investing Certainty

The 3-Step System of the Intelligent Investing Blueprint is:

MAP

MOVE

MEASURE

Use the System so you can:

Invest Your Time or Money to Achieve Something of Purpose Through

Good Judgement & Harmony By Using An Existing, Flexible System or Plan.

I sincerely wish you great success now and in the future. And your journey and real-time experiences of More TIME, More CHOICE and More HAPPINESS is accelerated and achieved with greater peace of mind through aligning your investment decisions with your Lifestyle Goals.

LIVE AUTHENTICALLY

INVEST INTELLIGENTLY

ABOUT THE AUTHOR

Duncan Buchanan - Active Investor, Investment Educator & Strategist, Dedicated Husband and Committed Father of Two Awesome Kids.

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Certificate IV in Financial Services (FNS40804)

Duncan Buchanan has mentored small business owners and individuals for years in how to improve their personal and financial wealth. He has studied intensively and put into practice key strategies so he can ENJOY MORE TIME, CHOICE and FREEDOM to EXPERIENCE more of life and SERVE OTHERS.

And now shares this with others to ensure everyone has the opportunity to live the life they so rightly deserve.

Duncan joined the Australian Army at just 17 and served throughout Australia and Overseas, including in three conflict environments. Throughout this time, he became aware of the importance of consciousness in himself and others. As well as his passionate belief that everyone has the right to live the life they deserve.

Duncan has extensive personal experience and maintains his own multi-million dollar property & investment portfolio. Whilst Duncan is no longer a practicing Mortgage Broker, he has owned and run a National broking business for many years.—He is currently the director of three separate companies.

Duncan has presented to thousands of people as a sought-after national speaker for iconic industry events and works with selected clients showing them how to build wealth successfully and helping them create and live the life they truly wish to live.

He is committed to the importance of linking financial and investment needs to personal goals and lifestyle. To not be fearful of money, but to know how to treat it as the energy exchange it truly is.

Many of Duncan's clients start with a general understanding of business, finance and investing, but few ever had a plan or a real, tangible goal they want to achieve. And were often very confused as to how to achieve it. After working with Duncan, these businesses and individuals have had great success using the 3-Step Intelligent Investing Blueprint. Through his own endeavours and the support of others he has assisted in building schools in developing countries including Nepal, Sri Lanka and most recently in Kenya.

Duncan is a passionate family man and outdoor enthusiast. He has trekked through the Highlands of Papua New Guinea, lead a 10-man trekking expedition through the Western Himalayas, camped in the Amazon Rainforest and hiked the Inca Trail in South America. He loves being outside, camping and spending time with his wife, son and daughter.

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I sure hope you found this book helpful. In fact, this is a starting process to many and varied opportunities if you want a Lifestyle of Fun, Choice and Freedom. Others would love to learn more about this information - and I know they would greatly appreciate it if you could help them and please leave a review.