The Millennial Roadmap

The No-Stress Guide to ease Your Financial Life

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Introduction

Preface

It is a natural behavior we often see on people, even ourselves, we have too much of thinking when we are dealing with money. Things like,

- "I am going to save a thousand by year-end…"
- "I am going to earn 1 million by 30s"
- "I am going to become financially free by 30s"

Sound familiar, eh?

This is what struck many of us. Yeah, of course, you'll require planning, but it alone simply is not enough, you wouldn't see any tangible results before you start to manage it to work for you.

You see, most people know that they should be managing their money, yet they never seem to get started, they kept procrastinating. And always reason after reason…

- "Yeah, I probably should get started after blablabla…"
- "But I am not trained/educated for this…"

You might question and said, "I don't need to manage my money, I have my financial advisor/manager", Well, here's my reply, if you'd care to do some research, you would find that these supposedly professional exist to 'milk' from their clients. So when you've been having an affair with these professionals, no hard feeling, but I guess you aren't concerned about being rich after all!

Undeniably , when having to deal with finances, it can become quite dull or boring, and going through them will seem like a Nightmare, that's why you paid people to get your money managed, right? BUT then, what do you expect from them? You want everything being done for you and You want to be rich!

But when it is your own money you are dealing with, DO NOT expect others to help you! Me included, I am only here to GUIDE you, so it will be up to yourself!

Now, before I get to show you the roadmap or recipe to become a millionaire, I have a little something, my secret, which I hope you will get off your butt and get moving in your financial life!

THE NO-STRESS GUIDE TO EASE YOUR FINANCIAL LIFE

Set Your Mindset Right

As the famous expression goes "life really begins at 30", individuals who are about to hit their 30 are approaching that time in their life where they may be facing huge financial milestones such as marriage, children, and buying a new home.

But before you hit that milestone, your attitude and mindset towards money should have correct and matured, to begin, here're the 3 money myths you must know about.

- #1 Money is NOT the root of all evil,
- #2 Money is a tool, and time is NOT money,
- #3 Money can't buy happiness, NEITHER does poverty.

You might feel that these sound just like the advice you hear everyday, what I can ASSURE you is majority had failed because they don't BUY these concepts! Believe it or not, these had been had been backed by many successful men in the history, billionaires, entrepreneurs, investors. Therefore, It is crucial to set your mindset right, only then you will be able to success in your financial journey!

You as one Company

“Have you ever study or managed a company before?”

I am asking this as I am trying to convey an important message, it is an early step in your path to becoming a millionaire, and this is my secret that I told you earlier, learn this and put into practice, and I GUARANTEE that you will achieve a lot in your future financial life, in your career, your investment route or even your entrepreneur journey.

“You as a Company”

This is the first step in the system, first treating yourself as one company or a stock, and in this case, an undervalued stock. Like a company, You will have your own book record:

- #1 Balance Sheet,
- #2 Income Statement,
- #3 Cash Flow Statement,
- #4 Mission Statement.

The management of the 4 items above is important as it deviate the rich and the poor, the rich will actively manage this company of theirs, the rich had become richer because they have managed their company to work for them. As simple as that!

#1 Your Balance Sheet

A balance sheet is a summary of the financial condition or balances of a company. As a norm, a balance sheet has 3 things,

- Assets,
- Liabilities,
- Owners Equity.

A common rule when one's selecting a company, he or she would consider a Low Debt to Equity ratio.

When you apply this on your 'Company', you will be accessing all your accounts, assets, liabilities and net worth.

XYZ Company
Balance Sheet
As at 30 June 2010

Current Assets		
Cash at bank	30,000	
Inventory	250,000	
Debtors	75,000	
Total current assets		355,000
Non - Current Assets		
Buildings	550,000	
Plant & equipment	250,000	
Vehicles	120,000	
Total non-current assets		920,000
Total Assets		**1,275,000**
Current Liabilities		
Credit cards	15,000	
Creditors	110,000	
Tax Payable	25,000	
Total current liabilities		150,000
Non-current Liabilities		
Long term loans		700,000
Total Liabilities		**850,000**
Owners Equity		
Capital	100,000	
Retained earnings	250,000	
Current earnings	75,000	
Total Owners Equity		**425,000**

- Net Worth = Total Assets – Total Liabilities

ASSETS		SUM		LIABILITIES		SUM
CURRENT				LOANS		
CASH				CAR		
ACCOUNTS (CHECKING)				STD LOAN		
ACCOUNTS (SAVINGS)						
				MORTGAGES		
INSURANCE				HOUSE A		
ANNUITY A				HOUSE B		
ANNUITY B						
				CREDIT CARD		
RETIREMENT				CARD A		
RET. ACC. A				CARD B		
RET. ACC. B						
				MISCELLANEOUS		
SECURITIES				MISC A		
STOCKS				MISC B		
BONDS						
REAL ESTATE						
HOUSE A						
HOUSE B						
MISCELLANEOUS						
BULLIONS						
OTHERS						
A. TOTAL ASSET						$ 0.00
B. TOTAL LIABILITY						$ 0.00
NETWORTH						$0.00

Net Worth Calculation Example

#2 Your Income Statement

An income statement is a summary of a company's profit or loss, during a particular period. It has 2 things,

- Revenues,
- Expenses.

XYZ Retailers

Income Statement

For the year ended 30 June 2011

REVENUE	$	$
Sales		250,000
Cost of Goods Sold		
Opening inventories (as at 1 July 2010)	40,000	
Add purchases	100,000	
Add freight-in and customs duty	10,000	
Less closing inventory (as at 30 June 2011)	60,000	
Less Cost of Goods Sold		90,000
Gross Profit		160,000
Add other operating revenue		
Rent received	3,000	
Commission received	2,000	
Total Revenue		165,000
LESS OTHER OPERATING EXPENSES		
Selling & Distribution expense		
Advertising	5,000	
Public Relations	2,000	
Website marketing	7,500	
General and Administrative expenses		
Depreciation	10,000	
Electricity	1,500	
Insurance	1,000	
Rent expense	30,000	
Wages & salaries	46,500	
Financial expenses		
Bad debts	1,500	
Total expenses		105,000
NET PROFIT (EBIT)		60,000

A common rule when one's selecting a company, he or she would always consider a company that is making a profit, where the revenues exceed their expenses.

When you apply this on your 'Company', you will be accessing your inflows and outflows of money, budgeting them within a certain period.

- Budget = Total Incomes – Total Expenses

INCOME		SUM		EXPENSE		SUM
PAYCHECK						
OTHERS						
				SAVINGS AND INVESTMENTS		
				SAVINGS		
				RETIREMENT		
				LOANS/DEBT		
				MORTGAGE/RENT		
				CAR LOAN		
				STUDENT LOAN		
				CREDIT CARD		
				UTILITIES		
				ELECTRICITY		
				WATER		
				TELEPHONE		
				INSURANCE PREMIUMS		
				HEALTH		
				LIFE		
				MISCELLANEOUS		
				MISC A		
				MISC B		
A. TOTAL INCOME/S						$ 0.00
B. TOTAL EXPENSE/S						$ 0.00
A MINUS B				REMAINING BUDGET		**$0.00**

Budgeting Calculation Example

#3 Your Cash Flow Statement

A cash flow statement is a summary of a company's liquidity, or simply cash. It can be broken into 3 activities,

- Operating,
- Investing,
- Financing.

A financially sound company will have positive cash flow. As negative cash flow often means TROUBLE, they will either borrow more, or sell their existing assets.

XYZ Company, Inc.
Cash Flow Statement
For the year ended December 31, 2010
(in thousands)

		2010
Cash Flows from Operating Activities		
Net Income	$	13,725
Depreciation/Amortization	$	4,000
Changes in other accounts affecting operations:		
(Increase)/decrease in accounts receivable	$	500
(Increase)/decrease in inventories	$	(600)
(Increase)/decrease in prepaid expenses	$	300
Increase/(decrease) in accounts payable	$	(450)
Increase/(decrease) in taxes payable	$	500
Net cash provided by operating activities	**$**	**31,700**
Cash Flow from Investing Activities		
Capital expenditures	$	(13,000.00)
Proceeds from sales of equipment	$	-
Proceeds from sales of investments	$	-
Net cash provided by investing activities	**$**	**(13,000.00)**
Cash Flow from Financing Activities		
Payments of long-term debt	$	(1,250.00)
Proceeds from issuance of long-term debt	$	500.00
Proceeds from issuance of common stock	$	-
Dividends paid	$	(2,000.00)
Purchase of treasury stock	$	-
Net cash provided by financing activities	**$**	**(2,750.00)**
Increase (Decrease) in Cash		**15,950.00**
Beginning Cash	**$**	**19,050**
Ending Cash	**$**	**35,000**

When you apply this on your 'Company', you will be tracking and monitoring your cash flows, or daily expenses.

- Expenditure = Daily expenses with cash

#4 Your Mission Statement

A mission statement normally addresses an organization's objectives or purposes, or simply the goals that the company wants to achieve. Mission statement would provide a right direction and path a company is heading, and thus making the correct decisions in realizing the company's goals.

So as an individual, you should develop your personal mission statement, some goals or purposes you want to accomplish. One way to get started would be adopting the S.M.A.R.T. goal approach.

- S.M.A.R.T. Goal = Specific, Measurable, Achievable, Realistic and Timely

		TARGET DATE (MM/DD/YYYY)	TARGET AMOUNT	SAVED AMOUNT
SHORT-TERM				
PAY DOWN DEBT				
A				
MID-TERM				
EMERGENCY SAVINGS				
B				
LONG-TERM				
PREPARING FOR RETIREMENT				
C				

Financial Goal Example

Automatic Money Management

Most of us would admit that we don't have a ton of free time on our hands these days. With the free time we DO have, very few of us want to spend it dealing with our finances, as it can become repetitive and boring, and you can become stressful when managing your money. Apart from my approach earlier, you still need a SYSTEM.

"Automatic Money Management"

The system, called automatic money management, it isn't something new, and make no mistake, this will not get you rich overnight, rather it is a system where Your behavior of spending, saving, and investing will all be automated. And you will be using this system in your roadmap to becoming a Millionaire.

Before the system can be making sense, like every other thing, you must convince yourself to persevere, and be committed to the system so you will be able to execute them and successfully getting control over your finances.

The idea of automation is easy. Through a simple and pain-free process, an automatic system can make 'repetitive' or 'boring' a thing of the past. The idea is simply to work up to make money flow automatically, so with Automatic system, you can:

- Set your money to automatically fill up your savings account and investment accounts without doing any additional work.
- Set recurring payments to bills or credit card without worrying about missing the due date.
- Let yourself focus on the things that really matter — learning to new kinds of stuff, hanging out with friends and family.

knowing this alone, you're probably way ahead of 90% of people or more.

Automatic Money Management

"Automatic transactions are your best pal"

Thanks to every modern bank these days support automatic transactions, be it direct deposit, automatic transfers to your savings account or investment accounts, auto bill pay or automatic retirement fund contributions. It is so helpful that it minimize our trips to the teller window or the time you spend on your bank's website, set up transactions to occur between your accounts without requiring action on your part, and you'll still have total control, but this system will just work automatically.

Let's explore each of the components in the system.

- Retirement Contribution Plan
- Checking Account
- Cash
- Saving Account
- Bills, Credit Cards Payment
- Individual Retirement Account, Investing Account

Retirement Contribution Plan

The first thing in the system is the retirement contribution plan, in concerned about the well-being of people in their retirement, most countries have set up this retirement contribution plan, whereby the employer and employee will fund the account.

A percentage from an employee paycheck will be automatically funded each month should they opt into the plan. Some countries had even made this a compulsory comprehensive savings plan for every working resident.

This is also known as 401(k) in the US, Personal pension scheme in the UK, or simply the Employees' Provident Fund, you should set up to open the account, contribute to it and take full advantage of it. Subject to the board, the scheme normally provides a risk-free dividend or large tax advantages when you agree not to withdraw your money from the account until you reach your retirement age.

Checking Account

Your salary or income will first deposit into your checking account, this is the account where you will manage with most, from cashing from ATMs, transfers of funds, paying off bills, etc. This is the place where you will setup all your automatic recurring transfers, or withdrawing using debit cards provided.

One thing to take note about a checking account is, in order to get free services, you will have to maintain minimum balances in the account, and if the requirement is not met, you will have to pay for some monthly fees, and this is something you should avoid.

To make things clearer and easier, you must NOT mixed your saving in this account, you need to have a separate account for that. One simple reason, no point in saving when you could easily withdraw them anytime, at any ATMs, right?

Cash

Cash will be used for covering your daily expenses, groceries, meals. Etc. A good practice is to withdraw cash from your checking account once a month, amount to based on your monthly cash-flow statement. My suggestion for cash would be, withdraw additional 50% for expenses you paid in cash, in case of emergencies.

And you will have some additional cash during the end of each month, do you spend them? Well, DON'T. Put them in your Piggy Safe. Now the beauty of this, after one year, it will stack up to an attractive amount, use it for your short-term goals, or better, invest in your investment account.

Saving Account

One reason, as I mentioned earlier, when people is not saving enough, is because of the mistake, that is to have only one banking account or simply over-complicating with too many accounts. Another reason we don't save money is the pain of putting money into our savings accounts each month.

If you put off saving, or never save more than 2 or 3 percent of what you bring in every year, or worst, repeatedly spend what you have saved- you could easily face the prospect that you will need to keep working much longer than you expected and that you could run out of money in your old age.

Thus paying yourself first is the important step. This is the place where you plan your short-term, mid-term financial goals, by linking and set up an automatic transfer from your checking account to savings account, saving become much painless. It could be a fixed amount or percentage or whatever you think you can afford, subject to your 'Income Statement'. By doing this, you could easily save up for your financial goals.

If your money is not in need in the near future (3-5 years time), consider putting aside some in the certificate of deposit or a time fixed Deposit, which is virtually risk-free, and with a higher interest rate. However, do take note that withdrawals before maturity are usually subject to a substantial penalty.

There’s one simple rule practiced by many wealthy people on saving:

“The 80:20 rule”

The 80:20 rule, or commonly known as the Pareto principle. It means that 80% of the effects comes from 20% of the causes. When you apply this on saving, 20% of your earnings will be saved and you should spend no more than 80% of your earnings.

For example, if your monthly incomes is $2500, then applying the 80:20 rule, you will save $500 each month. Subject to your incomes and expenses, 20% might seems like a huge proportion, but the trick is to start small, you might start with 5 percent of your income, and then gradually increase it, adjusting as you have increased your salary.

Bills, Credit Cards Payment

With saving in place, the next thing to do is compiling and combine all bills or credit card payment in one place. Again, you apply automation on the payment, it is simply a matter of setting up recurring transfers for the correct times and amounts from your checking account to your Bills account.

What if bill fluctuates from month-to-month based on usage? Public utilities, for instance, this would make setting up an automated payment from your bank to be very difficult. One way to do was simply charging the bill to the credit card, or simply set up reminders for any actions that can't be automated.

NOW, what if you have a big purchase or when you need a short-term loan? My advice is, double check your 'Income Statement', make sure you got an extra allowance for that purchase, if not, you will be putting yourself in MISERY when the billing time is close.

Always ask yourself before making any purchases. Is it a necessary? A Need? Or A Want? Here's a catchphrase by *Clive Hamilton* from his book, Growth Fetish, which hold true for the majority, "People buy things they don't need, with money they don't have, to impress people they don't like."

While you could use your credit card for most payment nowadays, to enjoy cashback or whatever benefit, MAKE SURE you record everything, set a reminder, paid in full before they start charging you.

*Free tool is provided for your planning of debt pay-off. (Download HERE)

Individual Retirement Account & Investing Account

"Put your money to work for You"

Here comes the MOST IMPORTANT PART of the system, where you would put your money to work for you! While commonly an individual retirement account can be associated with the retirement contribution plan, as it let you transfer your money into an IRA (Vanguard for instance), or voluntary scheme such as the PRS. This way, you get the tax benefit, as well as investment options to let your money accumulate over time.

And the same applies when funding for your regular non-retirement investing account, whereby it is easily set up for the Mutual Fund Company and most online stock brokerage. You could automatically debit your investing account after every paycheck's is deposited.

Most brokers have no minimum balance requirements to get started; in fact, there are brokers that offer no transaction fee, no-load funds so to stay competitive. Better yet, most brokers offer the dividend reinvestment plan, which will automatically reinvestment dividends for free. So instead of being stuck with one fund company, you end up with a wider selection and helped to keep your cost as low as possible, for instance, you could select index fund that charges minimal fees to get started.

One approach is commonly known as the dollar-cost averaging (DCA) which applies the drip feeding method of investing, and it is a no-brainer strategy work best for millennial, who had no time to monitor their investment, just set up an automatic investing account, and make the transfer of your saving account to the fund monthly, and you need not worry whether the market is going up or down, why? Because you will get more units as the market goes down, and purchased fewer units as it goes up, in the end, they will just average up.

There're a few more things to take note of, before you start invest in an index fund. As you will find lots of index funds tracking different indexes from different fund companies, when picking your index funds, always check the following:

- Transaction Fees - Initial sales charge or redemption charge, whichever applicable, are calculated as the percentage of the NAV of the fund. While there are brokers that offer no transaction fee, it is always a good practice to check.
- Expense Ratio - A fee paid for by the index mutual fund, or management fee charged by the fund manager, commonly an index fund will have a low expense ratio; This ratio varies from funds to different brokers.
- Tracking Error - A measure of how much the return on a portfolio deviates from the return on its benchmark index. As different fund companies might adopt different strategies so as to mimic the indexes, so there will be tracking error.

Once you did your research, Automatic investing account work as simply as:

- Pick the funds you want to invest in the fund companies,
- Set up automatic transfers from your account to the fund company,
- A fixed amount of investment was bought at regular intervals at the current price.

Let’s look at some data next,

Based on the historical records, the average annual return for the S&P500 since its inception until today would be approximately 10%. But we have to factor in the inflation, so let's just assume a conservative average annual return of 7%. The key to profit actually lies in the compounding effect and with re-invested dividends.

Say you start to invest at age 20, and invest $500 per month for 15 years, here's some hypothetical result you would get.

Age	Total Deposit	Reinvested Dividends	Balance
21	$6,000.00	$420.00	$6,420.00
22	$12,000.00	$1,289.40	$13,289.40
23	$18,000.00	$2,639.66	$20,639.66
24	$24,000.00	$4,504.43	$28,504.43
25	$30,000.00	$6,919.74	$36,919.74
26	$36,000.00	$9,924.13	$45,924.13
27	$42,000.00	$13,558.82	$55,558.82
28	$48,000.00	$17,867.93	$65,867.93
29	$54,000.00	$22,898.69	$76,898.69
30	$60,000.00	$28,701.60	$88,701.60
31	$66,000.00	$35,330.71	$101,330.71
32	$72,000.00	$42,843.86	$114,843.86
33	$78,000.00	$51,302.93	$129,302.93
34	$84,000.00	$60,774.13	$144,774.13
35	$90,000.00	$71,328.32	$161,328.32

You will be investing a total amount of **$90,000**, but your total balance had accumulated to **$161,328**!

Now, it doesn't stop here, you might stop funding it further, but it will continue to grow.

Age	Total Deposit	Reinvested Dividends	Balance
36	$90,000.00	$11,292.98	$172,621.30
37	$90,000.00	$23,376.47	$184,704.80
38	$90,000.00	$36,305.81	$197,634.13
39	$90,000.00	$50,140.20	$211,468.52
40	$90,000.00	$64,942.99	$226,271.32
41	$90,000.00	$80,781.99	$242,110.31
42	$90,000.00	$97,729.71	$259,058.03
43	$90,000.00	$115,863.77	$277,192.09
44	$90,000.00	$135,267.22	$296,595.54
45	$90,000.00	$156,028.90	$317,357.23
46	$90,000.00	$178,243.91	$339,572.23
47	$90,000.00	$202,013.97	$363,342.29
48	$90,000.00	$227,447.93	$388,776.25
49	$90,000.00	$254,662.26	$415,990.59
50	$90,000.00	$283,781.61	$445,109.93
51	$90,000.00	$314,939.30	$476,267.62
52	$90,000.00	$348,278.03	$509,606.36
53	$90,000.00	$383,950.48	$545,278.80
54	$90,000.00	$422,119.99	$583,448.32
55	$90,000.00	$462,961.38	$624,289.70
56	$90,000.00	$506,661.66	$667,989.98
57	$90,000.00	$553,420.95	$714,749.28
58	$90,000.00	$603,453.40	$764,781.72
59	$90,000.00	$656,988.12	$818,316.45
60	$90,000.00	$714,270.28	$875,598.60
61	$90,000.00	$775,562.18	$936,890.50
62	$90,000.00	$841,144.51	$1,002,472.83

You will hit the million milestone on age 62 with only **$90,000** invested!

Let's see another scenario, because you felt that NOW isn't the right time to start invest, so you don't start investing until age 35,

Age	Total Deposit	Reinvested Dividends	Balance
36	$6,000.00	$420.00	$6,420.00
37	$12,000.00	$1,289.40	$13,289.40
38	$18,000.00	$2,639.66	$20,639.66
39	$24,000.00	$4,504.43	$28,504.43
40	$30,000.00	$6,919.74	$36,919.74
41	$36,000.00	$9,924.13	$45,924.13
42	$42,000.00	$13,558.82	$55,558.82
43	$48,000.00	$17,867.93	$65,867.93
44	$54,000.00	$22,898.69	$76,898.69
45	$60,000.00	$28,701.60	$88,701.60
46	$66,000.00	$35,330.71	$101,330.71
47	$72,000.00	$42,843.86	$114,843.86
48	$78,000.00	$51,302.93	$129,302.93
49	$84,000.00	$60,774.13	$144,774.13
50	$90,000.00	$71,328.32	$161,328.32
51	$96,000.00	$83,041.30	$179,041.30
52	$102,000.00	$95,994.20	$197,994.20
53	$108,000.00	$110,273.79	$218,273.79
54	$114,000.00	$125,972.95	$239,972.95
55	$120,000.00	$143,191.06	$263,191.06
56	$126,000.00	$162,034.43	$288,034.43
57	$132,000.00	$182,616.85	$314,616.85
58	$138,000.00	$205,060.02	$343,060.02
59	$144,000.00	$229,494.23	$373,494.23
60	$150,000.00	$256,058.82	$406,058.82
61	$156,000.00	$284,902.94	$440,902.94
62	$162,000.00	$316,186.15	$478,186.15
63	$168,000.00	$350,079.18	$518,079.18
64	$174,000.00	$386,764.72	$560,764.72
65	$180,000.00	$426,438.25	$606,438.25

You have contributed the same amount monthly for both scenarios, and we are basing on the same average annual return of 7%.

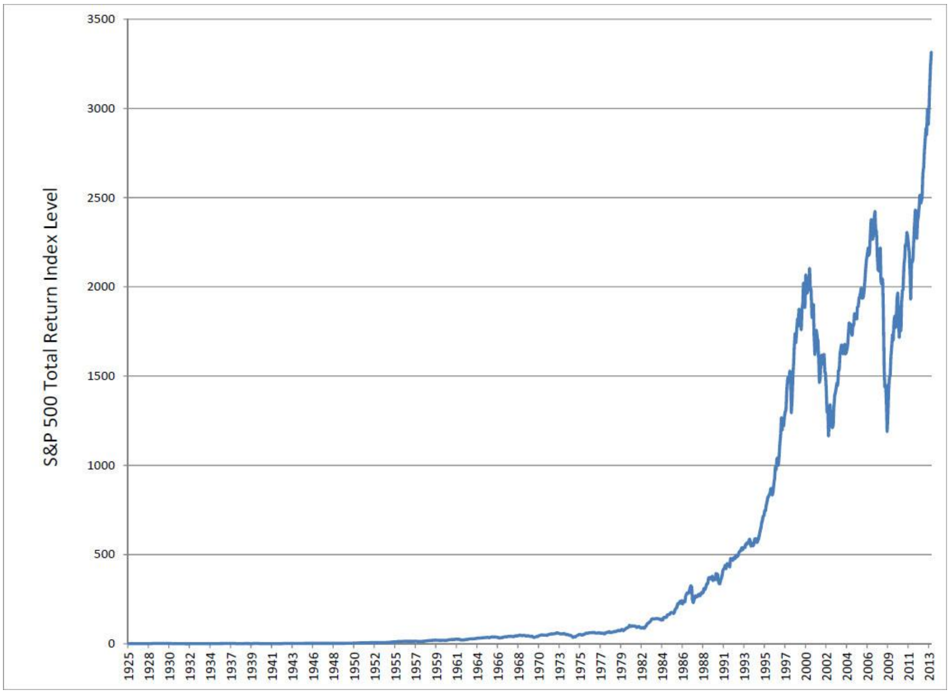
Have you notice the difference?

- You start investing as early as age 20, and contribute $500 monthly for 15 years. You will hit the million milestone on age 62 with only $90,000 invested!
- You start investing on age 35, and contribute $500 monthly for 30 years until you retire on 65. Meaning a total of $180,000 invested, you will only have 600k+!
- The sooner you start investing, the better! Don't put it off because you felt you aren't ready, as you can see, the big difference in the investment value.

While you don’t necessarily convinced of what I just show you, so I will take the advice given by Warren Buffett himself, in his 2013 letter to Berkshire Hathaway's shareholders, he had brought up:

“My money, I should add, is where my mouth is: What I advise here is essentially identical to certain instructions I've laid out in my will. One bequest provides that cash will be delivered to a trustee for my wife's benefit. (I have to use cash for individual bequests, because all of my Berkshire shares will be fully distributed to certain philanthropic organizations over the ten years following the closing of my estate.) My advice to the trustee could not be more simple: Put 10% of the cash in short-term government bonds and 90% in a very low-cost S&P 500 index fund. (I suggest Vanguard's.) I believe the trust's long-term results from this policy will be superior to those attained by most investors – whether pension funds, institutions or individuals – who employ high-fee managers.”

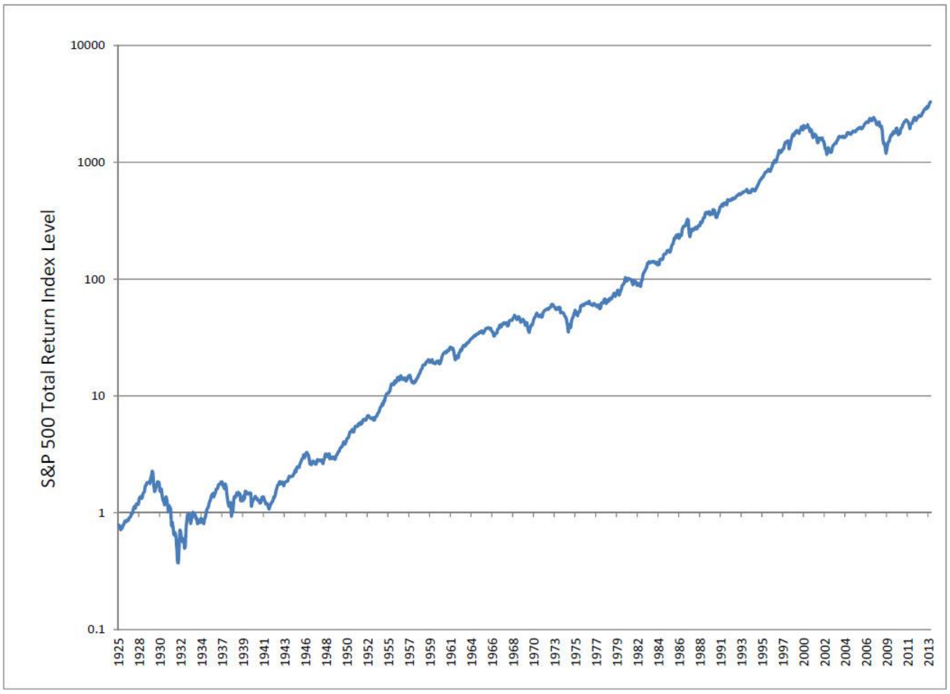
If you are still not convinced, and because you are afraid the returns are too high and the market will crash eventually,



"Global Financial Data, Inc. S&P 500 total return"

Basing on this chart, Yes, it does look scary, but this was simply the result of the compounding effect in the long run.

When we consider a long-term market returns, we should be basing on a logarithmic scale instead.



"Global Financial Data, Inc. S&P 500 total return"

This chart, return a much linear curve, showing that the market is a lot more stable, and it will continue to do so in the future! Therefore, you shouldn't be afraid of the next crash or the next bear market. Stick to the strategy as recommended by Warren Buffett, invest for the long term, and you will reach your goals, GUARANTEE!

"The SPYM Portfolio Tracker"

*To help and assist you in managing the investing account, use the tool as provided (Download HERE), where you could design your index funds or ETFs portfolio, you could design for up to 4 Funds in your portfolio, spreading your risk further. Simply allocating your monthly contribution and allocation of each fund in percentage. For example, following the 90:10 allocation in Equities and Bonds.

Total Contribution per month		$500.00		
No	**ETF Name (Ticker)**	**ETF Allocation***	**Invested Amount**	
1	EQT	30.00%	$150.00	UPDATE
2	BND	20.00%	$100.00	UPDATE
3	QWE	30.00%	$150.00	UPDATE
4	ZXC	20.00%	$100.00	UPDATE

Then you could update monthly when the funds were bought.

Fund Name		**EQT**		BACK	
Fund Commission		1.00%			
Reinvestment Program*		Yes			
Date	Market Price	Amount Invested	Commission	Cumulative Amout Invested	Reinvested Dividends
31-Aug-2015	$3.3800	$150.00	$1.50	$150.00	
30-Sep-2015	$3.3752		$0.00	$150.00	$12.00
31-Oct-2015	$3.4000	$150.00	$1.50	$300.00	
30-Nov-2015	$3.2000	$150.00	$1.50	$450.00	
31-Dec-2015	$3.0000	$150.00	$1.50	$600.00	
12-Jan-2016	$2.9000	$(542.51)		$600.00	

*Check with the brokerage if they offer a no-fee, no-commission reinvestment program

And you could review your allocation once every year, you could rebalance your allocation, by investing additional fresh funds.

REBALANCING VALUE**			
ETF Name	Additional Fund for Rebalance	ETF Value after Rebalance	Rebalanced ETF Allocation
EQT	$256.85	$799.36	30.00%
BND	$100.00	$532.91	20.00%
QWE	$230.31	$799.36	30.00%
ZXC	$151.96	$532.91	20.00%
**Rebalance Every Year, add funds to each ETF until they reach the original asset allocation.			

While DCA is an easy and proven method, while you don't need to monitor them daily, as your investing account is the most important element in the automatic money management, you DO need to update monthly, so you could track your overall investments and total returns.

Here’s for you take away: The 3 important things you could learn here,

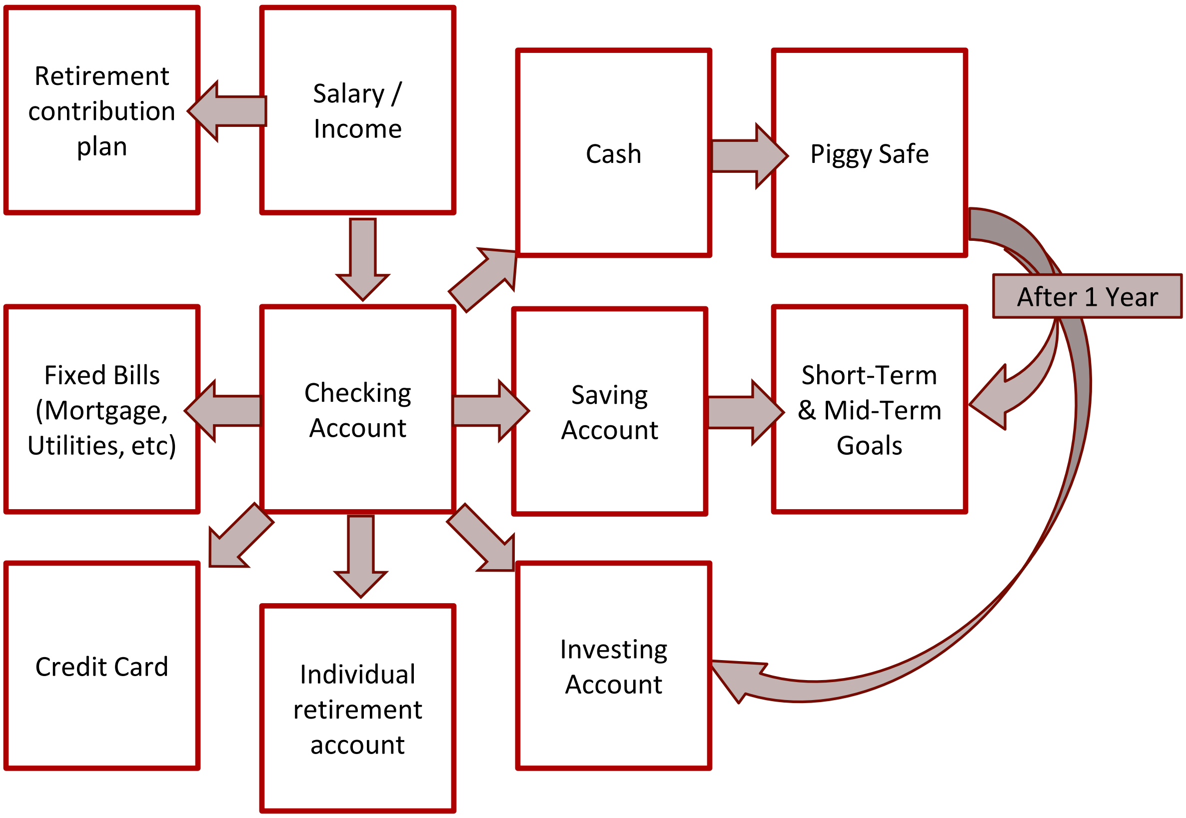
- **Start up small, and reinvest the dividends.**
  - Don't get the misconception that you need to have a lot of money before you can invest, you could invest by the monthly contribution from as little as $100 in a low-cost index fund, and take advantage of the reinvestment, most brokerages now a day offer a no-fee, no-commission reinvestment program.

- **Invest for the long term, always.**
  - Don't fear the unknown, there will be both ups and downs of the market, keep your money invested and continue investing new money, be happy when the market goes up, as your investment value increase; be happy when the market goes down, as you will be getting a discount on the stock market.
  - Age and time are the best assets you have. Because of the compounding effect, when you invest the money in the index fund or ETF, your money can grow very nicely over the long periods.

- **Diversification, don't put all eggs in one basket.**
  - This is especially true for a new investor, don't risk your capitals in a single stock or bond even if you have gone through the analysis and are very sure what you have picked. No one investor is 100% confident in what they invested, Yes, they only invest in things they understand about! But there’s always risk involved.

Info Graphic

All the processes can be summarized in the simple forms below:



Start from the time you receive your paycheck until the monies get spent or bills get paid. Your money management is now on autopilot. Without thinking, your money is systematically saved from every paycheck, before you get paid, and invested in funds you chose and your bills automatically paid and on time.

The beauty of this system is that it works without your involvement and it's flexible enough where you can tweak it to your specific situation by adding or removing accounts anytime. With automatic money management, you're accumulating money by default, and money itself will be making money on your behalf!

Your Roadmap to becoming a Millionaire

By following the system, check out how you could make your first million.

Age	Income	Saving	Account Balance	Investing	Account Balance
21	$50,000.00	$10,000.00	$10,100.00	$10,000.00	$10,700.00
22	$52,500.00	$10,000.00	$20,301.00	$10,000.00	$22,149.00
23	$55,000.00	$10,000.00	$30,604.01	$10,000.00	$34,399.43
24	$57,500.00	$10,000.00	$41,010.05	$10,000.00	$47,507.39
25	$60,000.00	$10,000.00	$51,520.15	$10,000.00	$61,532.91
26	$62,500.00	$10,000.00	$62,135.35	$10,000.00	$76,540.21
27	$65,000.00	$10,000.00	$72,856.71	$10,000.00	$92,598.03
28	$67,500.00	$10,000.00	$83,685.27	$10,000.00	$109,779.89
29	$70,000.00	$10,000.00	$94,622.13	$10,000.00	$128,164.48
30	$72,500.00	$10,000.00	$105,668.35	$10,000.00	$147,835.99
31	$75,000.00	$10,000.00	$116,825.03	$10,000.00	$168,884.51
32	$77,500.00	$10,000.00	$128,093.28	$10,000.00	$191,406.43
33	$80,000.00	$10,000.00	$139,474.21	$10,000.00	$215,504.88
34	$82,500.00	$10,000.00	$150,968.96	$10,000.00	$241,290.22
35	$85,000.00	$10,000.00	$162,578.64	$10,000.00	$268,880.54
36	$87,500.00	$10,000.00	$174,304.43	$10,000.00	$298,402.17
37	$90,000.00	$10,000.00	$186,147.48	$10,000.00	$329,990.33
38	$92,500.00	$10,000.00	$198,108.95	$10,000.00	$363,789.65
39	$95,000.00	$10,000.00	$210,190.04	$10,000.00	$399,954.92
40	$97,500.00	$10,000.00	$222,391.94	$10,000.00	$438,651.77
41	$100,000.00	$10,000.00	$234,715.86	$10,000.00	$480,057.39
42	$102,500.00	$10,000.00	$247,163.02	$10,000.00	$524,361.41
43	$105,000.00	$10,000.00	$259,734.65	$10,000.00	$571,766.71
44	$107,500.00	$10,000.00	$272,432.00	$10,000.00	$622,490.38
45	$110,000.00	$10,000.00	$285,256.31	$10,000.00	$676,764.70

The data sheet was based on saving rate of 1% and investing rate of 7%.

Becoming a millionaire is as simple as you could imagine! What do you need to do to achieve this? By setting up an automatic transfer, monthly transfer to both your saving account and an index fund of your choice.

Of course, you might argue when seeing the number, “how is it possible for me to save $10000 a year, and another $10000 for investing?” quite common, particularly if you just started your career.

But it is tweak-able, you could start-up small, and building it up when your income increase. Notice what I am showing here is rather conservative, with a fixed amount and not a percentage of your salary. Other info to note is, the rate of saving shown, too, are conservatively on the low side, do the research and you would find one that offer a better rate.

As with the rate of return of 7%, that is well below the average of a market, US stock market for instance. And better yet, you could easily achieve the rate of return of more than 10% should you diversify and invest in value and growth stocks. And some good news for you, what you have learned earlier about the fundamental of a company, it is ESSENTIAL in finding these undervalued stocks.

“A No-Brainer System”

With that, it is a no-brainer system for one to become a millionaire! Now let me tell you another good thing, right now you are just looking at the saving and the investing part. Not to forget, you still have your retirement contribution plan and the individual retirement account. You could literally become a millionaire by 40s.

What's next?

What if you feel that 15 years is a long wait, then you might think increasing the saving and investing amount is the only option in reducing the time frame. Well, cut the bullshit of saving more.

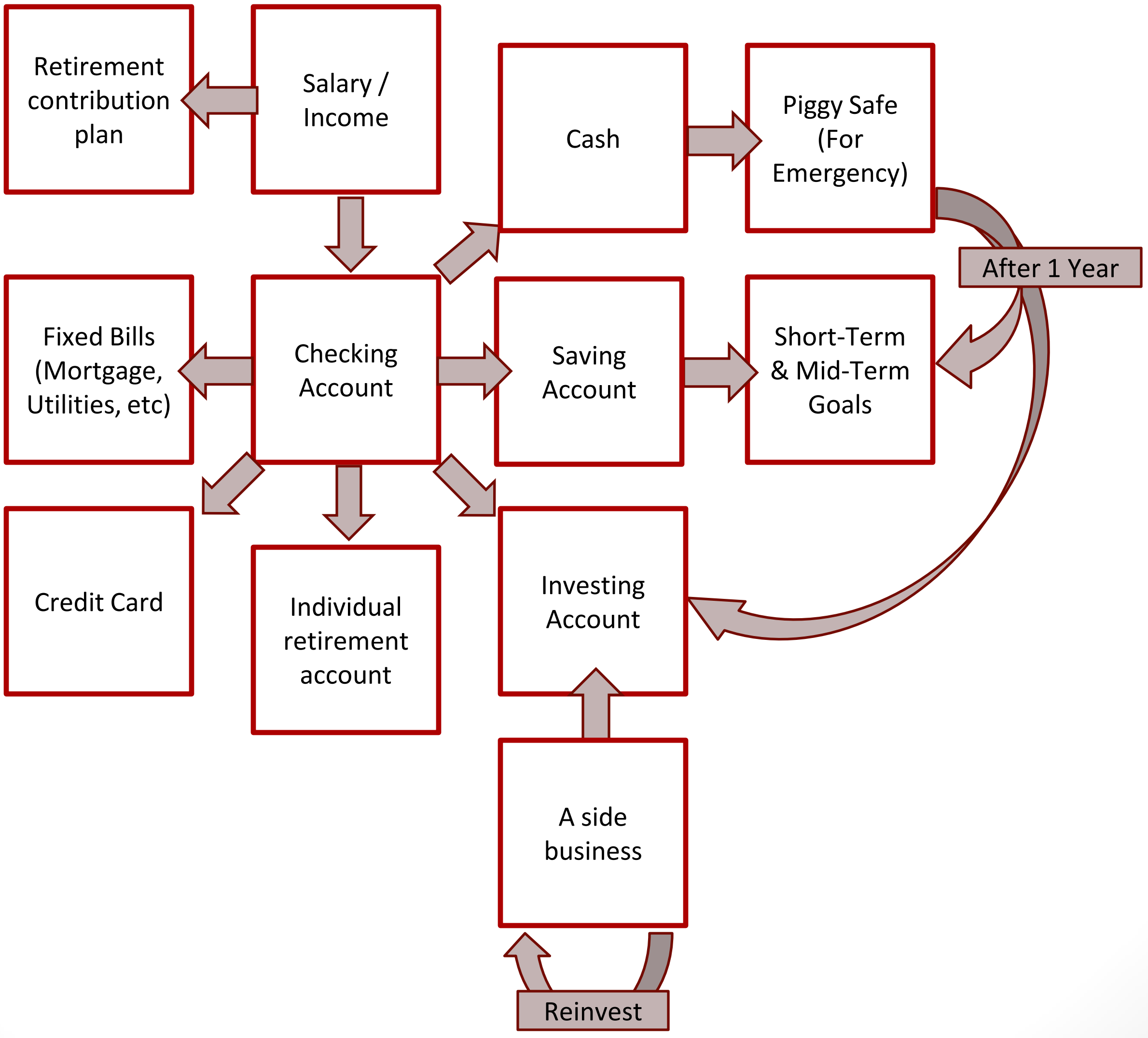
Understanding this, there's a ceiling of how one salary can grow. And what happened during the time of recession? Depending on just your salary is a bad idea! You will need another game plan to grow your wealth in times like this, and worry not; I won't be asking you to spend less or cutting expenses.

Then, what to do?

You see this system could be perceived in two parts. We have already discussed the first part, pretty much about your active income. Now come the second part, is to create one asset that most people will never have, that is to generate side income via a side project or business of your own while doing it part-time, in fact, it could be as easy as freelancing with the skills you've already developed.

If you are determined enough and do the research, you would understand that the internet and mobile technology is where the opportunity lies. And you would find that the barrier to entry is ridiculously low. You don't need a degree; you don't have to get a license like a stock broker. More importantly, you don't have to invest a huge amount of money!

Even if you mess up, the loss is relatively small, if you keep going and learn from your mistakes, you will have an opportunity to start making money on the side. And once you have reached such state, remember to put aside parts of the side income to your investment account. While concurrently scale up your project or business, reinvest the money into it!

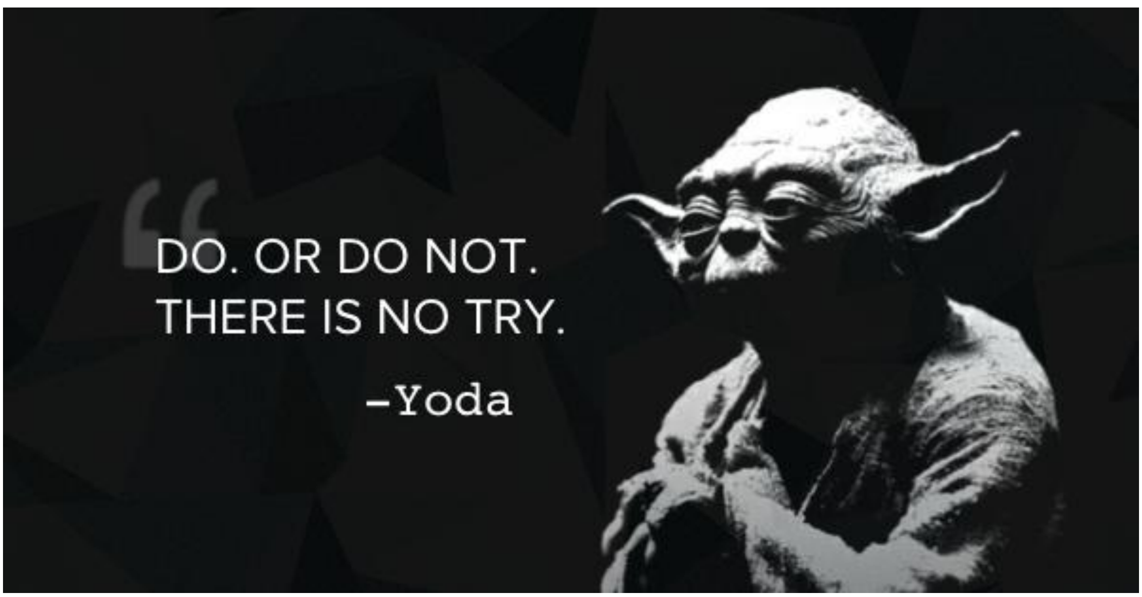


Your aim is to build a long-term business, a gold mine, rather than creating a one-hit wonder, and eventually frees up more time and take your lifestyle to the next level!

And now the question. HOW?

This is where the majority of people end up Nowhere. Really, it is not about HOW, it is always about NOW. There are so much of resources around, start investing in yourself today! And applying what you have learned, join the mastermind group or community, you will soon notice a lot of knowledge, experience, training, resources, supports, and systems are readily available and are within your grasp!

Do you know what is the famous line from the Star Wars movie? The young Skywalker is learning the way of the Jedi from his mentor, Master Yoda. and Yoda says something to him,



Keep a Long Term Plan

To conclude, stick to this 3 rules, in your journey,

- Start up small, and reinvest the dividends.
  - Don't get the misconception that you need to have a lot of money before you can invest, you could invest by the monthly contribution from as little as $100 in a low-cost index fund, and take advantage of the reinvestment, most brokerages now a day offer a no-fee, no-commission reinvestment program.

- Invest for the long term, always.
  - Don't fear the unknown, there will be both ups and downs of the market, keep your money invested and continue investing new money, be happy when the market goes up, as your investment value increase; be happy when the market goes down, as you will be getting a discount on the stock market.
  - Age and time are the best assets you have. Because of the compounding effect, when you invest the money in the index fund or ETF, your money can grow very nicely over the long periods.

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Conclusion

Finding Your Life's Purpose

Pursuing your millionaire dream might sound exciting. But don't make the mistake that becoming a millionaire as your only purpose, IT NEVER WAS, don't make 'reaching that number' your dream, remember, one will never get enough in the numbers game,

Ask yourself, "What would you do when you find a million dollars?" You need to get a clear mental picture of what you want, and want it badly enough that it will stay in your thoughts!

The millionaire was only a small step stone towards your Grand Purpose, I can't help you find them, you have to search for THEM. There are thousand of resources out there that will help you to do just that. I recommend *The Science of getting Rich* by Wallace D. Wattles to get started.

To end, and as quote by Napoleon Hill.

"Patience, persistence and perspiration make an unbeatable combination for success."

LIST OF RESOURCES

List of Resources

This is a list of various resources that I found useful. Check them out, follow them, and I hope you will benefit from them.

Book

- Think and Grow Rich – by *Napoleon Hill,* one of the best-selling books of all time, discussed the philosophy and principles to achieve success.
- How to Win Friends & Influence People – by *Dale Carnegie*, another classic everyone should read, a self-help book that will benefit you the lifetime.
- Rich Dad's Guide to Investing – by *Robert Kiyosaki*, while the book did not teach about how to investing rather it focuses on behavioral and mindset on investing.
- The Intelligent Investor – by *Benjamin Graham*, a book by Warren Buffett's mentor! Get to know the approach of value investing and what it is about.
- Common Sense on Mutual Funds – by *John C. Bogle*, if you wish to learn about mutual funds, it is best to learn from the father of index mutual fund himself!
- No More Mondays – by *Dan Miller*, a motivational for finding your true interests and getting your career path straight.
- Life's a Pitch – by *Bob Circosta*, learn about how to pitch anything to anyone—anywhere.
- The Science of getting Rich – by *Wallace D. Wattles*, on how to become rich, overcoming barriers to bring financial success into your life. A classic!
- Amazon Kindle – well, not a book, but an e-book reader you should get and own one! You'd get access to millions of free and affordable eBooks from the palm of your hand.

Websites

- Berkshire Hathaway Letters to Shareholders – you will learn a lot here, from Warren Buffett himself.
- Passive Investing – a video showing why passive is the rational, mathematically proven route to investing success.
- TEDx Talks – a 20 minutes video by Mel Robbins, on how to stop screwing yourself over.
- TEDx Talks – a talk by Tai Lopez, why you should read a book a day: the law of 33%.
- TEDx Talks – a talk by a millennial entrepreneur, Carrie Green, on how to program your mind to success.
- TEDx Talks – by New York Times bestselling author, Rory Vaden on the key to being able to Multiply your time.

Free Tools for your Download

- SPYM Roadmap to Millionaire
- SPYM portfolio Tracker
- SPYM Loan (debt pay off) calculator
- SPYM financial assistant (Trial)

About the Author

About the Author

JEREMY KHO is a millennial in his late 20s. A self-published author, an individual investor, an engineer, and an online marketer. He had 5 years of experience in the consultancy firm in Singapore.

He had started his financial journey and investing during his time in university. Where he had been applying the same strategy in this eBook. It is noteworthy that the strategy isn't some new idea – it's been advocated by many economists and investors, including Warren Buffett.

He holds the idea that the top 10% control 90% of global wealth combined because they have the 'wide-moat' or 'knowledge', and they are well AHEAD of the game and ready since young, both mindset and wealth.

He hopes to spread out the message, that with the correct money mindset, along with the knowledge and tool, becoming rich and toward financial freedom is entirely possible. For Mindset would change a person's Belief or Faith, and then his attitudes, followed by behavior, and habit eventually.

Additional details about Jeremy, and the materials he offers can be found at:

Stress Proof Your Money

Do you have any comment, feedback, or recommendation on the eBook? You can leave a message to Jeremy here: jeremy@stressproofyourmoney.com.