



# *Wealth Certification*

Tele-Class 6





When you're living a life of financial freedom, who will you need to be?

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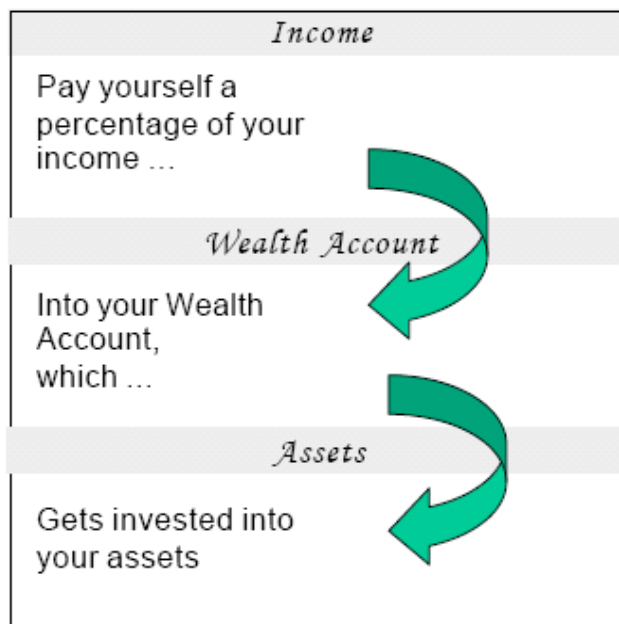
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Acceleration of Wealth Cycles begins largely in Lesson #5 where each Person has decided what type of investor she will be and in what areas. Again, a wealth cycle is where you produce income, pay yourself first into your asset column, and then invest those assets into cash-producing assets.



Before we get to your specific investment plan - let's do a quick review of those decisions.



Making the decision of whether to be active, passive or a combination of both informs your investment strategy.

What is an investment strategy? Many women have thought that investing is a onetime transaction or a process that someone else like a financial planner, CPA, banker, husband, parents, etc. should manage. WEALTH PEOPLE'S—this is your role. Your number one job in accumulation of wealth is to CONFIDENTIALLY LEAD YOUR WEALTH PLAN. This lesson is about your investment plan.

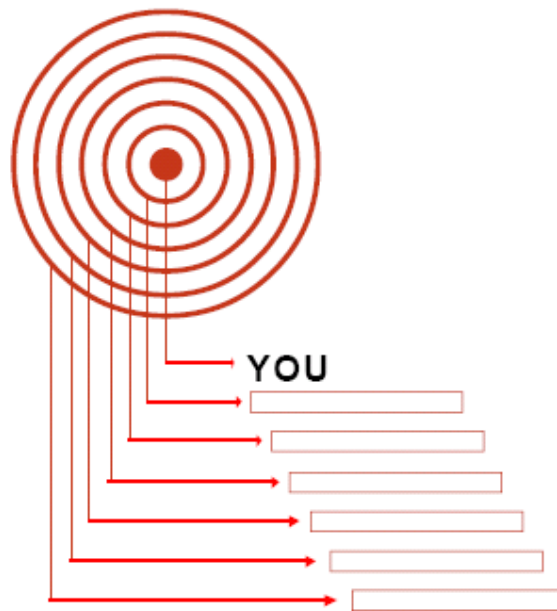
Successful investing is about learning, experience, duration, diversification and leadership. In an investment strategy, diversification means that you buy many investments, rather than just one or two. Sounds simple enough, so why is the implementation of this process so difficult? I would say you're LACK of learning, experience, duration, diversification and leadership. The best laid investing plans are destroyed by some of the worst psychology.

Diversification is about asset allocation. Most successful investors have a wide variety of asset classes, and then select a large number of investments within each of those classes. There are a lot to choose from, including (see next page):



- ⊗ Cash & Cash Equivalents
- ⊗ Bonds
- ⊗ Stocks
- ⊗ Real Estate
- ⊗ International Securities
- ⊗ Precious Metals
- ⊗ Natural Resources
- ⊗ Commodities
- ⊗ Collectibles

If you recall in Lesson #5, I introduced a concept of control with the concept of diversification. Let's review that chart for a moment.



As you decide on the diversification of your assets, it is important to consider levels of activity and controls. The more of your portfolio you have in the inner circle the higher degree of active investor status you must maintain—the further out on the target your asset allocation strategy is the less you are active—additionally, less controls. We encourage a diverse blend of asset allocation and the highest amount of controls on the whole portfolio - to do this YOU MUST LEAD YOUR WEALTH TEAM. We will be talking more about leadership and wealth team management in lesson #7 & #8. For now, let's continue getting your investment plan in place.

From the asset classes listed above - here is a further breakdown is each group: (Modified from Ric Edelman's *Ordinary People, Extraordinary Wealth* Book).



### *Stocks*

- Large Cap Vs. Small Cap

### *Commodities*

- Options
- Futures

### *Natural Resources*

- Minerals
- Oil and Gas
- Lumber and Paper

### *Precious Metals*

- Gold
- Silver
- Platinum

### *International Securities*

- Stocks
- Bonds
- Global vs. Continental vs. Nation-Specific

### *Growth Vs. Value*

- Specific Industry Sectors (such as technology, financial services, airline, pharmaceuticals, automotive, oil/gas, etc)

### *Real Estate*

- Residential
  - Buy & Hold
  - Cash - Flips
  - Cashflow
- Commercial
- Speculative (raw land)

### *Collectibles*

- Stamps
- Coins
- Gemstones
- Artwork
- Sports Memorabilia
- Other Collectibles



***Cash & Cash Equivalents:***

- Savings Accounts
- Checking Accounts
- Money Market Accounts
- Certificates of Deposit
- U.S Treasury Bills & EE Savings Bonds

***Bonds***

- U.S. Government & Agency Securities
- Municipal Bonds
- High Quality Corporate Bonds
- High- yield (junk) Bonds

***Business***

- PPM (Private Placement Memorandum)
- IPO (Initial Public Offering)??

The diversification of these assets and the amount that you allocate is a personal decision. One of the first questions to answer is: when to start investing? NOW, is the right answer? We believe that investing is a lifelong process that you engage in early in life and then manage your investment choices throughout your life and specifically through phases of your life. When you are young and single your strategy takes on a different form than a wealthy person that is just married with children that need educational funds, to a divorced woman that is on her own planning for a cashflow strategy to access when she is 60. Each phase informs changes and re-allocations to your portfolio. A wealthy person confidently leads her strategy throughout her life time.

So how do you decide? Get educated.

***Reading will give you knowledge.***

***Action will give you experience.***

***Results will give you confidence.***

Loral Langemeier



What will you do to get educated in investment strategies?

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History shows that, over time, Wealth People's followed these actions:

They began investing when they were young - average age of 24 for their first investment

They invested small amounts of money - CONSISTENTLY, year by year. New money was put into accounts over time

They invested often—92% of successful investors added to their investment choices monthly

They invested intelligently - 81% had money earmarked for emergency funds, then as they accelerated the amount per month consistently allocated to diverse assets.

### *Wealth Person Risk - Reward Formula*

You have heard of the Risk vs. Reward Formula. As a Wealthy Person, you will grow through phases of understanding and varying your strategy. Risk has more to do with the amount you had to "risk" in order to achieve the reward of the investment.

Smart investors risk little.

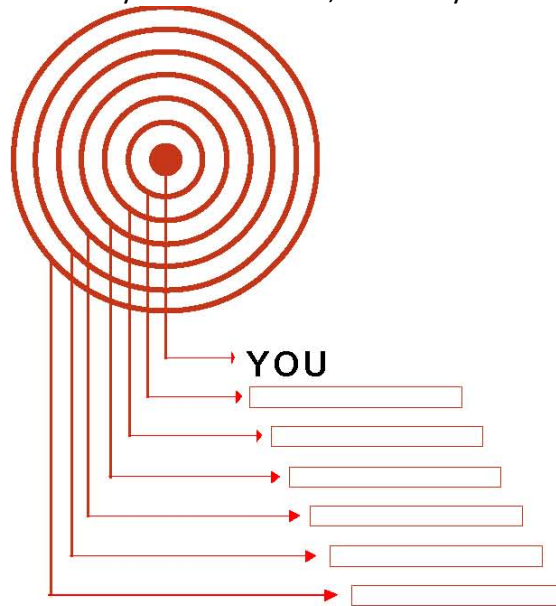
They are educated and strategic in the marketplace.

Wealthy Person investors understand specific investments and tend to specialize

In certain areas where they will be most active they understand how to read and calculate numbers to analyze an investment opportunity. Wealth people's have money rules and follow them.



As you think about your Wealth Cycle Acceleration, what do you want your portfolio to look like?



| Asset Type | Amount Invested | Expected Returns |
|------------|-----------------|------------------|
|            |                 |                  |



What money rules will support your decision?

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What learning do you need to do to confirm your initial decision?

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What is your tolerance for risk?

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What thoughts must your change to support your investment choices?

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What must you start doing today?

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What reading will you do on a regular basis?

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Who will be your mentor (someone more successful than you)?

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Who will be your coach (hold you accountable for actions you say you want to do)?

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\*\* We encourage you to ALWAYS seek financial advice for a professional, certified expert. Consult your CPA for tax implications on all investments. AND, always be pro-team to align with your strategy for wealth-building. The responsibility for wealth is yours.

### *Gifting and Charitable Contributions*

With every wealth plan, we encourage you to put a percentage of your wealth toward gifting or charitable contribution.

What are your gifting/tithing/contribution rules?

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*What are the 3 things I learned from this lesson?*

1 \_\_\_\_\_  
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2 \_\_\_\_\_  
\_\_\_\_\_

3 \_\_\_\_\_  
\_\_\_\_\_

*What 3 Actions I will take as result of this lesson?*

1 \_\_\_\_\_  
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2 \_\_\_\_\_  
\_\_\_\_\_

3 \_\_\_\_\_  
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*I will be Accountable to Whom?*

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