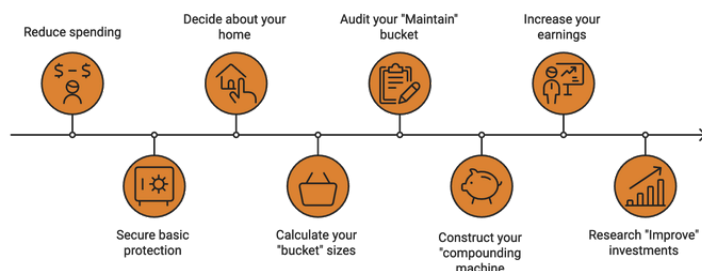


# SEVEN MYTHS ABOUT MONEY CHEAT SHEET

| MYTH                               | REALITY                                            | IMPLICATION                                            |
|------------------------------------|----------------------------------------------------|--------------------------------------------------------|
| Save your way to wealth            | Has limited power and inflation hurts you          | Use mindful spending to put saving on autopilot        |
| Retirement is the goal             | It may not be possible or desirable                | Find flexible, fun ways to earn                        |
| There's a "right" way to invest    | Life's more complicated than academic models allow | Learn to balance the three motivations                 |
| You must own a home                | You don't have to live in your assets              | Think carefully about certainty vs. flexibility        |
| Compounding returns are the answer | It only works over many decades                    | Set it up, then use "improve" investments to go faster |
| Stocks and bonds ensure safety     | True diversification means looking further         | Buy a broad mix, then leave alone                      |
| You can't beat the market          | Wealth-building requires skill and effort          | Learn to take calculated risks, not gamble             |

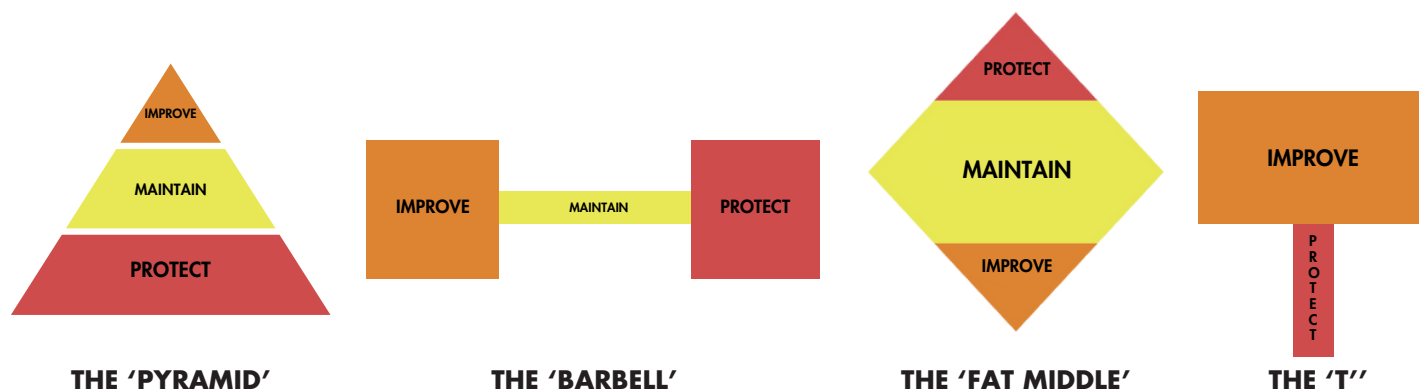
## EIGHT STEPS TO A BETTER FINANCIAL FUTURE



## SIX STEPS TO MINDFUL SPENDING

- STEP 1: Skip budgeting
- STEP 2: Track daily spending
- STEP 3: Use the two-week rule
- STEP 4: Conduct a spending audit
- STEP 5: Re-evaluate fixed costs
- STEP 6: Pay yourself first

## BALANCING THE THREE MOTIVATIONS



# KEY TAKEAWAYS

## RECOGNISE THAT SAVING ALONE IS NOT ENOUGH

While building a safety net is crucial, inflation can erode the value of savings over time. Focus on increasing your earning potential to fuel your financial goals.

## CHALLENGE THE ALLURE OF EARLY RETIREMENT

Instead of striving to stop working altogether, seek to break the connection between time and money. Develop valuable skills, explore consulting or contract work, and consider creating assets that generate passive income.

## DON'T BE AFRAID OF CALCULATED RISKS

Understand your three core money motivations: protect against disaster, maintain your lifestyle, and achieve aspirational goals. Allocate your investments across the "Protect," "Maintain," and "Improve" buckets accordingly.

## RE-EVALUATE THE NEED FOR HOME-OWNERSHIP

While a home provides security and stability, it may not be the most effective wealth-building tool. Carefully consider the costs and opportunity costs associated with buying a home. Explore alternative investment options that might offer greater returns.

## ACKNOWLEDGE THE LIMITATIONS OF COMPOUNDING RETURNS

While compounding can generate significant wealth over the long term, relying solely on it may not be sufficient. Boost your returns by increasing your earnings and exploring "Improve" investments where you have an edge.

## GO BEYOND TRADITIONAL DIVERSIFICATION

The classic 60/40 portfolio may not offer adequate protection in today's volatile market. Diversify your Maintain bucket by considering assets like gold, real estate, and alternative investments to enhance its resilience.

## FIND YOUR EDGE FOR IMPROVE INVESTMENTS

Identify investments where you have a knowledge advantage or a unique skill set. Real estate, stock picking, angel investing, and starting a business are potential avenues for achieving significant returns - but they all involve effort and risk.