



# Investments and Wealth

Clear strategies to maximise your wealth and help you have the life you want.

We get it, investing and saving isn't easy, in fact, it's just downright confusing at times. There is always the 'next big thing', or a friend that made thousands of dollars out of a share trade, foreign exchange, or an investment property.

With this strategy guide, we try to cut through the clutter and discuss the fundamentals of investing and growing your wealth. If you're looking for the next get rich quick scheme, we're sorry, but you're in the wrong place!

1

## Set your compass

A lot of investing and saving is knowing where you are heading. If you have a target of buying a house, overseas travel or your wedding, it can all of a sudden become much easier.

So much of successful saving and investing is behavioural related, so by making it real to you, it becomes inherently easier.

Think about where you're heading, what's important to you, and set some basic targets of things you'd like to achieve. It's amazing what this step can do to change the way you think about money.

2

## Just start.

Ignore the different types of investment options, and pull it back to a really simple concept. Time.

By starting early, you give yourself a natural advantage in two ways:

1. If you save \$100/week, that's obviously going to be a larger amount the earlier you start;
2. The Compound Effect of returns every year is going to accelerate your wealth extremely quickly.

Just remember, it's never too late to start, and procrastination is the biggest wealth killer.

---

## 3

### Play the long game

Don't get caught up chasing the next big thing (easier said than done right?!).  
Two simple rules for this:

1. If it's being reported in the media, then it's probably too late;
2. If it sounds too good to be true, then it probably is.

We fundamentally believe that making a plan, and sticking to good investment habits will lead to the outcomes you want. Too often people buy as the markets are peaking, then sell as it's dropping – a quick and easy way to lose money!

---

## 4

### Offence and defence

Most people want the highest return possible.

We believe that you should aim for the highest return possible given your risk tolerance.

It's all very well getting great returns, until the next year the market crashes and goes backward by the equivalent amount. If you didn't understand the risks of this before you entered, you'd likely be pretty frustrated!

By knowing how much risk you feel comfortable with, you can balance your savings into offence and defence and feel comfortable with your plan.

---

## 5

### Spread your risk

Diversification is important – by not having all your eggs in one basket, you can minimise the risk of one event reducing your wealth significantly.

Diversification can be a number of different ways:

1. Different assets – shares, cash, property
2. Different locations – New Zealand, Australia, Global
3. Different industries – Banking, Mining, Infrastructure, Technology etc
4. Different types of properties – Commercial, Residential, Industrial

By spreading your risk, not only does it minimise the risk of large drops, it also maximises the opportunity of long-term wealth creation.