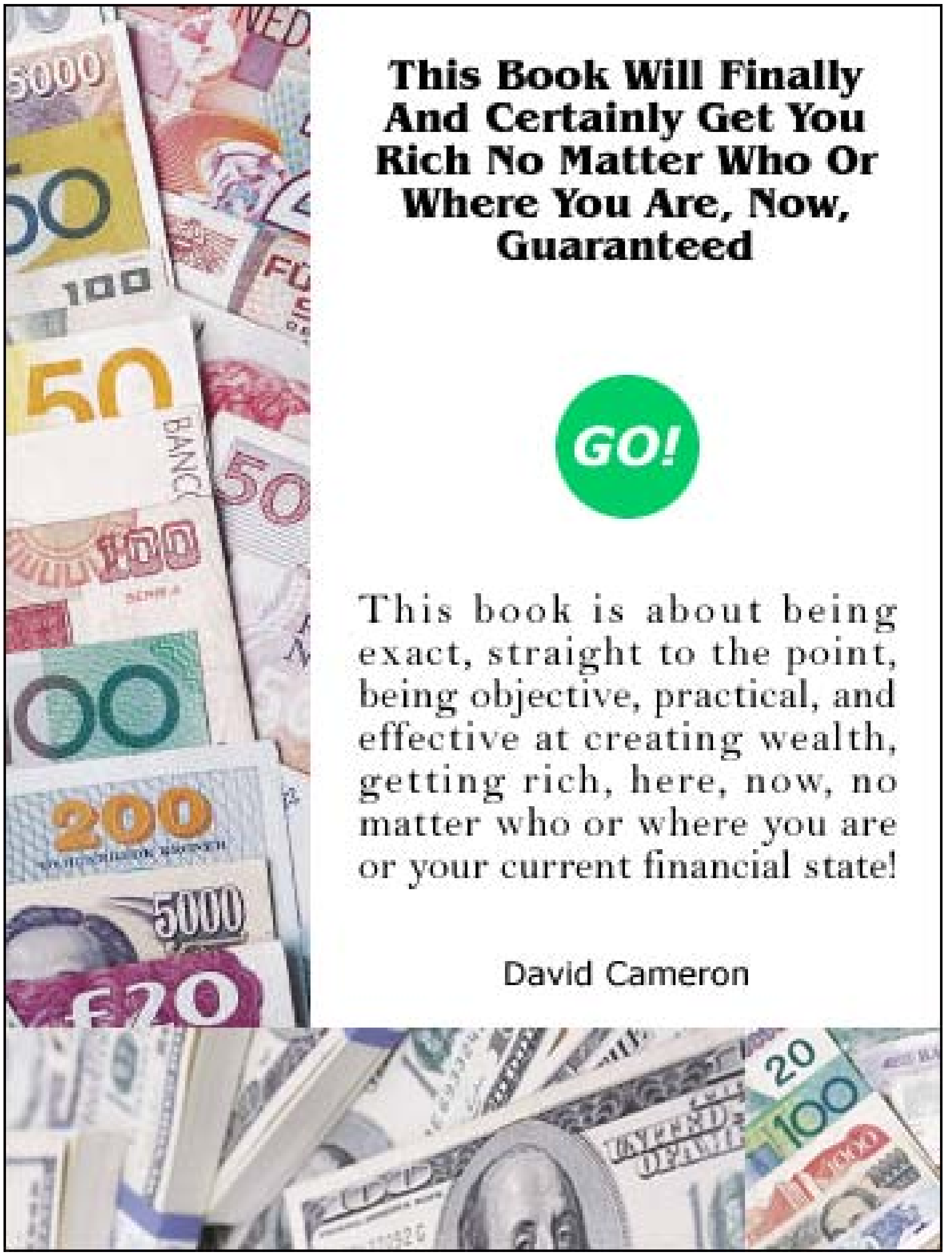
This Book Will Finally And Certainly Get You Rich No Matter Who Or Where You Are, Now, Guaranteed
GO!
This book is about being exact, straight to the point, being objective, practical, and effective at creating wealth, getting rich, here, now, no matter who or where you are or your current financial state!
David Cameron

This Book Will Finally And Certainly Get You Rich No Matter Who Or Where You Are, Now, Guaranteed

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By David Cameron
An Images of One Production

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This book is dedicated to Life, Love, Liberty and Abundance.

Contents

Introduction

You strongly desire to finally, finally, now, here, quit the painful rat race, become financially free, get rich and wealthy, know prosperity, experience abundance, and start living and thriving instead of struggling and worrying!

Right?

Perhaps more than anything, you wish to truly enjoy your life, finally, without having to worry about it, right?

Well, it is about time!

It is about time to finally become exact, straight to the point, objective, practical, and effective at creating wealth, getting rich, here, now, no matter who or where you are or your current financial state! No more B.S., no more going around in circles, no more confusion and frustration.

It is time to get clear, and clearly rich. Here, now, no matter who or where you are or your current financial state. It is time for a new, prosperous you.

Are you frustrated with fruitlessly trying to be financially free for years upon years without any sign of success?

Don't you wish there would come a time when you would finally get done with the searching and trying and actually start experiencing your own financial freedom and wealth, actually and practically get rich?

This book is about being exact, straight to the point, being objective, practical, and effective at creating wealth, getting rich here, now, no matter who or where you are or your current financial state!

It is true that anybody, anybody, can become rich if they apply the right strategies and put themselves in the right mindset and wealth consciousness.

This book is designed to be the book that shows you, clearly and leaving no doubts at all, ***EXACTLY*** how you can become rich and wealthy no matter where you are now and who you are! If you have been lacking the tools and the information, you will find it here. If you have been unclear about anything else concerning the making of money, you will find it here. It is that simple. This book will help make you rich if you apply yourself! It is a book unlike any other ever written; it is exceptional. It is that simple.

The information contained here is essential, and it will make you unstoppable and unbeatable!

It will not only inspire you perhaps more than any other book you have ever read on money, but it will also vastly enable you with practical tools to achieve your dreams and desires. For sure! That is what it was written for. The buck stops here. And then it grows into millions of real money. All you have to do is apply this simple, practical information. You do have to apply yourself; you can't just sit on the couch, read, and wait. But it is simple, and anyone can do it. Especially you. Because you are already here, reading this.

We will now begin. But before we do, there are two things to note:

Our lives span a physical and a nonphysical world. Our thoughts, emotions and spirit are nonphysical. Our actions (and money) are physical. Both count. Many people wonder, “How come no matter what I try I can’t seem to get rich?” Well, the reason is that they ignore the workings (the laws) of one or both of these sides and live completely blind to the laws, experiencing only the effects and thus thinking they are victims of circumstances. Just because you don’t know gravity doesn’t mean gravity wont work on you. You are about to prove to yourself that you are not a victim of circumstances; only perhaps of having not been aware of the way things work or don’t. We will be looking at both sides of the veil; the physical and the nonphysical. You will come out completely equipped to successfully handle and master both sides. Balanced and powerful. **But you do have to apply yourself!**

We will be using many examples throughout this book. They will be actual examples, many of them, and they will be taken from actual sources that you can double-check yourself. We will do this because it is important that you get this on as much a practical level as possible. You will have the opportunity to crosscheck for yourself all the examples offered, prove to yourself the validity of this information. For this reason, most of the examples will be taken from the Internet so that you too can go check for yourself.

Please Pause A Moment...

We & The World Need Your Help

The information contained in this free sampler **improves lives**!

Please forward this free sampler to your friends and associates by email, disk or print. There is much in here that they would appreciate and find useful in all areas of their lives.

Let us all help make this world more beautiful and empowered for all of us!

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Book Length Information
Whole Book - approx 285 pages
This Free Sampler - approx 96 pages
Free content is approx. 33% of whole content
Difference: Free content mainly shows you some of the "what", whole book content shows you the rest of the "what", plus the "**how**"

Part 1: The Physical

The physical world, the world we live in. This world has its laws, its ways, how things work. If you know how things work and apply that knowledge, they will work without fail. The laws of gravity, of physics, work for everyone, right? It is so with the laws of money. Let us now look at the actualities (not the myths or illusions) of how money works, for real, in the physical world. Let us master that. It is actually simple.

But, always remember that the physical world is not alone, nor is it independent. There is a nonphysical world. The physical arises from the nonphysical and is dependent upon it. You must pay attention to both worlds; otherwise you are bound to trip without knowing why. For example, wealth is a function of mindset, wealth consciousness and strategy. Mindset and wealth consciousness are the nonphysical part, strategy is the physical. You cannot consistently create wealth if you have the best strategy in the world yet your mindset is against wealth creation. And you cannot consistently create wealth if you have the right mindset but have not bothered to learn and apply the strategy that works physically.

This section, the physical, is about the strategies of wealth. How money works. Actual, hard evidence and numbers. Let us begin.

> *To live through an impossible situation, you don't need the reflexes of a Grand Prix driver, the muscles of a Hercules, the mind of an Einstein. You simply need to know what to do. – Anthony Greenbank*

> *Insanity is doing the same thing over and over again and expecting a different result. – Anonymous*

> *Every living thing has been granted the power, if it so desires, to seek an opening to freedom and go through it. – Carlos Castenada*

Opportunities increase as they are taken. – Sun-Tzu

For the rational man to hold steadfastly to his self-image ensures his abysmal ignorance. He ignores the fact that shamanism is not incantations and hocus-pocus, but the freedom to perceive not only the world taken for granted, but everything else that is humanly possible to accomplish. He trembles at the possibility of freedom. And freedom is at his fingertips. – Carlos Castenada

It is not because things are difficult that we do not dare; it is because we do not dare that they are difficult. – Seneca

A warrior lives by acting, not by thinking about acting, nor by thinking about what he will think when he has finished acting. – Carlos Castenada

The world is not to be put in order; the world is order, incarnate. It is for us to harmonize with this order. – Henry Miller

If we do not know what port we're steering for, no wind is favorable. – Seneca

Move From Working For Money To Having Money Powerfully Work For You

We live in a culture where the cultural story tells us, "Go to school so that you can get a job so that you can make money. And after working for forty years you can retire and live well." It is the cultural story, we are told it by our parents, friends, teachers, government … But how true is it today? The evidence on the ground shows us that work does not necessarily equal wealth. Most people are not wealthy; they work long hours and have little to show for it, that is the fact. And when they retire, they don't usually get the rosy picture the cultural story tries to portray; instead they get to survive on a meager pension. So what happened? Why is the information we are getting not getting us the desires we are having, as far as wealth goes? Why is it only a few people who seem to get wealthy and financially free, and why is it that the knowledge they seem to have appears to be so elusive? The answer is simple.

> *There is a science of getting rich, and it is an exact science, like algebra or arithmetic. There are certain laws which govern the process of acquiring riches, and once these laws are learned and obeyed by anyone, that person will get rich with mathematical certainty. – Wallace D. Wattles*

> *The reality of life is that your perceptions – right or wrong – influence everything else you do. When you get a proper perspective of your perceptions, you may be surprised how many other things fall into place. – Roger Birkman*

> *Our life is what our thoughts make it. - Marcus Aelius Aurelius Antoninus (121-180), Roman emperor and Stoic philosopher.*

> *Knowledge is not enough; we must apply. Willing is not enough; we must do. – Bruce Lee*

The education system in place today was created in the 1800s. It was designed to give people the skills to work in industries, offices, and so on. It teaches working skills, not wealth-building skills. Even today, you will learn a lot in school, but one thing you will not usually learn is how to get wealthy and financially independent. All they tell you is, “Study these skills, get a job, and you will get paid.” If you go to school to learn to be a doctor, they teach you how to be a doctor, but not how to create wealth. If you learn how to be a chef, you will learn that, but not how to create wealth. Do you see the picture now? The masses are not taught how to create wealth. They are taught how to have the skills to work for others or for themselves, but not how to create wealth and financial freedom. For all intents and purposes, the vast majority of them are attempting to create wealth without a clue of how it is done. There is nothing wrong with them; they are just not equipped to achieve the goal they set. You always have to have the right equipment.

Ask yourself, what do most people do to get money?

They work for money.

Isn’t it true? Literally, they work for money! That is all they have been taught to do. That is what they believe will get them rich. Despite the evidence, they continue to do so. Ask yourself: do you work for money? What about your friends and family? And do you give people the advice that they should work for money? Most people do. So, let us summarize the basic and almost global belief of humans today. It is this:

Work for money.

People have this equation in their minds:

Work x Time = Money

They believe it to be true, and they accept it when they are hired and paid based on this equation.

So, to get rich, they work harder and for longer hours, don't they?

And when you look at their expenditures, how they spend the money they get, it goes something like this, from income to zero:

Earn income > Pay bills > Spend > If any remains, save and invest blindly > Start again

What is wrong with this strategy, this idea that working for money gets you financially independent?

Well, for one:

It doesn't usually work! The hard evidence all over the world is that it doesn't work! It doesn't create wealth or make you rich! Look around you for evidence.

So what does? What works? In summary, it is this (and this is what the wealthy and financially independent do):

Have money work for you.

Yes, that's it. Money will make more money far faster and easier than you can. Money has properties that you do not posses. For example:

- It can be leveraged (multiplied) whereas you cannot be leveraged (humans have not yet learnt how to bi-locate). If you have a job, you have to do one job at a time, go rest, and so on. Money doesn't need to rest and it can be applied on multiple fronts simultaneously. You on the other hand cannot hold more than one job in the same moment. Money can be employed by you to work for you in two or more different industries at the same time, but you can only work one job and location at the very same time.

- It can grow at speeds that you cannot hope to achieve. If you have a job, your pay or wages probably grow at about 10% a year if you get a raise. If you have a business, your growth can be faster, but it is still limited to the speed at which your market can grow, your customers can consume the products and so on. And that is why few businesses grow in double-digit figures per year. Money, on the other hand, can grow at 20%, 50%, 100%, 200% or more per week, month or year!

- Money won't go out of business until people stop using money. A job can be lost because a business can close down because an industry can evaporate or competitors can move in. However, money investments have more flexibility (you can sell out of something that is going out favor and buy into what is coming in) and as long as people are using money, those who have money working for them will tend to stay in the game easier.

- Money can work for you while you rest! How good is that!

There are many more reasons to have money work for you.

Before we proceed, let us see what the new approaches leading to wealth would be:

Instead of:

Work for money

We will move to:

Have money work for you

Instead of:

Work x Time = Money

We will move to:

Money ^{x} = Wealth (money leveraged to grow geometrically = wealth)

Instead of:

Earn income > Pay bills > Spend > If any remains, save and invest blindly > Start again

We will move to:

Earn income > Invest 10% > Pay bills > Spend > Make It Systematic & Perpetual > Quit Job If You Wish And Do What You Love

Instead of:

Investing is hard, risky and takes time

We will move to:

Investing is easy once you bother to look at it yourself and understand it instead of relying on hearsay from others (who also rely on hearsay). It is far less risky than a job or business once you apply practical knowledge and discipline to it, and it takes just an hour a day or so to reap huge rewards

Yes, you are about to discover how:

- You can multiply your money consistently and most surely and build it into increasing wealth and cash flow.

- Turn all this into a self-perpetuating system so that you can have your life and time back, quit your job if you wish, and start doing whatever you love.

Look at these quotes again:

> *There is a science of getting rich, and it is an exact science, like algebra or arithmetic. There are certain laws which govern the process of acquiring riches, and once these laws are learned and obeyed by anyone, that person will get rich with mathematical certainty. – Wallace D. Wattles*

> *The reality of life is that your perceptions – right or wrong – influence everything else you do. When you get a proper perspective of your perceptions, you may be surprised how many other things fall into place. – Roger Birkman*

> *Our life is what our thoughts make it. - Marcus Aelius Aurelius Antoninus (121-180), Roman emperor (161-180) and Stoic philosopher.*

> *Knowledge is not enough; we must apply. Willing is not enough; we must do. – Bruce Lee*

You do realize that you will have to acquire new knowledge and apply it, don't you? You will have to change what you are presently doing, believing. Please have no illusions about this, but if you keep doing the same things you are doing now, you will keep getting the same results. You must start thinking differently and acting differently. The amount of wealth you have now is 100% tied to the beliefs and knowledge you are holding and applying now. Keep on reading and you will see what you have been missing, and then it will be up to you to apply yourself differently.

Here is a quick list of the main laws of accumulating wealth:

1. A part of all you earn is yours to keep. If you give away (spend, buy stuff, pay taxes, whatever) everything that you earn and are left with nothing, you will obviously not accumulate anything. So, ensure that, no matter what, a part of all that you earn is yours to keep, not to be spent on bills, purchases, taxes, or anything else that doesn't earn you more money. You must start keeping (saving) at least 10% of all that you earn. Pay yourself first.

2. Which leads us to the next point. Control your expenditures so that you are able to keep at least 10% of all that you earn and you are able to live without running out of money, the financial blood of any financial system. The only way you can do this is if you know what your money is doing, where it comes from, where it goes. You must start keeping records, specifically a budget, an income and expense statement, and a cash flow statement. You don't need to

be an accountant at all, or even close. You can do all this automatically with very affordable software such as Microsoft Money or Quicken.

3. Once you have started saving at least 10% of all that you earn, you must make it multiply, bear children, grow, and work for you to make you more money. This is where you begin to multiply your money. You let your money bear more of its own kind – more money! In other words, invest it well and it will make you more money than you can possibly do yourself. And when your investments bear fruit, don't eat all the fruit! Re-invest most of your investment gains back again – this is the only way it will grow in leaps and bounds.

4. Preserve your capital. You cannot grow anything if you will be losing your capital. Now, understand that it is the nature of money that you will win some and lose some. No one, not even the greatest investor in the world, can guarantee success 100% of the time. Accept this fact and relax. However, you can put in place strategies to ensure that your capital losses are mathematically managed so that they are easily offset by your gains. This is the area of money management and asset protection, and we will look at it later in more detail. Also, it goes without saying that if you wish to preserve your capital, don't get into anything before you have studied it to know and understand why and how it works. "Investing" your money based on hot tips, stuff you saw on TV, your cousins chat with you last weekend…. that will get you into trouble. Find out for yourself first; do your research, and don't just take what the "experts" say. Get in there, get involved, get your hands dirty, and find out for yourself. If you don't want to do that, then the only other way out is to get a very well qualified advisor with a proven, verifiable success track record in that particular field to tell you what to do and what not to do. Don't just get any advisor out of the yellow pages and go with them without checking their performance record and references and so on.

5. If you have a home on mortgage, which many people do, convert it into a profitable investment. As it is, most people hold homes that are actually liabilities to themselves and assets to the bank. We will look at this in various parts of this book.

6. Insure a future income. Structure your financial affairs so that you progressively systemize the making of money and wealth. This will free you from having to be present or having to hold a job. You will have created a system whereby your money works for you and brings you both cash flow to use now and when you retire, if you wish to retire, and ever-increasing wealth.

7. Increase your ability to earn more. You will always earn based on what you know, what you are aware of. If you are not aware of a certain opportunity, you will not even recognize it. So, increase your ability to earn by making it a habit to continuously upgrade your knowledge. Over half of all Americans hardly read a book after they finish college. Of course they will be stuck in time if they aren't making any mental progress. They will be stuck in a day that seems the same, the same old same old, a day that seems to repeat itself. You must upgrade your knowledge consistently – we live in a universe where change is the only constant. You have to move with the cheese. Gain financial intelligence and financial responsibility.

8. Cut your taxes down to about 10% of your income. For most people, taxes are the biggest expenditure they face. Most people pay almost 50% of their income in taxes (income tax, corporate tax, sales tax, fuel tax, and all the other taxes they pay all add up to almost half their income). If you can put in place strategies to save you about 30 – 90% of the taxes you are presently paying, and this is what most wealthy people do, you will have a lot of money left over to invest. Mathematically, our economies can do very well with 10% taxes. The reason why we pay so much is government mismanagement, waste and expenditures that don't make sense (for me personally, for example, I don't wish to have my money spent on buying or building multi-billion-dollar nuclear weapons and bombs – the world spends over $3 billion a day on the military during peaceful time, more in war time, and it just doesn't make sense to me to develop these weapons instead of using this money to create equal opportunity for all around the world).

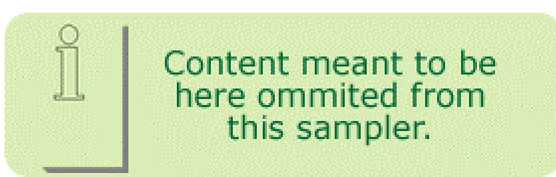
9. Have multiple streams of independent income. This doesn't mean having many jobs. It means creating income streams that are independent of you. This gives you free time, more money to invest, and the ability to earn from one income stream when another may be down. The cycles of money are that you have up time and down times, and multiple income streams enable you to insulate yourself from the downtimes (or even profit from them) and take advantage of the uptimes in many different areas.

10. Avoid bad debt (debt that harms you) and use good debt (leverage) to help you grow in leaps and bounds.

11. Create automatic money systems. These will give your finances a life of its own. It will become a self-maintaining perpetual system with a strong foundation and ability to grow. Some of the systems you will need to create are an automatic saving and investment system, automatic debt reduction system, automatic giving system, automatic personal finance management system, and so on. We will look at these in more detail as we go on.

As you can see, these laws are very simple and logical. We will look at many of them in more details in various parts of this book.

To begin with, we will first take a clear look at something you have definitely heard of before: compound interest. This time, however, we will look at it with actual numbers, deep analysis. The intention is for you to see where the power you are looking for in terms of multiplying your money is. It is, in more ways than you may have imagined, hidden in this simple thing called compound interest.



Understand The Incredible Power of Compound Interest And How To Apply It

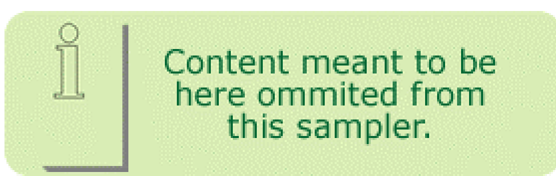
Why all the big fuss about compound interest? Compound interest allows you to multiply your money at a rate that is much, much faster than most people can possibly even dream of achieving in any job, business, scam, lottery win, gamble, franchise, or whatever! It is by far the best shot most people have at creating wealth and it is freely available to everyone, yet few people make use of it. Let us now look at it with actual numbers, application and deep analysis to make it all clear and simple. You will grasp its power in no time at all. Albert Einstein once called compound interest the 8th wonder of the world and the greatest discovery in mathematics. Let us see why.

What is compound interest? There are two types of interest. Simple and compound. Simple interest is where you earn interest only on your principle (the money you have invested). Compound interest on the other hand allows you to earn interest on your principle **and** on the interest you earned before in the previous days. Look at how these two compare:

Year	$1,000 Invested at 15% Simple Interest Per Year	$1,000 Invested at 15% Compound Interest Per Year
0	$1,000.00	$1,000.00
1	$1,150.00	$1,150.00
2	$1,300.00	$1,322.50
3	$1,450.00	$1,520.88
4	$1,600.00	$1,749.01
5	$1,750.00	$2,011.36
6	$1,900.00	$2,313.06
7	$2,050.00	$2,660.02
8	$2,200.00	$3,059.02
9	$2,350.00	$3,517.88
10	$2,500.00	$4,045.56

Important: Remember, to make the return you get on your investment compound, all you have to do (what you must do) is to re-invest the earnings. So, if you are earning $10 for every $100 you have invested somewhere, you can make this return compound by re-investing that $10 so that it, too, earns interest. If you spend the $10 instead of re-investing it, you will have converted that investment into a simple interest one instead of a compound interest one. So, remember the key: **re-invest your gains if you wish to compound your wealth**.

How your money skyrockets under compound interest



What you see above is mathematical certainty. Even just $1, simply dropped into the right investment vehicle, can grow literally to billions of dollars. As you can see, anyone at any income level can apply compound interest to grow wealth.

Sounds too good to be true, too simple to be true. But it is true!

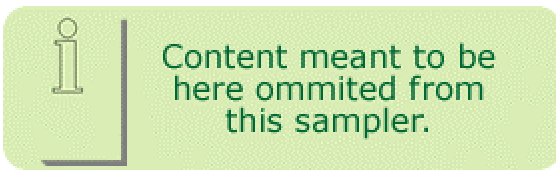
> *We have been taught to believe that negative equals realistic and positive equals unrealistic. – Susan Jeffers*

Compound interest has great power.

Even one dollar can turn into a million dollars in a certain amount of years at a certain compound interest rate. One dollar, just one dollar, can grow into a million dollars all on its own without your intervention. You would be pleasantly surprised to know that a single dollar placed into an investment that grows at 20% a year will become $1 million in 75 years. That is just one dollar! All you would need to do is leave it alone, go away, go to sleep for 75 years, just leave it alone. When you return it will be $1 million without any effort from you, other than your placing that single dollar at the beginning!

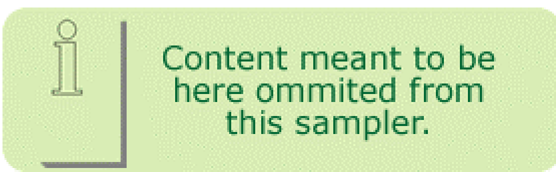
Now, if instead you put in a dollar every single day into the same 20% a year growth investment, you would end up with $1 million in 32 years instead of 75. In fact, a dollar a day would become $1 billion in 66 years. A higher interest rate would dramatically shorten that time.

This shows you that you can never have too little to start with. Whatever your income today…

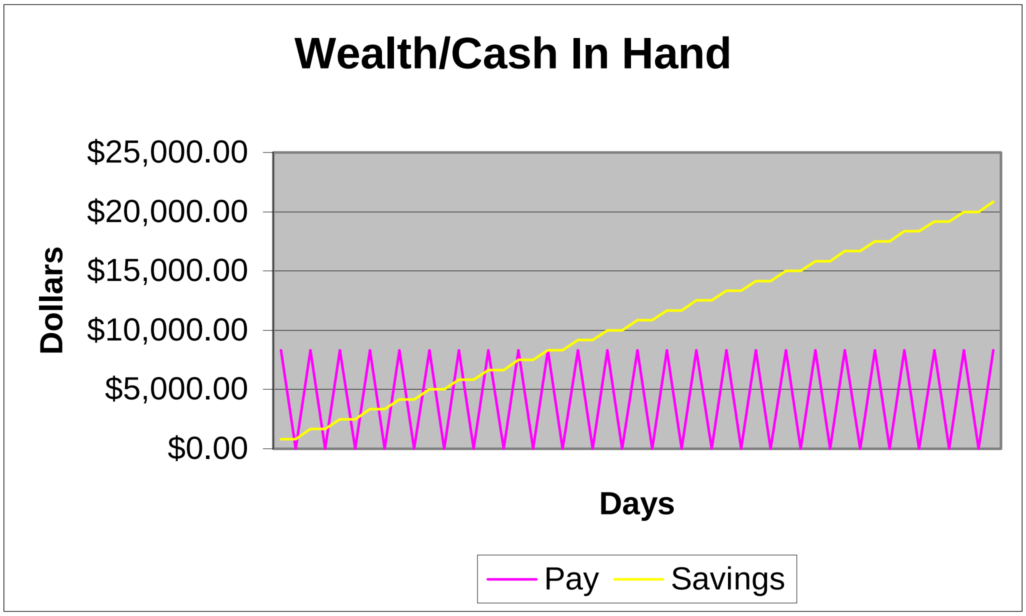


Ok, now we will get a little more practical. Let us set up three virtual people who will represent the typical people in society. We will use these virtual people to illustrate how people's financial lives look mathematically, and how the principle we are learning in this book can change those lives.

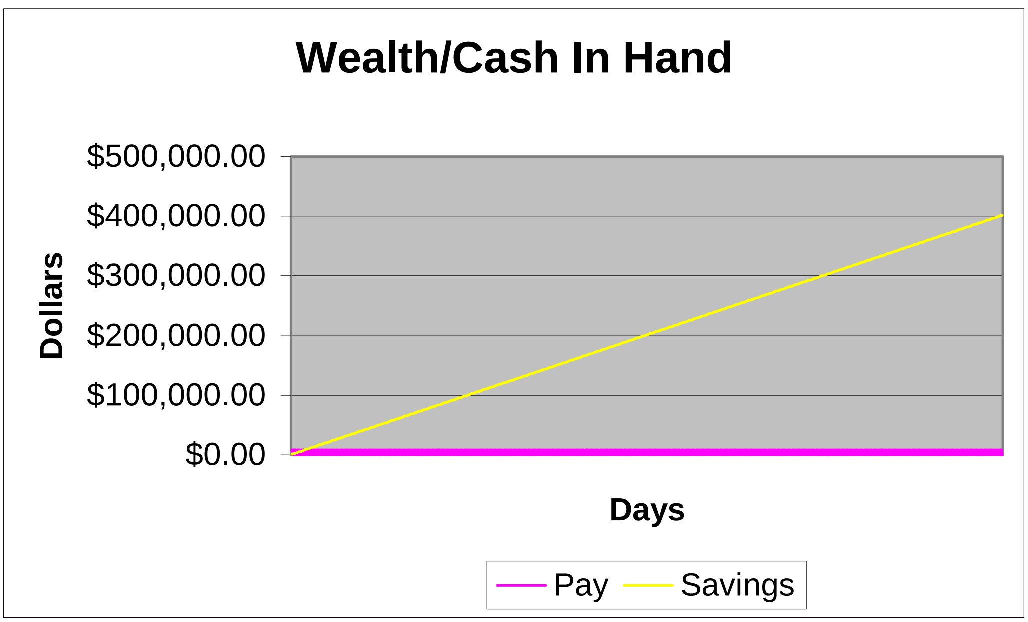
First, many people say, "I don't earn enough money to get rich." This is their favorite excuse. We will therefore have one person who earns just $18,000 a year and we will follow this person and see just how true this excuse is.



Here is her 2-year graph:



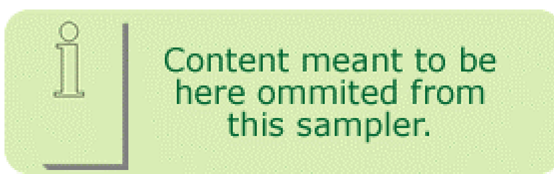
And her 40-year graph:



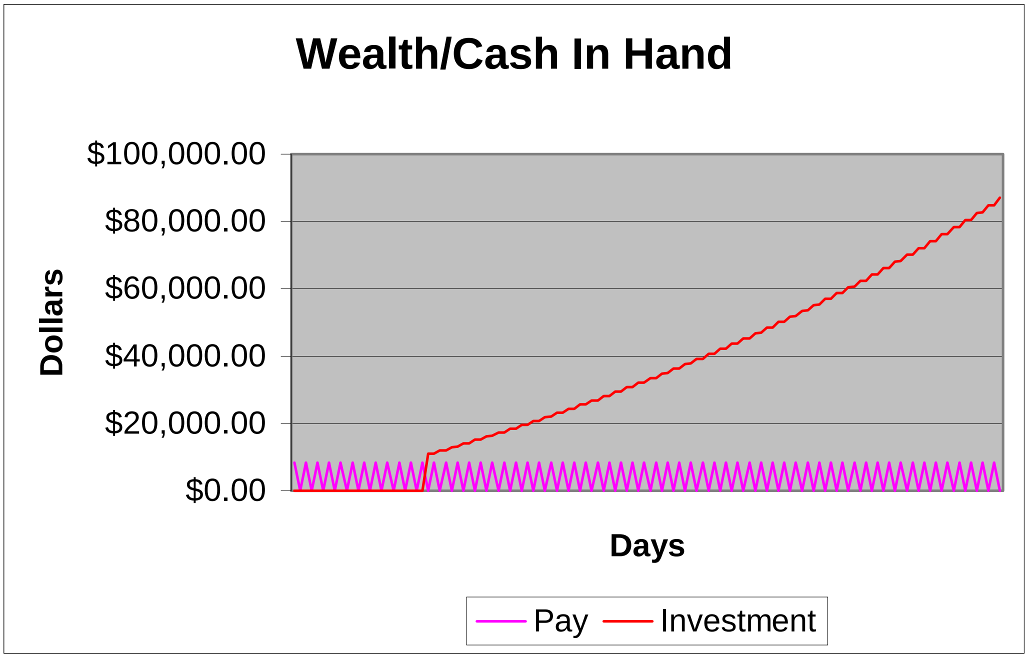
What is the first thing you notice?

Savings automatically get them out of the broke-portions of their money cycle. We will be looking at money cycles later in the section on the nature of money. But briefly, money like everything else flows in cycles of in and out. You cannot fight the cycles, but you can use strategies to “insulate” yourself from the cycles, and even profit from the cycles!

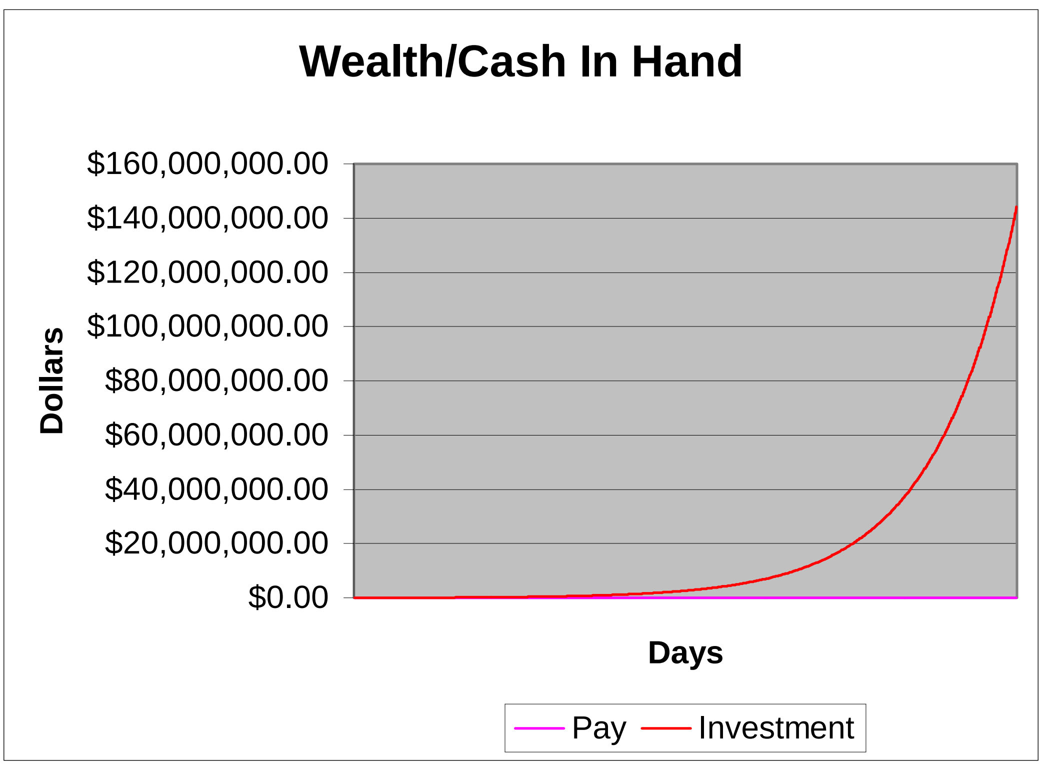
Ok, now, lets get into the *real game*! Now, our three virtual people will start to invest the 10% that they are saving, as soon as the receive it. We will assume they are getting a 20% interest rate. Now, many people believe it is difficult if not impossible to get anything beyond, say, 9% in average annual interest. Nonsense! That is the cultural myth! You can get even 40%, 50% or more, and occasionally (not always) you can get spikes of 200% or much more (although these spikes don't last long). How many financial instruments do most people know, seriously know, about? They just know about their mutual fund, maybe, and their bank account. Everything else is unknown or just glimpsed at in hearsay. Yet they are "sure" that 15%, 20% interest on average per annum is impossible, and they will confidently advise their friends with these "facts". By the way, the financial advisory industry takes advantage of these misconceptions. They offer people 2% to 8% interest and turn around and make double-digit returns on the money they collect from the people who invested with them; their profit is the margin between what they make and the paltry 8% they pay out to "investors". And guess who makes phenomenal profits? The same finance industry! Not the investors! 80% of the financial advisory industry is owned by, guess who, the banks! And do you know what it takes for someone to earn his or her financial advisor certificate? Well, there are a small minority of highly qualified and competent financial advisors, but a great number get their certification after just a few months of basic training, mainly in selling and putting together investments for the masses for the profit of the financial institution itself (they are, after all, in business to make money, and why shouldn't they, it is perfectly acceptable). So, for lack of knowledge or incentive, most people miss out on large returns. Anyway, we will look at this in detail later and see the instruments and strategies that can give you good returns. Meanwhile, back to our three virtual friends:



Here is her 5-year graph:

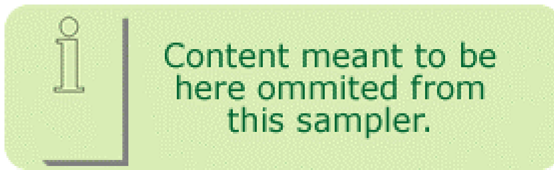


And her 40-year graph:

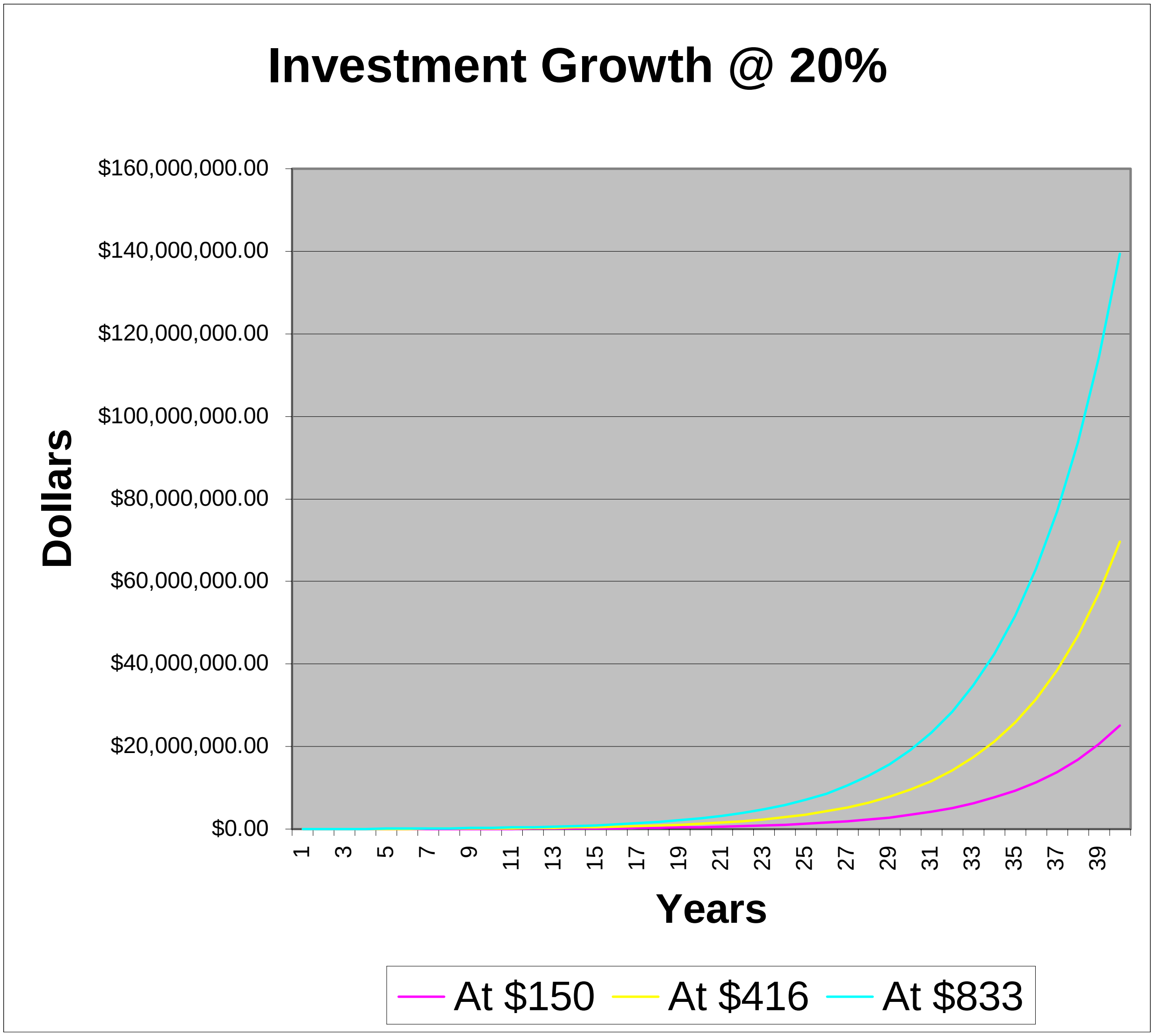


Notice how, with compound interest, money grows initially at a slow peed and then accelerates dramatically. That is the nature of compound interest. It starts slowly and then picks up amazing speed with time! In fact, after a certain time, it is almost a vertical climb, so that you are making more wealth than you know what to do with! You join the sphere of the super-rich, the people who make more per minute than they can possibly spend even if they tried their best. Now, the above are mathematical certainties. Compound interest, math, does not discriminate. It doesn't matter who you are or where you are. **If you invest a certain amount at a certain rate, you will get the same results as anyone else**. <u>It doesn't matter who you are or where you are.</u>

It follows, also, that time is your friend when it comes to compound interest. Which means that the earlier you start, the better. If you haven't started yet, start now. The longer you wait, the more opportunity and growth that you waste.



Let us now look at a comparison of the way the investments of our three virtual people grow. The purpose is to show the power of investing higher amounts of money per month if you can:



Here are the numbers for the chart above, showing the total value of their investments (20% annual growth rate):

Year	Investing $150 a month (Jack)	Investing $416 a month (Jill)	Investing $833 a month (Janet)
1	$1,974.52	$5,476.00	$10,965.17
2	$4,382.23	$12,153.39	$24,335.99
3	$7,318.17	$20,295.74	$40,640.26
4	$10,898.24	$30,224.44	$60,521.54
5	$15,263.73	$42,331.41	$84,764.59
6	$20,586.98	$57,094.55	$114,326.35
7	$27,078.10	$75,096.59	$150,373.70
8	$34,993.31	$97,048.11	$194,329.51
9	$44,645.05	$123,815.60	$247,928.84
10	$56,414.29	$156,455.64	$313,287.38

11	$70,765.61	$196,256.62	$392,985.01
12	$88,265.47	$244,789.57	$490,167.58
13	$109,604.65	$303,970.23	$608,671.15
14	$135,625.45	$376,134.58	$753,173.34
15	$167,354.99	$464,131.16	$929,378.02
16	$206,045.70	$571,433.40	$1,144,240.44
17	$253,224.81	$702,276.80	$1,406,241.76
18	$310,754.59	$861,826.07	$1,725,723.83
19	$380,905.90	$1,056,379.02	$2,115,297.42
20	$466,447.78	$1,293,615.16	$2,590,339.98
21	$570,756.78	$1,582,898.80	$3,169,602.65
22	$697,950.25	$1,935,648.69	$3,875,950.38
23	$853,048.83	$2,365,788.75	$4,737,264.50
24	$1,042,174.66	$2,890,297.72	$5,787,543.26
25	$1,272,793.01	$3,529,879.27	$7,068,243.83
26	$1,554,006.96	$4,309,779.31	$8,629,918.67
27	$1,896,916.76	$5,260,782.48	$10,534,211.06
28	$2,315,057.90	$6,420,427.25	$12,856,288.22
29	$2,824,935.49	$7,834,487.75	$15,687,808.41
30	$3,446,675.67	$9,558,780.52	$19,140,538.88
31	$4,204,820.10	$11,661,367.75	$23,350,767.64
32	$5,129,294.67	$14,225,243.88	$28,484,683.05
33	$6,256,590.71	$17,351,611.57	$34,744,933.74
34	$7,631,205.45	$21,163,876.45	$42,378,627.61
35	$9,307,398.42	$25,812,518.27	$51,687,085.87
36	$11,351,333.17	$31,481,030.66	$63,037,736.88
37	$13,843,688.99	$38,393,164.13	$76,878,619.52
38	$16,882,845.46	$46,821,758.07	$93,756,068.43
39	$20,588,765.76	$57,099,510.37	$114,336,279.17
40	$25,107,731.93	$69,632,109.89	$139,431,604.67

Now, for each of these three people, once again to appreciate the power of compound interest, here are charts showing how much of the money growth was caused by the accumulation of the money they were putting away every month, and how much was caused by the compound interest (notice how the compound interest gives a greater boost towards the later years):

Jack:

Year	**Savings Only**	**With 20% Compound Interest**
1	$ 1,800.00	$1,974.52
2	$ 3,600.00	$4,382.23
3	$ 5,400.00	$7,318.17
4	$ 7,200.00	$10,898.24
5	$ 9,000.00	$15,263.73
6	$ 10,800.00	$20,586.98
7	$ 12,600.00	$27,078.10
8	$ 14,400.00	$34,993.31

9	$ 16,200.00	$44,645.05
10	$ 18,000.00	$56,414.29
11	$ 19,800.00	$70,765.61
12	$ 21,600.00	$88,265.47
13	$ 23,400.00	$109,604.65
14	$ 25,200.00	$135,625.45
15	$ 27,000.00	$167,354.99
16	$ 28,800.00	$206,045.70
17	$ 30,600.00	$253,224.81
18	$ 32,400.00	$310,754.59
19	$ 34,200.00	$380,905.90
20	$ 36,000.00	$466,447.78
21	$ 37,800.00	$570,756.78
22	$ 39,600.00	$697,950.25
23	$ 41,400.00	$853,048.83
24	$ 43,200.00	$1,042,174.66
25	$ 45,000.00	$1,272,793.01
26	$ 46,800.00	$1,554,006.96
27	$ 48,600.00	$1,896,916.76
28	$ 50,400.00	$2,315,057.90
29	$ 52,200.00	$2,824,935.49
30	$ 54,000.00	$3,446,675.67
31	$ 55,800.00	$4,204,820.10
32	$ 57,600.00	$5,129,294.67
33	$ 59,400.00	$6,256,590.71
34	$ 61,200.00	$7,631,205.45
35	$ 63,000.00	$9,307,398.42
36	$ 64,800.00	$11,351,333.17
37	$ 66,600.00	$13,843,688.99
38	$ 68,400.00	$16,882,845.46
39	$ 70,200.00	$20,588,765.76
40	$ 72,000.00	$25,107,731.93

Jill:

Year	**Savings Only**	**With 20% Compound Interest**
1	$ 4,992.00	$5,476.00
2	$ 9,984.00	$12,153.39
3	$ 14,976.00	$20,295.74
4	$ 19,968.00	$30,224.44
5	$ 24,960.00	$42,331.41
6	$ 29,952.00	$57,094.55
7	$ 34,944.00	$75,096.59
8	$ 39,936.00	$97,048.11
9	$ 44,928.00	$123,815.60
10	$ 49,920.00	$156,455.64
11	$ 54,912.00	$196,256.62
12	$ 59,904.00	$244,789.57

13	$ 64,896.00	$303,970.23
14	$ 69,888.00	$376,134.58
15	$ 74,880.00	$464,131.16
16	$ 79,872.00	$571,433.40
17	$ 84,864.00	$702,276.80
18	$ 89,856.00	$861,826.07
19	$ 94,848.00	$1,056,379.02
20	$ 99,840.00	$1,293,615.16
21	$ 104,832.00	$1,582,898.80
22	$ 109,824.00	$1,935,648.69
23	$ 114,816.00	$2,365,788.75
24	$ 119,808.00	$2,890,297.72
25	$ 124,800.00	$3,529,879.27
26	$ 129,792.00	$4,309,779.31
27	$ 134,784.00	$5,260,782.48
28	$ 139,776.00	$6,420,427.25
29	$ 144,768.00	$7,834,487.75
30	$ 149,760.00	$9,558,780.52
31	$ 154,752.00	$11,661,367.75
32	$ 159,744.00	$14,225,243.88
33	$ 164,736.00	$17,351,611.57
34	$ 169,728.00	$21,163,876.45
35	$ 174,720.00	$25,812,518.27
36	$ 179,712.00	$31,481,030.66
37	$ 184,704.00	$38,393,164.13
38	$ 189,696.00	$46,821,758.07
39	$ 194,688.00	$57,099,510.37
40	$ 199,680.00	$69,632,109.89

Janet:

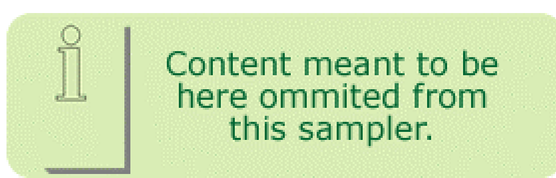
Year	**Savings Only**	**With 20% Compound Interest**
1	$ 9,996.00	$10,965.17
2	$ 19,992.00	$24,335.99
3	$ 29,988.00	$40,640.26
4	$ 39,984.00	$60,521.54
5	$ 49,980.00	$84,764.59
6	$ 59,976.00	$114,326.35
7	$ 69,972.00	$150,373.70
8	$ 79,968.00	$194,329.51
9	$ 89,964.00	$247,928.84
10	$ 99,960.00	$313,287.38
11	$ 109,956.00	$392,985.01
12	$ 119,952.00	$490,167.58
13	$ 129,948.00	$608,671.15
14	$ 139,944.00	$753,173.34
15	$ 149,940.00	$929,378.02
16	$ 159,936.00	$1,144,240.44

17	$ 169,932.00	$1,406,241.76
18	$ 179,928.00	$1,725,723.83
19	$ 189,924.00	$2,115,297.42
20	$ 199,920.00	$2,590,339.98
21	$ 209,916.00	$3,169,602.65
22	$ 219,912.00	$3,875,950.38
23	$ 229,908.00	$4,737,264.50
24	$ 239,904.00	$5,787,543.26
25	$ 249,900.00	$7,068,243.83
26	$ 259,896.00	$8,629,918.67
27	$ 269,892.00	$10,534,211.06
28	$ 279,888.00	$12,856,288.22
29	$ 289,884.00	$15,687,808.41
30	$ 299,880.00	$19,140,538.88
31	$ 309,876.00	$23,350,767.64
32	$ 319,872.00	$28,484,683.05
33	$ 329,868.00	$34,744,933.74
34	$ 339,864.00	$42,378,627.61
35	$ 349,860.00	$51,687,085.87
36	$ 359,856.00	$63,037,736.88
37	$ 369,852.00	$76,878,619.52
38	$ 379,848.00	$93,756,068.43
39	$ 389,844.00	$114,336,279.17
40	$ 399,840.00	$139,431,604.67

Moral of the story:

To get wealthy, you need to invest your savings in high-growth vehicles because it is the interest component that will make you rich, not the savings alone.

Consider the following two illustrations that will show you the power of compound interest.



TAKE ACTION HERE NOW!

Don't just let this information stay at a theoretical level for you. Take action and make it happen, make it practical and real for you! Ask yourself, "In how many ways can I act on this information that I have just read?" **Write down** all the ways you can think of, and then schedule to do them starting now. Make it a must. Come back and review this material every few weeks and ask yourself the same question; you will keep finding new actions you hadn't previously seen. Take action! In the moment, Now, Here. Move your body!

Take the first step, and the second step will appear. The way appears progressively. Don't wait to see the whole way before you take a step.

Set the game up to win by recognizing it is ok and normal to make mistakes. There are no failures, just successive moments. Life is a process. If you stumble, be kind to yourself, and get up and continue. Celebrate every step!

Are you facing any resistance or fears? Read the section on the nonphysical in this book so you can transform yourself.

Be responsible for yourself.

Play and relax into it.

It all counts, the little things and the big.

Put into action, or else it is all useless.

Never leave the site of setting a goal or having a desire without doing something towards its accomplishment.

"It is always your next move." – Napoleon Hill, author of *Think and Grow Rich*

"What saves a man is to take a step. Then another step." - Antoine De Saint-Exupery

"A journey of a thousand miles begins with a single step." – Chinese Proverb

"Opportunities increase as they are taken." – Sun-Tzu

"Vision is not enough unless combined with venture. It is not enough to stare up the steps unless we also step up the stairs." – Vance Havner

"Nothing comes from doing nothing." – William Shakespeare

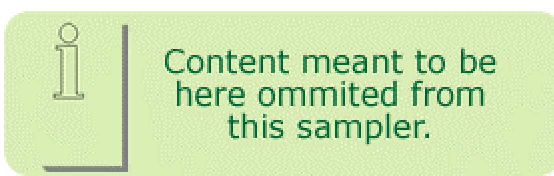
"The great end of learning is not knowledge but action." – Peter Honey

"Follow your bliss." – Joseph Campbell

"Knowledge is not enough; we must apply. Willing is not enough; we must do." – Bruce Lee

Understand Assets And Liabilities And How To Create Wealth With Them

In the world of money, there are two kinds of things: (1) Things that take money away from you and (2) Things that put money into your pocket. Assets put money into your pocket, liabilities take it out. As simple as this sounds, this is the cornerstone of understanding the building of wealth. And surprisingly, many people don't know the difference. And if they do, they don't know how to apply this knowledge to create wealth. Let us clear all that up here and now.

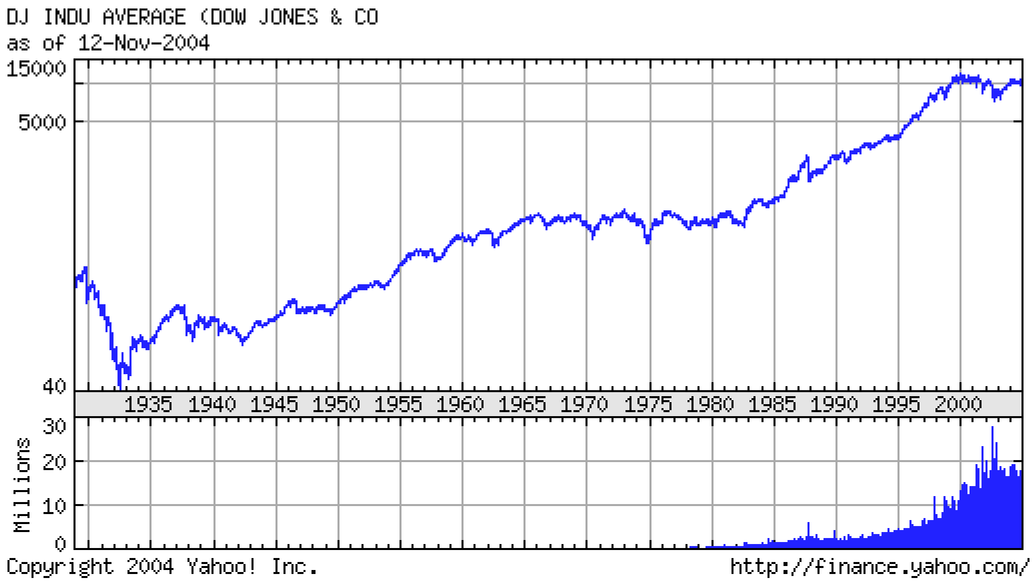


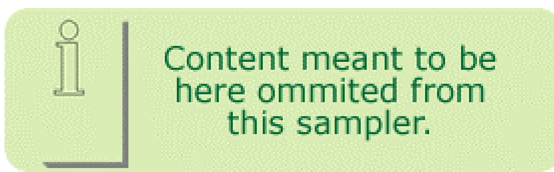
Get Comfortable With Money's Natural Up And Down Cycles

Like all of life, money has its cycles. Money is part of life, so it cannot escape the cyclic nature of life. Nor can you. All of life is cyclic. The in and out of breath, day and night, on and off, up and down… money goes in and out, up and down. Most people try to "stay" in one part of this natural cycle and "avoid" the other part. No one can do that, yet millions attempt it. What you can do, however, is to understand the cycles and flow, flow, with them. That way, you can insulate yourself from the downturns, profit from both the up and down, and develop independence. The cycles, instead of taking you for a ride, now serve you and free you. With understanding, you can stand emotionally and financially free from the cycles of money – and even profit under all conditions!

Let us start looking at these cycles. We will look at actual money cycles, and perhaps the best place to start looking is in the stock market itself.

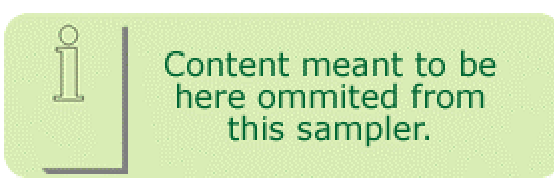
Here is a chart of the U.S. markets since the 1930s (actually, it is a chart of all the companies in the stock market that make up the Down Jones Industrial Average). What do you notice? (By the way, you can do these charts yourself free on Yahoo! Finance, which is where these charts were taken from.) Look at this chart:





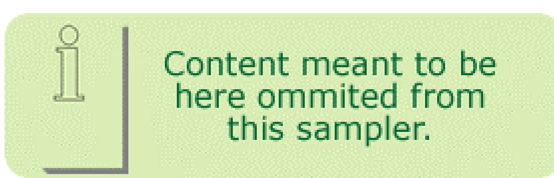
This is worth repeating: *The dualities of life must always exist together.* Hot and cold exist together. Tall and short exist together. Night and day exist together. So does having and not having. The experience called having is impossible without the *existence* of the experience called not having. In the absence of that which is not, that which is, is not. That is why we live in a relative world. So, you will do a very good service to your mind and emotions if you accepted that you couldn't change this aspect of creation no matter how much you tried. And it isn't "your fault" that creation works like this (in other words, don't take it personally, you didn't fail). However, (1) *you do not have to personally experience not having so that you can experience having* (all that is required is that the experience exists somewhere in the universe) and (2) you can set yourself up so that you experience much more of having and "insulate" yourself from not having (e.g. through savings and investment systems) and even profit from the "not having" part of an economic cycle (e.g. making money when the market is falling).

So what can we learn about the cycles of money? Well, very many things. But for our immediate purposes, here is what we can learn right now:



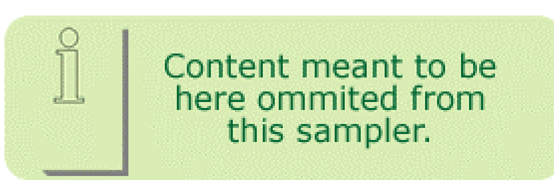
Get Comfortable With Money's Unique And Surprising Nature

What is money? Most people think it is a very real, solid thing that is in short supply. They are even willing to go to war and die for it. Money is not real in the sense that a banana or an apple is. It is an idea. It mainly exists in the theoretical realm (most of it is not printed or coined). It can be multiplied with great flexibility. As long as you think of money as a real, physical thing, your mind will not allow you to see its most powerful abilities, abilities you can easily employ to achieve wealth. Once you understand what it really is, you can begin to play with it instead of struggle for it or fear it. Lovely!



Know How And Where Your Money Is Going And Coming From

If you have worked in any business (been employed) or have owned a business, then you will appreciate the value of knowing where your money is coming from and going, of budgeting, tracking, and managing cash flow. Businesses that don't budget and manage cash flow almost always fail. Money is like the blood of a business. It flows in and out, and if it runs out the business dies. It's that simple. And you can appreciate that when it comes to a business, isn't it? That is the nature of money: it flows in and out, and when it runs out the business is dead. So, ask yourself, will money change its nature and act unlike itself just because it is now dealing with a person, an individual, such as you? Shouldn't you also know what a business should know if you wish to grow wealth?



Golden Rule: A Part Of All That You Earn Is Yours To Keep

Wealth comes from the growth of assets (cash, stocks, property, or any other asset). Assets are purchased with income. If you do not put aside part of your income to acquire assets, you will find it extremely difficult to acquire wealth. However, if you do put aside part of your income to acquire assets, you will find it very easy to acquire wealth. It is all very simple.

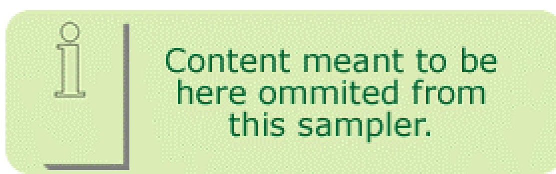
Just to summarize:

No savings = no investment = no wealth growth

You can't invest what you don't have. So the first step is to, guess what, save some money! Not once, but consistently and systematically. But look at it like this:

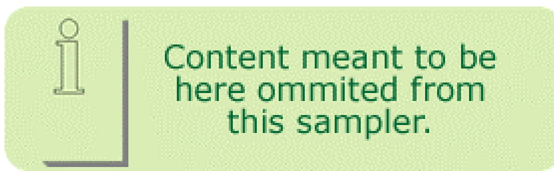
Lets make up a simple example for illustration. Lets say one week is composed of 10 days. And lets say you work for all those 10 days. You earn $100 each day. This is week 1. By the end of week one, you have earned 10 x $100 = $1,000. Now, if you spend the entire $1,000 and you have none of it left by week 2 (or even by week 30 or week 200), your entire efforts for week 1 have evaporated! You have nothing left to show for your efforts. Nothing! What were you working for? For who? You gave away all your money. You paid everyone else except yourself! Now, here is something you should know: No successful corporation or wealthy individual does that! None! And if you are doing it, then it shouldn't be a surprise that you aren't accumulating wealth. So how should you live if you wish to start accumulating wealth? Well, let us continue with our example. In week 1, you would keep the money you earn on day 1 (so you keep 10% of your income), and spend the money you earn in the remaining 9 days. And you would do the same in week 2, in week 3 and in every week. No matter what, you would keep that contract with yourself, the contract to pay yourself first. It is honoring you, valuing yourself. It is a testament that you believe that you have a future worth investing in. it is a testament that you value your work, your income, what you make for yourself. You don't pay everyone else and remain with nothing! Why on earth would you do that when it is your money! You deserve to keep part of it; after all it is you who earned it. So, even in week 200, you would still have with you the 10% from week 1, week 2, and every other week. And you wouldn't keep this money so you can spend it on a holiday, car or something like that (that should come out of your other 9 days). You keep it so that it can work for you, bear children for you, and make you more of its own. You worked for it, and now its time to have it work for you. So, you invest it right from the beginning. So by week 200, you would still have with you the 10% from week 1 *plus* its children (what it has earned in your investment), week 2 *plus* its children, and every other week *plus* their children. And because you are re-investing your returns (the children the money bears), your investment will be compounding itself, so the children themselves will be bearing children of their own, into many generations. The gains you made in week 1 will be re-invested and they will earn more money themselves in week 2 and so on, and that money itself will earn more money in week 3 and so on… And this just grows into what you call wealth, generations upon generations of your money earning for you. And it all starts when you honor yourself enough to ensure that no matter what happens, you keep at least 10% of what you earn every week! You pay yourself first.

Now, as your investments grow, you are of course entitled to enjoy some of your money, but you must remember that keeping it invested is what gets it growing. So, you may choose to spend, say, 30% of your investment gains (your returns) and re-invest 70%.



Income and Wealth: The Relationship Explained

It is hard to grow wealthy purely on income, and it is hard to create wealth without income. Lets understand this relationship.



How To Explosively Multiply Your Money Geometrically In Leaps And Bounds

Cultural Myth #1: High returns are rare and hard to come by. Truth: High returns are available to everyone, all the time. You don't have to settle for an 8% return commonly offered to the masses. You can get a 20%, 200% or even 2000% return on your money. Cultural Myth #2: High returns are always accompanied by high risks. Truth: Money management practices and systemized, organized investing makes high-return investing a low-risk venture, as you will see below. Cultural Myth #3: Investing is risky. Truth: Gambling and speculation is risky. But investing is less risky than, for example, buying a car (where you are guaranteed to lose value over time), and it is certainly safer than not investing at all (where you are guaranteed not to grow wealth). Investing is a relatively safe affair, and it is the only way available for most people to become wealthy. It offers a safe and powerful chance to create and increase your wealth. How good is that? See how one trader has averaged a return of 60%+ annually for three decades, or how another has turned $400 into $200 million in 18 years. These things are possible for you today. Cultural Myth #4: Investing is hard. Truth: Investing is easier to learn than much of the stuff you learnt in high school or college. It looks hard because anything new and un-understood *always looks hard. Once you start to learn it, you will see that it is far simpler than you ever imagined. The difficulty only exists in your imagination. Trust me on this. Prove it to yourself instead of relying on hearsay and assumptions.*

> *If we all worked on the assumption that what is accepted as true is really true, there would be little hope of advancement. – Orville Wright, co-inventor of the airplane*

> *Man's mind, states John Galt, the protagonist of Atlas Shrugged, is his basic tool of survival. Life is given to him, survival is not. His body is given to him, its sustenance is not. His mind is given to him, its content is not. To remain alive, he must act, and before he can act he must know the nature and purpose of his action. He cannot obtain his food without a knowledge of food and of the way to obtain it. He cannot dig a ditch — or build a cyclotron — without a knowledge of his aim and of the means to achieve it. To remain alive, he must think. Thinking is not an automatic process. A man can choose to think or to let his mind stagnate, or he can choose actively to turn against his intelligence, to evade his knowledge, to subvert his reason. If he refuses to think, he courts disaster: he cannot with impunity reject his means of perceiving reality. – Ayn Rand*

We will be looking at several new concepts here. In truth, they are not new, but for the masses they are new. Many of the things you will see in this chapter have been around for very many decades, some for at least a century, but they have been the exclusive tools and knowledge of the few, the few that get to be very wealthy. The general public is not informed about these things. There is no agenda in the education system, media or financial circles for that. In other words, unless you make the effort yourself to go find out about these things, the government, education system or big business doesn't have the motive to come out and tell you about them. It is not a conspiracy to hide these things from you, really, at least not an organized one; it is just that there is no agenda or motive to tell you about them. So, you might say, "How come I haven't heard about these things before. There must be something wrong with these things." There is nothing wrong with them, or even difficult. There are very, very many things in this world that we each haven't heard about. All sorts of things in all sorts of topics. This may be just one of them. Let us begin…

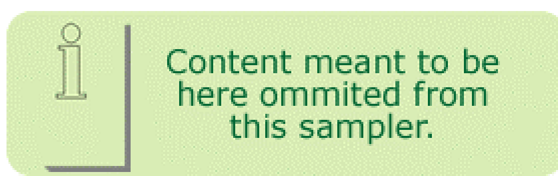
You are about to see how you can begin to invest and create wealth. We will concentrate on three approaches (out of the very many available). The first approach is for those who wish to make things as easy as possible. if you would simply like to cut a weekly check and give it to a mutual fund to invest for you, and that is all, then this is the approach to take. However, the returns are not usually as high with this approach. The next approach is the traditional buy-and-hold strategy whereby you research and buy into good companies and hold them long-term for capital appreciation. This strategy has worked well for many people, including Warren Buffet (who is one of the world's top 5 wealthiest people, having made his fortune almost entirely using this strategy), but it isn't a great strategy for cash flow and it depends on you picking a stock well and making money only if the market goes up. It isn't that difficult, but it isn't the best approach. The final approach is the one we will really focus on, trend following and system trading. This has many advantages that we will be looking at, you can make money whichever way the market goes, and it is usually the least risky. However, it does involve a lot more study and process before you get going.

Before we start, let us cover one golden rule…

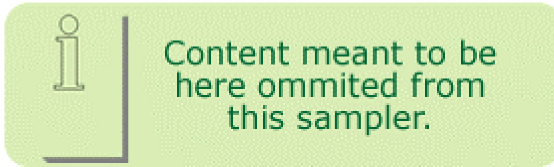
The Golden Rule: Start Where You Are, Wherever That Is

> *Do what you can, with what you have, where you are. – Theodore Roosevelt*

The favorite excuse given by most people is this: "I will invest when I have enough money, or time, or…" Start now! Start where you are with what you have. This is the golden rule. If you keep waiting you will keep waiting. If you only have $50 saved up so far to start, that's good enough. Put it in …



The Super-Easy Mutual Fund Way



Advantages:

- Its, well, easy.
- You can start right now, in the next 1 hour.
- You don't need much money at all to start.

Disadvantages:

- Usually, you will only make money when the market goes up. Markets go up and down, so that is like making money on half of the natural cycles of money.
- You have to buy-and-hold, wait, so that your holding goes up in value.
- It relies on the assumption that the markets will move rationally up and down. However, every now and then, markets move in dramatic, large, unforeseen ways (just like the weather does) up or down, and this strategy is not designed to take advantage of such dramatic shifts and can be hurt by them.
- You don't have the chance to make truly high returns on your money (like 80%, 100%, 200% or more).

Now, let us look at some funds. Go to Yahoo! Finance and go to their mutual funds section. Then, click on the Top Performers link to see a list of the top performing funds. Here is what I got when I did this:

From Yahoo! Finance:

Top Performers - 1 Year

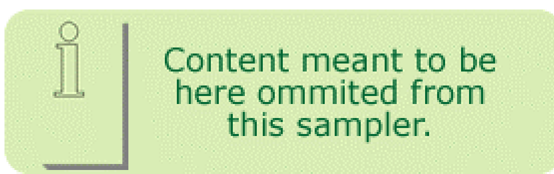
Fund Name	Symbol	Return
ProFunds Ultra Energy Inv	ENPIX	66.51%
ProFunds Ultra Wireless Inv	WCPIX	65.23%
ProFunds Ultra Energy	ENPSX	64.94%

Svc		
ProFunds Ultra Wireless Svc	WCPSX	63.46%
U.S. Global Investors Eastern Europe	EUROX	54.12%
State Street Research Global Res S	SGLSX	54.11%
State Street Research Global Res A	SSGRX	53.66%
State Street Research Global Res R	SSGEX	53.30%
State Street Research Global Res B1	SSGPX	52.66%
State Street Research Global Res B	SSBGX	52.64%

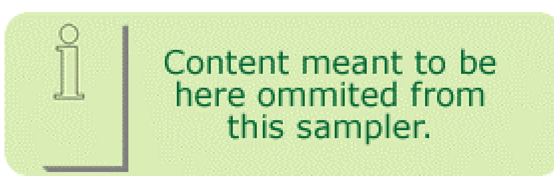
Top Performers - 5 Year

Fund Name	Symbol	Ann. Ret.
ING Russia A	LETRX	45.24%
Third Millennium Russia	TMRFX	34.12%
State Street Research Global Res S	SGLSX	31.59%
CGM Focus	CGMFX	31.57%

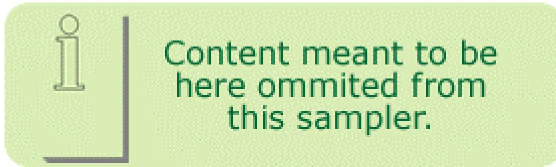
Bruce	N/A	31.24%
State Street Research Global Res A	SSGRX	31.06%
Bridgeway Ultra-Small Company	BRUSX	30.99%
State Street Research Global Res B	SSBGX	30.21%
State Street Research Global Res B1	SSGPX	30.20%
State Street Research Global Res C	SSGDX	30.20%



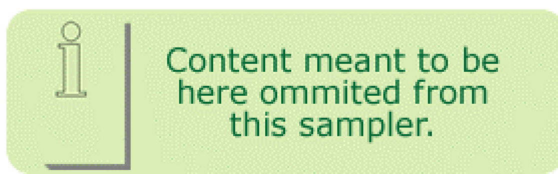
Let us do a similar search using Yahoo! Finance and see what we get. This time, we will set up the search so that we get results only from funds with a minimum initial investment of $500 or less (I would like to prove to you that you don't need much money at all to get into a high-return investment):



The Buy-And Hold Way



You can trade in one of two ways, primarily speaking. You can trade "manually" (proprietary trading) or you can trade systematically. To illustrate the difference, consider a typical family-owned small restaurant and a McDonald's franchise. What is the difference? The key difference (other than food quality) is that the family-owned restaurant is run "personally" by the owners, and it depends on the owners for all operations, for maintaining standards, for quality control, and so on. The McDonald's franchise on the other hand runs by a system. The burgers are made according to a systemized procedure, the order taking is systemized … everything is systemized. You can throw in a 14 year old straight out of high school into a McDonalds, give him or her the manual (the system), which includes a checklist for everything, and they will easily keep the place running. But if you throw this same 14 year old in the family restaurant and take away the owner, the restaurant is bound to go down. You don't need experience to work at McDonalds, but you need it to work at the family restaurant. Why? Because "what it takes" (the rules, parameters and procedures) has been transferred into the system at McDonalds, while at the family restaurant it is still in the owner's head so only he knows it fully. In our example, McDonald's represents a trading system (system trading) while the family-owned restaurant represents manual/proprietary trading.



Now let us look at some of the returns possible with trend following and system trading. Look at this table from TurtleTrader.com, showing the returns of some investment firms that use system trading and trend following:

Compounded ROR (Jan-90 to Jan-03)		
Rank	Manager	Compounded ROR
1	DUNN Capital Mgmt. (WMA)	1881.86%
2	Hawksbill Capital Mgmt. (Global Diversified)	1789.89%
3	Willowbridge Associates (Argo)	1507.36%
4	DUNN Capital Mgmt. (Financial TOPS)	1497.83%
5	Walsh, Mark J. & Co. (Standard)	1221.32%
6	John W. Henry & Company (Financial & Metals)	1200.69%
7	Willowbridge Associates (Titan)	1049.77%
8	John W. Henry & Company (Global Diversified)	1032.58%
9	Willowbridge Associates (Vulcan)	828.57%
10	Abraham Trading Co. (Diversified)	822.52%
11	Beach Capital Mgmt. Ltd. (Discretionary)	798.50%
12	John W. Henry & Company (Int'l Foreign Exchange)	789.74%
13	Man Inv. Products, Ltd. (AHL Composite Pro Forma)	660.68%
14	Campbell & Company (Fin. Met. & Energy -Large)	610.74%
15	Mount Lucas Mgmt. Corp. (Craft)	598.32%
16	John W. Henry & Company (Original Investment)	550.00%
17	Saxon Investment Corp. (Diversified)	521.15%
18	Chesapeake Capital (Diversified)	510.41%
19	Red Oak Commodity Advisors (Composite)	496.65%
20	Millburn Ridgefield (Diversified)	492.82%

The returns are high, aren't they? Much higher than what you saw in the mutual funds and even with the buy-and-hold trading strategies.

Lets look at some famous investors who use these strategies:

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Moving Averages & Crossovers

A moving average is an indicator that shows the average of a security's price over a period of time. When two or more moving averages are used, they form a moving average crossover indicator. To understand it, let us first remind ourselves (or learn) what a moving average is. Everybody knows that an average is. For example, the average of five numbers is attained by adding those five numbers up and dividing by 5 like this:

Number	5 Number Average
3.20	
5.32	
6.45	
5.56	
4.92	5.09

Now, lets see what a moving average is. Take the same chart and add a “day” column so it now looks like this:

Day	Number	5 Number Average
1	3.20	
2	5.32	
3	6.45	
4	5.56	
5	4.92	5.09
6		
7		
8		
9		
10		
11		
12		
13		
14		

Now, we start moving the average. As each new day gets a new number, we add it and calculate the average of the ***latest*** 5 days (the yellow boxes show the numbers being used to calculate the average):

Day	Number	5 Number Average
1	3.20	
2	5.32	
3	6.45	
4	5.56	
5	4.92	5.09
6	2.10	4.87
7		
8		
9		

10		
11		
12		
13		
14		

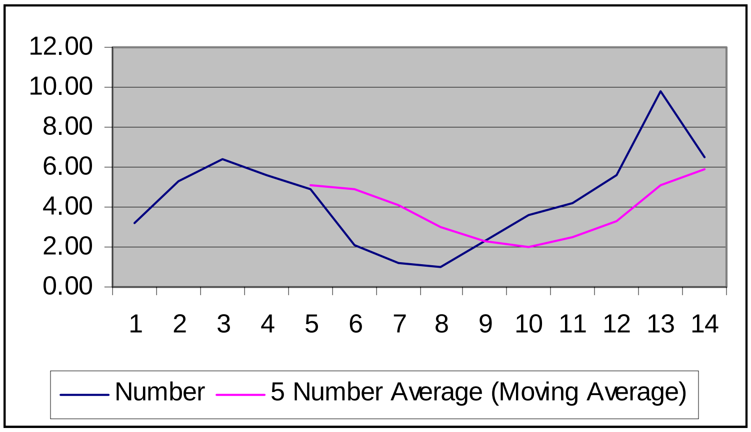
Next day:

Day	Number	5 Number Average
1	3.20	
2	5.32	
3	6.45	
4	5.56	
5	4.92	5.09
6	2.10	4.87
7	1.23	4.05
8		
9		
10		
11		
12		
13		
14		

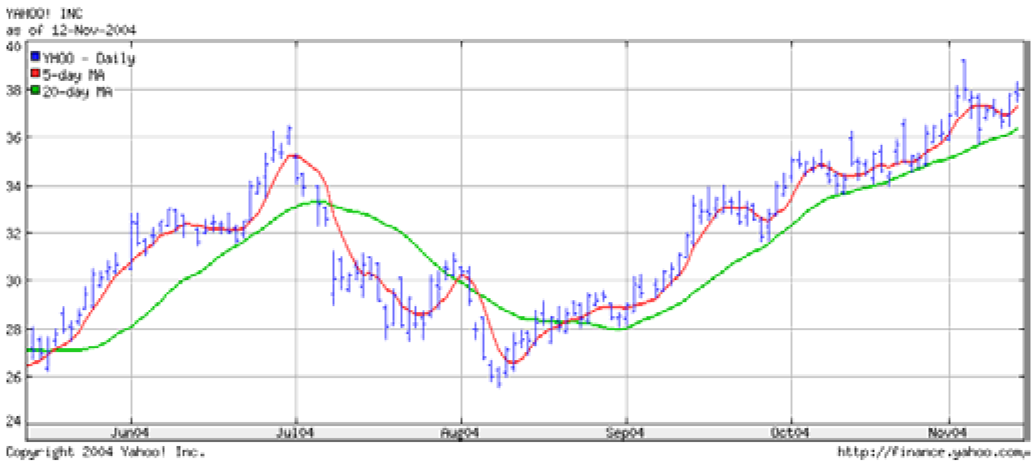
Now, plotting all of them down we get this:

Day	Number	5 Number Average
1	3.20	
2	5.32	
3	6.45	
4	5.56	
5	4.92	5.09
6	2.10	4.87
7	1.23	4.05
8	0.98	2.96
9	2.30	2.31
10	3.60	2.04
11	4.21	2.46
12	5.60	3.34
13	9.80	5.10
14	6.50	5.94

The 5 number average above is what we would call a 5-day moving average. If you plot these on a graph, you would get a chart like this:



Now, using actual stock prices, we will plot two moving averages on a price chart. We will do that using the free charting tools available on Yahoo! Finance. Yes, free. Just [go there now] and try it yourself. You can do it yourself in less than two minutes. You simply select the company you wish to chart, select chart, then select to have your moving averages plotted in. You don't have to calculate anything yourself. Anyway, here is a chart I did in a couple of minutes just by simple clicking (the tools available to investors now are amazingly powerful and simple to use, even the free ones):



It shows a 5-day moving average (MA) in red, a 20-day MA in green, and the prices used to calculate those MAs (prices are the blue bars – they are bars because stock prices are indicated as bars that show the high, low, opening and closing prices of a share each day). Now, this is what this particular indicator does. Notice that whenever the two MA lines cross each other, the prices trend has changed. In other words, whenever they cross each other, if the prices were trending up, they now start trending down, and vice versa. This is a rule of thumb. Sometimes the crossover is quite late in indicating the trend change, and sometimes the trend change is not a long lasting one. However, traders use this indicator to know when to get in and out of a market. For example, if you had bought a share in an up-trending market with an aim of selling when the uptrend has reached its peak, you may watch the MAs and sell when they next cross over, which would indicate that the market is now trending down. Many traders recommend using a 5- and 22-day MA for short-term trading, and 25- and 110-day MA for long-term trading. All indicators are rules of thumbs – they work most of the time. So what most traders do is get a confirmation form another indicator (you will see more on that later).

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How To Trade In CFDs (Contracts For Difference)

CFDs are extremely simple to understand, but because they are new instruments, they may sound confusing at first. They are not confusing, and right here you will get a good understanding of them that you can then go on and expand on by getting a good book on trading.

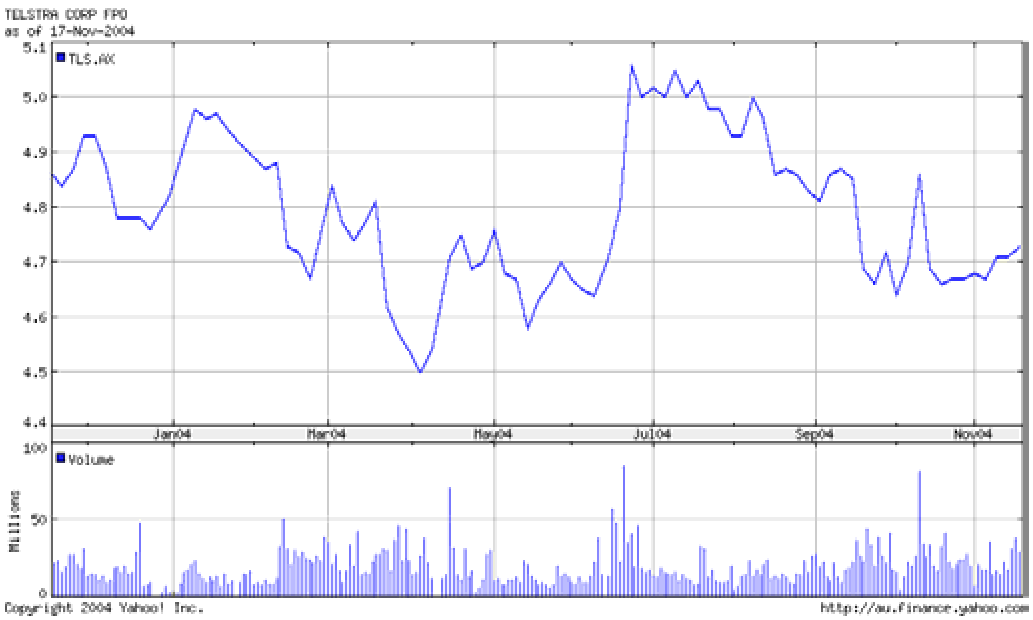
CFDs started out in Europe in the 1980s. They are a derivative and were initially used by big institutional investors to hedge their portfolios. That was before retail investors got wind of their tremendous advantages. A CFD is a derivative (a leverage-based product based on an underlying asset). There are CFDs for shares, commodities, indices, options, futures, currencies, and so on.

This is how they work: Instead of actually buying the shares outright through the stock exchange, for example, you would buy share CFDs from a CFD provider. Your CFD provider (much like a stock broker but not really) is the one who technically owns the shares. You simply enter into a contract with your CFD provider. You never own the shares themselves, but you get to keep the differences in price. What differences? Well, if a share of XYZ was trading at $10 when you opened your CFD position in it, if the price goes up to $12, your provider gives you 12 – 10 = $2 (the difference). If it falls to $7.50, you give your CFD provider 10 – 7.50 = $2.50. Everyday, your account is adjusted in this way. Every single day. Then, when you close your position, you keep whatever money is in your account. See, it is quite simple, isn't it? Your CFD provider is the one who owns the stocks (plus voting rights, stock splits, etc); you simply get the differences in prices, up or down, until you exit the position. Oh, you also get any dividends given on the shares during the time that you are in the position.

One great advantage of trading in CFDs is the leverage you get. CFDs are traded on margin. You only need to put up 1% to 10%, sometimes more, (depending on the market you are trading and who your CFD provider is) of the value of the underlying security to control it and get **all** of its profits (and losses). And that means what to you? You magnify and multiply your returns greatly!

Let us use an example to illustrate this point. We will use the example given online by one of the larger CFD providers in Australia, the CMC Group.

First, before we get into that example, look at this chart showing the price movement of Telstra stock (Telstra is Australia's largest telecommunications company):



Now, here is the example trade. Here, we are comparing a trade based on purchasing 2,000 Telstra shares with Broker X versus purchasing CFDs to control 2,000 Telstra shares with the CMC Group:

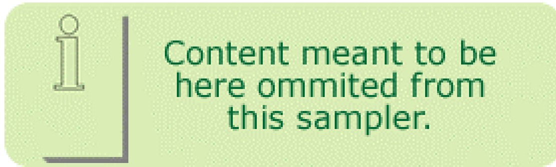
CMC Group		Broker X	
Amount of CFDs	2,000	Amount of Shares	2,000
Buy Price	$4.60	Buy Price	$4.60
Cash Required (5%)	**$460**	**Cash Required**	**$9,200**
Sell Price	$5.00	Sell Price	$5.00
Total Commission Charges	$20	Total Commission Charges	$100
GST (10%)	-	GST (10%)	$10
Net Profit	**$780**	**Net Profit**	**$690**
Return On Investment (780 / 460 x 100)	**170%**	**Return On Investment (690 / 9,200 x 100)**	**7%**

As you can see, because of the leverage, you get two major advantages when using CFDs instead of purchasing shares outright:

Your return on investment is multiplied. Instead of getting a 7% return in this example, you would get a 170% return in the exact same trade!

Your capital is freed up and this gives you two bonus effects. First, you would only need to put up, in this example, $460 instead of $9,200, so you have less of your money at risk or tied up. Secondly, assuming you did in fact have $9,200 to trade with, instead of blowing it all in one outright share purchase, you could have controlled multiples of CFDs with that money, approximately 20 times more ($9,200/$460 = 20). Your $9,200 could have been used to buy CFDs controlling almost 40,000 Telstra shares. So, using CFDs, you could have used your $9,200 to **make about $15,000 instead of just $690** with an outright share purchase as shown above! Do you see the power of leverage?

Another advantage with using CFDs is that you can easily profit from down trends and make money when the share price is falling. It is far easier and less risky to do this with CFDs than with shares.



An example of using assets to purchase liabilities:

We will now use options to see an example of one way you can use assets to pay for your liabilities. In this simple example (let's keep it simple for the sake of illustration), we will assume you wish to purchase a car worth about $17,000 and you have actually managed to save up that money from your wages over time.

What most people do: They take their own hard-earned money they saved up from their job and buy the car outright! So literally, they slave for the car. Either way, the money saved up from their job deteriorates because the car deteriorates and gets devalues with time, in fact as soon as you drive off the car sales yard.

What you can start doing, the smart way: Take that cash and with that money buy some good blue-chip shares at the bottom of their annual price curve (meaning when they are trading somewhere near their 52 week low). Next, get car finance on your chosen vehicle. So far you haven't given anyone your hard-earned money from your job; you put it all in your shares that you get to keep. And you will not pay the monthly car payments with your hard-earned wages either. What you will do is sell call options on your shares and collect the premiums. As long as the buyers of your options don't exercise the options, you will keep your shares and keep the premiums and use them to pay your car finance, the options will expire, and you will sell new options and repeat the process. You can do this for as long as no one exercises their options. But when they do exercise the options, you are obligated to sell them your shares, right? Right. But, this isn't a bad thing at all. Remember that you bought shares in blue chip companies at a price near their 52-week low (easy to find using free online stock screeners such as at Microsoft's Investor.com site). For example, if the share price were $20, you would sell call options with a strike price of $22.50, for example, or $25. So even if the buyer of your option exercises their right to buy your shares from you at, say, $25, you would have made a profit. Remember, they will most likely only exercise it if the price is above $25, otherwise they make a loss, see? So as long as the price is below $25, you can keep selling call options knowing very well they will expire, you will keep the premium, and repeat the same. If the price goes to over $25, you will have to sell your shares for $25, but who cares! You have made a profit of $5 a share! Take that money and profits; find another stock trading near its 52-week low, and repeat. You get to keep your money and have your money earn its own money to pay for your new car! In this example, the money you saved up appreciates and you keep your wages instead of sending them over to the car finance company. By the way, this strategy of selling options backed by shares that you own is called Covered Call writing. It is also nick-names "renting shares" because you are receiving income on an underlying asset, just like getting rent from an apartment.

Let us use an online example of this that you can check for yourself. We will use Australian figures since that is what I am more familiar with when it comes to the car finance issues, but you can do this in Asia, Europe, the U.S. or whatever.

This is a very rough example I quickly put together in a few minutes. Obviously, if you will actually be doing this, you will get into more detailed research and set up something better. Also, in some months, the premiums you would collect in this example below would not cover the repayments completely and you would have to add a little from your wages or whatever, and in some months you would have extra income over and above the repayments. Again, you can put together a better arrangement with more research and time so that everything is covered by the strategy and you spend almost nothing out of pocket. Finally, I will be using car finance figures calculated online at ANZ Bank's (a top Australian bank) online car finance calculator, and using actual market figures taken from the Australian Stock Exchange's (ASX) online mock portfolio (they keep an online live portfolio to compare the performance of a stocks and stocks with covered calls). Because this portfolio was set up on January 2, 2003, we will stick to those dates. Here we go:

Assume the car you wished to buy cost $17,000 and you have $17,000 in cash. What you would have done, then, in our example, would be to first buy the shares. On January 2, 2003, you would have purchased 1000 shares in ANZ Bank at AU$17.32 each for a total of $17,320.00.

You would then go to ANZ Bank and get a car loan for your car. Keeping it very simple, assume they give you the entire amount. According to their online car finance calculator, this is how your finance would look like:

Amount Financed (including fees): $17,258.50
Balloon: $0.00

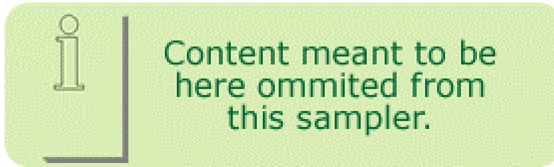
Monthly Repayment Amount: $360.69
Cash Due at Settlement: $0.00
Interest Rate: 9.29 %

Now, look at this table showing how much you would be getting from your selling (also called writing) call options:

Date	Sold	Income $ (To pay for the car payments)
02-Jan	1 ANZ Jan 1750 Call @ $0.29	290.00
30-Jan	1 ANZ Feb 1700 Call @ $0.46	460.00
27-Feb	1 ANZ Mar 1600 Call @ $0.64	640.00
27-Mar	1 ANZ Apr 1800 Call @ $0.32	320.00

And so on…

Once you finish paying off your car, you will have (1) the car (2) your original $17,000 in shares, now presumably appreciated to a much higher amount if you have been actively moving it strategically and (3) you can still keep selling call options and flipping the shares and keep the income since you no longer have to use it to pay off the car. So quite literally, you got the car free, kept your money, grew it, and gained an extra income stream. Contrast that with going and plunking down your savings outright into a car (which is what most people do) and you will see how the wealthy people make and keep their wealth and why they become wealthy! With this strategy alone, you have accomplished several rules of wealth (1) preserve your capital (2) make your money work for you (3) use your assets to pay for your liabilities. Of course, this is a very rough, simplified example, but you can see how you can set these sorts of things up.



TAKE ACTION HERE NOW!

Don't just let this information stay at a theoretical level for you. Take action and make it happen, make it practical and real for you! Ask yourself, "In how many ways can I act on this information that I have just read?" **Write down** all the ways you can think of, and then schedule to do them starting now. Make it a must. Come back and review this material every few weeks and ask yourself the same question; you will keep finding new actions you hadn't previously seen.

Take action! In the moment, Now, Here. Move your body!

Take the first step, and the second step will appear. The way appears progressively. Don't wait to see the whole way before you take a step.

Set the game up to win by recognizing it is ok and normal to make mistakes. There are no failures, just successive moments. Life is a process. If you stumble, be kind to yourself, and get up and continue. Celebrate every step!

Are you facing any resistance or fears? Read the section on the nonphysical in this book so you can transform yourself.

Be responsible for yourself.

Play and relax into it.

It all counts, the little things and the big.

Put into action, or else it is all useless.

Never leave the site of setting a goal or having a desire without doing something towards its accomplishment.

"It is always your next move." – Napoleon Hill, author of *Think and Grow Rich*

"What saves a man is to take a step. Then another step." - Antoine De Saint-Exupery

"A journey of a thousand miles begins with a single step." – Chinese Proverb

"Opportunities increase as they are taken." – Sun-Tzu

"Vision is not enough unless combined with venture. It is not enough to stare up the steps unless we also step up the stairs." – Vance Havner

"Nothing comes from doing nothing." – William Shakespeare

"The great end of learning is not knowledge but action." – Peter Honey

"Follow your bliss." – Joseph Campbell

"Knowledge is not enough; we must apply. Willing is not enough; we must do." – Bruce Lee

Power Strategies To Preserve Your Capital And Protect Your Assets

The point behind preserving your capital (your money) is that you get to always have money to grow and grow, rather than lose it and have to start again from scratch. There is no investor, even the very best of them, that has not lost money. Even you will lose money sometimes; it is part of life. Smile when it happens; you get to learn stuff and enjoy new insights. But by having a good capital preservation system, you will get to keep your shirt on even when you lose; you only lose a portion of your money and even a series of losses do not take you out of the game. You never start from zero again; you just keep trending upwards; that is the point. The point behind protecting your assets is that you get to secure them against their being confiscated by the government or tax agency, taken by creditors, or grabbed in lawsuits. Asset protection also minimizes or eliminates taxes. Your assets are what give you leverage, cash flow, and opportunities to increase your wealth. Aren't those good enough reasons to protect them?

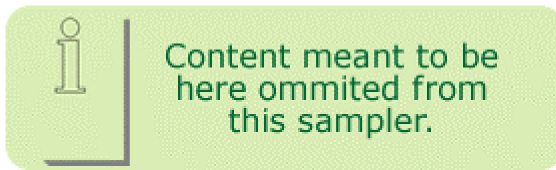
Preserving Your Capital

The Science of Money Management

Whenever you invest, you spend your capital in the hope of getting more back. That is pretty obvious. When you spend your capital, you stand the chance of losing it; in fact, you will lose some of your trades. There is not a single investor alive who has not lost some trades (whether they be in stocks, futures, real estate, businesses, or whatever). Money management is the discipline of arranging your investing in ways that maximize profitability while at the same time preserving your capital. Money management keeps you in the game. Lack of money management can take you out very easily.

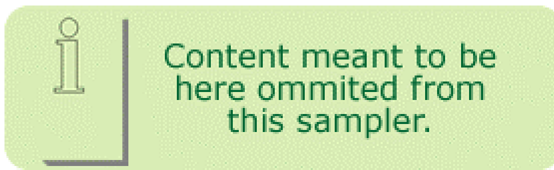
To illustrate money management, let us begin by looking at some concepts and examples.

The first concept we will look at is called **drawdown**. Drawdown is the percentage of your trading capital that you lose in any *single* trade that has gone against you (in a stock purchase, real estate purchase, etc). It is calculated each time your capital account (equity) hits new lows. Let us look at an example to illustrate this:



Protecting Your Assets

Don't wait until you get into trouble to start your asset protection. Start early. Now. Legally, you cannot start putting asset protection in place the day you get sued or something; the law will not recognize it. You have to start when all is good. And start when you have about $50,000 worth of assets. Don't wait until you are "rich". There are several steps you need to take to protect your assets:

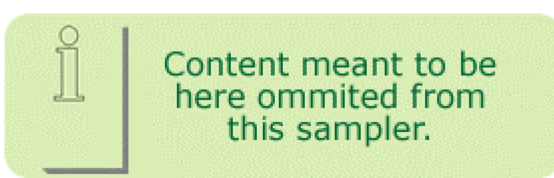


- **Jurisdiction methodology** – This involves taking advantage of cross-jurisdictional differences to protect your assets so that the differences in laws between two states or countries can be used to protect your assets (e.g. the title to a person's assets could be held by a foreign IBC, also owned by this same person, in a foreign jurisdiction that does not recognize the laws of the person's local country, effectively insulating their assets against any claims such as litigation or divorce claims).

- **Integration methodology** – This involves building-in your asset protection into your business and investments so that it is part and parcel of normal operations.

- **Unbundling and separation methodology** – This involves separating (splitting up) an asset into its smallest component units and protecting and insulating each component separately. For example, instead of having the assets of a business held by the same company that is doing the business trading activity, the assets could be held by an IBC and leased out or rented to the local trading company. That way, if the local trading company is ever sued or goes bankrupt, the assets will be beyond the reach of the litigation because they will be in the ownership of the IBC.

- **Opportunity-shifting methodology** – This involves moving a new wealth-creating asset outside of existing structures and into a new separate structure before the wealth is generated so that you can transfer the wealth before it is created and received.

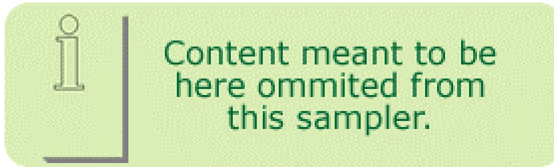


Have Only Smart Debt That Works For You And Avoid Bad Debt

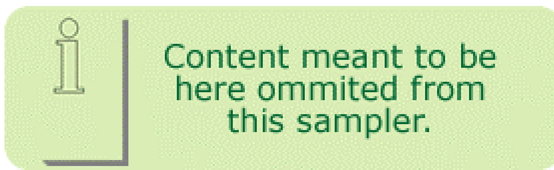
There are two kinds of debt. Debt that works for you and debt that works against you. Debt that works against you can have a very constricting effect on your efforts to become wealthy. Do you remember the power of compound interest and how amazing it is at creating wealth? Well, what if that power was turned against you? That is what bad debt is; debt that turns the power of compound interest against you. Good debt, on the other hand, allows you to benefit even more from compound interest! It gives you leverage.

Good debt is easy to understand, so we will cover it first, quickly. Good debt is simply any debt that gives you cash to allow you to acquire assets that make you more money than you have to pay back to your debt provider. So, if you are borrowing at 9% interest rate (or much lower for derivatives trading accounts such as with CFDs, etc), simply make sure that you earn more than 9% in whatever investment you make with the money you borrowed. In essence, that debt will have given you money that you didn't have, and then that money went on and made you even more money. So you make money out of thin air, literally. With bad debt, you simply borrow money and pay it back with interest. With good debt, you borrow money, use it to earn much more money, and use that money to pay back the debt and keep a profit. That is all. You can arrange mortgages, loans, margins and many other type of debts in ways whereby they become good debt. So good debt is any debt you arrange in a way whereby you profit from it, effectively making money out of thin air. Very powerful! Why wait months or years to earn money to invest when you can borrow it instantly!

Now, let us look at bad debts. To avoid bad debts, avoid believing most of the messages you get from these three groups:

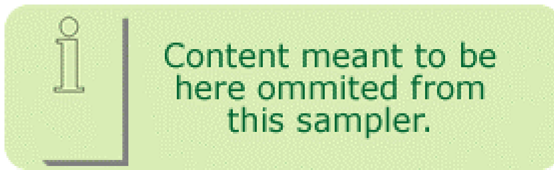


Lets start with credit card examples. If, for example, a person only has a $2,500 balance on a credit card at 21% interest and they pay a 2% minimum payment on the remaining balance each month (which works out to $50 the first month, and goes down as the remaining balance reduces)), it will take this person over 63 years to pay off this debt and cost them, get this, a whopping $14,699 in interest charges! However, if they paid $50 each month, regardless of the fact that the minimum payment was requiring progressively less than that, they would pay it all off in 10 years only and cost $3,493 in interest charges.



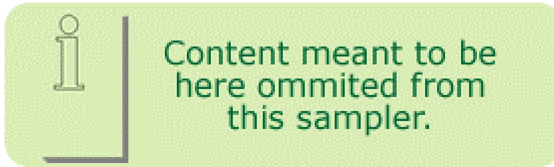
Let us look at cars now. Just as with credit cards, car finance adds a big, big new bill to the cost of owning your car. With car finance, you get a bigger debt than with a credit card. Car finance and leasing can add literally up to a few hundred thousand dollars more on the true cost of the cars you own or drive during your lifetime. Yes, an extra several hundred thousand dollars over your lifetime! Money you would have used yourself or invested to make millions. And the car companies know this all too well. Most of them are in the car business to get into the finance business! For example, look at General Motors (GM). GM's credit arm, GMAC, posted record third quarter profits this year of $656 million. Meanwhile, its car divisions lost money, not making any profits. GM's profits are rescued by its credit arm (which makes half its money in mortgages and half in car finance) and its car insurance arm. GM is practically in the car business to make the phenomenal profits available in giving credit to car buyers.

And now let us briefly look at mortgages. It is true that you can use mortgages to finance a property acquisition and have that property make you profits over and above your mortgage payments. Used wisely, mortgages are great tools. However, the way most homebuyers use them is something akin to the enslavement of themselves. They set up their mortgages in a way that leads them to bleed money to the banks. No, not bleed. Hemorrhage. We have already seen that the typical home under a mortgage is not an asset to the homeowner but a liability (unless they use creative financing to fix this situation). It is instead an asset to the bank, a great asset. Let us see just why. You see, mortgages are long-term liabilities. And we know now that compound interest works best the longer it is in place. So when you get a 30-year mortgage at 9% compound interest per annum, guess who is laughing all the way to the bank? The bank itself! For example, on a 25 year $100,000 mortgage at 8% interest, you would end up paying about $64,833 in the first 7 years alone, but only $11,789 of that would be going towards repaying the amount you borrowed (the principle). Over $53,000 of it would be going to the bank purely as interest charges, pure profit for the bank. And do you know what work the bank has to put in to earn that money? Absolutely none! They just sit there and wait for you to work and send them a check. That's how good they have it going. And there is nothing wrong with that. They have simply bothered to understand how money works and they apply that knowledge. You can easily do so as well. So, after paying the bank $64,833 in the first 7 years of a 25 year $100,000 mortgage, you would still owe them $88,211 plus 9% compound interest on that amount per annum for the remaining 18 years of the mortgage. Is that bleeding money or hemorrhaging it? And is it slavery or freedom? Interestingly, the word mortgage is made up of two words mort (stemming from the word that means death - mortuary, morgue) and gage (stemming from the word that means engaged), literally translating to mean engaged till death.



Pay Minimal Taxes Using Simple And Advanced Strategies

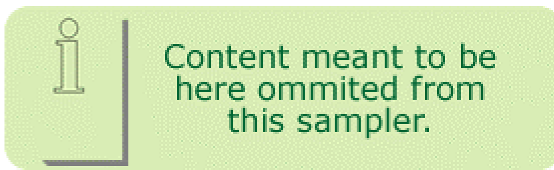
The great Sir Winston Churchill once said that, "No man has the moral or legal obligation to arrange his financial affairs so that the state can put the biggest shovel in them". For most people, taxes are the biggest expenditure they face. Most people pay almost 50% of their income in taxes (income tax, corporate tax, sales tax, fuel tax, and all the other taxes they pay all add up to almost half their income). Cut your taxes down to about 10% of your income. If you can put in place strategies to save you about 30 – 90% of the taxes you are presently paying, and this is what most wealthy people do, you will have a lot of money left over to invest. Mathematically, our economies can do very well with 10% taxes. The reason why we pay so much is government mismanagement, waste and expenditures that don't make sense. The fastest way to double your income, whatever level it is at, is to cut your taxes if you are paying the full rate.



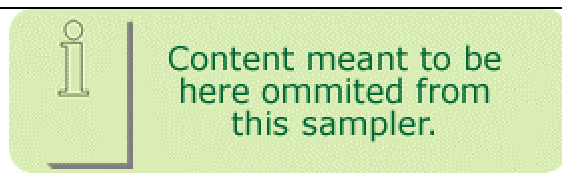
So how do you save 30 – 90% of your taxes? Well, there are two means:

1. Simple strategies like claiming deductions. These only save you a relatively small percentage of your tax bill, but they do count so use them.

2. Complex strategies involving asset protection strategies (see the part on asset protection in this book for an idea of what is involved). This is what corporations and wealthy people use to save the bulk of their taxes automatically, annually, and simply.



Here are a few case studies extracted from OCRA.com, a company that specializes in offshore business services (case studies copyright OCRA (Isle of Man) Limited):



International Trading Companies

Yuri Ivanov lives in Russia. He is purchasing and selling shoes. He buys the shoes from Italy and sells them to department stores in France, Germany and Spain.

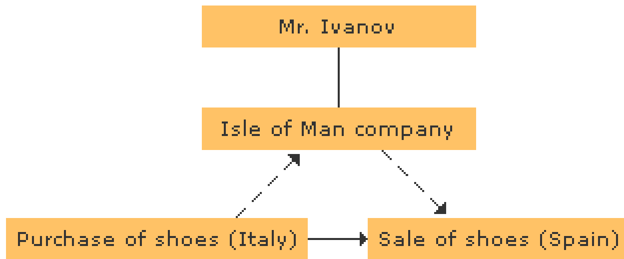
Mr. Ivanov wonders whether he can structure his business in a tax-effective manner, for example by using an offshore company.

Suggested solution:

Mr. Ivanov can set up a trading company in a low tax country, thus ensuring that his trading profits will not be taxed in Russia (his country of residence), nor in France, Germany or Spain (because the tax authorities argue that he has a taxable presence in these countries).

As all the transaction concerned are European Union transactions, Mr. Ivanov must obtain a VAT registration. A good location for conducting trading activities where one can obtain such a registration is the Isle of Man. Thus, if such an Isle of Man company intends to ship the shoes from Italy to Spain, the Isle of Man company would inform the Italian company of its VAT number, so that it could zero rate its sales invoice. The Italian company does not have to charge VAT to the Isle of Man company. The Isle of Man company would then obtain the Spanish company's VAT number and subsequently issue a zero rate invoice to the Spanish company.

For setting-up the Isle of Man company, there are a couple of possibilities: an LLC (taxed as a transparent entity, so effectively no tax in the Isle of Man on the profits obtained) or a tax exempt company. None of these companies are required to withhold tax on dividends.



Licensing Company

Zoomcopter Ltd., a company established in Taiwan, has developed a new widget which is used as a spare part in the assembly of helicopters. By using this widget when producing the helicopters, the operational costs of the helicopters can be substantially reduced.

Zoomcopter holds the worldwide patents on this invention and it wonders how the exploitation of the patents can be arranged in a tax-effective manner.

Suggested solution:

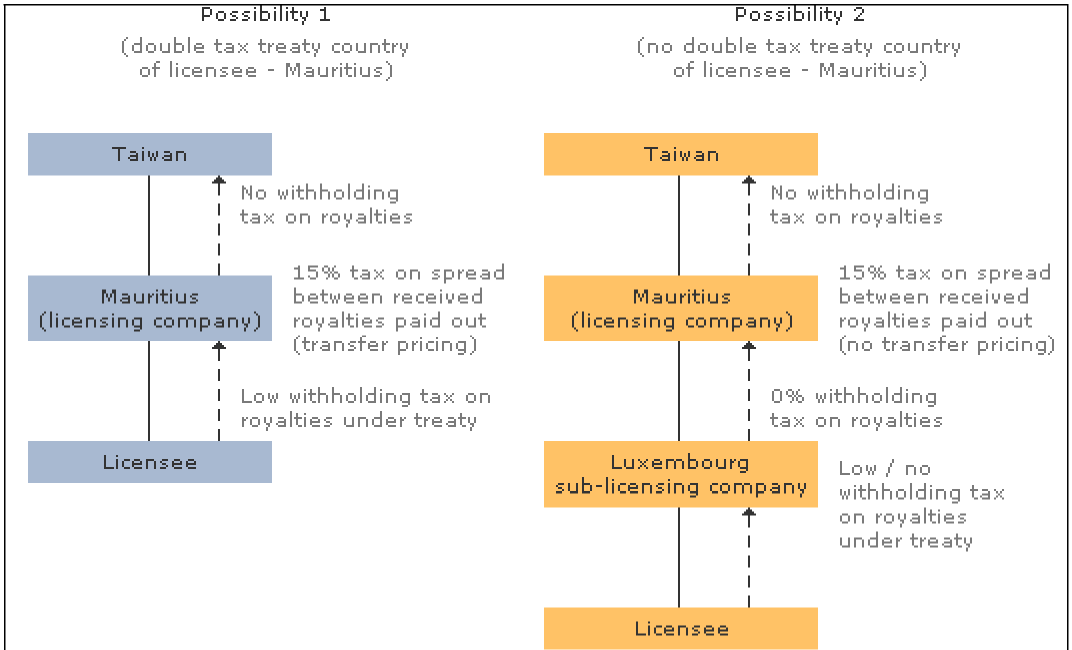
The patent should be transferred to a company in a low tax country from which the patents are licensed to one or more licensing companies in countries with a dense tax treaty network and which does not levy a withholding tax on royalties paid abroad.

The set-up of a licensing company in Mauritius could meet these objectives. Mauritius has an expanding network of double taxation treaties, thus substantially reducing the withholding taxes on royalties paid to the Mauritius company.

Although the Mauritius company is subject to tax in Mauritius at a rate of 15%, the spread between royalties received and royalties paid to the offshore patent-holder can be minimised (Mauritius has not adopted any transfer pricing regulations which could have an impact on the amount of the spread).

Royalties paid by the Mauritius company are not subject to a withholding tax in Mauritius.

Note: If there is no double tax treaty between Mauritius and the country from which the royalties are paid, the set-up of a sub-licensing company in a third country might be considered, e.g. Luxembourg. Luxembourg has a good tax treaty with Mauritius.



Personal Service Company

Albert Smith is currently working in Luxembourg as an independent IT consultant through a Luxembourg management company. Therefore, he is currently paying Luxembourg taxes (rates up to 38%).

Mr. Smith is going to conclude a new service contract to work in Italy for a US-company. The US company has a European office in the UK. It is contract work and the US company is using Albert's services by sub-contracting him out to one of its clients in Italy.

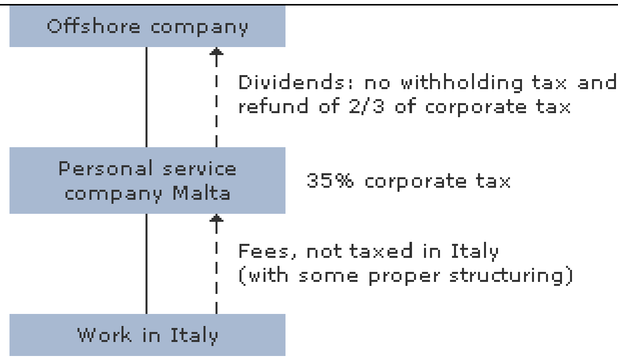
Mr. Smith wonders whether he can reduce his Italian income tax exposure (rates up to 45%), for example, by using an offshore company which is directly or indirectly controlled by him.

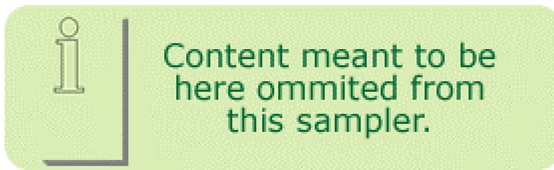
Suggested solution:

Mr. Smith could set up a new personal service company in country which has a good tax treaty with Italy, thus ensuring - with some proper structuring - that any fees paid for Albert's work in Italy are taxed in the country of residence of the service company. The company makes Albert available for working in Italy.

The personal service company is fully owned by a personal service company set up by Albert in an offshore jurisdiction. Thus, it is necessary that the service company is established in a country which does not levy a withholding tax on dividends paid abroad.

A country meeting these conditions is Malta. Although the Italian-source fees received by the Maltese company are subject to tax at a rate of 35%, two-thirds of the Maltese tax will be refunded upon the distribution of the dividends offshore, thus reducing the tax burden in Malta to 11.67%. Malta does not levy a withholding tax on dividends.


Offshore company
Dividends: no withholding tax and refund of 2/3 of corporate tax
Personal service company Malta
35% corporate tax
Fees, not taxed in Italy (with some proper structuring)
Work in Italy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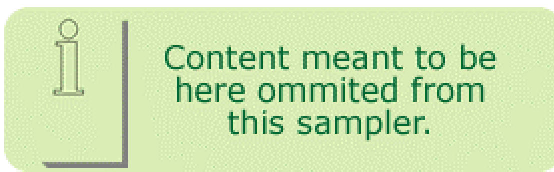
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Turn Your Home Into A Profitable Investment

As we have seen in our definition of what an asset is and what a liability is, if your home is still under mortgage, it is a liability and not an asset to you. It is the bank's asset and the bank is using it to make money off you. Well, its now time to turn that around and start making some money out of it using simple creative financing. Turn it from a liability into an income-generating asset. And if you have already cleared your mortgage, you can really take it further and turn it into a real income generating cash cow. Relax, you don't have to move out and rent it out. You will instead be using creative financing to achieve your goals while you sleep safe and sound in it.

Create Automatic Money Systems

Look at nature. It is perpetual. It feeds itself. Keeps going and growing automatically. The solution is in the system. You can turn your financial affairs into a natural, self-sustaining, dynamically growing, minimum effort system. And all systems are collections of smaller systems working together. Right now, your finances may be all over the place, like a disordered room that you have to keep re-arranging and preventing from collapsing. Lets see how you can turn them into a system that works for you and sustains itself. This is where you put all you have learnt so far together, tied together in systems, and those systems tied together to form your money machine.

A system is something that is ordered, that has its processes clearly spelled out, that uses minimal efforts to produce results that anyone applying the system can duplicate. For example, a franchise business is a system, while the regular mom-and-pop shop is not. In the mom-and-pop shop, when the business owner is not there, things start to collapse. The business owner is the business. The business processes have not yet been systemized and so the owner has to be there to think and do, think and do, everyday. A franchise like McDonalds, on the other hand, has laid down all the processes needed to operate the business. Anyone can operate a McDonalds outlet successfully as long as they follow the system manual. Even the tools, the shop layout, the colors… everything… has been systemized. A 14 year old straight out of high school can run a McDonalds if they had to. The solution is in the system. Look at nature’s water cycle. It has been running on its own for billions of years. No one comes down from space to fix it. It is a system that uses the laws of nature to perpetually work on its own. The solution is in the system. Systems not only ensure better success rates, they also free up people and allow them more time to do other things. Now, lets see what systems can help your finances. These are the systems you will need to create. This section of this book is about systemizing what we have already learnt about in other sections of this book.

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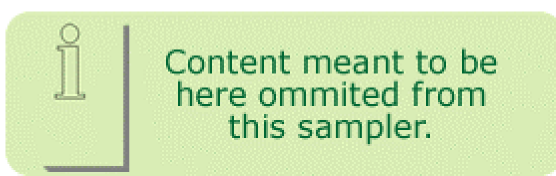
Increase Your Ability To Earn And Create Wealth

If you wish to continuously increase your wealth, it follows that you have to continuously increase your ability to increase wealth. And you do so by continuously learning more. Money is value, and value comes from within you. You must therefore increase your value, and then apply that increase and you will experience an increase in wealth. You increase value by learning what you didn't know before.



More Reasons Why People Never Become Wealthy

As you have seen so far, wealth is simple, but it has its ways. And as you have seen by now, if you don't follow the way, you wont get there. If you don't follow the road to your destination, you can't get there. If you wish to go to Paris, for example, but you are driving on the road to Damascus, you will get to Damascus, not Paris. Now, in addition to all you have seen so far in this book, here are some more reasons why people never become wealthy.

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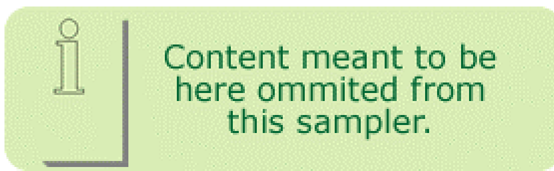
You The Financial Warrior

What is The Way of the Financial Warrior? If finances are your game, get ready for the ride of your life.



Part 2: The Nonphysical

The nonphysical world is first cause. Before anything happens in the physical world, it must first happen in the nonphysical. Hence the great, great importance of understanding the nonphysical.

Action is a part of the physical world. But all action follows thought. You always act in accordance with your thoughts, your beliefs, your emotions, and your consciousness. If you wish to change your habits, you change them at the level of the nonphysical. ***The physical world is the effect; the nonphysical is the cause****. If, for example, you find that you are facing internal resistance to saving money, or you believe it is difficult to save money, and so on, you are best advised to investigate your conscious and unconscious beliefs, for that is the source of your resistance and difficulty.*

Let us begin…

The World Of Money Is Simple… It Is All The "Other Stuff" That Gets In The Way

As you have seen so far in this book, getting wealthy can be quite easy. The world of money is, literally, quite simple. The difficulties we face are not because making money is hard. No. They are because we throw in a lot of other stuff into the game, and it is this stuff that we experience as difficulties in making money, as money problems. This stuff is our own stuff, our neurosis, our emotional issues, habits, fears, and so on. In other words, people don't have money problems; they have psychological-emotional issues super-imposed on money. If for example you took a person who says they have money problems and you give them a million dollars, they would find a way to transfer their psychological-emotional issues onto something else. Or onto the million dollars. If you wish to end your "money problems", end your psychological-emotional issues.

Vital: Cultivate Wealth Consciousness and Know How Wealth Creation Works

Money represents an aspect of a person's internal value, but that does not mean that it represents a person's entire internal value. That is very important. It is not about self-worth. Money only represents an aspect of that internal value that pertains to wealth. You cannot therefore say that a wealthy person has a higher self-worth and value than a poor person, but you can correctly say that in matters that relate and pertain to money, the wealthy person has a higher internal value in that aspect of value or that the person chooses to exercise a higher proportion of this internal value. This section of internal value that reflects on the outside as money, when exercised, is called Wealth Consciousness, a foundation in abundance and an unshakable certainty in abundance. *The opposite of wealth consciousness is poverty or scarcity consciousness. To become wealthy, you must develop wealth consciousness and drop scarcity consciousness.*

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A Little Faith (Belief) Can Move Mountains … So Discover And Design Your Beliefs

"To your subconscious mind the solutions to your problems of poverty is to become rich, but it is logically invalid for it to pursue this course of action if it has been told that it will make you a bad person." – Simon Hall. Question: Do you really know what your conscious and unconscious beliefs are? It would be a good idea to find out. Then, it would be an even better idea to create new beliefs that support your desires.

> *To be ambitious for wealth and yet expecting to be poor; to be always doubting your ability to get what you long for, is like trying to reach east by traveling west. There is no philosophy which will help man to succeed when he is always doubting his ability to do so, and thus attracting failure. – Charles Bandouin*

> *If you don't change your beliefs, your life will be like this forever. Is that good news? – Dr. Robert Anthony*

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How To Overcome Money Panic Easily and Immediately

You worry because you worry. Does that make sense? You create your world by your thoughts, words, and actions. Worry creates that which is worried about. You worry about things because you worry about things. People worry because they think it helps. It actually does the opposite. It creates the very problem itself. Panic and worry don't help; they hinder. How would you like to learn how to stop worrying and start living, very easily? It can be done, simply.

Here are the guidelines to follow:

- Recognize when you are anxious and identify the panic triggers. The next time you feel anxiety, stop and ask yourself, "What triggered this anxiety? What thoughts did I just have that triggered it? What kind of situation triggered it?" Identify all the panic triggers in as much detail as possible. Be aware of your thoughts, the situation, how you perceive the situation (your perception of the situation is often very different from the situation itself), the emotions, and the bodily sensations you have (where do you feel the anxiety, how does it feel like in your body, how does it move, what is its temperature and texture, how big does it feel, and so on). This is most important: **note all your observations down on paper!**

- Look at your notes. First, look at all the physical and emotional sensations you noted down. These are the easiest to deal with. You see, you may not have considered this up until this moment, but you have a fear of experiencing these sensations (e.g. the coldness you feel, the heart palpitations, the feeling of being enclosed, and so on). Sometime in your past, a real event occurred where you felt these things, and in that real event there may have been real danger imminent. Your nervous system therefore associated these feelings and physical sensations with danger. Now, even when there is no real danger, when your mind imagines a similar situation, it adds imagined danger to it, and your nervous and emotional system reacts just as if the danger was real. You then get the emotions and sensations all over again, and you believe you are in danger. You are not in danger this time around. Stop now and notice that all around you everything is OK. Any danger that you may perceive is in your mind, in some projected future. You may be convinced of it, sure that you are right, that the danger will come. But stop and notice that you are safe, now. Then, as you feel these sensations and emotions (and that is why you have to do this exercise in the moment, when you are in the panic, not later), tell yourself that even if your skin feels cold, you are here, now, OK, whole. Look around you and notice the world is still the same, you are still the same. Allow yourself to feel the sensations and emotions, and get used to them. You see, in the past you may have been trying to escape them, avoid them, just as you would try to escape danger. Now, notice that you don't need to escape anything. You can feel the cold, the trembling, the palpitations, the fear, and still everything is OK. Allow yourself to feel and notice it is still OK. Before you resisted, now allow. Get comfortable with the sensations and emotions by naming them, looking at them directly and naming them. And as you do this, make a conscious decision to keep breathing normally, deeply, calmly, deep into your lungs and belly and back out, not forced but comfortably. This will assist greatly because many of your panic patterns are anchored in the shallow breathing pattern that you get into when you panic. Do all this and you will see that within minutes, you will have a smile. You will step out of the hypnotic trance of panic and into the real world.

- Next, look at the situations that are triggering your panic. For example, if you panic whenever you have a low bank balance or you get a bill that is too high or whatever, take responsibility and see how you can change these situations. For example, you may decide to start saving a percentage of your money, never touching it under any condition, so that even when you are "broke", you still have some savings (of course, you don't use these savings up to make "emergency" bill payments or whatever, you keep them to invest). The point will be for you to start to feel safe again when you don't have spending money or money for bills or whatever, because you know if worst came to worst, you have your savings and investments. You can use this prop until your relax completely, which will happen naturally over time. Or, if you panic whenever you get your phone bill because it is too high, choose to start changing your phone usage patterns and carriers and so on so that your bill drops. In summary, change the lifestyle factors and situations that are contributing to your anxiety. (In truth, it is your perception of these situations and factors that is causing the anxiety, not the situations and factors themselves, but sometimes it is difficult to see that when you are in it, and so it is easier to change the situations and factors. Anxiety is a choice of perception, and that is why some people are highly anxious about a thing while others see the exact same thing as nothing to even think about, let alone worry and get stressed.)

- Change unhelpful thinking styles. Thought is the first level at which your panic starts. Remember how we said that anxiety, panic, is a choice of perception? This is why you need to change unhelpful thinking styles. Here are some guidelines you can use:

- Recognize limiting, fearful thoughts that you have. Then, challenge them for evidence. Before you used to take them as facts. This time, challenge them for evidence in the real world (not evidence in your imagination, but in the real world). Get other people's perspectives, preferably people outside of your family (people in a family tend to think alike on some core issues) and outside of your closest friends circle. Do your own testing as well by choosing not to run away but to get involved in that which you feared and acting and seeing what happens (e.g. if you ran away each time a creditor called you and you avoided your phone, pick it up this time, tell your truth, negotiate and see what happens – challenge your fears and get your own evidence).

- Substitute your fearful, limiting thoughts with loving, supportive, expanding thoughts. Just do it until it becomes a habit. At first it will require vigilance and effort but soon it will take on its own life. Remember, substitute but don't fight. Never fight yourself. You can allow the fearful thought to drift by if you notice it. Don't fight it but don't engage it and start running with it. Instead, watch it come and allow it to move on, and meanwhile, put in your own loving, supportive thought. Don't resist, allow, but add your own.

- Avoid black and white thinking (e.g. "It is either I get this check paid or am in a real mess!").

- Avoid generalizing (e.g. "All landlords are out to get their money on time or else they kick you out. All debt collectors don't understand human situations.")

- Avoid magnifying or focusing on the negative or the unpleasant, on what you don't want. What you focus on is what you manifest. And by the way, your fears are always much bigger than the reality. Now that you know that, stop doing it; it doesn't serve you and you are simply wasting your attention and denying your own power. Put your attention instead on what feels good, what you wish to have and it shall be so.

- Avoid overestimating failure and underestimating success. You are far more successful than you think, but you may tend to be ignoring recognizing your successes and focusing and blowing up your perceived failures. For whatever reason (shame, fear of embarrassment, egoistical superhuman/subhuman self-image, superiority/inferiority complex, etc), you may be focusing on what you perceive to be failures and overestimating the imagined future ones even, and doing the opposite with your successes. There is no failure, only successive moments of learning before mastery is achieved. No one starts out perfect. We all learnt to walk by falling several times. If we gave up, we would never walk. Thomas Edison tried about 10,000 different "failed" experiments before he discovered the right material for the light bulb. It is part of nature. If you think failure exists, then you are under some superman/subhuman delusion. "Failure" is natural, it is the way we learn what works and what doesn't, and everybody and everything has these learning experiences; you are not the only one or only thing. Even your cat or dog has them so take it easy on yourself.

- Avoid setting unrealistic expectations and then beating yourself up for it when you cant, naturally, meet them. Life has processes and you can't go around the process. Before you set yourself an expectation, if you must, then look at the process involved (the truth about it, not just what you imagine it to be) and see what it takes and how long and so on. If you just pull a date out of your behind, to get to something you have no clue as to what it takes, and then assume your date is correct and your preparation is adequate, and then beat yourself up for it for "failing", you will of course look at yourself poorly and panic. Be reasonable, and all things are possible.

- Avoid taking responsibility for other people's feelings and thoughts. Look, you cannot possibly get into the mind of anyone and force him or her to have a particular thought. It is impossible. You can influence, cajole or whatever, but you can't make them think in a certain way. Similarly, you can't make them feel a particular emotion. These are all their own choices. They will perceive the world as they choose to, and will think and feel as they choose to. You cannot live your life trying to please everyone. Even the most popular figures such as Buddha, Jesus, Gandhi, Kennedy… people who had many people liking them, even they couldn't get everyone to like them or agree with them so why would you assume you can achieve this impossible feat? Be responsible for your own thoughts and feelings and let everyone else be responsible for theirs. That will relieve you a lot of stress, the stress of trying to be the general manager of the universe. How can you be responsible for what you cannot affect, the thoughts and feelings of others? Be loving, be fair, but honor your thoughts and feelings and leave others to theirs. You can't take away their life lessons.

- Avoid assuming and "mind reading" others thoughts (e.g. "I did this, and he must have thought this and that and so I should do this now to fix that. ") Look, you can be intuitive, yes, but intuition is a far cry from the assumptions and mind reading that many people go around trying to do. Just because someone looked at you a certain way doesn't mean he knows you haven't paid your mortgage this month and it doesn't mean he thinks you are a bad person or a failure or whatever. The person may have been reacting to his or her own life issues and in that reaction they had a certain face. The face wasn't meant for you. Most people are concerned about themselves, just like you are. They don't go around looking and analyzing your life; you do that well enough on your own. When you walk around assuming people are thinking this or that about you, you will end up walking in stress, reacting to your own assumptions, and the more you do it the more you bring it out, until you do something in the real world that manifests your fears (e.g. you attack someone in a certain way, having believed your mental assumptions, and this person now has to react back to your attack, or you act and speak or dress in a certain way based on your "mind reading" and the other person is forced now to respond to that, making it real). Intuition is the communication from Spirit in a loving, non-divisive, supportive way, and it is always true and accurate, otherwise it wouldn't be called intuition (it would be called guesswork). Assumption, mind reading, on the other hand, is your own internal judgments on yourself by yourself, based on what you fear and in an attempt to avoid what you fear, and these judgments you then project out into the world and give them the voice and body of other people to make them real. Sure, some people will truly think negatively of you, but most of the time its only happening in your thoughts. And even if they do think ill of you, so what? They are reacting to their own issues, you can't change that, you can't have everyone like and agree with you, and it doesn't affect you at all unless you choose it to.

Here are some more traps that many people set up for themselves. These traps trigger money-panic and financial self-sabotage. See if you employ any of them yourself in your life and if you do, decide now how you will stop and do something helpful to you instead:

- Overspending
- Hoarding
- Selling out your integrity, self and values for money
- Avoiding facing the facts about money
- Refusing to accept the duality of abundance (money cycles, the yin and yang, the inflow and outflow of money, the up and down of it, dependence/independence, having/not having, which, like everything else in life, is natural)
- Refusing to accept the duality of your beliefs (for example, if you believe in superiority, then by matter of fact you will experience superiority and inferiority because every belief you hold has its opposite and you tend to experience both sides)
- Resentment
- Blame
- Guilt
- Magical thinking (e.g. trying to solve your financial problems by not taking responsibility and acting, but instead thinking that you will win the lottery or get a big check out of the blue). There is a big difference between faith and magical thinking. Faith works, magical thinking is a personal delusion.
- Living in the past/future
- Being possessive. If you are possessed by nothing and you seek to posses nothing, then you will have it all. Let go and allow. Change happens. When you possess something, it possesses you. You then try doing the impossible, trying to prevent change, yet change is the only universal constant.

Content meant to be here ommited from this sampler.

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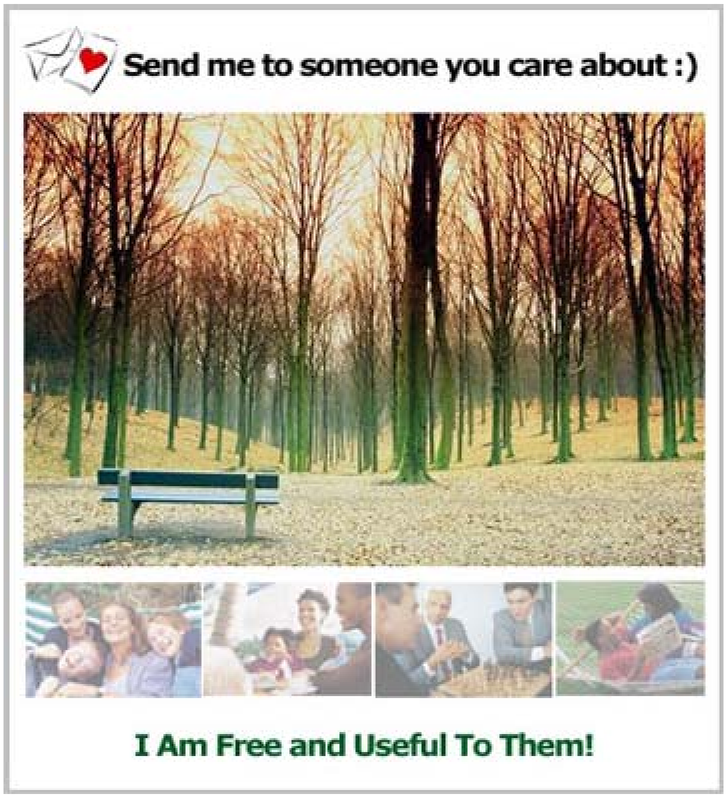

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