



## Our Financial Strategy

# Our 5 Financial Steps Methodology

Take one step at a time

## 1. Your Financial Pyramid

Where are you on the financial pyramid ladder? Are you ready to start with growing your money?



### Where are you now?

Know your financial situation or net worth before starting.  
A critical step before you begin



## 3. Portfolio Strategy

Pick the right portfolio strategy that fits your risk profile.



## 2. Pay yourself FIRST

The KEY to everything is to pay yourself first. Know your exact monthly amount and increase it over time. This strategy also works with small amounts of money



## 5. Portfolio Analysis

Mistakes will be made but analyze constantly to cut out the investments that give you no more cash flow



## 4. RIP Strategy

RIP stands for Re-Investment Strategy. Put every euro or dollar you earn back in the system to grow your money exponentially



# Step 1 : Your Financial overview

Create a clear overview of all your income and expenses



## INCOME

This is all your money income that you receive. It can be your salary, other income from additional activities you do, or products you sell or a place you rent.

## EXPENSES

This is all your expenses whether they are fixed or one time expenses. This includes your mortgage, your expenses for hobbies or your house, anything.

## ACTIVA & PASSIVA

Understand the key difference between Activa and Passiva  
Activa provide you money  
Passiva take money from you.



# Learn first : What is Cash Flow ?

Make your Cash Flow from Investments most important

A cash flow describes a real or virtual movement of money:

- a cash flow in its narrow sense is the difference between income payments and expenses payments during a period of time
- it is however popular to use cash flow in a less specified sense describing (symbolic) payments into or out of a business, project, or financial product.



# Cash Flow of a middle-class family

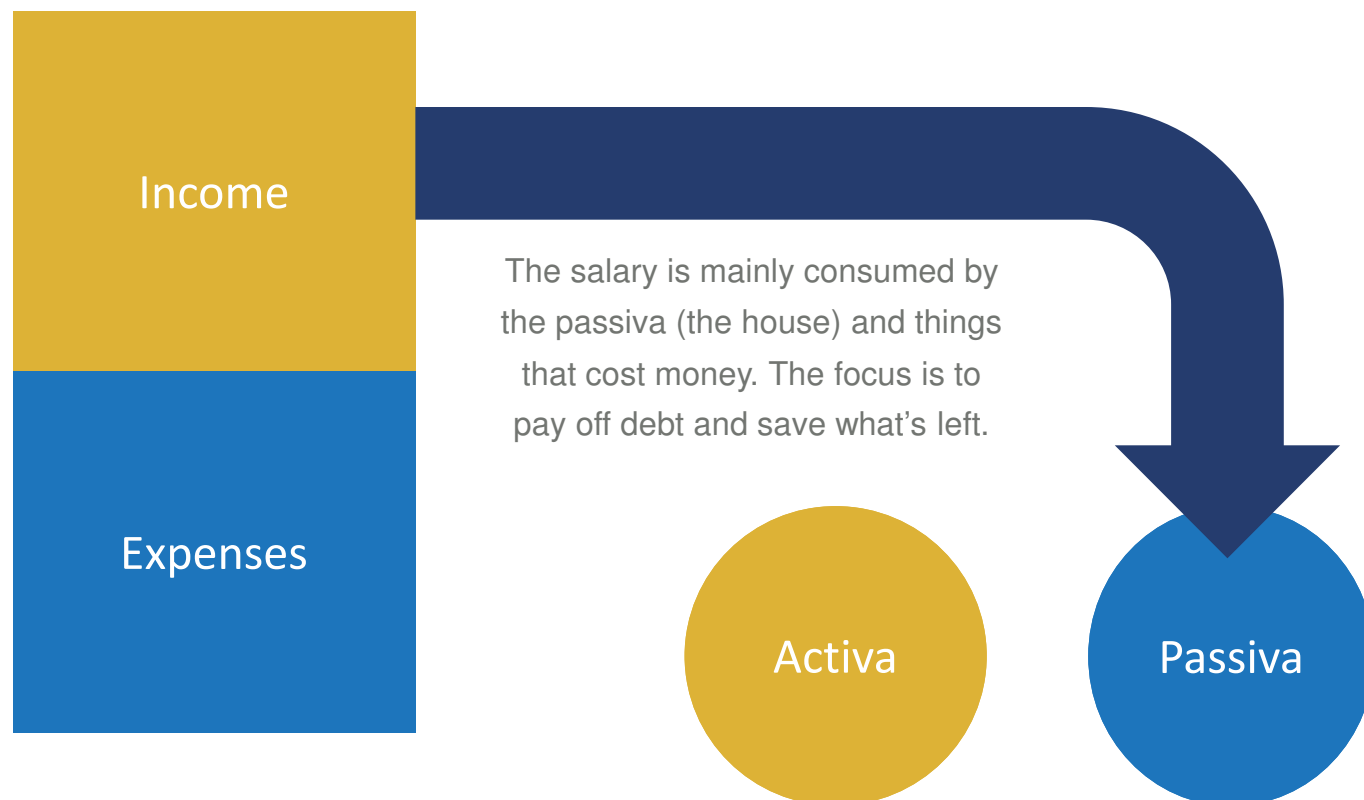
Create a clear overview of all your cash flow

## INCOME

This is mainly the monthly salary of the family members.

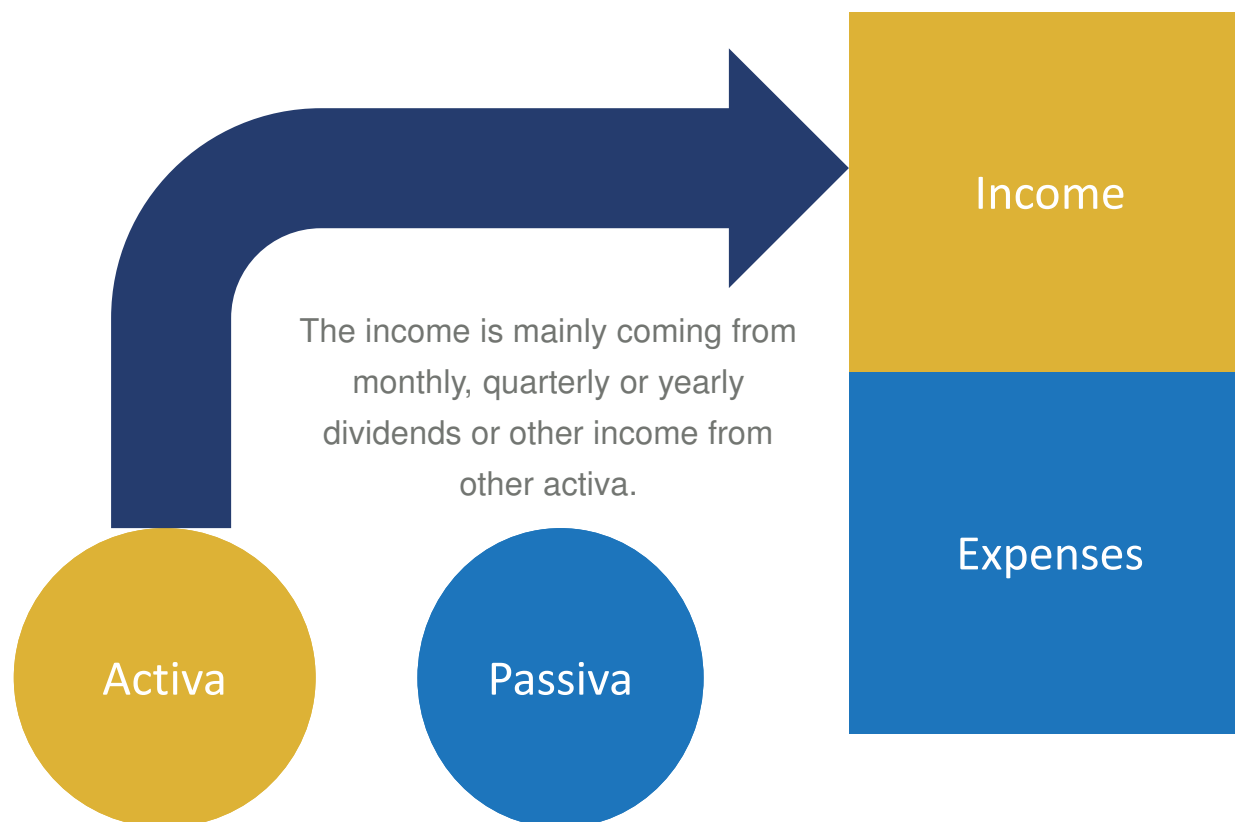
## EXPENSES

This is mainly the mortgage for the house, fixed costs as car, insurances, clothing, food, vacation and other expenses.



# Cash Flow of a wealthy family

Create a clear overview of all your cash flow



## INCOME

This is mainly the dividends, rent from real estate, royalties, interests from savings account and income from other activa. Salary is proportionally smaller.

## EXPENSES

This is mainly the mortgage for the house, fixed costs as car, insurances, clothing, food, vacation and other expenses.

# Step 1 : Your Financial Pyramid

Where are you in the buildout of your Financial Pyramid ?



## Your Investments

At first your investment in dividend stocks or other activa will be small but apply the right strategy and this pyramid will turn



## Your Savings for (grand)kids or other goals

Save money for a specific goal or dream that you have. You can also save money for your kids or grandchild. You decide.



## Your Pension Saving Plan

Save a defined amount for your pension. This can be done through a pension fund, pension insurance plan or through your employer if they offer it.



## Your Financial buffer

Establish your financial buffer of 6 to 18 months of your current salary and don't touch it. Put it on a savings account for unexpected financial setbacks



# Step 1 : Turn Your Financial Pyramid

Make your Cash Flow from Investments most important



## Your Dividend Cash Flow Investments

Make sure your investments provide you Cash Flow which supports your income and financial pyramid



## Your Savings for (grand)kids or other goals

Save money for a specific goal or dream that you have. You can also save money for your kids or grandchildren. You decide.



## Your Pension Saving Plan

Save a fixed amount for your pension.



## Your Financial buffer

Once your financial buffer of 6 to 18 months of your current salary is established, don't touch it and don't add to a savings plan that gives you interest lower than inflation.





# Step 2 : Pay yourself FIRST

The KEY to Financial Freedom


- 1 | Figure out your potential and **REALISTIC** Savings or Pay yourself first amount per month
- 2 | Create an **AUTOMATIC** bank transfer to put the money aside on a broker or savings account dependent on your financial pyramid
- 3 | Increase your Pay yourself first month over month by looking at potential savings on expenditures or increasing income from other sources



## Step 3 : Pick a Portfolio Investment strategy



Apply the right portfolio investment strategy with a focus on CASH FLOW

	KEYPLAN		
	Dividend Kings	Dividend Aristocrats	High Dividend Stocks
	Dividend Growth stocks	High Dividend Stocks	Closed End Funds
	High Dividend Stocks	Closed End Funds	ETF's

- 1** | Conservative Strategy : put fixed amounts in a Savings plan or Funds plan like KEYPLAN or other funds savings plan
- 2** | Defensive Strategy : focus on dividend growth stocks who have 5-10+ years of paying dividend yield and add also High Dividend Stocks
- 3** | Ambitious Strategy : focus on high dividend stocks or Closed End Funds which pay cash flow every month, quarter or year
- 4** | Offensive Strategy : focus on high dividend (preferred) stocks, closed end funds or ETF's with low cost ratios.



# Step 4 : Apply Re-Investment Strategy

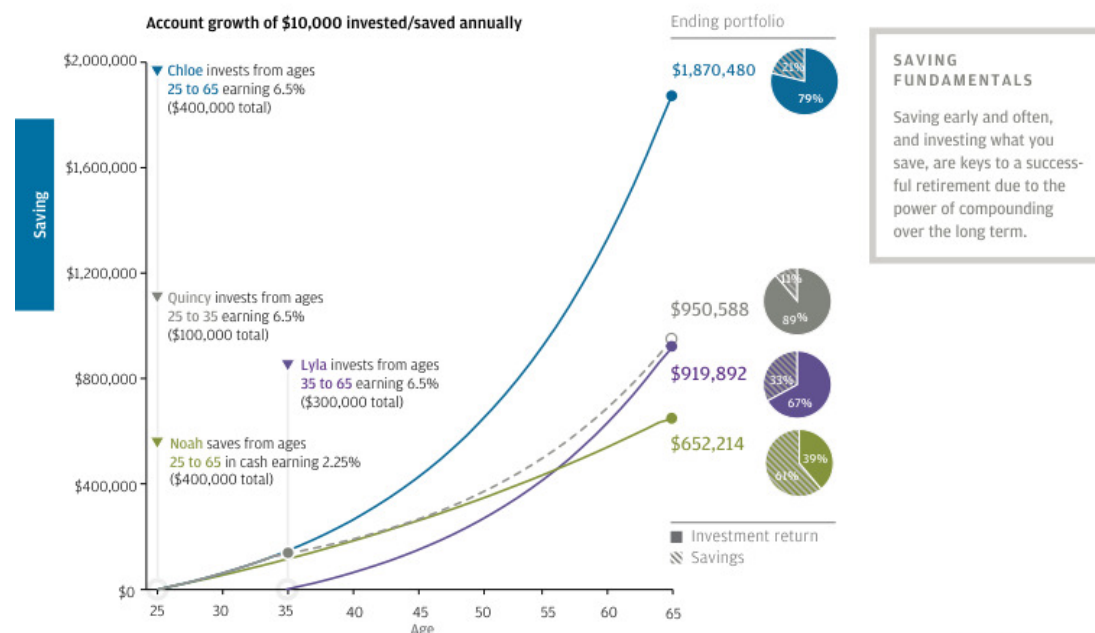
Invest every earned cash flow back in the portfolio to apply the power of compounding

## Example

Invest as early and as often as possible to grow your portfolio exponentially. Focus on the Cash Flow generated by high dividend stocks, closed end funds or other income.

Learn about the example of JP Morgan

### Benefit of saving and investing early | 16



The above example is for illustrative purposes only and not indicative of any investment. Account value in this example assumes a 6.5% annual return and cash assumes a 2.25% annual return. Source: J.P. Morgan Asset Management, Long-Term Capital Market Assumptions. Compounding refers to the process of earning return on principal plus the return that was earned earlier.

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**J.P.Morgan**  
Asset Management



## Step 5 : Portfolio Analysis

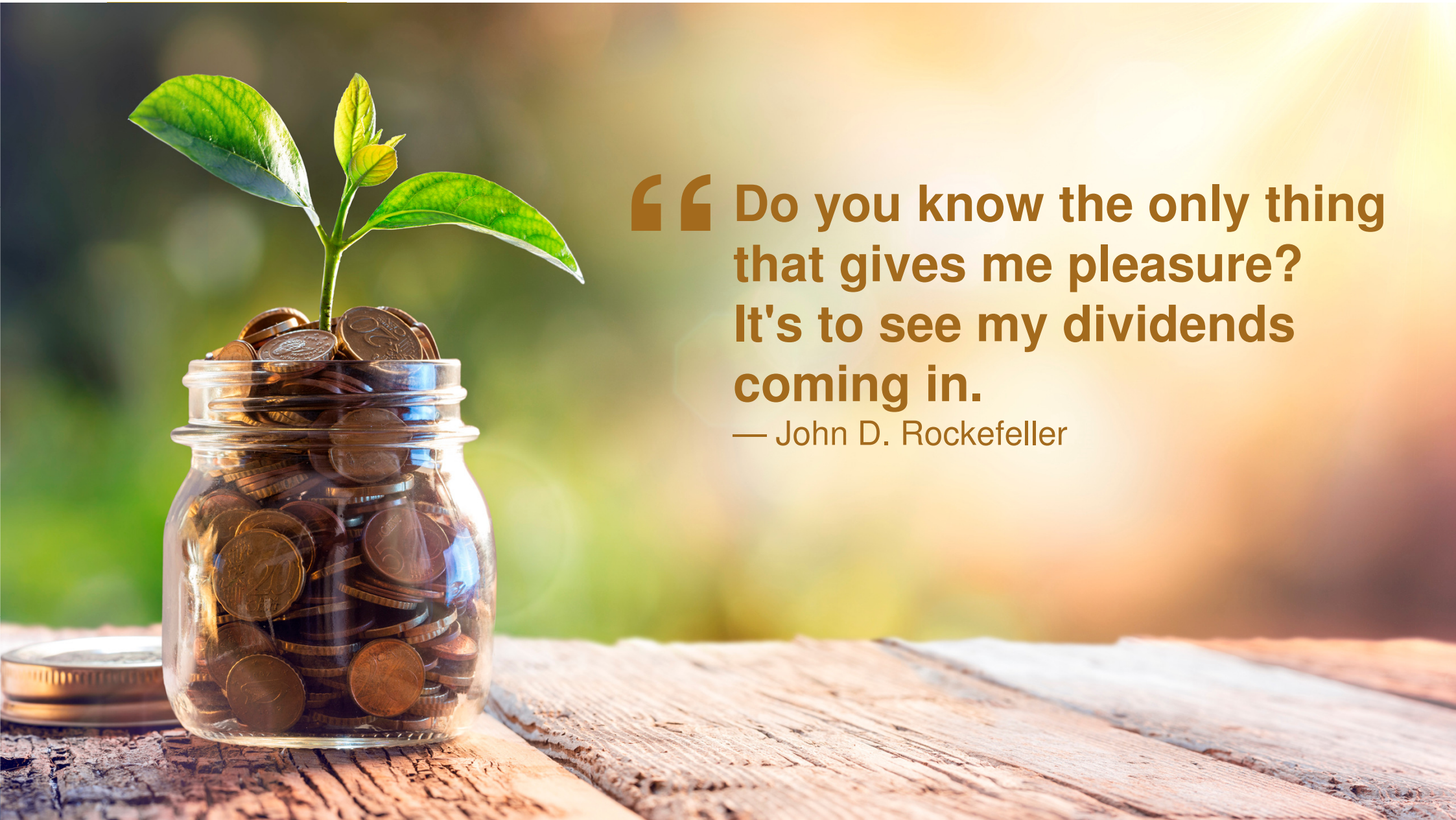
Manage your Portfolio and your Cash Flow

It is defined as a process where you continuously evaluate the cash flow and risk profile of your investments. Do this on a 2 weekly or monthly frequency. Don't expect that you will not make any mistakes. The goal is to ensure you create a stable continuous cash flow which can cover any setbacks in the future. Spread your investments to grow your portfolio and limit the risks.

**USE OUR CASH FLOW DIVIDEND TRACKER !**







**“ Do you know the only thing  
that gives me pleasure?  
It's to see my dividends  
coming in.**

**— John D. Rockefeller**

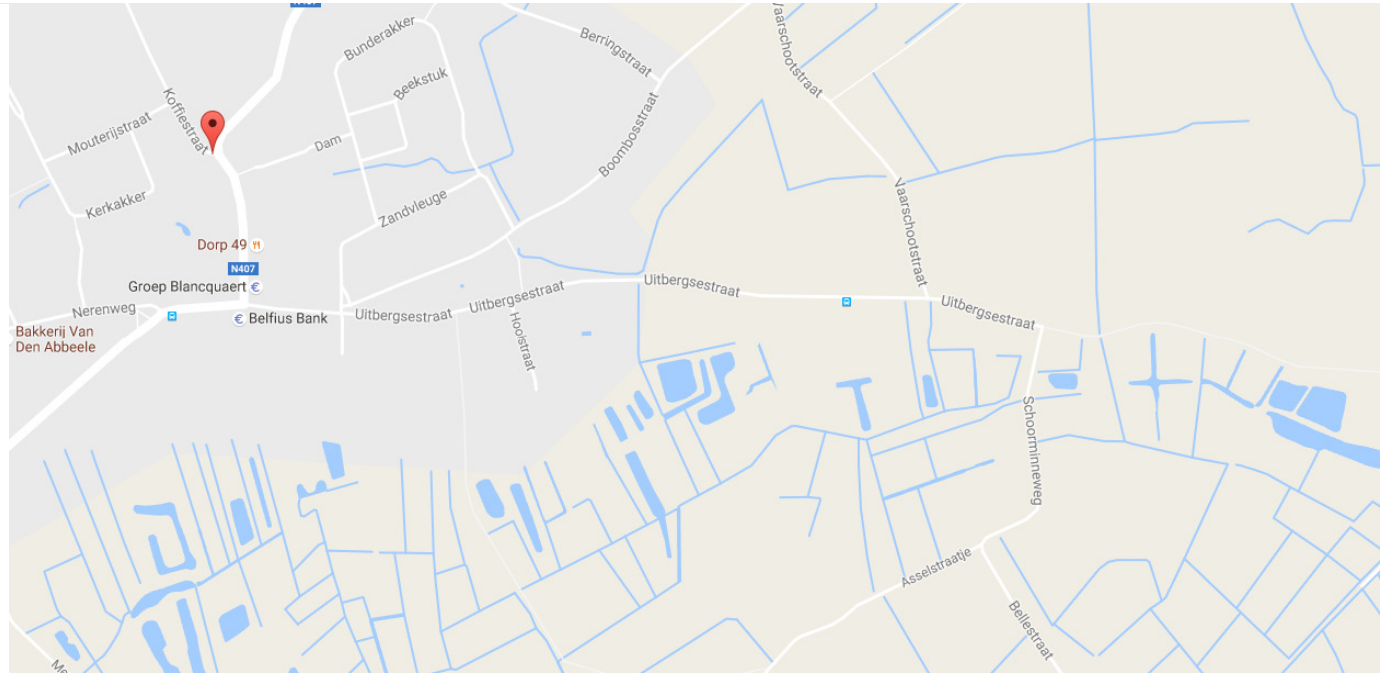


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**“Learning to grow your money is like rowing upstream.  
If you stop, you go backwards”**