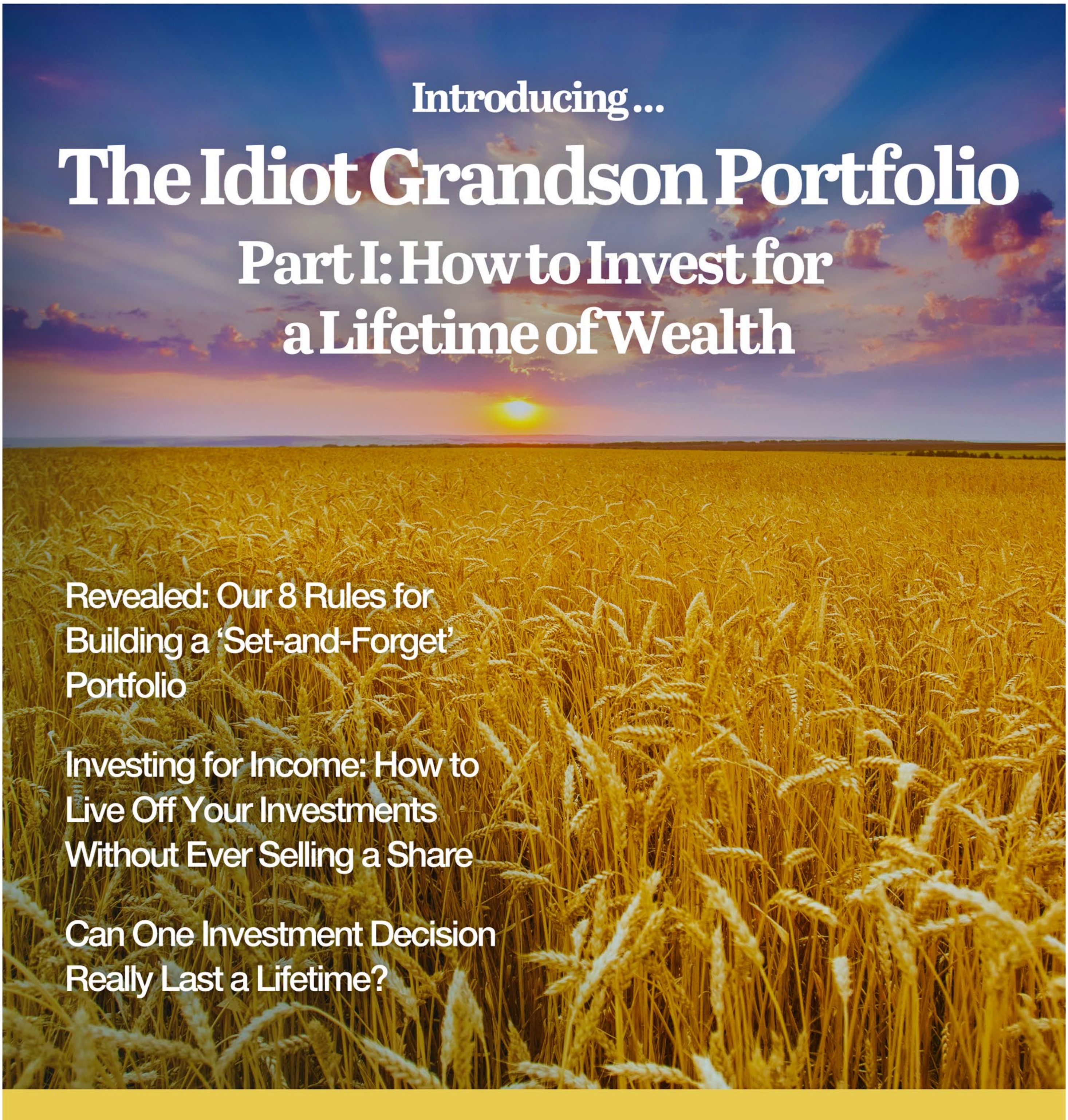
barefoot blueprint

Portfolio Report

August 2019



Introducing…

The Idiot Grandson Portfolio

Part I: How to Invest for a Lifetime of Wealth

Revealed: Our 8 Rules for Building a 'Set-and-Forget' Portfolio

Investing for Income: How to Live Off Your Investments Without Ever Selling a Share

Can One Investment Decision Really Last a Lifetime?

Plus: What to Do About This Week's Market Fall: A Letter from Mike

Portfolio Report

Contents

A Letter From Scott

I'm genuinely excited to bring you the report you're about to read.

Today we're launching our Idiot Grandson Portfolio: the set-and-forget portfolio that I will be using to fund my not-for-profit work after I finish the Barefoot Blueprint.

Starting a not-for-profit foundation is something that I've dreamed about doing for a long time.

Yet I think you're going to find it very interesting, too:

After all, when you see how we're going to set this portfolio up — as a one-off investment, which will then deliver us a 'harvest' of dividends for a lifetime (and beyond) — you are going to be amazed.

And you may well find yourself wanting to set up your own 'Idiot Grandson Portfolio'!

Along the way, you're doing to discover the secret to earning lifetime income without ever selling a share … what to do about share market crashes … the two types of funds to buy for a 'set-and-forget' investment … the exact rules we're using to pick funds to invest in … and more.

Whether you're a busy investor who'd like to enjoy life a bit more, or a novice who has never bought a single share, this report is going to delight you.

Enjoy.

Scott

How to Invest for a Lifetime of Wealth (Part I)

Introducing the Idiot Grandson Portfolio

"It's buggered", said my father.

It was May 2012, and my old man was on the phone, clearly unimpressed.

A few months prior, he'd read the Blueprint and decided to invest in KFC operator Collins Foods at $1.30 a share.

Since then, it had fallen heavily and was now $1 a share, and my father was carrying on like a drumstick.

"Dad, it's KFC!" I said. "People are still eating the Colonel's secret recipe, and they will for many years to come. Besides, I checked with Mike and he says he's more convinced about Collins Foods than any other stock in his career."

"Well ... I still think it's buggered," he grumbled.

I love my dad, but it was clear that he'd spent way too much time watching the share price drop.

Yet I could tell it was really affecting him … and now it was really affecting me!

But here's the interesting thing: my father was the one who sat me on his knee when I was a kid and paid me one share of BHP as pocket money, and thus kick-started my love affair with investing.

Yet what the Collins Foods affair revealed was that Dad – like most people – couldn't cope with darting share prices.

(Or, to be more accurate, *falling* share prices.)

So later that year when Mum and Dad decided to set up a self managed super fund (SMSF), Mike and I knew exactly what they should invest in:

Set-and-forget share funds … *not* a portfolio of individual shares.

These are funds which trade on the stock exchange and invest in multiple stocks, and they essentially pass on the combined dividends to their shareholders. One such fund (which I set my dad up with) is the Australian Foundation Investment Company (AFIC), which itself invests in over 90 stocks.

And because these funds are so widely diversified, their share prices don't tend to move around as much as an individual stock's. That was a good thing for Dad, because he couldn't see the share prices of the individual businesses that made up his portfolio.

Case in point, a little while later he said to me:

"Hey I've been watching AFIC's share price ... it doesn't do much, does it?"

Which is … exactly the point.

Eventually he got bored and gave up checking … and now all he really looks at are his dividends.

He calls me about them too.

"Hey, my dividends are up again! They just came into my account!"

Dad's an old country bloke so I explained that he should think of his portfolio like having his own farm.

The value of the land may go up and down a bit, but most farmers couldn't give two hoots about that. What they focus on is their annual harvest. That's where the money is made. And as long as Dad never 'sells the farm' (to use his lingo – and he's referring to his 'investment farm' here), he can continue pocketing the juicy dividends, forever.

When my parents were still working, he automatically reinvested the dividends into buying more shares, thus earning compounding returns on their money. And when they retired, they 'flicked the switch' and had the dividends deposited directly into their bank account.

Shares … For Income?

To keep the numbers simple, let's say my parents have a $1 million portfolio.

They earn a yearly dividend return of 5.7% on their shares, or $57,000 a year in income.

(This includes the refundable tax credits they get from the shares they own that have paid tax.)

Now here's the thing that helps them sleep at night:

My parents do not need to sell any of their shares in order to earn an income.

All the income they need comes from the (growing) dividends their shares pay.

Personally, I wouldn't want my parents having to grapple with the idea of having to sell some of their shares at low prices (e.g. after a crash) in order to deliver their income.

There's something refreshingly calming about never even contemplating having to sell off bits of their 'farm'. Not only does this give them a sense of perpetuity, but it also allows me to avoid frustrating telephone conversations with my parents asking:

"How many shares can we sell and still keep our 'farm' intact?"

Some of their investments pay dividends twice a year, others pay four times a year. Regardless, they know they can simply spend whatever gets deposited into their account, knowing that the dividends will grow over the long term and, importantly, continue to roll in forever.

Suffice it to say Dad's very happy with his portfolio now (and his 'set-and-forget' strategy has done very well, I might add). He no longer stresses about share prices (besides, he has better things to do … like explain to me how badly I'm running *my* farm).

This story illustrates the thinking behind the portfolio we're introducing to you this month.

Fact is, most people are like my dad … and truth be told, they'd rather enjoy doing other things while their investments automatically compound like clockwork in the background.

And that's why for our final year at the Blueprint, I'm doing something extra special:

I'm taking $180,000 of my own money … and I'm investing it in a brand-new, set-and-forget portfolio unlike anything we've ever done before.

Introducing …

The Idiot Grandson Portfolio

This is an all-new portfolio that will fund my not-for-profit financial education and counselling work in the future.

This portfolio has some very specific aims, which you might find interesting yourself:

First, the dividends will fund my financial education and counselling activities – every single year.

Second, the income needs to be rock steady. The people I employ in the not-for-profit need to be paid regardless of what the share market does. And in the future there most certainly will be crashes, panics and possibly even a depression. The investments I make now have to be a safe harbour.

This is a permanent portfolio.

I don't plan on ever selling the 'farm', which means that the dividends will continue on, theoretically forever.

And that in itself brings up a very interesting conundrum:

It will continue long after Mike and I are dead and buried.

That's why, last of all, it needs to be simple – 'set and forget'.

My descendants need never worry or tinker with the portfolio – because Mike and I won't be around to help them.

In fact, I want this portfolio to be 'idiot grandson' proof:

I don't have a grandson yet … but I'm sure I will have many. And one will be the black sheep. He's the one who'll be managing this portfolio. And I don't want him to screw it up. So I need to make it so simple that even my 'idiot grandson' can manage it!

And that is why I'm calling it … the 'Idiot Grandson Portfolio'.

And over the next two months you're going to watch how Mike and I go about creating this portfolio.

You'll see how we calculate our long-term expected returns … you'll see the criteria we use to evaluate well over 100 different funds … and finally you'll watch over my shoulder as I purchase the investments.

So if you find you have to fight the temptation to check your portfolio every day …

If the thought of your shares going down in price makes you feel ill with stress …

If you'd rather just know you have a simple time-tested, low-stress, set-and-forget investment option that will last the rest of your life, and beyond …

You're going to love this portfolio!

So here's how we're going to do it:

This month, in Part I, we're going to lay the foundations of the Idiot Grandson Portfolio.

We're going to go *deep* into the strategy behind it … including some surprising insights that most investors will never realise. Plus we'll be discussing the funds Mike is looking at right now, as well as the exact criteria he's judging them on.

Then next month, in Part II, we'll unveil the final portfolio … and you'll get to watch me actually buying the funds.

Sound good?

Okay, so the first thing you're probably thinking is this:

"With everything changing so often, can you really make one investment decision that lasts a lifetime?"

So let's tackle that first off.

"Can One Investment Decision Really Last a Lifetime?"

Yes, it can.

In fact, we believe that it's really the only way you can fully harness the full power of compound interest.

To explain why, let's start at the very beginning.

Do you know what returns, over the long term, you can expect to earn in the share market?

Don't feel bad if you don't know.

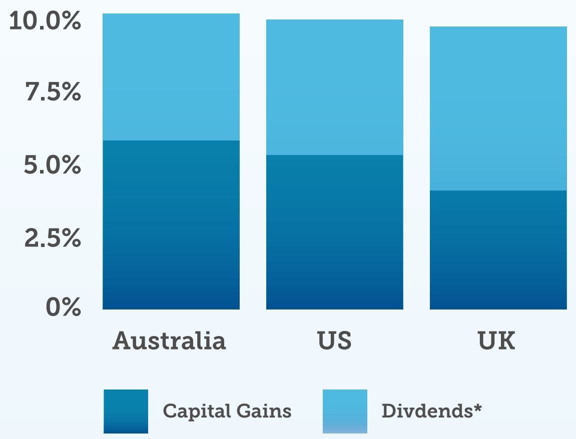
Most people, even professional investors, often guess.

Thankfully, we can actually answer this question by looking at the share market returns way back to the year 1900.

The answer is that Aussie shares have returned (including dividends) a little over 10% per year.

Total Return on Equities Since 1900

Domestic currency, annualised



*Calculated as the difference between total return and share price indicies

Source: Source: RBA Dec, 2018

Now, you better believe that I love a good graph, so let's you and I spend 60 seconds looking at it.

You'll notice a couple of things:

First, the total returns you get from shares come from both dividends and capital gains (a fancy name for share price rises). And yet dividends are the Courtney of the Kardashian clan: they're basically ignored. Case in point, every night on the 6 o'clock news, the share market figures only talk about share price rises or drops … never dividends. (And we'll come back to dividends in a moment, because they are the major part of our new portfolio.)

Second, take a look at the historical returns from the financial powerhouses of the US and the UK.

Yes, you can break into a chant of "Aussie, Aussie, Aussie", because we've outperformed these two countries. However, you'll notice that they're all pretty much the same. Regardless of whether you're investing in the US, the UK or Australian shares, the long-term return of investing in businesses has historically been around 10% per year.

Oh, and remember, over the last 120 years we've had:

- The First World War.
- The Great Depression.
- A global flu pandemic that infected 500 million people and killed 100 million people.
- The Second World War.
- Multiple recessions.
- The Korean War.
- The Vietnam War.
- The Gulf Wars.
- The 1987 stock market crash.
- The Asian financial crisis.
- The Tech Wreck.
- The 9/11 terrorist attacks.
- The Asian tsunami which killed 230,000 people.
- The Global Financial Crisis (GFC).

But … What if the Share Market Crashes?

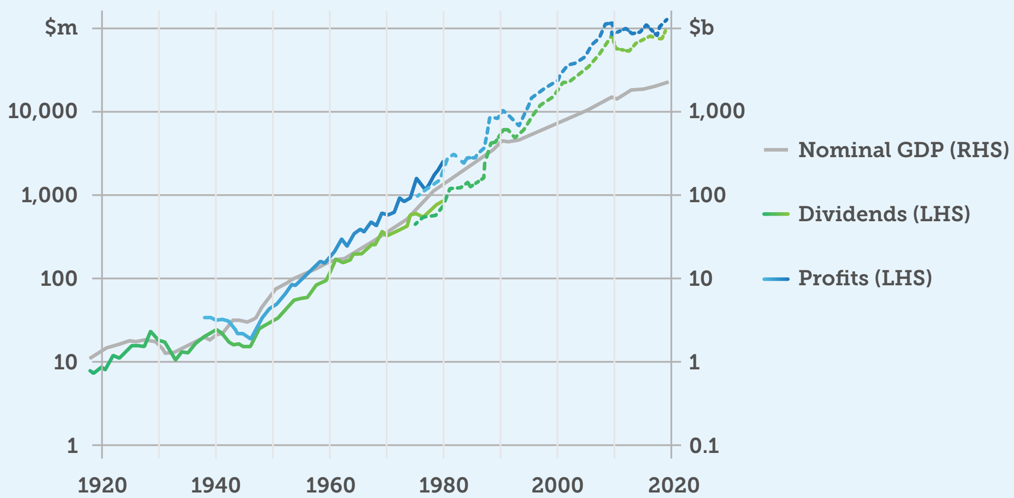
I like to think of a country's share market as representing the collective efforts and spending power of that country.

Think back to your childhood and notice how much things have improved since then: better phones, safer cars, the Internet.

That change has largely come from businesses embracing ingenuity and technology. The chart below shows that the dividends we receive track long-term profits. In other words, as profits go up, so do dividends.

And while I can't predict the future, I do know this: over the next 100 years, businesses will continue to innovate and develop new solutions for the problems we face, and keep earning profits from doing it … just like they have for the last 100 years.

That's why in the long term the biggest risk isn't the share market crashing … it's not owning shares.



Source: https://www.rba.gov.au/publications/rdp/2019/2019-04/australian-equity-market-facts-1917-2019.html

Also, while it may feel like that share market crashes go on for years, the truth is somewhat different:

Even in the worst share market crashes, we've never experienced two negative years of returns in a row!

Of course, in the short term there is no one on earth who can predict what the year-to-year returns will be (though that doesn't stop people trying). Some years shares will return a little more. Other years they'll return a little less.

But over the long term it averages out to about 10% per year.

Now at this point you may be thinking:

"Only 10% per year? I'm aiming for MUCH more than that!"

And if you are thinking that, I'm here to tell you that you are not only being foolish, but you're also highly likely to earn much *less* than 10% per year.

What Returns Will YOU Achieve?

The truth is, most people will never achieve anything near these 10% long-term returns.

There are two reasons for this:

First, because of the fees they are charged by the finance industry.

Their financial advisor siphons off 1% per year (or more), and their recommended fund manager drains another 1% (or more). That's despite the fact that roughly 80% of fund managers fail to beat a basic index fund!

The second reason that most investors don't earn the average return is closely related.

The finance industry is fundamentally flawed in that it focuses on short-term results:

"Who is the best returning fund of 2019?"

"What have stocks done this year?"

"What will property do for the year ahead?"

A dart-throwing monkey has the same chance of predicting these things as the highly paid stock analyst does.

As the *Australian Financial Review* wrote earlier this week: "Experts correctly predicted only five of the 153 recessions recorded around the world between 1992 and 2014. Will they do any better this time around?"

Here's the deal:

You know that investing is all about what happens over the long term, right?

Yet we are constantly bombarded with conflicting advice on short-term decisions:

There are the gurus who say the share market is on the verge of Armageddon … so you should go for the safety of gold.

There are cover stories on Bitcoin, or pot stocks … or whatever else the media is hyping at that moment.

But mostly it's the siren song of a high returning fund that investors pile into … right before it goes cold. (Ratings agency Standard & Poor's has found that the best performing funds in any one year are more likely to be well down the bottom of the performance table next year.)

The industry wants you to think that you can 'outsmart' the market by investing in something different every year.

Because of this, most investors constantly trade in and out of investments, chasing higher returns (investment properties, new hot stocks, or selling out of shares when the price falls and they get scared).

The problem is, each time you do that, you do two things that are hazardous to your wealth:

You incur transaction fees that line the pockets of the finance industry.

And you essentially restart the process of compound interest, and miss out on your gains.

Here's how I put it in my book:

> Respected US financial research firm Dalbar has been tracking investors' real returns for decades.
>
> And here's the shocker: their research shows that the average investor earned 3.7% annually over the past 30 years, during a period in which a basic index fund returned 11.1% annually. In other words, the average investor *underperformed* the market by approximately 7.4% each year for three decades.
>
> Here's another way to explain it:
>
> Let's say you invested $100,000 in a no-brainer index fund (that automatically buys all the companies that make up a sharemarket index, and tracks the market), and then headed off to the Thai island of Ko Pha Ngan and did nothing but drink buckets of whisky on the beach for the next 30 years. When you return, your $100,000 investment would be worth $2,351,916.
>
> On the other hand, if you'd diligently read the Wall

Street Journal each morning – hired a financial advisor to pick the latest hot share funds; spent your nights stressing about the 1987 crash, the Asian Financial Crisis and the Global Financial Crisis; and basically behaved like everyone else – 30 years later you'd have … $297,415.

That's a difference of $2,054,501.

So it's clear that constantly 'doing something' with your money – switching from Fund 'A' to 'B' to 'C' – is a terrible decision financially, that will almost guarantee you will earn lower returns.

Yet more importantly, it'll cause you unnecessary stress.

If you're glued to your stock prices, you're not financially free.

If you're constantly worried and second guessing your investments, you're not wealthy, and you never will be.

The truth is that for some people the only thing they gain from having money is the fear of losing it.

Life is short.

Why spend it stressing out on things that you have ZERO control over?

And that's why I've decided to follow a very simple strategy for my not-for-profit foundation:

I'm funding the foundation with a couple of years of expenses in cash, and then investing the Idiot Grandson Portfolio into dividend paying shares.

The idea is this: rather than chasing higher returns, we'll 'settle' for a long-term annual return of 10%.

Every year, we'll receive our harvest of dividends.

And each time it's an easy choice:

If we need the money as income, we'll take it.

If we don't, we'll automatically reinvest it … and it will grow the portfolio even more!

Along the way, there will be no other decisions to make, no fancy stock analysts, fund floggers, or gurus to pay, and no fees being sucked out.

So now you know the strategy behind the portfolio … let's talk about how we're actually going to build it.

What Funds are We Using to Build the Idiot Grandson Portfolio?

Last month we did a call-out to the Blueprint community:

Show us your funds!

We invited Blueprinters to submit any and all investments they wanted Mike to consider for for the Idiot Grandson Portfolio.

Well, we received upwards of 100 ideas over the last few weeks (as well as a couple of hundred funds Mike already had on his own list). And, true to form, Mike has been locked away with a giant tin of Nescafé, reviewing every one in painstaking detail.

A few have left him scratching his head, though, based on the notes he's shared with me so far:

"No, no, no … that fund has lost 50% in the last seven years!" was his exasperated comment on one recommendation.

Another – the suggestion that we invest in gold – came back with a simple note scrawled underneath in red ink:

"Income!!! Seriously!!!"

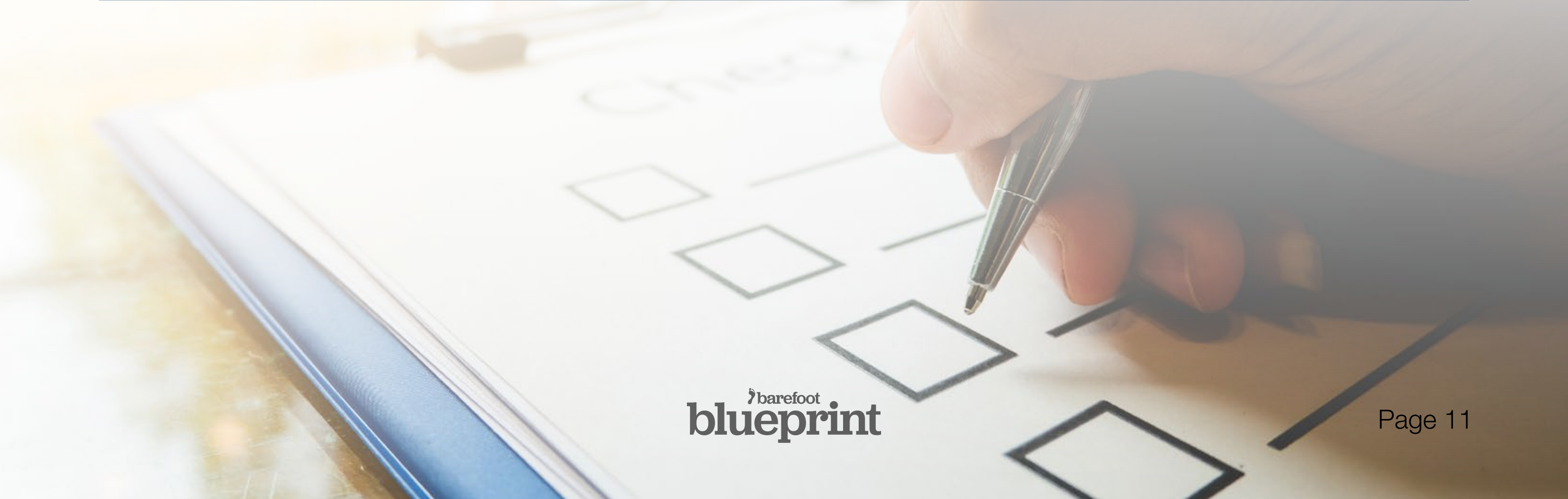
And of course he was puzzled by the person who suggested a large chunk of the Idiot Grandson Portfolio should be … Qantas shares?

Yet, on the whole, we received some very interesting ideas, and rest assured Mike is looking at every one.

In fact, here are the exact rules he's using to draw up his shortlist:

Mike's Criteria for Selecting Funds

1. **Low cost.** This one is simple: the less money you pay to the fund manager in fees, the more you keep for yourself. We don't want to be sharing too much of our dividend harvests with fund managers.
2. **A focus on equities (shares).** The Idiot Grandson Portfolio is designed to be a very long-term investment – so we want the asset classes that will give us the best returns over the long term. And shares have consistently delivered the best long-term investment returns, (compared to cash, bonds and property).
3. **Broad diversification.** Diversification means spreading your money around into a large number of different companies. In simple terms it means not putting all your eggs in one basket! Placing our money into just a few companies puts it at risk if they perform badly.
4. **A simple-to-understand investing process.** We won't be building the portfolio on individually selected shares that we need to monitor. And we're highly suspicious of 'factor funds' (which are all the rage at the moment) driven by a computer driven recipe. Instead, we will focus on index funds that track the broad stock market indices, that have stood the test of time.
5. **Fund longevity.** The funds we invest in need to outlast us. Sometimes, small funds shut down if things don't work out – which would be very bad news for our portfolio, since we don't want to have to fiddle with it once we set it up. That means no startup fund managers or small funds. Instead, we want to invest in the bigger funds: those that have been around for a long time and will be for decades to come.
6. **No conflict of interest.** Preferably we want the fund manager to be acting in our interests, rather than for the benefit of the fund owners. (If you're interested in seeing how important this is, check out AMP Limited, or Evans and Partners US Masters Residential Property Fund (ASX:URF).)
7. **No synthetics or derivatives.** When you buy shares you're buying a real chunk of a real company. Synthetics or derivatives are financial instruments that track the price of an underlying financial instrument … but they aren't actually the real thing. There are a number of reasons we don't like them … so why bother when we can just buy shares?
8. **An income focus.** Some companies hang onto profits and reinvest them back into the company. That can be a good thing sometimes, but not for our portfolio, since we need income. We're thinking of the investments in the Idiot Grandson Portfolio as a farm – and we want to receive a harvest each year. So that means investments that pay us healthy, regular dividend income.



Revealed: The Only Two Investments We're Buying

As I discussed the portfolio with Mike, we agreed that there were really only two kinds of 'set-and-forget' investments that will work for us: listed investment companies (LICs) … and exchange traded funds (ETFs).

They're both 'managed' funds:

LICS are managed by an investment team who actively manage the portfolio.

ETFs (or at least, the ones we're considering) will tend to mechanically track an index, like the ASX 200 (the largest 200 companies on our stock exchange).

They both give you an instantly diversified portfolio of shares:

LICs have a professionally managed share portfolio that you buy into.

ETFs that track market indices are 'self-cleansing': as businesses become more profitable and enter into an index, they'll be added to the fund … while businesses that become less profitable drop off the index and are sold.

Both of which makes them an excellent investment choice for our 'set-and-forget' Idiot Grandson Portfolio!

Yet that's not to say that all LICs or ETFs are created equal. For example, you can get Bitcoin ETFs … or LICs that buy dodgy mining stocks!

And that's why Mike has been looking very carefully at all his options.

He's nearly reviewed them all … and next month, we'll be unveiling the final portfolio ...

Benefits of the Idiot Grandson Portfolio

Compound interest.

You've heard me bang on about the power of compound interest, right? So the smart question would be: which investment or asset compounds the best? Well, Wharton finance professor Jeremy Siegel has the answer for us. He tracked investment returns all the way back to 1802. Here's what he found a $US1 investment back then would be worth today:

Bonds would have grown to $1,659.

Gold would have grown to $2.77.

And stocks would have grown to … $1,029,045!

Staggering, right?! (Then again, remember, in that time we went from horses and buggies to walking on the moon and that phone in your pocket has more power than the one that sent Apollo XI into space.)

Simplicity.

Not only is compounding the most powerful way to build wealth over the long term … it's also the simplest! This portfolio couldn't be easier: No selling. No checking share prices. No watching the news. No annual reviews with a guy in a cheap suit. And almost no fees. Just buy and hold … and when you have savings, buy some more, then sit back and watch while they compound into a fortune. And you can rest assured that you'll outperform the vast majority of professionals (and your friends who have expensive financial advisors).

Peace of mind.

You don't need to worry about crashes, economists' predictions, clickbait headlines, or the front page of the AFR. You can relax, knowing that over the long term your investments will be fine. And you're in good company: Warren Buffett has said that if the market closed for 10 years and he couldn't sell any of his shares, he wouldn't care.

Low fees.

The Idiot Grandson Portfolio will prevent you from having unnecessary fees siphoned off to brokers and planners, eating away at your returns.

Protected against inflation.

The biggest threat over the long term is that your money is eaten away by inflation. The shares focus of the Idiot Grandson Portfolio protects against that. We're not investing in bonds or fixed interest, which can be dangerous over the long term (even Warren Buffett has warned against them).

Self-cleansing.

As more profitable businesses arise, the ETFs and LICs underlying the Idiot Grandson Portfolio will buy them automatically. And any companies in your portfolio that go bad will drop off the index and be sold. All this happens without you having to lift a finger!

You'll beat nearly everyone else.

Finally, you'll get better returns than the majority of investment managers. After all, 80% of them fail to beat a simple index fund … yet the Idiot Grandson Portfolio is made up of just that: low-cost index funds.

Coming Up Next Month:

Part II The Idiot Grandson Portfolio … Revealed!

Now you've seen the philosophy behind our portfolio, the fun really starts ...

In the next month's Portfolio Report (September) we'll be unveiling our full Idiot Grandson Portfolio!

Here's just a taste of what you'll get …

See the Exact Stocks and Funds We're Buying!

You'll get our fully finalised Idiot Grandson Portfolio – complete with the exact fund names, codes, allocations and dollar amounts we're investing in. Once I set this portfolio up I will never touch it again – and it will keep delivering me dividend harvests for life!

The Rejected Funds

You'll also get to see some of the funds that didn't make the cut … and Mike's reasoning on why (so you can make an informed decision for yourself, and build a portfolio that suits YOU).

A Letter to my Idiot Grandson

You'll see the exact letter I'll be writing to hand to my 'idiot grandson', laying out how to think about his portfolio, and what to do with it (not much!).

Full Details on the Buying Process

You won't just get little pie charts or figures: you'll see actual screenshots of the buying process – the kind of thing nobody else shows you!

Coming Next Month!

All will be revealed in the September edition of the Portfolio Report …

A Letter From Mike

It's late Thursday afternoon and the stock market has just closed.

The market has just fallen by 2.8%.

Today's fall was triggered by the US, which itself slumped by more than 3% overnight. In fact, around the world, stock markets have shared the ride.

I haven't yet turned on the nightly news, though I probably don't need to. After all, I know what they'll be saying: stuff like how much value was "wiped" off the stock market today and that we're all heading towards financial Armageddon.

Case in point: here's the lead story on the *Australian Financial Review*:

> **Brace yourself for a global downturn and stock market crash**

However, I'd like you to consider things from an entirely different perspective:

Despite our market falling by near on 3% today, it's still higher than it was just 10 short weeks ago.

And I didn't hear a whisper from anyone about financial Armageddon back then. Instead I was hearing a lot of rejoicing in the fact that the stock market was 16% higher than where it was at Christmas.

You see… everything's relative, isn't it?

The simple fact is when people feel that they've received something they don't want it taken away.

What I'm asking you to appreciate here is that share prices are slippery beasts. They never stay still.

So never let them control your emotions. Never let them extract from you either joy or despair.

Instead I prefer to treat them with the heartlessness that they treat me with.

However, I do understand that for many of you that is an extremely difficult thing to do.

And that's why we're releasing the Idiot Grandson Portfolio over the next two months.

Mike

Trust the System

Having read about all these options for investing, you're probably wondering what you should do next.

Well, here's the truth: while reading about investment ideas can be sexy … what's most important to your long-term financial well-being is systematically following the Barefoot Steps.

Yes, the ones from my book:

Step 1: Schedule a Monthly Barefoot Date Night

Step 2: Set Up Your Buckets

Step 3: Domino Your Debts

Step 4: Buy Your Home

Step 5: Increase Your Super to 15%

Step 6: Boost Your Mojo to Three Months

Step 7: Get the Banker Off Your Back

Step 8: Nail Your Retirement Number

Step 9: Leave a Legacy

You're probably wondering why I'm telling you about them here.

Well … these steps work.

They work every single time.

They'll work for you, and they'll protect you and your family.

Regardless of which step you're on, once you've set up your buckets, you'll have the ability to invest in the 'Inside Super' Blueprint portfolios via your (ultra-low-cost) super fund.

Or perhaps, if you're like me, you may choose to build a separate portfolio from the 'Outside Super' options after you've maxed out your pre-tax super contributions (Step 5).

Yet make no mistake: if you're looking for long-term financial security, don't just blindly dive in and buy some shares regardless of where you're at.

Follow the steps.

Scott

"We're genuinely happy ... and retirement now looks like whatever we want it to look like"

Blueprinter Success Story: Jess and Grant Brauer

"When I first joined the Blueprint I was a graduate accountant for a big firm, and I hated my job.

"Scott inspired me to change jobs and work in community development – and it's thanks to him that I've now completed the financial counselling diploma which I started part-time over two years.

"In the past two years our Blueprint share portfolio has increased by about $30,000, and it continues to grow. Our Mojo account has six months of living expenses, and we were able to save up a house deposit and buy our perfect family home! Both of our children have shares held in dedication for them. The same bills have arrived at Christmas time the past two years but we have hardly noticed, and we've stayed debt-free.

"None of that would have happened without the Blueprint advice giving us goals to work towards and the strategies to get there.

"We love the Inner Circles, too! For example, thanks to Fearless Month we now have the exact safe from Bunnings that Scott suggested, and we have our wills done, and all our passwords put away. And in Health Insurance month we got into Scott's recommended fund and got our health insurance sorted!

"The community is fantastic in that it's enabled me to not worry what other people do, or have. When I had my first baby I didn't care about not having the most expensive prams, or being in a rental while others had their own homes. The Blueprint connects me to a community of like-minded people who have supported me.

"Yet to me, the number one benefit is the generosity we can show to others as we have control of our finances. We were one of the first members of the Barefoot Kiva lending group. We give monthly donations to two different charities. Some of our family members were doing it tough at Christmas and we were able to offer to help them. When we teach our children about the importance of giving to those less fortunate we can show them that we practice what we preach. Oh, and they're also using the jam jars now!

"Thanks to the Blueprint, we've been able to pursue the things we're passionate about and haven't had to stay in jobs we don't enjoy. We don't worry about bills. We are a genuinely happy family. And because of the Blueprint, retirement now looks like whatever we want it to look like."

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Members of the Blueprint team own shares in the companies that are recommended by the current Blueprint Report.

Please remember that investments can go up and down. Past performance is not necessarily indicative of future returns.

The Barefoot Blueprint bases recommendations and forecasts on techniques and sources believed to be reliable in the past but cannot guarantee future accuracy and results. The Barefoot Investor will not be liable for any loss or damages arising from the use of this information.

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