

THE CANADIAN CASHFLOWNAIRE

WHAT'S HAPPENING IN CANADA?:

Prime Rate: 2.45%

Unemployment Rate: 12.3%

-This is a slight decrease of 1.4% from last month.

Inflation Rate: -0.4%

-slight deflation continues

Federal wage subsidy to be extended to December

Trudeau announces extension to federal wage study. The printing of \$\$\$ continues. Read all about it here:

<https://ca.finance.yahoo.com/news/canadian-press-newsalert-federal-wage-154127364.html>

Silver Has Never Been This Cheap – But Should You Buy?

Great article discussing silver being at an all time low:

<https://moneyweek.com/investments/commodities/silver-and-other-precious-metals/600966/silver-has-almost-never-been-this>

Bank of Canada Hints at No Interest Rate Hikes Until 2023

With government being the largest debtor in Canada, it is no surprise that interest rates will remain low for quite some time. Read all about it here:

<https://www.canadianmortgagetrends.com/2020/07/bank-of-canada-hints-at-no-interest-rate-hikes-until-2023/>

Best Podcast of the Month

Rich Dad Poor Dad Radio Show: July 15th episode “Shadow Banking Scandal: Dollar Swap Lines”

-Sticking to the theme of Gold and government monetary policy, this is a great podcast discussing the shadow banking system, and how it affects commodity pricing. You can listen to it on Spotify.

Issue #34 – August 2020

We hope you all have been having a great summer now that patios have been open. Draft beer never tasted so good!!!

Canada, and the entire world for that matter, has been one interesting place to say the least. July has been no exception, as you can see in some of the articles we share on the left hand side.

We are at this crossroad right now, with the uncertainty of Covid-19 still looming. How do we act? What should we invest in? Should we just hoard cash? Will there be a second wave?

It's funny, we mentioned last month that we were buying up some precious metals because we feel our dollar is being weakened by government stimulus.

As you will read in Rob's newsletter, he is now doing the same. We will go into more detail on this on the



last page, after you read Rob's take on it, but this really got me thinking. If we want to succeed in this world, we need to be **constantly learning and constantly evolving**. It was just last month that Rob said he would not purchase any asset that does not provide cashflow, but as you will see as you read on, there are times when assets like precious metals make sense.

The moral of the story here is that things change, the world changes, and you need to be constantly changing with it, using the information you have at hand.

We can't wait to talk more about precious metals and the economy at large, but we will wait until the end of this newsletter, after you get Rob's take on it.

Hard Assets Are Still King

We preach constantly, that if you want to succeed and want to take care of your family, and want to live in the *Position of FU*, hard, income-producing assets are the way to go. Now, more than ever, are these looking attractive. With the constant printing of money through stimulus, we expect hard

assets to continue to climb in value, regardless of what supply and demand says should happen. This is simply because our dollar is constantly diminishing.

With government being able to pretty much do whatever they want to our currency, we have completely lost faith in fiat currency (currency not backed by a physical commodity) and we are

shifting our cash to hard, income producing assets like real estate, private mortgages, and even precious metals. Especially with interest rates remaining low for quite some time, this seems like the most logical approach to the money game.

Enough about us, we'll let Rob take over and wrap it all up with our Canadian spin.

CASHFLOWNAIRE

Issue Thirty Four - August 2020

Let's start off this Issue with the Tweet on this page.

By January 1, 2021, you could...

1. Be in the best shape of your life.
2. Significantly increase your cashflow.
3. Break one (or more) addictions.
4. Improve your mindset.
5. Turn five books into money.
6. Start your own positive cashflow business.
7. Learn one new valuable skill.

Seriously, think about what you might be able to accomplish create within the next five months. Five months doesn't seem like don't much until you realize what's actually possible. If you use what I share on Pages 2 and 3 of this Issue, you'll make massive progress toward all of your goals.

Don't use what I've shared, and you'll probably be in the exact same place when the ball drops on December 31, 2020.

Average people let the world dictate what happens in their lives. They aren't calling any shots, and they aren't forcing any improvement in their lives.

The reality is that you can make DAILY progress toward EVERY goal you have.

You can use today to make better. You can use this week to make next week better. You can use this month to make next month better. And you can use the next five months to make the rest of your life better.

The key is leveraging TODAY.

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In this month's Issue we dig into mindset, *again*. Your mindset literally dictates everything in your life.

Right mindset = amazing life.
Wrong mindset = not-so-good life.

Most people don't really understand the power of their thoughts. They want more money without having to invest the time and effort into changing how they think.

Money flows from the proper mindset, which means your mindset is more important than money.

Looking back throughout my life, it's easy to see that every financial success I've had has come from a prior shift in my mindset.

I can tell someone exactly what they need to do like cashflow but if they have the right mindset. they success. :-(

This is because... YOUR THOUGHTS ALWAYS



If you invest time in studying the commonalities of successful people, you must pay attention to their mindset. What are they thinking? What is their perspective? How do they stay optimistic? How do they "see" problems and challenges?

Unsuccessful people do not work on improving their mindset. They keep running from one opportunity to the next without any progress, and this is because their weak mindset follows them every where they go.

Their thoughts always win.

It's easy to see all of this in other people. It's extremely difficult to see in this in ourselves. I'm in a constant battle with my mindset and have a long way to go to become the man I really

Take some time and look at an area of your life that you want to improve but haven't had much success. Honestly examine your mindset surrounding this area and you may see that this is the real problem.

Average people try to improve the symptoms of a poor mindset without actually fixing the cause of their problems, which is why they struggle from year to year.

Let's get to work!

Here's What You'll Find In This Month's Letter:

Mindset > Money

The Rule of Forced Demands

When To Sell An Asset

The True Cost of Self-Judgment

How to Protect the Purchasing Power of \$\$\$

The Stoic Challenge (Required Reading)

Thoughts on Recent Insider Stock Sales

The "Thinker" Challenge

The Rule of Forced Demands

In the opening to this Issue, I've challenged you to set a few important goals for the remainder of 2020.

To help you achieve those goals, I thought I share how you can make small daily progress on each goal. We'll start with something I shared in a previous Issue that I learned in The PE Diet book:

Your body ALWAYS responds to the demands you place upon it.

When you force *any* demand upon your body, it always adapts to that specific demand! Fast for 48 hours, and your body responds. Reduce your carb intake, and your body will respond.

Do Farmer's Carries every day (last month's Badass Challenge) and your body will be forced to respond by building more muscle. This new forced demand will most certainly require you to make other changes, including...

1. You'll have to make time to do these daily farmer's carries. To make the time necessary for this daily workout, you'll be forced to change how you use your time. This usually entails removing lower-value activities (watching TV/social media) day. You'll either have to make time for a longer workout session, or you'll have to split your workout into micro-workouts spread throughout the day.

2. This daily workout will become so demanding on you physically that you may have to make other changes to how you structure your day. I was so fatigued in the early stages of the daily Farmer's Carries that I had to do them later in the day after I was done writing for the day.

3. In order to have the energy to do the daily workout, I had to pay attention to what I ate during the day. If I ate a bunch of junk food, the workout became more difficult.

One specific physical demand ended up forcing several daily improvements.

The problem, at least for most people, is that they aren't placing any consistent specific demands upon their bodies. And because they're not placing any specific demands, they have zero improvement in their health and fitness.

Actually, now that I'm thinking about it, most people are placing negative daily demands on their bodies. These negative daily demands include sitting too much and overeating sugar.

Sit all day long and you'll start losing muscle mass. Eat too much sugar and your body will automatically respond by storing bodyfat. :-)

Here's the important thing...

You either force consistent positive demands upon your body, or your body will end up forcing its own demands upon you. These demands your body forces upon you will negatively impact the quality of your life.

This same rule applies to all areas of our lives...

Your financial situation ALWAYS responds to the demands you place upon it.

If you start buying new income-producing assets every day, you're forcing an improvement in your financial situation because you instantly have less money to spend. This forced financial demand usually requires three important changes:

1. You'll have to start searching for new income-producing assets you can acquire every day. This search requires an investment of your time.

2. It will require you to reallocate how you spend money. More than likely, you'll have to eliminate needless spending in order to have money available to buy new assets.

3. Last but certainly not least, it will require you to get off of your derriere and make more money. :-)



These three changes were forced upon me when I set a goal to increase my cashflow every day.

Think about the average person who doesn't place any specific demands upon their finances. No forced demand means no improvement.

The reason why credit cards are so popular is because they eliminate forced short-term demands upon your finances. You don't need to have money to buy what you want and because there's no forced demand, you don't have to make any financial improvements. You don't have to reduce your spending today because you can just pay with your card. You don't have to make more money today because you can just pay with your card.

The problem, as we all know, is that a credit card will ultimately force a demand upon your finances. This demand will be placed upon you and you'll have zero control over this

Here's the important thing...

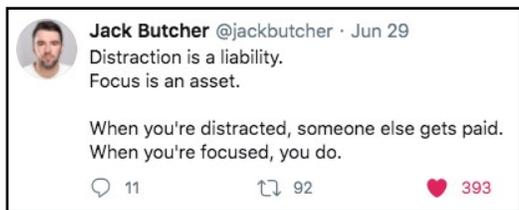
You either force consistent positive demands upon your finances or your finances will end up forcing demands upon you. These demands forced upon you will negatively impact the quality of your life.

You're probably starting to see the pattern here, right?

This rule of forced demands also applies to your thinking:

Your mind ALWAYS responds to the demands you place upon it.

Most people don't force any demands upon their thinking and end up living completely distracted lives. Even worse, since they aren't forcing any demands on how they think, the world is forcing demand after demand upon their thoughts.



Control your thinking, and you control your life. Don't control your thinking, and you don't control your life.

Both of my daughters are (hopefully) headed back to school later this month and the classes they'll be taking will be forcing demands upon their thinking. More than likely, they won't be happy about these demands; however, these demands will require several positive improvements to their lives.

One of the best ways to improve your thinking is to start asking yourself important questions on a daily basis. These questions force you to THINK. This process gives you the opportunity to examine different areas of your life.

The "Living Well Challenge" we did earlier this year is a great way to force changes in how you think. Do this every day, and you'll start placing specific demands on your mindset.

Unfortunately, none of this is easy.

It's extremely difficult because these demands force you to do things you don't want to do. It's hard to exercise every day. It's hard to buy new income-producing assets every day. And it's also extremely difficult to force yourself to answer important questions, questions that you'd prefer to avoid because they're uncomfortable.

You either place specific demands on your body, finances and thoughts, or negative demands will be placed upon you. You can (and should) use the rule of forced demands with the goals you want to accomplish before the ball drops on 12/31/20.

- Do you want to get in the best shape of your life?
- Do you want to start a positive cashflow business?
- Do you want to pay down debt?
- Do you want to learn a new skill?
- Do you want to create an income-producing asset?

What specific demands can you place upon yourself EVERY day that will force small progress towards each goal?

Now hold yourself accountable to these daily demands you've created to hit these goals. Do not let a day pass without doing what you said you were

Do not allow any ZERO DAYS. Do something every damn day. Small progress is significantly better than no progress because you can't compound zero progress.

Our Cashflownaire Principles

1. Our goal is to achieve the Fuck You Position, not to reach a specific net worth "number." This position is different for everyone.
2. We value time over money. Time is perishable and irreplaceable.
3. Our health is our most important asset. We make daily investments to improve all aspects of our health.
4. We demand income from every dollar invested until we reach our specific cashflow goals.
5. When investing, we look for investments that provide the highest return, and then we apply very conservative management strategies in order to minimize our risk of loss.
6. We use debt conservatively and work to eliminate all debt, as the foundation of our investment plan.
7. We do not care about the Joneses. This means we don't buy anything simply to impress. We value experiences over material items. We constantly strive to reduce and eliminate our need for approval by not giving a fuck what others think about us.
8. We are badassess in all areas of our lives including: financially, mentally and physically.
9. We do not scare easily and profit from "ugly" situations that others run from.
10. We seek opportunity in EVERY adversity.
11. We make lots of mistakes and learn from each and every one. In other words, we embrace failure and use it as a tool to improve.
12. We handle problems quickly by taking massive action.
13. We work hard to think accurately, and we typically do the opposite of what most people do.
14. We reject ALL limitations.
15. We play the long game and make decisions accordingly.
16. When we work, our focus is to always build cashflow pipelines. We try and arrange our efforts to get paid multiple times in the future for the work we do today.
17. Opinions do not matter. Not anyone's. Not yours. Facts matter. Actual results matter. Almost everything we hear is an opinion, and we accept these opinions as fact. This is a costly mistake.
18. We refuse to conform.
19. **Our overriding goal above all others is...peace of mind and happiness.**
20. Updated Principle from April 2019: *"We can have everything we want in life, if we help enough other people get what they want."*
Zig Ziglar

An Easy Way To Determine When To Sell Your Assets (Your Questions Answered!)

1. “Considering everything that’s going on in the world this year, should we focus on paying off debt before investing?”

Paying off debt is the safest investment you can make. There is zero risk of loss, and more importantly, it will reduce your stress levels.

Maybe the best way to answer this question would be to start at the end with your primary goal and then work backwards. If your goal is financial freedom, will paying off your debt give you financial freedom?

Unfortunately, it won’t because you’ll still be forced to work for money. Debt freedom does not equal financial freedom because you’ll still have many ongoing expenses that you can’t eliminate. These include: clothing, utilities, taxes, health insurance, car insurance, phone, and food.

This is why I suggest building cashflow streams first. You can use the cashflow streams to pay off your debt, and when you’re finally debt-free, you won’t have to work for money because of the cashflow you’ve already created.

In fact, you can use certain income-producing assets to pay off specific debts.

Asset #1 to Make Extra Principal Payments on Debt #1
Asset #2 to Make Extra Principal Payments on Debt #2

Buy one (or more) assets for every loan you have outstanding. Dedicate every dollar of cashflow from that asset to pay off that specific loan.

This means you’d have an income-producing asset that you’re using to pay off your mortgage. Another asset to pay off your car. A third asset to pay off your credit card. A fourth asset to... pay off your student loan.

With this structure, you’d use your money to buy the income-producing asset. You’d then use the asset’s income to pay down each debt. And when that debt is paid off, you’ll still have the asset providing your family with income.

2. “You write about buying assets. You never write about selling assets. When does it makes sense to sell an asset?”

This is a great question, and I have a very simple answer that should help immensely.

The only time it makes sense to sell an asset is if you can use the proceeds to buy MORE cashflow.

You can apply this thinking to any one asset, and you can apply it to a group of assets. If you own a dividend stock and the company reduces or suspends its dividend, you can sell this stock and use the proceeds to buy a new dividend stock offering more cashflow.

One of the first dividend stocks I purchased when I downloaded the Robinhood app was AT&T. AT&T hasn’t reduced their dividends; however, there are many stocks that offer more income. I could sell my AT&T shares and use the proceeds to buy more income with a different asset.

This approach would (theoretically) increase my cashflow without having to invest a penny because I don’t have to pay any commissions on these transactions. I would have to pay taxes on any gain on the AT&T shares.

Another example might be selling stocks/index funds to buy income-producing real estate.

Let’s say you have \$500,000 in your retirement account and these investments pay you \$10,000 in annual income. You could create a lot more annual cashflow by selling all of these investments using the proceeds to buy income-producing real estate for cash.

Depending on where you buy real estate, you could probably create between \$35,000 and \$50,000 of annual income. This strategy would triple your cashflow without having to invest another penny out of your pocket.

On paper, it would certainly make sense to trade the stocks/index funds for real estate. However, as you know, real estate requires ongoing management while stocks/index funds don’t.

So, you’ll have to decide if the extra cashflow is worth the effort required. I’m an active investor, and my goal is to demand as much cashflow as possible from every dollar invested... which means I would make this trade and have done so several times in my journey. I’m always trying to level-up monthly cashflow by reallocating capital to assets offering more income.

For me, mortgage-free real estate is the base of my entire plan. I want to own as many mortgage-free rental properties as possible because they provide the most cashflow.

If you want more cashflow but aren’t interested in managing your rental properties, you can hire a full-service property management company. This would be an additional expense that would be paid for by the tenants in your properties.

List every asset you have and the income generated by each asset. See if you can increase the income by leveling up to new assets offering more income! \$\$\$

The True Cost of Self-Judgment

As a society, we've become very judgmental. We judge everyone for everything. This all seems to be magnified in 2020, and in my humble opinion, it's tearing us apart.

The most damaging judgment is self-judgment, which results from thoughts we have about ourselves and the meanings we attach to these thoughts.

We judge ourselves on everything, and this self-judgment causes us a lot of grief. It also ends up impacting the progress we make toward our goals.

A great example of this might be meditation. Sit down to meditate for *any* length of time, and you'll end up judging your performance. Well, at least I do.

My thoughts about my performance end up impacting my performance. If I'm not careful, my self-judgment may end up leading me to quit doing important things.

"This is a waste of time because I'm not good at _____."

Your judgment of your performance is an opinion, it's not fact. Even worse, this opinion comes from an overly judgmental and very critical person! :-)

The impact of self-judgment becomes very apparent when you set goals for yourself. You're always judging your performance (or lack of performance) toward every goal.

This morning, I sat down with a goal to write two pages in this newsletter. As I'm writing, I'm judging my performance.

"This isn't very good, Rob."

The crazy part is that my goal was simply to write two pages. It wasn't to write my best two pages. However, I've somehow created a judgment game that I can't ever win.

What's really important is that I just write two pages. The action of writing is what's truly important because if I keep writing two pages every day, sooner or later, I'll end up writing two good pages. The problem is that my self-judgment may stop me from actually getting to those two good pages. And if I stop writing because of my self-judgment, I'll never write those two good pages.

Self-judgment is damaging on on two levels:

1. What you lose out on in your own life.
2. What other people lose out on because you were too hard on yourself.

Let's say you set a goal to buy new income-producing dividend stocks every day. You start buying stocks and the market crashes, and your stocks fall in price.

More than likely, you'll start judging your performance thinking... *"this doesn't work or I'm not a good investor."*

This negative self-judgment may lead you to quit buying dividend stocks. When you quit, you lose out on all of the future dividend income you would have collected had you not judged your performance. Even worse, your kids will lose out on the income these assets would have provided their families 50 years from now.

Whenever I start tracking what I eat on a daily basis (grams of protein, carbs and fat), my self-judgment always kicks in when I don't hit my goal for the day. I end up getting pissed off at myself and I stop tracking my food, which means I instantly lose out on every future benefit available from managing these macros.

If I can learn to let go of this self-judgment and continue tracking my food regardless of my performance, I'll give myself a chance to get a little better as time passes.

The reality is that 95% of the benefits we are pursuing in life come AFTER we've messed up.

If you have a tendency to quit after messing up, you'll NEVER make any real progress. :-(

On pages 2 and 3 of this Issue, I suggested setting small daily goals designed to improve your health, finances and mindset. These daily goals will open the doors for massive amounts of self-judgment.

Overcoming this self-judgment is the ultimate key to your success. The fastest and easiest way to overcome self-judgement is to simply decide to let it

Per David Hawkins in his fantastic book, "Letting Go":

"Letting go involves being aware of a feeling, letting it come up, staying with it, and letting it run its course without wanting to make it different or do anything about it."

It means simply to let the feeling be there and to focus on letting out the energy behind it. When letting go, ignore all thoughts. Focus on the feeling itself, not on the thoughts."

Take some small action, and ignore all thoughts surrounding the action. Don't even allow yourself to think about the outcome of your action. Keep reminding yourself that it's OK if your desired result happens, and it's also OK if your desired result doesn't happen.

It's all good because it really is all good.

NOTE: The book "Letting Go" was recommended to me by member Ben Sweet. It's a fantastic book, especially if you're interested in living a good life!

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How to Protect The Purchasing Power of Your Money

(Note: Members Tom and Nick Karadza suggested I read the book titled "The Bitcoin Standard," written by Saifedean Ammous. This book is a must-read for you because it will help you understand the history of money and the risks we all face with regard to inflation.)

We purchased our home back in 2001 thinking it would be a great home for our family that would offer us long-term price appreciation. It has been a great home, and we've made many improvements over the years. It's my favorite place to be, which helped big-time this during the Covid lockdowns. :-)

Unfortunately, our home hasn't appreciated very much during these 19 years even though we live in a great community with good schools. The reason why is because builders have built three large subdivisions in areas surrounding our little subdivision.

In other words, the supply of similar homes in our immediate area has quadrupled. The law of supply and demand suggests that when the supply of something increases, the price or value automatically decreases. Had all of these new homes not been built, our home's value may have doubled since our purchase.

I realize you don't care about the value of my home. I'm sharing this because it illustrates something you must think about with regard to YOUR money.

When our (any) government increases the supply of money, the purchasing power (value) of every dollar declines.

You can see the massive decline in the purchasing power of one dollar from 1913 in this chart from The Resilience Group.

In the 100 years that were tracked, the purchasing power of a dollar decreased by 95 cents.

Per "The Bitcoin Standard," the supply of money is controlled by the central bank, and they can increase the supply of money by:

1. "Reducing interest rates, which stimulates lending and increases money creation.
2. Lowering the required reserve ratio, allowing banks to increase their lending, increasing money creation.
3. Purchasing treasuries or financial assets, which also leads to money creation.

4. Relaxing lending eligibility criteria, allowing banks to increase lending and thus money creation."

All of which they've done on massive levels. This is how they got us out of the 2008 market crash. This is also how they're trying to get us through the current economic crisis due to Covid-19.

I've written negatively about Bitcoin several times over the last few years. The reason why is because I've viewed it as a speculative investment that offered zero income.

Saifedean's book helped me understand why gold and Bitcoin (alternative sources of money) help protect the purchasing power of our money.

First off, gold and Bitcoin are NOT investments, which is how I previously viewed them.

They are alternate forms of money that aren't controlled by any government, and because they're not controlled by any government, the supply of gold and Bitcoin cannot be massively increased, which allows them to maintain value over time.

Before we go further, I'm the furthest thing from an expert on any of these ideas. I'm also not suggesting that you run out and buy gold and Bitcoin. I'm simply suggesting that you read this book and educate yourself about the history of money.

Once you read the book, you'll have a much better understanding of the crazy economic situation we're in today, including the risk of higher levels of future inflation.

This education may lead you to trade some of your dollars for other forms of money that can't easily be created by the government. Or you

may decide that this is all a bunch of BS.

Whatever you ultimately decide to do, it will be from a more educated point of view.

The way I currently see it, **we stand to lose a great deal of purchasing power when we hold large amounts of cash for long periods of time.**

This includes having a large pile of cash hidden under your mattress. It also includes having a lot of money



(Continued on Page 7)

sitting in savings accounts, money market accounts and CDs.

As our governments create more (and more) money, the purchasing power of every dollar declines. You may be able to protect against this decrease in purchasing power by...

1. **Trading cash for “harder” money**, as described in the Bitcoin Standard:

“The relative difficulty of producing new monetary units determines the hardness of money: money whose supply is hard to increase is known as hard money, while easy money is money whose supply is amenable to large increases.”

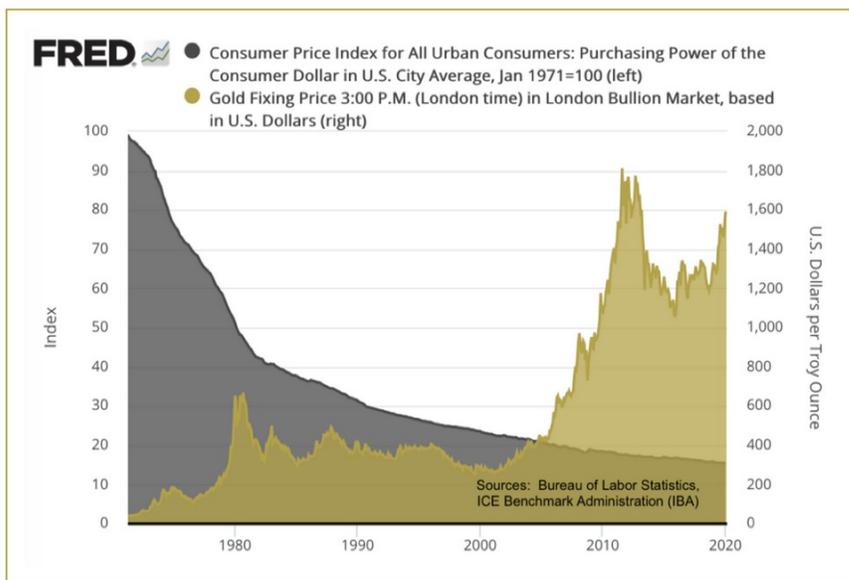
I like to call this the easy money trap: anything used as a store of value will have its supply increased, and anything whose supply can be easily increased will destroy the wealth of those who used it as a store of value.”

Cash is easy money, and when you hold your savings in cash, you ultimately lose because the purchasing power erodes. Gold/Bitcoin are harder forms of money because the supply cannot be increased easily.

Saifedean Ammous continues...

*“While people are generally free to use whichever goods they please as their media of exchange, the reality is that, over time, the ones who use hard money will benefit most, by losing very little value due to the negligible new supply of their medium of exchange. Those who choose easy money will likely lose value as its supply grows quickly, bringing its market price down... **The majority of money and wealth will be concentrated with those who choose the hardest and most salable forms of money.***

Consider this chart from FRED:



Gold is a harder form of money and it has certainly been a better store of value when compared to dollars. *“Money that is easy to produce is no money at all, and easy money does not make society richer; on the contrary, it makes it poorer by placing its*

hard-earned wealth for sale in exchange for something easy to produce.”

Saifedean argues that Bitcoin might actually be the best form of money and he outlines various reasons why in "The Bitcoin Standard."

As I write this, I do not own any Bitcoin. I am, however, learning more about it and may move some cash into Bitcoin this year.

Instead, I've focused on the second way to protect against the loss of purchasing power...

2. **Use your cash to buy income-producing assets that actually benefit from inflation.** One important income-producing asset that will protect against inflation is real estate, especially affordable housing (lower priced single-family homes and manufactured homes).

This second strategy allows you to generate cashflow while protecting your purchasing power. Over time, real estate prices will increase as the supply of money increases. This means you get your cake and can eat it, too.

I personally am not holding large amounts of cash. I prefer to use cash to buy income-producing assets without leverage. Because the assets aren't leveraged, the income generated becomes a financial reserve. This incoming reserve can be spent or reinvested.

I do own some gold, and I'll share the story behind this in a future issue. :-)

The bottom line...

If you're holding large amounts of cash (or cash equivalents) as a long-term savings strategy, you may want to think about moving some percentage of this into a harder forms of money.

Before buying any Bitcoin, please read "The Bitcoin Standard." Invest the time to understand the risks and opportunities with Bitcoin and other forms of digital currency.

A big thanks to Tom Karadza for this book recommendation! Tom actually interviewed the author of the Bitcoin Standard for one of the Rockstar Real Estate podcasts.

You can listen to podcast here: <https://rockstarinnercircle.com/thebitcoinstandard/>

NOTE: See Page 10 for another asset that might benefit from inflation and pay attention to the chart I've included for you in that article! \$\$\$

The Stoic Challenge

As you know, I'm ALWAYS doing some kind of temporary challenge. These challenges usually rotate between mental, physical and financial.

I continue to share these temporary challenges in each newsletter (see Page 12) even though I know you're not doing them.

Yes, I know you're not doing our Badass

You like the idea of doing monthly challenges, however, you won't hold yourself accountable to actually completing any of these challenges because they're hard... *which is exactly why you should do them.*

There are many reasons why you should force yourself to do hard things. The most important reason, at least to me, is that life can be very difficult. Life isn't fair, and bad things happen to good people all of the time.

If you're not forcing yourself to do hard things on a consistent basis, you end up getting soft mentally and physically. And when you're soft mentally and physically, little problems instantly become BIG problems.

You end up developing the habit of wanting everything to be easy:

- You only want to make investments that are "easy."
- You only want to start "easy" businesses.
- You only want to have "easy" conversations.
- You want to outsource everything that isn't "easy."

This desire for easy ends up making life a lot more difficult because you have a constant inflow of imaginary BIG problems.

As an example...

Last year, an out-of-state investor reached out to me indicating that they wanted to start investing in manufactured homes with me. They were going to invest using a self-directed IRA they had just set up. Self-directed IRAs require a great deal of paperwork for each investment. This paperwork is can be challenging because the IRA custodian always requests a few corrections. It's a frustrating process.

Well, this investor got so fed up with the required paperwork that they never actually made the manufactured home investment.

Let that sink in for a minute.

This particular investor didn't have to do anything that you might actually label as "hard." They didn't have to go find a home to buy. They didn't have to work with the mobile home park. They didn't have to deal with any of the hassles in getting the title transferred. They didn't have to handle any repairs or maintenance issues. They didn't have to show the home and

screen applicants. They didn't have to meet with the tenant/buyer to do the paperwork. They didn't even have to manage any aspect of the property, as I was going to do all of this for them.

And they gave up because the paperwork to make the investment was too hard. :-)

This is a true story, and it's kind of sad, isn't it?

This is how average people operate. They simply cannot handle anything that has any level of difficulty. Everything has to be easy in their lives.

That is NOT how you live a good life.

In my opinion, it's far worse to be mentally weak than it is to be physically weak because mental weakness flows into all areas of our lives. When you're weak mentally, you quit everything.

The crazy part is that mental toughness isn't all that hard to achieve. You can actually achieve mental toughness within a minute or two by simply shifting your perspective.

Your perspective dictates everything in your life. Your perspective dictates whether you're happy or sad. Your perspective dictates what's hard and what's easy. Your perspective also dictates what's good and what's

By changing your perspective (how you choose to see things), you can *instantly* turn sad into happy, hard into easy, and bad into good.

Perspective is defined as: a particular attitude toward or way of regarding something; a point of view.

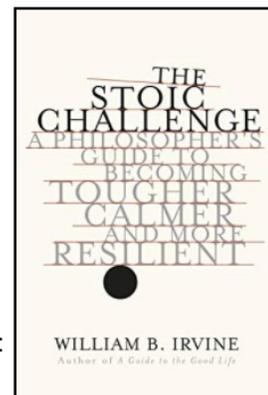
Learn how to manipulate your own perspective and you'll instantly change your life.

Changing your perspective isn't just "positive thinking." It's a fundamental shift in how you allow yourself to see things.

To illustrate how this works, let's dig into a great little book titled "*The Stoic Challenge - A Philosopher's Guide to Becoming Tougher, Calmer and More Resilient*" by William Irvine. This is one of those books where you'll probably end up highlighting something on every page. I certainly

Irvine writes that every problem we encounter in life has two primary costs:

"The first might be described as the physical cost. If your car breaks down on the freeway, there are lots of things you will physically have to do, including spending money, to deal with this setback. Likewise, if your



doctor tells you that you have cancer, the therapy you undergo

But alongside these physical costs, there will be emotional costs. You might become very angry as the result of the car breaking down, and you might become profoundly sad as the result of the cancer diagnosis. Not only that, but in many cases, the emotional cost of a setback is far greater than the physical cost. Wouldn't it be great if you could reduce the emotional cost of a setback or even eliminate it entirely?"

Back in the 2008 crash, I lost a great deal of money. This was the physical cost of the crash. This physical cost was a drop in the bucket compared to the emotional cost I incurred. The emotional cost was so severe that it took me about five years to work through it.

Unfortunately, there isn't much we can do about the physical cost of problems, challenges and setbacks. Thankfully, there's a lot we can do to reduce the emotional cost of every problem! To reduce and possibly eliminate the emotional cost, we can use what Irvine refers to as the "Stoic Test Strategy."

"To employ it, we assume that the setbacks we experience are not simply undeserved tribulations but tests of our ingenuity and resilience, administered by imaginary Stoic gods. To pass these tests, we must not only come up with effective workarounds to setbacks but must also, while doing so, avoid the onset of negative emotions.

By treating a setback as a Stoic test, we take our subconscious mind out of the setback-response loop... This prevents the activation of our emotions, which not only dramatically lowers the personal cost of being set back but also improves our chances of dealing with the setback in a thoughtful manner. If we are clever in our use of the strategy, we can find ourselves not only avoiding negative emotions but also experiencing positive ones, including pride, satisfaction, and maybe even joy, as we rise to meet the challenge the setback represents."

Throughout the book, Irvine gives many examples of how to use this Stoic test idea to your advantage, and I think you'll find what he writes to be extremely helpful in learning to shift your perspective with regard to "hard" things.

Toward the end of the book you'll find a chapter titled "Studying for Stoic Tests." Irvine wrote...

"In his essay "On Providence," Seneca quotes the Demmetrius as saying, "Nothing seems to me more unhappy than the man who has no experience of adversity." Consequently, he says, a wise man will welcome a degree of adversity into his life. He will regard this adversity as a kind of training exercise and might even take delight in it, "just as brave soldiers delight in warfare." This may sound strange, but a wise man knows that although adversity can crush us, it can also, if we are in the right frame of mind, strengthen us and thereby enhance our ability to withstand adversity."

Now, you probably won't believe this, but Irvine

suggests putting ourselves into challenging situations as a way to train for life's setbacks. :-)

*"For an event to count as a setback, we can't know that it is going to take place. It's true that we can inadvertently set ourselves back - by forgetting to put gas in the car, but we can't set ourselves back on purpose, since setbacks require an element of surprise. **What we can do, however, is put ourselves into circumstances in which challenging surprises are likely to occur."***

He continues... *"If we choose to spend the weekend taking a twenty-mile hike through a wilderness area, we are likely to experience a number of interesting setbacks. This is a form of setback training. By dealing with them, we can improve our skill at coming up with workarounds, and at staying calm as we do."*

Hopefully, you're able to see that this directly connects to the idea of placing specific daily demands upon yourself, as discussed in Pages 2 and 3. Each demand forces you make multiple adjustments, and they also force you to handle countless setbacks. These demands are how we study for

As Cashflownaires, we can be very strategic with our use of Stoic Tests by designing challenges around our goals. On Page 1 of this Issue, I suggested setting a few goals to accomplish before the end of 2020.

Consider each goal as if it were a Stoic Test designed to enhance your ability to withstand adversity. This means that your primary benefit for accomplishing every goal isn't the goal itself, it's the mental toughness you develop as you learn to shift your perspective on every setback you

In my humble opinion, the two best Stoic Tests you could possibly take are:

1. Starting (and building) a positive cashflow business.

Building a business is an incredible mental toughness challenge because you'll be forced to deal with setback after setback. Even better, you'll be forced to get out of your comfort zone and learn important new skills to build your business.

2. Investing in rental real estate.

Mentally weak people never survive rental real estate. Over the years, I've watched hundreds (maybe thousands) of people quit real estate after getting their rear ends kicked on one or more properties. I certainly have had my fair share of challenges in real estate. :-)

To be successful in business and real estate, you've got to develop a lot of mental toughness! The best part is that you end up getting paid for passing these Stoic Tests! \$\$\$

A Study of Recent Insider Stock Sales

During the month of July, I've continued buying new dividend stocks on a daily basis as part of my goal to increase my cashflow every single day.

Each morning, I'll review the insider stock transactions at: <https://www.gurufocus.com/insider/summary> looking for stocks with recent insider purchases that meet our double seven criteria:

1. Annual dividend yield of 7% or higher.
2. P/E Ratio of 7.0 or lower.

It has become more difficult to find stocks meeting this criteria because there aren't many insiders buying stocks.

In fact, the majority of insiders are now selling large quantities of stock.

There's only ONE reason why insiders would buy stock in the companies they work for... they believe the stock is undervalued, which is why it's the key component of my filtering process when buying stocks.

Things get more difficult when we look at insider stock sales.

We really have no idea why an insider would sell their shares. It could be because they need the money to keep up with the Joneses or it could be because they now feel the stock is overvalued based on what they're seeing inside the business.

Based on the recent volume of insider selling, it's pretty easy to assume that the economic impact of Covid-19 is much deeper than initially thought. Insiders are taking their money off the table, and this is something you might want to consider with regard to your investing.

I'm not a fearmonger type of guy, but the massive amount of insider selling certainly suggests that the stock market may be in for a rough ride in the near future.

There are three ways you can handle this...

1. **Buying:** Stick with your plan, and continue buying more cashflow every day with stocks that meet your criteria.
2. **Hold:** Keep the income-producing assets you've already purchased but hold off on buying additional shares, allowing your cash to accumulate.

3. **Sell:** Follow the insiders and sell some (or all) of your income-producing assets.

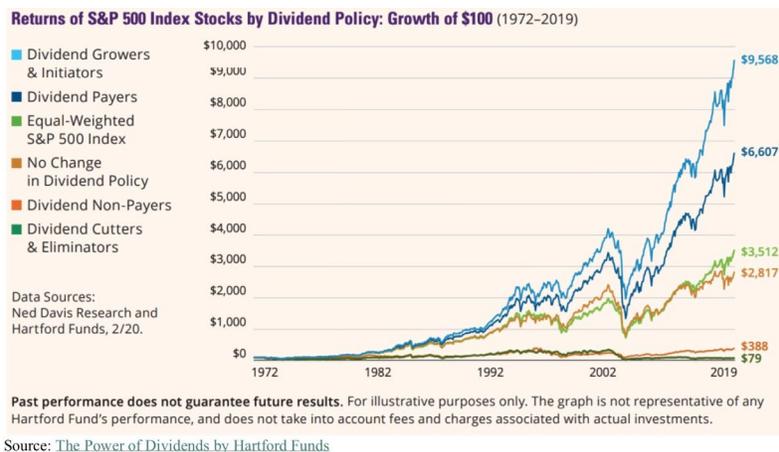
My personal plan is to continue buying new income-producing assets on a daily basis; however, I've reduced the amount I'm investing.

Back in June, I started buying \$12 of annual dividend income per day. I've reduced this goal down to buying \$6 of annual dividend income per day in July. If (and when) the stock market starts sliding, I may increase the amount I'm investing into these income-assets.

My mission is to build a large passive income stream from dividend stocks, and to achieve this goal I must make consistent progress.

I will more than likely lose money on these assets in the short-term as the stock market eventually corrects from the economic impact of Covid-19.

To illustrate the power of dividends over longer periods of time, I've included a cool chart from the Hartford Funds on this page for your review.



From 1972 to 2019, dividend stocks outperformed the overall market by a wide margin.

As I'm writing this Issue, there haven't been many insider stock sales of stocks meeting our double seven criteria. This has been somewhat reassuring because it shows that we've been buying undervalued assets.

I'm sharing all of this because I don't want you to lose money following any of my strategies. You need to think for yourself and make decisions that you feel are in the best interest of your family.

To wrap this up, I thought I'd share two interesting observations with you:

1. The majority of recent insider stock sales are in companies that don't offer attractive dividend yields. This means the investors are buying mainly for appreciation.
2. The Hartford Funds chart starts in the early 1970s when the United States completely abandoned the gold standard and started inflating our money supply. You can easily see how this increase in the money supply has impacted stock prices over the last 50 years! How might the recent money printing impact the stock prices over the next 50 years?

It's certainly going to be a wild ride! \$\$\$

How to Maximize Your Daily Energy Levels

I took my oldest daughter to a 3-day Tony Robbins seminar a few years ago when she was in high school. This was a strategic move because our kids usually discount what we try to teach them. You know, we're all just "dumb"

They assume everyone else is smarter than we are and will take someone else's advice over our advice. So, I took her to a seminar where she would have the opportunity to listen to someone that would tell her what I wanted to teach her. A little sneaky approach to parenting, I know! :-)

During the seminar, I was actually surprised that Robbins had dedicated a large part of one of the three days to strategies for increasing our energy levels. This was the first time that I actually put any thought into proactively managing my energy level.

Tony Robbins engineers his daily schedule to increase his energy level. Whether you love or hate him, you have to respect what he's accomplished in his life.

As Tony says, "success leaves clues." You can't have what Tony has unless you do what Tony does.

If you have more energy on a daily basis, you'll read more, think more, do more, and you'll accomplish more. These daily improvements to your energy level will obviously compound over time.

Average people don't manage their energy levels, which means we should probably pay very close attention to how we manage our energy.

Here are a few strategies you can experiment with to increase your energy levels:

1. **Reduce sugar intake.** The people who do the carnivore diet (only eat meat) consistently report increased energy levels. This eating plan completely eliminates all processed foods. You may be able to get the same daily boost of energy by reducing sugar intake to the bare minimum.

2. **Time restricted feeding.** If you're not able to reduce your sugar intake, you can fast during the day and have a large meal for dinner. This will keep your energy levels up throughout the most productive hours of the day. It may also help you sleep better at night. This strategy is usually referred to as OMAD - (One Meal A Day) and you can find a lot of information on this with a Google search.

3. **Steady state cardio** - I feel like a million bucks after 30 minutes of low intensity cardio exercise while listening to great music. Think of it as a treadmill/elliptical party! It's the best drug in the world. Seriously. :-)

If you get tired at around the same time every day, you can be strategic and do some cardio exercise before you start dragging. As an example, you can do a cardio workout at lunch and you'll boost your energy for the

4. **Micro-workouts** - I seem to always feel fatigued after hard weight training workouts with multiple sets and muscle groups. This lack of energy stays with me throughout the day, which is a problem if you work out in the morning.

However, I've found that if I do little micro-workouts sporadically throughout the day, I have a lot more energy. The short burst of exercise will get your blood flowing and will give you more energy. I've included a sample full-body micro-workout plan you can experiment with throughout the day to see if it increases your energy levels.

5. **Cold exposure** - I'm certainly not the Ice Man, Wim Hoff; however, I have noticed that cold exposure increases my energy levels significantly. Cold exposure doesn't have to be anything crazy like sitting in a tub of ice. A cold swim (ocean/lake/pool), a cold shower, or if you're lucky and live in a colder area, you can just take your dog for a walk without a coat! No cryotherapy machine needed.

6. **Music** - There's a reason why they don't play sad love songs in dance clubs.

7. **Supplements** - A little black coffee never hurt nobody! If you are okay with caffeine, check out the MEG - Military Energy Gum. Each piece has 100 mg of caffeine and it works very well. You can find it on Amazon. Another supplement to investigate for increased energy levels is Ashwagandha. It seems to give a calm energy level that helps you focus.

8. **Sun** - Sadly, we don't get a great deal of sun during fall, winter and spring here in Ohio. There's a noticeable difference in activity in my neighborhood on sunny days vs. cloudy days. On sunny days, our

neighborhood is a buzz. People are doing yard work, washing their cars, playing with their kids, riding their bikes and walking their dogs. You may be able to increase your energy levels by supplementing with Vitamin D on a daily basis. My doctor actually recommends taking 4,000 to 10,000 IUs a day.

Last but certainly not least, you can increase your energy level tomorrow by being strategic with today. If you have a few glasses of wine tonight, you'll set yourself up for lower energy levels tomorrow. If you eat like crap tonight, you'll zap your energy levels for tomorrow. I'm certainly not Mr. Energy, but I've found it to be extremely helpful to manipulate your energy levels around days where you have a lot of mental work to complete.

\$\$\$

Sample Full Body Micro Workout Plan
8:00 am - 10 pull ups
9:00 am - 50 jumping jacks
10:00 am - 30 push ups
11:00 am - 50 squats
12:00 pm - 20 back rows
1:00 pm - 30 sit ups
2:00 pm - 15 dips
3:00 pm - 20 burpees
4:00 pm - 20 shoulder presses
5:00 pm - 30 kettlebell swings

The 34th Badass Challenge

Last month's "Strong As Bull" Badass Challenge was a doozie, wasn't it? I started that challenge back in May and have continued throughout the summer. At first I was carrying 44 lb and 35 lb kettlebells. I would walk laps around our pool and increased the number of laps every day. By early July, this *fun* daily workout required 90-minutes to finish.

To save a little time and make the workout harder, I replaced the 35 lb kettlebell with a 55 lb kettlebell and started over at 20 laps around the pool. I've been increasing the laps daily with the heavier kettlebells and am sore all the time! I've certainly increased my grip strength and now have calluses all over both hands!

Throughout the last two months, there have been a few times that my family told me to take the day off. One particular day was Father's Day. "Hey Dad... its Father's Day. You can skip this dumb challenge today!" Whenever they told me I should take the day off, I made a point to do the dumb workout. I did this for two reasons:

1. I wanted my daughters to see me honor a self-promise and hold myself accountable to a goal I'd set for myself. Showing is ALWAYS better than telling.
2. I'm in a constant battle with being average. Average people always end up rationalizing reasons why they don't have to do what they said they said they were going to do.

It's kind of hard to build your dream life if you always give yourself a free pass on your self-promises. This is an incredible challenge. If you haven't started it, I highly recommend doing it this month! You can learn more about the daily Farmer's Carries in this video: <https://www.youtube.com/watch?v=xTAiAzuyQsU>

Let's move on to this month's Challenge, which I've titled...

THE THINKER CHALLENGE



And to complete our Thinker Challenge, you have to...

ANSWER ONE HARD QUESTION EVERY DAY FOR 30 DAYS

This month's challenge is designed around forcing daily improvements to how we think! :-)

To do this challenge, go to <https://dividendrealestate.com/thinker/> and enter your email address. You'll receive one hard question via email every morning for 30-days.

To complete this challenge, you'll have to answer every question. You should answer each question in a notebook where you can easily refer back to all of your thoughts. I've buried a little treasure in these daily questions. The only way you'll find this treasure is to look for it by answering each question!

A word of warning... some of these questions may not be easy to answer. They'll force you to think about things you'd prefer not to think about! This is exactly why you should force yourself to answer each question!

Thinking is your most valuable activity by a wide margin. This means that our Thinker Challenge will be very profitable for you if you commit to doing it!

NOTE: The picture included on this page is of the "The Thinker" sculpture by Auguste Rodin from 1880.

Dividend Real Estate, Inc.
4040 Erie Street - Suite
806
Willoughby, Ohio 44096
DividendRealEstate.com
Rob@DividendRealEstate.co
m 440-340-1445

Rob Minton is a licensed real estate broker in Ohio

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Mindset is Key

The first few pages of Rob's newsletter focuses on mindset.

Right Mindset = Amazing Life

We cannot agree more. I (Mike) am a life insurance and employee benefits advisor. Like many, my livelihood depends on mindset. My income requires results, and without the right mindset, results don't happen.

I will give you an example. In 2016, I had a chance on quoting on a benefits plan for a company that would have been my largest client at that time. I work for the largest brokerage in the city, with exclusive options that I could offer clients that no other brokerage locally can offer. I had no reason to lose the case.

Needless to say, I went into my presentation nervous, thinking negative about my abilities as an advisor, and I lost the case to another advisor that has nowhere near the capabilities I had at my exposure.

Since then, I have acquired about 5 clients that are much larger than this prospect. I followed up with this prospect every year since then, and they finally allowed me to quote once again. And sure enough, with pretty much the same presentation as last time, I was able to close the deal.

Why? Because I was in the right mindset this time around. I walked into that meeting with the utmost confidence and I really didn't give a shit if I got the case or not. I had cashflow to fall back on. I am so much closer to the position of FU than I was 4 years ago, and I walked in there feeling like they would be lucky to work with me. Mindset is everything!



"Striving to Achieve the Position of FU!"

We're on the Web!

Quest4cashflow.com

We loved this month's issue. If the asset doesn't provide cashflow, then we as Cashflownaires don't consider it an investment. However, the idea of precious metals is something to consider. Did you receive a CERB cheque? Want to know where Mr. Trudeau got the money for all of this stimulus? He basically printed it. He increased the supply of the Canadian dollar. Simple economics tells us that when supply goes up, PRICE GOES DOWN.

We always look to the US for analysis, as we Canadians rely a ton on the US. In 1971, Nixon took the USD off of the gold standard, which turned the USD into a Fiat currency (discussed on cover page). This Fiat currency took away the discipline and rules that the gold standard provided the USD. It basically allowed government to do whatever it wants with the dollar, like print more of it. Canada is actually a huge producer of gold (5th in the world), but instead of keeping it, we sell it off. The bank of Canada is noted to have 3.4 tons of reserves in gold (80th in the world). Instead the majority of our reserves are in the USD. Doesn't that sound crazy? Our dollar is backed by another dollar that really has no rules! The largest producer of gold is China and the largest reserves still belong to the US, but Russia and China are quickly gaining ground, and with control of large production, they could be in the driver's seat in the near future. Listen to the Rich Dad Poor Dad podcast we shared for more details on this craziness.

Long story short, with our fiat system and our money printing government, we feel that cash is no longer king. To maintain the value of your money, precious metals like gold and silver may be a good spot to park it. If Rob is worried about the value of his USD, what the heck are us Canadians in store for with our CAD!

August for Canadians

Before we do anything, we constantly need to take a step back and look at the information we have at hand.

That is why we at Quest4Cashflow try to provide you with our take on the Canadian economy and monetary policy, and try to put it in simple terms for you so that you can use that information to help make investment decision.

This August, our advice is simple and consistent. **Buy income producing assets!!!** Real estate, dividend stocks, private mortgages, invest in a website, invest time in writing a book or a course, start a side hustle... Any income producing asset is better than a

money sucking liability. Don't beat yourself up if you make a bad investment. Learn from it. As long as you are careful with leverage for these assets, you can't go wrong.

For the most part, we sat on the sidelines in July, with the exception of some dividend stocks that we felt were still undervalued (we still love MIC and REI at the time of this writing).

With that being said, cash has been accumulating. Like we said last month, we have shifted some of that cash to silver and gold. We have been trying to keep at least 10% of our cash accounts in gold and silver. Silver seems to be great value right now,

but expensive to store. See the article we shared on the first page about silver prices right now.

We don't look at precious metals as an investment. We look at these precious metals as an insurance policy on our cash.

Before you can invest, make sure you are properly insured (life insurance & disability insurance). Then build a nice cash reserve. Once that is done, put that cash to work!

Hard, income-producing assets will set your family up for success.

To your success,

-Vince & Mike