

8-Step Wealth Workout Plan

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With gyms across town teeming again with fitness junkies, almost everyone is playing catch-up with their fitness goals after a long hiatus from the gym. Whether it's building muscles, improving stamina or just getting healthy, all of us can benefit from a good ol' sweat session.

But what about our financial fitness? If you've been putting off your financial goals for some time, now is a great time to rebuild and reposition yourself to get back on track before the year comes to a close. Here's an 8-step wealth workout regime to ease yourself back in and get financially fit.



1. Reassess Your Position

Before you jump right back in to your routine, it's important to first evaluate your current financial position and understand what has changed. Maybe there was a new family addition or you had to take out a new personal loan. In both instances, your tolerance for risk may be lower and you are more susceptible to 'pain' in markets.

Like any fitness routine, a financial plan has to be specifically tailored to your needs. Work together with your wealth trainer to craft a financial plan with short and long-term goals. Remember to be realistic in your plan, otherwise you won't feel motivated to stick to it.

2. Crunch Those Figures

With a destination in mind, it's time now to do some number crunching. How much do you spend typically every month? What percentage of your salary are you setting aside for saving and investing? Are you contributing enough to achieve your dream retirement in the next 30 years after factoring-in inflation?

Commit to your goals and own your financial figure whatever that might be. Don't be dissuaded easily or quit before you even start going. The path ahead could be painful with many short-term setbacks, but glory belongs to those with grit and determination to push through.

3. Build Your Financial Core

Having strong core muscles are essential to prevent injury by creating a system of support for your spine. Similarly, the foundation of any financial plan is a solid core to help you weather through volatile market cycles and accidents. That's where an emergency fund comes in to ensure you have a safety net to fall back on.

Ensure you have built an adequate financial buffer of at least 6 months' in living expenses which can help tide you over when times get rough. Keeping an emergency fund also prevents you from being forced to sell your investments during a downturn and crystallising your losses, thereby allowing you to stay invested.

4. Warm Up and Gradually Progress

Nobody should start deadlifting 100kg in their first to the gym. As an investor, you should also definitely not be piling everything you have into a single investment to generate returns. Take small steps to build your wealth and invest at levels you are comfortable with.

Once you've become more confident, you can gradually increase the amount you invest every month to build your ideal portfolio. With a better grasp of the market, you could also load up on more tactical positions to amplify returns by taking advantage of current market conditions or mispricing opportunities.

5. Ice that Pain & Spending

Pain management is also a critical element of a wealth workout plan. Investors would inevitably face some 'pain' in their portfolio as markets go through different cycles. But investors can manage this by stacking up on some fixed income and safe haven assets like gold which offers capital preservation by cushioning losses during a downturn given its low correlation.

If you can't get your budget to balance, consider also freezing some of your worst financial habits by going on a spending fast. Sweet caramel macchiatos and night-outs are nice, but learn to resist financial temptations to lower your cash-burn.

6. Stick to the Schedule

As any fitness guru will say, it is far more important to pay attention to the consistency of your training than the intensity of it. This applies

to investing too which gets easier over time as you compound your gains and accumulate wealth.

Much like fitness, investing is really a long-term game that won't give you immediate results even if you ploughed all your energy or resources overnight. A shredded body can take months, if not years of consistent training. Similarly, building wealth also takes time and lots of patience. Legendary investor Warren Buffet only made over 90% of his wealth after he turned 65 years old. (Source: Barrons, 2022)

A great way to maintain consistency by practicing dollar-cost averaging by investing in equal amounts at fixed intervals to ensure that it becomes habitual.

7. Target All Areas

Gym bros who focus on chest exercises but skip leg day usually end up with an unbalanced physique. Similarly, you don't want a portfolio that is lopsided because it is heavily tilted towards a particular 'hot' asset class or sector that have made strong gains in the past. It might look good on the surface, but chances are it might crumble under pressure once the euphoria runs past its peak.

Thus, any fitness programme should be all-encompassing by targeting all areas of your body to maximise resilience. This applies to your portfolio too by ensuring that you have a good mix of different asset classes, sectors and country exposure so that you stay on top of your game and can endure market drawdowns.

8. Enjoy the Process

Lastly, take the time to savour the moment and just enjoy your wealth and fitness journey. You may find yourself hitting a plateau and feeling like you're not moving ahead. But investing is a lifelong pursuit, where your success should be measures across years if not decades.

The ride could be riddled with short-term volatility, but that's just part and parcel of investing. So, keep your eyes on the prize and keep a long-term perspective in your quest towards building wealth.

Start your Wealth Workout Now!

Schedule an appointment with our wealth trainer today. Book an appointment with the link below or scan the QR code.

<https://affinhwangam.com/get-in-touch/book-an-appointment>

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