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FINANCIAL INSIGHTS

by

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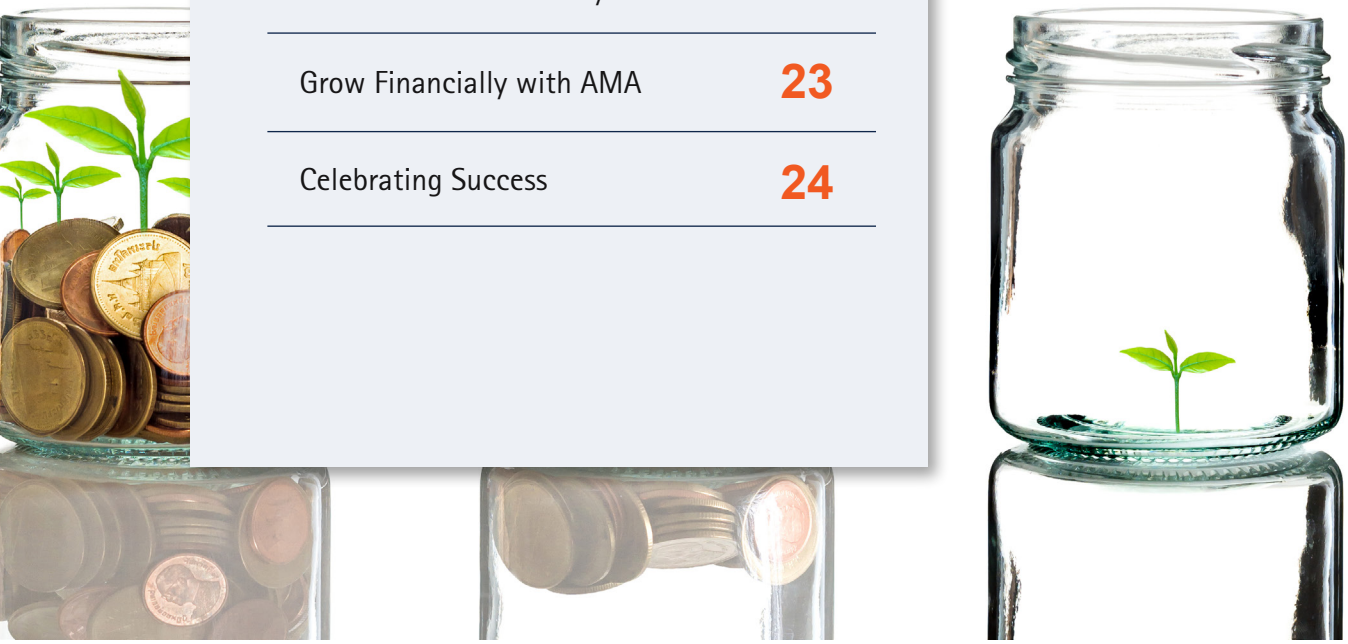
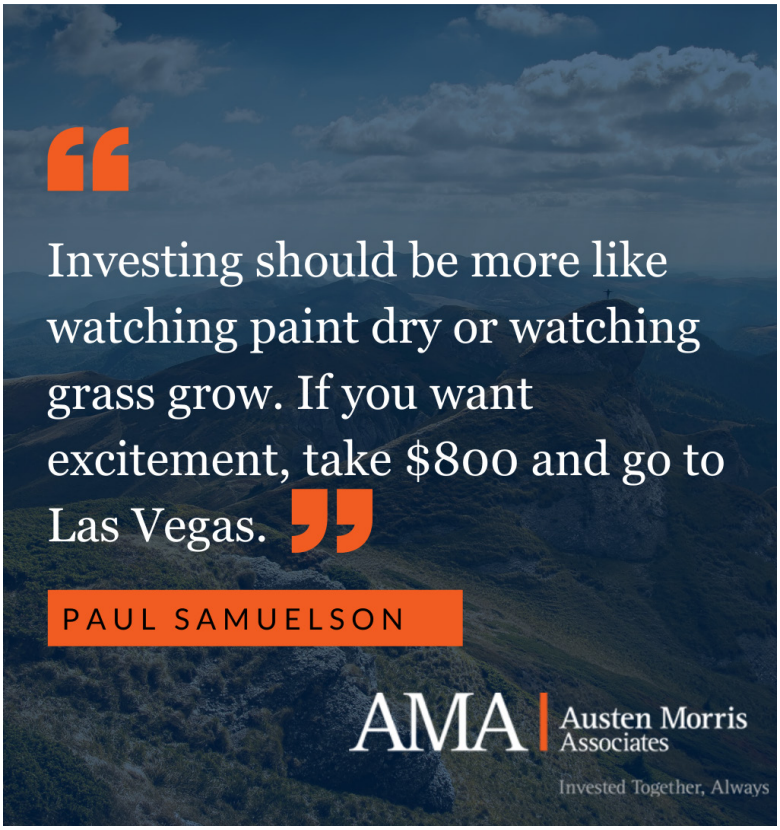
CONTENTS



INVESTMENT OPTIONS THAT DO NOT REQUIRE SIGNIFICANT STARTING CAPITAL



Have you been considering putting your modest savings portfolio to better use? Perhaps you have been wondering if it is possible to make your money grow by making the right investments at the right time? If you are a budding investor with all the interest but not quite enough confidence in your abilities quite yet, then stay put. You are about to powerfully discover why and how you don't need to be an experienced investor or possess a huge savings fund to get started.

Excitingly—you do not need to be an expert or a millionaire to start investing successfully!

You can easily start with a relatively small pot of funds if you wish to. Besides a small amount of investment dollars, all you truly need is the proper support and the correct investment information. Enlisting the help of a financial advisor is a great way to make this happen to ensure you are heading in the right investment direction from the outset. From there—the investment world really is your oyster.

Here are some of the best options available to you as a first-time or beginner investor:

PROPERTY

All three offer great potential for a decent return on investment if the situation is well researched and found to be a potentially positive opportunity. You could co-invest with another party. Or if you have the funds in place to go it alone. Decisions such as these can be made once you have a fuller view of the current market and the pros and cons of property investment as a whole.

EMPLOYMENT PLANS

If you have potential access to an employer-sponsored retirement plan, then this is a great option to choose for yourself. You can begin investing immediately with small and manageable contributions. You can make investment payments to this kind of 'money pot' that are so small that you likely won't even notice them. You could start with as little as 1% of your working income and build upwards from there if you later choose to.

TREASURY SECURITIES

Very few small investors begin their investment journeys with treasury securities, but it is still an option for you if you wish to take it. Otherwise known as savings bonds, treasury securities are relatively easy to purchase. You can buy fixed-income government securities with maturities that range between 30 days and 30 years. The significant advantage is that they are reassuringly backed by the government, therefore offering considerable peace of mind for beginners. With fiscal denominations as low as only $100, this option can be ideal for investment first-timers.

MUTUAL FUNDS

The ideal choice, for now, investors, mutual funds, is investment securities that allow you as an individual to invest in a wide-ranging portfolio of stocks and bonds with single or incredibly few actual transactions. Mutual funds pool money from public investors and use it to buy up other securities. These typically include stocks and bonds. Some mutual fund companies will require a minimum investment spend, ranging from the comparably affordable ($500+) and the distinctly non-wallet-friendly ($5000+). This could be deemed as a downside, depending on your current or near-future financial flexibility.

CRYPTOCURRENCY

Many small-scale investors find that crypto is a great option for their more modest portfolios. It is an accessible and easy to begin investment option that you can manage entirely online. Depending on the type of cryptocurrency you choose, there will be multiple options regarding investment amount and commitment scale. All you need is an online cryptocurrency wallet, and you can begin making investments right away, diversifying between currencies as much as you might wish to.

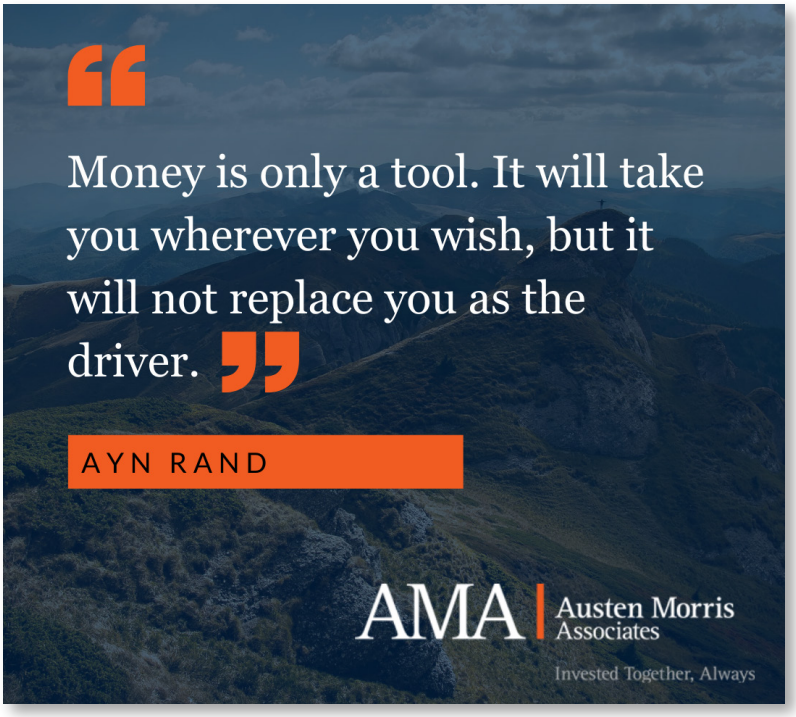
SOME KEY CAUTIONARY ADVICE FOR INVESTMENT BEGINNERS...

There are plenty of ways to get started with small scale and low rate investment no matter what level of experience you might have reached in your financial journey so far. The only thing to be aware of is that any investment amount is still an amount that can potentially be lost. Regardless of the size, some form of risk is always going to be implicated. Therefore, doing your homework on which options would be best for you is always wise. Further to this, you may want to consider the ethical implications of each venture to ensure your values are in alignment with your choices. This is something that a qualified expert can help you with, as it may not always be apparent upon initial observation.

THE WRAP-UP ON SMART INVESTMENT-MAKING

If you are considering any shape or size of investment in the short or long term future, you need the proper guidance to help you navigate successfully. Before going ahead and investing in any market or venture, first consider investing in the services of trained and qualified financial professionals. The right support team for your particular circumstances and ambitions will be able to recommend appropriate pathways for your portfolio—no matter what size or stage of development it might be. Equip yourself with the tools you need to make the best financial decisions available to you at every stage of your financial investment journey.

HIGH-RISK VS. LOW-RISK INVESTMENT—THE REALISTIC PROS AND CONS



When it comes to making a financial investment, risk of some measure is unavoidable. Typically, a wise investor will embrace risk within the right economic circumstances using appropriate research and expert financial guidance. The crucial element, of course, is that of relevant and well-researched knowledge. Naive or ill-informed investors will likely fail in the ventures by taking the wrong risks unconsciously. Successful investors use the correct information to make the right choices at the appropriate times.

Figuring out which risks are the right ones to take comes down to the proper knowledge of the market being considered.

Understanding the key differences between high and low-risk investments is crucial to the potential success of any venture pursued. If you have been hesitant to invest, fearing a lack of knowledge within this area, then you are in the right place!

WHY DO I NEED TO TAKE RISKS? I'M WORRIED ABOUT TAKING THE LEAP.

Risk is fundamental to making investments of any kind. New to the market, investors typically assume that they can hope to eliminate risk entirely with enough research and know-how. They might lead themselves to believe that an investment option can be safely harnessed by applying the right amount of definition to it. If this were true, no one would ever lose any money, so the markets would not exist!

Further to this, the definition of risk varies significantly between individuals also. How you personally or professional define risk comes down to your previous experiences, influences and learning related to the concept. Each deal will present its specific risks. It is down to the investor themselves to decide whether those particular risks are worth it to them or not. These might include financial losses, a risk to credit scores, portfolio damage and business closure.

The best way to proceed ahead of making any investment—regardless of the potential of risk—is to connect with a financial expert who can provide informed and well-researched information regarding the deal and the market it relates to. Not only will this provide crucial peace of mind, but it can also lead you to make better choices with your investment funds. Put yourself in good hands to see the kinds of results you aspire to achieve with your portfolio.

I'M WORRIED ABOUT TAKING THE LEAP.

HOW CAN WE APPLY THE RISK WE'RE TALKING ABOUT?

Volatility has been used by academics many times in efforts to apply it as a proxy for risk. At the surface level, this does seem to make a lot of sense. Measuring volatility in this way can provide a useful numerical measure for risk, which can then be used as a yard line for risk in the longer term. With this approach as a possibility, an investor could, therefore, potentially feel reassured in some way when choosing investment within a market of high or low risk.

Unfortunately, focusing on volatility alone as a representation of risk is somewhat problematic within itself. Although deeming a bond or stock as volatile or otherwise, it does not necessarily define or represent all possible outcomes. Nor does it guarantee the result of the investment itself in any capacity. Volatility might therefore be better understood as a symptom rather than an expected definite result.

Possibility and probability are much more helpful tools with high or low investment risk. It is a preferable option when considering higher and low-risk factors concerning financial investment. For example, if an investor acquires an asset confidently expecting a return of 25%, then they immediately place a measure of the risk of loss to the venture. Essentially, the decided upon 25% sets a measuring stick to measure the success from the moment it is defined.

HOW CAN I IDENTIFY A HIGH-RISK INVESTMENT?

What you need to know most is that a high-risk investment possesses a sizeable measure of capital loss or significant underperformance. Both of these can lead to catastrophic losses for an investor. It is up to you personally to establish whether an investment is therefore worth the risk. You might decide, for example, that a risk factor of over half is not worth your time and investment. However, you might feel that the potential returns are certainly worth the risk involved. This is where a professional financial advisory service comes in very useful.

WHAT ABOUT LOW-RISK INVESTMENTS– WHAT ARE CHARACTERISTICS?

Low-risk investing, there is ultimately less at stake in terms of investment amount or portfolio significance. However, there is also less to gain. There is usually an equally lower potential for significant returns or any other long-term benefits because of the lower risk. Thus, it can be understood that lower risk equates to lower return. However—as a new or beginning investor, low-risk options can be an excellent way to break into the market and build vital confidence.

ANYTHING ELSE I NEED TO KNOW ABOUT HIGH AND LOW-RISK INVESTING?

Yes—you need to know that every financial situation is individual and therefore requires specific appropriate handling. Financial advisors are skilled and experienced in working out the best possible options for every investor based on their position and personal aspirations. Hiring qualified experts will help you know you are making the right choices for your particular circumstances. Further to this, they may suggest options you had not previously considered or known about, such as portfolio diversification. With the correct advice, you can hope to see the returns you genuinely desire within a relatively short period of investment time.

ONE OF US

In 'One of Us', we share intimate conversations with colleagues, thought leaders, and financial experts to educate, enlighten, and entertain you.

This month we caught up with our Africa and North American Regional manager and Partner - Ian Edwards.

Q: Thank you so much, Ian, for taking the time to do this interview. Can we start by letting our audience know a bit about your background and your roles in AMA?

A: I have worked within the International space for over a decade; before that, I worked purely in the local domestic market for financial planning. I have a varied background, which I believe has shaped my career and benefits me today. I have been involved in some great side projects and businesses through my financial advisory career. I was engaged for several years in a company with a South African football legend (and good friend), Andre Arendse. He has played in 2 FIFA World Cups and an ambassador to the game of football. During the South African FIFA World Cup, we were involved in sports development, founding a healthy and safe company that used football as an analogy for identifying workplaces within the gold and coal mining companies.

From an educational background, I hold a commerce degree and was an accredited International business coach. Although I didn't keep this accreditation up, I use the methodologies and principles in my daily life and with my team. I hold both the representative and key individual qualifications in South Africa from a regulatory education, and I have my Series 65 in the USA. This means I can advise throughout all the states in America, including Texas.

Within AMA, I am primarily responsible for managing the interests of my clients, which spans North America, Europe, Africa and parts of Asia. I am responsible for managing the African sales and development interests for the company. This includes managing a team of advisors. For the past year, this has been expanded to developing the North American region. Under my Partner status, my responsibilities are within the group development. This includes responsibilities such as company or client book acquisitions in Europe and America. I have also been involved in technology advancements and look at how best to build on the client experience.

Q: How do you manage your time having two different roles in two continents, Africa and North America?

A: Both territories are key areas for the company and regions we have seen tremendous growth from, so both require individual planning and focus. As the newer territory, the US is one in which we are gaining much traction; it is an excellent market for the AMA group. Fortunately, the time zones lend themselves to allowing the required focus. It does mean longer working days where the evening still remains in the afternoon or early evening in the US, but that I believe part of the journey, nothing great was achieved with half a day's work. Credit must be given to the team that I work with and the Leaders within my teams who support sharing the workload.

Q: Can you tell us about the biggest challenge in your life so far?

A: Perhaps not my biggest challenge but a defining moment in my life. During 9/11 (World Trade Towers attack), I was no more than several meters away from the buildings. This was from the planes crashing into the Trade Towers to the towers falling. This presented some of the most challenging moments to mentally navigate what was going on, what to do, and get out alive. For example, I witnessed the parts of the planes falling in front of the building that I was located to seeing the persons jump from the Towers to be covered in that dust (the cement fragments from the falling Towers). Having to experience that, see the aftermath and then see the resilience of the American people would be my greatest challenge and defining moment. Having seen both the best and worst in humanity has taught me to enjoy life as you don't know what will happen.

Q: How long did you have to prepare for the summit of Kilimanjaro? Were there any unexpected surprises along the way?

A: The Kilimanjaro climb was part of a fundraising activity with the Laureus Sport for Good; the ascent was with Martina Navratilova for her fundraising year. So the preparation was both from getting used to the hiking (as I don't really hike) and for doing our part to raise funds. In my own preparations, the SA team went for a few simulated climbs, using the terrain in South Africa to simulate what we could expect. It was to get used to the gear and secondly condition the body. There were quite a few unexpected events; firstly, there was snow towards the higher part of our climb, so we had to hike through this. Secondly, Martina came into the climb a little under the weather. During the climb her health started to decline; the altitude played a significant role in this. On one of the last nights, a call was made, and Martina was rushed down to a more acceptable altitude. A full recovery was made. It was a pleasure to have met such an International sporting legend. Overall, this remains a bucket list item tick and a proud moment to reach the highest peak in Africa.

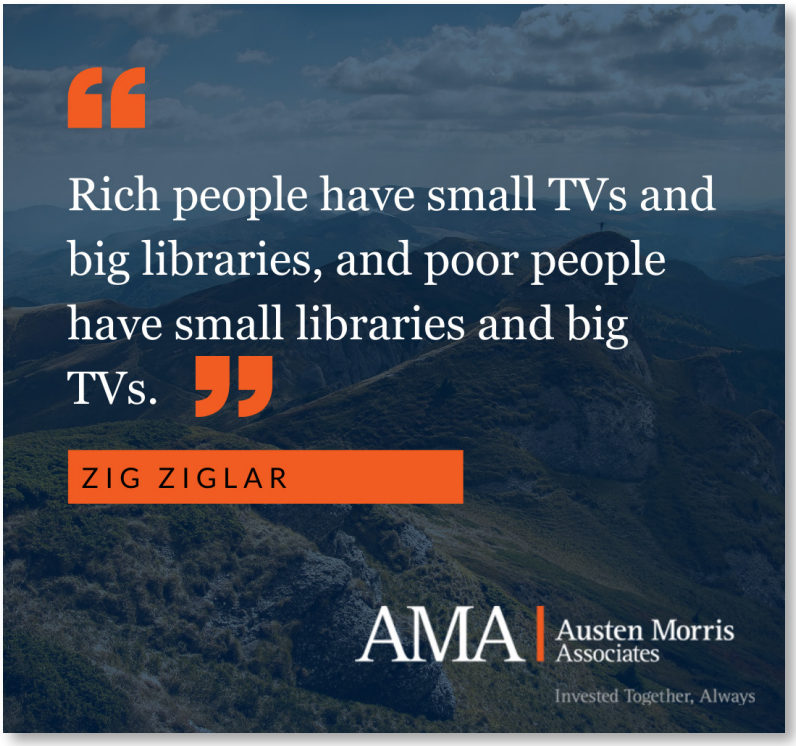
Q: Outside of work, what keeps you going? What's your passion?

A: I do believe in maintaining a balance between mind and body. I am an avid father, so I relish the time spent with the family and ensure a good amount of time is spent with our two beautiful daughters. Keeping active is an essential part of my week; apart from having some time to myself, it is a moment to 'unwind' and get some endorphins flowing. I have a keen passion for business in general; this is backed by a passion for personal development. I am an avid podcast and audiobook listener. Often I will take a 20-minute break to have a walk and listen to either a new area/skill I want to gain knowledge in or to build upon from a development perspective. I have a particular passion for mental resilience and building mental strength. I think this topic has been no greater tested than through the COVID pandemic. Such lessons learnt I relay to the team to assist in sales training and supporting in their own growth and development.

Q: What do you enjoy most about being a financial advisor? What makes you love your job?

A: I really enjoy working with the clients that I get the privilege to advise. To hear their backgrounds and what they are involved in. I am solutions-driven, so I enjoy providing scenarios or planning on this for them. Secondly, I enjoy the breadth of learnings and solutions within our industry, so the days are hardly similar to each other. I love my job as I love this industry and all that it offers.

MEET THE INVESTMENT ALPHAS – YOUR GUIDE TO BULL AND BEAR MARKETS



If you have heard the terms 'bull market' and 'bear market' but not been entirely sure what they implicate, then you are in the right place. Further to this, you are not the only investor who has pondered both the relevance and the potential significance of each one. Perhaps you have done some initial online research and not found the clear answers you were hoping for. Within this article, we are going to explore what each of these key terms really means—including the benefits they can potentially offer your current financial position.

Within an economic context, bull and bear are investment terms. They are commonly and frequently used within the investing world to describe the conditions of the market itself at any one time.

Essentially, they are terms that define how well a market is doing in a general sense for quick reference and communication. Perhaps the demand is skyrocketing, or it might have suddenly plummeted due to unforeseen depreciation.

As the age-old saying goes, time is money. Therefore quick terms such as bull and bear and similar can be very useful when you need to get straight to a point within a pressurised timeframe or environment. Further to this, if you are serious about investing in the short or long-term future, you need to get comfortable with the terminology. Thankfully—this guide article to bull and bear markets are here to make your life a great deal simpler and easier to get to grips with.

LET'S START WITH THE BULL

A bull market is fundamentally an investment market that is on an upward rise. The economy-related to it is deemed sound and reliable—termed as 'bullish' many investors actively pursue these markets with aspirations of seeing positive returns within such a potential positive environment. It is most commonly used in reference to the stock market, but equally, it can be applied to anything that is traded, including real estate, currencies and commodities.

Bull markets are typically defined by the market behaviour of rising price values over a sustained period. Essentially—a bull market indicates inflation in the price of a particular company's shares. When this occurs, investors can feel encouraged that the upturn will hopefully continue over a longer or more sustained period. In such a market situation, the local or national economy is understood to be reliably strong with high employment levels and similar supporting factors.

OKAY–
NOW WHAT ABOUT BEAR?

Invariance to the bull market, a bear investment market is understood to be riskier. It is experiencing ongoing price declines. They are a complete contrast to the bull market. They are commonly understood to be more dangerous to invest in, with equities losing value and price levels becoming volatile and relatively unpredictable as a result. Many investors choose to withdraw their money when they observe bear market behaviours, preferring to reserve their funds until the market shows more positive recovery and potential prosperity.

Any particular market in any economic context is only considered a bear market when it has fallen 20% or more from any recent highs it has experienced. Within a bear market, share prices are continually and consistently plummeting. The apparent drop is consistent and significant. The downward trend indicates to investors that such a trend will continue making them undesirable to both new and established investors of all portfolio size.

Interestingly, this shared belief and common understanding further contribute to the economy slowing down even further as investors withdraw their funds. The environment is deemed inhospitable for further investment at that time. The unfortunate side effects of bear markets are the laying off workers and similar spending by the company as it attempts to cut losses and recover as a profitable organisation.

THE INVESTOR PSYCHOLOGY YOU NEED TO KNOW

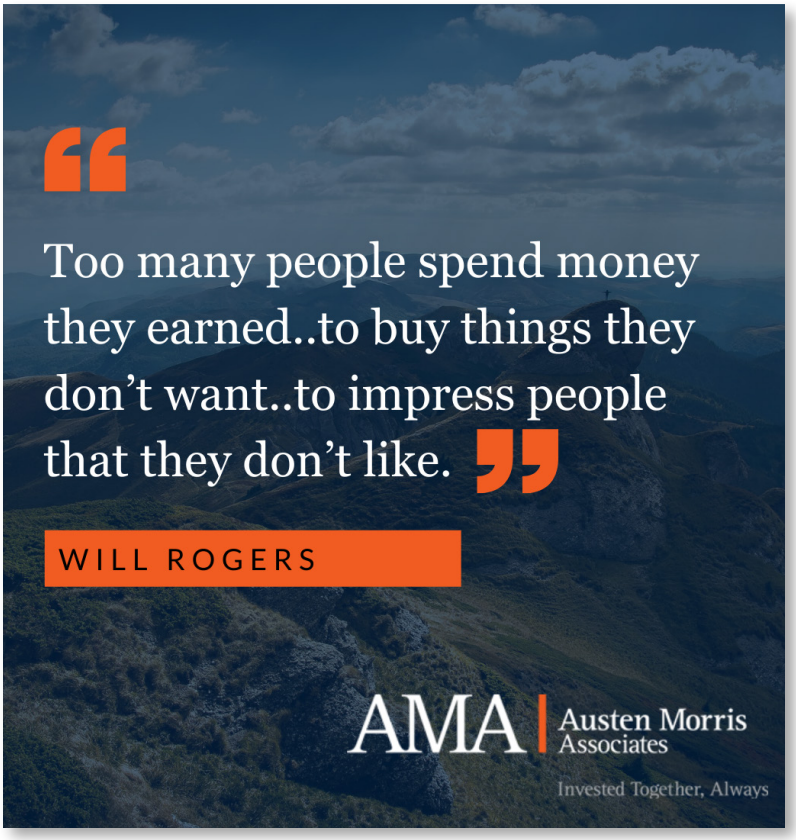
Because the way ultimately determines the behaviour of a financial market, each individual investor or market expert perceives and reacts to the current behaviour of it. Investor psychology and personal feeling hugely affect whether a market rises or falls, especially when the investment they make (or do not make, as the case may be) might be. Within an established bull market, for example, investors will likely invest heavily in pursuing their aspirations of significant profit experience for themselves.

Fears born from previous experience of sizeable financial loss can implicate an investor to rapidly withdraw funds or cancel investment plans where a bear market becomes apparent. They may choose to hesitate in investing, meaning the market plummets even further than it already has done. Any decline in stock market prices tends to implicate investors keeping their money out of any such particular declining market on either a temporary or permanent basis. No one wants to lose money—and this fundamental feeling will always be the underpinning of any investor's financial decision making.

ESSENTIAL KNOWLEDGE FOR BULL & BEAR BEGINNERS

Bull and bear markets both equally have a significant impact upon investment decision making. Before you rush ahead and dive into an investment of any kind, it is extremely wise to familiarise yourself first with the health of the market you are considering putting your money into. Seeking the advice of a qualified financial advisor experienced in market investment will provide the information and reassurance you need to thrive within your endeavours. Accessing the right kind of support from the proper teams will lead you to the success you hope to achieve in the short and long term future—bull and bear markets all considered.

PERSONAL FINANCE, MENTAL HEALTH AND WELLNESS – HOW DO THEY RELATE?



Financial management is not commonly associated with personal wellbeing, yet the two are inextricably linked. We might consider the health of our bank balances as something entirely separate from our physical and mental health. We might tell ourselves that the amount of money we have (or do not have) has little to no bearing on how we feel day to day. In fact, our financial circumstances have more impact than we might first realise.

Anyone who has ever shared thoughts along the lines of "money doesn't make you happy" has possibly never been in dire financial difficulty at any time. The stress and anxiety of not having enough money to pay bills or debts are agonising. It can trigger short and long term mental health problems. It can also lead to relationship difficulties depending on the severity and longevity of the situation.

MONEY IS INTEGRAL TO DAILY LIFE

Finance is undeniably a significant part of our lives. No matter our relationship with finance, we cannot avoid its presence within our daily existence. From keeping a roof over our head to ordering a coffee on the way to work, we need money to participate in modern life. When our relationship with money becomes negative or toxic, it can affect our emotional balance and sense of confidence.

Much of our association with money connects back to how it was first introduced to us. We each have unique interpretations of finance depending on our childhood upbringing and our previous experiences. If we grew up in a household of affluence, we might expect the same standards later on. Being raised in a family that fought against waves of debt might implicate a fear of spending or an irrational impulse to overspend.

DEALING WITH MONEY STRESS

The key to overcoming financial stress is to face our relationship with money straight on. We must embrace our feelings about finance to acknowledge their validity within ourselves. There is no 'wrong' or 'right way to go about doing this. The important thing is to set aside quality time to consider each behaviour and response that triggers when handling money tasks. Honest and limitless reflection is what will lead to profound growth and authentic progress.

Money is not something to fear—even when debt or financial crisis might occur. Hiding from financial issues leads to more problems than it solves. Particularly in the case of unpaid money borrowing, a minor problem that is ignored only leads to significant problems later down the line. It is entirely possible to shift our perspectives to become much more positive to ease stress and redefine negative associations.

Here are some simply positive practices to build a happier, healthier relationship with finance:

POSITIVE REPETITION

Building healthy money habits into daily life will reduce your stress levels and help you achieve a healthier sense of personal wellness. Try writing out some positive affirmation statements to get your mindset in the right place. You could start with, "I am financially able and in control' or, "I can overcome any challenge I am faced with", or, "I will attract the financial opportunities I need to thrive". Place each of these statements in a place you will regularly see them, such as a bathroom mirror or fridge door. You could even save one as your desktop or smartphone screen background!

HONESTY PRACTICE

Avoiding money handling creates more problems than it solves. You might feel tempted to push bills and statements to the back of a drawer, but they will not stop being present within your consciousness. There are a variety of banking apps and financial management apps that can be incredibly useful (and often cost-free) resources. Make a habit of checking your bank accounts once a day so that you stay up to date with all of your incomings and outgoings. The more you do this, the less intimidating it will become.

CONSCIOUS MINDFULNESS

By improving your emotional health, you will achieve a much greater sense of personal wellbeing. Whether it is meditation, stress-relieving exercise, social time with friends or spending time in the great outdoors—find uplifting ways to release any built-up pressure. From a calmer perspective, you will feel more capable of accomplishing daily financial management tasks and make better choices for your future. The proper perspective will make money handling a truly positive part of your life.

GETTING THE RIGHT SUPPORT

If you are struggling to get a hold of your emotions with money, then this needs to be addressed sooner rather than later. You deserve to enjoy a positive relationship with your finances and a healthy sense of wellness within yourself also. If money worries seriously affect your emotional balance and sense of peace, this needs to be addressed. Thankfully, there are many sources of help available to you.

Professional financial advisers can explain more efficient methods of strategy and organisation that you may not have been aware of previously. Expert professionals can simplify financial handling to make any process feel more manageable for you. Such leadership can feel empowering to someone who might previously have struggled to cope with their financial situation.

You might also benefit from a course of therapy from a qualified mental health professional or personal motivation expert. You will be able to realign your associations with money to help you build an enjoyable relationship with economic handling. It is not a weakness to seek help when you need it. In fact—it is an incredible sign of individual strength and personal awareness.

SO WHAT'S THE TAKEAWAY?

Seek the help of a financial professional to help your finances to become a healthy part of your mind and body wellbeing. Your future self—and bank account—will be very glad that you did!

GROW FINANCIALLY WITH AMA

At Austen Morris Associates, we know how the right financial decisions can make all the difference to your long-term security, quality of life and the realisation of your dreams. We also understand the importance of working closely with you over the long-term to understand your unique needs and help to meet any challenges along the way.

Since 1994, we have been committed to the core values of trust, professionalism and partnership to the benefit of our International Clients around the world, resulting in the successful long-term relationships that are the foundation of Austen Morris Associates today. As Independent Financial Advisors, we provide unbiased advice and give you access to the world's top investment management groups.

Our Consultants offer a wealth of experience in providing a full spectrum of financial advice. Our commitment to ensuring your peace of mind reinforces our focus on trust and partnership. By focusing on your specific needs and situation, we tailor plans to reach your financial goals while maximising the benefits of international investing.

Austen Morris Associates is a truly international company with its global registered office in Seychelles and wholly-owned registered offices in China, South Africa, Hong Kong, Mauritius, the USA and the Philippines. To begin your journey towards total financial security, we invite you to meet with one of our Consultants to understand our financial planning approach and why our clients become loyal and long-term partners.

Get in touch with us today for a free no-obligation consultation.
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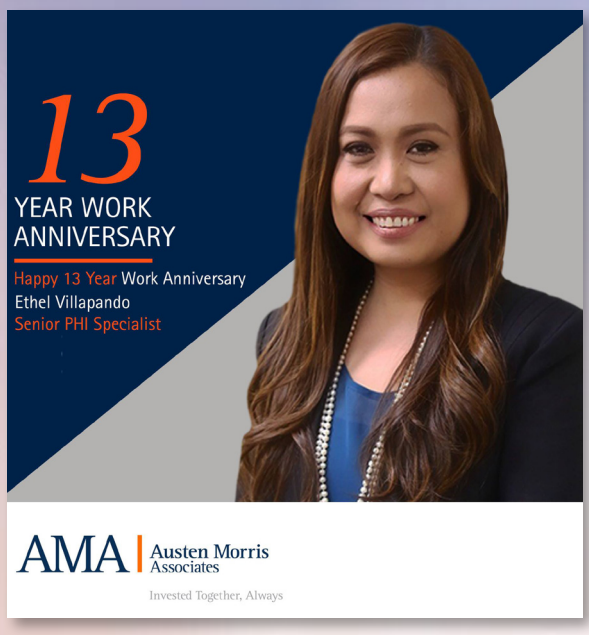
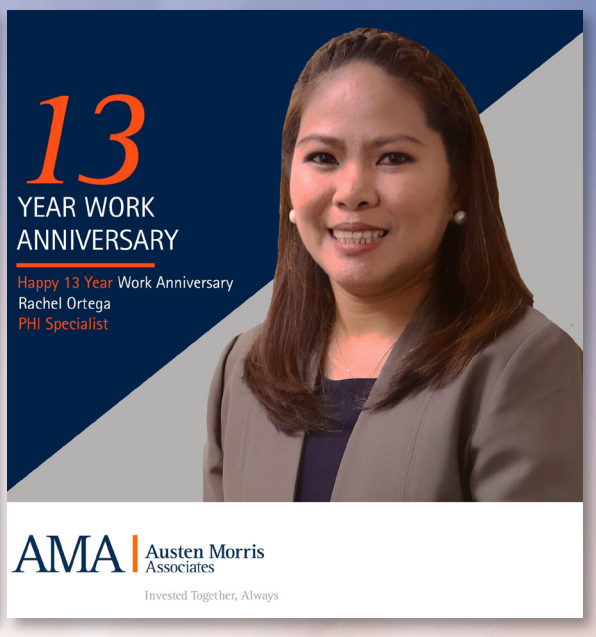
CELEBRATING SUCCESS





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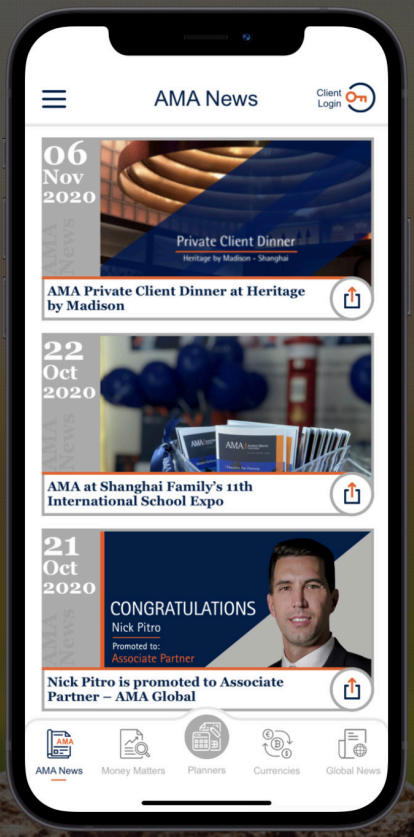

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