


BECOME FINANCIALLY FREE WITH MINUMERO11



**GUIDE TO  
= FINANCIAL =  
FREEDOM**

SAY GOODBYE TO YOUR BOSS AND  
SAY HELLO TO DOING WHATEVER  
YOU WANT, LIVING WHEREVER YOU  
WANT, HELPING WHOMEVER YOU  
WANT ELIMINATING MOST OF THE  
RESTRICTIONS ON YOU LIFE.

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# GUIDE TO FINANCIAL FREEDOM

BECOME FINANCIALLY FREE WITH MINUMERO11

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## ABOUT ME



My name is Jesús Domínguez, a spanish guy who has lived, worked and invested in Europe, Asia and South America since 2001.

In college, I studied law—not finance—so my interest in financial market was first sparked by investor behavior—not math.

I have almost a decade's worth of experience in trading, investing, portfolio management and risk management.

My dream is to become financially free by 2020 in order to do whatever I want, live wherever I want and help whomever I want eliminating most of the restrictions in my live and help as many people as possible become financially free on the back of my strategy in Etoro.

## FIRST STEP: KNOW YOURSELF

Investors can learn a lot from the famous Greek maxim inscribed on the Temple of Apollo's Oracle at Delphi: "Know Thyself". In the context of investing, it's all about understanding your current financial situation, your goals and your risk profile:

- 1. FINANCIAL STATUS:** It all starts with understanding your personal financial situation today. How much are you worth? How much do you owe? How much do you need day-to-day? Only when you have a clear understanding of where you are can you properly plan for your future.
- 2. FINANCIAL GOALS:** Money is a tool. It allows you to accomplish or acquire certain things in life. As an investor, you need to decide what you want to accomplish with your money and when.
- 3. RISK PROFILE:** Whether you're a first-time investor or a seasoned pro, a key element of wise investing is understanding your **risk tolerance**. One of the most important tenets of investing is the close relationship between risk and returns. Without risk, there can be no returns. You should be willing to assume more risk if you are seeking greater returns. Before you can decide whether to invest in *Minumero11* or not, you need to consider how much or how little risk you are prepared to take with your money. Your risk tolerance can be affected by:
  - **TIME HORIZON:** The amount of time you have to meet your financial goals and to make up for any losses you might experience. People with long time horizons may be more willing to endure periodic fluctuations in the value of their investments.
  - **CASH REQUIREMENTS:** The extent to which you depend on your investments to meet day-to-day expenses. Investors who rely on their investments to meet daily living expenses will be much less comfortable with the risk of losses.
  - **EMOTIONAL FACTORS:** Your emotional response to risk and to changes in the value of your investments. Some people are quite comfortable with the ups and downs of the market, while others lose sleep when their investments fluctuate in value.

Peter Lynch, one of the greatest investors of all time, has said that the "key organ for investing is the stomach, not the brain". In other words, you need to know how much volatility you can stand to see in your investments. Figuring this out for yourself is far from an exact science; but there is some truth to an old investing maxim: you've taken on too much risk when you can't sleep at night because you are worrying about your investments.

## HOW I INVEST

Investors who **follow a carefully planned set of guidelines** have a higher success rate than those who act on their emotions or make frequent changes based on the events of the day. I have designed an investment approach that will allow my copiers to capitalize on the long-term, while not allowing temporary activity in the markets to interfere with our decision-making process.

Two of the central tenets of my investment process are **portfolio construction** and **risk management**. I believe that thinking and acting for the long-term is paramount. Behavioral counseling, a balanced investment plan and consistent communication are the tools I employ to help my copiers utilize "**time arbitrage**" to their advantage.

While the **long-term** is the only time frame that truly matters, I recognize that the long-term is not where life is lived. This is why I created a low-cost, systematic risk management strategy to ensure that my copiers can handle periodic volatility without abandoning their investment plan.

With a constant focus on risk management, I am always looking to **balance shorter-term fears with longer-term needs and objectives**, so that my copiers can remain comfortably committed to their plan.

## BRIEF DESCRIPTION OF *MINUMERO11*

*Minumero11* is both a **low risk and well-diversified portfolio** composed of:

1. **EQUITIES => +2000 high-quality companies** around the world which spans over 25 separate industry groups.
2. **FIXED INCOME => AAA-rated US Treasuries bonds** and **U.S. high yield corporate bond** yielding monthly dividends.
3. **REAL ESTATE => U.S. real estate companies and REITs.**
4. **COMMODITIES => Gold & Oil**
5. **CASH**

*Minumero11* has a long-term orientation and it aims to yield **100% return every 5 years** to its investors irrespective of the economic cycle. The strategy's main objective is to "**buy fear**" and "**sell greed**" in order to achieve maximum profitability -contrarian investing-.

# GUIDE TO FINANCIAL FREEDOM

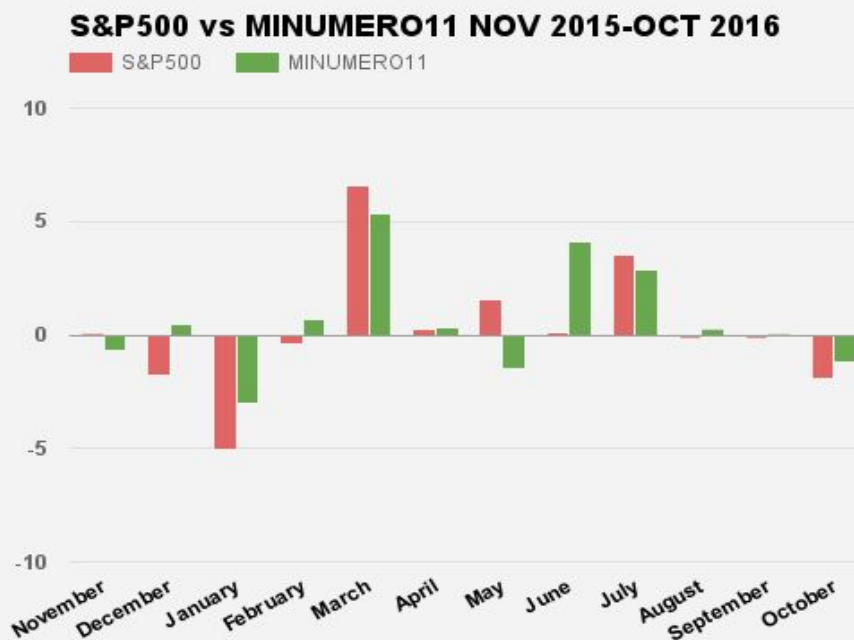
BECOME FINANCIALLY FREE WITH MINUMERO11

A contrarian approach refers to a style of investing that is against, or contrary, to the prevailing investment trend.

*Minumero11* will not fall into the folly of trying to forecast what the markets will do, **focusing in the process and not the outcome**. By focusing upon process, we maximize our potential to generate good long-term profits. *Minumero11* will not use forecasts or emotions to guide its decisions but **facts, logic and reason**.

*Minumero11* will invest additional amounts in its financial instrument if it declines in price after the original investment is made. This will bring down the average cost of our assets leading to greater returns. I firmly believe this to be a cost-effective approach to wealth accumulation. *Minumero11* has **unlimited capital** to buy at bargain prices indefinitely in case the world plunges into another recession.

Lastly, please be aware that thanks to *Minumero11*, you will be granted access to a strategy that needs a large amount of capital in order to be successfully implemented.



## ASSET ALLOCATION

I have established an appropriate **dynamic asset mix** that plays a key role in determining my portfolio's overall risk and return by apportioning assets to my portfolio according to my individual goals, risk tolerance and investment horizon.

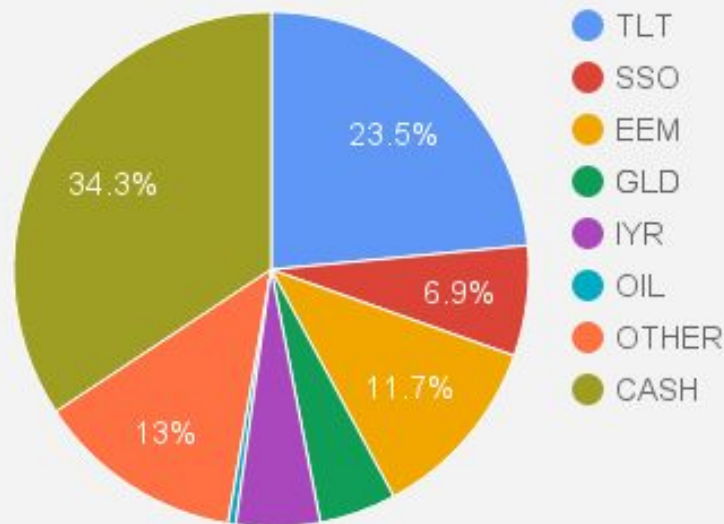
# GUIDE TO FINANCIAL FREEDOM

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I constantly adjust the mix of my assets as markets rise and fall, and as the economy strengthens and weakens. With this strategy I buy assets that are declining and sell assets that are increasing continually rebalancing my portfolio.

My 9 main asset classes - equities (EEM, SSO, EFA), fixed-income (TLT, HYG), U.S. real estate companies and REITs (IYR), gold, oil and cash - have different levels of risk and return, so each will behave differently over time.

## CAPITAL ALLOCATION NOV 2016



- **EFA (equity)**

**EFA** gives me exposure to **900+ stocks companies** in Europe, Australia, Asia and the Far East like Japan, United Kingdom, France, Germany, Switzerland, Australia, Hong Kong, Netherlands, Spain, Sweden, Italy, Denmark, etc.

I invest in **EFA** to diversify internationally and seek long-term growth in my portfolio.



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- **SSO (equity)**

SSO seeks daily investment, that correspond to two times (2x) the daily performance of the **S&P 500**. The **S&P 500** is an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ.

I invest in **SSO** to diversify internationally and seek long-term growth in my portfolio.



- **EEM (equity)**

**EEM** gives me exposure to 800+ large and mid-sized companies in emerging markets like China, South Korea, Taiwan, India, Brazil, South Africa, Mexico, Russia, Indonesia, Malaysia, Thailand, Philippines, etc. Many emerging markets tend to grow faster than those in developed countries, and this fund's underlying index attempts to hold the shares of successful companies that are driving that growth.

I invest in **EEM** to diversify internationally and seek long-term growth in my portfolio.



- **IYR (US real estate)**

**IYR** gives me exposure to U.S. real estate companies and REITs (Real Estate Investment Trust). I invest in special, retail, residential, office, healthcare, industrial, hotel & resorts REIT's.

I invest in **IYR** to diversify my portfolio and to seek income.



- **TLT (fixed income)**

**TLT** gives me exposure to long-term **AAA rated** U.S.Treasury bonds with remaining maturities greater than twenty years yielding a monthly dividend.

I invest in **TLT** to diversify my portfolio and to seek income.





- **HYG (fixed income)**

**HYG** gives me exposure to broad range of U.S. high yield corporate bond yielding a monthly dividend.

I invest in **HYG** to diversify my portfolio and to seek higher income.



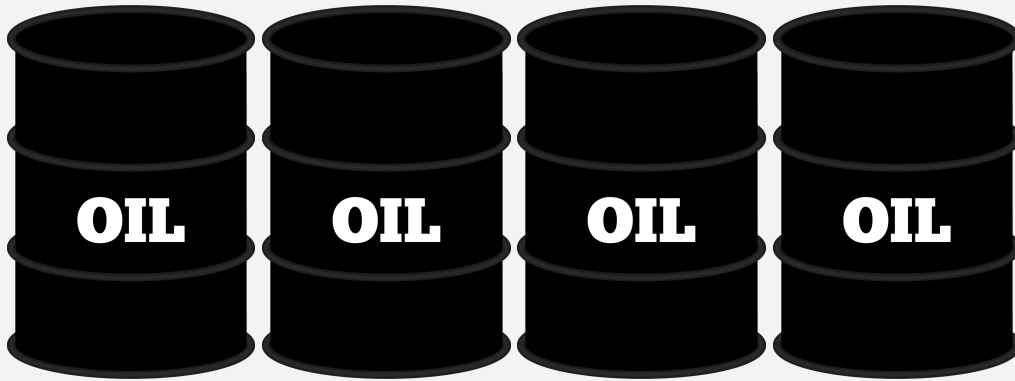
- **GOLD (commodity)**

I invest in **GOLD** since I consider to be an important part of a diversified investment portfolio because its price increases in response to events that cause the value of paper investments, such as stocks and bonds, to decline. Although the price of gold can be volatile in the short term, it has always maintained its value over the long term. Through the years, it has served as a hedge against inflation and the erosion of major currencies, and thus is an investment well worth considering.



- **OIL (commodity)**

Oil is still the source of energy in the entire Universe. Almost every individual operations and activities give thanks to Oil. I think because of its necessity, Oil forms part of the most rewarding businesses in the world.



- **CASH (liquidity)**

But when it comes to investing, cash plays a more workman-like role in a well-crafted portfolio. It provides me with some insulation against market gyrations, and positions me to take advantage of opportunities that might arise – in and out of the stock market.



## MAIN OBJECTIVE: BECOME FINANCIALLY FREE

*Minumero11*'s main target is to help me -and all my "long-term" copiers in Etoro- fulfill my lifelong dream of **becoming financially independent and retire early**. I would like to ask you the following questions:

1. Do you dream of becoming financially independent?
2. Do you want to have sufficient personal wealth to live without having to work actively for basic necessities?
3. Do you have the **money, TIME and DISCIPLINE** to fulfill this dream?\*

If you've answered **YES** to all of them, you are in the right place at the right time. I have developed a 5-step system called "The *Minumero11* Program" which is going to make this "utopian" dream come true.

\*One of the mantras of investing is long term patience. It's difficult because we live in a society where faster is better and has taught us that the path of least resistance is the best one leaving little room for patience. However, and despite any random short-term ups and downs, *Minumero11* should appreciate over time.

## *MINUMERO11* PROGRAM: 5 BABY STEPS TO BECOME FINANCIALLY INDEPENDENT

Baby steps work because of focus and priority. It's like building the house of your dreams; you can't build it all in one go. But if you break it down into smaller steps and pour all of your attention, energy, and passion into one thing at a time, you can do anything.

1. **KNOW YOUR FINANCIAL FREEDOM NUMBER and update it on a yearly basis:**

### FINANCIAL FREEDOM NUMBER FORMULA:

$$\text{FFN} = \text{Yex} * 5 + \text{CgTax} + \text{IR}$$

**FFM** = FINANCIAL FREEDOM NUMBER

**Yex** = Yearly expenses => (*MONTHLY EXPENSES* × 12)

**CgTax** = Capital gains tax you would have paid based on your yearly profits

**IR** = Inflation rate in your country (cost of living)

2. **LIVE WITHIN/BELOW YOUR MEANS AND PAY YOURSELF FIRST** => Earn more than you spend and set aside a fixed amount on a monthly basis. The more you save

the closer you are to become financially independent. Nothing is more important than discipline when it comes to saving money and building wealth over the long haul.

- 3. INVEST ON A MONTHLY BASIS =>** Invest your savings in *Minumero11* every single month (**monthly contribution**) and make a habit out of it until you reach your **financial freedom number**.

This is going to be the most challenging part of the program. Successful investing in *Minumero11* requires 2 parts in equal measure:

- Know the techniques to analyze the assets in which we are going to invest. Don't worry about this point since this is my job as a trader & investor.
- Ability to stick to your **discipline** even when the market, investor sentiment and media outlets scream you are wrong. Discipline is hard and it requires **patience and the belief in the process**. When you bet against the market as a value investor, you often stand alone. **It takes courage, discipline and independent thinking to stick to your convictions.**

**An automatic investment plan is the cornerstone upon which wealth is built.**

When you invest a fixed amount of money on a monthly basis, you buy some assets at a higher price and some at a lower price due to market fluctuations. When the asset declines, your fixed dollar amount will buy more of it. Over time, the average cost of your assets should be lower than the current market price.

- 4. Keep your financial freedom number** invested for the next **5 YEARS** to make compound interest work for you.
- 5. ENJOY LIVE TO THE FULLEST =>** Congratulations, you've made your dream come true. You have just become financially independent. You may now live comfortably off your investments with no debt whatsoever and start withdrawing your monthly expenses from your Etoro account. You may quit your job, say goodbye to your boss and say hello to doing whatever you want, living wherever you want, helping whomever you want and eliminating most of the restrictions on you life.

*Jesus Domínguez*

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