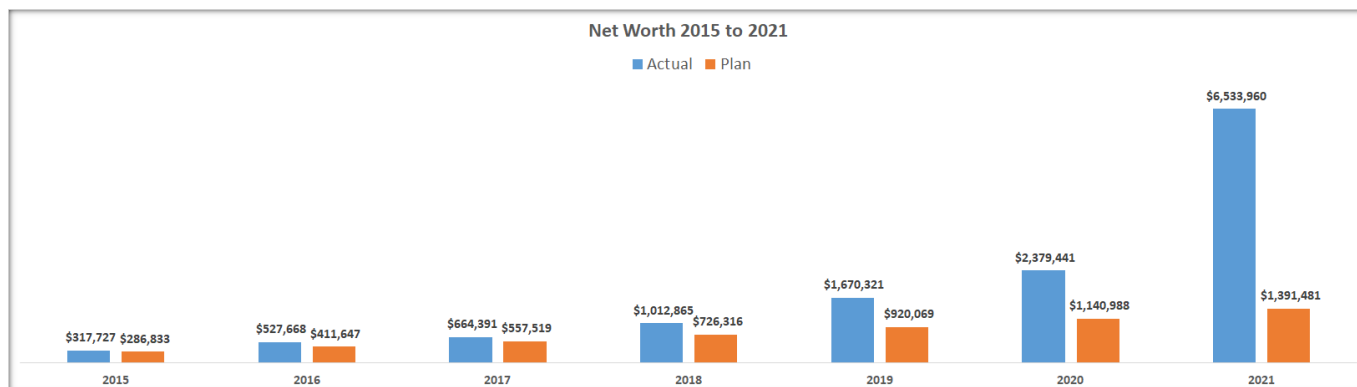


July 2021 - Detailed Financial Report #79 - Net Worth \$6,533,960

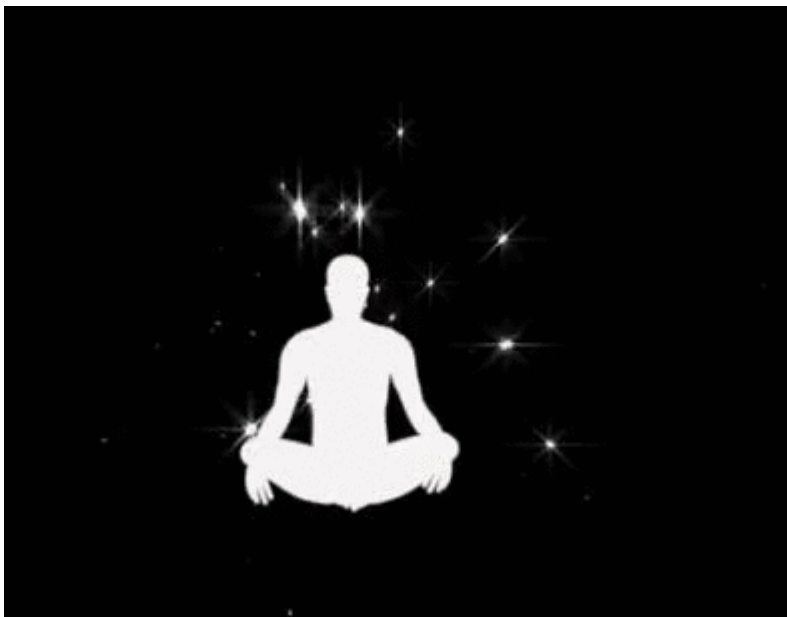
I'm going out on a limb this month to include the value of my business in this month's report, since we are officially 30 days from close as I type these words. If last month was a huge milestone, this month was a quantum leap as our net worth is more than doubling month over month. It all started 79 months ago when I concocted this big hairy audacious goal that even my wife thought was crazy. Not only has it come to fruition, it has happened on an accelerated timeline because the plan never contemplated any x-factors, such as the one facing us now. For the newer readers, the [original goal was to build a \\$10M net worth](#) over 20 years starting in 2015 when I was 28 and to cross the finish line in 2035 at 48 years old. We (the GYFG's) have smashed every milestone related to both income and net worth, which is how we find ourselves 65% complete when the original plan called for us to be no more than 14% by the end of 2021.

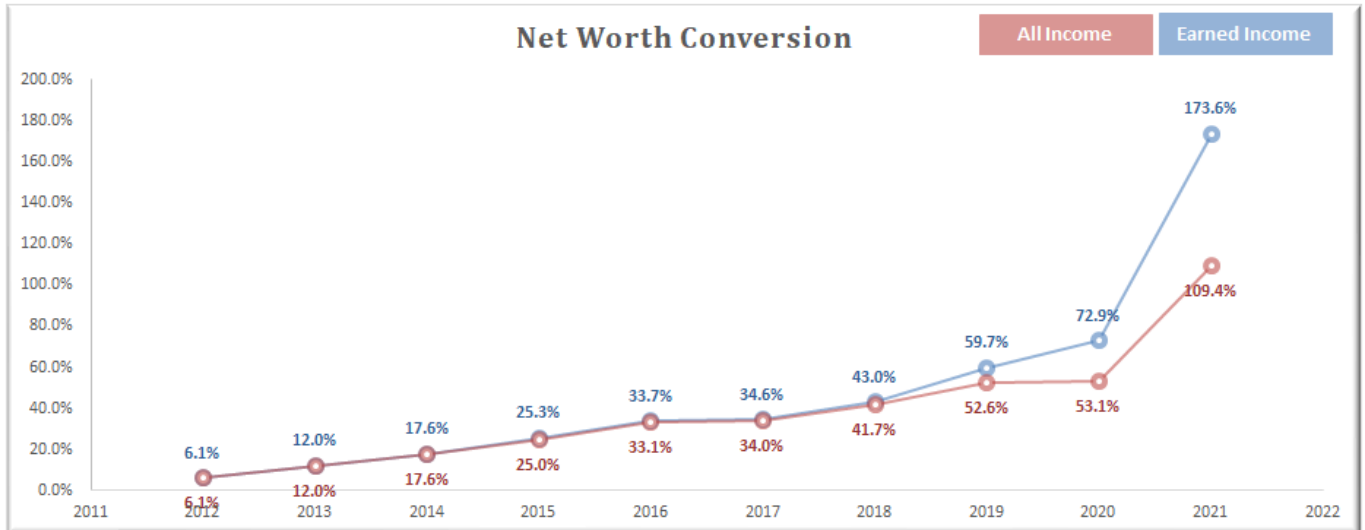


Anyone that has been following along for any length of time has realized by now that I am pretty conservative in both my forecasts and even my actual net worth. I've had a growing business for 28 months now. From [day 1](#), I [started building to eventually exit](#). One could argue that my net worth has been perpetually undervalued since 2019 when I started the business and it started producing profits. I had certainly been valuing it since the beginning but wasn't ready to include it in my net worth figures until a liquidity event was highly probable - I'd say that 30 days to close checks this box. Unlike some, I tend to prefer illiquid investments that rarely get "marked to market" because that not only keeps me disciplined from trading in and out but it has the added benefit of keeping me focused on the levers

that are in my control: (1) minimizing taxes, (2) increasing income, (3) maximizing our savings rate, and (4) mitigating risk before entering an investment. Some may disagree, but I believe as an investor you have little control over the returns that your investments make from year to year. I'd also add that if you have the right filter that a premium can be earned for choosing illiquid investments over liquid ones.

Last month, the big milestone was *Financial Independence*. This month it's *Financial Nirvana*, which I defined way back when as the point at which your net worth exceeds your lifetime earned income (see [Net Worth Conversion Ratio](#)). You can build wealth either through labor or through capital. The goal is to eventually get to a point that labor becomes optional and your capital does all the hard work for you.





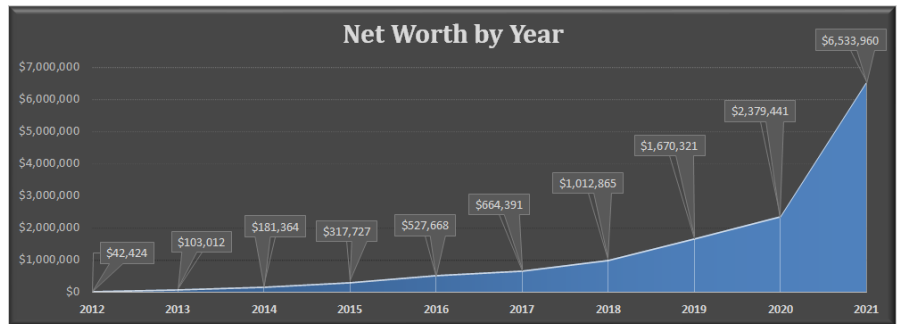
With that, let's dive into the financial update, and go through the details of this month's update.

Financial Dashboard

I remember when I first created this financial dashboard back in 2015 and how [that first update](#) I shared had us at less than 2% of the way to our \$10M goal. Here we are, six and a half years later, 65.3% of the way there. The most astonishing thing to me is the compound annual growth rate (CAGR) we have been able to maintain since 2012. Our income has grown at a robust 26.1% CAGR. Even more mind-blowing is that our net worth has been compounding at a 79.8% CAGR during that same time period.

NET WORTH TRENDS

Year	Actual Net Worth	YoY % Change
2012	\$ 42,424	
2013	\$ 103,012	143%
2014	\$ 181,364	76%
2015	\$ 317,727	75%
2016	\$ 527,668	66%
2017	\$ 664,391	26%
2018	\$ 1,012,865	52%
2019	\$ 1,670,321	65%
2020	\$ 2,379,441	42%
2021	\$ 6,533,960	175%
2022		
2023		
2024		
2025		



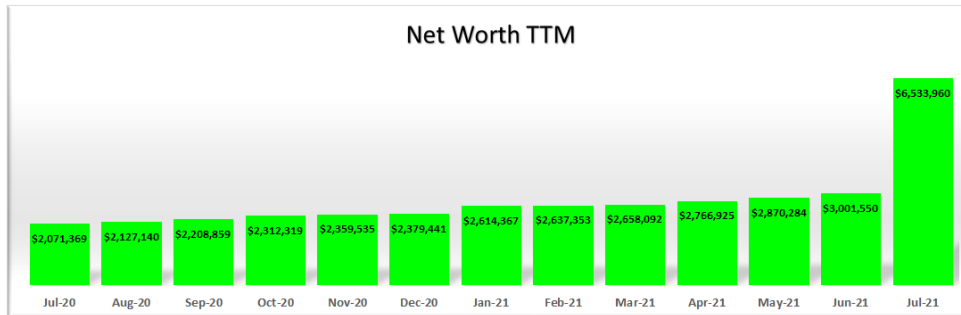
TOTAL ASSETS	\$	6,839,676
TOTAL LIABILITIES	\$	(305,716)
NET WORTH	\$	6,533,960

Goal: \$10,000,000 by January 31, 2035

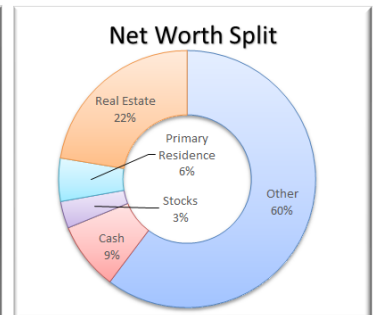
65.3% Of Net Worth Goal

Everyone has a number and ours is \$10,000,000

Net Worth TTM

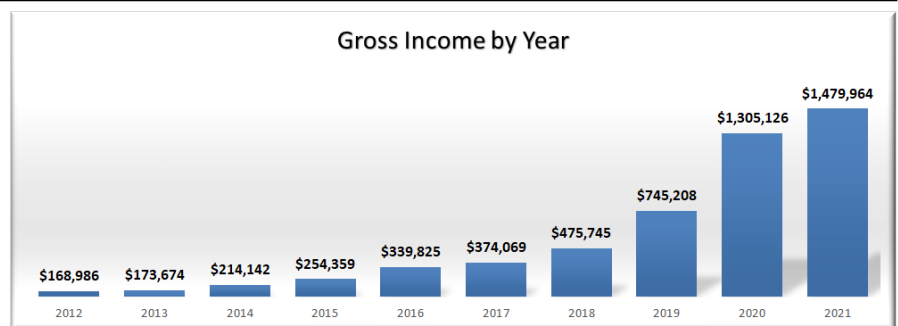


Net Worth Split



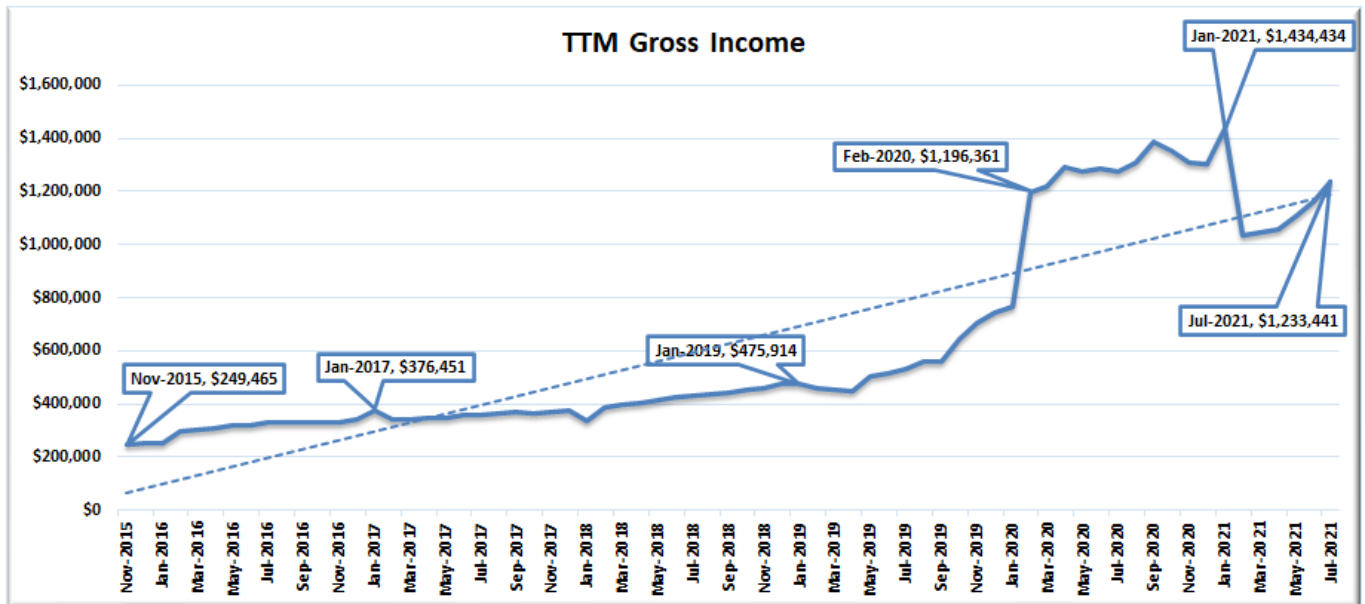
GROSS INCOME TRENDS

Year	Gross Income	YoY % Change
2012	\$ 168,986	
2013	\$ 173,674	3%
2014	\$ 214,142	23%
2015	\$ 254,359	19%
2016	\$ 339,825	34%
2017	\$ 374,069	10%
2018	\$ 475,745	27%
2019	\$ 745,208	57%
2020	\$ 1,305,126	75%
2021	\$ 1,479,964	13%
2022		
2023		
2024		
2025		



TTM Gross Income

The income figure I like to track most is our Trailing Twelve Month (TTM) gross income. After falling off a cliff in February we continue to climb towards our previous peak of January 2021, tracking to not only exceed our 2020 annual income but also to surpass our all-time high set in January of this year.



Net Worth

Current Net Worth: \$6,533,960 (up \$ \$4,154,519 or +174.6% for 2021)

Previous month: \$3,001,550

Difference: +\$3,532,410

The majority of our net worth that isn't cash or stocks only gets re-valued periodically and I currently think our net worth is understated, which means we will periodically have large and lumpy changes to it. One of the drivers for the larger increase this month is finally including the shadow net worth figure related to the value of the equity I have in my business.

Net Worth Break Down:

Real Estate (22%) - This is a mixture of private placement deals, equity, debt, and crowdfunding.

Primary Residence (6%) - I decided to split this out on its own because it is

something I do want to manage separately from our overall holdings in Real Estate. Our primary residence currently makes up 6% of our total net worth (down from 23% in September 2020). I expect the concentration to continue its downward trend until we move into our new house in the next three to six months – move in date is a moving target.

Net Cash (9%) - We currently have \$569,000 in cash vs. \$519,000 last month.

Alternatives/Other (60%) - This is a catch-all category that captures our investments in the following: [life settlements](#), a [special purpose acquisition company](#) (SPAC), a private investment in the Robinhood trading platform, Bitcoin, and the newest addition of Bowery Farming – a vertical farming company that recently closed [a \\$300M in a Series C funding round](#) that I was lucky enough to participate in. **This now also includes the value of the equity I own in my business. A large part of this will shift from this bucket to the cash bucket when the transaction I'm involved in closes at the end of August.**

Stocks (3%) - Our 401K accounts are maxed out and we don't have any new investment planned here for the year. The only thing that could tick this up is when we get the shares from a SPAC that we participated in that currently sits in the alternatives bucket above.

Total Capital Deployed in 2021:

Investment	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dividends / Interest	401K Matches	2019	% Split
Gross Deployments																
Real Estate - Hotel	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	11.7%
Real Estate - Mixed Use	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	3.9%
Real Estate - Commercial Office	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	3.9%
Real Estate - Industrial (Cannabis)	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	11.7%
Real Estate - Industrial (Warehouse/Distribution)	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	7.8%
Consumer Products - Snax Sational	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	7.8%
Bowery Farming	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	7.8%
Bitcoin	\$ -	\$ 100,000	\$ -	\$ -	\$ 37,059	\$ 62,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	31.1%
Short SPY Puts	\$ -	\$ 6,300	\$ 4,158	\$ (2,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,958	1.2%
Stocks - Index Funds (401K/IRA)	\$ 10,935	\$ 54,030	\$ 11,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,405	11.9%
Stocks - Index Funds (After-Tax)	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000	1.2%
Gross Deployments	\$ 64,935	\$ 239,330	\$ 15,598	\$ 72,500	\$ 87,059	\$ 62,941	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 642,363	100.0%
Gross Liquidations																
PeerStreet Self-Directed IRA	\$ -	\$ (37,400)	\$ -	\$ -	\$ -	\$ -	\$ (9,957)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (47,357)	31.7%
Hard Money Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (75,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (75,000)	50.2%
Stocks - Index Funds (After-Tax)	\$ -	\$ (22,387)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (22,387)	15.0%
Sold Short SPY Puts	\$ -	\$ (4,700)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,700)	3.1%
Gross Liquidations	\$ -	\$ (64,487)	\$ -	\$ -	\$ -	\$ -	\$ (84,957)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (149,444)	100.0%
Net Deployment	\$ 64,935	\$ 174,843	\$ 15,598	\$ 72,500	\$ 87,059	\$ 62,941	\$ 15,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 492,918	n/a

This month we deployed \$100,000 but due to a hard money loan from November 2019 getting paid back the net deployment was only ~\$15,000.

There are a number of liquidity events that I'm expecting later this year:

(1) ~~\$75,000 hard money loan at 10%. The original loan was for \$150,000 and was made back in November of 2019. Half of it was paid back six months ago and I expect the remainder sometime in the next couple of months as the last property securing the loan is currently being listed for sale. (DONE)~~

(2) Robinhood Investment. I invested in a round led by Sequoia Capital at a \$8.3B valuation back in July of 2020. [The last round they raised in August 2020 was at an 11.2B valuation](#). They announced that they would be filing for an IPO in 2021 and some of the chatter is that it [could go public at a \\$40B valuation](#). I'm not going to make F-U Money but my \$10,000 could turn into \$40,000+. **Robinhood officially went public and closed July with a market capitalization of ~\$30B. This currently values our investment at ~\$34,000 but we have a six month lock up before we could consider selling, which I intend to do at the time of writing this.**

(3) Life Settlement Policies. I invested \$70,000 across seven policies in late 2017 and early 2018. Four of those policies are now past the expected maturity date. I've had to make several capital calls to keep the policy active as the insureds have lived past the expected life spans. If all four policies payout this year, I will receive \$59,300 on an original investment of \$40,000.

(4) ~~\$38,000~~ \$28,000 in maturing hard money loans made [on the PeerStreet platform](#). The volume has been significantly less since the Pandemic hit and of the new loans being added to the platform, not many have been matching my criteria of a max 60% LTV and 8% interest rate. Therefore, I have been transferring money out of the two accounts with PeerStreet as the notes mature. On top of that, the majority of my remaining notes are in some form of default.

I could see a continued deployment of capital in the range of \$25,000 to \$50,000 per month for the remainder of the year (mostly real estate and/or alternatives). That said, it also depends on the timing of our remodel and its cash needs, while maintaining a comfortable cash cushion.

Closing Thoughts

The next 30 days are going to be extremely busy and challenging. We recently found out that Mrs. GYFG will be induced three weeks early, so we will be welcoming our little girl into the world a bit earlier than expected. That also means that my transaction will still be marching towards the finish line even as we add an infant into the chaos of our daily lives.

Regardless of timing, we couldn't be more excited to meet our little one, a sentiment shared enthusiastically by our almost-three year old. All the while, Mrs. GYFG is in the process of closing up her own transaction to officially purchase and take over the family business, although she has effectively been running it since February of this year when we got the bad news about her mom's terminal diagnosis. Somewhere in our spare time we will be making decisions related to the house remodel that we kicked off in late June.

After years of practice, we have developed into master jugglers, and we know that everything will work out just fine - it always does (even when it doesn't go exactly as planned)!

Onward & Upward!

- Gen Y Finance Guy



Gen Y Finance Guy

Hey, I'm Dom - the man behind the cartoon. You'll notice that I sign off as "Gen Y Finance Guy" on all my posts, due to the fact that I write this blog anonymously (at least for now). I like to think of myself as the *Chief Freedom Officer* here of my little corner of the internet. In the real world, I'm a 30-something former C-Suite executive turned entrepreneur turned capital allocator. I am trying to humanize finance by sharing my own journey to Financial Freedom. I believe in total *honesty* and *transparency*. That is why before I ever started blogging, I decided that I would share all of my own [financial stats](#). I do this not to brag, but

instead to inspire motivate, and also to hold myself accountable. My goal is to be a beacon of hope, motivation, and inspiration for *you*, the reader, by living life by example and sharing it **all** here on the blog. My sincere hope is that you will be able to learn from me - both from my successes and my failures! [Read More](#)