



INVESTMENT PLANNING

A BIBLICAL PERSPECTIVE

"Divide your portion to seven, or even to eight, for you do not know what misfortune may occur on the earth."
Ecclesiastes 11:2

Effective investing is not an end in itself; rather it is a vital part of the overall financial planning process. Whilst fear and greed can work against a biblical approach to investing, those who use a strategy based on the wisdom of Scripture will find themselves equipped to make sound decisions that are not dictated by the short-term economic climate.

Daily, the media bombards consumers with "get rich quick" schemes that fuel a consumptive morality that fosters impatience. In contrast, the Bible teaches that the most effective way to accumulate wealth is by consistently spending less than you earn and doing it over a long period of time. This requires us to be patient! When asked what he considered humankind's most powerful discovery, Albert Einstein allegedly replied without hesitation 'compound interest'.

In addition, preservation of your wealth through a diversified portfolio of investments is the wisdom of Solomon.

"The average long-term experience in investing is never surprising, but the short term experience is always surprising."
Charles D Ellis.

INVESTMENT PLANNING - INTRODUCTION

Definition

Investment Planning and Asset Management is the process of allocating your savings into assets and investments in a planned and managed way. This is to assist you in accomplishing your financial planning goals. It must always form part of the planning process and not be treated as an end in itself.

Introduction and Comments

- Investing in the modern world involves the comprehension of a wealth of information available at our fingertips. Much of this is complex and opinion is contradictory. Fear and greed can easily distort the long-term, deliberate perspective we are encouraged to have in Scripture.
- The media bombards consumers relentlessly with “get rich quick” schemes that fuel a consumptive mentality and fosters impatience. On the contrary, the Bible teaches that the most effective way to accumulate capital is by consistently spending less than you earn. Preservation and growth of your capital can be achieved most effectively through a balanced, diversified portfolio of investments.
- There is an enormous range of savings plans and investments in the UK and offshore. It is essential that you receive completely impartial and technically expert advice in order to select the right types of investment for you.
- A wise investment strategy requires a clearly defined goal and an understanding of your risk tolerance, capacity & attitude. These factors should be reflected within your investment portfolio.

Key Biblical Principles

1. Establish Written Financial Goals.

“In his heart man plans his course, but the LORD determines his steps.” **Proverbs 16:9**

“The plans of the diligent lead to profit as surely as haste leads to poverty.” **Proverbs 21:5**

2. Seek Wise Financial and Investment Counsel.

“Listen to advice and accept discipline, and at the end you will be counted among the wise.”
Proverbs 19:20

3. Cultivate a Long-Term Perspective.

“Son of man, the Israelites are saying, ‘The vision he sees is for many years from now, and he prophesies about the distant future.’” **Ezekiel 12: 27**

4. Diversify Your Portfolio.

“Invest in seven ventures, yes, in eight; you do not know what disaster may come upon the land.”
Ecclesiastes 11:2

5. Consistency Is Crucial, Don’t Make Haste To “Get Rich Quick”.

“A faithful person will be richly blessed, but one eager to get rich will not go unpunished. To show partiality is not good— yet a person will do wrong for a piece of bread. The stingy are eager to get rich and are unaware that poverty awaits them.” ***Proverbs 28:20-22***

6. Avoid Risky Investments If You Can’t Afford A Loss.

“I have seen a grievous evil under the sun: wealth hoarded to the harm of its owners, or wealth lost through some misfortune, so that when they have children there is nothing left for them to inherit.”
Ecclesiastes 5:13-14

7. Avoid High Leverage.

“The rich rule over the poor, and the borrower is slave to the lender.” ***Proverbs 22:7***

8. Monitor Your Anxiety.

“Do not be anxious about anything, but in every situation, by prayer and petition, with thanksgiving, present your requests to God.” ***Philippians 4:6***

9. Establish Limits on the Amount You Invest.

“Better a little with the fear of the LORD than great wealth with turmoil.” ***Proverbs 15:16***

“Keep falsehood and lies far from me; give me neither poverty nor riches, but give me only my daily bread.” ***Proverbs 30:8***

10. Share and Discuss Decisions With Your Spouse.

“In this same way, husbands ought to love their wives as their own bodies. He who loves his wife loves himself.” ***Ephesians 5:28***

The following pages offer some insight into how you might begin to consider this area of your financial planning.

PREPARING TO INVEST

Key Questions for You to Consider:

1. What Are My/Our Reasons For Making This Investment?

- Becoming Debt Free.

“Do not be one who shakes hands in pledge or puts up security for debts; if you lack the means to pay, your very bed will be snatched from under you.” **Proverbs 22: 26-27**

- Providing For Family, Meeting Future Needs.

“Anyone who does not provide for their relatives, and especially for their own household, has denied the faith and is worse than an unbeliever.” **1 Timothy 5:8**

- Establishing a Future Inheritance.

Ants are creatures of little strength, yet they store up their food in the summer;” **Proverbs 30:25**

- Allowing me/us to give more.

“The generous will themselves be blessed, for they share their food with the poor.” **Proverbs 22:9**

2. Could I Be Investing Unwisely Due To Any of the Following?

- Greed.

“Those who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge people into ruin and destruction.” **1 Timothy 6:9**

“The generous will themselves be blessed, for they share their food with the poor.” **Proverbs 22:9**

- Pride.

“The LORD detests all the proud of heart. Be sure of this: They will not go unpunished.”
Proverbs 16:5

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- Fear.

“The wealth of the rich is their fortified city; they imagine it a wall too high to scale.” **Proverbs 18:11**

3. Am I Presuming on the Future and Creating Anxiety For Myself or My Family?

“Therefore I tell you, do not worry about your life, what you will eat or drink; or about your body, what you will wear. Is not life more than food and the body more than clothes?” **Matthew 6:25**

“Do not be anxious about anything, but in every situation, by prayer and petition, with thanksgiving, present your requests to God. And the peace of God, which transcends all understanding, will guard your hearts and your minds in Christ Jesus.” **Philippians 4:6-7**

Trinity's role

The role of Trinity Wealth Management is to construct an investment portfolio which is suitable for your risk profile and the duration that you have set for each of your goals.

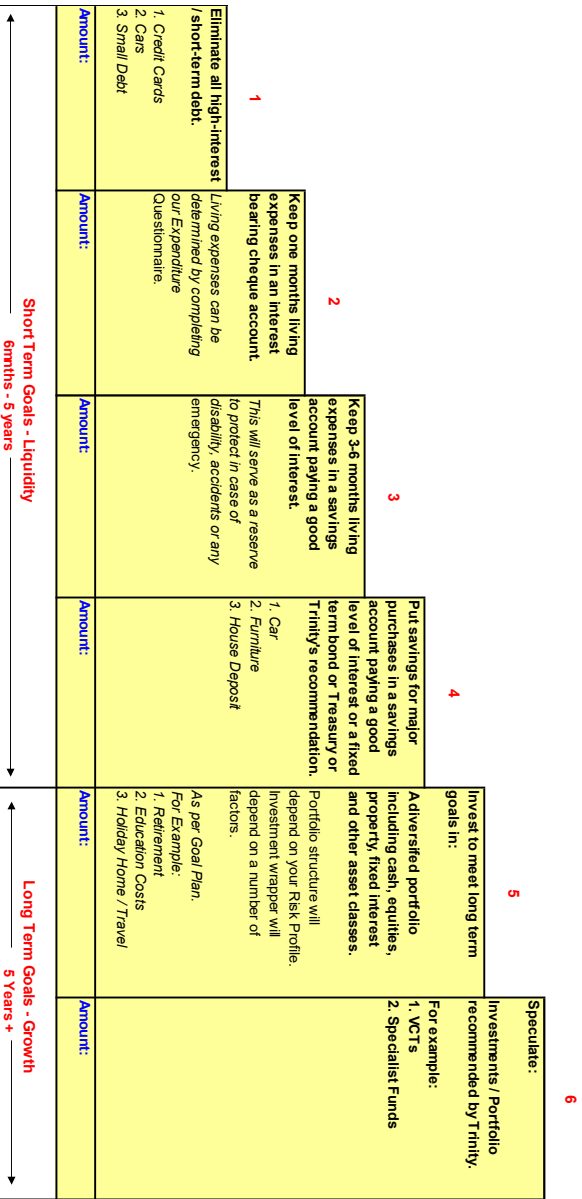
This process involves the following:

- determining what the goals are for which the funds will ultimately be used and the associated timeframes.
- ascertaining your overall risk profile which is determined by:
 - your *attitude* to risk;
 - your *capacity* for risk;
 - the level of risk you would be *required* to undertake to achieve your goals.
- putting together an appropriate investment portfolio based on these factors.

In addition to presenting you with a suitable and appropriate investment solution, Trinity will also monitor the progress of your investments and report this to you in written form as well as face to face. Ongoing reassessment of your goals and risk profile will also form part of the service.

Sequential Investing

Trinity recommend this process when deciding on the *amount* to invest. Please refer to the diagram on the next page for full details. Once this stage is complete, we can then look at how and where the funds should be invested in line with your long-term goals.



WHAT THE BIBLE SAYS

Scriptural Insights on Investment

"Give portions to seven, yes to eight, for you do not know what disaster may come upon the land."
(Diversification) **Ecclesiastes 11:2**

"Dishonest money dwindles away, but he who gathers money little by little makes it grow."
Proverbs 13:11

"Better a little with the fear of the Lord than great wealth with turmoil." **Proverbs 15:16**

"The wealth of the rich is their fortified city; they imagine it an unscalable wall." **Proverbs 18:11**

"Listen to advice and accept instruction, and in the end you will be wise." **Proverbs 19:20**

"The purposes of a man's heart are deep waters, but a man of understanding draws them out ... the plans of the diligent lead to profit as surely as haste leads to poverty." **Proverbs 20:5, 21:5**

"The rich rule over the poor, and the borrower is servant to the lender." **Proverbs 22:7**

"A generous man will himself be blessed, for he shares his food with the poor." **Proverbs 22:9**

"Do not be a man who strikes hands in pledge or puts up security for debts; if you lack the means to pay, your very bed will be snatched from under you." **Proverbs 22:26-27**

"Finish your outdoor work and get your fields ready; after that, build your house." **Proverbs 24:27**

"A faithful man will be richly blessed, but one eager to get rich with not go unpunished. To show partiality is not good – yet a man will do wrong for a piece of bread. A stingy man is eager to get rich and is unaware that poverty awaits him." **Proverbs 28:20-22**

"Keep falsehood and lies far from me; give me neither poverty nor riches, but give me only my daily bread." **Proverbs 30:8**

"Ants are creatures of little strength, yet they store up their food in the summer." **Proverbs 30:25**

"The sleep of a labourer is sweet, whether he eats little or much, but the abundance of a rich man permits him no sleep." **Ecclesiastes 5:12**

"I have seen a grievous evil under the sun: wealth hoarded to the harm of its owner, or wealth lost through some misfortune, so that when he has a son there is nothing left for him. Naked a man comes from his mother's womb, and as he comes, so he departs. He takes nothing from his labour that he can carry in his hand." **Ecclesiastes 5:13-15**

"Therefore I tell you, do not worry about your life, what you will eat or drink; or about your body, what you will wear. Is not life more important than food, and the body more important than clothes?" **Matthew 6:25**

Scriptural Insights on Investment (continued)

“Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it?” **Luke 14:28**

“Do not be anxious about anything, but in everything, by prayer and petition, with thanksgiving, present your requests to God. And the peace of God which transcends all understanding, will guard your hearts and your minds in Christ Jesus.” **Philippians 4:6-7**

“People who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge men into ruin and destruction.” **1 Timothy 6:9**