

# August 2016 – Monthly Financial Update – From Russia with Love

## August 2016 Overview

I'm a little late in posting my August 2016 Financial Update. We were on vacation and I did not want to spend too much time on the computer.

August was a great month. The weather was spectacular and this has really been one of the best summer's weather wise I can remember.

The second film of the James Bond series, [From Russia with Love](#) is definitely fitting for this month. I was feeling the love from my Russian stock holdings with some nice dividend payouts in August.

Our net worth is clocking in at **\$899,012.43** which is a slight decrease from [last month](#).

## Stock Sale & Purchase

### Alibaba

This month I sold [BABA](#) for a 7.08% gain in 14 months. Not one of my proudest moments in even purchasing this stock so I'm a little [embarrassed to even talk about it](#).

I ended up selling BABA for \$98.25/share. The 52 week high at the end of August was \$98.86. I believe I sold it at the top of a Wave 3 if you follow the [Elliott Wave Principle](#). My guess is it will go a bit higher in Wave 5 but there is no telling how long that could take.

I wanted to take profits now so I could purchase a dividend stock. To help with my decision, I checked out some of my favorite [dividend blogs](#) to see what everyone is buying in this market environment. I'm slowly moving my trading minded stocks to a dividend portfolio for another source of passive income. I will say I am [having reservations](#) about buying anything in an [overvalued market](#).

After looking around [I bought GLP](#) for \$15.88/share.

### Vanguard Extended Duration Treasury ETF

I also sold [EDV](#) for a 2.55% gain in 2.5 months at \$140.47/share. This was a risky short term play

into the bond market. I'm glad I [sold when I did](#) although I could have sold a little closer to the top on July 11th when it reached \$145.40.

I had to go shopping again for a nice dividend stock and [decided to buy TOT](#) for \$47.83/share.

### **Income**

Take home pay was down slightly as I increased my contributions to my 401k. Instead of doing a percent contribution, I opted to do a set dollar amount contribution. This move gets me to my savings target for how much I would like to put towards retirement each month.

I also received a nice little bonus check in the mail from a [DRAM lawsuit](#) for \$51.65. In 2014 I filled out paperwork on purchases I made which would be included in the lawsuit. I had forgotten all about the lawsuit so the check I received was a nice surprise!

### **Dividends**

For not having a [dividend focused portfolio](#), August was a great month for dividends!

I have two stocks which contributed to this nice little passive income stream and they both happen to be from Russia with love of course.

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MBT

MBT

OGZPY

MBT

Total

Roth 1

Roth 2

Roth 2

Brokerage

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\$41.08

\$121.84

\$134.65

\$14.70

\$312.27

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4.03%

2.82%

4.21%

1.82%

3.34%

MBT or [Mobile TeleSystems](#) is the largest cell phone carrier in Russia.

OGZPY or [Gazprom](#) is in the business of extraction, production, transport, and sale of natural gas.

This is also a Russian company.

Dividend payouts above are net of foreign tax withholding.

## **Rental**

I've owned many rentals but have sold all of them off in the last few years. They were lower end homes with lower rents but good cash flow.

Those homes were a great start but I decided to change my rental property plan.

I now buy junk houses in great areas where I can produce equity through the [rehab process](#). Better properties equal higher rents and better quality tenants.

Here is our lone rental property which we have achieved an [infinite return](#) through the cash out refinance method:

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Rental Income

Mortgage

Taxes

Insurance

Other

Profit

\$1,549.00

\$786.90

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\$110.99

\$96.08

\$0.00

\$555.03

We are throwing around the idea of selling this rental home once the lease is up next April. We have such a large equity position in this home that it may be better to cash it out and apply the money towards a new home.

### **Expenses**

August ended up being the least expensive month this year and well under our yearly average.

Since this is the first time I am showing our monthly expenses in this manner, I'd like to point out that I do not include certain expenses that we save for throughout the year.

For instance, we paid roughly \$4,500 for a basement remodel earlier in the year which was paid for



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from short term savings. Also in June, we paid cash for a car which was also paid from long term savings. I've explained previously [how I use my savings account to budget](#), which you may find helpful.

The expenses we save for do not show up in my chart below. I will have to make an adjustment for this next year.

Expenses	
Month	Total
January	(5,205.47)
February	(5,517.09)
March	(5,725.46)
April	(4,814.10)
May	(5,367.72)
June	(4,929.40)
July	(5,797.60)
August	(4,526.44)
September	-
October	-
November	-
December	-
Total	\$ (41,883.28)
Average	(5,235.41)

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The difference between July and August is \$1,271.16. In July we have an extra payment due on our mortgage which is an extra \$615. That leaves about \$656.16 in other areas where we didn't spend as much.

The savings really comes from groceries and eating out. Our grocery bill was about \$200 less and our restaurant bill was about \$400 less in August. Like I said [last month](#), we typically spend more money in July from going out and having fun and it really shows.

### Net Worth Summary

We ended the month of August with a net worth of **\$899,012.43** which is a decrease of (\$1,813.19) from July or (0.20%).

The decrease is really due to the stock market and how it affected our positions. Nothing else really changed much on the assets and liabilities sides of the balance sheet.

### 2016 Net Worth Summary

- [June 2016 - \\$890,956.41](#)
- [July 2016 - \\$900,825.62](#)

### Final Thoughts

August was a flat month overall as far as net worth is concerned. I did have fun selling a couple non-dividend stocks for small gains and acquire some new dividend focused stocks.

Next month we will be going on vacation so that may throw our expenses out of whack. Most of the [vacation](#) is paid for already and all we will really need to buy is food and gas.

I mentioned that we have been tossing around the idea of selling our rental home. I don't like to give up passive income, however, a new home is the final large purchase we will be making for a very long time. One of the goals we have [before being able to quit our jobs](#) and retire early is to acquire our "forever home" and this would be it.

Selling our rental home would basically wipe out our passive income until our [current rehab project](#) is complete. However, I do have plans of developing a nice chunk of land I own and adding at least 10 rental units to this property. I would not be able to start this until we move into a new home so this is a couple years down the road. Gross rents on this project should be around

\$120,000 per year and it should turn into a \$1M asset once complete.

***Hi readers! How was your August financially? What do you think of my new stock positions?***

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