

Autumn Edition | October 2020



**Cause > Effect** is an equation which relates to life, in all its aspects. You get to choose which side of the equation you live on. You can only be on one side of the equation at any one moment. Either cause or effect.

During the Pandemic it was and is very plain to see the world divided between cause and effect. Those living and working at cause have become our heroes ranging from the NHS, care workers, food distributors, growers and sellers, government leaders, scientists, engineers, inventors, medical advisors all living and working to fight and eradicate one invisible global enemy. Working to get the results the world so desperately wants and needs. This is in stark contrast to the other side of the equation. Many people [sadly] are at effect of the Pandemic living in fear, misery, stress, anxiety, and loneliness. Powerless and unsure, in many cases bereft and in some cases bereaved as well.

When you are living at *effect* it means you are at the effect of what other people say, write, or communicate; or you are at the effect of your own thoughts. Being 'at effect' is the weak side of the equation. Finding yourself 'at effect' means you have relinquished your power. Living *at cause* makes you powerful and gets results.

Notice which side of the equation you generally live on. Is it cause or is it effect? What results have you been getting lately? Is your life the way you really desire it to be?



### The silver lining to a quieter social life this Autumn

You would never normally associate the difficult times we are living in with helping to boost life however, that is exactly what you will find if you look at the animal kingdom. Behind every cloud there is always a silver lining, it is about finding and recognising the silver lining. COVID-19 has had a lot of benefits for wildlife across the world. In the UK, hedgehogs are enjoying space to roam in safety and peace whilst there is significantly reduced traffic on the roads and less people out and about.

Millions of baby turtles are hatching on India's empty beaches. There has been a massive spike in the number of baby Olive Ridley sea turtles, as beaches lie empty from humans. Experts and authorities estimate that the turtles have laid around 60 million eggs on Indian beaches this year. (source:

<https://www.rte.ie/news/newslens/2020/0511/1137627-sea-turtles/>)

Wild boar has been spotted in the centre of Barcelona, Spain. They usually breed freely in the Collserola hills, where they have no predators and there are few hunters. It would seem as though the quieter state in the city centre has encouraged them to venture further for their food. (source:

<https://www.theguardian.com/world/2018/nov/04/wild-boar-sighted-near-barcelona-city-centre-looking-for-food>)

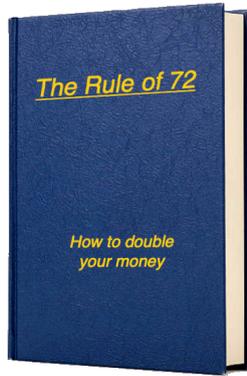
Science Daily, an American website that aggregates press releases and publishes lightly edited press releases about Science, reported "There not only seem to be more animals than usual, but there are also some surprising visitors: Pumas have been spotted prowling the streets of downtown Santiago, Chile, and dolphins recently showed up in untypically calm waters in the harbour of Trieste, Italy...Researchers used photographs of the dolphins' dorsal fins to individually identify them...this is the first time these marine mammals have been shown to timeshare the sea."

(source: <https://www.sciencedaily.com/releases/2020/06/200622133020.htm>)



TILEN GENOV, MORIGENOS

Source: <https://www.nature.com/articles/s41559-020-1237-z>



## How long does it take for your money to double in value? We give you the Rule of 72

The “magic” of compound interest. Albert Einstein once described compound interest as the eighth wonder of the world. “He who understands it, earns it; he who doesn't, pays it”

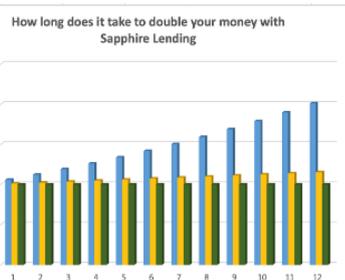
Compound interest happens when an investment is given time to grow, and interest on the investment is reinvested, which in turn accumulates additional interest. To illustrate, let us assume you have got three options of how to invest your money: With Sapphire Lending @6%pa, with your bank’s savings account @1.2%pa or in a current account @0%pa interest. To help you quickly calculate how long it takes for anything to **double** (an approximation) you can use the Rule of 72. Take 72 divided by the interest rate in percentage terms.

For example:

Sapphire Lending (6%):  $72 / 6 = 12$  years

Your savings account (1.2%):  $72 / 1.2 = 60$  years

How long does it take to double your investment assuming reinvesting			
Investment	Return %	Return %	Return %
£ 100,000.00	Sapphire Lending	Bank savings account	Bank current account
Years	6%	1.25%	0%
1	£ 106,000	£ 101,200	£ 100,000
2	£ 112,360	£ 102,414	£ 100,000
3	£ 119,102	£ 103,643	£ 100,000
4	£ 126,248	£ 104,887	£ 100,000
5	£ 133,823	£ 106,146	£ 100,000
6	£ 141,852	£ 107,419	£ 100,000
7	£ 150,363	£ 108,709	£ 100,000
8	£ 159,385	£ 110,013	£ 100,000
9	£ 168,948	£ 111,333	£ 100,000
10	£ 179,085	£ 112,669	£ 100,000
11	£ 189,830	£ 114,021	£ 100,000
12	£ 201,220	£ 115,389	£ 100,000
59	£ 213,293	£ 202,139	£ 100,000



How long does it take for your money to **half** in value using the same Rule of 72? In 2019 inflation was 1.79% in the UK. Using the Rule of 72 to see when your purchase power has been halved (scary we know):  $72 / 1.79 = 40$  years for your money to lose half its value.

So, by now, we hope you understand how to use the Rule of 72. Since you are reading this you have hopefully learned from it; if you do not act on this you might pay in the long term.

We hope this helps and reminds you about something we find particularly important, financial IQ. To your investment success.



### Sapphire Lending is expanding, hiring, and investing its way through Covid in 2020.

Behind the scenes we have hired a new member of staff, and we are developing and bringing in more automation, systems and processes to take us through the 2020's.

Remaining at the heart of Sapphire are relationships, communication, and trust.

**A big thank you to all our Lenders and Borrowers for your continued business**

### Thoughts become things



If you enjoyed reading our Cause and Effect article here's a link to a similar article:

<https://www.linkedin.com/posts/sapphire-lending-thoughts-become-things-activity-6690982760007385088-VAmD>