



S I M P L E T A L K

about stocks

So easy, you can teach your kids!

Pretty
MONEY CLUB

You don't have to be good

to start

but you have to

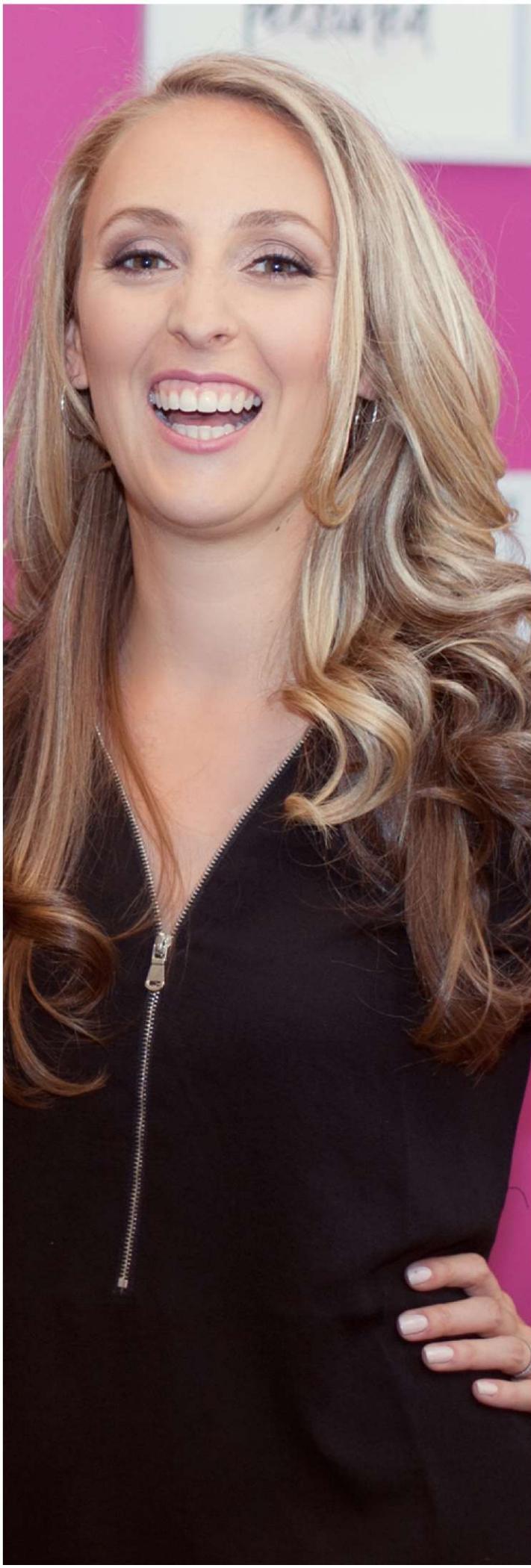
start

to get good.



startbeforeyou'reready

Pretty
MONEY CLUB



About the author

To all you women that are working too damn hard to feel like you're just getting by paycheck to paycheck...

To all you ladies that just don't have the freaking time for financial jargon and complicated budget systems...

To all you women struggling to feel in control of your money, 'cause you know you can rock it if you just had a simple map...

I see you. I get you.

Hi. I'm

Lindsay PLUMB

Founder of the Pretty Money Club,
Accredited Financial Counselor, and your
Coach-ess with the most-est.

I teach women simple proven strategies to create financial freedom, empower them, and even have fun in the process!

LET'S GET STARTED

01 Why bother?

People lose everything in the stock market. It's too complicated. It's scary. But not for you, lady-boss.

02 Don't be foolish

Do you bury a time capsule only to dig it up every day and take inventory? No! Think long-term.

03 Designer funds

You can DIY the stock market, or get some hired help. Either way, you gotta do some homework.

04 Put on your hard hat

Did you think I was gonna let you off without actually learning to take action yourself?!

05 Time to buy

Alright, you've learned some new jargon. You're ready. Let's DO THIS.

06 The Time Capsule

Don't fret the roller coaster ride... keep your eye on the prize and lock up that time capsule!



Isn't the stock market just like gambling?

The investment industry is designed to tell us that it's just too hard, too risky, and too stressful to figure it out on your own.

When I ask women why they don't invest, I hear things like...

"I don't know where to start"

"I don't know enough"

or

"I'm afraid to lose all my money"



what if it doesn't have to be this way?

(Spoiler Alert: It doesn't.)

The truth is that the stock market is made up of thousands of companies and has survived depressions, elections, crashes, natural disasters, wars, and yes... even pandemics. It's not going to zero. If you tuck your money away into a high interest savings account, you'll be LUCKY if you get a 2% return.

The average return of the Canadian Stock Market, over it's ENTIRE HISTORY (even through all those disasters) is almost 10% per year... over time, it always goes up.



And who decides whether or not you invest? You! You can be your biggest enemy, or your biggest advocate. You're already on the right path, because you are here learning! Whoohoo!

BY THE WAY...

Many recent studies prove that women are better investors than men.

Go on, Google it.

TRUTHBOMBtime

There are *foolish* investments
There are *smart* investments
You can learn the difference



Pretty
MONEY CLUB



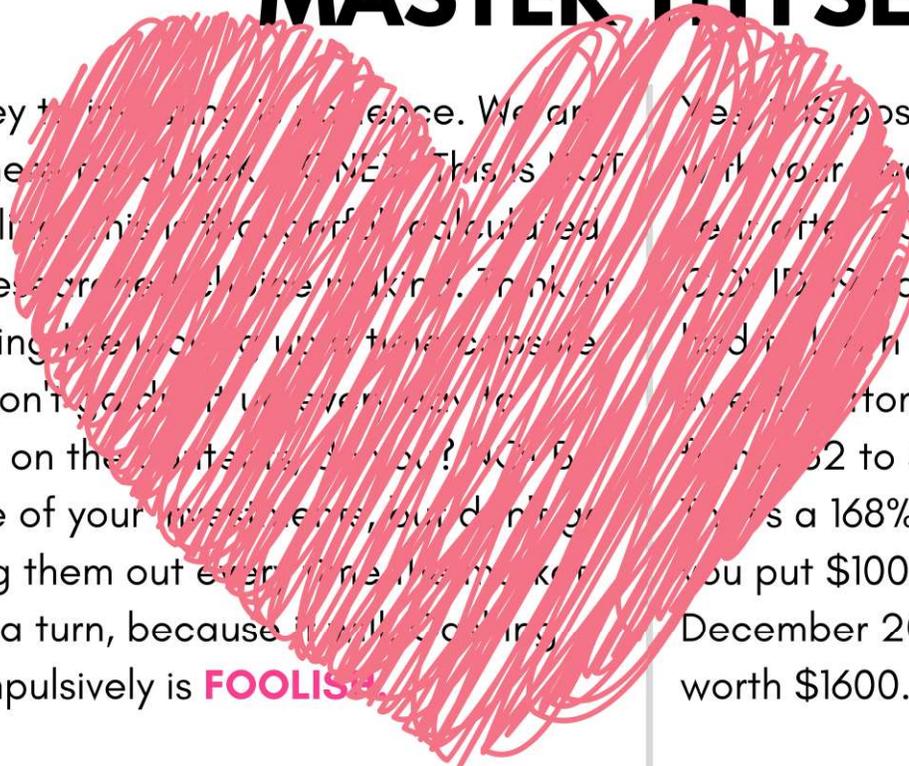
So... what's the trick?

BIG INVESTMENT MISTAKE

NUMBER 3: Impulsively pull your money out when the market takes a downturn.



**KNOW THYSELF.
MASTER THYSELF.**



The key to investing is patience. We are NOT here for QUICK MONEY. This is NOT gambling... this is thoughtful, calculated, well researched, deliberate making. Think of investing like locking up a time capsule. You don't go check up every day to check on the contents, do you? YOU are aware of your investments, but don't get pulling them out every time the market takes a turn, because pulling them out impulsively is **FOOLISH**.

Yes, it IS possible to hit a **GOLD MINE** with your investments. For example, one year after ZOOM went public, the COVID-19 pandemic hit and everyone had to learn to go digital. You bet your eyes that that stock skyrocketed from \$52 to \$166... all within 3 months. That's a 168% return! In plain English? If you put \$1000 into ZOOM stocks in December 2019, by March they were worth \$1600.

**Does the idea of watching your money go
on a rollercoaster ride**

FREAK YOU OUT?

Then you might need to decide to check your investments on a schedule, not just willy nilly, or have someone you can trust be the logical to your emotional.

Are you someone that struggles with

INDECISION?

Then you might feel more comfortable talking to a financial advisor about your options

**Figure out your
stumbling block and**

MOVE IT.

*Everything can
be figured out.*

Pretty
MONEY CLUB

I don't know... what if I lose it all?

When people tell stories about the friend of a friend that they know who LOST ALL their family's savings in the stock market, what they SHOULD be saying is "I know someone who didn't do their research and made the mistake of putting all their money into one single company that ended up going bankrupt!"

BIG INVESTMENT MISTAKE
NUMBER 3: **Put your eggs all in one basket.**



I always recommend BALANCE when I'm talking about money. Yes, pay off debt, but make sure that you have an emergency fund and some fun money at the same time. Want to be a home owner? Great. Invest in your home, but have some liquid assets too. Don't keep all your money in that one spot under your mattress. If there's a fire, it's all gone. The same goes for investments. If you put all your money on stocks in one company, it's riskier.



There are thousands of publicly traded companies you can pick. A publicly traded company is one owned by everyone who has a stock in it. If you buy a stock in a company, you own a share of that company. When the company makes money, you make money, it rises.

*Patience,
& Diligence*

to pick the place you want to park your money for the long haul. (Eyes on the prize - **always** think long-term.)

Fun fact:

SHOPIFY went up 2373% over 5 years. That means if you put in 10k, you'd have **\$280,000** now.

DIY

FP

MF

...say **what?**

Let me explain your options here...

Imagine YOU are coming home with a million dollars in your pocket. Or, better yet, a million dollars in your bank account. (Just kidding, but not really.) Just kidding, but not really. (Just kidding, but not really.)

Don't you see?
**Financial Planning
Mutual Funds**

These are three major options to pick from. Which one is the right choice for you? It depends.

Let's pretend that a magical unicorn bestowed \$10,000 big ones on you to remodel your bathroom. You can't use the money for anything else, or it will disappear in a puff of rainbow magic!



Fun fact:

The most expensive bathroom in the world is worth \$3,500,000 U.S. (Guinness Book of World Records)

What you do with your money will make a huge difference in how show-stopping your big bathroom reveal ends up being. You gotta make your dollars work for you in all the right ways. So what do you do?

PUT ON YOUR HARD HAT

If you really want to stretch your dollars out to the max, you can do it all yourself. You're gonna earn that sweat equity, girl. From imagination to installation, you've gotta come up with the idea, measure your space, source your products, lay that tile, and plumb that claw-foot tub. Don't get caught down the Pinterest rabbit hole and spend hours agonizing over faucet choices, you gotta get this project rolling!

DELEGATE SOME STUFF

Okay, so you have a vision for how you want your bathroom oasis to turn out, but you aren't quite sure if spending the extra dough for the 12mm vinyl plank is worth it, and you don't want to blow your one shot at setting that toilet on the wax ring. Hiring a contractor to do some of the tough stuff and give you their recommendations is worth carving out a bit of your budget for.

KICK YOUR FEET UP

See that picturesque bathroom on the cover of the magazine? Let it be done! Or... maybe not. You could hire a high end designer to manage the whole renovation project for you, but a pretty big chunk of your budget goes to paying that big-shot. Sure, your bathroom does look great, but you couldn't afford to accessorize or get that jetted tub feature, either.



Do It Yourself

Hire a contractor

High end designer

What would you do?

MOST people would choose option B when faced with a big renovation project on a budget. They have a fairly good idea of what they want, they don't want to completely abdicate the throw in decision making, and they know that spending a little money for some good help will be the difference between a scary home owner job and a refined finished project. This is like choosing investments with a little financial planning from a licensed pro.

Let's throw another term atcha: Exchange Traded Funds.

ETFs are a bunch of stocks and bonds wrapped up giving you a variety of choices to put your money in one shot. (Remember investment mistake #1? Put all your eggs in one basket? **Am I dead?**) There are a bunch of different types of ETFs and if you have a preference for what type of companies you want to put your money in, you can pick a portfolio that gives you a wide range of friendly investments? You can do that!

ETFs require you to get out through a licensed professional. The easiest way is using an online broker or investment platform. Fees vary by company, but some investment platforms offer no account minimums, no trading fees, & low annual fees.

BIG INVESTMENT MISTAKE NUMBER 1: Don't bother asking about the fees.

Lots of brokers that manage ETFs employ robo-advisors, because you can see the low wages the robots demand on their smart computer dashboard every management side. The bottom line is that robo picking is hard. So far, we've been paid to pick stock with a track record that's overall better (0.5%) over the long term. Meaning patience is the real money maker and shelling out top dollar for a fund manager to take a huge chunk of your investment dollars for themselves just doesn't make a lot of sense, does it?



MF

Mutual Funds



Financial
Mutual Funds

Mutual funds are one way to get many stocks at once, except they're managed by the pros. For experienced top designers like in mutual fund managers who will not only invest money, but also based on their prediction of where stocks will go up or down. Mutual funds are based on and during time and use the bank to get some sense of the ability to invest with a company. The best of all, they're the best sell option.

The average mutual fund has a 7.3% annual return
The average ER is 0.5%

*The average ER is based on the average ER of all mutual funds in the industry

For more information, please contact us at 1-800-555-1234. We'll help you get started with your investment. \$1,000 minimum. 5 years old and a U.S. resident.

MF 1.5% fee \$1,000

Total value of investment \$1,000

MF 2.5% fee \$1,714

Total value of investment \$1,714

...wtf?

Why would *anyone* choose
not to work for you when you put it all

(which is a common question I get from clients who have you can
get a better return elsewhere, which is a fair question to ask.)

The fund manager at Fidelity (and other firms) want clients who have
millions of dollars to invest. They are doing the same job, so they
want to work for the firm that is lining their pockets the most.

Purity
MONEY CLUB

04 Put on your hard hat



You didn't think I was gonna let you get off doing the hard work, did ya?

MOST people would choose to hire a contractor for their renovation project, but not YOU girl. (Not this time, anyway.) You're here for simple talk about stocks and you are gonna learn how to buy one all by yourself. Before we get into just how you're gonna decide which stock is all deserving of your dollars, let's review some

BIG INVESTMENT MISTAKES

1



2



3



4



thegoldenrule

Good

investing
is like worshipping and it grows

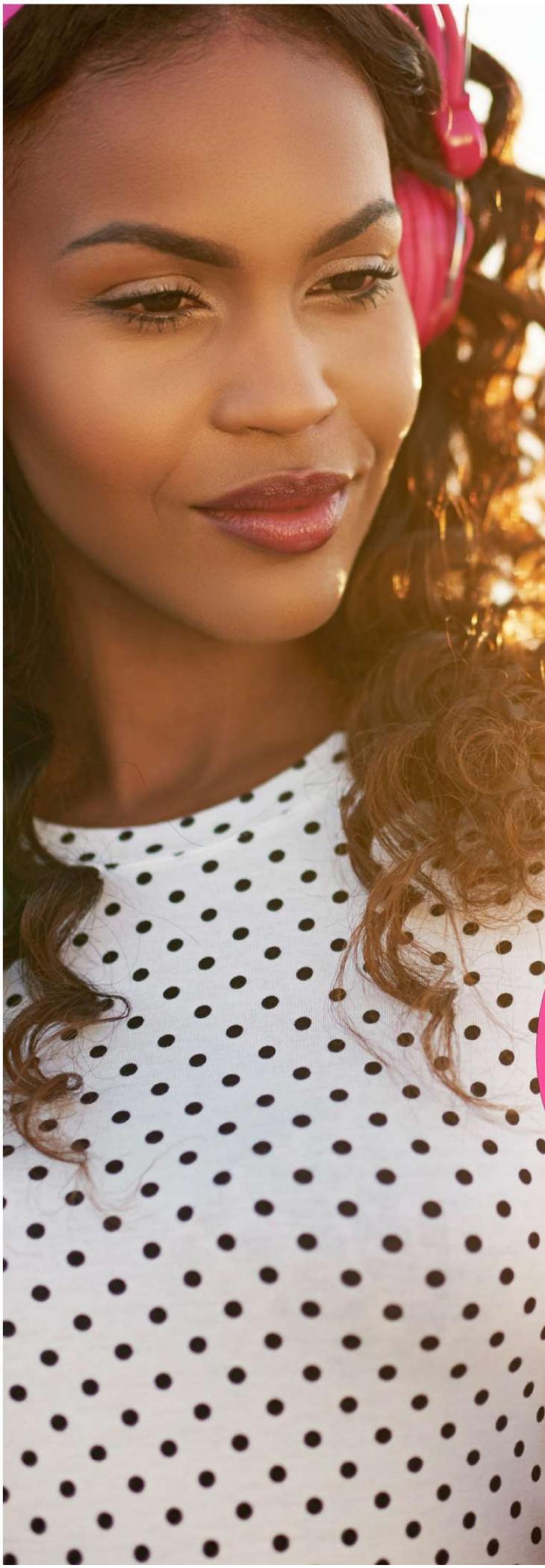
get the best
if you want **THRILLS**

practicepatience

Pretty
MONEY CLUB

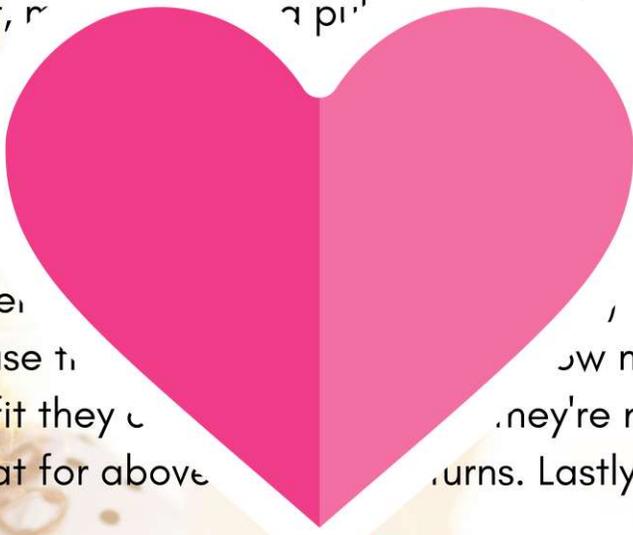
So, which stock *deserves your dollars?*





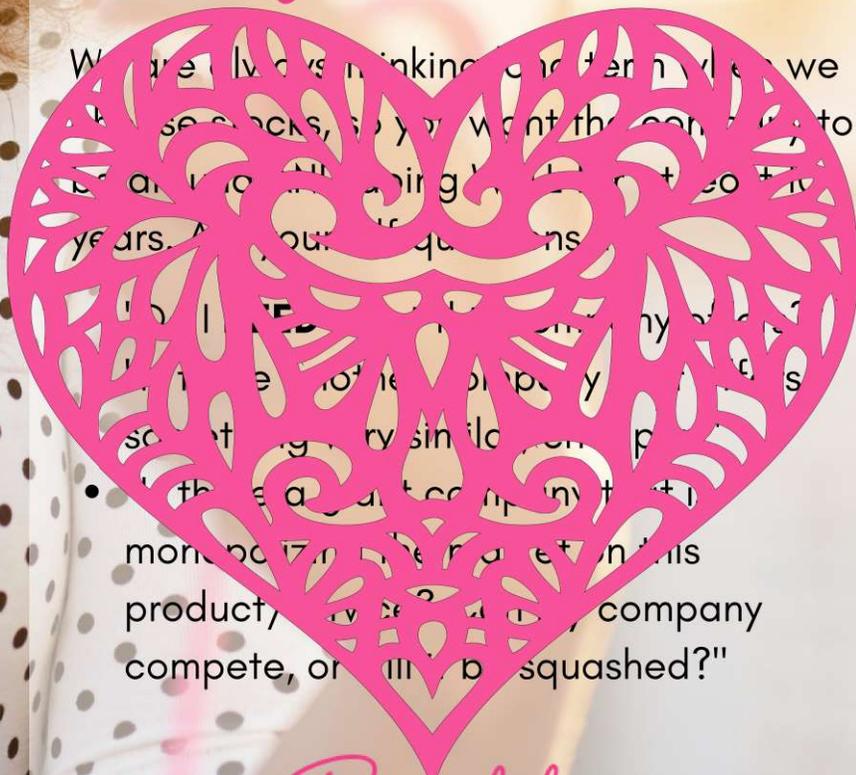
THESE ARE THE TYPES OF COMPANIES YOU WANNA INVEST YOUR MONEY IN #WOFABS

First, r... a pu'... es in
cor... it.
pri... buy
gover...
'cause ti... ow much
profit they c... .ney're not
great for above... urns. Lastly,



Remember!!!

When we live... thinking... we
... se... so you want the... to
... all... ing... so...
years. A... our... ns



... I... my...
... notice... y...
... very similar... p...
... a... ny...
... 17... et...
... product... company
... compete, or... squashed?"

Pretty
MONEY CLUB



Values and Dollar Signs

If you're gonna own a share of a company (however small a share) you may want to know what values align with yours. Some companies in green have good environmental records, some exclude tobacco and alcohol, and some you wish to support.

MONEY FLOWS CAN CHANGE CORPORATE BEHAVIOUR

This is called Socially Responsible Investing. You get to support the ideas that you believe in, the companies you want to fund, the values they need to know what's bothering you, and some to make them look more socially responsible. The values of a company operates under can affect your investments. Do you want to invest in a company that's praised for its environmental initiatives? Stocks go up! Consider carefully.

Next you gotta get down to the bones of the company you're lookin' at.

Evaluating Financials

Companies have to provide their financial statements quarterly. Canadian companies file with the System for Electronic Document Exchange and Retrieval (SEDRAR).

OR
A LOT of
focus on these:

- Cash Flow Statements



Fun fact:

Cattle are the oldest form of money. Their use as money dates back to 9000 B.C.

BALANCE SHEET

It tells you about company's assets, liabilities, and equity at a single point in time. It shows the company's assets that can be turned into cash and your investment. It also shows what a company owes, such as loans, and the assets to provide goods & services. The balance sheet (also called a statement of financial position) is sometimes called the "snapshot" of a company's financial health. It would be left if a company were to liquidate and pay off all of its liabilities. The balance sheet belongs to YOU as an investor.

The balance sheet shows the money the company is holding, minus the cash expenses they have, and then the remaining amount is the literal "bottom line" of the company's net profit or losses. This tells you if the company earned or lost over the period. (Net earnings.) You want to be sure the company is making a profit and isn't losing money.

CASH FLOW

The cash flow statement shows the flow of the company's cash. It **actually** has in the bank. This statement shows the company's ability to have enough cash on hand to pay its liabilities. Operating Cash Flow is the cash generated from the company's sales. Financing Cash Flow is the cash generated from borrowing money. Investing Cash flow is when the company buys or sells equipment.



There seems to be some sort of

perverse

human characteristic that likes to
make **easy things**

difficult

- Warren Buffet



KeepItSimpleSweetheart

Pretty
MONEY CLUB



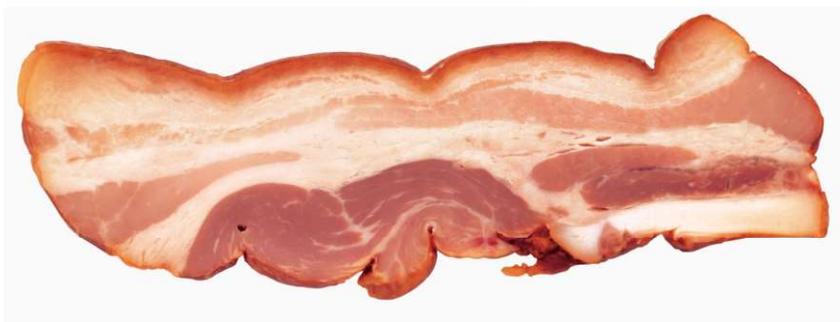
CUT OUT ALL THE JARGON.

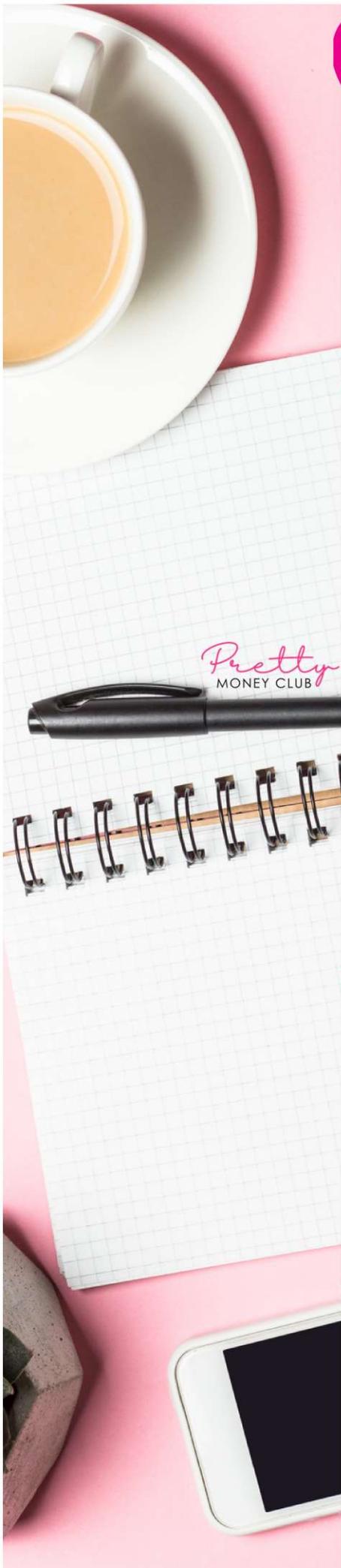
You do NOT need a finance degree to invest in the stock market.

You just gotta be able to cut through the overly complex language of finance. It may feel like you're learning Swahili at first, but it will get easier.

DO NOT let yourself get overwhelmed here.

We are not writing a thesis on the company's money management skills, we're making sure that the company is bringin' home the bacon.





Sheets to Use

Use the balance sheet to also check the value of the assets and liabilities and comparing the balance to previous years and you want to see a number **GROW**.

A lot of business make money but never actually turns into the equity, cause they're spending money just to scrape by.

Working Capital = current **assets** for the year minus any **expenses** that will come out this year. You want positive working capital. (A ratio of assets and liabilities is GOOD)

RED FLAG low, negative or declining equity.

Look at the top line (revenue) and see if the revenue is growing. If not, the dollar bill coming in the door before expenses.

Look at the bottom line (generally) this is net income, net earnings, the take-home pay, the **PROFIT**. It's VERY important to connect net income with operating cash flow.

A big net income alone does not represent a good company.

RED FLAG: Revenue is going up but profits are going down. You want to see revenue and profit both growing at the same rate.

Operating Cash Flow =

This is any net income going to the bank, but **HOW** you're getting the money. **You want to see the cash flow**

GROWING alongside the profit, but check where it's coming from.

RED FLAG: Go down to first big major bold section called "operating cash flow" - if it's smaller than the net income, that's BAD. This means the company is losing money.

RED FLAG: Go to the section "financial activities" (or similar.) Make sure that the company's positive cash flow is not from a whopping bank loan!



The Golden Rule: Return on Equity

Return on Equity (ROE) is a measure of how effectively a company is generating profits from the money that its shareholders (that's you!) have invested in it. You can find a company's ROE (see the company's 10-K) but you can also calculate it using the financial statements. Divide net income (found on the Income Statement) by equity (found on the Balance Sheet) and you get ROE. A higher ROE is better. ABOVE 15% is good. Below 10% is not so good. The bigger the better 'cause this is the rate of return the company is making for its investors every year.

Red Flag: Sudden drops in ROE or steady declines. Is the company using its money poorly? Has the CEO decided he wanted a bigger payoff? Bad news!



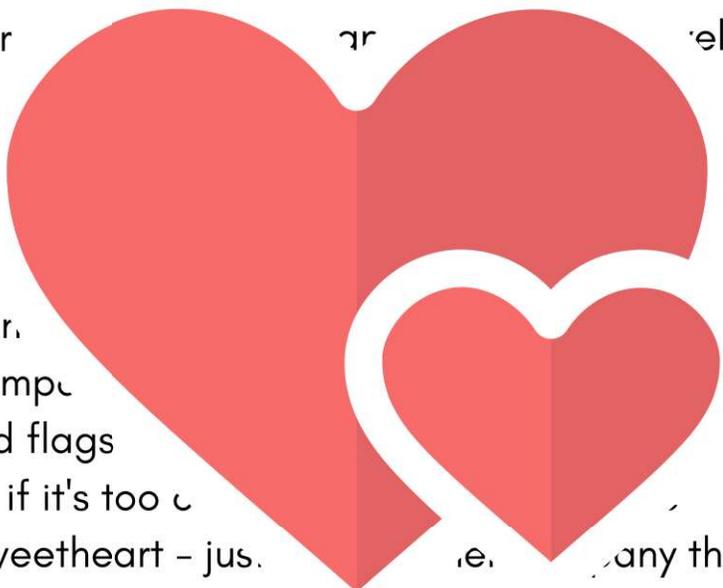
Pretty
MONEY CLUB

KEEP IN MIND:

NOT ALL RED FLAGS MEAN BAD NEWS. THEY MEAN YOU NEED TO DO MORE DIGGING.

For
er
t
li
of
car.
compe
red flags
so if it's too c
Sweetheart - jus.

ar
ell
ne, so
o
om to
y
gating
stors,
any this time.



Does reading the financial statements
seem like

A LOT OF WORK?

That's because learning something new

IS WORK!

But if you want to get good returns,

SOMEONE

has to do it

Pretty
MONEY CLUB



THE TIME IS NOW.

The best time to invest was yesterday... but since we aren't gonna cartwheel through the time-space continuum, we'll settle for now.

The magic of compounding interest can only work with a healthy dose of time, so get your hands working for you. ASAP! It's not about how long you wait to bank deposits into the stock market, it's about how often. Investing is, however, a long-term game of your money, so it's a game that should not be delayed. Finding the right person to work for you is a game that's going to do the work necessary to create a profitable individual win-win relationship. Invest in a Roth IRA, because you want to buy when the stock price is low, and there's a lot of room to grow. Don't wait to buy when the stock price is high. Always keep an open mind, and a market crash, a disaster, a pandemic. Just be aware and in the future, you'll be glad you did these situations or on a CERTAIN to invest smart.

Since every second that passes is another second that your lack-of-investments are NOT making you money, without further adeui, I present to you...

the **fabulous** the **incredible** the **AMAZEBALLS**



INVESTMENT TIME CAPSULE

(Stocks made fun!)

Let's

CAPTURE



your life at this point in time...



this is me / us!



My/our favourite:

Take-out dish:

Songs:

Down-time hobbies:





What are you enjoying most in your life right now?

Blank response area for the first question.

What gives you the most fulfillment?

Blank response area for the second question.

What is your biggest challenge?

Blank response area for the third question.

What are you most grateful for?

Blank response area for the fourth question.

My/our personal goals!

this week

this month

this year

5 years



Do your finances align with what you enjoy and what gives you fulfillment?

Blank pink response area.

Do your finances align with your goals?

Blank pink response area.

What is your biggest financial challenge?

Blank pink response area.

Who supports your financial well being?

Blank pink response area.

My/our financial goals!

this month

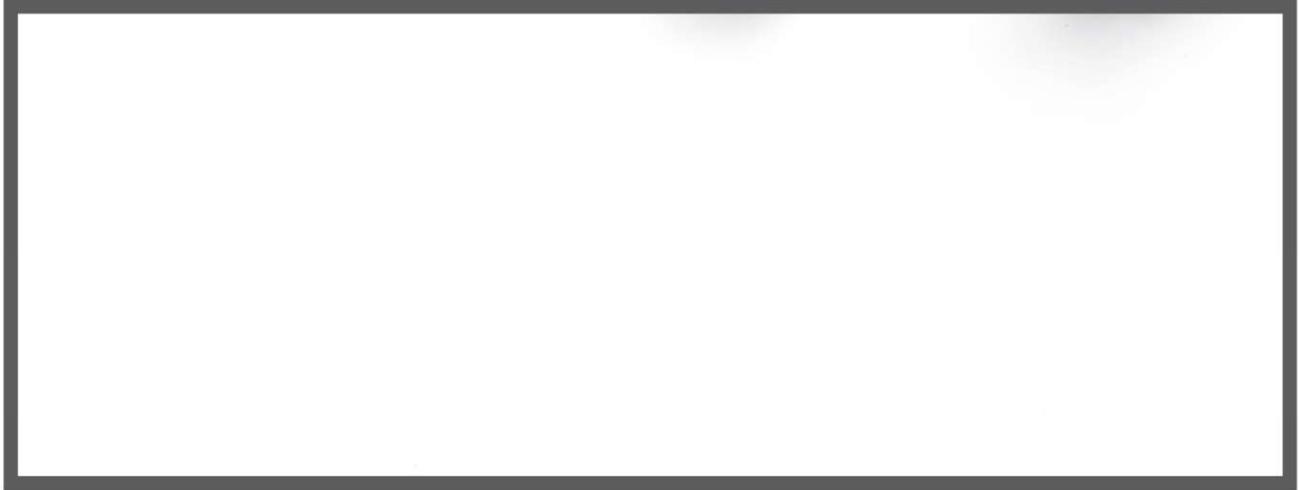
this year

5 years

10 years

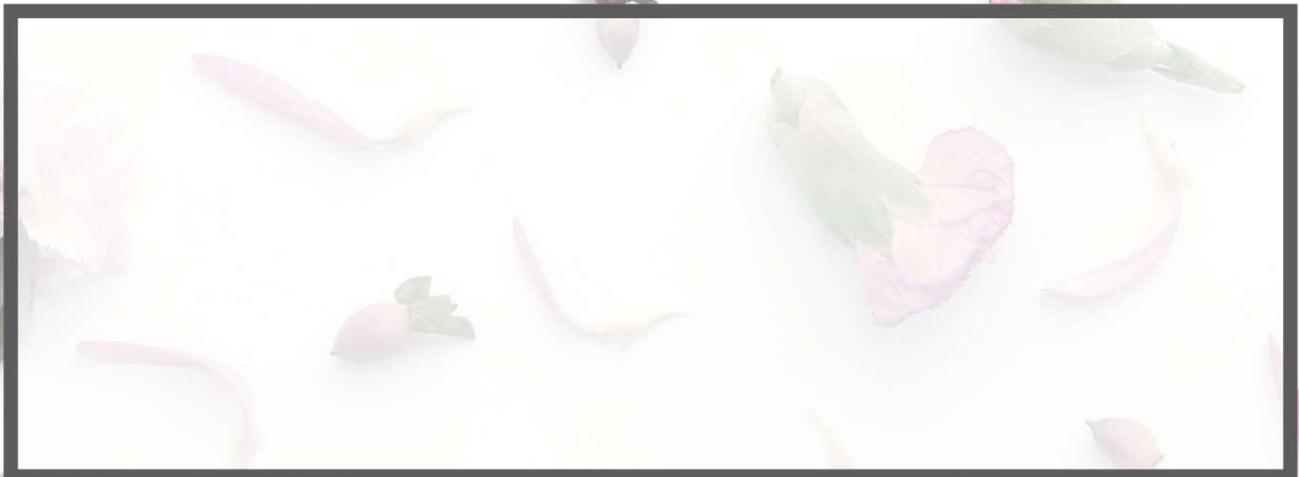
Think about your needs

What do you pay for? What do you do, and what can't you do? What do you want? What do you need? What do you need, better, or not fulfilled?

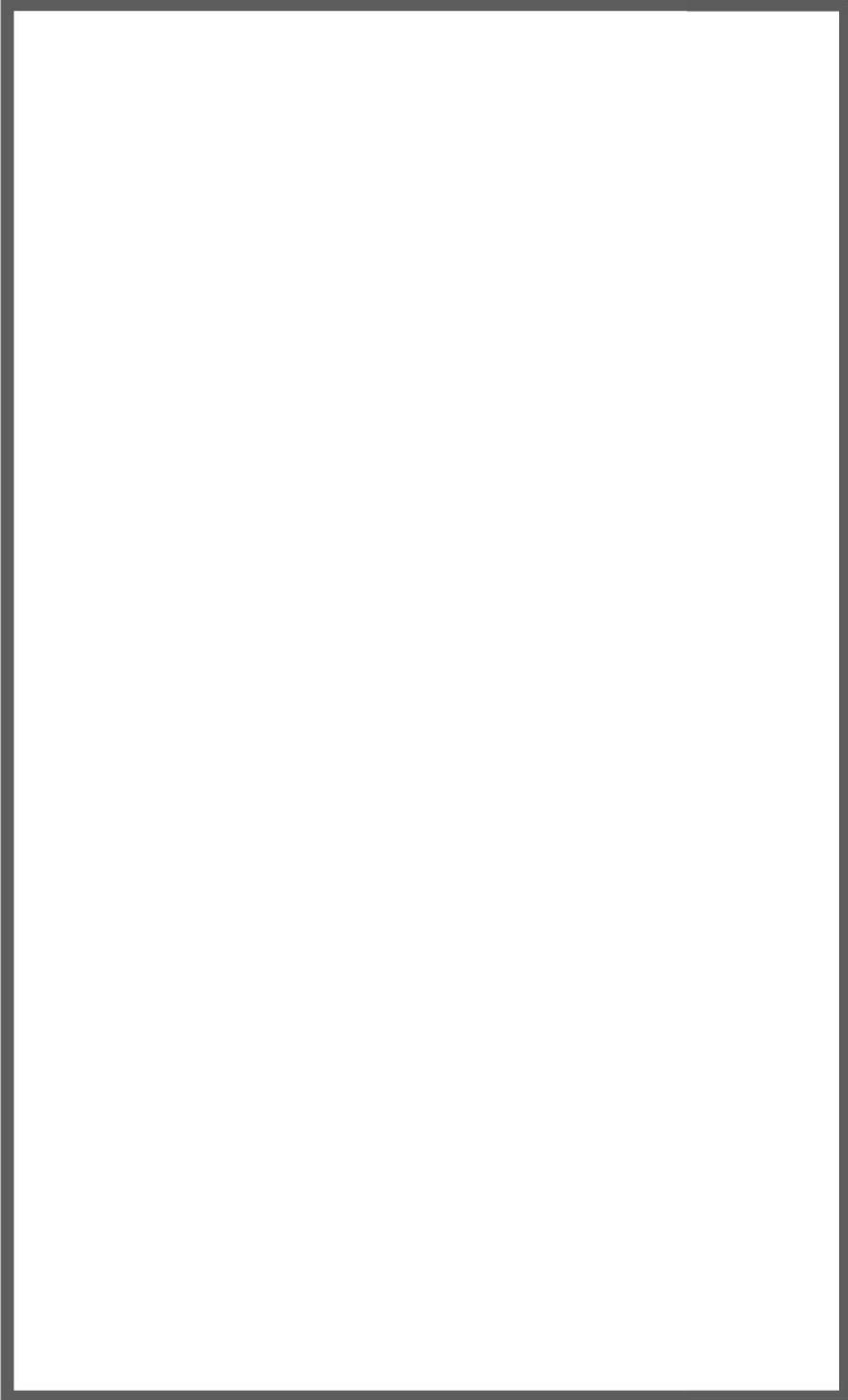


Think about your values

What is important to you? What do you value? What do you prefer? How do you live your daily life? How do you use your time? How do you promise? How do you own a company? How do you want to live? How do you want to live? How do you operate? What matters to you?



*Make a list of companies
you want to research:*





Are you likely to feel
STRESSED
by the market volatility?

True or False test...



I'm not sure if I can leave my
money for 10+ years...

I've thought of losing money
because of rapid decline in
house prices. All of which...
T/F



If the market fluctuates I feel
like I'm trading my
accounts daily...
T/F

I would rather have stable
investments than the
potential of high returns...
T/F

I don't like to risk when it
comes to my finances...
T/F



I have been known to worry a
lot...
T/F

If you answered TRUE to any of the above
questions, it doesn't mean that investing is a
bad idea for you. It just means that you may
need a little extra support to feel comfortable.

INVESTMENTS

for your kids

Hey, come you're thinking up a magical birthday gift that will stand the test of time (now fast we're talking kids totally love that overpriced stuff that hatched itself from an egg... you know what I mean) think about STOCKS! Yep, go ahead and give your kid ownership in a company they love. (I recently bought my kid a Disney stock! So fun.) Then make a nice frame for it and stick it on their wall to remind them of their investment time capsule... and to remind you to continue the conversations about money throughout the year, 'cause don't YOU wish you learned this stuff when you were little?

My kids love: _____

We are investing (\$): _____

In this company: _____

On this date: _____



What about you?



I/We are investing (\$): _____

In this company: _____

On this date: _____

I say to you now,

- I have done my research.
- I will not make a decision based on emotion.
- I will not open a time capsule for at least 10 years.
- I will not be tempted to panic for my initial investment on a regular basis.
- I recognize that while this time capsule is open, I should be only investing for bigger, responsible investment.
- I will print at the end of each year a check-in from my capsule, so the next time I invest I can reflect on how much I've grown!

Signature
here _____



Brought to you by

Lindsay
PLUMB

Accredited Financial Counselor &
Owner/Founder of:

Pretty
MONEY CLUB

the club where your finances go
from ugly duckling to top model
www.prettypmoneyclub.com



BLACK is the
NEWRED

the group where Canadians talk and learn about
money

www.facebook.com/groups/blackisthenewred

 **moola**
FINANCIAL COACHES & ADVISORS

the people who can help you get the
most out of your moola
www.yourmoola.ca