



**SIMPLE TALK**

*about stocks*

So easy, you can teach your kids!



You don't have to be good

*to start*

but you have to

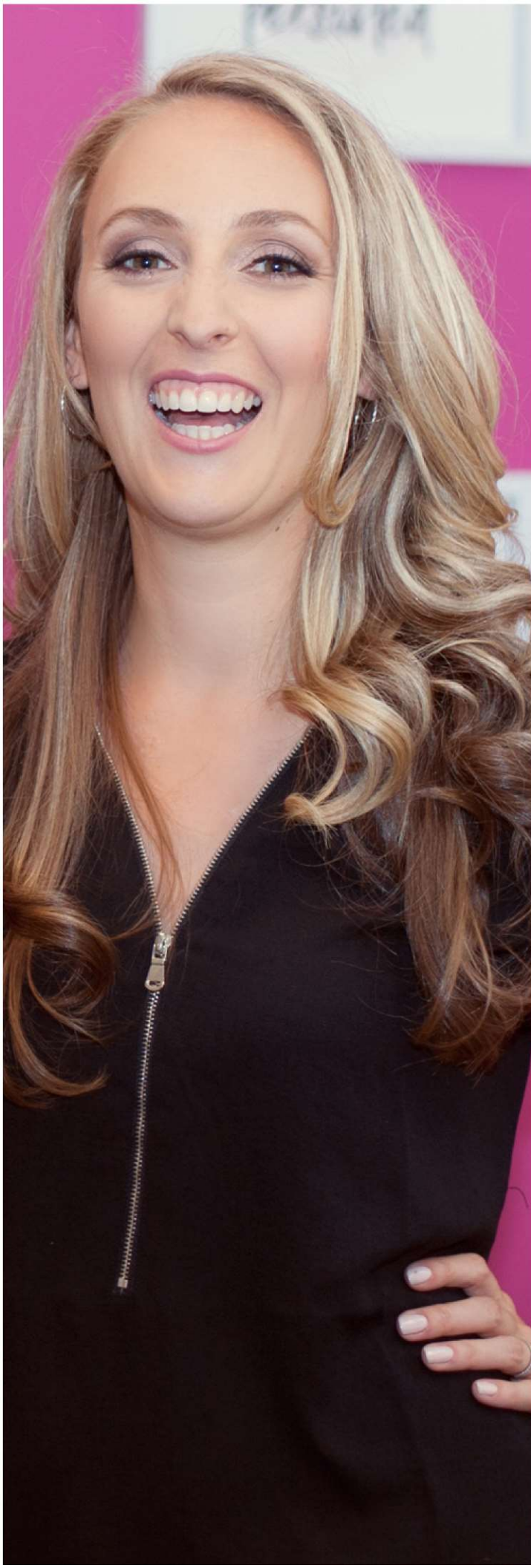
*start*

to get good.



startbeforeyou'reready

*Pretty*  
MONEY CLUB



# About the author

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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! Whooohoo!

### **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**



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*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 GAINS. This is NOT gambling... this is thoughtful, calculated, well researched, deliberate making. Think of investing like you're in a time capsule. You don't go check up every day to check on the contents, do you? NO! You're 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 sweet bottom 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.*

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## 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.

# # STORYtime



**This is Larry**

Larry knows that XYZ uses 100 shares of stock.  
XYZ used to have 100 shares at \$1 per share.

**That's all Larry knows, but Larry buys \$1000 in shares, because he wants a quick win and hopes the company will rebound. It does not.**



## Larry is foolish

**You won't be a Larry. You're gonna do your dang homework and make informed decisions.**

*Let's talk about how*

**P.S.** a "stock" is made up of "shares". It's like buying a bunch of grapes.  
The bunch is the stock and the grapes are the shares.

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DIY

FP

MF

...say **what?**

Let me explain your options here...

Imagine a unicorn horn comes in with a full-on magical unicorn horn! Or see a thought maybe! Don't you know, it's a turning a corner... just saying a sentence (hahaha) and my back is the learning stuff.

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?





*Do It Yourself*

*Hire a contractor*

*High end designer*

## **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.



# 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.

ETF's are a bunch of stocks and bonds wrapped in a bag 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 ETF's and if you have a preference for what type of companies you want to put your money in you can pick a basket that gives you what you want. Mentally friendly investing is? You can do that!

Most ETF's require you to get in through a licensed professional. The easiest way to do this 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.

## BUT INVESTMENT MISTAKE NUMBER 2: Don't ask for asking about the fees.

Lots of brokers that manage ETF's employ robo-advisors, 'cause you can't beat the low wages the robots demand on their smart computer algorithm money management side. The bottom line is that robo picking is bad. So if you've been paid to pick stock with a track record that's overall better (10%) over the long term. Meaning patience is the real money maker and shelling out top dollar for a robo 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 the return is based on the performance of the top designers like in mutual fund managers who invest money and based on the prediction of which stocks will go up or down. Mutual funds are based on time and the bank will give you some extra on the ability to invest with a bank and the bank will give you the ability to sell your return.

**The average return for the Canadian 7.3% per year**  
**The average ER is 0.1%**

\*the average cost of the fund is 0.1% per year

The average return for the Canadian 7.3% per year, but the average return for the Canadian 7.3% per year is 0.1% per year. The average return for the Canadian 7.3% per year is 0.1% per year.

MF 0.5% fee = \$2,700

Total value of investment = \$12,000

MF 2.5% fee = \$2,700

Total value of investment = \$12,000



# # ...wtf?

Why would *anyone* choose  
not to work for me when you put it like this?

(which is a little bit more than you can get from any other place you can  
get it from, with a little bit of return.)

The fund manager wants to work for clients who have  
millions of dollars. They want to be doing the same job, so they  
want to work for the person who has the most.

*Pretty*  
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# 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

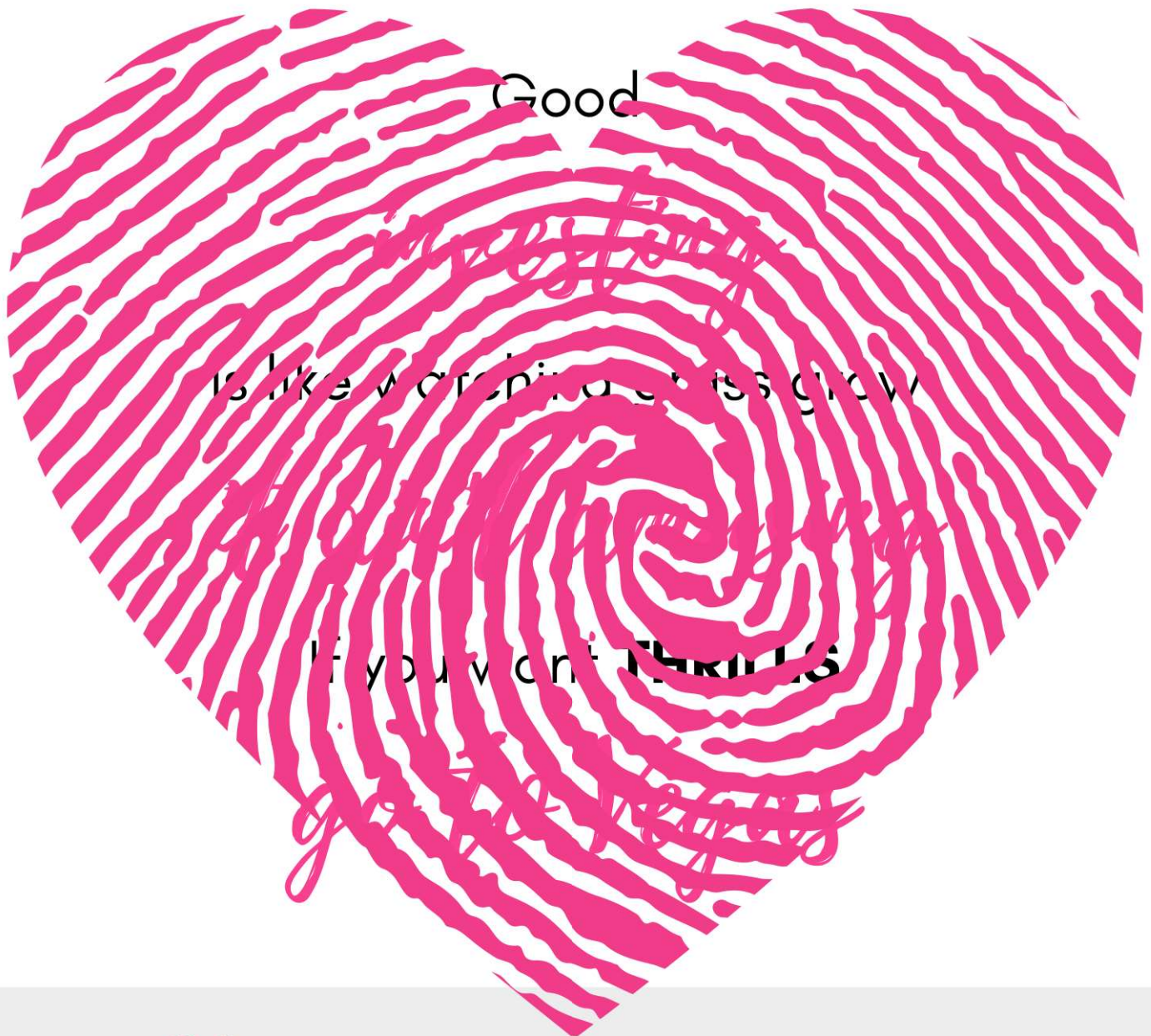
3

4





thegoldenrule



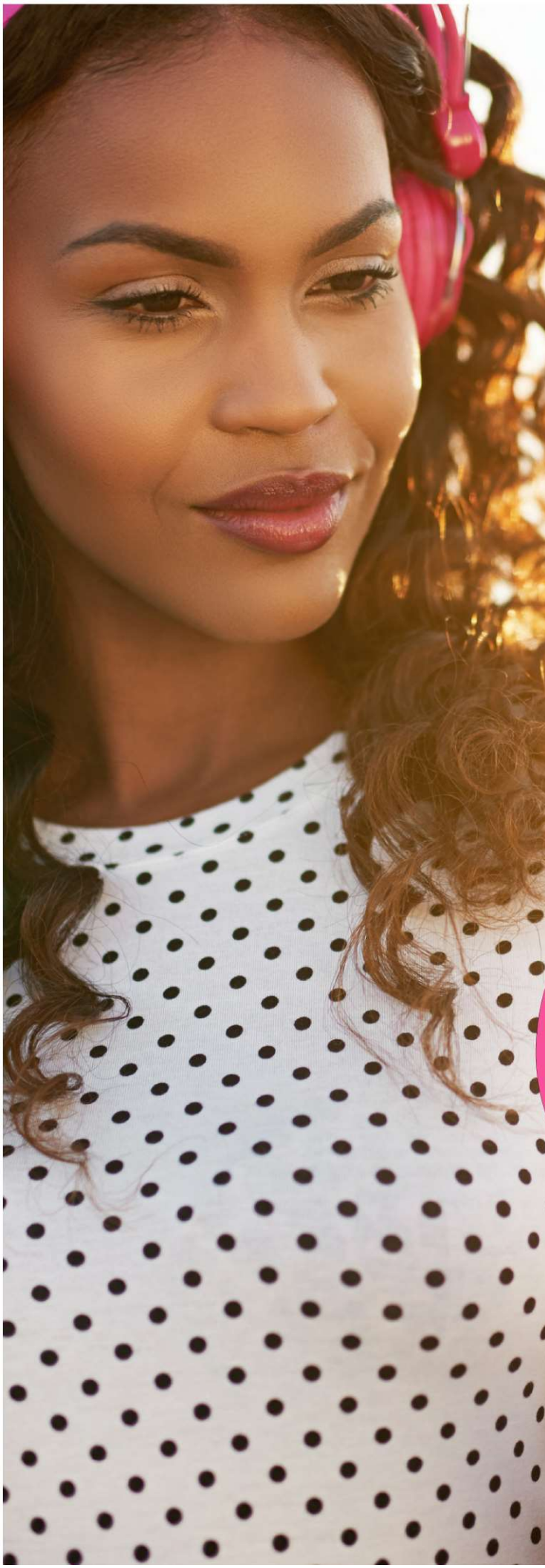
practicepatience

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# So, which stock *deserves your dollars?*



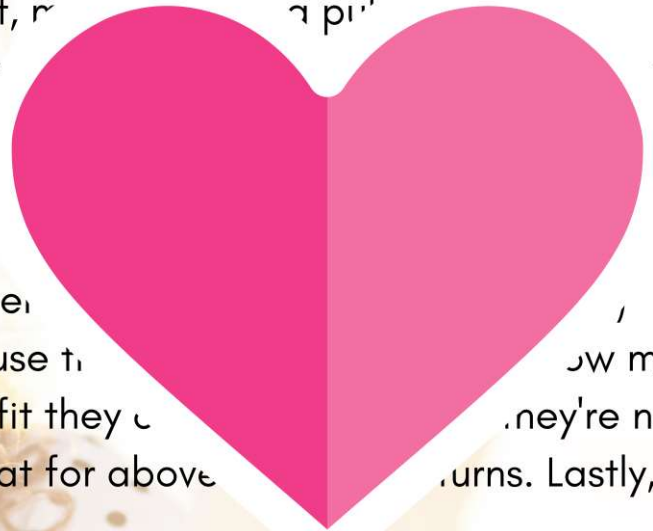




# THESE ARE THE TYPES OF COMPANIES YOU WANNA INVEST YOUR MONEY IN

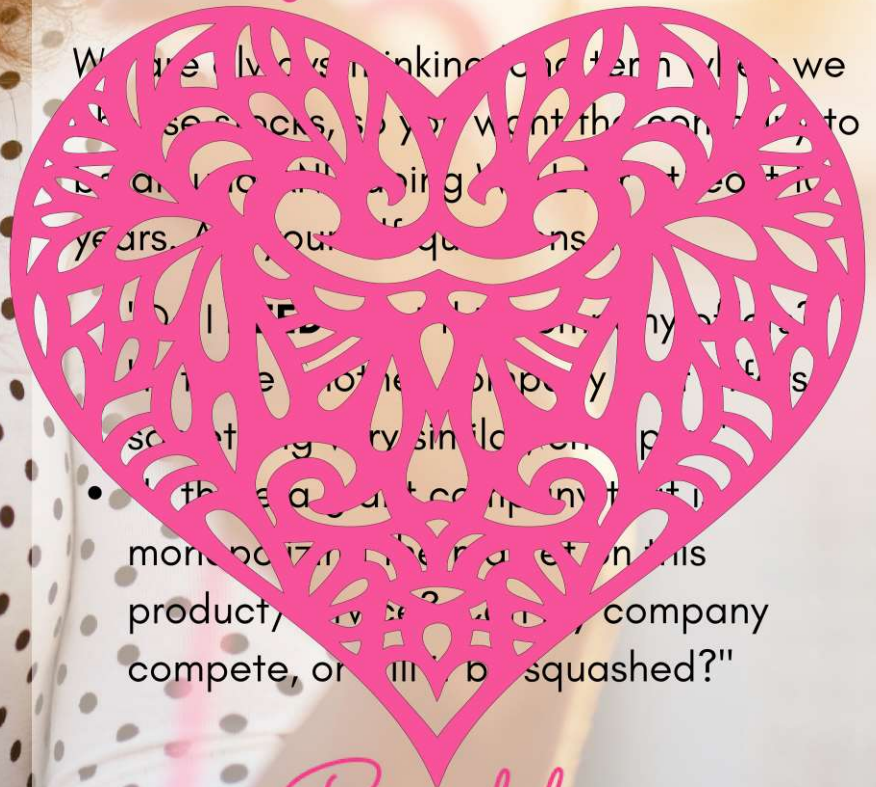
♥♥♥#WTF♥♥♥♥

First, r... a pr...  
cor... es in  
it.  
pri...  
buy  
gove...  
'cause t... ow much  
profit they c... hey're not  
great for above... urns. Lastly,



## Remember!!!

We're always thinking about how we  
use stocks, so you want the company to  
be around for a long time, not too many  
years. About 10 years.



... I ... my ...  
... properly ...  
... very similar ...  
... the ...  
... market in this  
product, ... company  
compete, or ... squashed?"

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## Values and Dollar Signs

If you're gonna own a share of a company (however small a share) you may want to look at the values and beliefs of the company. It's not just about the money, but also about the things the company stands for. Some companies, like those in the tobacco and alcohol industries, might not be the best choice for you if you wish to support socially responsible companies.

## 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 like, and the kinds they need to grow. It's about making choices based on what's right, not just what's profitable. Companies that are socially responsible can attract more investment and grow faster. The values of a company can affect how it operates and how it treats its employees. So, when you invest, think about the company's values. Are they good? Are they bad? Are they the kind of company you want to support? 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

and Retrieval (SEDAR). You can find these statements on the company's website or on SEDAR.

OR  
You can use a search engine to find the statements. 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.



## SHEET

It tells you about company's assets, liabilities, and equity at a single point in time. It shows the company's ability to turn its assets into cash that can be turned into your money. It also tells you what a company owes, and how it plans to provide goods & services. (The balance sheet) is sometimes called the company's snapshot. It would be left if a company were to shut off all of its liabilities. It belongs to YOU as an investor.

The income statement shows the money the company is making after all expenses they have, and then it shows the literal "bottom line" of the company's net profit or losses. This tells you how much 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 tells you if the company has enough cash on hand to cover its liabilities. Operating Cash Flow is the company's sales. Financing Cash Flow is when the company borrows money. Investing Cash flow is when the company buys equipment.



There seems to be some sort of

*perverse*

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

*difficult*

*- Warren Buffet*



KeepItSimpleSweetheart

*Pretty*  
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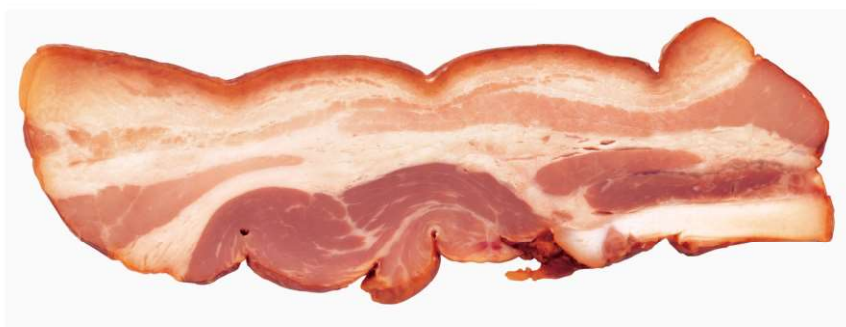
# CUT OUT ALL THE JARGON.

**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 & Je

...thus I... also... the...  
...the assets... the... compare...  
...to previous years and you want to see... number **GROW**.  
...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. (1 ratio of assets and liabilities is GOOD)  
**RED FLAG** low, negative or declining equity.

...to...  
...the top... does... revenue...  
income, the dollar bill... in the door before expenses.  
Look at the bottom line (generally) this is not 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.

...= ...  
...any new... to...  
...the money... 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... company is losing money.

**RED FLAG** Go to the section "financial activities" (or  
similar.) Make sure that the company's positive cash flow  
isn't 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 its shareholders' investments. The higher the ROE, the more wealth the company is creating for its shareholders (that's you). 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 ROE of 15% is ABOVE AVERAGE. It's not a bad thing. SHOPPING. The bigger the better 'cause this is the rate of return the company is making for its investors every year.

**RED FLAG:** Suddenly drops in ROE or steady declines. Is the company using its money poorly? Maybe the CEO decided he wanted bigger? Bad thing.



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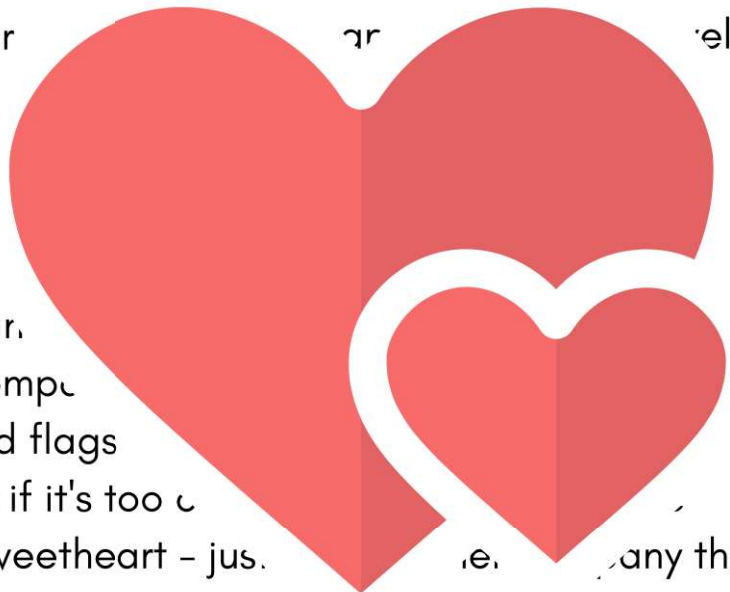
## KEEP IN MIND:

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

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

ar

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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*

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## 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. Now is the best time about empowering you to get your hands into the stock market and to work on your balance. Investing is, however, a scary thing if you're not used to it. It's a plan that should not be delayed. Finding the right place to work for you is the first step to doing the work necessary to create a beautiful individual with money. This is the first step of investment in a Roth IRA, because you want to buy when the stock price is low. There is a lot of room to grow. The worst time to buy is when the stock price is high. This is the worst time to buy after a market crash, a disaster, a pandemic. Just be aware and in the future, you will recognize these situations as an opportunity 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!)*

D  
Y  
K  
?

Adding up the returns on the top 100 stocks in the stock market over the last 100 years shows that the average stock investor would have lost money with a 1% annual return. (That's not even for the biggest companies in the world. Most of them have the time or inclination to make a profit. Not enough due diligence to ensure that they're doing better than the returns an ETF can provide with much less effort.)

**This time capsule is not here  
to fund your golden years...**

*let's have some fun!*

You're **learning**, so pick a number that you're comfortable with saying goodbye to for the next ten years.

Hopefully with all that you've learned here, by the time you meet again, that number will have gained a little. Or a lot.

*What's your number?*

\$





*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?**

**What gives you the most fulfillment?**

**What is your biggest challenge?**

**What are you most grateful for?**



# *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?**

**Do your finances align with your goals?**

**What is your biggest financial challenge?**

**Who supports your financial well being?**



# *My/our financial goals!*

*this month*

*this year*

*5 years*

*10 years*



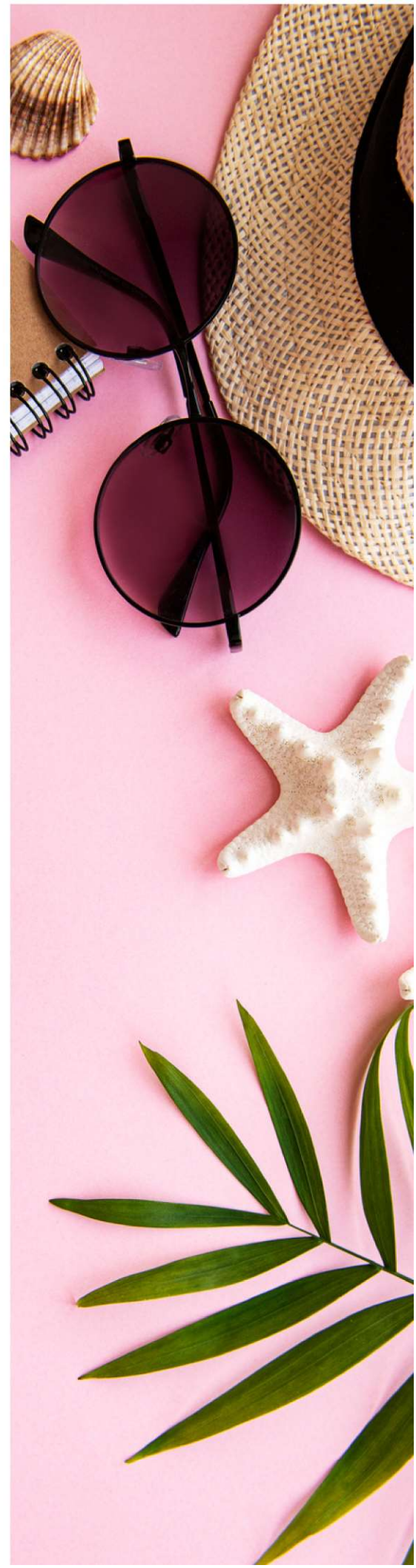
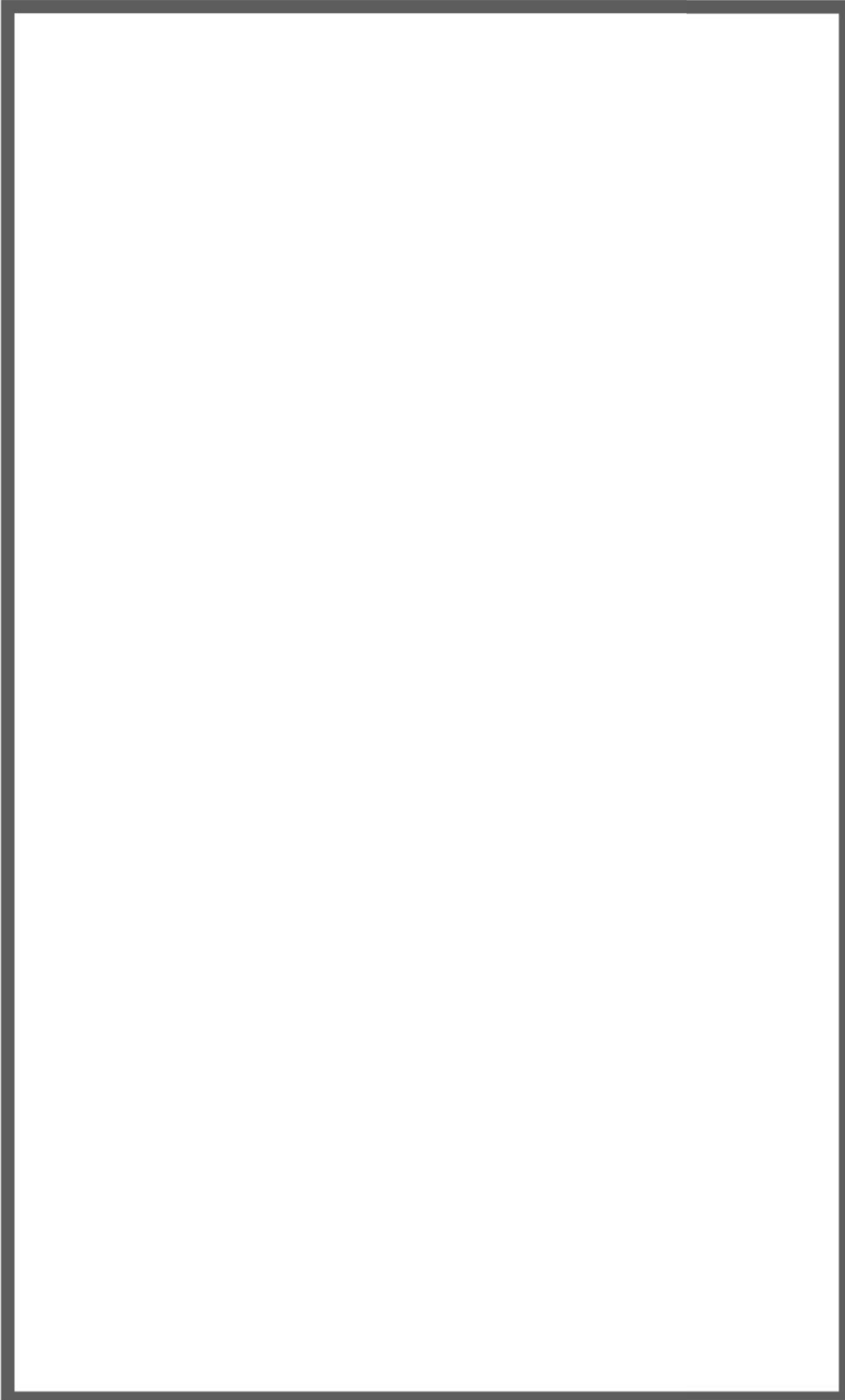
## Think about your needs

What do you presently have? What do you want? What can't you live without? What makes your life worse, better, or fulfilled?

## Think about your values

What's important to you? What do you value? What do you promise to do in your daily life? How often do you uphold these promises? If you owned a company, what would you want your values to reflect in the way that you operate? What matters to you?

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







TrueLife  
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Are you likely to feel  
**STRESSED**  
by the market when it starts?

*It's the test...*

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

I've thought of losing money  
because of a bad decision  
investing in the stock market...

If the market fluctuates I feel  
like I'm managing my  
accounts badly...

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

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

I have been known to worry a  
lot.

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.



# checklist

**and company?**

5

15

*Journal of Management Inquiry* 18(6)

its 20

# hf

# 0.16

the ... pa ... 1945 years with

Is the K<sub>sp</sub> of a salt constant or does it change over time?

Is the stock overvalued?

Do you have an answer? or do you have questions?



# INVESTMENTS

## for your kids

Next time you're thinking up a magical birthday gift that will stand the test of time (now fast we're all kids totally into 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 years, '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?

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I/We are investing (\$): \_\_\_\_\_

In this company: \_\_\_\_\_

On this date: \_\_\_\_\_

*I solemnly swear:*

- ☒ I have done my research.
- ☐ I will not make decisions based on emotion.
- ☐ I will not let time capsule for at least 10 years.
- ☐ I will not let time capsule for my financial well-being on the regular basis.
- ☐ I recognize that while this time capsule is made in good faith, I should be able to invest for bigger responsible investment.
- ☐ I will print at least 1 sheet of this checklist and keep it in 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.prettymoneyclub.com](http://www.prettymoneyclub.com)



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**NEWRED**

the group where Canadians talk and learn about  
money

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