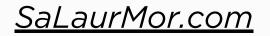


## **Get Comfortable Investing in Stocks!**

1. So What The Heck is the Stock Market?

2. Why Invest in the Stock Market?





#### Helpful Terminology and Real Company Examples

1. What Does the Term Balance Sheet Mean?

2. What Does the Term Income Statement Mean?





#### Helpful Terminology and Real Company Examples

3. What Does the Term Cash Flow Mean?

4. What Are Valuation Ratios of A Company?

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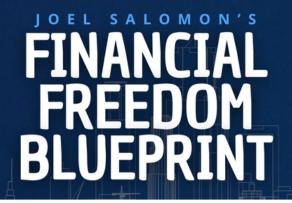


### Helpful Terminology and Real Company Examples

1. *Fundamental Analysis* is Using the valuation metrics already defined to analyze a company

2. <u>Technical Analysis</u> is Using the stock's price and its past movements to determine if it is cheap or expensive





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<u>Pick A Stock Using Joel's 5-Step Proprietary Stock Screen</u> <u>Pass all 5 steps and you may have a winner!</u>

<u>Step 1:</u> Calculate the most recent quarter's earnings per share (EPS) growth and see if the EPS growth is more than 10 percent

<u>Step 2:</u> Calculate the most recent quarter's sales growth and see if it is more than 5%.

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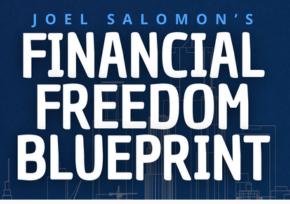
#### <u>Pick A Stock Using Joel's 5-Step Proprietary Stock Screen</u> <u>Pass all 5 steps and you may have a WINNER!</u>

<u>Step 3:</u> Is Step (1) > Step (2)?

**<u>Step 4:</u>** Is the growth in EPS greater than the P/E?

<u>Step 5:</u> Did the stock go up on the day of earnings?

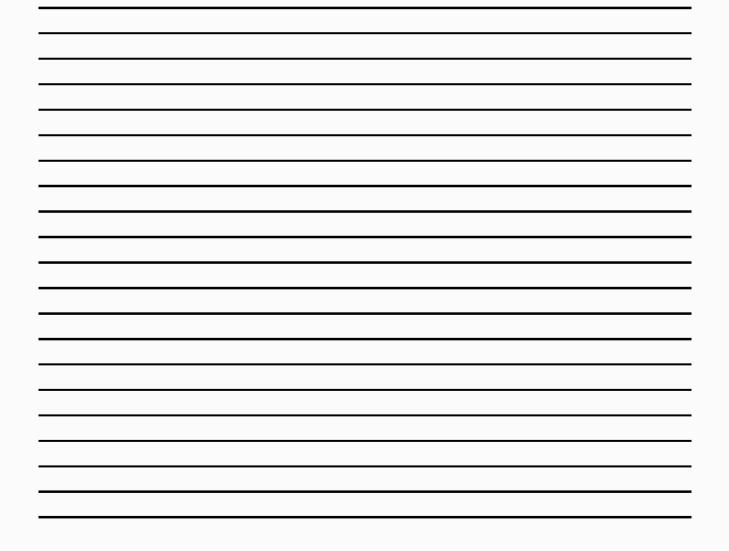
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### <u>Another Way To Value A Company is With</u> <u>Price Targets</u>

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#### What Are The Price Targets For Your Chosen Company?





# FINANCIAL FREEDOM BLUEPRINT

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## <u>Summary and Final Thoughts</u>

- There is a "nomenclature" to understanding stocks.
- No need to memorize terms, but you should become familiar with them or use this presentation to better understand if a stock is cheap or expensive
- You can analyze the stocks that you own and clearly decide if they are expensive or cheap. Then it is only a logical decision whether to hold or buy more or sell it.
- However, just because a stock is "expensive" doesn't mean it can't get more expensive (go up more) and just because a stock is "cheap" doesn't mean it can't go down.

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