Put Your Money Where Your Heart Is

W O R K B O O K

Personalized Exercises
To Activate Dream Come True Living
(Instead of Being Buried in Basic Needs)

by Natalie Pace

© 2009 Writer's Guild Registration #: 1361680

Edited and Compiled by
Glennda Adair and Shelley Whizin

Companion Book To:

Put Your Money Where Your Heart Is

By Natalie Pace

TABLE OF CONTENTS

PUT YOUR MONEY WHERE YOUR HEART IS

WORKBOOK

FOREWORD:

YES, IT REALLY WORKS!

By Shelley Whizin

and

Glennda Adair

By Shelley Whizin

It was May 2008 when I first attended Natalie Pace's "Get Rich and Enrich" workshop in Santa Monica. Little did I know it would change my life FOREVER.

Stepping into the door I was both excited about learning how to invest in the stock market and totally intimidated because I knew NOTHING about investing. My (soon to be) ex-husband and "our" stockbroker had always taken care of everything. (Sound familiar?).

As Natalie explained the different terms, concepts and philosophies about investing in the stock market, I began to "get it". Utilizing our own computers with Internet access, we practiced and practiced at navigating and evaluating different stocks and ETFs according to the criteria Natalie set forth.

By the third day, I was actually able to reiterate what we had learned, and frankly, I couldn't believe it myself. I was shocked and proud. Natalie had certainly done a great job of turning me into a fairly knowledgeable person with familiarity to the terms and formulas for successful investing. I quickly put my skills to a test when I proudly found myself having an INTELLIGENT conversation with "my" (soon to be) stockbroker. I think he was surprised that I could "hold my own" in that conversation. (I felt like a grown up who was empowered instead of intimidated).

During the class, we toured a "green” house in Santa Monica, (made of 100% recycled material) which we all fell in love with. Two other women and I were chatting about how "one day" we would LOVE to BUY a house like that and turn it into a retreat center or rental property to conscious renters. We all got very excited and exclaimed in that moment, "Why don't we START AN INVESTMENT CLUB like Natalie did?"

Using Natalie's templates and her fantastic printed materials, we developed our goals, our philosophies, our rules, and sent out invitations to our friends whom we thought would be a great fit. We set up an account at a local online discount brokerage, with everyone contributing $100 per month. Thirteen of us women were on our way!

Our first official meeting was held in July 2008, and we have met every month since that time. We all look forward to years of educating ourselves and making money in conscious endeavors. We are all like-minded, like-hearted and have a great desire to help our planet, contribute to our world and love getting together for delicious food and fabulous educational and investment opportunities.

Our directive was to read Natalie's newsletter every month, do our own stock report cards and follow Natalie's picks, even though we would do our own homework. Each month someone different presents a suggested investment. These are all considered "stocks on steroids" and NOT part of our individual "nest eggs". Well, the formula has paid off and we are officially in the investment club business. Our first investment paid a return of almost 40% which was amazing in this shabby economy. Look at how well we learned the investing strategies from Natalie’s retreat!

I am forever grateful for Natalie's style of imparting her brilliance to us all, her dedication to the truth of our economy and to her love of what she does and how she does it. I will NEVER be the same again. I am growing by leaps and bounds every day in every way and becoming more sophisticated in my knowledge base of investing. I just love the process of learning and am so proud of the growing intelligence of our investment club.

By Glennda Adair

In October 2008, I watched the wind destroy my sails as the stock market dropped drastically. It felt like someone had drilled holes into my savings and it was quickly sinking further every day. I signed up for Natalie's 3-day retreat because I wanted to know what I could do to stop this traumatic drain in my net worth.

I loved the retreat and the way Natalie taught it. She not only taught the concepts of investing, she also taught me to get my head wrapped around the concept of having wealth and what to do with it once I had it. It makes you really want to make money so you can help the world! During the retreat, I had this weird sensation of literally feeling myself split in half. Part of me was totally enjoying the retreat as I gained confidence by practicing with strategies and philosophies Natalie taught. The other part of me was FREAKING OUT because the market dropped over 400 points twice during the retreat. I'm typically not a very emotional person but my emotions were getting the best of me with those 400-point drops in the market.

My emotions of fear, anger, and grief followed me home from the retreat. I worried about selling my mutual funds (that did not seem to fit into the portfolio I had designed at the retreat) because that would seem like admitting defeat with all of my accumulated losses! Besides, I kept hearing the words "*Don't worry. They will come back.*" I heard that phrase over, and over, and over from friends and acquaintances.

I knew that I had to calm my emotions so I could be fully present and focus on how I was going to rearrange my finances. First, I put my years of yoga experience to the test and quieted my emotions; and, at the same time, received a wonderful insight of the action I needed to take! I realized that I was sitting on a ton of capital gains from diversifying my company stock earlier in the year. That meant that I could sell my mutual funds and let the losses offset the capital gains that I would have been paying on my 2008 taxes. Yea! Not only did I find the permission I needed to sell my mutual funds and reduce my taxes, I was now free to start fresh and create my portfolio cleanly with the ETFs I had identified in Natalie's retreat. I also found that I was sleeping more peacefully since I was no longer investing "*with stomach acid*".

I was amazed at all of the confidence I gained at the retreat. I loved creating the stock report cards and analyzing companies against their competitors. I am always hearing stock tips from sources such as the media, friends and acquaintances. Now I sit down and put together a stock report card to see if the companies are really worth investing in them. Sometimes those companies are not nearly as good as they were advertised! It is so easy to put the information from Natalie's retreat to practical use.

The market has been crazy in this recession. One week it is up and two weeks later it goes down, and I have used this volatility to my advantage. With some of my "fun" and "education" money, I buy individual stocks. Generally my gains have been over 20% in just a few weeks (not bad - compared to a 1-year CD at 2%) and I find myself investing in the *same* great companies over and over as the stock market rises and falls. I learned from Natalie's retreat to be patient and buy at a low price. When the price goes up I sell and when it gets back down to a reasonably low price, I buy again. I don't even watch the market every day; but, I do check it now and then and seem to catch a pretty good time to buy and sell. It also feels good to know that my emotions are no longer running amuck since I am using my "fun" and/or "education" money as well as knowing how to research the companies before I invest in them.

INTRODUCTION:

Thrive

By Natalie Wynne Pace

Thank you for picking up this companion workbook based on my critically acclaimed book, *Put Your Money Where Your Heart Is*.

You are a creator of our world. Your retirement dollars are invested in the corporations that define our existence. When you realize the power of your money and investments as tools to make you rich and to also enrich our world, you will start aligning yourself with other creative and motivated people who are invested in your success, the success of the companies you choose to support with your investment dollars and the world at large.

I am touching pleasure points in your brain in my book and in this work book intentionally—to spark your endorphins. Most people still believe the old myths about money, and they carry around a lot of anger, worry, doubt, fear and loathing about wealth. “Why is that person rich? I’d make a much better rich person! I’m the one who *deserves* to be rich. Why wasn’t I born as lucky as her?”

Once you come to understand that you are, right now, the creator of your world—your home, your neighborhood, and by the money you invest in your retirement plan, even the world at large—you will start thinking like a rich person, instead of a victim. Victims fear money, worry about money, think that they are owed money, think they deserve money more than the next guy, and spend all their time gambling or trying to win the lottery, instead of embracing healthy money habits that lead to lasting wealth.

Some authors make investing too complicated. Others make it too boring. Some have cookie-cutter investment strategies, like cutting out coffee or using fancy software, that frankly don't work because no two people have the same talents, passions, goals, time or intelligence. I am asking you to think about the power of your money to transform and enrich your own life and the world at large and to apply my strategies to become the best *you*.

My investment recipe works because *you* supply the ingredients. The Billionaire Game works because *you* decide what's charity, what's education, what's fun and what to invest in. Since *you* are *invested* in achieving your own success—instead of relying on someone else to do it or drowning in basic needs—that is the fuel that drives prosperity.

If you can shop, you can pick stocks. If you tithe, you can become a millionaire. If you can pick a great life partner, then you can select the second most important person in your life—your certified financial planner. If you know your age, then you know what percent of your retirement plan you should keep safe, i.e. ***not*** invested in stocks.

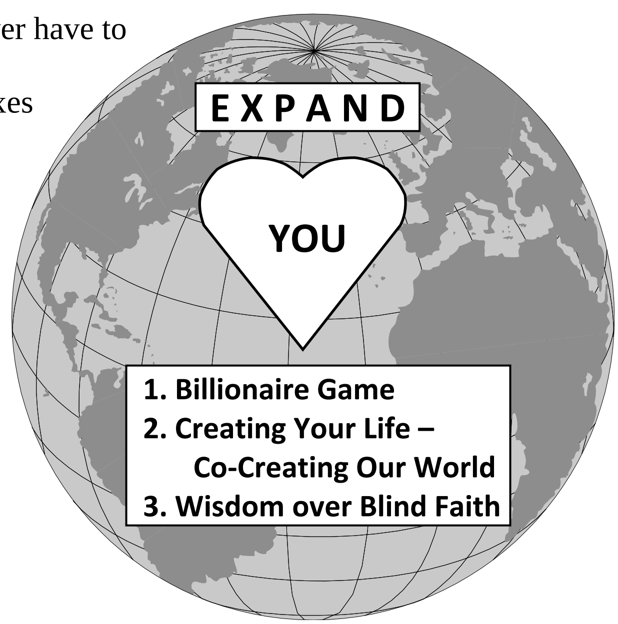
How would you live if you had all the money in the world? This work book is intended to put you on that path of dream living right here and now. Every cent you own and every moment you spend is always an investment. When you start investing in things that you know and love, instead of with fear and greed, your life will change immediately, and this world will become a much more beautiful place. A life like this increases in value every single day and becomes more valuable not just to you but to those around you as well.

UNIT 1

GET RICH AND ENRICH

You are a creator of our world. Your retirement dollars are invested in the corporations that define our existence. When you realize the power of your money and investments as tools to make you rich and to also enrich our world, you will start aligning yourself with other creative and motivated people who are invested in your success, the success of the companies you choose to support with your investment dollars and the world at large.

In Chapter 1 of this workbook, you will play a game to discover how you would be living if you had all the money in the world. In Chapter 2, you will take steps to create your life and take ownership (literally) of our world. Chapter 3 gives you strategies of wisdom and knowledge, so that you never have to invest with blind faith, check off the boxes in a retirement fund or have to rely on praying really well.

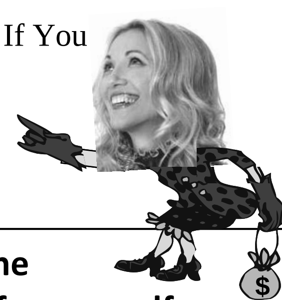


Unit 1 - Chapter 1

Billionaire Game

Chapters referenced in ***<u>Put Your Money Where Your Heart Is:</u>***

<u>Chapter 3</u> – "Put Your Money Where Your Heart Is"
<u>Chapter 8</u> – "The Billionaire Game: How Would You Live If You Had All The Money In The World?"



Natalie's Investing Points:

1. How would you live if you had all of the money in the world? You can unlock that passion, have that vision for yourself and start walking that path right here and now.

2. The road to prosperity means that you are focused on thriving – on your investments (the first check you write), your charities (which lead you to a new network of friends), your education (which increases your income) and your fun (health is wealth).

3. Basic needs, including housing, car, gas, insurance, debt repayment, taxes, credit card bills, etc. should not exceed 50 percent of your income. Oftentimes, writing checks for education and investments means you write a smaller check to the IRS – not more money, just a different allocation, and a different way of thinking.

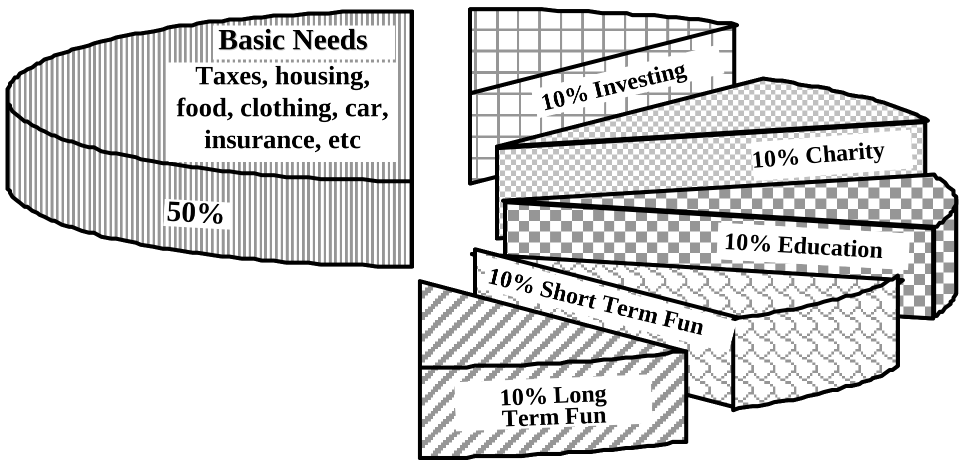
Introduction

While most people become punch drunk on the idea of getting rich, the real trick is getting rich and *staying* rich. The good news is that the solution for getting rich and staying rich are the same. Many people who make millions overnight, lose their money through lavish spending and bad financial advice. A great many people who *could* become millionaires never do, through over-spending and financial ignorance. What's the solution to getting rich and staying rich? The ***Thrive*** Budget and the book "***Put Your Money Where Your Heart Is***" are the conduits to financial literacy. You'll never go back to blind trust and frivolous spending ever again.

The idea of a ***Thrive*** Budget is not new. Entrepreneurs like Steve Jobs, who slept on the floor of his friends' dorm rooms before launching Apple, invest more in their dreams than in basic needs instinctively. The focus is to *thrive versus survive*. It's largely a shift in thinking and focus, combined with a blueprint to create a healthy, balanced lifestyle with room for fun and an ever more beautiful future, rather than drowning in basic needs. It's not more time or money spent. If you think of all the time you spend worrying about money, you know that getting smart about investing is actually going to take *less time*.

The basic breakdown of the "Double Your Fun" budget is 50 percent to thrive and 50 percent to survive as shown in the next chart. This budget places priority on living a rich life and investing there *first – before* basic needs and survival.

10 % to investing
10 % to charity
10 % to education
20 % spent on fun. (Half on immediate fun, like movies, fashion and dinners out, the other half on something you'll have to save up for, like vacations, Jacuzzis, boats, etc.)
50 % for all your basic needs (including taxes, housing, food, clothing, car, insurance, etc



EXERCISE 1-1: The Billionaire Game

Introduction:

How would you live if you had all of the money in the world? Here is a game that will help you get started dreaming of your billionaire lifestyle right now and discover how you would live if money wasn't an issue anymore.

In order to really shake out the old and invite in the new way of thinking about life, I want you to fantasize about what the *Thrive* Budget could mean for you where you are now, and then if you were a multimillionaire, and ultimately as a billionaire. You'll be following the *Thrive* Budget, but you will be spending more and more money in each category, until you are spending just like a billionaire.

It's just a game, but watch what issues come up for you.

The Billionaire Game is an exercise that allows you to discover exactly how you would live your life if you had all the money in the world. You will delve into the essence of your nature – the core of your being – and discover exactly how you would invest your time and money if you had no limitations. That is essentially living the life of your dreams. Once you understand what you truly desire and draw the road map to that reality, you can take steps to create that dream life.

<u>Step 1:</u> **Tithe to your future ("Buy My Own Island" Plan).**

Take 10% of $10,000 per month ($1,000) and describe in detail (in column 1 – "Thousandaire" of the worksheet) how you would invest it in your "Buy My Own Island" plan. *Pay yourself first!* (Example: I love my iPhone, so I am investing $1,000 in Apple.)

Natalie's Note: The phrase "retirement plan" sounds about as inviting as a root canal. I'm using the name, "Buy My Own Island" plan, but I encourage you to use a name (goal) that is meaningful to you – one that will make you want to save and invest to attain.

<u>Step 2:</u> **Tithe to charity.**

Be specific. Don't just give it all to your church. Maybe give $500 to the church and $500 to reforest Brazil. Or just give $1,000 to send a talented, underprivileged student to college.

Step 3: $1,000 to education.

Did you know that education is the single highest correlating factor with income? It makes sense that doctors are paid more than dishwashers. However, doctors who understand investing will make higher gains than those that invest by blindly checking off a box in their retirement plan. So, where do you wish to increase your skills/talents/wisdom for a raise?

Step 4: $1,000 for short-term fun.

Describe something you want to enjoy right now. Spa day, anyone? Box seats at the Ultimate Fighting Championship?

Step 5: $12,000 for long-term fun.

(This is a category that you save all year for, so you have 12 months of $1,000 or $12,000.) Would you most enjoy a Jacuzzi? Solar panels? Or trip to Italy?

Step 6: 50% ($5,000) for basic needs.

You are the master of basic needs and survival. Chances are you've been stuck in the rut of over-spending and that has really limited your ability to thrive and live in your dream life. So, forget about this category for now. And let's stay in dream mode.

Note: Only work in column #1, labeled "Thousandaire" or "10,000/Mo".

Leave columns 2-4 blank for now. (Don't dream in the Millionaire, Multi-Millionaire or Billionaire columns just yet.)

	Thousandaire **120,000/Yr** **10,000/Mo** **10%=1,000/Mo**	**Millionaire** **1,200,000/Yr** **100,000/Mo** **10%=10,000/Mo**	**Multimillionaire** **12,000,000/Yr** **1,000,000/Mo** **10%=100,000/Mo**	**Billionaire** **1,200,000,000/Yr** **100,000,000/Mo** **10%=10,000,000/Mo**
10% - Buy My Own Island				
10% - Charitable Giving				
10% - Education				
10% - Short-term Fun				
10% - Long-term Fun	**12,000 /Yr**	**120,000/Yr**	**1,200,000/Yr**	**120,000,000/Yr**
50% - Basic Needs (debt, house, car, insurance, taxes, etc)				

Now that you have played the Billionaire Game as a "thousandaire", let's step it up! Become a millionaire. How would you live now?

Step 7: **Grab a martini** (or a cup of green tea or a café latte, if this is fun for you) because we are now stepping into dream mode. I'm giving you a raise, and you are now a millionaire. Imagine for a moment what that is like. This level is about what an actress like Jennifer Hudson would get for her second film (if her first one was a success). So, you may have an acting or singing coach, or someone who is helping you to achieve the level of success you desire.

Step 8: **Now as a millionaire** (in the second column of the worksheet) decide how you would invest $10,000 per month as you did in steps 1-4. Step 5 will now be $120,000 for your long-term fun. You may want to have multiple investments in your "Buy My Own Island" plan. (Example: $3000 in Google, $2000 in Sunpower Solar, $4000 in Treasury Bills, $1,000 in an International Fund). Again, forget about Basic Needs. You've done that enough over the past _____ (*fill in the blank*) years. Stay in dream mode.

Journal Entry:

What areas did you find easy? Were there any places where you thought this game was dumb or didn't know what you would like to do? Note that here. These are areas of internal resistance. You are bumping up against the walls of your own limiting beliefs about what you are capable of achieving.

Now that you have played the Billionaire Game as a millionaire, let's step it up! Become a multi-millionaire. How would you live now?

Step 9: **Grab a glass of champagne** (or imported, oxygenated mineral water, if this is fun for you) because we are now riding the magic carpet. I'm giving you another raise, and you are now a multi-millionaire, just like Brad Pitt and Angelina Jolie. Imagine for a moment what that is like. You have a big support network (a nanny for every kid; a housekeeping staff for every house). And you have a lot of people whose livelihoods depend upon you working. Imagine all of the grips, gaffers, DPs, makeup artists, etc. who cheer for joy when a film starring Angelina or Brad gets the green light. That means your health, your mental health, your team – everything has to be functioning optimally. So, my superstar, it is not all about your little, tiny, narcissistic self. You are responsible for the livelihoods of 100s of people.

<u>Problem areas</u>: Many of you may be challenged at this level. When you hit an area of resistance, ask your inner 5-year-old, how s/he will solve the problem. Color outside the lines and dream big. If your long-term fun (at $1.2 million) is to buy the moon, buy the moon!

<u>Step 10:</u> **Remember that you are spending $100,000** in your "Buy My Own Island" fund, $100,000 on charity, $100,000 for education, $100,000 in short-term fun and $1.2 in million long-term fun. Tripped up on how to spend $100,000 THIS MONTH (and again next month) on education? If the nannies for your children don't speak English, your children suffer. So, educating your support team can be as important as educating yourself. Alternatively, if you really want an investing education, why not invite Warren Buffett to dinner?

<u>Journal Entry:</u>

What areas of internal resistance did you encounter? What was fun for you? Ask yourself this: What within me needs to grow so that I can dream this big?

____

____

____

____

____

____

____

Step 11: **Now (in the final column of the worksheet), you are a billionaire** co-creator of Planet Earth. Decide how you would invest $10 million per month as you did in steps 1-4. Step 5 will now be $120 million for your long-term fun. (You really can buy your own island at this point, along with your plane to fly there, like Richard Branson.)

HELP! Let's get in the mind space before you tackle the dream life blueprint. Being a billionaire means that you are like Bill Gates. You may employ most of the people in your city. A lot of people rely directly upon you as the CEO of the business that employs them. So you have to be healthy. Your business has to be profitable. The future generation needs to be educated enough to continue building the widgets or providing the service which is at the core of the commerce of the city.

So, spend like the planet is depending upon you - because we are!

Journal Entry:

How does it feel to take ownership of creating a cleaner/greener city? What was fun for you? Ask yourself this: What miracle awaits me? Can you stay in this mental space of creating your own life and co-creating a more beautiful home, city, state, nation, planet, and universe long enough to bless yourself and give thanks for all of the blessings that you already enjoy?

____

____

____

____

Now that you have had a chance to create your dream world and expand your consciousness, it is time to see how you can take charge of your “real” world. In Chapter 2, you will delve deeper into the results of the Billionaire Game and find small steps you can take now to move closer to your dream world. Keep your mind targeted on ***thriving*** rather than surviving.

Unit 1 - Chapter 2

Creating Your Life - Co-Creating Our World

Chapters referenced in ***Put Your Money Where Your Heart Is:***

Chapter 3 – "Put Your Money Where Your Heart Is"
Chapter 8 – "The Billionaire Game"
Chapter 11 – "Socially Conscious Investing"

Natalie's Investing Points:

1. Most people have no idea what they are invested in. If you have a pension or a 401(k) and you don't know what you own, chances are that you are an owner in the status quo – big oil, big tobacco companies, big defense companies, etc.

2. When you realize that our world looks the way it does on your dime, you can start investing in (and reaping the financial and global gains of) products for a new, cleaner world.

3. The wisdom of the shopper: When you invest in companies that make products you want to own, then you are always invested in an emerging world. In blind "check off the box" investing, you can be invested in companies that are run poorly and are making inferior products (a money-losing proposition).

4. Clean energy was the top performing industry on Wall Street in 2006 – earning almost 60 cents on the dollar. Energy (oil) came in second at 32 cents on the dollar.

Introduction:

Passion Always Wins

When you love something and feel really passionate about it, you'll still be able to sleep restfully at night even when the headlines are screaming at you that the locusts are coming. Fear, anxiety, and needing to close the position because you're running out of cash, are the three most common ways to lose money on any investment. Investing in what you love conquers two of those in one fell swoop. Being one who says, "Even if it is the end of the world, I'm not going down without my _____ (*fill in the blank of your favorite passion that is provided by a publicly traded company*)," might get you through enough days to wash ashore to a beautiful island of rich gains.

When you conquer your emotions and the markets pay you for your prescience — that is truly a shot of paradise. That kind of thrill — the same adrenalin rush as winning the lottery—happens all the time with smart investing. The odds are infinitely better on making gains in the stock market than the lottery and are available to you, too, once you rely upon your own base of wisdom and use the disciplines outlined in the *Put Your Money Where Your Heart Is* book.

Collectively, our money promotes and creates the products, goods and services in our world. Like it or not, whether you know about it or not, U.S. corporations use *your* money to decorate our home here on planet Earth. You want to make sure that not only are the products and services in alignment with your values, but you want to make sure the company itself is conducting business with integrity. And, of course, in order for you to be a beneficial presence on the planet, we'll need to get you out of survival, fear and basic needs.

EXERCISE 2-1: Creating Your Life; Co-Creating Our World

Introduction:

Review the Billionaire (4th column) of the Billionaire Game from the first chapter of this workbook. Essentially, this column answers the question, "How would you live if you had all the money in the world?" So, how would you live? What three things could you commit to doing right now that, perhaps on a smaller scale, activates that dream of living in your reality right here and now?

For instance: If you want to own a sports team, can you at least commit today to using your short-term fun money to attend a game this week? Or, if you would give a scholarship to help a needy, but gifted, child to attend college, can you commit to one-hour of after school mentoring each week?

Step 1: List three commitments that you are willing to enact this week to start living "the life of your dreams".

Commitment #1: **to be completed by:** *(insert date)*______________

____

____

____

____

Commitment #2 **to be completed by:** *(insert date)* ____________

____

____

____

____

Commitment #3 **to be completed by:** *(insert date)* ____________

____

____

____

____

Step 2: Put the actions on your calendar. To make sure they get done, call a close friend and declare to them exactly what you are going to do this week. Schedule a time next week to call your friend back, and report about these three new experiences that you have created for yourself.

Step 3: Plan a party this month and play "The Billionaire Game" with at least six friends. Encourage your friends to read *Put Your Money Where Your Heart Is* before the party. After all, we are all on this beautiful planet together and the game is to create a clean, green world that works for everyone.

EXERCISE 2-2: Launching Out of the Rut of Basic Needs

Introduction:

The idea of cutting out your café lattes and saving the two bucks a day is not a strategy for getting wealthy. That plan is all about deprivation and penny-pinching. It is not going to get you out of debt *or* build your wealth, and completely sidelines the basic principle of real wealth—which is to step into dream-come-true living now (including those lattes and other pastimes that make you happy), by creating a better world, starting with your own life, and then your neighborhood and then the world at large.

Do you spend more than 50 percent of your income on your home, transportation, food, taxes, insurance and clothing? More than 70 percent? Are you trying to squeeze **all** of your *Thrive* Budget—fun, investing, education and community—into less than 10 or 20 percent of your income?

Only half of your take-home pay should go to basic needs. Quite simply, you have to increase your income and decrease your spending. Your kids might enjoy you more if you downsize to a new solar-powered, sustainable home with modest square footage, than the energy hog McMansion where everyone hides in their own room. Instead of whining that you don't take vacations, you might start hosting monthly potluck yoga parties at your beautiful home (like a friend of mine does) and enjoy your home more, as part of your "fun."

<u>Step 1:</u> List three ideas that will **increase** your income. Investing in your "Buy My Own Island" fund is a raise! Instead of writing a fatter check to the IRS at the end of the year, you are consciously increasing your assets right now, with the potential of making money while you sleep. What other ways can you increase income or give yourself a raise?

<u>Idea #1:</u>

I will tithe 10% to my "Buy My Own Island" fund immediately! (Now list the details of when you will set up the brokerage account, the auto-deduction, etc.)

____

____

____

____

Idea #2:

____

____

____

____

Idea #3:

____

____

____

____

Step 2: Write these income-generating ideas on a piece of paper and place it prominently by your desktop computer or on your bathroom mirror – someplace that you pass frequently! The first idea is awesome and you must do it now. The second two ideas may not be the perfect solution, but by placing them in a prominent place, they may spark a better idea.

Step 3: List three ideas to **decrease** your spending. If you are way out of whack, you need to look at the biggest ticket items – housing, insurance, cars, etc. Can you get a roommate or bring an aging parent into the home (and use a portion of their retirement to help with the mortgage)? Should you down-size? Can you take public transportation to and from work?

Idea #1:

____

____

____

____

Idea #2:

____

____

____

____

Idea #3:

____

____

____

____

Step 4: Write these expense-decreasing ideas on a piece of paper and place it prominently by your desktop computer or on your bathroom mirror – someplace that you pass frequently! These may not be the perfect solutions, but again, by placing them in a prominent place, they may spark even better ideas.

Now that you are taking steps in your "thrive" budget to increase your income, you need to make sure that your financial advisor is the right person for you and your money. In the next chapter, you will take a look at the investments you currently have and learn how to grade your financial advisor to make sure s/he is doing a good job of investing your money for you.

Unit 1 - Chapter 3

Wisdom Over Blind Faith

Chapters referenced in ***Put Your Money Where Your Heart Is:***

Chapter 9 – "Brokers are Salesmen, Not Surgeons"
Chapter 18 – "(Don't Be) Famous and Bankrupt: The Fool-Proof Get Rich and Stay Rich Plan"

Natalie's Investing Tips:

1. Investing is like a foreign language. When you start out, it looks and sounds like gobbledy gook.

2. Brokers and lovers – it pays to pick a good one! Brokers who are just starting out can have over 400 clients to service in order to make a living. Interview the broker like your life depends upon it because your life*style* does.

3. Brokers are salespeople. Many brokerages pay them on commission to sell mutual funds, and so their paycheck is at odds with your best interests. (You should be keeping a percent equal to your age safe, i.e. not in funds at all.)

Introduction:

If you were diagnosed with high blood pressure, which would be more effective: taking your blood pressure every day and fretting about all of the diseases you might fall prone to, or exercising and eating right? The truth is that if you took that diagnosis as an invitation to eat right and exercise regularly, you would lower your blood pressure without any medication at all. Chances are that you're already invested in the stock market, so isn't it better to employ healthy fiscal habits and build a healthy portfolio than it is to panic over headlines or yell at the doctor of your portfolio about all of the diseases?

You wouldn't expect your doctor to exercise or eat right for you, and you shouldn't expect your financial planner to be in charge of the daily exercise of your fiscal health—while s/he does the same for her 400 other clients simultaneously. Fiscal health has everything to do with *your* healthy money habits and choices. It's as easy as a pie chart (which we'll outline in greater detail in the next chapter), so there is no reason not to get smart now.

At the end of the day, it's your money and your loss, if the investments are not handled right. So, be sure that you know your partner well and that s/he is implementing your dream life blueprint, based upon strategies that work, rather than putting you into funds that pay the highest commissions. You will practice designing those healthy nest egg strategies in the next unit. For now, let's work on selecting the perfect Certified Financial Life Partner. Below is a quiz to determine whether or not you are in great hands already.

EXERCISE 3-1: Is my CFP a Dream Partner?

Introduction:

If you want to check up on a broker or Certified Financial Planner that you're already doing business with, simply look at your brokerage statement. If everything you have invested is in stocks or funds (of any kind, mutual funds, ETFs, index funds or bond funds), no matter what your age is, you should start interviewing new financial advisors immediately.

If, on the other hand, you have a percentage of your portfolio equal to your age that is *not* invested in stocks or mutual funds, that's a sign that your financial advisor might be experienced, wise, and looking out for your best interests. (In doing this evaluation, count bonds and money markets on the "safe" side of the ledger, but not *bond funds*. Bond funds are simply a grouping of bonds that are traded like stocks, and thus, are subject to the same risks as other stocks that are traded. Additionally, unlike bonds, bond funds never mature.)

If your broker passes this asset allocation test, then you can begin having more faith that you are with someone who has the skills, expertise, and experience to do a good job for you. (I'd still recommend going through the list of questions with your broker and possibly interviewing other possible candidates, especially if you've only known your broker for a brief period of time—just to be sure that you've made the best possible choice.)

If your broker fails this test, the next step is to start interviewing other candidates and to contact FINRA to see if the broker has any complaints on file. If s/he has been overly aggressive with your portfolio, s/he may already have a few complaints on file from other disgruntled clients. A visit to the BrokerCheck listings at FINRA.org, or a call to them at 800–289–9999, will let you find out if there have been complaints.

Step 1: Pull out your existing retirement plan. List the total safe investments in the right column. List the total "at-risk" investments in the left column. These can usually be found on the summary page of your plan. Bonds (not bond funds), Treasury bills, Certificates of Deposits, cash and money markets are considered safe. Any type of fund, equity or stock is considered an "at-risk" investment.

Safe Investments	**"At-risk" Investments**
TOTAL PERCENTAGE SAFE:	**TOTAL PERCENTAGE AT-RISK:**

Step 2: Add up the percentage of safe investments and the percentage of "at-risk" investments.

Step 3: What is your age? Are the safe investments equal to or more than your age? If yes, then the broker passes the most important test. (Example: If you are 50 and 50% or more of your nest egg is in high-rated government bonds, then your broker is using the most time-proven economic theories of the last decade.) If your safe investments are less than your age, then you could be dealing with a salesperson. If you are 40 and 100% of your plan is in equities, mutual funds and individual stocks, then your Certified Financial Planner is making a lot of commissions off of you, and you are extremely vulnerable in the event of a market downturn.

EXERCISE 3-2: Brokers and Lovers: Did I Pick a Good One?

Introduction:

Arguably, your broker and your life partner are the two most important decisions that you'll make in your life. (You don't get to choose your family…) So, why do we spend so much time, attention and money on the courtship, wedding and honeymoon, and so little on finding the perfect someone to oversee the estate?

Many investors approach finding a financial professional like they do finding a job, thinking they have to sell themselves to win the relationship. Instead, you should be treating your financial advisor as you would a fiancée. Don't sell yourself to them. Make sure that they are worthy of you. Dig into their past. Ask the hard questions. Your life, your needs, your risk tolerance and your areas of expertise are specific to you, and if any financial professional starts laying out a cookie cutter plan for your money, that is the first red flag that you know you're dealing with a salesperson, instead of a professional who is looking to develop a mutually beneficial long-term relationship.

So, take this quiz and see if you're assets are in the hands of a long-term, exciting, compatible partner or a pirate who's going to take your loot.

SELF QUIZ:

1. Last year, my financial advisor was ______________________________.

    a) a CFP

    b) an MD

    c) an actor

    d) a rodeo rider

    e) a trust fund baby

2. My financial advisor is ____.

    a) a PhD

    b) a rock star

    c) a high school dropout

    d) in the witness protection program and can't discuss it

    e) a Certified Financial Analyst

3. My financial advisor loves ________________________________.

a) day-trading with my nest egg

b) safety so much, s/he makes milk toast look exciting

c) arriving late; leaving early and never returns my calls

d) calling me on Monday when s/he has a new mutual fund to sell

e) sitting down with me twice a year, rebalancing my portfolio, capturing gains and making sure that my investments are in alignment with my values

You don't need a report card to get the point! Find out who you are in bed with so that you can make gains while you sleep! (It is much better than waking up and wishing you hadn't had so much to drink.)

You want a financial planner to be someone you can respect, admire and honor through thick and thin. If not, you're setting yourself up for losses, because at the first sign of real trouble, you'll be faced with the hard truth that you knew all along—it was a bad match to begin with. You don't want to be stuck in the foxhole with a jerk. An experienced professional will be an ally, seeing you through the hard times and drinking to success on the other side. All markets – real estate, bond and stocks – have their rallies and their pullbacks. Investing, like life, isn't a fairy tale, but if you pick an outstanding partner, it can be a rich and rewarding adventure.

Congratulations! You have completed the first unit of this workbook. Your focus was on how it would feel to "get rich and enrich" your life. You are setting the stage for learning healthy strategies of increasing your wealth. In the next chapter, you will learn that your age is a very important factor in how much money you invest in the stock market. You will also be noticing how much pleasure you get when you give yourself permission to spend money (i.e. your short-term and long-term “fun” money). Focusing on your “fun” money, makes it even more inviting and encouraging each month to keep your ***Thrive*** Budget in shape. You might as well have fun as you move toward the goals in your dream world!

UNIT 2

HEALTHY NEST EGG STRATEGIES

I am touching pleasure points in your brain when I talk about money intentionally—to spark your endorphins. Most people still believe the old myths about money, and they carry around a lot of anger, worry, doubt, fear and loathing about wealth. Make peace with your money. Make love with your money and, employ healthy habits so that you can make gains while you sleep, easily and effortlessly!

In Chapter 4 of this workbook, you will practice healthy nest egg strategies. Chapter 5 will you teach you why buy and hold doesn't work in a slow growth economy and how Exchange-Traded Funds (ETFs), diversification and Modern Portfolio Theory allow you to see and capture gains, while keeping an ever-increasing amount of your assets safe! In Chapter 6, you will learn how to easily identify and capture the gains of booming industries, so that your nest egg gets fat and happy more quickly than everyone else's.

Unit 2 - Chapter 4

Healthy Nest Egg Strategies

Chapters referenced in ***<u>Put Your Money Where Your Heart Is:</u>***

Chapter 7 – "The Santa Rally and Other Wall Street Secrets"
Chapter 8 – "The Billionaire Game"

Natalie's Investing Tips:

1. Don't wait to get out of debt to start investing. It's important to develop healthy fiscal habits immediately, which means that you put the debt on a payment plan, while you focus your sights on wealth creation and gains.

2. Keep a percent equal to your age safe – not invested in any type of *fund* at all – but allocated to the money markets, bonds (not bond funds), Certificates of Deposit, or Treasury bills.

3. Diversify the remaining money into at least ten different types of funds, including large cap growth, large cap value, mid cap growth, mid cap value, small cap growth, small cap value, international and three other industries that are poised to do well in the current marketplace. (Hot industries change from year to year.)

Introduction:

Out of Debt Consciousness into Wealth Creation

Do not wait until you get out of debt to start investing, any more than you'd wait until you graduate from college to start studying. Studying is the pathway to graduation; investing is the pathway out of debt. If you start investing 10 percent when you are eighteen, you'd be a millionaire before you were fifty – thanks to the power of compounding and returns – even if you are only making $14 an hour and never get a raise. (That is, if you were using the new strategy of Modern Portfolio Theory, annual rebalancing, ETFs and proper diversification, which are all outlined in this unit.)

Consolidate your debt and get on a payment plan (which is consistent with the 50 percent survive part of this budget plan, not more). The money that you put into your retirement plan should be protected from debt collectors and lawsuits, and if you set it up right, it should also be protected from having to pay taxes. (This is what saved O.J. Simpson from living on the streets after the Goldman family won their $33.5 million wrongful death civil suit against him. Certain retirement plans cannot be levied.) Also, if you are investing right—in the markets but also in thriving and income—you will actually get out of debt sooner than if you apportion a larger chunk out of your paycheck to pay down debt.

As your net worth and income increase, it becomes much easier to consolidate debt under more favorable terms and to increase the payments you make to pay it off. Let’s take a windfall scenario where you inherit a million dollars. If you paid off $100,000 in debt first, your principal is reduced to $900,000 overnight. If you invested the money, then your debt could be paid with the first year’s returns, if you made only 10% return on your money, which is $100,000. So, within a year you could pay down the entire debt AND keep your $1,000,000 principal intact.

Now, here's the trick about making that 10% return on your investment in the stock market. Buy and hold doesn't work in slow growth economies. In 2009, the markets were lower than they were in 1999, meaning that if your strategy was to check off boxes in your retirement fund and then wait a decade or two to get rich, you were poorer in 2009 than you were a decade earlier. (You'd be richer by the amount of the contributions, but not richer in gains). However, if you were diversified properly, incorporating Modern Portfolio Theory and rebalancing annually, you'd have captured gains on NASDAQ in 2000, real estate in 2005, clean energy in 2007 and gold in 2009. The key is that you have to have all of these new strategies in place.

It's like flying planes to deliver mail instead of riding the Pony Express. If your broker has 30 years experience in buying and holding mutual funds, they are experienced – in the old-school technique, which doesn't apply any more. This is why the online discount brokerages are at an advantage, since they have commission-free associates, all of the ETFs that are available in the U.S. and even automatic annual rebalancing.

EXERCISE 4-1: Modern Portfolio Theory

Introduction:

Keep a percent equal to your age safe — not invested in any type of ***fund*** at all – but allocated to the money markets, bonds (not bond funds), Certificates of Deposit, or Treasury bills.

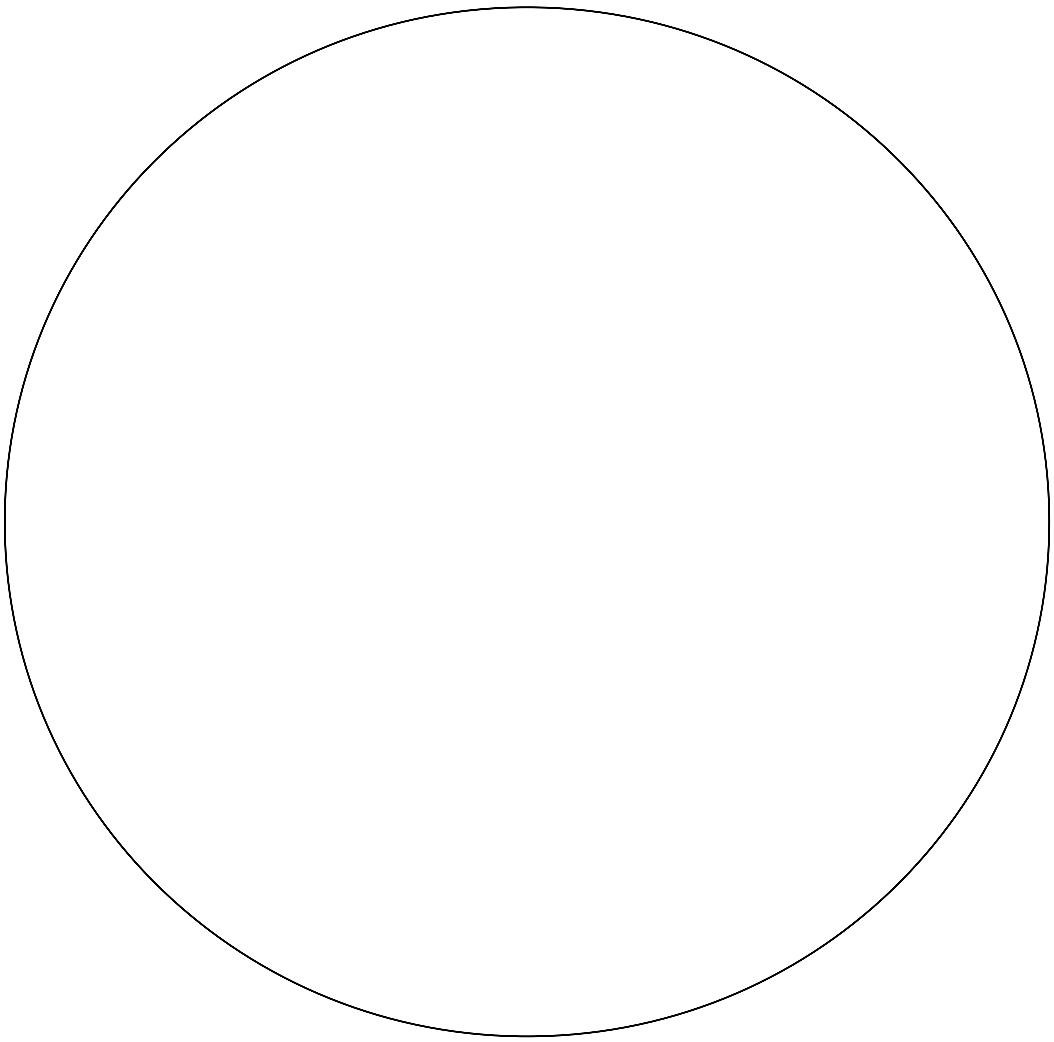
Safe Funds:
Money markets
Bonds
Treasury Bills
Certificates of Deposits (CDs)

Diversify the remaining money into at least six different types of funds, by style, including large cap growth, large cap value, mid cap growth, mid cap value, small cap growth and small cap value. Then pick four additional industries that are poised to do well in the current marketplace. (Hot industries change year to year. Clean energy was the top performer in 2007, but not in 2008. Real estate and

Investing Styles:
Large cap growth
Large cap value
Mid cap growth
Mid cap value
Small cap growth
Small cap value

REITs were great in 2005, but tanked in 2007-2009.)

<u>Step 1:</u> Set up the pie chart below to have a percent equal to your age SAFE, and the rest invested in Exchange-Traded Funds.



<u>Step 2</u>: Divide the Exchange-Traded Funds portion into 10 slices.

<u>Step 3</u>: Label the slices of your pie chart!

EXERCISE 4-2: Dealing With Your Debt

Introduction:

Debt collectors call and harass you and try to be first in line by being in your face all of the time. However, if debt is all that you think about, you'll never make the money to pay your bills. Getting out of debt and thriving requires a focus on income and prosperity, not fear and repayments that strangle your ability to live a meaningful life. So, what you must do is to put your debt on a payment plan that is consistent with keeping your bills and basic needs within 50% of your budget and then focus your attention on creating wealth.

Remember that your debt collectors CANNOT touch your retirement plan, so it is critically important that you are tithing to your "Buy My Own Island" fund **first** each month! Now...

What's really going on if you are accumulating debt is that you're completely out of alignment with the ***Thrive*** Budget. So, let's do some things that promote a healthy lifestyle where you get to star in your own show, and where your life is really worth living!

Step 1: Add up your monthly income. Take away a zero (hopefully). So, if your monthly income is $10,000 and you take away a zero, you are left with $1,000 (which is 10%).

Step 2: Go to your bank and take out that amount of money in cash.

Step 3: Spend it and *enjoy* it!

Journal Entry:

What did you do? How did it feel? Did you find that you enjoyed this money more now that you've given yourself permission to spend it on fun? Fun is always healthy because it is a dose of free endorphins – the happy drug. Health is wealth. Try working if you are sick, or if your back is out of alignment, or if disease invades your body. Promote yourself as being in love with living, a beneficial presence in your life AND in the lives of others.

____

____

____

____

____

____

____

____

____

Step 4: Add up your monthly income. Then take away a zero (to quickly calculate 10%). So, if your monthly income is $10,000 – when you take away a zero, you are left with $1000.

Step 5: Go to your bank and set up that amount, by automatic deposit, into a separate account – perhaps a savings account that is tied to your checking account. This is your long-term fun budget.

Step 6: How will you spend your twelve months of accumulated long-term fun money this year? Write about it below. Have this goal on your mind. Name this account your "Trip to Italy", your "Solar Panels on the Roof" account, or some other name that is *fun* for you.

Journal Entry:

What will you treat yourself to? Describe in detail exactly what you'll own or experience at the end of the year.

____

____

____

____

____

____

____

Have we made debt fun or made fun of debt? No indeed, but we have focused on fun, and said that is a more worthy use of your time. Yes, you must put your debt on a payment plan – preferably an auto-pay plan that you look at once a year. But in truth, your ability to start thriving and get your basic needs down to 50% will shift you out of debt much more quickly than adding up receipts will. Focus on creating and enjoying the life you desire instead of drowning in the life you dread.

Next, you will learn about Exchange-Traded Funds and how they can help you invest in products and services that you know and love. Investing in these kinds of products and services will help you create a world that is a better place to live while you make money doing it! You are a co-creator of your community, your country, and your world.

Unit 2 - Chapter 5

ETFs and Hot Industries

Chapters referenced in ***Put Your Money Where Your Heart Is:***

Chapter 4 – "Hot Industries"
Chapter 7 – "The Santa Rally and Other Wall Street Secrets"

Natalie's Investing Tips:

1. Mutual funds are too big to be diversified. They are like everything and the kitchen sink. ETFs tend to be targeted, allowing you to more easily see and capture your gains.

2. Buy and hold doesn't work in a slow growth economy. What does work? The combination of Modern Portfolio Theory, Exchange-Traded Funds (not mutual funds) and annual rebalancing works.

3. Smaller companies have more upside potential than the largest companies, while big companies provide more predictability and stability for your nest egg.

Introduction:

ETFs and mutual funds operate under the premise that by owning a number of companies you reduce the risk, and this is true. The difference between ETFs and mutual funds is that ETFs select their companies by using computers and pre-selected screens, instead of having a professional actively manage the fund (like mutual funds do). Since ETFs typically have a much lower cost structure, **pay lower commissions** and have lower fees attached to them than mutual funds, they're more popular with individual investors than they are with brokers. Additionally, ETF screens tend to be more targeted, which is a HUGE advantage because you are able to easily identify growth and capture your gains.

For instance, if you have the global value mutual fund, you could own companies across every industry, every country and every size. With ETFs, you're more likely to own the China ETF, or the small cap growth ETF or the clean energy ETF. That way when one slice of the pie explodes, it's easy to see. When a piece of the gigantic mutual fund gets bigger, it's impossible to realize just where the gains are coming from. It's just one giant blob. You are never diversified in a way that you can reallocate according to your pie chart blueprint.

The Bailout Index versus *Putting Your Money Where Your Heart Is*.

So, how do you know when a company is struggling versus one that is innovating? It’s pretty easy. Here's where the wisdom of the shopper is an amazing tool. If you love the product and you invest in it, you are promoting exactly what you wish to thrive in the world. When you blindly check off the box in your retirement account, your dough gets thrown into a pot and sold off to the highest bidder. That is how “cronyism” economics thrives and companies that make inferior products can lose billions for years, carrying down the nation's economy in the bargain. So, making sure that you are always invested in companies you love is actually a plan for making sure that you are avoiding dying industries and profiting from the most innovative companies on the planet, while at the same time always promoting a better world in the bargain.

The sad truth is that taxpayers who bailed out AIG, GM, Citigroup and Bank of America were the biggest shareholders of these companies before they failed. These were all a part of the 30 companies selected in the Dow Jones Industrial Average – the most widely recognized and held companies in the U.S. The leading Blue Chip index was in fact the leading Bailout Index.

Buy and hold doesn't work in a slow growth environment. The markets in 2009 were lower than they were in 1999. With annual rebalancing, however, you would have captured your gains in NASDAQ in 2000, in real estate in 2005, in clean energy in 2007 and in gold in 2009.

EXERCISE 5-1: Picking ETFs

Introduction:

Asset allocation simply means dividing up your investments among different kinds of asset classes, like stocks, bonds, cash and real estate. (Money lent to your niece who's going to repay you ten-fold when her Internet start-up goes public or her movie is snatched up for distribution is *charity* in my book.) Remember the golden rules: Always keep a percentage equal to your age *out* of stocks. Never be all in on any one asset-class – not real estate, stocks, bonds, classic cars or your own business. (Your own business should be your income or hobby – not your nest egg!)

Diversification is something that you do within an asset class. Some years, clean energy is in favor. Other years Internet stocks are going to soar. Metals were in the doldrums for decades before shining again in 2003 (during the worldwide construction and building boom). You diversify to experience the golden moments of an industry and to protect yourself from having the entire portfolio damaged by an area that loses its luster. When researching ETFs, you don't have to look at every single company in it, just look at the top 25 holdings to determine if it is an ETF you like.

Step 1: You can explore ETFs by visiting PowerShares.com, iShares.com, WisdomTree.com, AMEX.com (Calvert.com and Domini.com are socially conscious ETFs) or your favorite financial website. Use any of these websites as you shop for ETFs in the steps below.

Step 2: Find some small cap growth ETFs. Look at the top holdings in them and select one that you like. Write down the symbol below and why you like it. (*Style* means value or growth. *Size* means small, medium or large.)

Journal Entry:

My thoughts on: Small Cap Growth ETF: Symbol: ______________________

____

____

____

____

Step 3: Find a small cap value ETF that you like. Write down the symbol below and a few notes about whether you'd like to own it or not.

Journal Entry:

My thoughts on: Small Cap Value ETF: Symbol: ______________________

____

____

____

____

Step 4: Find a mid cap growth ETF that you like. Write down the symbol below and a few notes about whether you'd like to own it or not.

Journal Entry:

My thoughts on: Mid Cap Growth ETF: Symbol: ______________________

____

____

____

____

Step 5: Find a mid cap value ETF that you like. Write down the symbol below and a few notes about whether you'd like to own it or not.

Journal Entry:

My thoughts on: Mid Cap Value ETF: Symbol: ______________________

____

____

____

____

<u>Step 6:</u> Find a large cap growth ETF that you like. Write down the symbol below and a few notes about whether you'd like to own it or not.

<u>Journal Entry:</u>

My thoughts on: <u>Large Cap Growth ETF:</u> Symbol: ________________________

____

____

____

____

<u>Step 7</u>: Find a large cap value ETF that you like. Write down the symbol below and a few notes about whether you'd like to own it or not.

<u>Journal Entry:</u>

My thoughts on: <u>Large Cap Value ETF:</u> Symbol: ________________________

____

____

____

____

Step 8: Pick four industries that you think are hot in today's marketplace. Find ETFs for each industry. Write down the symbols below and a few notes about them.

Journal Entry:

My thoughts on: Hot Industries ETF: Symbols: ______________________

____

____

____

____

EXERCISE 5-2: Customizing My Pie Chart

Introduction:

Since you've already created a pie chart in Chapter 4 of this workbook, I want to throw out a different scenario for you to consider.

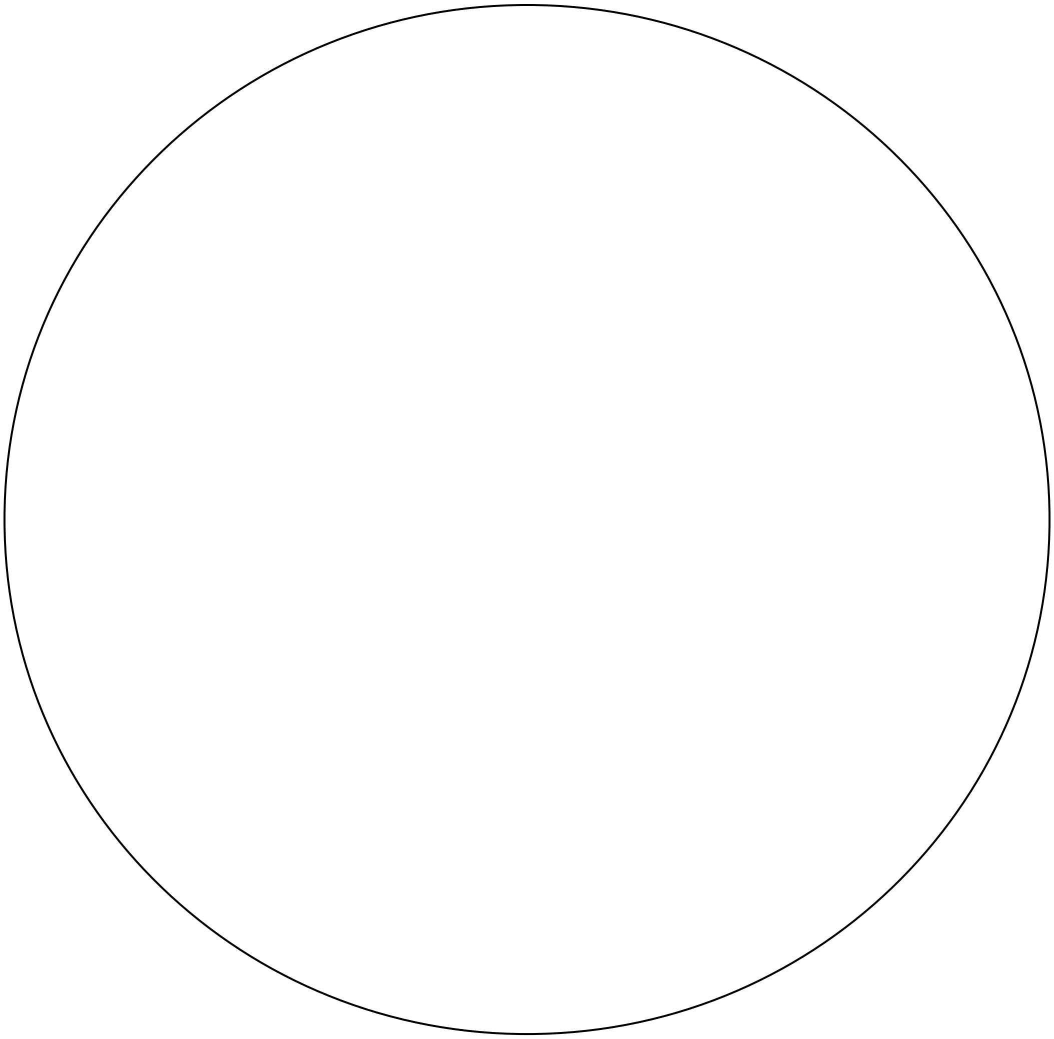
Step 1: So, first, get a percent equal to your age safe. Enter it here: ________

Step 2: Secondly, let's take the scenario of a deep recession, when it is wise to *overweight* more into safety. So, take an additional 20% safe.

Age:________ + 20% = ________%

Step 3: Now, let's add another complication. Interest rates are really low and are predicted to start rising. In that scenario, bonds are not something you want to be purchasing at this time. (Bonds you already hold with a good yield are fine, but buying a low-yield bond today when tomorrow's bond will give more bang for the buck means that you'll be holding that low-rate bond forever because no one will want to purchase it from you!)

Step 4: Now, draw the safe portion into your pie chart, including defining exactly where you'd put your "safe" money.



<u>Step 5</u>: Slice the portion of your pie that is "at risk" into 10 slices. Put one of your 10 ETFs into each slice. (Remember: six by style and four additional industries you love and are poised to do well in the current market place).

<u>Step 6</u>: Calculate the percentage for each of the 10 "at risk" slices. (If you are 50, 50% + 20% or 70% is safe. That leaves 30% divided by 10 or 3% for each of the “at risk” slices.).

a) Your age: ________ + 20% = ________% Safe

b) Subtract Safe% from 100%: = ________% Total “at risk”

c) Divide Total “at risk” by 10 = ________% Each “at risk” slice

<u>Step 7</u>: Add the percentages to your pie chart.

If you chose to put the safe portion in money markets that would be a good call (assuming that money markets are healthy and not breaking the buck). In an environment of rising interest rates, you can get bond-like returns for low risk in the money markets, because they are going to increase their returns as interest rates rise.

Additionally, now you're starting to understand how each year, you can underweight and overweight for maximum gains. This is not "market timing." It is simply having a great blueprint that works wonderfully (especially once you learn the rebalancing strategies in the next chapter) that can also adapt to changing circumstances. Also, in the next chapter, you get to take this blueprint and apply it to your current investments.

Unit 2 - Chapter 6

Rebalancing and Capturing Gains

Chapters referenced in ***Put Your Money Where Your Heart Is:***

<u>Chapter 7</u> – "The Santa Rally and Other Wall Street Secrets"
<u>Chapter 12</u> – "The Hare Wins the Dash"
<u>Chapter 18</u> – "Don't Be Famous and Bankrupt"
<u>Chapter 19</u> – "Surfing Choppy Waters"

Natalie's Investing Points:

1. The majority of the stock market gains are typically made in the last quarter of the year – most years, but not all. Meet with your financial advisor to rebalance and capture gains at the end of January (after the Santa Rally).

2. September is historically the worst-performing month each year. If you want to rebalance twice a year, meet with your financial advisor in October to see if there are any ETFs that you already own worth increasing or if there are any new ETFs you want to buy.

3. The worst thing you can do is to sell everything because some doomsday prophet is scaring you into believing that the end is here, or to buy all in because the fever is hot. (We've seen this boom/bust cycle in NASDAQ, real estate and more!)

Introduction:

With regard to your long-term holdings, it's a good idea to evaluate your investments at least twice a year and monitor any big news on the general marketplace steadily, but not obsessively. (Obsessive news watching can make you paranoid, which is a very bad foundation for successful investing.)

As Sallie Krawcheck, the former chairman and CEO of Citigroup's Global Wealth Management, says, "What your financial services provider should be doing is not to get you in and out of segments of the market on a rapid-fire basis, but to give you a diversified portfolio. When the stock market goes up, you take some profits out. When fixed income goes up, tilt it that way." By having predetermined biannual checkups with your financial services partner, you take the fever out of investing and ensure that you are pruning the limbs of your money tree for a better harvest.

Have Patience: The Tides Always Turn

Some years, Internet stocks are all the rage. Other years, it's real estate. Sometimes clean energy. Investments run in cycles. If you're at the top of one, take profits. If you're at the bottom of another, buy in. As you come to understand the waves of investing, you'll become more secure with your drop-in and cash-out points.

Have a sell strategy. Don't watch your gains drift out to sea. The tides always turn, whether in real estate, stocks, or any individual investments. Have enough cash on hand – and a strategy that includes evaluating opportune buy and sell prices—so that you can buy when you want to buy, sell when you're getting the best price, and laugh all the way to the bank.


Laughing all the way to the bank. . .

Let's say you're 30, and the markets have had such a great year that you now have 90 percent of your portfolio concentrated in stocks. At the same time, you think that legacy Blue Chips have seen too many days in the sun (and are overvalued). You can sell your “fading Blue Chip” ETFs, and keep the money in the money markets or purchase another lower-risk yielding investment, like bonds, in order to get the percentage back to 70 percent stocks, with 30 percent safer. (If you did this with over-valued NASDAQ stocks in January of 2000, you were a genius because the DOT COM balloon didn’t start deflating until April of 2000!) So use a disciplined approach to diversification and rebalancing to beautify your bottom line.

What about Bear Markets?

Don’t wait to start tithing monthly to your Freedom Plan, thinking you can find a better time. For the safe part of your portfolio, the sooner you get started, the better, regardless of market conditions, especially if you’re young. Over time, the buys in your long-term portfolio will all average out because some years you’re buying in on the low side, and other years you are buying higher. And because you are rebalancing once or twice a year, you are always capturing your gains, and increasing the weight in your nest egg. (The stock market lost money between 1999 and 2009, however, if you were capturing gains once a year, you had many boom/bust cycles that would have made you rich.)

EXERCISE 6-1: Capturing Gains

Introduction:

The beauty of pie charts is that you can so easily see your gains. So, now that you've got a pie chart from Chapter 4 that is pretty representative of what your nest egg looks like normally, I want you to pull out your existing nest egg (401k, annuity, IRA, etc.) and construct the pie chart of that and do a comparison model, to see what we need to change in this year's meeting with your financial advisor.

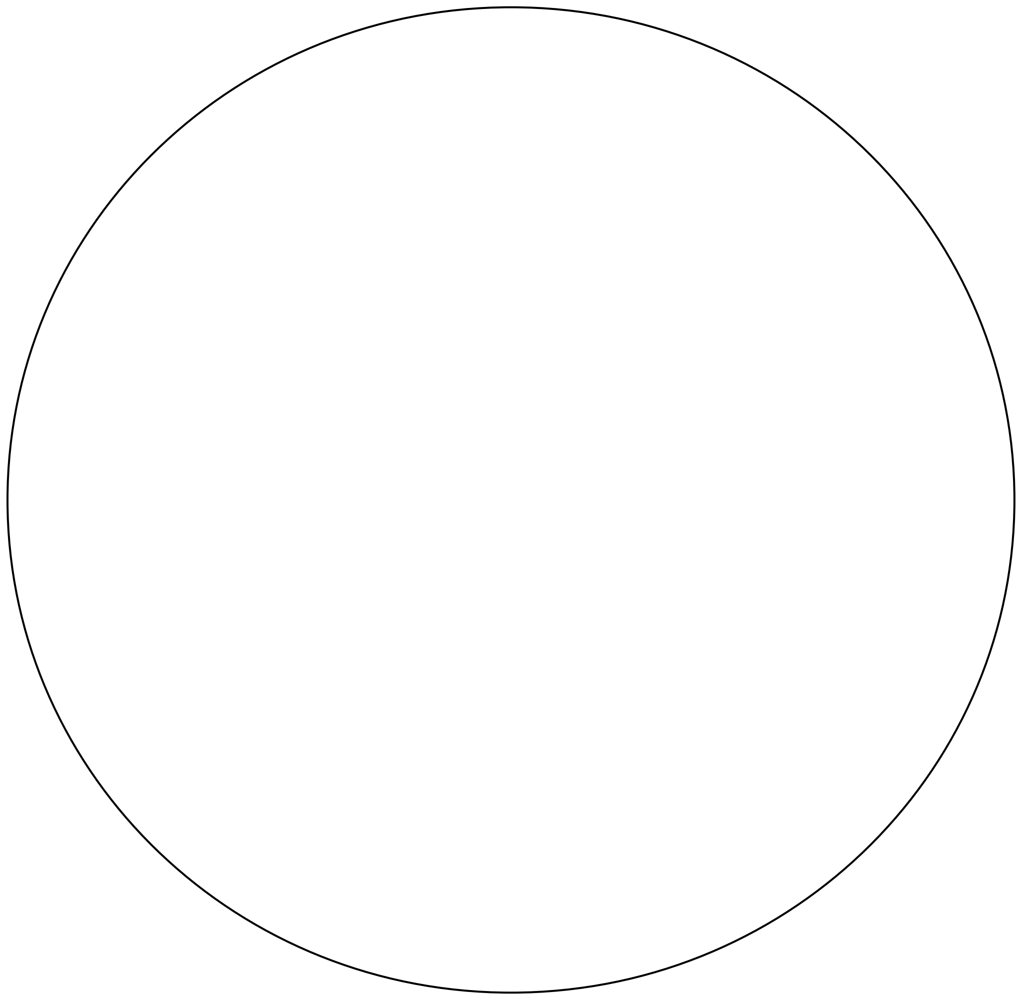
Step 1: It is possible that your financial advisor will actually provide you with a pie chart on the summary page of your nest egg. Even so, it may not be as diversified as I've described, so you'll probably need to spend some time figuring out what you own. Assemble the funds you own into these 11 categories below of: 1) safe, 2) small cap growth, 3) small cap value, 4) mid cap growth, 5) mid cap value, 6) large cap growth, 7) large cap value, 8-11) four industries that are in favor this year.

WHAT I OWN NOW!

Fund Type	**NAME of the holding + % of the Pie**
SAFE – bonds (not bond funds), Treasury bills, certificates of deposit, money markets	
Small Cap Value	
Small Cap Growth	
Medium Cap Value	

Medium Cap Growth	
Large Cap Value	
Large Cap Growth	
Hot Industry #1	
Hot Industry #2	
Hot Industry #3	
Hot Industry #4	

Step 2: Now that you have an outline of what you own, draw the pie chart of what you own.



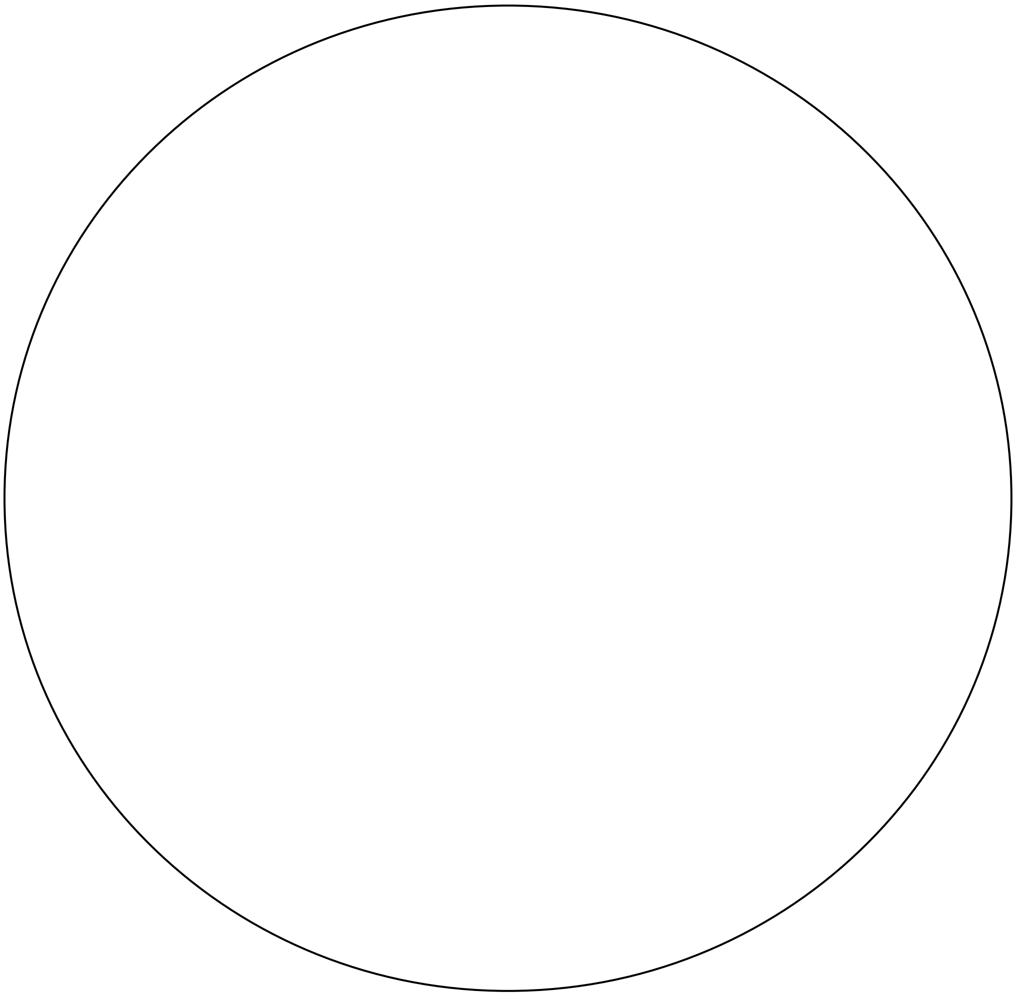
Step 3: Note how different this pie chart is from what Modern Portfolio Theory, ETF diversification models and annual rebalancing strategies would indicate is a healthy, balanced strategy for getting rich, staying rich and enriching the world in the bargain. For instance: "Wow. I can't believe that I have NOTHING SAFE! I need some Treasury Bills." Or "Holy Smokes! This annuity doesn't allow me to know anything about the

companies that I'm invested in. What if I'm invested in snake oil and I'm allergic to snakes!"

Journal Entry:

My thoughts on my existing nest egg and the person who advised me on it:

Step 4: Now draw the "new, improved pie chart" outlining exactly what changes you want to make to your nest egg to make it healthier and more in alignment with your values and your "get rich" strategies.



Step 5: BONUS STEP. Know what you own! You may have mutual funds with pretty generic names, like Platinum Partners Global Trust or Guggenstein Global Growth, and not have a clue of whether or not you are invested in the Bailout Index, or in a bunch of companies that you really don't want to support. So.... If there is a 5-letter symbol attached to the mutual fund, you can easily see the Top 25 Holdings with a few

easy clicks. (If you can't find the 5-letter symbol, then try googling the name of the fund. Typically you'll go to a fund page, where you can click on Top 25 Holdings.)

<u>Step 6</u>: Go to NataliePace.com. Put the 5-letter symbol in the box called **Company Research**. Click on **Research Now**. You will go to the stock page for that fund. Click on **Top 25 Holdings**. Know what you own! Do you want to own the companies in your mutual fund? Are they part of the Bailout Index? Are they in line with your values? Do you love their products and/or services?

<u>Journal Entry:</u>

My thoughts on: <u>Mutual Fund:</u> Symbol: ______________________

____

____

____

____

____

____

Believe it or not, this is the basis of capturing your gains. When the pie chart of what you currently own looks different from the pie chart blueprint of what you know is your dream life, all you have to do is figure out what to buy and what to sell to get back into alignment.

In 2000, you would be rich, because you'd be capturing NASDAQ gains; in 2005, real estate gains; in 2007, clean energy gains; in 2009, gold mining and lithium mining gains. And so on and so on. Constantly rebalancing and creating a cleaner, greener world in the bargain – while you get rich and enrich is a win-win for all.

In this unit, you learned about diversifying with ETFs and having a percent equal to your age in "safe" investments according to Modern Portfolio Theory. In the next unit, you will be focusing on individual stocks. These will typically be funded from your *Thrive* Budget (education, short-term fun, and long-term fun).

UNIT 3

STOCKS ON STEROIDS

(SOS: Yes, you need help to invest successfully in individual stocks!)

Too many people have fear around money. I call it investing "with stomach acid," instead of your intellect. When you trade with fear, the odds are that you will buy high and sell low. That is what fear does, even though it is the exact opposite thing that everyone knows (with their brain) to do. When you make wise, informed investments in companies that you believe are creating the best products and services on the planet, then you believe that you are going to make a fortune in the markets, not that you are going to lose.

When you invest in what you know and love, your wisdom as a shopper and passion about the product immobilize fear, and that's when you can really start making confident and correct choices that will pay off for you. You know how to place a value on what you own and are less likely to sell it on the cheap. Imagine now how it would feel to own Google at the Initial Public Offering (IPO), or Microsoft, or Suntech Power Holdings (a solar energy manufacturer), or Starbucks, or Toyota.

In Chapter 7 of this workbook, you will learn my Three-Ingredient Recipe for cooking up profits and the Four Questions for picking winners. In Chapter 8, you will evaluate Stock Report Cards to identify how a leading company performs next to its peers. Chapter 9 offers buy low and sell high evaluation tools to up your odds of making Rock star gains!

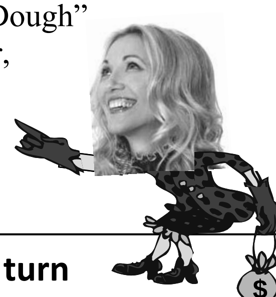
Unit 3 - Chapter 7

Three-Ingredient Recipe for

Cooking Up Profits

Chapters referenced in *Put Your Money Where Your Heart Is:*

Chapter 2 – "The Three-Ingredient Recipe for Cooking Up Profits"
Chapter 5 – "Hitch Your Wagon to a Star"
Chapter 14 – "Lessons from Enron"
Chapter 15 – "Top 11 Signs the CEO is Rolling in Your Dough"
Chapter 20 – "Happy People Make Better Products Faster, Cheaper"



Natalie's Investing Points:

1. Investments are like a mosaic. The more tiles you turn over, the clearer picture you'll have of the health of the investment.

2. Picking the leader in the sector is the most difficult task. It pays to ask the four basic questions and, to fill out a Stock Report Card (which is explained in the next chapter).

3. Buy low and sell high (is easy to say and hard to do). It's counterintuitive.

Introduction:

In the past, you might have had a hunch about buying a stock and wanted to act on it, but feared basing a financial decision on nothing more than your intuition – great instinct. You should never make any financial decision on just one piece of information, any more than you would try to guess a picture by looking at just one piece of a 100-piece puzzle. The Three-Ingredient Recipe and the Four Questions of Picking a Leader provide the system of analysis that I used and perfected as a #1 stock picker. (My performance in 2008, in one of the worst market years of the century, was 77%.)

There is one key consideration to the Three-Ingredient Investment Recipe for cooking up profits that I want to hammer home: You should not be trading your nest egg or your house, condo or apartment to do it. Your nest egg should be money you gain while you sleep, (i.e. low risk and low maintenance).

Nest Egg: Money While You Sleep

Your "Stocks on Steroids" portfolio – individual stocks, where you take on higher risk for higher gain – is not for everyone and should be limited to your level of experience in the stock market. If you've never traded an individual stock before, use fun or education money – not your "Buy My Own Island" money.

You already have all of the tools that you need to become successful in investing in individual stocks. The reason you might have lost money in the past is that you didn't trust your wisdom (you placed blind faith in someone else's or read too many headlines), or you didn't have a disciplined approach to profit-taking (like the Three-Ingredient Recipe offers), or you didn't ask enough questions before jumping in (like the Four Questions force you to do).

Investments are like a mosaic. The more tiles you uncover, the clearer the picture.

Natalie's Three-Ingredient Investment Recipe for Cooking Up Profits

1. Start with what you know and love.
2. Pick the leader in the sector (in real estate, it is location, location, location).
3. Buy low; sell high (easy to say; hard to do).

The Four Basic Questions help you to hone in on the leader of the sector.

The Four Basic Questions for Picking a Leader

QUESTION	EXAMPLE
1. What's the product?	1. Lithium
2. Who's going to buy it, and why would they like that product more than the competitor's version?	2. In 2009, lithium ion battery makers only had a few lithium mining companies to buy from!
3. Can the company continue to make a superior product now and going forward and get it to the masses while the appetite of their customers is piqued and the product is fresh?	3. The two leading lithium manufacturers were virtual monopolies in 2009, but will a new hot company jump in and lead the industry?
4. Who's running the company, and how motivated are the employees to deliver a superior product faster, cheaper, better?	4. Why do Apple employees love their jobs so much? How did Steve Jobs inspire Pixar to make the best-animated films and Apple to become the world's most successful music store?

An extraordinary number of things have to go right within a company for a superior product or service to show up in the stores at a reasonable price. If a company is doing enough things right to get you to come to them and buy their product, a thousand things have gone right from the executive suite down to the shipping dock and over to the accounts receivable department. If you're choosing their product over the competition, you have a good understanding of why. And, most of this research involves something many of us love: shopping – not one mind-numbing chart!

EXERCISE 7-1: Picking the Leader

Introduction:

Picking the leader in the sector is the most difficult part of the Three-Ingredient Recipe, so we're going to focus our exercise on developing that skill. Let's line up what we know already about the stock we're interested in, understanding that we possess great wisdom as a shopper.

Step 1: Re-read Chapter 5: "Hitch Your Wagon to a Star" in *Put Your Money Where Your Heart Is*. You will see two examples of using the Four Questions to pick winning companies and investments from losing propositions.

Step 2: Pick a company that you know a lot about that you think is really hot right now.

The company is: ____.

Step 3: Answer "The Four Basic Questions for Picking a Leader"

1. What's the product and why do you think it's so hot?

Journal Entry:

My thoughts on the company and its cool products:

2. Who's going to buy it, and why would they like that product more than the competitor's version?

Journal Entry:

My thoughts on the customers and why they love this product so much:

3. Can the company continue to make a superior product now and going forward and get it to the masses while the appetite of their customers is piqued and the product is fresh? (One of the reasons GM had problems was that it owed over $100 billion in 2009, and lost over $80 billion between 2004 and 2009. It's hard to make great, cutting edge products when you can't keep the lights on or the workers motivated to work.)

Journal Entry:

My thoughts on how the company will continue leading its competitors in innovation, product design, right pricing, marketing and distribution:

____

____

____

____

____

____

4. Who's running the company, and how motivated are the employees to deliver a superior product faster, cheaper, better? (The CEO is the soul of the company. Google the company to see if you can find a speech or two from this CEO online, and/or read the most recent annual earnings report, which includes a letter from the CEO.)

Journal Entry:

My thoughts on the CEO of the company:

Step 4: Write down your thoughts on what you've discovered through this process about the company that you wouldn't have thought about before using the Four Questions.

Journal Entry:

The Four Questions helped me to think about and discover:

Step 5: What do you think about investing in this company after examining its product or service, customer base and future? Do you want to continue looking into it as an investment? If not, write down why you don't think you'll invest below.

Journal Entry:

The Four Questions helped me to think about and discover:

____

____

____

____

____

____

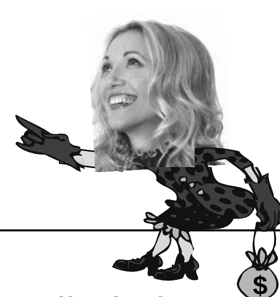
Complete the exercises in the next chapter before you consider investing. You will learn how to construct a Stock Report Card and compare your company to its competitors to make sure you have chosen a winning company.

Unit 3 - Chapter 8

Stock Report Card

Chapters referenced in *Put Your Money Where Your Heart Is:*

Chapter 6 – "The Magic of Stock Report Cards"
Chapter 16 – "War, Terrorism and Acts of God"
Chapter 17 – "The Top Eleven Investing Mistakes"



Natalie's Investing Points:

1. The Stock Report Card makes it easy to line up the numbers, easy to see what really matters, and easy to tell which corporation is drowning in debt or swimming in profits and trading for a song.

2. It helps to make sure that you *never pay retail*!

3. Having a hunch, a strong intuition or a hot tip is only one piece of the puzzle. The Stock Report Card is one way of disciplining yourself to fill in the other pieces of the puzzle, including the competition.

Introduction:

Become friendly with the Stock Report Card and utilize it religiously as your reality-check every time you receive a hot tip or read an article about a company that interests you. This template will identify the information that you're missing and will remind you to fill in the pieces of the puzzle before putting your hard-earned money on the line. It will also make you feel more confident that you've done your homework and selected a great company in the event that the markets or the company hit temporary bad news that negatively impacts the share price.

Blank report cards can be downloaded from **NataliePace.com**. Simply click on **Investor Edu**, and select **Report Cards** to access. Select **Online Magazine** and **Archived Editions** on **NataliePace.com** to see the archived newsletters (ezines). A new Stock Report Card is presented each month, making it easy to have a "cheat sheet" to learn by example.

EXERCISE 8-1: Evaluating the Stock Report Card

Introduction:

Once you become familiar with a financial website, like Yahoo, MSN, Google or your favorite brokerage site, then you'll see that finding the price-to-earnings ratio (P/E), stock price, 52-week high and low, charts on historical performance, insider trading, earnings, profit margins, etc., are really just three clicks on the computer. It takes less time to fill out a Stock Report Card than it does to read an article on the company. And this information, combined with the Four Questions, is sooooooo much more valuable than the news articles, which often focus on earnings and rarely put the company in line with its peers or the news in context with the big picture. For instance, a focus on earnings when a company is losing billions could be disastrous (as was the case with General Motors between 2004 and 2009).

<u>Step 1</u>: Go to **NataliePace.com** and click on **Online Magazine** and **Archived Editions**. Click on any **Archived Newsletter** (ezine) and then into the headline article (with a Stock Report Card) that is of interest to you. Read the article and read the Stock Report card. The article walks you through my rationale of the health of the investment, utilizing the financial data. Did you learn anything that surprised you?

<u>Journal Entry:</u>

Something I learned from reading Natalie Pace's article and Report Card on:

(*insert industry/company name*):____________________________

____

____

____

____

____

<u>Step 2</u>: To get a blank Stock Report Card, go to **Natalie Pace.com**. Click on **Investor Edu**. Click on the **Report Cards**. Construct a Stock Report Card table on your computer or print out the Report Card and fill it in the old-fashioned way. (The computer version is much easier because you can then quickly <u>sort</u> by price-to-earnings ratio.)

<u>Step 3</u>: Find two companies that compete with your favorite new stock. Before you write them on the Stock Report Card, note their P/E ratio. Then put them in order, with the lowest P/E on top and the highest on the bottom. Put any P/Es with "NA" at the bottom. (A P/E of "NA" means that the company is losing money.)

Step 4: Now, fill in the rest of the Stock Report Card. If you need a refresher course, re-read Chapter 6 – "The Magic of Stock Report Cards" in *Put Your Money Where Your Heart Is.*

Step 5: Which company is trading for the lowest P/E? Which one has the highest profit margin? Is this the same company or two different companies?

Journal Entry:

My thoughts on which company might be trading for a better price and which one has the healthiest profit margins and why:

____

____

____

____

____

____

Step 6: Which company has the lowest debt to equity ratio? Is there a big difference or a small difference between this company and the competition? How do you think this will affect the company's ability to lead the industry going forward? Were there any surprises here?

Journal Entry:

My thoughts on the amount of debt the company is carrying:

____

____

____

____

____

____

____

Step 7: Now, go back online, to your favorite financial website and take a look at the Financials page of each of the three companies. Which one is increasing in sales? What was the percentage this year compared to last year? How do the percentages look from quarter to quarter? If sales are decreasing, that's a red flag. If sales are exploding, that could be a very positive trend.

Journal Entry:

My thoughts on the increase or decrease in sales over the last year and the last quarter:

Step 8: Have you identified a leader in the sector? Is this the same leader that you were so hot on when you asked the Four Questions (in the last chapter)? If so, why do you think that the numbers supported your first instincts? If not, what can you learn from this process? Write your findings below.

Journal Entry:

Thoughts on the leader in the sector:

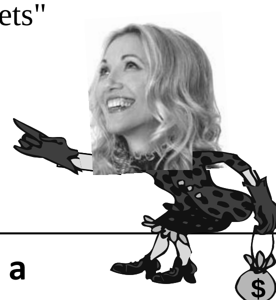
Isn't it amazing how quickly you can decide whether you have a winning company or not? The next time you hear a tip about a particular company, you can quickly put together a Stock Report Card and decide for yourself whether the company is a viable investment or not. In the next chapter, you will probe into the "buy low; sell high" strategy. It sounds so easy; however, very few actually use that strategy especially when they let their emotions lead them in investing. You will be exploring some questions to ask that help you decide whether it is a good time to buy or sell stock in the company you have in mind.

Unit 3 - Chapter 9

Buy Low; Sell High

Chapters referenced in ***Put Your Money Where Your Heart Is:***

Chapter 7 – “The Santa Rally and Other Wall Street Secrets"
Chapter 12 – “The Hare Wins the Dash”
Chapter 13 – “Options”



Natalie’s Investing Points:

1. Companies that experience rapid growth can have a higher price-to-earnings ratio or even a negative price-to-earnings ratio when they first start out.

2. Picking a leading company that you care about makes it easier to buy low and sell high because a company you care about is one you won’t sell off on the cheap.

3. Keep your radar up for news that helps you stay up-to-date on the company’s competitive or waning edge.

Introduction:

The fundamental difference between my original book, *Put Your Money Where Your Heart Is*, and other personal finance books, is my premise that successful investing begins with investing in what you love. When you invest in what you love, you know the value of what you own, and you’ll be less tempted to sell it off cheap. That gives you a big advantage on Wall Street. Most people don’t have a clue what they own and are just nabbing and dumping on hysteria or some crystal-ball reading strategy or software program that will fail them big time at some juncture.

For your trading portfolio, where you are looking to take your profits in shorter windows, the smaller, younger, fast-growth companies are really going to afford the highest returns (with higher volatility and more risk as well). When you have trouble identifying which company is the leader and/or a basket of competing companies are all making low-margin returns, you have just found a company and industry that are not very good candidates for “Stocks on Steroids”! The evaluation helped you to keep from buying into an excruciatingly painful no-gain position! These companies could be fantastic stabilizing forces for your nest egg, however. Stocks on Steroids are quick, rocket ship gains. Jabba the Hutt stabilizer stocks tend to be reliably steady, without impressive growth, and are very low risk with less vulnerability to downturns.

If you have a great company that is hot and really increasing in sales, with healthy debt ratios and operating margins, then the task becomes much easier. Your potential for great returns is highly correlated with being patient enough to get the stock for a great price and being disciplined enough to sell it when you think the cycle of high-growth has been curtailed.

EXERCISE 9-1: Evaluating the Best Buy-In Strategy

Introduction:

Buying low and selling high is completely against human nature. Buying low means that when everyone is crying "Apocalypse", you're seeing "Opportunity". Selling high means that you're leaving the party at midnight (sober), while all the punch drunks are screaming that the party is going until dawn, and you're going to "miss out, man."

No one has a crystal ball on when the low and high of an investment will occur, but there are a number of factors you need to consider before you make a buying or selling decision.

<u>Step 1:</u> Take the Self Quiz below. Use the company that you identified as the "leader" in the industry when answering these questions:

<u>SELF QUIZ:</u>

1. What month is this? Is this September/October, during the Back-to-School Stock Sales? ___ Yes ___ No
2. What annual cycle am I in? Is this a pre-election or election year?
   ___ Yes ___ No
3. Is this company a "small cap" or a "micro cap," i.e. with less than a billion of investor dollars?
   ___ Yes ___ No
4. Does this company have operating margins above 20%?
   ___ Yes ___ No
5. Does this company have earnings growth of more than 50% this year over last year? ___ Yes ___ No
6. Does this company have a debt/equity ratio of less than .50?
   ___ Yes ___ No

7. Is this a bull market?

___ Yes ___ No

8. Is there colossal, consensus insider buying from the top executives and/or directors on the board?

___ Yes ___ No

If you answered "yes" to more than 5 of these questions, chances are that you'll make money on this investment if you purchase it now. If you answered "no" to the majority of these questions, then odds are not in your favor. If the company is truly the leader in the sector and you answered "yes" to questions four and five but not the rest of the questions, then this company might be one that you track for awhile on your "Stock Shopping List", until the conditions are more favorable for a buy-in.

Journal Entry:

My thoughts on whether or not I should buy this company right now:

____

____

____

____

____

____

____

EXERCISE 9-2: Evaluating the Best Selling Strategy

Introduction:

Stock prices have a high correlation with *following* earnings trends. When earnings increase, people get excited and buy, and the share price increases. When earnings go down, people freak out, sell, and the price goes down. Thus, GDP growth measurements for the general marketplace, which dramatically effect earnings trends of the company, make a reasonably good crystal ball. So, remember to evaluate the climate of the general marketplace, to determine whether it is recessionary or poised for robust growth. It is very difficult for one stock to swim upstream during a recession!

Step 1: Take the Self Quiz below. Use the company that you love, which you have also identified as the "leader" in the industry when answering these questions:

SELF QUIZ:

1. What month is this? Is this the end of January, after the Santa Rally?

   ___ Yes ___ No

2. What annual cycle am I in? Is this a post-election year?

   ___ Yes ___ No

3. Is this company starting to attract a lot of competitors? Does it have profit margins that are lower than 15%?

   ___ Yes ___ No

4. Does this company have earnings growth that is less than 20% this year?

   ___ Yes ___ No

5. Is this a bear market?

   ___ Yes ___ No

6. Is there greater scrutiny on this company from regulators?

   ___ Yes ___ No

7. Is there greater external pressure on this company from lawsuits (from consumers or from competitors) or from the media?

   ___ Yes ___ No

8. Is there colossal, consensus insider selling from the top executives and/or directors on the board?

   ___ Yes ___ No

9. Has the trading volume declined dramatically or has the media stopped reporting positive news on this company?

   ___ Yes ___ No

If you answered "yes" to seven to nine of these questions, chances are that you will have picked an optimum time to sell, at the peak of this company's reign. If you answered "no" to the majority of these questions, then odds are that this company is still a leader with a greater likelihood that the share price will continue to go up.

Journal Entry:

My thoughts on whether or not I should sell this company stock right now:

Just look at all of the tools you learned in this unit of “Stocks on Steroids”. The Stock Report Card is worth its weight in gold. Now, the next time you hear about a tip from the newspaper, email, or television, you can see if the stock is a red-hot tip or a tip that helps the other person enjoy gains as fools buy-in during a short-term rally!

SUMMARY

Living Large and Beautiful!

Some authors make investing too complicated. Others make it too boring. Some have cookie-cutter investment strategies, like cutting out coffee or using fancy software, that frankly don't work because no two people have the same talents, passions, goals, time or intelligence. I am asking you to think about the power of your money to transform and enrich your own life and the world at large and to apply my strategies to become the best *you*. My investment recipe works because *you* supply the ingredients. The Billionaire Game works because *you* decide what's charity, what's education, what's fun and what to invest in, and the fact that *you* are *invested* in achieving your own success – instead of relying on someone else to do it or drowning in basic needs – is the fuel that drives prosperity.

If you can shop, you can pick stocks. If you tithe, you can become a millionaire. If you can pick a great life partner, then you can select the second most important person in your life – your financial advisor. If you know your age, then you know what percent of your retirement plan you should keep safe, i.e. ***not*** invested in stocks. Once you discover how the dollars you invest create our world, you can start investing in the products, goods and services that will make our planet a great place to live. When people start investing with heart and soul and wisdom, instead of fear, blind faith and greed, this world will become a very, very beautiful place. There is no end to the problems that can be solved when we move trillions out of the old industries of oil, gas and cigarettes and invest it in clean energy, goods and services that contribute to a healthy, sustainable world.

What beauty do you call into your life, now that you've got yourself living your "dream come true" life" as the center of your focus? Write in powerful words to describe that...

Journal Entry:

My thoughts on the beauty I call into my life now that I am living my "dream come true" life:

____

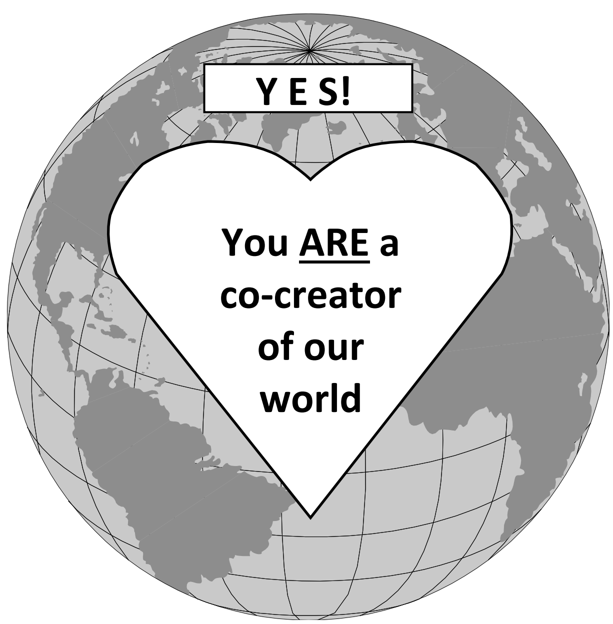
____

____

____

____

____



AFTERWORD:

LIVE YOUR DREAM LIFE

Investing is like learning a foreign language. When you start out, it looks and sounds like gobbledy gook. As you learn to understand the gobbledy gook, you start recognizing patterns and piecing together a few broken phrases. Before you know it, you're translating whole sentences of this new language – P/E, D/E, GDP, and strange theories of economic evolution – to your friends.

Just like riding a bicycle, investing takes practice. If you enjoyed this workbook and would like more practice with these concepts, you may want to consider subscribing to my monthly electronic newsletter (ezine), coming to one of my 3-day "Get Rich and Enrich" retreats, and/or starting an Investment Club in your area. Information on all of these items can be found on my website, www.nataliepace.com.

Love your money, exercise sound fiscal habits, tithe and you'll create a fabulously healthy nest egg. Prove it to yourself that *when you make love with your money, you live a rich life and you enrich our world.*

Yours in peace, health, happiness and prosperity.

- Natalie -