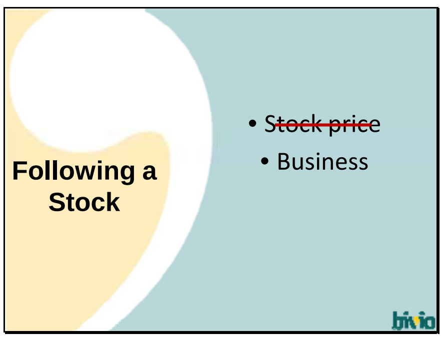
Welcome everyone. The topic of this presentation is "Diving Into Financial Reports". The purpose is to give you an introduction to some of the good things you can find in them that will help you in making your investing decisions.

When you own a company, you own a business.

Imagine you own a shop in your local town. As a business owner, you would know many things about your business such as what your company sells, what types of expenses it has, whether it is profitable, whether you have enough cash to cover your daily operations and how you expect it to do in the future.



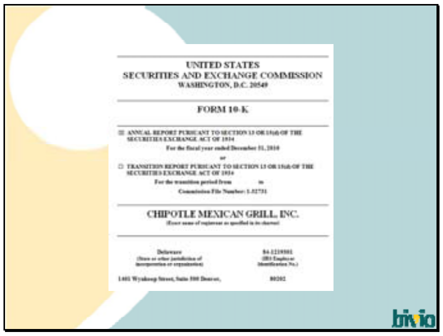
We don't usually own entire publicly traded companies but we do own a piece of them. Our stock in the company has a value which is related to how the company's business is doing. We hope the company will do well and the value of our share of it will go up.

We often talk about "following a stock". But what does that really mean?

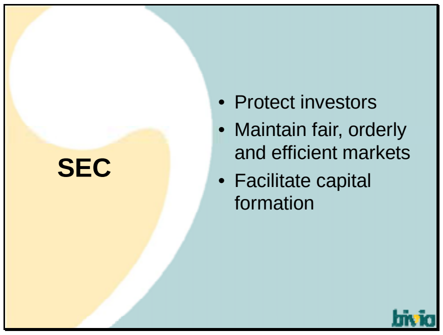
It doesn't just mean following it's price.

It means following how it's business is doing . If it's business is doing well and is projected to do well, the value of our stock will increase.

Each quarter, the management of companies that you own stock in are required to report directly to you how their businesses are doing.



They do this through a financial report.

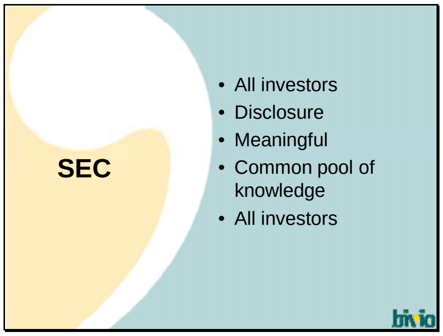


The information in a financial report has to follow a specific format established by the SEC (the Securities and Exchange Commission) The SEC is a government agency which was established after the stock market crash in 1929.
It's stated mission is to

protect investors,

And maintain fair, orderly, and efficient markets

To facilitate the capital formation needed to keep our economy running smoothly. Having an efficient and effective stock market where companies can raise money to fund their operations is very important to our economy. Having open access for investors to have the information they need to make good investing decisions is a very important part of that.



Believe it or not, the laws and rules that govern the securities industry in the United States derive from a simple and straightforward concept:

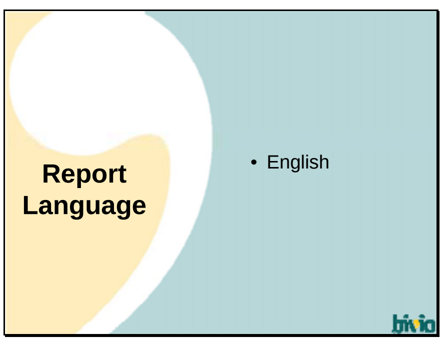
***all* investors**, whether large institutions or private individuals, should have access to certain basic facts about an investment prior to buying it, and so long as they hold it.
To achieve this, the SEC requires public companies to

disclose

meaningful financial and other information to the public. This provides a

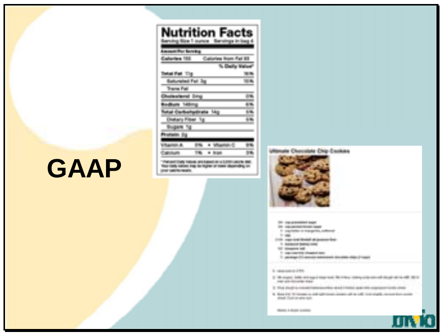
common pool of knowledge for

all investors to use to judge for themselves whether to buy, sell, or hold a particular security.
These are powerful statements. The bottom line is that there is a belief that you have the same right to information that will help you with your investing decisions as anyone else. All you need to do is take advantage of it.



The purpose of this talk is to show you that a financial report is not as scary as it might seem for you to open up. You do not need to be a CPA before you can get useful information. Annual and quarterly reports are comprehensive reports, designed to tell you a complete story about the current state of a companies business.

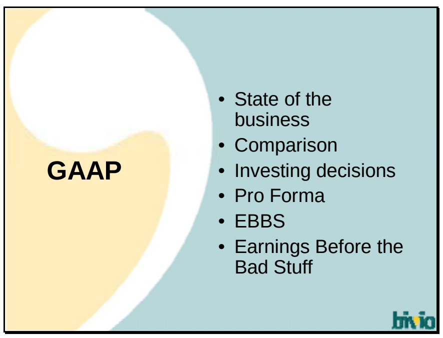
Believe it or not, much of them is written in plain English.



The financial information is preparedf ollowing a strict set of financial reporting guidelines called GAAP. GAAP stands for Generally Accepted Accounting Principles. GAAP is a language that requires a bit of education to understand but, as the SEC themselves says

"If you can read a nutrition label or a baseball box score, you can learn to read basic financial statements.

If you can follow a recipe or apply for a loan, you can learn basic accounting. The basics aren't difficult and they aren't rocket science



Requiring an adherence to a standard set of reporting rules allows everyone to evaluate and compare companies in different businesses.

The reason to have GAAP rules is to make sure that you can learn how to tell the state of a companies business from it's financial reports

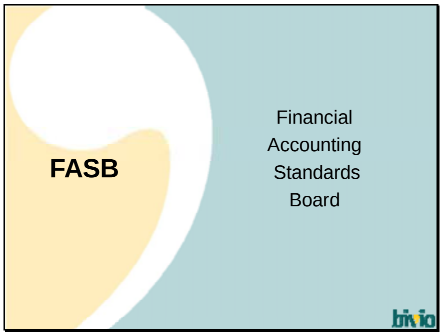
That you can compare one company to another and

That you can use the information to make investing decisions.

Be very sensitive to companies reporting "Pro Forma" or "Non GAAP" financial information. There are no rules for what is being reported. Since you are using the reported numbers to compare with projections made from past data any conclusions drawn from data that is being reported under a different set of rules might mean you are comparing apples to oranges and that what was true in the past may not be true in the future.

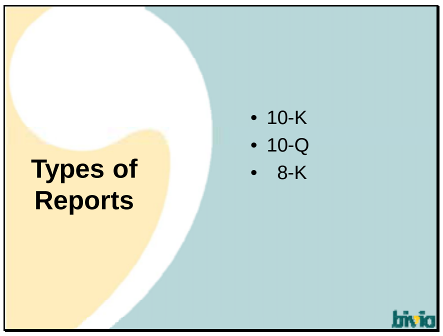
In fact, think about the fact that another name many people have for Non Gaap or Pro Forma reports is EBBS reports.

This stands for Earnings Before The Bad Stuff



Accounting rule making is overseen by the

Financial Accounting Standards Board, known as FASB. FASB is an independent organization but it is overseen by the SEC.



Financial reports are issued on a quarterly or as needed basis. There are three different types you will probably use the most often. They are referred to by codes.

A 10-K is an annual report which provides a comprehensive overview of the company's business and financial condition and includes audited financial statements.
A 10-K is the primary document you can use to research a company's financial condition and its operations.

10-Q reports are
Quarterly reports which provide you with an update on the state of the company's business in between annual reports. They include unaudited financial reports.

8-K reports are filed whenever a company has any item of material significance to disclose. Material significance means that it could have an effect on the company's financial results. These must be filed as soon as possible once information becomes known. They are an attempt to make sure all investors have access to important information at the same time. Most companies now allow you to sign up in their Investor relations sections of their websites to receive notices as soon as such reports are released.

You can easily find copies of all these reports in several places.

First of all, most companies will post them in the investor relations section of their

websites. I like to look for them there because they are posted in a variety of formats including word and pdf files. There are also sometimes spreadsheets available with the financial data in them.

- The Securities and Exchange Commission also posts all reports on their website in an area called

Edgar. Edgar is an acronym standing for the Electronic Data Gathering, Analysis and Retrieval System

You can get to this page to search for a report in Edgar using this link:

http://www.sec.gov/edgar/searchedgar/companysearch.html

The SEC provides a template businesses must follow to present their information. At the beginning of the report is a Table of contents showing you the different sections. There are lots of them but I'm going to highlight some of those you might find most useful as you get started. First an overview and then we'll look at them in more detail.

Business description The business description is a very readable and comprehensive overview of the company.

Risk factors-As we'll see, this is a very thorough overview of everything that could go wrong.

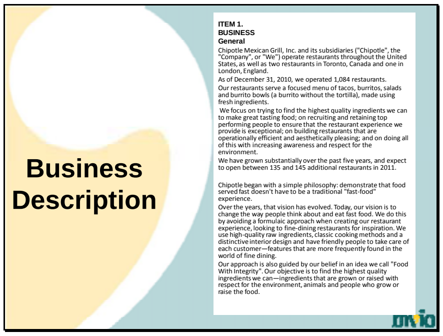
Legal Proceedings-A discussion of legal issues that might have a material affect on the companies earnings.

Market for Registrant's Common Equity, Related Stockholder Matters
And Issuer Purchases of Equity Securities-a complicated title for a section which, as we'll see includes some useful information such as a 2 year stock price history, the company dividend policy and a graph of 5 year stock performance.

Selected consolidated financial data-This is a useful table showing just a summary of some of the most used pieces of financial information

The Management Discussion and analysis section or MDA is one of the most interesting parts of the report. As we'll see, in it, management discusses their specific financial results and reasons for the results. They also sometimes give an indication of what to expect going forward.

Financial Statements-Finally, we get to the section that shows the financial statements themselves. This section also contains the famous "footnotes" section which those of us accounting geeks like to peruse.
If you really get into this, of course, there is interesting information in the other sections also. But, if you start with the sections I have highlighted, you will have more than enough to keep you busy and you're sure to find some interesting information.



So let's look at examples from some of these sections.
Here is an example of some of the information you can find in the Business Description section-This is the place to go to put together the information for your stock presentation when you are deciding whether to purchase a stock.
The business description is a very readable and comprehensive overview of the company.
Here's an example of some of the things Chipotle Mexican Grill tells you about their company in their most recent annual report

They operate restaurants throughout the United States, as well as two restaurants in Toronto, Canada and one in London, England.

Here's how many restaurants they have: As of December 31, 2010, we operated 1,084 restaurants.

What they serve: Our restaurants serve a focused menu of tacos, burritos, salads and burrito bowls (a burrito without the tortilla), made using fresh ingredients.

Here is their business mission-We focus on trying to find the highest quality ingredients we can to make great tasting food; on recruiting and retaining top performing people to ensure that the restaurant experience we provide is exceptional; on building restaurants that are operationally efficient and aesthetically pleasing; and on doing all of this with increasing awareness and respect for the environment.

Followed by some notes on where they've been and what their plans are for the future: We have grown substantially over the past five years, and expect to open between 135 and 145 additional restaurants in 2011.

Next is a further discussion of their operating philosophy. - As you read all this, you begin to get a thorough understanding of what this business is that you are thinking of investing in and how the current management plans to manage it.
There is much more in this section of the annual report. I hope that this shows you that what is there is readable and very valuable information.

After the business description section you'll find the Risk factors section. I always think this section must be the job given to all the extremely high anxiety lawyers. Chipotle lists 24 potential risks to their business success including things I would put in the "duh category such as

Our sales and profit growth could be adversely affected if comparable restaurant sales increases are less than we expect, and we may not successfully increase comparable restaurant sales.

We may not persuade customers of the benefits of paying our prices for higher-quality food.

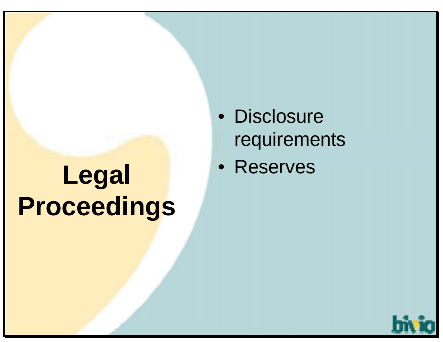
Competition could adversely affect us.

But there is a lot of useful information in this section. There are several paragraphs of discussion about each of the risk factors. For example, here is a discussion of some of the specific issues they are facing when it comes to food and supply costs.

First there are a couple of general paragraphs that basically say sometimes food prices go up. “The cost of many basic foods for humans and animals, including corn, wheat, rice and soy oil, has increased markedly in some years, resulting in upward pricing pressures on almost all of our raw ingredients including chicken, beef, tortillas and rice, increasing our food costs.”

Then some further specifics about the current environment and what they are expecting in the near future. As you can see, they expect food prices may escalate during 2011.
This type of statement gives you a heads up that their expenses may be higher in the future than they have been in the past. Higher expenses would mean lowered margins and possibly a slowing in their earnings growth.

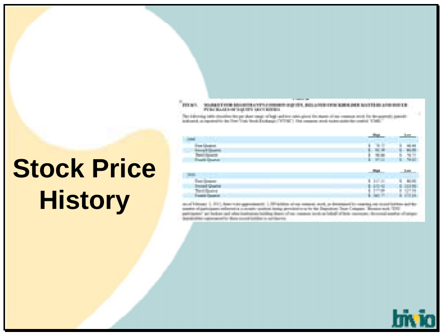
They even indicate that pricing issues may cause them to remove certain menu items which could affect their customer visits and sales growth. Again, something that could negatively affect their earnings growth.
These are key factors for you to take into consideration as you’re trying to determine whether this business will continue to perform in the future as it has in the past.



After the general risk factors section is a section specifically describing current, significant legal proceedings the company is involved in.

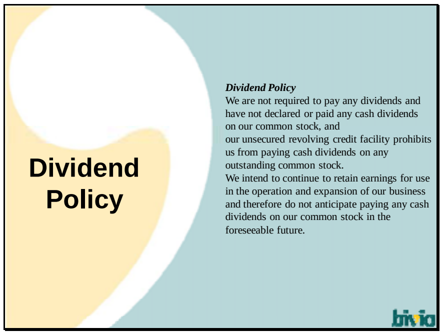
It’s important to review these because GAAP requires that any legal proceedings with a possible adverse outcome be disclosed.

GAAP also requires that if an adverse outcome is likely or probable and can be estimated, the company actually has to develop a reserve account that will become a liability on their balance sheet. This is where they will set aside assets they may need to use to settle the lawsuit.



In the section with the long name, "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" you'll find some interesting stuff.

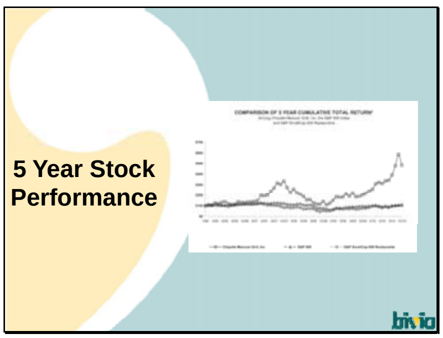
First is their stock price history for the last two years.



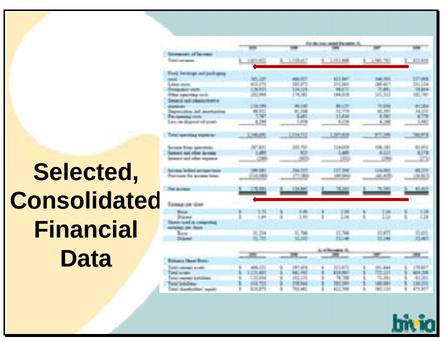
Next is often a note about their dividend policy.

As you can see in this note from Chipotle, the terms of their line of credit prohibits them from paying dividends.

And they do not plan on paying any dividends in the forseeable future.



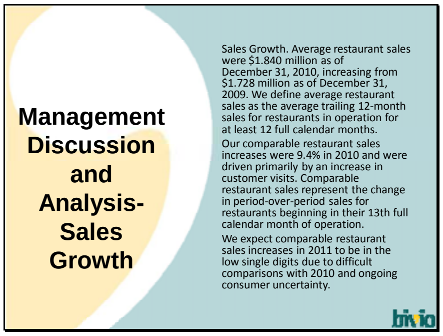
You'll even find a five year comparison of the return achieved from an investment in Chipotle compared to the return you would have achieved if you'd invested in something else. In this case, Chipotle is making the comparison to the S&P 500 as well as the S&P 600 Small Cap Restaurant Index.



In the section called, "Selected, Consolidated Financial Data" is a compilation of some of the key items of interest from the financial statements. It is a management summary of the numbers and is followed by a Management Discussion and Analysis of the results.
As you can see. 5 years of comparable information is presented so you can look for trends in things like Sales growth, income growth, number of shares outstanding and increases or decreases in liabilities.

A quick glance at the numbers tells us that revenues for Chipotle are increasing.

As is net income.

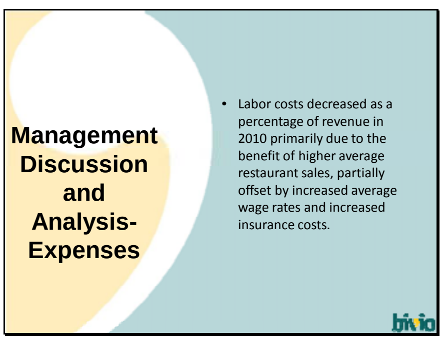


The management discussion and analysis section follows the consolidated table and contains more specific discussions about the current financial results. It also sometimes includes statements about future expectations. It is one of the most important sections of the annual report that you should read. Here is an example of a discussion of Chipotle's sales Growth. Sales growth is one of the key fundamentals you need to keep track of to project future earnings and therefore future stock price.

First they talk abou their average restaurant sales

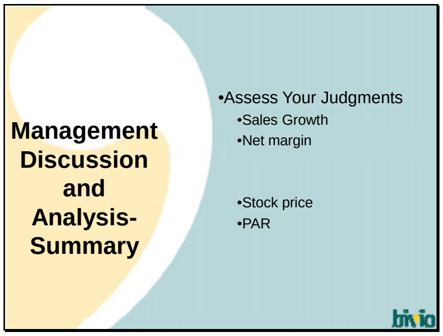
And the rate of increase of 9.4% in comparable restaurant sales.

But, they also note that while their comparable restaurant sales growth was very impressive for this year, they do caution that they expect it may slow down going forward.



In a similar manner you will see sections discussing the different types of expenses the company has. There is a section discussing their food costs in more detail and

here is a section discussing their labor costs. They also have a section where they discuss other expenses such as occupancy costs and selling and general administrative expenses. These are all the significant factors that make up their margin and are affecting their bottom line or their earnings.



When you buy a company you should have an idea of what types of margin you expect it to maintain. The information in these discussions gives you insight into whether future margins might be contracting or expanding as the expenses the company has change.

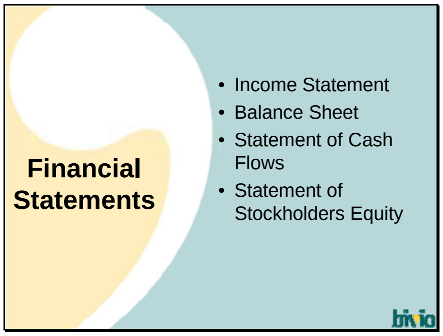
Each quarter, compare your expectations against what management is reporting or discussing about what might be coming up.

As you can see, the Management and Discussion section provides you with lots of information that you, as a business owner should be interested to know. Things like how your sales are growing and the

types of expenses you are up against.

If you see warning signs that your judgments might need to be revised, it's time to change them and see what the impact is on your stock price projections and

projected return calculations.



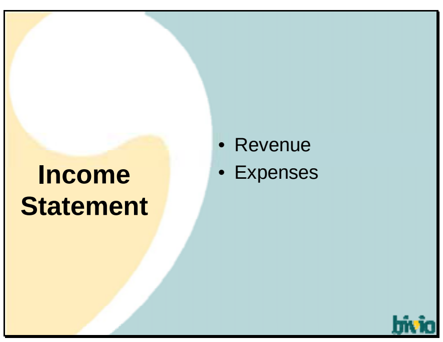
The full accounting financial statements follow the Management Discussion and Analysis section. The financial statements are where the numbers come from that drive a stocks price. Financial statements tell you where a company's money came from, where it went, where it is now and where it might be needed in the future.
There are four types of statements found in financial reports. They are:

The Income statement which shows you how much money a company made and spent over a period of time.

The Balance sheet that shows what a company owns and what it owes at a fixed point in time.

Cash flow statements show the exchange of money between a company and the outside world over a period of time.

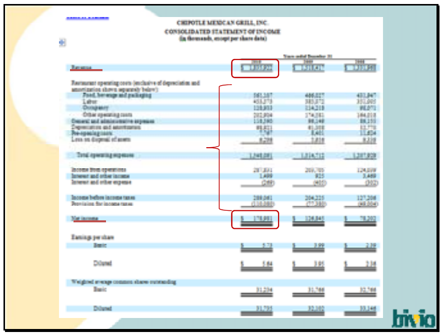
The fourth financial statement, called a "statement of shareholders' equity," shows changes in the interests of the company's shareholders over time. We're going to discuss the first three today. We'll leave the statement of stockholders equity for another time.



An income statement is a report that shows how much

revenue a company earned over a specific time period.

It also shows the costs and expenses associated with earning that revenue. The income statement is where you find out what your company earned each quarter. Companies you like to own will show earnings that grow consistently year after year.



On the income statement

all the different types of expenses are listed between the

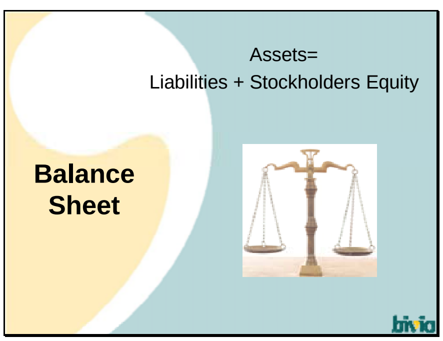
sales at the top of the report and the

Net income at the bottom. That is why the net income is referred to as the "bottom line". If you divide net income by sales you can calculate net margin. If sales are increasing and a company can maintain or improve it's margins, it's earnings will increase.

As investors,

We hope earnings increases will drive increases in the

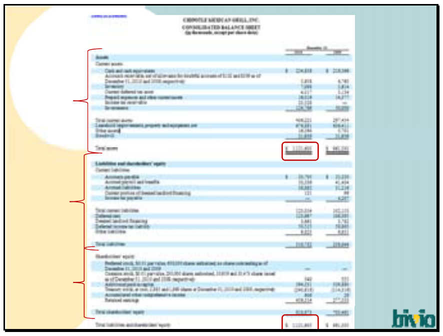
stock price. This is why we want to watch the income statement each quarter and stay knowledgeable about the types and amounts of expenses our companies have.



A balance sheet provides detailed information about a company's assets, liabilities and shareholders' equity.
It is called a balance sheet because

the two sides of this equation, known as the accounting equation, need to

balance.



A company's balance sheet is organized into the three categories shown in the accounting equation.

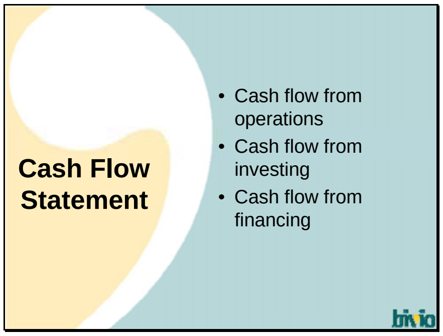
On the top of the balance sheet, companies list their assets. Assets are things that a company owns that have value. Assets include cash, receivables, and investments as well as physical property, such as plants, trucks, equipment and inventory. They also include things that can't be touched but nevertheless exist and have value, such as trademarks and patents.

On the bottom of the balance sheet you find a list of liabilities and shareholders' equity. Liabilities are amounts of money that a company owes to others. This can include all kinds of obligations, like money borrowed from a bank to launch a new product, rent for use of a building, money owed to suppliers for materials, payroll a company owes to its employees, environmental cleanup costs, or taxes owed to the government. Liabilities also include obligations to provide goods or services to customers in the future.

Shareholders' equity is sometimes called capital or net worth or book value. It's the amount that would be left if a company sold all of its assets and paid off all of its liabilities. This is what belongs to you, the shareholders, or the owners, of the company.

As you can see, the total shown for assets at the top of the balance sheet equals the

total shown for liabilities and shareholders equity at the bottom. Balance sheet information is important in assessing the ongoing financial health of the company. If significant changes start occurring in any of the sections of this report, it is important to understand how they will affect the ability of the company to produce the earnings you expect. For example, if you see that a company is increasing the amount of debt it is using to run it's operations, you will know you will probably see an increase in expenses on the income statement because they'll have to pay for the interest associated with that debt. This increase in expenses may make it harder for the company to maintain the earnings level you expect.



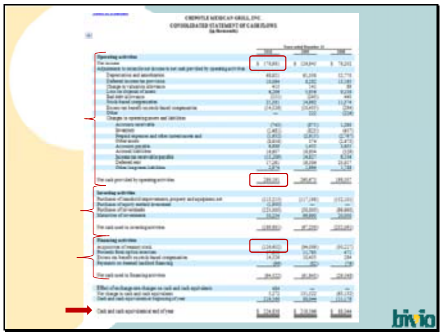
GAAP financial statements are prepared on what is called an accrual basis. This means that expenses are charged during the same time period as the revenue associated with them occurs. For example, if you buy a factory, you don't charge it's entire purchase price as an expense on the day you buy it. Instead, you record a little bit of the cost each quarter as you use the factory to produce income. This type of expense is called depreciation.

<no click>It is, however, still important to keep track of the actual cash inflows and outflows a company needs to operate each day. Just like in your personal life, you can be asset rich (ie. Own a big house), but if you lose your job you might be unable to cover your day to day bills and you will run into problems. An analysis of a companys cash position is reported on the cash flow statement. Just like you, a company needs to make sure it's actual cash inflows are keeping up with it's outflows.
The cash flow statement is divided into three parts.

Cash flow from operations.

Cash flow from investing

And cash flow from financing.



In the Cash flow from operations section

you find out whether the net income reported on the income statement was sufficient to cover the cash outflows the company had to make to sustain it's day to day operations. Ideally, you want the

amount of cash flow from operations to be equal to or greater than the

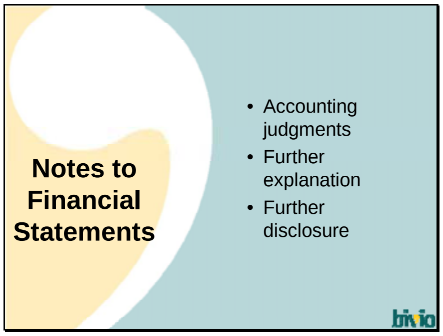
amount of net income. You can see in Chipotles case that they have a very healthy amount of cash being generated by their regular operations.

Investing Activities –
The second part of a cash flow statement shows the cash flow from all investing activities, which generally include purchases or sales of long-term assets, such as property, plant and equipment, as well as investment securities. If a company buys a piece of machinery, the cash flow statement would reflect this activity as a cash outflow from investing activities because it used cash. If the company decided to sell off some investments from an investment portfolio, the proceeds from the sales would show up as a cash inflow from investing activities because it provided cash.   It looks like Chipotle is increasing it's investing activities. Probably the extra cash being generated from their operations is allowing them to do so. This is a good sign. It's a bad sign if you see that a company appears to be selling investments to generate enough cash to cover it's operating requirements.

Financing Activities
The third part of a cash flow statement shows the cash flow from all financing activities. Typical sources of cash flow include cash raised by selling company stock, issuing bonds or borrowing from banks. If dividends are paid they are shown as cash flow out in this section.

We can see here that Chipotle is using some of it's cash to buy back shares. This is something that may be a good sign for you as an investor since they do not pay a dividend.

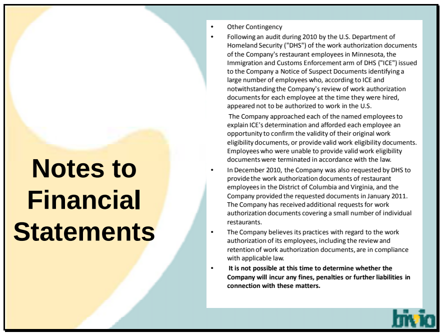
A good line to take a look at is this one at the bottom, net change in cash. It is good to see this increasing over time. There may be good reasons for it to decrease temporarily but it's an important thing to keep an eye on to make sure your company will be continuing to operate in the future as it has in the past. (SYY problem)



There are many accounting items which may have required estimates or judgments to determine the amounts to report. Sometimes information on financial statements needs

further explanation or

further disclosure about how calculations were made. These items are described in what is called the footnotes section. We accounting geeks love to read this. Some of it is pretty standard and can be found in most financial reports but sometimes you can find some fascinating insights into what is actually going on at a company. It does require a bit of skill to understand a lot of what is discussed in this section but it is worth taking the time to look at and to ask questions about.
Some of the things you'll find discussed is information about the companies income taxes, it's pension plans and it's stock option compensation programs. As you get more experienced, you'll also learn there are "off balance sheet" liabilities disclosed here. These are expenses the company will have in the future that do not show as balance sheet liabilities but will affect or have the potential to affect future earnings.



For example, it is in this section where you will find a footnote from Chipotle discussing the fact that it has recently started having issues with undocumented workers. This is disclosed as a footnote because dealing with the issue might have a material affect on future earnings. It's definitely something you want to keep on top of if you own this company.

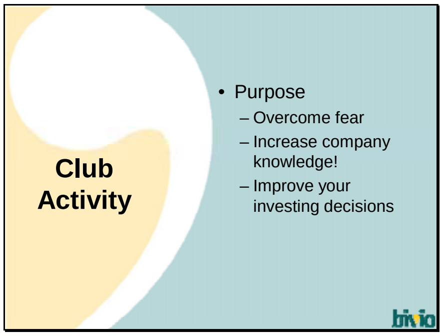
They describe how the issue came up in 2010 during an audit by the department of homeland security

They mention that each employee had the opportunity to produce valid documents. If they couldn't they were terminated.

The describe how the investigation has spread to their operations in additional states.

They do state that they feel they are in compliance with all appropriate laws.

However, they also state **It is not possible at this time to determine whether the Company will incur any fines, penalties or further liabilities in connection with these matters.**
This is a very important final statement. While this issue has not gotten to a point where it affecting Chipotles results, it is important enough to disclose which means management feels it has the potential to have material significance in the future. It's something to keep an eye on.



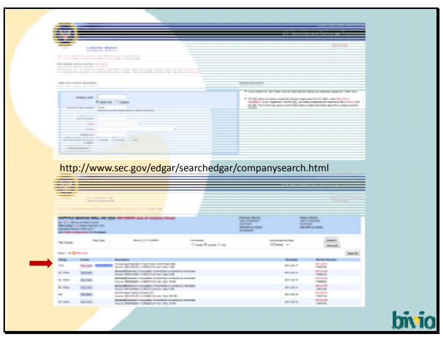
I hope I have at least peaked your interest in opening up a financial report. As I've shown there is lots of good stuff to learn there about the operations of the business you own a piece of. Much of it is very easy to read and understand and all of it will help you to make better investing decisions about a company. So how might you get started? Here's an idea for a club activity.

It's purpose is to help you

Overcome fear of opening up financial statements

To learn more about one of the companies you own

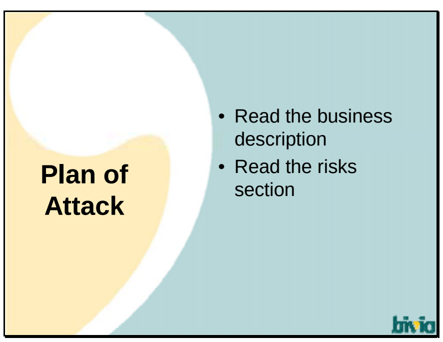
Add to your ability to make good investing decisions



First of all, I'd suggest you get up your courage by finding the

latest annual report for a company your club owns at the company website or at the

SEC website.



To get your momentum going, open up the file and read the first section,

the description of the business. Nothing scary here. Just lots of useful information about the company. Perfect to use if you are researching a new company and need to report to your club about it or if you own a company and need to determine if anything new has come up since you bought it. After you read the business description,

read the risks section. One thing you will find as you do this quarter to quarter is that you will begin to see thing because of changes in the information in these sections. Are there new risks management feels it is important to discuss? Are there future plans that are no longer being discussed?

Next, plan your attack on the report by thinking about the questions you have about the state of the company business. Since you already own this company, you want to think like an owner. If you owned a little store on main street, what kind of questions would first come to mind?
How about these?

How much did I sell this quarter?

Are my sales increasing? Why or why not? How are sales of our new product, in our new location etc., going? Are my sales growing at or better than the rate I anticipated when I purchased this stock?

Did I make a profit?
Am I maintaining or increasing my profit? Is the profit what I expected when I purchased this stock?

What kind of expenses did I have?

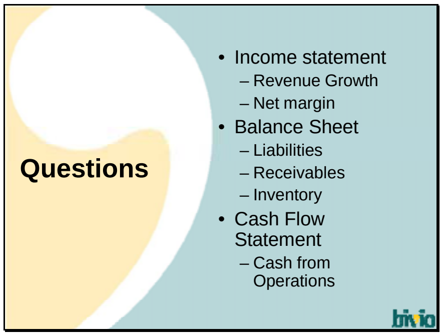
How am I positioned for the future?

Have I taken on more debt? Is it for a good reason and at a level I can handle or do I have to borrow to pay my day to day bills? Have I saddled myself with interest expense that will make it more difficult to achieve the profit margins I want in the future?

Is Inventory building up? Is it increasing faster than my sales are increasing? Do I know why? Do I expect higher sales in the near future or have I made a bad judgment and I might have to write down my inventory to get rid of it at a cheaper price than I anticipated.

Are there any new expenses or increases in expenses I see coming up?
If I see a new or unusual expense, do I understand what it is for, whether it might continue and what impact it might have on future earnings (especially near term). For example, income tax settlements, pension funding (Sysco recent announcements)

Are my daily operations providing enough cash to cover the cash outflows I need to make? Am I increasing sales by taking on more credit sales that might have to be written off in the future?



In the management discussion and analysis and financial statements you can find the information you need to answer these questions. For example, using information in the

income statement you can calculate how your

sales have grown and what kind of

profit you had. In the notes you can see what kind of expenses you had and how they compared to the same time period a year ago.

On the balance sheet, you can find out how much you owe and whether you have had to take on

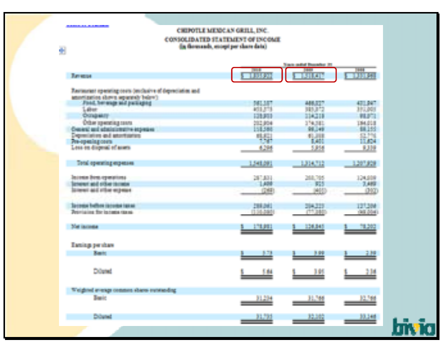
additional debt to run your business.

If your receivables have increased you can compare them to your sales growth and determine whether you are making more sales on credit.

If your inventory is increasing faster than your sales, you will know that you might want to find out the reasons for that.

On the cash flow statement, you can find out whether your business is generating a paper profit or you are generating enough cash to keep yourself liquid by comparing your operating cash flow to your net income.

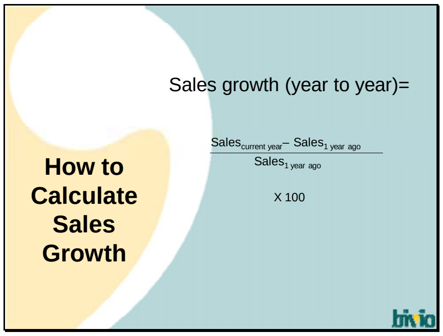
Here's some examples of how you might use the information in these reports to answer these questions.



The company will sometimes provide you with a sales growth rate but you can also easily calculate it. In their financial reports, companies present not only information from the current period but also information from another period for you to compare to. For example, in the Chipotle annual report, we find

Total sales from 2010 and

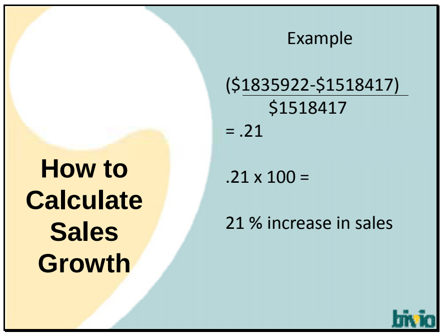
Total sales for 2009.



You can calculate sales growth very easily from these two numbers.

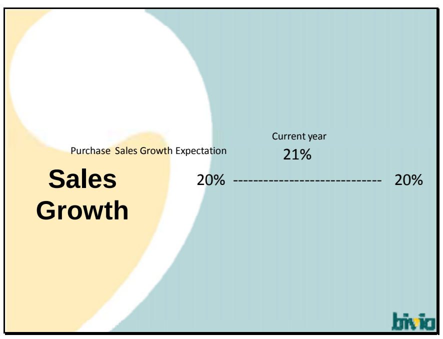
For example, to get the year to year sales growth, you just subtract the sales from a year ago from the current sales number and divide by the sales from a year ago.

Then multiply by 100 to make it a percentage



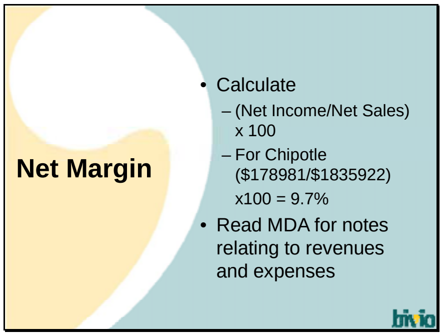
For example, if I plug in the numbers from the Chipotle incomes statement I just showed you, I see that they had a

21% Year Over Year Increase in sales.



You then want to compare the current growth rate with your purchase judgment.

In this case it was higher than the 20% projected sales growth this club had used to make their purchase decision. It looks like Chipotle was meeting this purchase expectation.



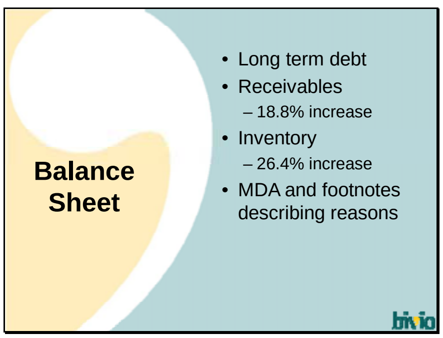
After you've checked out the sales growth, take a look at the margins.

You can easily calculate net margin by

dividing net income at the bottom of the income statement by net sales at the top.

For Chipotle for 2010, the calculation looked like this. Their net margin was 9.7% which was above the expectation of a 9% margin the club had when they purchased Chipotle.

Read through the management discussion and analysis for notes relating to revenues and expenses. Do you find any reasons to believe the company may not be able to continue to perform in the future as it has in the past?



Next, take a look at the balance sheet.

Has their amount of long term debt changed?

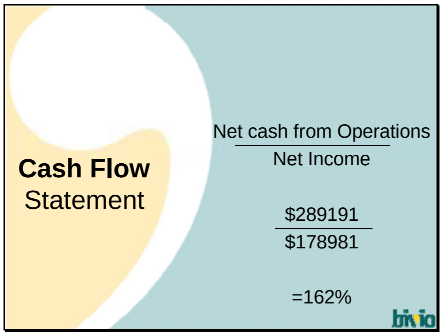
How much have their receivables changed since last year? How does this compare to their change in sales?

Chipotles receivables increased by 18.8%. Not a problem since their sales increased by 21%

How much has their inventory changed? How does this compare to their change in sales?

Chipotles inventory increased by 26.4% which is greater than the rate their sales increased.

What does management say is the reason for this? Is it something that looks like it is temporary or something you think you need to keep an eye on going forward?



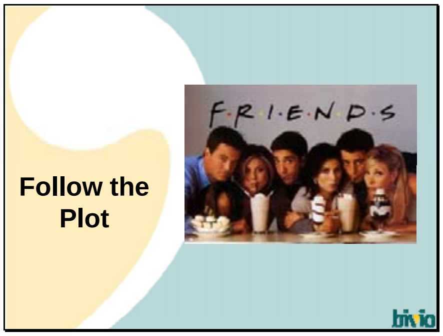
Finally, look at the cash flow statement. How does their cash provided by operations compare to the

Net income? Is the company generating cash with it's operations or using it up?

Chipotle is generating very healthy amounts of cash from their operations.
What do the notes say? If you see operating cash is significantly less than net income, what are the reasons for this? Do they seem to be ongoing or temporary? What do the MDA and the footnotes say?

Once you're done going through the report, think about what you've found.

You're an owner of this business and you are relying on the information in this report to help you determine the future prospects for your business. You've bought this stock based on your projections for sales growth and net profit in the future. Does it look like the company is going to live up to your expectations or are you going to need to find a better place to invest going forward? If you decide to keep the stock, what items will you be keeping an eye on in future earnings reports?



Obviously there is a lot to learn to understand everything you will come across in a financial statement. But I hope I have shown you that you don't have to be an accountant to find useful information in the report. The more statements you read, the more you will learn about things you can look for and the better you will get at selecting investments and seeing things coming.

In fact, a single financial quarterly or annual report is part of an ongoing series. You'll find that just like a TV series, the more you watch the series, the more you get to know the characters and can follow the plot. As you follow a company, quarter to quarter, you will find that what is sometimes interesting is what changes in what they are reporting.

<no click>You'll be surprised. You'll start to anticipate the next report so you can find out how the story will unfold. You'll also find that you'll start to get a handle on how to "see things coming".

<no click> I hope I have helped to make the idea of actually opening and reading a financial report a little less scary. I encourage you to tune in to the reports management is giving you. The better you get to know and understand the businesses you have invested in, the better you will become at deciding whether their stocks will continue to be good investments or whether you may need to find a better place to invest your money.