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## NAIC Coastal GA/SC Chapter February 2005 Newsletter

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### **Below is information related to the following:**

- Special Notes (BI Seminar - February 10)
- Commentary
- Chapter Workshops (Workshops - February 26)
- Computer Group
- Club News
- Volunteer Opportunities

### **SPECIAL NOTES:**

#### **Email Announcements:**

Please remember to share our chapter announcements with others who may not be receiving these messages. If you know of others with email who would like to be on this list, please ask them to email us: [sgallemore@georgiasouthern.edu](mailto:sgallemore@georgiasouthern.edu).

#### **Chapter Web Page:**

While the Chapter Web Page is being updated, members may find information about our workshops and other events, past email newsletters, and other chapter information at an alternate site: <http://www.georgiasouthern.edu/~sgallemo/coastal-chapter>.

#### **Postcards to Clubs:**

Please note that only one person per investment club receives the NAIC postcards announcing chapter workshops and activities. This NAIC contact person should share information on that postcard with all club members. Postcards come out a maximum of once per month.

#### **Club Visits:**

Chapter Directors would like to visit your club to assist with club operations and provide a brief portfolio review of your club's holdings, to learn of your education interests, and to provide information about other services the chapter may be able to provide, and of course to provide an opportunity for club members to participate in a question/answer session. Please let us know if you would like to schedule a visit.

[sgallemore@georgiasouthern.edu](mailto:sgallemore@georgiasouthern.edu).

### **Better Investing Seminars:**

A Better Investing Seminar, *Becoming a Successful Lifetime Investor*, will be presented on February 10, 2005, 7:00 pm, at the Statesboro Regional Library, 124 South Main. Content of the Seminar is designed to introduce individuals to the advantages of long-term investing in quality stocks and will include information about risk in investing, reasons people lose money in the market, NAIC's key investment principles, reasons to invest in stock, getting started investing with a small amount of money, and investment clubs. The event is free.

If you know of a group that would like a free *Better Investing Seminar* presentation (overview of NAIC investment principles, how to get started investing, information about investment clubs, etc.), please let us know. For more information: [sgallemore@georgiasouthern.edu](mailto:sgallemore@georgiasouthern.edu).

### **Invitation from the Atlanta Chapter:**

"Please join us at the Atlanta Chapter Investors Fair on Friday, February 4 - Saturday, February 5, 2005, at the Sheraton Buckhead Hotel, Atlanta. Program information and registration form are available at <http://www.better-investing.org/chapter/atlanta>.

### **COMMENTARY**

Sandy Gallemore

As pointed out in a recent issue of *Business Week*, we may expect companies with consistent earnings growth and a strong balance sheet to lead the stock market. The leaders will be companies with low debt and good cash flow. In the 2005 market, the companies with a good bit of cash should outperform cash-poor companies. With interest rates likely to rise, companies with high debt most likely will not be able to show the earnings those with low debt should be able to produce. In addition, companies with solid earnings and strong cash flow may raise dividends, something many small investors appreciate. An interesting point made by Vita Nelson, the editor of *The MoneyPaper*: During the past 20 years, stocks with the highest dividend yields have posted annual return rates noticeably higher than those with low dividend yields.

As we contemplate how we think the market will perform during this year, several factors may come into play, as suggested by Edward Yardeni, chief investment strategist for the Oak Associates, Ltd, an investment management firm. One of these factors is inflation, which currently is low and expected to stay low. Usually, the market does well in times of low inflation when little or no pressure is put on the Federal Reserve to raise interest rates.

Another factor that tends to influence the overall market is interest rates. Such rates were lowered over a dozen times between January 2001 and June 2003, but now may be increasing to more normal levels. The increase, however, should happen very gradually, making stocks the most attractive investment for a good return during this year.

The job market (a third influential factor) seems to be improving and the unemployment rate is below the historical average. Stronger job markets bring about increased consumer spending, which results in good company earnings. A fourth factor is valuations. The price-to-earnings ratios have dropped from their lofty spots several years ago. Currently the average for the S&P 500 is around 15, as compared to a P/E of around 24 five years ago. Strong price appreciation for stocks typically comes about when we see modest valuations such as those of today.

In recent times, with high oil prices, the fear of terrorism, and the war-time uncertainties, many investors have been fearful of making investments in the stock market. Currently, households in this country have over four trillion dollars in cash (checking accounts, etc.). Some investment clubs, like individuals, have been reluctant to invest and now have too much money in cash. Likewise, companies have been building cash reserves. Hopefully, as consumer confidence increases, companies will begin using some of their cash to grow their businesses and individuals and investment clubs will find good companies in which to invest. Participating in educational opportunities designed to help us learn to study companies and evaluate their potential as investments will help us select the investments with the greatest potential, both for the coming year and for the foreseeable future.

Be sure to put our upcoming events on your calendar (more specific information is below):

February 26: Fundamentals of Investing and Stock Check List (9:30 am - 12:00 pm) and Stock Selection Guide with Judgment Sections 1-2 (1:00 - 3:30 pm)

March 12: Stock Selection Guide with Judgment Sections 3-4-5 (9:30 am - 12:00 pm) and Stock Comparison Guide (1:00 - 3:30 pm)

## **CHAPTER WORKSHOPS**

### **Fundamentals of Investing and Stock Check List**

**Date:** February 26, 2005, Saturday.

**Time:** 9:30 am - 12:00 pm (registration opens at 9:00 am)

**Location:** Mighty Eighth Air Force Heritage Museum in Pooler GA (Hwy 80 and I-95 intersection)

**Cost:** \$20.00 preregistration (on-site: \$25.00)

**Full Series Cost** (all four workshops on 2/26 and 3/12): \$75.00 preregistration

### **Stock Selection Guide with Judgment: Sections 1 and 2**

**Date:** February 26, 2005, Saturday.

**Time:** 1:00 pm - 3:30 pm (registration opens at 12:45 pm)

**Location:** Mighty Eighth Air Force Heritage Museum in Pooler GA (Hwy 80 and I-95 intersection)

**Cost:** \$20.00 preregistration (on-site: \$25.00)

**Full Series Cost** (all four workshops on 2/26 and 3/12): \$75.00 preregistration

### **Stock Selection Guide with Judgment: Sections 3, 4, and 5**

**Date:** March 12, 2005, Saturday.

**Time:** 9:30 am - 12:00 pm (registration opens at 9:00 am)

**Location:** Mighty Eighth Air Force Heritage Museum in Pooler GA (Hwy 80 and I-95 intersection)

**Cost:** \$20.00 preregistration (on-site: \$25.00)

**Full Series Cost** (all four workshops on 2/26 and 3/12): \$75.00 preregistration

### **Stock Comparison Guide**

**Date:** March 12, 2005, Saturday.

**Time:** 1:00 pm - 3:30 pm (registration opens at 12:45 pm)

**Location:** Mighty Eighth Air Force Heritage Museum in Pooler GA (Hwy 80 and I-95 intersection)

**Cost:** \$20.00 preregistration (on-site: \$25.00)

**Full Series Cost** (all four workshops on 2/26 and 3/12): \$75.00 preregistration

**For all workshops**, please use registration form on webpage:

*<http://www.georgiasouthern.edu/~sgallemo/coastal-chapter>*.

### **Off-Site Workshops (club sponsored)**

**Workshop requests:** The Chapter is prepared to provide workshops for clubs or other groups of NAIC investors. Requests for a workshop must reach the Chapter at least six weeks prior to the requested time of the workshop. Generally, a full-day workshop or two half-day workshops must be scheduled. Email us for information about workshop topics. *[pilgrimdi@netscape.net](mailto:pilgrimdi@netscape.net)*.

**Responsibilities of the host:** The host must guarantee a minimum of 10 pre-

registrations for the day and is responsible for arranging suitable classroom accommodations, including a large screen, podium, table space for the presenter(s), etc. Further information is available on our webpage.

**Registration requirements:** The Chapter must receive the pre-registration forms with fees enclosed at least 14 days in advance of the planned workshop date. Chapter registration forms must be used – see our alternate chapter web site or email us for a copy of the form. <http://www.georgiasouthern.edu/~sgallemo/coastal-chapter> or email [pilgrimdi@netscape.net](mailto:pilgrimdi@netscape.net).

## **CHAPTER COMPUTER GROUP**

Please respond to this email if you are interested in assisting with the re-formation of a Chapter Computer Group.

## **CLUB NEWS**

If your club would like to highlight its successes, share ideas, or invite visitors to meetings, let us know and we will include the information in this section of the Newsletter. [sgallemore@georgiasouthern.edu](mailto:sgallemore@georgiasouthern.edu)

Please note: The Chapter cannot publish any advertisements for new club members, nor can we publish any requests of individuals to be put into contact with a club. The best way to determine if a match-up exists is to attend workshops and look for others in your area, or to mention your interest in investment clubs to people you see in your area.

Should you have a group of people interested in forming a new club, please let the Chapter know (you may reply to this memo with that message). We love to help new clubs form.

## **Clubs Currently Welcoming Visitors**

Women Investing Now (WIN) Investment Club of Statesboro GA welcomes visitors to most of its monthly club meetings, which are held on the fourth Tuesday of the month. Please contact the club if interested in attending. [sgallemore@georgiasouthern.edu](mailto:sgallemore@georgiasouthern.edu)

## **CHAPTER VOLUNTEER OPPORTUNITIES**

The Coastal GA/SC Chapter has openings for a few Associate Directors and Volunteers who would like to assist with Chapter operations, publicity for our workshops and activities, teaching workshops, and/or with providing other services to

our membership.

Please contact our Volunteer Coordinator, Valjean Stell-Burns, at [valsburns@comcast.net](mailto:valsburns@comcast.net), or respond to this email, if you are interested in serving as a chapter volunteer. Not only will you be sharing your talents to help others improve their investment skills, but also you will have unique opportunities to improve your own investment knowledge by attending NAIC and Chapter director training programs.