

The NAIC *Los Angeles Area Chapter* **NAIC®** *Serving Los Angeles, Riverside and San Bernardino Counties*

Newsletter

Volume 12, No. 2

Summer/Fall 2003

President's Message

By Annette Spence

Learning is viewed as an ongoing process to keep the human mind active and in constant search of higher education. In revisiting some past Better Investing Magazines this article on Effective Investment Club reminded me of help that we all need to keep positive attitudes in our quest for financial knowledge through club investing.

Educational Fair, October 4, 2003

By Henry Bernard

The Los Angeles Chapter – NAIC will present its first Educational Fair in lieu of our annual Investors Fair.

The major purpose of the fair is to go back to basics and establish a solid foundation of our use of NAIC study tools that have proven to put you on the right road to successful Investing. You will not only have a chance to learn about the most popular forms (SCL, SSC, SCG, PMG and PERT), you will also learn about the latest Computer Tool Kits. This will be a great opportunity for your club to get started off right or correct the mistakes you've made in the past.

Our featured speakers in the past have shared their insights into the state of the economy and how it affected our special interest in investing. This year, Hugh McManus, a long time NAIC member, Director and a feature speaker at other chapter sponsored fairs, will most certainly fulfill the very purpose of our Educational Fair.

The Chapter-sponsored Club Portfolio Evaluation Contest results will be announced and plaques will be awarded to the clubs/individuals accordingly. All entries in the Contest will be displayed. Directors and District Coordinators will be available to attendees through the day. During the breaks and lunch, there will be opportunities to network with other investors. Along with providing an educational program the Fair is the Chapter's major fundraiser. The funds received from your attendance support other chapter events throughout the year, specifically; The President's Forum, Computer Workshops, Treasurer's Workshops, Monthly Seminars on our various learning tools, mailings to Chapter members and Chapter operating expenses.

The Directors have volunteered many hours to provide a high caliber program, we measure the success of the Educational Fair by the attendance of both Chapter members and participants.

See you at the Fair and Happy Investing.

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Cruise Alaska and Learn



The National Association of Investors Corporation (NAIC) teaches individuals how to

become successful strategic long-term investors. NAIC investors employ fundamental analysis to study common stocks and mutual funds.

Our Community is dedicated to collecting and delivering the resources that will enable individuals to become Better Investors. Invest regularly. NAIC is one big investment club.

The cruise educational series will introduce investors to the NAIC principals for successful investing. Los Angeles Chapter Directors will make special efforts to reach out to investors at all levels, from beginners to experts.

The sessions will cover stock studies, book discussions and traditional investment instruction. The subjects are grouped into the following categories: Stock

Continued next page

SCHEDULE

8:00 a.m.	Registration - Coffee	12:30 – 1:45 p.m.	Luncheon Hosted by L.A. Chapter
8:00 – 8:15 a.m.	President's Welcome	1:45 – 2:30 p.m.	Guest Speaker - Hugh McManus
8:15 – 9:00 a.m.	Presenter (sponsor tba)	2:30 – 3:30 p.m.	Round Table Discussion Groups (3-20 minute sessions)
9:00 – 12:30 p.m.	Round Table Discussion Groups (5 – 30 minutes sessions)	3:30 – 4:00 p.m.	Portfolio Evaluations Awards, Door Prizes, and Wrap-Up

Class Description

100 Starting and Running Your Own Investment Club

This workshop is designed to show you how to start and run an investment club based on NAIC principles. Learn about the dynamics and organization of a successful investment club as well as all the necessary steps to take to form one.

101A NAIC Core Analysis I

If you are new to NAIC, this is the core workshop for you! The following topics are covered: financial terms; the Value Line data source; principles of investing the NAIC way; completing the Stock Check List and description of the Stock Selection Guide; and NAIC resources. Please read Chapter 7 in the NAIC Official Guide.

Bring pencil, calculator and ruler.

Prerequisite: None.

101B NAIC Core Analysis II

This workshop takes you step by step through filling out the Stock Selection Guide (SSG).

The focus is on gathering the data to complete the guide. It will not include judgment except for what is needed to work through the form. Please read Chapters 8-10 in the NAIC Official Guide. Pre-requisite: 101A or understanding of the Stock Checklist. Bring a pencil, calculator, a highlighter or colored pencils, a 12" ruler.

102A Club Accounting – Session I

This workshop covers the most used windows of the NAIC Club Accounting Program, 2.x. The focus is on the windows used the most in the normal business of an Investment Club. It covers initial installation and activation of the program. It also describes the monthly and occasional tasks, such as depositing payments, fees, and petty cash contributions, entering the deposits, dividends and interest in the program, and buying and selling of stocks. Other areas are entering or importing security valuations, auditing the database, backing up the information in the database, and generating and printing certain reports immediately before each meeting to distribute to each member. Pre-requisite: None.

102B Club Accounting – Session II

This workshop covers all of the program windows of the NAIC Club Accounting Program, 2.x, not covered in Session I. A short review of Session I will be part of Session II. The focus of Session II is on the windows used only occasionally for the Investment Club. This includes the areas of selecting blocks from which to sell shares, stock splits, including "cashin lieu" for partial shares, mergers, spinoffs, and various reports to show how the portfolio and members are doing. It will also discuss the petty cash and charitable contributions areas. The graph area of the program will also be covered and demonstrated. Special "tricks of the trade" using the program to allow you to better present your club's situation to the members will be discussed and demonstrated. Pre-requisite: 102A or knowledge of the Club Accounting Software.

103 Mutual Fund Comparison Guide

This workshop uses the NAIC Mutual Fund Comparison Guide to help you select a mutual fund. Learn to compare and select mutual funds using Morningstar Mutual Funds data sheets. Please read the Mutual Fund Handbook. 200 Reading and Screening with Value Line An in-depth look at the Value Line Investment Survey and its use to make investment decisions. This workshop goes beyond the numbers used for the SSG and looks at other parameters provided by Value Line. Screening techniques using VL and/or other resources may be covered.

201 Treasurer's workshop (Year -end Closing Books)

This workshop goes through the treasurer's duties with an emphasis on closing the books and income tax reporting.

202 Annual Reports

Participants will learn to critically examine a company's annual report and understand financial data.

203 Portfolio Management

The workshop covers portfolio management and investment record keeping for the individual investor as well as any club.

300A Investors Toolkit / Stock Analyst

The workshop covers the Investors Toolkit and/or Stock Analyst to analyze a company. The SSG, PERT -A, SCG, PMT, PERT Report, PERT Trend Report and Challenge Tree will be reviewed. Please read Chapters 10 in the NAIC Official Guide. Pre-requisite: 101B or experience in the SSG.

300B Adding Judgment to Investing

This workshop is designed to augment the decision making process by looking at areas on the SSG that require judgment. It also covers stock comparison and PERT-A. Please read Chapters 11-14 in the NAIC Official Guide. Pre-requisite: 101B or experience in the SSG. Please bring a calculator.

300C Advanced Investment Topics

This workshop will cover one or more of the following topics: SSGs in special cases (i.e. banks, thrifts, insurance companies, cyclical etc; finding warning signals and considering reasons for selling (please refer to the schedule to see the topic to be covered). Please read chapters 11-15 in the NAIC Official Guide. Pre-requisite: 101B and 1 or more years of experience of doing the SSG.

Presidents' Forum

Take the opportunity to network and exchange ideas with members of other clubs. Forum usually features a guest speaker and round table discussion on educational topics relevant to clubs (past topics include: club management; establishing buying and selling rules; portfolio management; duty delegation).

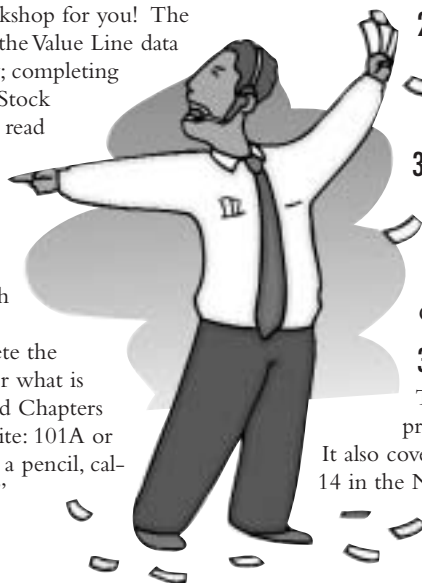
Computer Forum

Usually features a NAIC guest speaker. Topics vary (previous topics include analysis judgment as well as NAIC software).

Cruise Alaska and Learn *Continued from page one*

Selection & Analysis, Stock Studies & Case Studies, Industry Analysis, Portfolio Design & Management, Judgment Demonstrations & Discussions, Research & References, and Special Features.

Sailing June 25, 2004 for 7 wonderful northbound days from Vancouver B.C. on Holland America's ms Ryndam. Fly from Los Angeles to Vancouver from Seward to Los Angeles. Cost from \$928.20 pp (port charges and fees \$191.00pp) to \$3763.80. Air not included. See our website or the enclosed flyer for more information. lanaic07@yahoo.com



NAIC Los Angeles Area Chapter Registration Form

Include e-mail address or stamped, self-addressed envelope/postcard if you want confirmation of your registration. Duplicate and complete a separate form for each attendee

PLEASE PRINT

Name: _____ Club Name: _____

Address: _____ City: _____ State: CA, Zip Code: _____

Contact Number _____ Email address _____

Date of Workshop _____ Name of Workshop _____

Date of Workshop _____ Name of Workshop _____

Educational Program Workshops Registration

• June 27-29 - CompuFest® 2003

Location: Anaheim Marriott, 700 West Convention Way, Anaheim, CA 92802, Phone: 1-714-750-8000, Fax: 1-714-750-9100

NAIC's CompuFest® is a two-and-a-half day conference on computerized investing. The NAIC Computer Group designs an attractive program of seminars and hands-on training. The NAIC Computer Group makes special efforts to teach investors at all levels from beginners to experts. Special programs, such as the Newbies track for investing neophytes and a Family program for young investors, help NAIC to reach out to new audiences. To register on-line go to: Better-Investing web site.

• July 12 - Workshops

Location: University of Phoenix, 299 N. Euclid Ave, Pasadena, CA

Registration: Pre-registration required. All workshops run concurrently.

Time: Registration 8:00 a.m., Program from 8:30 a.m. to 12:30 p.m.

Cost: \$30/\$45 after 07/05/03

Select One Workshop from the list below:

- **Class 101A - NAIC Core Analysis I.**
Please read Chapters 1-7 in the NAIC Official Guide. Bring a pencil, a calculator, a highlighter and a ruler.
- **Class 101B - NAIC Core Analysis II.**
Please read Chapter 8-10 in the NAIC Official Guide.
Pre-requisite: 101A or understanding of the Stock Checklist. Bring a pencil, calculator, a high lighter and a ruler.
- **Class 102A**Club Accounting.
- **Class 203**Portfolio Management.
- **Class 300B**Adding Judgment to Investing.

• August 9 - Workshops

Location: University of Phoenix, Diamond Bar, 1370 S. Valley Vista Dr. #140, Diamond Bar, CA

Registration: Pre-registration required. All workshops run concurrently.

Time: Registration 8:00 a.m., Program from 8:30 a.m. to 12:30 p.m.

Cost: \$30/\$45 after 08/02/03

Select One Workshop from the list below:

- **Class 101A - NAIC Core Analysis I.**
Please read Chapter 1-7 in the NAIC Official Guide. Bring a pencil, a calculator, a highlighter and a ruler.
- **Class 101B - NAIC Core Analysis II.**
Please read Chapter 8-10 in the NAIC Official Guide. Pre-requisite: 101A or understanding of the Stock Checklist. Bring a pencil, a calculator, a highlighter and a ruler.
- **Class 102B**Club Accounting.
- **Class 300A**Investors Toolkit / Stock Analyst.

• October 4 - Workshop, Education Forum

Location: The Proud Bird Restaurant, 11020 Aviation Blvd, Los Angeles. Registration: Pre-registration required.

Time: Registration 8:00 am

Cost: \$55.00 per person

• November 8 - Workshops

Location: University of Phoenix, Woodland Hills, 5955 De Soto Ave, Woodland Hills, CA

Registration: Pre-registration required. All workshops run concurrently.

Time: Registration 8:00 a.m., Program from 8:30 a.m. to 12:30 p.m.

Cost: \$30/\$45 after 11/01/03



Select One Workshop from the list below:

- **Class 101A - NAIC Core Analysis I.**
Please read Chapter 7 in the NAIC Official Guide. Bring a pencil, a calculator, a highlighter or colored pencils and a 12" ruler.
- **Class 101B - NAIC Core Analysis II.**
Please read Chapter 8-10 in the NAIC Official Guide. Pre-requisite: 101A or understanding of the Stock Checklist. Bring a pencil, calculator, a highlighter or colored pencils and a 12" ruler.
- **Class 103**Mutual Fund Comparison Guide.
- **Class 300B**Adding Judgment to Investing.

• January 10, 2004 - Workshops

Location: University of Phoenix, 299 N. Euclid Ave, Pasadena, CA

Registration: Pre-registration required. All workshops run concurrently.

Time: Registration 8:00 a.m., Program from 8:30 a.m. to 12:30 p.m.

Cost: \$30/\$45 after 01/03/04

Select One Workshop from the list below:

- **Class 101A - NAIC Core Analysis I.**
Please read Chapters 1-7 in the NAIC Official Guide. Bring a pencil, a calculator and a ruler.
- **Class 101B - NAIC Core Analysis II.**
Please read Chapter 8-10 in the NAIC Official Guide. Pre-requisite: 101A or understanding of the Stock Checklist. Bring a pencil, calculator, a highlighter or colored pencils and a ruler.
- **Class 201**Treasurer's Workshop Taxes Closing the Books.
- **Class 203**Portfolio Management.
- **Class 300B**Adding Judgment to Investing.

Make check payable to NAIC Los Angeles Area Chapter.

Registration form to: NAIC Los Angeles Area Chapter, 9925 Pinyon Court, Fontana, CA 92335 (909-355-7534)

Please note: All workshops and dates are subject to change. Please call 626-791-4993 for the most current information or visit our website at www.better-investing.org

TIME DATED MATERIAL

The Los Angeles Area Chapter of NAIC Model Investment Club (LACMIC or The Model Club) is sponsored by the Los Angeles Area Chapter and exists to provide an educational opportunity for interested parties to learn how to operate an investment club in accordance with the methods and principles of the National Association of Investors Corporation (NAIC). Anyone in the Chapter area is eligible to apply for membership. Each member invests \$30 per month, and the club maintains an investment portfolio following NAIC procedures. Memberships are limited to a two-year maximum. Visitors are always welcome. Meetings are held on the third Saturday morning of each month, from 10am to noon. For meeting place location please contact: annettespence@yahoo.com.

Chapter Contact Information

General: 626-791-4993

Events Registration: 909-355-7534
 9925 Pinyon Court • Fontana, California 92335
 Website: www.better-investing.org

Volunteer Line: 626-791-4993
 General Correspondence: NAIC-LA Area Chapter
 1006 Avenue H • Redondo Beach, CA 90277

Summer/Fall 2003

Chapter Officers

PresidentEdwin Williams II
 Vice PresidentJack Parks
 SecretaryPeggy Parks
 TreasurerVirginia Cooper

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 Patricia Rich • Annette Spence

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SFV-San Fernando Valley
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 626-398-6862

Assessing Priorities and Compliance

What Makes an Effective Investment Club?

A Learn and Earn Feature
 by Amy Crane, Erie, Pennsylvania
 and Brian Goodhart, Potomac Falls, Virginia



Maybe you're in a new investment club, full of enthusiastic partners, and you're not sure how to fulfill your hopes of learning about investing in a group setting. Perhaps your club is two to three years old, with lots of ideas from different partners about future directions.

Maybe your club is mature in years, but stuck in a rut. Possibly, you're lucky enough to belong to an effective, well-organized club, but you want to know, "How are we really doing?" Well, you've come to the right article! Join us as we review the best experiences and characteristics of investment clubs. As a new century dawns, what is the role of investment clubs? What's important?

This survey is "...a self assessment for individual investment clubs. It is not a test! Rather, just like a company's balance sheet, it is a snapshot in time reflecting where your club might be at this particular moment. The questions in the survey are meant not only to measure how effective your club is now, but also to give you ideas on how to make your club more effective in the future."

(reprinted from Better Investing 02/2000)

To read more of this article please go to our website at www.better-investing.org/regions/la.html for the complete article and the survey.