

NATIONAL
ASSOCIATION
OF INVESTORS
CORPORATION



Capital Area Chapter

Investment education for individual investors and investment clubs

August 2004

Are You Ready to Dance with the Bulls?



CAC is gearing up for an excellent educational season beginning in September. We are all excited about working with several other Regional NAIC Chapters to develop and present the first annual Great Lakes Regional Conference next spring. The theme of that Conference is "Dancing with the Bulls and the Bears." More information on that will be found throughout this Newsletter.

We had a great new special event last April – our Portfolio Clinic, led by Kaush Meisheri. Nine clubs participated, and the comments were so good we've decided to do it again next spring. In addition, we may plan some additional special programs based on requests we received from participants at the Clinic.

The Computer Group continues to grow and provide its members with help, both in becoming more expert at using the various software programs available to NAIC members, and also in evaluation of specific companies for potential investment.



All our classes are held at the Holiday Inn Express in Okemos, right off the highway (I-96). This makes it easy to remember where to find us. For 2004-05, all our classes are scheduled on a Wednesday, except the Great Lakes Conference.

Please check out our website, for up-to-date information any time (<http://www.better-investing.org/chapter/capcity>). We hope you join us this year for some of our classes and the Computer Group.

*Kathy Dickenson
CAC President*

CAC DIRECTORS & OFFICERS 2004-05

Kathy Dickenson, Pres.
517-393-6897

kadickenson@comcast.net

Karen Beauregard, V. P.
beauregard@voyager.net

Don R. Clark, Computer Group
Chair; Mutual Fund Contact
517-339-1906
krown777@aol.com

Paulette Dunbar, Secretary
dunbarpdr@comcast.net

Henry Kennedy, Mentor
Brian Kindel, Treasurer; Co-chair
Computer Group
Kindelbk@aol.com

Kaush Meisheri, Education
Director
Kaushik.meisheri@wachoviasec.com

Harvey Schroeder, Great Lakes
Conference CAC Contact;
Youth Programs
hpschroeder78@earthlink.net

Bea Treleaven, Instructor
btreleaven@comcast.net

Evelyn Union, Club Relations
EUnion@tir.com
517-629-4064

Fonda Williams, Registrations,
Youth Programs
FondaTW@hotmail.com
517-886-4198

Gary Ytreeide, Computer Contact
& Bits; Publicity
gytreeide@comcast.net

Coming In 2005!!

Looking for a great way to bring your club members closer together? Consider attending the **Better Investing Regional Conference** presented by the NAIC Great Lakes Coalition on **March 18-19 in Lansing, Michigan.**

Club members who learn together and share information and common philosophy often are more productive and more excited about NAIC and their own Investment Club. If your club suffers from *some* of the members carrying *all* of the load, try energizing it by bringing a group to the conference! This is also a great opportunity for Individual Investors to meet other NAIC members and benefit their own education!

CAC
SALUDS
LA-CENTUS
SMTS
KJMS

Chapter E-Mail List

Get more communication from us on the Chapter's activities by joining our E-Mail list. You'll get reminders of upcoming classes and computer group meetings, and in between a few special notices. If you're not already on the list, contact Don Clark at Klown777@aol.com to be added.

Club Relations

Starting a new Investment Club or maintaining an existing club is a challenge, and it's easy to get discouraged. The Capital Area Chapter of NAIC has a Club Relations Committee that can assist new or existing clubs in anticipating and solving natural and predictable issues that arise.

The CAC Club Relations Committee is available for telephone consultation or will visit a new or existing club to assist in resolving issues or answering questions. Contact Evelyn Union, 517-629-4064, or e-mail EUnion@tir.com if your club would like to schedule a visit.

Custom Classes

In response to requests from our members, CAC offers private presentations of our classes. If your club has found our schedule inconvenient or you've had difficulty getting all of your club members to attend, this may be the answer for you. These classes cover the same material using the same instructors as our scheduled classes. However, this will be your class, customized to meet your club's particular needs.



The classes are offered at your location at a time mutually agreed upon by the Instructor and the requesting club president. All classes are dependent upon the availability of the Instructor. The class fee is payable in advance and is non-refundable.

The fee is \$250 for a two-hour class plus \$50 for each half-hour beyond that. For additional information or to schedule a class, contact Kathy Dickenson, President CAC, at 517-393-6897, or e-mail kadickenson@comcast.net.

NAIC Capital Area Website



The NAIC Capital area website contains the latest information on all the scheduled events in the area. In addition, if you have questions about NAIC, or would like a person from the local NAIC area to speak at your club, or just have questions, a list of contacts that you can call or e-mail can be found on our webpage. If you have registered on the NAIC site at <http://www.better-investing.org/> (which is free) the next two scheduled events will pop up at the top of the page, under the heading. To go to the NAIC Capital Area website from the main website click on 'Chapters' located in the menu on the left hand side under NAIC, then scroll down to 'Michigan' and click on 'Capital Area Chapter (Lansing)'. To go directly to the Capital Area Chapter website use the url: <http://www.better-investing.org/chapter/capcity>.

We try to include as much information as we can on our website, but if there is something that you feel is appropriate for the Capital Area that should be on our site, please contact one of the directors listed on the contact page or Gary Ytreeide at gytreeide@comcast.net.

New Last Year—Portfolio Clinic

NAIC CAC conducted a novel portfolio clinic last April. Invitations to attend were sent out to all the club contacts under CAC auspice. Nine investment clubs participated with 56 individuals attending the full day clinic. Kaush Meisheri, Ph.D. taught the clinic and divided the day into four topics. Topics covered were What to Buy, When to Buy, When to Sell and Portfolio Diversification. Most participants were very happy and found the clinic very useful, judged from the feedback comments received (see selected comments below). Several club members attending the clinic at the same time added the value to bringing common understanding to the entire club. This clinic was based on a series of articles published by Kaush Meisheri in BETTER INVESTING over the years and was clearly a hit.

- *Dr. Meisheri took a very serious topic and made a 6-hour presentation that was very well paced and very interesting. The examples and illustrations used were very helpful and practical. This workshop helped me clarify methods for buying and selling.*
- *Fantastic workshop is how I would describe it. Oh, how I wish we had used some your knowledge and tools earlier in our club history. Many thanks for sharing your expertise with such a great enthusiasm.*
- *Wow!! I found all kinds of great ideas. Very helpful handouts. You reinforced some things we do and helped us find new ways to evaluate our portfolio. We want a follow-up clinic!!*
- *This clinic gave us a clear perspective of the “why” we follow NAIC principles, and how to do better in the future. I wish more of my club members were present.*
- *The clinic was excellent. Clubs that had a lot of their members present should show improvements in their portfolio in years to come. The exercise on which stock is more expensive was excellent.*
- *This was a VERY valuable class to attend. I give this a 10 for being able to explain the relationship between P/E ratios and earnings growth in a concise manner that we beginners can relate to.*
- *Good program, very helpful information and its great to get this much information in a one-day session!*



IF YOU'RE LIKE ME, READ THIS FOR A GREAT INVESTMENT EDUCATION OPPORTUNITY

BY
HARVEY SCHROEDER

If you're like me, the more you learn about investing, the more you want to learn. One excellent way of learning more would be to attend any of the classes that are provided locally by the Capital Area Chapter (CAC) of the NAIC. More information on these classes can be found elsewhere in this Newsletter. NAIC also provides educational opportunities through the National Conference and CompuFest. But, these are expensive and require a huge time commitment of several days to take full advantage of them. And, again if you're like me, you don't want to spend a whole week of your vacation time to learn about investing.

Traditionally, another way of learning a lot about investing has been to attend a local Investor's Fair, sponsored by one of the chapters of NAIC. However, there hasn't been an Investor's Fair in the entire state of Michigan, the home state of NAIC, for several years now. In fact, the last time that an Investor's Fair was held in Lansing was 1991. There were a lot of reasons but partly this was because of the tremendous planning and effort that goes into such an event. In an effort to fill this void, a number of NAIC chapters around the state and nearby states began in 2003 to discuss the possibility of joint sponsorship of such an event. One thing led to another and, finally, a coalition of these chapters was formed, including all Michigan chapters of NAIC, two from Indiana and one from Ohio.



As a result, we are now able to announce the **Better Investing Regional Conference**, sponsored by the Great Lakes Coalition of NAIC chapters, to be held in Lansing, Michigan at the Holiday Inn – South on March 18 and 19, 2005. The theme of this conference is **DANCING WITH THE BULL OR THE BEAR**. We could not tell back in 2003 whether the stock market would be up or down by 2005. Finally, we decided it did not matter because the investment principles of NAIC, what the conference is all about, can be used in both bull and bear markets. Hence, the theme of the conference.

If you participate in this conference, you will be able to take 4 investor development classes from a total of 20 different offerings, and you will be able to hear 3 featured speakers on topics like portfolio management and mid-cap stock research, and you will be able to see presentations by 4 high quality Great Lakes growth companies. And, the best part is that the entire conference is here in Lansing and it will only cost you \$70 if you register before January 15, 2005. It may even cost less if you register with your spouse or members of your investment club. See the information sheet and registration form elsewhere in this Newsletter for more details.

BETTER INVESTING REGIONAL CONFERENCE

Presented by the Great Lakes Coalition
(NAIC Capital Area, Mid-Michigan, Northern Michigan, NE Hoosier, NW Buckeye, NW Indiana, SE Michigan, Western Michigan Chapters)

Friday and Saturday, March 18-19, 2005
Holiday Inn South at I-96 and Cedar in Lansing, Michigan

Friday: Registration 6 pm, Program 6:30-9 pm
Saturday: Registration and breakfast 7:30 am; Program 8:30 am-4:30 pm

Register for the entire event, Friday night only or Saturday only. Save with Early Bird Special Prices!

Hello Computer User Group Members!

Welcome Back to Computer User Group. Just a reminder for you “old timers,” and some information on how this group works for those who haven’t yet tried it.

There will be eight CUG meetings; Sep, Oct, Nov, Jan, Feb, Mar, Apr, and May. As last year, they will be held on the second Wednesday of each month.



The first section, from 6 p.m. to 7:30 p.m., focuses on some aspect of our software and the preparation of a Stock Selection Guide. This is intended as a combined software demo and instruction of Toolkit functions. During the season, we’ll be able to work our way through the software to explore many aspects and tools that you may not be aware of.

The second section immediately follows the mini class, at 7:30 pm. This section consists of our Company Analysis Workshop. A company is pre-selected to study and the group will step through the analysis process and discuss each judgment point. This format has become one of our most successful and favorite programs. The value of being able to sit and discuss each judgment point, along with its pros and cons, can’t be overestimated.

Each of these sections is meant to stand alone. You may come to either or both. We have a wide range of investors among the CUG membership. Our program is designed to offer a solid beginning for those new to the world of investing as well as a challenge to our more experienced investors.

No pre-registration is needed for Computer Group. You may attend either or both parts and pay at the door. Computer Group meetings are held at Holiday Inn Express, Okemos -- just off I-96 at the Okemos Road Exit.

***Part I: \$10 each class, 6:00 – 7:30 p.m.
Part II: \$5 each session, or punch card, 7:30 – 9:00 p.m.***

Don Clark and Brian Kindel chair the Computer User Group. They have structured the schedule around the five sections of the SSG. In addition, they have upgraded to the new Toolkit 5.0 and will be using that during their demonstrations.

Brian and Don are flexible during their presentations and may

deviate from the announced schedule when they think the circumstances warrant it. However, what follows is the intended schedule for 2004-05.

LOOKING FOR AN SSG CLASS? JOIN THE COMPUTER GROUP

- Sep. 8, 2004 - Introduction to Toolkit 5**
(Why we use the SSG)
- Oct. 13, 2004 - Analyzing Growth**
(What is "Growth"; What drives it; etc.)
- Nov. 10, 2004 - Evaluating Management**
(How to tell good vs. poor)
- Jan. 12, 2005 - P/E Analysis**
(What it is, What it means, other metrics)
- Feb. 9, 2005 - Risk vs. Reward**
(Why ignoring Risk is risky; Types of Risk)
- Mar. 9, 2005 - Total Returns**
(Capital appreciation; Importance of Div.)
- Apr. 13, 2005 - Putting It All Together**
(An overview to make sense of everything)
- May 11, 2005 - Portfolio Management**
(Importance of PM; Vs. Asset Allocation)

Who Is Making Decisions About Your Financial Future?

If it isn't you, and you'd like to take control, come to an NAIC Better Investing Class.

You can learn basics of investing, how to select the right companies to invest in, when to buy and when to sell, and more. NAIC has tools to help you with all these decisions, and we'll show you how to use them.

Check the class schedule – the first class is Wednesday, 9/15 at 7:00 p.m.



CAPITAL AREA CHAPTER Class Schedule for 2004-05

All classes and Computer Group meetings are held at Holiday Inn Express, Okemos -- just off I-96 at the Okemos Road Exit. Exception: Great Lakes Regional Conference.

Pre-registration is strongly recommended for classes. We reserve the right to cancel any class due to insufficient registrations. To pre-register for classes call: Fonda Williams at (517)886-4198 or send e-mail to fondaTW@hotmail.com.

Send pre-registration checks to Fonda Williams, PO Box 80391, Lansing, MI 48908-0391.

Annual Membership Meeting

Wednesday, August 25, 2004 -- 7:00 p.m. -- No Charge

Main Agenda Item: Election of Directors

Getting Started: Introduction to Investing

Wednesday, September 15, 2004, 7:00 – 9:00 p.m.

\$20 Advance, \$25 at the door

Instructor: Kathy Dickenson

Are you ready to start investing, but not comfortable with the “lingo” and the process? What do you do first? Come to this class for an introduction to investing the NAIC way. Learn the difference between stocks and bonds, the process for purchasing stocks, and the principals and resources NAIC recommends to help you select common stocks to build a portfolio that doubles in value every five years. This is a basic class, intended for beginners.

Getting the Most Out of Value Line

Wednesday, September 29, 2004, 7:00 – 9:30 p.m.

\$20 Advance, \$25 at the door

Instructor: Bea Treleaven

Chapter director Beatrice E. Treleaven will teach you to understand the one page reports of the 1700 companies followed the Value Line Analysts. The topics will include understanding the most recent Timeliness™, Safety™ and Technical™ rankings, the latest quarterly and annual data and Value Line stock screens, which many investors find useful in identifying potential investments.

What to Buy (Using the Quick Analysis)

Wednesday, October 20, 2004, 7:00 – 9:00 p.m.

\$25 Advance, \$30 at the door

Instructor: Kaush Meisheri, Karen Beauregard

This two hour class will focus on the first step in stock investing; i.e. identifying high quality companies. Kaush Meisheri, Ph.D. will develop a framework for identifying quality companies and will introduce his Quick Analysis system for ranking stocks. This presentation is based on a series of articles by Dr. Meisheri published in BETTER INVESTING.

Which Class Should I Take? (See Page 10 ...)

When to Buy

Wednesday, October 27, 2004, 7:00 – 9:00 p.m.

\$25 Advance, \$30 at the door

Instructor: Kaush Meisheri

This two hour class is the second step. Once a high quality company is identified as a potential investment, the question is how to determine its value and how to determine at what price this company is a good value. This class will also help evolve the concept of price to earnings ratio (P/E ratio) and how it relates to the company's fundamentals.

When to Sell

Wednesday, November 17, 2004, 7:00 – 9:00 p.m.

\$25 Advance, \$30 at the door

Instructor: Kaush Meisheri

This two hour class is the third step in a rational investing process. Key principles and strategies of when to sell will be discussed with specific examples.

Club Accounting

Wednesday, January 19 & January 26, 2005, 7:00 – 9:00 p.m.

\$20 Advance, \$25 at the door

Instructors: Gary Ytreeide & Paulette Dunbar

Portfolio Analysis

Wednesday, February 16, 2005, 7:00 – 9:00 p.m.

\$20 Advance, \$25 at the door

Instructor: Don Clark

This class will cover basic portfolio theory as it pertains to risk management. Discussion will include pros and cons of an actively diversified portfolio, the practicality and considerations of portfolio diversification, and portfolio diversification vs. asset allocation.

Great Lakes Investors Conference

Friday, March 18 and Saturday, March 19, 2005

Using the Computer for Research (Tentative class)

Wednesday, April 20, 2005, 7:00 – 9:00 p.m.

\$20 Advance, \$25 at the door

Instructor: Gary Ytreeide

Portfolio Clinic for Clubs

Saturday, April 30, 2005, 9:00 a.m. – 3:00 p.m.

Instructor: Kaush Meisheri

See separate article on page 3, for comments from the 2004 Portfolio Clinic.

“The clinic was excellent. Clubs that had a lot of their members present should show improvements in their portfolio in years to come.”

Portfolio Management with PERT

Wednesday, May 25, 2005, 7:00 – 9:00 p.m.

Instructor: Kathy Dickenson

\$20 Advance, \$25 at the door

Are the companies whose stock you've purchased meeting your expectations for sales and earnings? Is a stock's price getting out of line with earnings, or has the stock's price fallen within your "buy" range? PERT can help you identify those stocks that need your attention, and help you look at your diversification and potential for gain or loss. PERT is the Portfolio Evaluation Review Technique, and along with the Portfolio Trend Report and Summary is designed to help you monitor and manage your portfolio. This class will show you how to use these tools effectively.

Meet Your CAC Directors



Karen Beauregard: Karen is director of the Dispute Resolution Center of Central Michigan. As a member of the CAC Board, she also teaches the SSG Class, SSG Overview, Fundamentals of Investing, and Value Line, and is one of our most popular instructors. Karen is Vice President of the Chapter.



Don Clark: Don is one of the original Board members of CAC, and our past president. He was the Chapter Treasurer from 2002-04. Don is an individual investor and a club member. He has developed and teaches several classes for CAC, including Beginning Investing I and II, Reading Annual Reports, and others, and he co-chairs the Computer Group.

Kathy Dickenson works at Michigan Health & Hospital Association Service Corporation. Kathy began investing in 1994, and is one of the original members of the CAC board. She has worked with computer group, newsletter, and teaches classes on Beginning Investing, SSG Overview and Completing the SSG. She is Chapter President.

Paulette Dunbar: Paulette has been investing for awhile, and she hung on through the bad market. She's eager share the basics that she's learned through NAIC. She has helped form a couple of clubs with the oldest being five years old. Paulette is Chapter Secretary, and she teaches our Value Line class.



Henry Kennedy: Henry says: "I guess that I was the husband of the organizer and first president of the Chapter (Council) and was much more active when she egged me on." He was very instrumental in helping to set up the Capital Area Chapter, and has been a trainer and mentor to the rest of the board members. Henry has taught most of the classes offered by NAIC, and developed a class for us on Reading Annual Reports.



Brian Kindel has worked at General Motors for nearly 28 years. He's been active in investment clubs since 1992, and currently is a member and Portfolio Manager of the Teakwood Investment Club (with Don and Patty Clark). He co-chairs the Computer User Group, and teaches use of the PERT in Toolkit. For 2004-05, he's taken on the job of Treasurer. Brian says: "I believe in the NAIC methodology and enjoy following the stock market. I wanted to learn how to evaluate stocks so I would not have to rely on the advice of a stock broker."



Kaush Meisheri, Ph.D., has published several articles in *Better Investing* and *BITS*. His work "A One Page Quick Analysis of A Stock" is one of BI's most popular articles, and Kaush teaches a class for CAC and has taught classes all over Michigan based on this article. He has also spoken at investment conferences in New York and Chicago, and is the author and instructor of our successful Portfolio Clinic. Kaush practices his investment philosophy while working as a financial adviser for Wachovia Securities in Kalamazoo.



Harvey Schroeder: Harvey has been investing in stocks and mutual funds for many years, and has been an NAIC member for 7 years. He is interested in teaching other NAIC members through some of our classes, and his background in finance, accounting and administration will be a significant asset to the Capital Area Chapter. He's the chapter coordinator for the Great Lakes Better Investing Conference coming up in May 2005.



Bea Treleven: Bea is a microbiologist, recently retired from BioPort Corporation. She was one of the original CAC board members, and her favorite topic to teach is Value Line. She's also been the Chapter historian.

Fonda Williams is a Trainer with Eaton Intermediate School District and supporter of more Financial Education in schools and community. Fonda invests with her family – and has written articles for our past two newsletters. She's responsible for class registrations, and plans to help us get our youth programs active.





Evelyn J. Union: A member of NAIC for 5 years, Evelyn started her own investment club, and continues to work with her club's treasurer on the finances. She wants to learn more about investing, and along the way help others to learn as well. Evelyn is interested in helping youth clubs, and is on our committee to begin developing a youth program. She is also our Club Relations officer.

Gary Ytreeide: Gary is an officer in the Millennium Investment Group, a local Investment club. He has a strong computer background and an investment

background, and is interested in teaching classes using the computer as an aid to investing. Gary indicates he is "fairly flexible," and he the one responsible for keeping the Chapter's website up to date.



Company Presentations? Classes? Software? Oh, Yes!

Better Investing Regional Conference March 18-19, 2005

Join the eight chapters of the NAIC Great Lakes Coalition for the very first Better Investing Regional Conference on Friday night/Saturday March 18-19, 2005, at the Holiday Inn South in Lansing. Here's a great way for you and your club members, or for individual investors, to participate in a program that will leave you energized and newly committed to NAIC principles. Participate in four classes chosen from a total of 20 different offerings, listen to three featured speakers, hear four corporate presentations from high-quality Great Lakes companies and, best of all, meet and share with hundreds of investors from our Great Lakes region.

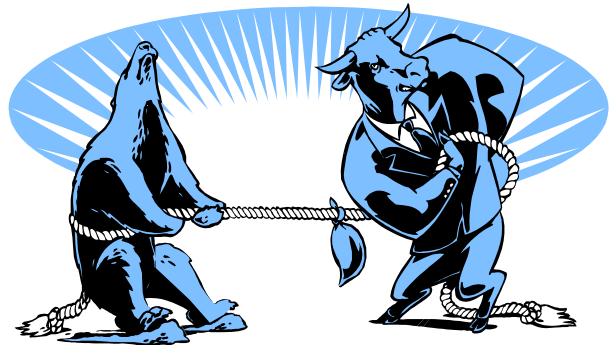
Your registration fee includes:

Friday:

- One company presentation
- Choice of two classes chosen from nine scheduled

Saturday:

- Three company presentations
- Three guest speakers, including Steve Sanborn, Director of Research and Development at Value Line, who will present "Using the Small-and Mid-Cap Value Line"
- Your choice of two classes chosen from eleven scheduled
- Additional company exhibits
- Breakfast and lunch.



We have a great line-up of classes, including analysis of the SSGs of presenting companies, understanding quality, club organization, overview of On-Line Club Accounting, introduction to using NAIC software and Portfolio Record Keeper software, the preferred procedure, identifying stocks to study, balance sheets and the NAIC website, as well as a class Friday night on getting the Most from Value Line taught by Steve Sanborn from Value Line.

Register for the entire event and plan to stay at the Holiday Inn South (1-800-333-8123 or 1-517-694-8123). Just call reservations by February 18, 2005, and mention NAIC Great Lakes Coalition Better Investing Regional Conference to get a special reduced rate of \$89.00/night (double occupancy)

Contact one of your chapter directors for more program information or visit your Chapter website.

What Class Should I Take?

Wondering what class to take to fill in your investment knowledge? Here are some common questions, and the classes that will give you the answers:

1. I'd like to get started in investing. Where should I begin? GETTING STARTED
2. What makes a company a good candidate for investment? WHAT TO BUY
3. What is a reasonable investment goal? GETTING STARTED
4. Should I buy stocks, or are bonds better? GETTING STARTED
5. Why is management important? WHAT TO BUY
6. How can I separate the qualities of two companies in the same industry (i.e. Is Coke better or Pepsi)? WHAT TO BUY
7. I know Pfizer or Stryker is a good company, but how can I figure out if I'm paying too much for its stock? WHEN TO BUY
8. What is the Stock Selection Guide (SSG)? GETTING STARTED
9. Where do I find the information I need to complete an SSG?
..... GETTING THE MOST FROM VALUE LINE
10. What is P/E and why is it important? WHEN TO BUY
11. I understand that earnings are important, but how do I use that information? WHAT TO BUY; WHEN TO BUY
12. Why is diversification so important? PORTFOLIO ANALYSIS
13. How many stocks should I own to be diversified? PORTFOLIO ANALYSIS
14. What does Value Line's Timeliness Ranking mean?
..... GETTING THE MOST FROM VALUE LINE
15. If I find a good company, why is it a bad idea simply to buy it today? WHEN TO BUY
16. What is Undervalued versus Overvalued? WHEN TO BUY
17. How do I follow a stock once I have bought it? WHEN TO SELL
18. I own several stocks – how do I know which ones are the best?
..... PORTFOLIO ANALYSIS; PORTFOLIO MGMT WITH PERT
19. I bought this great company but its price hasn't moved in a year WHEN TO SELL
20. I want to learn the important basic steps in stock investing
..... GETTING STARTED, WHAT TO BUY, WHEN TO BUY, and WHEN TO SELL
21. How do I learn not to get emotional about my stocks?
..... WHEN TO BUY and WHEN TO SELL
22. Which stock is more expensive: a \$100 stock or a \$30 stock; and WHY? WHEN TO BUY
23. Is this a good time to invest? WHEN TO BUY

