



GNSC News & Views

GREATER NORTH SUBURBAN CHAPTER NAIC • P.O. Box 31943 • CHICAGO, ILLINOIS 60631

Serving the North/Northwest Suburbs of Chicago (Northern Cook, Lake and Part of McHenry County)
Chapter Hotline: 847-562-9703 • E-Mail: GNSCchapter@hotmail.com • Website: www.gnsc-naic.org

Finding the Winners

William O'Neill's book "*How to Make Money in Stocks*" provides these interesting tips:

(1) There is no reason for a stock to go up if the current earnings are poor. Annual earnings should be up from the previous year's annual earnings for at least five years and as a general guide don't buy any stock that doesn't show earnings per share up at least 18% or 20% in the most recent quarter versus the same quarter the year before. Also, you should be able to find at least one other stock in the same industry showing good current earnings.

(2) It takes something new to produce a startling advance in the price of a stock. These are New Products, New Management, New Highs. In a study of the stock market winners from 1953 to 1993, 95% of the greatest winners had a major new product or service, new management, or an important change for the better in the conditions of their particular industry.

(3) If you are choosing between two stocks to buy, one with 10 million shares outstanding and the other with 60 million, the smaller one will usually be the rip-roaring performer if other factors are equal. Supply and demand.

NAIC Launches Online Premium Service

Whether you are just starting out or are an experienced investor, be sure to check out "OPS", the Online Premium Service that is available to all NAIC members.

The cost of OPS is included in the annual dues of Individual Investor members (\$39 a year) and is available on an *optional* basis to NAIC Investment Club Members for \$25 per year (in addition to Club Member Dues of \$14 per year).

OPS subscribers receive access to two important online services: SSG Data on Demand and BITS, a monthly online publication.

For those who are using NAIC software, the SSG Data service is a powerful timesaver, providing complete financial data on over 10,000 stocks with that is updated daily. Just go online to the NAIC website, click a few times, and you can automatically input the historical information you need for preparing an SSG or using NAIC stock analysis software like Toolkit 4.0 and Classic Plus. Based on data from Standard & Poors, the information is complete, current, and a lot easier than a trip to the library or wandering online.

And don't forget that OPS subscribers also receive BITS, the online magazine for investors who use computers in their investing. Features include studies of completed SSGs and how they apply in real-life situations in the current market as well as the monthly NAIC Growth Screen to help identify possible stock study candidates. The screen can be downloaded and sorted by whatever criteria are of interest to you. BITS also includes tips on how to work with NAIC software, reports on NAIC events and articles on technical topics of interest to investors. For further information or to sign up, go to www.better-investing.org.

"Stay in Touch"

Want to know the latest about GNSC workshops, seminars and other activities? Sign up for "Stay in Touch", the free bulletin that GNSC sends every month over the internet. To subscribe, just send your subscription request to:

GNSCchapter@hotmail.com

Please mention "Stay in Touch" and include your full name.

Get Involved

GNSC is run entirely by volunteers. Working through a Board of Directors and committees, the chapter is responsible for organizing seminars, training instructors and maintaining liaison with NAIC members and clubs in its assigned geographic area -- the North/Northwest Suburbs of Chicago, including Northern Cook County, Lake, and parts of McHenry County.

It's a big job, and we always need more help. If you are one of those people who want to learn more and like to teach or help out, we want you!

We are particularly interested in recruiting club founders and officers since we have found that many of the same skills that you've developed in getting your club off the ground and running successfully are the same skills that we need at the chapter level. Other useful experience:

- teaching skills
- investing knowledge
- computer skills
- administrative skills
- organization abilities

This is a great opportunity to learn more about investing while assisting GNSC with its educational efforts. To find out more, attend one or two GNSC Board Meetings. The Board meets at 7:00 pm on the fourth Tuesday of the month, at the Lions Recreation Center at 411 S. Maple in Arlington Heights.

Check our website for details: www.gnsc-naic.org.

LONG TERM SELLING GUIDELINES

by J. L. Bixby

Before you sell, find a challenger stock that offers less downside risk and/or greater upside potential to replace the incumbent (after trade commissions and taxes are paid).

Reasons to Sell (to improve your portfolio):

- (1) Adverse management change
- (2) Falling profit margins (or declining return on equity)
- (3) Deteriorating balance sheet finances - too much debt
- (4) Losing business (market share) to competitors
- (5) Dependence on only 1 or 2 products
- (6) Improve portfolio balance by company size or industry

Selling Mistakes - Don't sell just because:

- (1) The stock price hasn't moved - be patient.
- (2) A paper loss makes you nervous
- (3) A paper gain makes you nervous
- (4) Temporary bad news hits your company
- (5) You want to act and do something
- (6) The stock price has fallen way down to its forecast low

And remember to follow your company's business fundamentals!

Web Watch

www.better-investing.com

NAIC's official website, providing details on NAIC software, stock study tools and other member services. Also has details on NAIC chapters across the country and aids for investments clubs. Some sections are restricted and require an NAIC member number.

www.gnsc-naic.org

Includes details on all seminars & workshops offered by our chapter.

www.valueline.com

Check out this site for a better understanding of Value Line reports. Go to "Education" and then "How to Read Value Line Pages." Some sections of site are reserved for Value Line subscribers while others, like this section, are open to everyone.

Making the Most of Annual Meetings

The partnership agreements of most clubs call for the annual election of officers. There are many ways your club can mark the occasion to make it more meaningful for your members.

•*Make It Different.* Hold your annual meeting in a local restaurant or have the meeting catered, and charge the costs to your Club treasury. Make this a special event that will draw everyone in your club.

•*Year-End Review.* Have the outgoing President and other leaders review the last year -- what worked and what didn't. Get some discussion going on what might make things even better for your Club in the year ahead.

•*Put It In Writing.* Bev Meley, GNSC Director, reports "For the Annual Meeting my club puts together a folder for every member that includes a letter from the outgoing president that reviews the year's activities. The Education Partner does the same, and the Treasurer provides an individual valuation statement and a transaction summary for the year."

Bev's club also includes an SSG and Value Line for each of the stocks the club holds at that time. "It gives members a good reference tool and many bring the folders with them to every meeting."

•*Give Some Prizes.* Does your club run a stock performance contest? Do you charge a small fine for people who are late to meetings? To ensure a good turnout of members, the Annual Meeting is a great time to award prizes or have some drawings.



GNSC Works for You

Shown above are a few of the directors and volunteers who keep the wheels turning at the Greater North Suburban Chapter of NAIC (left to right: Mike Lysell, Barbara Pero, Susan Stewart, Rosalie Price, Lloyd Strutman, Perry Doubt, Alice Grant, Dawn Williams and Donna Wacyk. Below Lloyd Strutman, GNSC President, and Susan Stewart lead a GNSC seminar.



Facts about NAIC

•There are 30,018 investment clubs and 378,823 members affiliated with NAIC, including 1,123 clubs in the Chicago area. In the northern Chicago suburbs (zip codes 60000-60299), the area served by GNSC, there are 582 clubs and 6,115 members.

•Value of the average personal portfolio of an NAIC member is \$301,300. Average club portfolio value is \$63,100.

•Average number of members per club is 15. Average monthly investment amount is \$45.00 per club member.

•GNSC is one of 115 Regional NAIC chapters that hold hundreds of seminars and investment fairs across the country every year.

NAIC PRINCIPLES

- Invest regularly for a long time
- Reinvest all dividends, interest and capital gains
- Diversity your portfolio
- Hold for the long term

2003 Workshops & Seminars

Following is a list of programs scheduled by GNSC for the coming year. Check our website for further details. A registration form can be downloaded from the same site: www.gnsc-naic.org.

- FEBRUARY:** Manual SSG • February 8 - Amerisuites Hotel Vernon Hills (9am - 3pm) • \$45 NAIC members
Learn how to prepare and use the Stock Selection Guide as a primary tool for analyzing and evaluating stocks. Focus will be on the interpretation and judgment areas in addition to learning how to do the manual calculations. Lunch included.
- MARCH:** Computerized SSG • March 8 - Amerisuites Hotel Vernon Hills (9am-3pm) • \$40 NAIC members
Learn how to prepare and use the Stock Selection Guide with the use of Toolkit4, on the SSG software programs. Focus will be on the interpretation and judgment areas in addition to how to use Toolkit to complete the SSG. Lunch included.
- APRIL:** Computerized PERT • April 26 - Amerisuites Hotel Vernon Hills (9am-12noon) • \$25 NAIC mbrs
Learn how to use the Portfolio Evaluation Review Technique (PERT) module of Toolkit to manage your stocks. Emphasis will be placed on how to understand the different parts of the PERT (PERT-A, PERT report, PERT Trend report and the PERT Summary report) and how to use the PERT as an aid to judgment when managing your portfolio. Prerequisite: Computerized SSG.
- MAY:** Computerized Club Accounting • May 17 - Amerisuites Vernon Hills (9:00 am-12:00) • \$25 mbrs
Computerized accounting for investment clubs using the NAIC Club accounting software. This program is a comprehensive walk-through of transactions relating to member investments, procedures for withdrawing members, stock purchases, splits, reinvested dividends, and more.
- JUNE:** Investors' Networking • June 21- Girl Scouts Council Vernon Hills (9:30am-12:30 pm) • \$10 pp
An opportunity to network with other investors and learn more about NAIC resources, investment club options, and how to make better investment decisions.
- AUG or SEPT:** President's Networking/Annual Meeting • Date & Time to be Announced • \$10 pp
If you are a current Club President, or will be the President after the next election, you are invited to a special workshop that is designed to give you an opportunity to network with Presidents from other clubs in the area. In addition, we'll share some ideas to help boost your club activity.
- SEPTEMBER** Investor's Fair & EXPO • September 20 - Drury Lane Oak Brook (8:30am - 3:30 pm) • \$50 pp
An all day event that includes presentations by sponsoring companies and an Expo hall where you can meet representatives from publicly traded corporations and learn about their products and services. Includes continental breakfast and lunch.
- OCTOBER:** Manual SSG • Date & Place to be Announced (9:00 am - 3:00 pm) • \$40 NAIC members
Learn how to prepare and use the Stock Selection Guide as a primary tool for analyzing and evaluating stocks. Focus will be on the interpretation and judgment areas in addition to learning how to do the manual calculations. Lunch included.
- NOVEMBER:** Computerized SSG • March 8 - Amerisuites Hotel Vernon Hills (9am-3pm) • \$40 NAIC members
Learn how to prepare and use the Stock Selection Guide with the use of Toolkit4, on the SSG software programs. Focus will be on the interpretation and judgment areas in addition to how to use Toolkit to complete the SSG.
- DECEMBER:** Treasurers' Networking • Date & Place to be Announced • \$10 per person
A must for all club treasurers, this workshop is designed to help club treasurers handle end of year tax reports and other accounting issues. Bring your questions and network with other club treasurers.

Classes may be added and changes may be made to the above listing throughout the year. For a registration form and a complete and current schedule, please check our website: www.gnsc-naic.org