

NAIC[®] MID-MICHIGAN MONITOR

Mid-Michigan

Chapter

Volume VII, Number 2

Winter/Spring 2004

Is Your Club Ready for the New Year?

Resolutions for Investment Clubs

Some ideas for Better Investing!

1. *Develop or expand your educational program.* If you don't have a regular educational component to your meetings, you are missing a golden opportunity to increase the skills of the whole club. Try setting aside 20 minutes per meeting for education. Divide your group into pairs and assign each pair a section of the new *Stock Selection Handbook* to present to the club over a 12 to 24 month period. You can develop a nice sequence of programs by breaking each chapter into two or three presentations. Clubs whose members take ownership of their own education are often the most committed and most successful!

2. *Attend a class or bring education directly to your club.* You may want to send several members to one or more of the classes offered by the Mid-Michigan Chapter. As your club becomes accustomed to having an educational program, these members will be very helpful in supplementing your knowledge. If you have 15 or more members, you may want to consider bringing classes directly to your entire club. For more information see Club Corner on page 3.

3. *Review your portfolio.* Take time to review the companies in your portfolio. Remember that NAIC philosophy emphasizes "Buy and Hold" not "Buy and Forget". You might choose to review 3 or 4 companies each month or have a yearly review of all stocks. Some clubs choose to have a committee review all of the holdings and bring the ones with problems to the club. If you feel an "outside eye" would be helpful you may want to ask one of the members of the Portfolio Tune-up Team to visit your club to review all of your holdings using NAIC principles. The cost is \$5 per member or a minimum of \$50. See Club Corner for more information.

4. *Review your by-laws and operating procedures.* We frequently receive calls from clubs who are having problems with their by-laws. Take a moment to review your by-laws to determine whether they still match your current operations. One of the most common problems relates to members who leave the club. Forestall difficulties by making sure you are comfortable with your current plans. Remember that you set your own rules and have to live with the consequences.

5. *Prepare to submit an entry to the Stockpickers Contest.* It's never too early to start developing ideas for the Stockpickers Contest. The next contest will begin November 1, 2004. You can arrange to have your club receive regular updates about the current contest. See our related article on the Stockpickers Contest on page 2.

6. *Remind yourselves of NAIC principles:*

- Invest regularly.
- Reinvest all earnings.
- Invest in quality growth companies.
- Diversify to reduce risk

...and remember: *EARNINGS FOLLOW SALES
AND STOCK PRICE FOLLOWS EARNINGS.*

FEBRUARY

TREASURER'S WORKSHOP

(Class Code TR),

Thursday, February 26, 2004 6-9pm

\$15 Bridgeport High School Library, Bridgeport

MARCH

SSG EVALUATION AND ANALYSIS 1

(Class Code EA1)

2 parts Thursday, March 18 and March 25, 2004

6-9 pm. \$30, Genesee High School Library,

Genesee, northeast of Flint

APRIL

QUALITY, DIVERSITY AND YOUR PORTFOLIO

(Class Code QDP)

Wednesday, April 7, 2004, 7-9 pm

\$15 Chippewa Nature Center, Midland

SSG EVALUATION AND ANALYSIS 2

(Class Code EA2)

Thursday, April 22, 2004, 6-9 pm

\$18 Chippewa Nature Center, Midland

HOW TO READ AN ANNUAL REPORT

(Class Code AR)

Thursday, April 29, 2004, 7-9pm

\$15 Central Michigan University, Mt. Pleasant

(Bovee Center, Isabella Room)

MAY

WHEN TO SELL

(Class Code WS)

Tuesday, May 11, 2004 7-9 pm

\$15, Chippewa Nature Center, Midland

For class descriptions, see page 4. For maps and registration form, see page 5 or contact Helen Gonzalez at 1-989-777-1497; for additional class content information contact Ken Kavula 810-640-2231 (kkavula1@comcast.net). For additional copies of this newsletter see page 5.

**PREREGISTRATION IS REQUIRED
FOR ALL WORKSHOPS.**

Deadline: 7 days prior to scheduled class.

For free programs, including Computer Users' Group, Stock Forum, and Model Club, see page 2.

Investment Workshops

FIRST ANNUAL STOCKPICKERS CONTEST ENDS ON HIGH NOTE!

The 2003 Stockpickers Contest ended with 19 of our 25 entries beating the Vanguard S&P 500 index portfolio. The index holding was up 18.71% from November 1, 2002, through October 31, 2003. Our top three finishers were **Women Who Count** from Flint (+53.54%) who won the first-place prize of \$300, **Venture Investment Club** of Bay City (+47.64%) taking home the second-place prize of \$200 and the **Midland Jayvestors** (+45.93%) who captured the third-place prize of \$100. The prizes were handed out at the First Annual Stockpickers Breakfast held on November 8, 2002, at the Bay Valley Inn. Over 100 Mid-Michigan Chapter NAIC members had a wonderful breakfast and were enlightened by our keynote speaker, Mr. Mark Robertson, senior contributing editor of *Better Investing* magazine.

The 2004 contest is well under way with 39 entries from throughout Mid-Michigan. As of the end of 2003, the **Well Stocked Investment Group** of Bridgeport was in first place followed by the **Hot Tamales** of Bridgeport, **The Flint Women's Investment Club**, the **Investment Club of Midland** and **Synergy Investment Club** from the Bay City area. Regular updates on the contest are being mailed to all of the participating clubs and to anyone else who is interested. Just send your e-mail address Ken Kavula at kkavula1@comcast.net and he will include you on the list. You can count on a mailing during the first week of each month. For those of you not participating in the contest, it's never too soon to start to work on an entry for next year's contest. Asking your club to look for high quality growth stocks at affordable prices will help in preparing an entry for the Stockpickers Contest but, more importantly, it will help keep your club's portfolio atuned to the best stocks available in today's market.

Registration not required. Just show up!

COMPUTER USERS' GROUP

The Computer Users' Group meets at 7 pm on the 4th Monday of each month except December, June, and July. Participants in the group plan the programs, which include both programs of interest to computer investors and group evaluations of SSGs prepared by members using the Toolkit.

The Computer Users' Group meets at 7 pm, 4th Monday of the month, (January 26, February 23, March 22, April 26, and May 24, 2004) at Bridgeport High School (see map p.5). For information call or e-mail John Moyer 989-835-9576 (moyerj@chartermi.net). To be added to the Computer Group e-mail notification list, send John Moyer your e-mail address.

STOCK FORUM

This group meets at 6 pm on the 1st Monday of the month except January, June, July and August to analyze the Better Investing Magazine Stock to Study for the Month and its competitors. Topics of interest generated by the group will also be discussed as well as group evaluations of SSGs prepared by participants using the Toolkit. Meetings are held at the Grand Blanc/McFarlan Library (see map page 2).

The Stock Forum will meet at 6 pm at the Grand Blanc/McFarlan Library on February 2, March 1, April 5, and May 3. Call or e-mail Natalie Kavula for information 810-640-2231 (nkavula1@comcast.net) or send Natalie your e-mail address if you would like to be included on the Stock Forum e-mail notification list.

MID-MICHIGAN MODEL INVESTMENT CLUB

Mid-Michigan has its very own functioning investment club! The NAIC Mid-Michigan Model IC was created in February 2003. All of the club meetings are open to visitors. Each month the club holds a regular meeting where partners cope with all of the same problems that your club might face or be facing. The club is made up of a cross section of Mid-Michigan Chapter NAIC members. It includes members from Imlay City, Flint, Saginaw, Midland, Bay City and Mt. Pleasant. Some of the 25 members are experienced investors, some consider themselves intermediates and a fair number of the members are true beginners. If your club has questions about operations or record keeping or if you'd just like to watch how another club "does it", then plan to visit the Model Club. Someone in the club will always have time to answer any and all of your questions.

The Mid-Michigan Model Investment Club meets on the 3rd Monday of the Month (January 19, February 16, March 15, April 19, May 17, June 21, and July 19. Meetings are held at 7 pm at Bridgeport High School Library, with the exception of the January, February and summer meetings. These meetings will be held at 6:30 pm at the Bridgeport Public Library. (see maps page 5) Because of occasional change of location, you may wish to call Ken Kavula 810-640-2231 or e-mail kkavula1@comcast.net before driving long distances.

**FREE PROGRAMS FOR CLUBS
AND INDIVIDUAL INVESTORS!!**

CLUB CORNER - NEWS YOU CAN USE

CLUB VISITATIONS. (No Charge) Many of you call and ask if we send chapter members to visit clubs. The answer is an enthusiastic “Yes!”. All it takes is an e-mail or call to one of our contacts and we can arrange to have one of the chapter members visit your club. We are happy to discuss NAIC philosophy or any problems that your club may be encountering. However, we do not teach classes during our club visits. For information on club classes, see the next item. Visits usually need about 45 minutes to an hour to be effective. Chapter contacts for club visitations are Ken Kavula 810-640-2231 (e-mail kkavula1@comcast.net) and John Moyer 989-835-9576 (e-mail moyerj@chartermi.net). Don't hesitate to call.

PORTFOLIO TUNE-UP \$5 per member, minimum of \$50. Clubs are often searching for someone from outside their club to look at their portfolio and give them some input based on NAIC principles. We will provide this service! For \$5 per club member (minimum \$50) we will take a look at your portfolio in advance of your meeting and then send someone well-versed in NAIC philosophy and methods to your meeting to discuss your holdings. We will use the Toolkit 4 software along with our own laptop computer and projector to aid in the discussion. Your only obligation is to provide a screen or a light-colored blank or white wall for our projector. Contact Ken Kavula (810-640-2231 or kkavula1@comcast.net) for more information.

CLUB CLASSES. If you would like to have all of your club members attend classes together, you may want to consider using our popular approach for club education. Read the article below to find out how you can have your own class.

TREASURERS' WORKSHOP. Here's a great opportunity for a new treasurer or assistant treasurer to learn about the NAIC Accounting software.

BRING EDUCATION DIRECTLY TO YOUR CLUB!

The Mid-Michigan Chapter continues to offer classes to clubs on-site. We feel that this is especially helpful to clubs that are not located in the immediate vicinity of our class locations. Experience has shown that it is very helpful to have a large number of your club members hear the same message at the same time. For more information call Ken Kavula at 810-640-2231 (e-mail kkavula1@comcast.net).

How many participants are required? A minimum of 15 participants (or payment for 15 participants) at the cost listed for each class.

What classes are available to your clubs?

NAIC Lite (2 hours minimum) Introduction to NAIC philosophy, the stock market and investing vocabulary, as well as the Stock Check List; \$7 per person

Beginners' SSG: Hands-on version (either two 3-hour sessions or one 6 hour session, including 1 hour for lunch): NAIC philosophy, terms, Value Line and manual preparation of the SSG, \$20 per person

SSG Evaluation and Analysis I (either two 3-hour sessions or one 6-hour session, including 1 hour for lunch): Interpreting SSGs prepared using the Toolkit and the Stock Comparison Guide; brief overview of OPS (On-Line Premium Services), \$30 per person

Evaluation and Analysis II (3 hours) Brief review of the SSG and Stock Comparison Guide, and extensive analysis of the Portfolio Management Guide, PERT and Challenge Tree using Toolkit-prepared SSGs, \$18 per person. *Evaluation and Analysis I is a prerequisite.*

When to Sell (2 hours) Learning the important decision-making processes involved in selling stocks. \$15 per person

Quality, Diversity and your Portfolio (2 hours) S&P industry classification, sector diversification, Quality Rating System and other topics. \$15

How to Read an Annual Report (2 hours) Analyzing fundamentals of annual reports, with hands-on practice \$15

Portfolio Review (2 hours) Analysis of your club portfolio. \$5 per member with a minimum of \$50.

What are your responsibilities?

1. Reserve a room which can comfortably seat all the participants at tables with adequate room for the teacher and helpers to roam freely.
2. Make sure the room has a table that the instructor can use for the laptop computer and projector.
3. Provide a large (minimum 6 ft square) screen or a light colored blank wall to project the PowerPoint images.
4. Notify us of the location (with directions) at least two weeks in advance.
5. Provide a list of participants at least three days before the event. The list should contain names, addresses, phone numbers, e-mail addresses and the name of the NAIC club to which the student belongs. This is very important in the event we should have to cancel due to weather. We also keep a database of participants for mailings about classes. (This information is not distributed to other people or groups.)
6. Provide a list of stocks the club owns at least one week before the class. This will allow us to incorporate specific discussions of some of the SSGs of stocks you own.
7. Make sure the room will be open at least one hour prior to the start of the class so we can set up.
8. Have class participants bring a hand-held calculator and pencil with eraser for NAIC Lite and a hand-held calculator, clear ruler, 2 colored pencils or markers and a highlighter for Beginners' SSG (hands-on version)
9. For full-day classes, allow 1 hour for lunch, either brown bag or fast food.

You are committing to payment for at least 15 participants at the price listed above. **Payment should be made on the day of the class by a club check or individual checks made out to NAIC Mid-Michigan Chapter.**

Mid-Michigan Chapter will provide the teacher, handouts/booklets and audiovisual equipment (except a screen).

NEW NAIC HANDBOOK SERIES NOW AVAILABLE!

The following books have been newly revised and are available through the NAIC website www.better-investing.org. or by calling 877-275-6242 ext. 0. Member price \$15 (non-member price \$20) +\$5 shipping and handling.

The Stock Selection Handbook. An essential resource for all NAIC investors. A wealth of clearly-presented information!

Investing for Life Youth Handbook. A complete personal finance and investing course for teen-agers.

Mutual Fund Handbook. A complete course in understanding mutual fund investing.

Coming soon: Five more books from this new series!

WORKSHOP DESCRIPTIONS

BEGINNERS' STOCK SELECTION GUIDE (Hands-on workshop) *Class Code BSSG* This 5-hour workshop is designed to introduce the NAIC® Stock Selection Guide. The workshop includes reading the Wall Street Journal financial pages, finding important information in Value Line® and actual preparation of a Stock Selection Guide. SSG preparation includes hand-graphing data from a Value Line® report, interpreting the graph, deciding on "projections", and filling out Sections 3 and 4 to determine whether a stock should be considered for purchase. *Participants should bring colored pencils, a clear ruler and a hand-held calculator.*

SSG EVALUATION AND ANALYSIS I *Class Code EA1* This 5-hour course is designed to teach the beginning investor how to read and interpret the Stock Selection Guide. Since the course does not include manual completion of the SSG, the primary focus will be stock evaluation and analysis. This course is designed for investors who wish to learn more about reading an SSG, who want to make better use of the SSG as an evaluation tool or who will use a computer program such as "Toolkit" to create SSGs. The course includes basic NAIC philosophy, interpreting information from Value Line, and interpretation of the five sections of the SSG, evaluation of stocks using the Toolkit, and comparing stocks to one other.

SSG EVALUATION AND ANALYSIS II *Class Code EA2* This course offers a brief review of interpretation of the SSG and Stock Comparison Guide discussed in Evaluation and Analysis I. It also includes extensive analysis of the Portfolio Management Guide and the PERT. Participants should have completed Evaluation and Analysis I or have experience completing and interpreting SSGs. This class is not for beginners.

WHEN TO SELL *Class Code WS* This two-hour class focuses on the important decision-making processes involved in selling stocks, including the importance of preparing good SSGs, the Toolkit Challenge Tree and factors influencing sell decisions.

TREASURER'S WORKSHOP *Class Code TR* This class will cover the basic tasks and responsibilities for a typical treasurer in an NAIC investment club. It is aimed at treasurers with little or no experience although any member is welcome. Topics include monthly tasks, closing the books, preparation of tax forms and tasks that occur occasionally such as withdrawal of members. Time will be left at the end of the class for specific questions concerning club accounting.

QUALITY, DIVERSITY AND YOUR PORTFOLIO *Class Code QDP* This 2-hour course will cover some of the many issues involved with diversity and quality. Among the issues to be discussed will be the S&P industry classification system, sector diversification, Mark Robertson's Quality Rating System and other topics of interest. There will be lots of time for looking at real portfolios and for asking specific questions about diversity and quality. Students may e-mail the instructor a list of their holdings and numbers of shares and have them included as part of the class discussion as time permits.

HOW TO READ AN ANNUAL REPORT *Class Code AR* This course analyzes the fundamentals of annual reports, with hands-on practice using an actual company report.

BEGINNING TOOLKIT *Class Code BTK* This 3-hour course is taught in a computer lab using the NAIC Investors' Toolkit software. It is designed for investors who are already familiar with the Stock Selection Guide and Windows. *Basic computer skills are required, as well as familiarity with the Stock Selection Guide since the class will assume a working knowledge of the SSG.* The course includes an overview as well as some of the fine points of the software. Registration is limited since each participant will be assigned to a computer.

MORE TOOLKIT TOPICS *Class Code MTK* This 2-hour hands-on course requires basic computer skills and a familiarity with the NAIC Stock Selection Guide. Students should also have a working knowledge of the Toolkit 4 software since this class begins where the first Toolkit class ends. Many of the finer points of the software, including a number of undocumented features, will be discussed, as well as use of OPS data. A significant amount of time will be devoted to questions and answers concerning the Toolkit.

NAIC LITE: INTRODUCTION TO NAIC PHILOSOPHY AND THE STOCK MARKET *Class Code LIT* This 2-hour course covers basic investing vocabulary, NAIC investment principles and a hands-on look at the Stock Check List, NAIC®'s most basic tool for stock selection. The course is designed for first time investors and as an introductory course to the Beginners' SSG or Evaluation and Analysis I workshops. This class is available to clubs but is not on our publicized calendar offerings.

PLEASE NOTE: Preregistration is required for all workshops. Workshops with fewer than 12 participants by the deadline date may be cancelled. Preregistration is also very important because we make materials for the workshops based on the number of registrants and are not prepared for walk-ins. CLASS DEADLINES ARE 7 DAYS PRIOR TO EACH CLASS.

Send workshop registrations to: **Helen Gonzalez**, Mid-Michigan Chapter NAIC, PO Box 623, Bridgeport, MI 48722-0623 phone 989-777-1497. Make checks payable to **Mid-Michigan Chapter NAIC**.

Mid-Michigan Chapter Workshop Registration Form

Please submit one form per class at least one week before class begins. Clearly list the class name and class code on the form.

Additional copies of the newsletter and this form are available on the Better Investing website www.better-investing.org. (See information following this registration form.)

Workshop Title and Code: _____ Date: _____

Class Location: _____ (Location listed on calendar on page 1)

Your name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone number : _____ E-mail address: _____

(These will not be shared with other groups- for notification of class cancellation only.)

Amount enclosed: _____ Cost of each class is indicated on calendar on page 1.

For additional copies of this newsletter or registration form, go to www.better-investing.org. On the main page of the site click "chapters", scroll down to Michigan and click on "Mid-Michigan". On the menu to the right click "newsletters", and then the January 2004 "Mid-Michigan Monitor". Using Acrobat Reader you can print the newsletter or additional registration forms.

PROGRAM LOCATIONS

BRIDGEPORT HS BRIDGEPORT

Located at exit 144 off I-75. From I-75, take Dixie Highway north. Turn right onto Bearcat Street (at the light just after Taco Bell).

CENTRAL MICHIGAN UNIVERSITY MT. PLEASANT

From South Mission Road, turn west onto Preston and continue for 2 1/2 blocks. The class is located in the Isabella Room in the Bovee University Center (UC).

BRIDGEPORT PUBLIC LIBRARY BRIDGEPORT

Exit I-75 at Exit 144 and proceed north on Dixie Highway. At State Street turn left onto Williamson Road. The library is located 1.8 miles further on the right.

GRAND BLANC (McFarlan) LIBRARY GRAND BLANC south of Flint

From I-75, take Exit 109, M-54 Dort Hwy. Continue north on Dort Hwy. M-54 for .9 miles. Turn right (east) on E. Grand Blanc Rd. Turn right (south) on S. Saginaw St. Turn left (east) on Perry Rd. and go east for .3 miles to 515 Perry Road. (Or exit at Hill Rd. from 475, turn east on Hill Rd, right on Saginaw and left on Perry Rd.)

GENESEE HIGH SCHOOL GENESEE

Genesee High School is located 1/2 mile south of the intersection of Mt. Morris and Genesee Roads on the west side of Genesee Road across from McDonald's. Turn into the driveway just north of the school gymnasium and park in the lot at the top of the hill. Look for the Genesee High School sign and enter through the 3-door entrance on the north side of the building.

CHIPPEWA NATURE CENTER MIDLAND

From Business Route 10, turn southwest onto Cronkright (a one-way street). Cronkright will turn into Poseyville Rd.. Get in the center lane on Cronkright and go over the bridge (about 3-4 blocks). Turn right onto St. Charles, the first street immediately past the bridge (See the brown sign for Chippewa Nature Center). Stay on St. Charles to Whitman (.1 mile); turn left on Whitman. Stay on Whitman (which turns into Pine River Rd.), for 2.8 miles to Badour Road. Turn right on Badour Rd. Chippewa Nature Center is at the end of Badour Rd. Park in the lot for the visitor center and enter through the main doors.

MID-MICHIGAN CHAPTER NAIC®

The Mid-Michigan Chapter is the all-volunteer educational branch of NAIC®

For membership questions
contact NAIC® HEADQUARTERS
1-877-275-6242(Toll Free) or 248-583-NAIC(6242)
FAX 248-583-4880

Chapter events and workshops on the Internet:

Log in at the NAIC site www.better-investing.org.
Upcoming Chapter events should appear at the top of the center column. Click on Mid-Michigan for more events and information.

Chapter meetings: Mid-Michigan Chapter meetings are the first Tuesday of the month, except December and July at Delta College. Due to construction at Delta, the meeting room will be moved occasionally this year. Before attending any meeting, please call Natalie Kavula 810-640-2231 or e-mail nkavula1@comcast.net for information.

Chapter contacts: Ken or Natalie Kavula 810-640-2231 e-mail kkavula1@comcast.net or nkavula1@comcast.net, John Moyer 989-835-9576 e-mail moyerj@chartermi.net (Computer Group), Helen Gonzalez (Registrar) 989-777-1497

NAIC® MID-MICHIGAN CHAPTER

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NAIC® Homepage

Please visit the NAIC® homepage at www.better-investing.org. You can find information concerning NAIC® activities throughout the country as well as the latest, up-to-date information about what is going on in the Mid-Michigan area. You can also find links to sites that will allow you to track your own personal portfolios or to keep track of your club's portfolio on-line.

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