



Summer 2019 Newsletter



President Dan Perlman's Message

In this issue of the Newsletter we will cover some past and future North Carolina Chapter and BetterInvesting (BI) National news and events. We especially want to highlight (a) the Chapter's August 24th Annual meeting with a presentation on economic moats, (b) the Portfolio Contest starting in September (entries due on or before August 31), and (c) the second North Carolina-South Carolina Educational Day, Saturday, October 26, 2019.

Since our last newsletter, noteworthy items include last fall's successful education day with speaker Ken Kavula, Louise Sechler being inducted as a Director Emeritus (see p. 2), and MoneySmart week presentations in three Triad libraries (Greensboro, High Point, and Kernersville). Several clubs had anniversaries. Especially notable is that the Greensboro's Tickuntie Investment Club celebrated 40 years of operation. At an operational level the Chapter is projecting that its 2018-19 revenues will likely approximately cover its 2018-19 expenses.

The many individuals who contribute to the Chapter and clubs throughout our region are deeply appreciated. They are what keeps BetterInvesting a vital, going organization. Additional volunteers are always welcome (see p. 6).

If you have members who aren't BI members who attend your group's meetings we ask that you encourage them to join. We would be happy to provide them with a three month free membership to try BI and better appreciate the benefits of joining BI through your Club (or individually). [Email president@northcarolina.betterinvesting.net](mailto:president@northcarolina.betterinvesting.net) for the trial membership application form.

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Louise Sechler Honored as Director Emerita



Louise Sechler was one of the first two individuals to be honored under recently revised criteria as BetterInvesting Directors Emeriti. In 1985, Louise learned about NAIC while listening to a radio show in Philadelphia and when she attended a Philadelphia Council (now called Chapter) fair in Valley Forge, PA. Louise joined NAIC and has been a member ever since.

Later in 1985, Louise and several of her co-workers (teachers) started an investment Club. They called the club "Stock Busters" which was derived from a popular movie at the time called "Ghost Busters". The club lasted many years and was still going strong in 1993 when Louise and Will, her husband, moved to Winston-Salem, NC.

After her move to North Carolina, Louise became involved in BI here in the Triad. In 1997 she spearheaded the formation of the NC Triad Chapter. Louise served as President of the Chapter several times. She started a program that brought our Chapter directors to nearby clubs as classroom helpers. Louise used her exceptional teaching skills to lead classes on how to prepare SSG studies from start to finish when these were done with only a pencil, ruler and large eraser.

Serving as a BetterInvesting member and Chapter Director led Louise to attend national events and volunteer as a web-op for the NAIC website. During the time Louise volunteered she worked to maintain and update the youth content on the website.

Ultimately Louise's web-op work led to being invited to apply to become a board member of the Computer Group Advisory Board (CGAB). She applied and became a board member in 2000 and later she served as treasurer of the CGAB. Louise taught her first class at a national event at CompuFest 2001 in Orlando, Florida. In 2003, Louise chaired CompuFest in Anaheim CA. After 2003, she continued to teach at CompuFest for 3 more years.

Here is a quote from Louise about one of her favorite experiences:

"One special memory I have is being part of the Opening Bell Ceremony at the NYSE on December 31, 2004. Remembering that day gives thoughts of how fortunate I was in 1985 to have learned about NAIC and all of the wonderful friends I have made and to treasure the many experiences that have greatly enriched my life."

Louise continued as an active Director of the NC Chapter, taking on a range of Board positions, most recently Communications/Newsletter. Her spouse, Will, has supported and assisted her. In 2016 she provided an excellent discussion of dividend investing as the educational component of the Chapter's annual meeting. This past year she was a very constructive voice involved with the planning of the inaugural NC/SC Charlotte Education Event, held October 27, 2018. At their April 2019 meeting, the Chapter Directors honored Louise for her numerous contributions.

Don't Do Dumb Things Checklist

by Bob Houle*

Director, Space/Gulf Coast Chapter

At this year's BINC Kim Butcher presented on "Investing with a Checklist." Often checklists focus on what to look for. The value of checklists is not restricted to consistently following a series of proven steps to come to the desired end product - the "process" checklist. A different type of checklist that many have found valuable is one that keeps us from doing dumb things. For simplicity, we'll call this second approach a **reality** checklist.

Investors can benefit by overlaying a reality checklist on a "finished" stock study produced from a process checklist. Why? Sometimes what we think is . . .

- a quality growth company,
- with a sustainable competitive advantage,
- run by owner-focused, competent management,
- selling at a price that we think is likely to give us a satisfactory total return,
- in an acceptable timeframe, and
- in a manner that won't scare us out of sustained ownership

. . . turns out not to be.

BI's experience: one time out of five things won't turn out the way we wanted and expected. In hindsight, we often discover that a simple reality checklist could have given us a warning that something's just not right with our stock study.

Some of us run a completed *FirstCut* stock study by our spouse or fellow BI member as a form of reality check and that's proven to be very helpful both in spotting something that should have been obvious to us (but we were too immersed in the research process to spot the red flags) and to get a "statement of no objection" to the investing decision (which sometimes blunts the "what were you thinking of?" comments on the one-in-five that doesn't turn out so well).

For those that don't do this it can be helpful to construct (and use) your own reality checklist. This is a personal thing, one that you can tailor to your circumstances and preferences. Here's mine:

MEANING:

Can I explain, in terms a child can understand,

- what the company does,
- how it makes money,
- who buys their stuff,
- who else sells this stuff,
- why our customers buy this stuff from us and
- where the growth in selling this stuff is coming from?

Lots of "stuff" here but these are basic questions that, from experience, I know I'm going to be asked and need to be able to answer.

VALUATION: is the company grossly overvalued by the market? Am I over valuing it? Look for:

- current P/E > industry peers or > 30
- PEG > 2

Maybe by avoiding doing dumb things the 1 in 5 ratio can be improved to 1 in 8 or 10 or even better. Learn from the inevitable 1's that will occur and refine your own reality checklist. Feel free to share your checklists with others.

* Used with the author's permission. Abridged and modestly edited.

BetterInvesting: The National Level

Kamie Zaracki, BI Executive Director, to Retire

After 13 years of upbeat, energetic service to BetterInvesting, Kamie has announced her retirement effective at the end of February, 2020. A national search is being conducted to find Kamie's replacement.

New Regional Structure

BetterInvesting has a regional volunteer structure to support Chapters and indirectly clubs. Our North Carolina Chapter used to be in the Southeastern Region. During the past year, the number of regions was reduced, thus increasing the number of Chapters in each region. We are now in the South Region that includes areas such as Texas that didn't used to be in our region. Another major aspect of the reorganization was the creation of an Online Chapter. There were previously many areas, in the United States and beyond, that did not belong to a chapter. They are now part of a virtual, online chapter.

Key Chapter Activities

BetterInvesting has also agreed that all chapters should engage in five key activities:

- Member Education Programs
- Club Support Visits: Recommended is a minimum of 5% of the chapter's clubs
- Model Club or Stock Study Group
- Public Outreach or Money Smart Week programs
- Visit-A-Club

The North Carolina Chapter does engage in all these activities.

Ongoing BI Webinars

Throughout the year BI offers monthly and periodic educational webinars. These include StockUp and TickerTalk. (For access, sign into [BI](#) and look under Tools & Resources.) StockUp offers members a unique perspective on investing topics designed to improve your ability to conduct a stock analysis, manage a portfolio, make sell decisions and more. Recent topics include: "Strengthen Your SSG Skills," "Dissecting Pre-Tax Profit Margin," "Stock Study on Veeva Systems (VEEV)," and "Index Funds - What Make Them So Popular?"

TickerTalk provides investing education in bite-size pieces, offered at every TickerTalk session to help you become a more successful investor. Plus 'Five in Five' is a regular feature in which the panelists offer up five stock ideas that may be worthy of further study.



BetterInvesting YouTube Videos Did you know that BI has an ever-evolving collection of recordings on YouTube that have all kinds of instructions on analyzing companies using our dynamic online stock study tools? To go right to it [click here](#). Feel free to share this information with your friends and neighbors.

2019 North Carolina BI Chapter Activities and Events Annual Meeting and Educational Event

Saturday, August 24, 2019
Time: 10:15 am to 12:30 pm
Location: Kernersville Paddison Library
Featured Speaker: Craig Braemer
Topic: Owning a Moat Can Help Your Portfolio

In conjunction with the Annual Business meeting we are pleased to have Craig Braemer giving an educational presentation. His topic is economic moats. He will be describing what they are and how moat stocks can help your portfolio performance in good times and bad times by pointing you to owning great stocks for the long term.

Craig has been investing for about 40 years and joined the San Francisco Bay area chapter of BetterInvesting in 1992. For 25 years he held various positions in Union Bank's investment advisory subsidiary, Highmark Capital Management (e.g., Director of Investments, doing investment research, primarily equities). Recently retired, he still works with certifications as a Chartered Financial Analyst and a Certified Financial Planner. He is currently a BetterInvesting Chapter Director. He has given a number of classes both for his local chapter, other chapters (e.g., Sacramento, Oklahoma, Kansas City, San Jose), and nationally for BINC.

A meeting of the Chapter Board will follow; all NC BI members are welcome to attend.

If you wish to attend this meeting and/or educational presentation from where ever you have an internet connect, please contact www.betterinvesting.org for access details.

2019-2020 North Carolina BI Chapter Portfolio Contest

The North Carolina BI Chapter will again conduct a 2019-2020 Portfolio Contest. Entrants will indicate 3 to 5 stocks they would like to have in a dream (virtual, not cash) portfolio with a starting value after the market close on August 31, 2019 of \$10,000, and will end with closing prices Friday, July 31, 2020. The contest will evaluate capital gains, independent of dividends. The contest is open to North Carolina Chapter clubs, not individuals. In a change from 2018-19, clubs will be allowed to trade at two times during the contest. The dates and method of placing trades will be communicated to the entrants in December 2019 and March 2020. The club submitting the winning portfolio will receive \$100 and be invited to participate in the Chapter's 2020 Annual Meeting. Entrants should indicate their Club name, the name and email address of the contact person, the names with the symbols of three to five stocks, and the amount to be allocated to each. To submit via the Web [click here](#) or email the information to president@northcarolina.betterinvesting.net

NC-SC Educational Day

The NC and SC Chapters of BI are sponsoring an education day on Saturday, October 26th in Fort Mill, SC. Cy Lynch will be the presenter. A popular speaker at recent BetterInvesting National Conferences, he writes the quarterly Growth Stock Outlook column for BetterInvesting magazine. Since its inception, its performance has surpassed market averages by 3.7 percent. For more information, [click here](#).

Model Club

Our chapter also sponsors a [model investment club](#). Its purpose is to demonstrate the best practices for BetterInvesting investment clubs and the educational benefits of being a member of an investment club.

The NC Model Club typically meets the first Tuesday of each month in Triad area libraries. Via Go2Meeting you can also participate from anywhere you have an internet connection. If you would like to be reminded of our meetings, please contact contact@northcarolina.betterinvesting.net. We will be happy to add you to our “Model Club Interested Parties” email distribution list and provide you with the details of our model club’s next meeting.

Be a BI Volunteer, Receive Benefits

Everything that is done by the North Carolina Chapter of BI is done by individuals who generously give of their time, energy and wisdom. We need some new volunteers, including Board Directors and Associate Directors, to help with these events if they are to continue thriving. Some of our volunteer directors are new. Some have been volunteering for many years. We have fun doing what we do and enjoy each other’s company at our meetings.

If you have enjoyed any of our events or services, please consider volunteering to help us keep our events going into the future. Whether you have a few hours now and then or can make a longer commitment, you can be of enormous help. The North Carolina Chapter covers a very wide geographic range. The majority of our directors live in the Triad. Individuals outside the Triad area can be especially helpful as a face of BI in their regions.

Associate and full directors receive deep discounts in BetterInvesting membership fees, online tools, classes and the BetterInvesting National Convention.

Please contact us at contact@northcarolina.betterinvesting.net to learn more. We look forward to your support.

Here are some of the ways you can help:

- Board member or Associate Member
- Newsletter Editor or contributor
- Website design/maintenance
- Marketing/publicity
- Regional representative

North Carolina BI Chapter Directors

Dan Perlman—President
Terry Gilbert—Vice President
Brenda Jones—Secretary
Ronald Cox—Assistant Secretary &
Chapter Data Manager
Warren Leggett—Treasurer
Nancy Armstrong

David DeBruhl
Jane Chatterjee
Kathy Dougherty
Susan Jordan
Saundra Scales
Tanya Robinson-Caldwell
Louise Sechler—Director Emerita

For information contact:

Contact www.betterinvesting.org