

**BetterInvesting:  
Where Wall Street and Main Street Meet™  
for American Investors**

The dreams began in Detroit — 600 miles from Wall Street. Fred Russell dreamed of buying a small business. George Nicholson dreamed of demystifying investing for ordinary Americans like Fred so that they could improve their financial futures. Tom O’Hara dreamed of taking across the country this simple message: Anybody can become a successful investor. All it takes is a small amount of money invested regularly, patience and the determination to follow a few easy to learn, logical investing practices.

These men pursued their dreams through the decades, maintaining an unshakeable faith in simple, sound investing principles that anybody with knowledge of basic math could follow. They persevered through market crashes and recessions, when others said “the game is rigged,” to help others build a strong financial foundation. Tom drove his family from coast to coast, handing out pamphlets from the back of a station wagon and one by one finding others eager to become successful investors.

BetterInvesting™ (also known as the National Association of Investors™ or NAIC®) was borne of that conviction. Countless thousands of miles and 5 million people later, times have changed but BetterInvesting’s unbiased education hasn’t. Together with our dedicated corps of volunteer educators, we teach the organization’s principles and time-tested methodology to individuals and investment clubs. With our live and archived webinars, in-person events, easy-to-use online tools for evaluating a company’s investment potential, generous community of like-minded investors and monthly magazine, investors learn how to take control of their financial security.

As a nonprofit investment education organization, BetterInvesting plays an important role in the U.S. economy, helping many thousands of ordinary Americans successfully participate in the nation’s equity markets. Hundreds of experienced volunteers, augmented by a full-time professional staff, serve tens of thousands of BetterInvesting members nationwide.

BetterInvesting members invest both on their own and within the investment club structure, where they learn and explore investing as a group. The club environment provides a launching pad for investors, removing some of the mystery and enabling members to participate with others in a program of strategic, long-term investing.

As a tax-exempt, nonprofit organization, BetterInvesting keeps dues low and costs down for its members. BetterInvesting’s revenue is derived primarily from membership dues, advertising, corporate sponsorship and sales of investment publications, software and resources. Using these funds, the organization provides cost-efficient programs and services — bringing Wall Street to Main Street by empowering its members to become more informed investors.

### **BetterInvesting’s Mission**

Home office staff and volunteers are all driven by the same commitment, standards of excellence and beliefs about BetterInvesting’s mission of investor empowerment.

The organization’s goals are two-fold: first, to introduce individuals to the benefits of being active participants in their own financial futures; and second, to provide the investment education, tools and support that allow them to become successful lifelong investors.

BetterInvesting encourages a long-term approach to investing based on the selection and ownership of quality growth stocks and mutual funds. As part of an investment club, or as individual investors, members learn to analyze and select equities using our unique Online Tools that help them collect, organize and evaluate performance data. The stock analysis tools are based on BetterInvesting's Stock Selection Guide®, which organizes a company's historical sales growth, earnings growth, profit margins, price-earnings ratios and other fundamental data in a format that allows investors to answer two questions: Is this a well-managed, quality company? and Is the stock selling at a reasonable price?

### BetterInvesting's Origins

BetterInvesting's origins date to 1940 with the founding of the Mutual Investment Club of Detroit. George A. Nicholson, Jr., considered the father of the modern investment club movement, helped Fred Russell and several others form a club that would practice three investment principles: invest regularly, reinvest earnings and invest in quality growth companies at a reasonable price. (A fourth principle — diversification across company size and industry segments — was added later.)

In 1951, one of the club members, Thomas E. O'Hara, and Nicholson took the concept to a national level by creating the National Association of Investment Clubs to further spread the principles of investing that the Mutual Investment Club of Detroit had used so successfully for over a decade. NAIC's early objective was to tell the world that the principles really worked and could help anyone become a successful lifelong investor, even those of modest means.

BetterInvesting's core objectives haven't changed. Members continue to rely on BetterInvesting methodology to help them build better financial futures, while providing a solid buffer against inevitable market volatility. Arthur Levitt, former chairman of the Securities and Exchange Commission, said it well: "For half a century, BetterInvesting has been a leader in providing easily accessible and unbiased information to help individuals learn how to invest wisely." We have never strayed from that core goal.

Peter Lynch, in his books *Learn to Earn* and *Beating the Street*, praised the organization and the investment club approach. The "Good Morning America" program also referred to BetterInvesting as the "gold standard" of investment club education.

### Benefits of BetterInvesting Membership

We help our members build wealth through local, regional and national learning events, as well as internet-based tools, software, member publications and online resources. Drawing on these resources, many BetterInvesting members who follow the association's principles have routinely outperformed market benchmarks.

BetterInvesting's education, tools and resources help beginning and experienced investors alike make sense of the overwhelming amount of information available by keeping them focused on what really matters in investing. The association's tools and principles give investors the skills and confidence to achieve financial security over the long term.

BetterInvesting's tools and resources point investors toward high-quality equities. For example, by using the BetterInvesting approach, BetterInvesting investment clubs avoided Enron stock when that company collapsed; only 2% owned shares of the company. And using methodology driven by company earnings and historical P/E ratios, our members largely avoided problems during the 1990s technology bubble, since few of the "hot" companies of the time had any earnings, most had extreme P/Es and none had significant history.

To help members develop and apply their stock assessment skills, BetterInvesting partners with publicly traded companies who support the association's mission. Members gain in-depth knowledge and understanding of these companies and the industries in which they operate through a variety of local, regional and national events in which the companies participate. In turn, participating companies are afforded unique investor relations opportunities centered on highly active, well-informed investors.

### BetterInvesting's Structure

BetterInvesting's agenda for its tax-exempt operations is set by and for BetterInvesting members, who also serve on the organization's governing boards. The BetterInvesting Board of Directors is made up primarily of member volunteers who have benefited from membership and are actively committed to the goal of investor empowerment. In addition, the BetterInvesting Volunteer Advisory Board provides leadership, support and expertise for hundreds of volunteers who serve BetterInvesting clubs and individual members nationwide.

Day-to-day operations of BetterInvesting are managed from the Home Office in Troy, Michigan. Subject to leadership and oversight by the BetterInvesting Board of Directors, a full-time professional staff is charged with developing and implementing ongoing administrative, management, marketing and member service activities in support of chapters, clubs, members and volunteers nationwide.

BetterInvesting also operates a wholly-owned subsidiary, ICLUBcentral, which provides tools and resources for stock analysis and investment club accounting.

### Our Commitment

Today, the mantle of leadership worn by O'Hara and Nicholson has passed to Cy Lynch, Chair of the Board, and Ken Zendel, CEO. Their passion for BetterInvesting's mission mirrors that of our founders.

Cy Lynch is a longtime educator for BetterInvesting and has been an investment club member since 1984. He received the BetterInvesting Thomas E. O'Hara Award in 1998, recognizing volunteerism excellence. Currently the senior pastor of the Trinity Baptist Church in Conyers, Georgia, Cy's career includes serving as an officer in the Judge Advocate General's Corps, as a private-practice attorney and as a financial adviser.

Cy has been a supporter of BetterInvesting's mission for many years, joining the Board of Directors in 2019. Cy received his bachelor's degree in economics from the University of South Florida, a Juris Doctor from the University of Michigan and a master's in divinity from the McAfee School of Theology.

Ken Zendel began his tenure with BetterInvesting on March 2, 2020. He currently serves as CEO of both NAIC/BetterInvesting<sup>TM</sup> and ICLUBcentral, its wholly-owned subsidiary. In this role he is responsible for leadership and executive management of both organizations and associated communities. The son of a retired stockbroker, his journey to BetterInvesting began back in high school when he was president of his high school's Stock Market Club. From there, he matriculated to The University of Chicago and graduated in three years from this world-renowned institution. As a data-driven executive with over 25 years of experience, Zendel has worked with some of the world's largest brands. His career highlights include launching BuyFordNow.com, as well as the first-of-its-kind Chevy Silverado Mixed Reality Showroom. For his leadership on a marketing campaign for ACT Against Violence, he received the APA Presidential Citation. Just prior to joining NAIC, his team was named the 2018 Automotive Agency of the Year – Digital by MediaPost. Quoted in Marketwatch, he is passionate about investment education and helping Americans learn about investing through the BetterInvesting time-tested approach.