

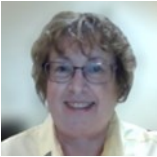
# The Sun Bulletin

## From the President

### Weathering the Storm to reach the Horizon!

I don't know about you, but lately I've been watching my weather app almost hourly looking for the latest on when the rain is coming, how long will it last, how heavy will it be. I keep checking because the weather doesn't always do what is expected. The storm moves through more quickly, or stalls unexpectedly, producing changing forecasts, which leads to changing plans. Many people react to economic news and the stock market in the same way...asking what are today's headlines, what are the pundits saying, what is the latest prediction, how should I react.

I'm very glad to be part of an organization that teaches me not to just react, but instead to take the long view. Thank you BetterInvesting for giving me the tools to be a better investor!



I hope you are taking advantage of all that your Better Investing membership has to offer. Check out Better Investing.org to see what you might be missing.

*Linda Robins, President*

## Golden West Chapter News

### Two Model Clubs Become One

Golden West's two model clubs, Orange County and SoCal, were set up because people were meeting in person from both Orange County and Los Angeles. To minimize long commutes, two clubs made sense. But now, since clubs are meeting on-line, two clubs are no longer needed. In order to combine the two clubs, SoCal will be disbanding, and its members will be joining OC. Our primary purpose has not changed. We are here to educate and provide a model for effective club operations according to BetterInvesting principles. We encourage you to take advantage of this wonderful resource and come visit us! Register [here](#). We look forward to e-seeing you soon!

### Inside this issue

- Chapter News
- What's Coming Up
- Education/Feature Article
- Club Anniversaries
- Club Visits
- Book Review
- New Members

### Important Dates

- Better Investing National Conference | BINC  
Location: Chicago  
— May 16-19, 2024

### Editors

Roxanne Brazell  
Dori Raser  
Jayne DonVito

### Interested in Sharing a Story?

Email us at  
[contact@goldenwest.betterinvesting.net](mailto:contact@goldenwest.betterinvesting.net)



Some Say California  
may have developed  
the idea of the  
Bull & Bear market

Submitted by R. Brazell

No one knows for sure where the terminology bears and bulls came from. The added mystery is why the bear is thought to be on the pessimistic and the bull on the optimistic side of the equation. One suggestion, although unproven, makes sense. In the 1800s, Californians entertained themselves with all sorts of unusual spectacles, including fighting matches between bulls and bears.

The two animals would be placed in an enclosed arena and allowed to battle each other for up to an hour. By the time the clock ran out, the bear was usually hiding behind a post while the bull was aggressively trying to gore the poor bear. Later, the analogy was applied to market traders, and the rest is history. Of course, no one has ever been able to substantiate that curious legend.

Reference: Stock Exchange  
Submitted by: R. Brazell



Image: iStock

We hope you will join us monthly for good conversation and great learning resources.

Connect with Us!

## EVENTS

Check out our online webinars:

Date	Event	Description
2/29/2024 5:30-6:45pm pt	Retirement and the Taxman presenter Christi Powell	Check for this webinar under the Protecting Your Portfolio banner
3/1/2024 4/5/2024 5/3/2024 5:30-6:30pm pt	First Friday "Happy Hour" March	Informal meetup with a short prez. A great place to ask questions.
3/2/2024 4/6/2024 9-11:15am pt	Orange County Model Investment Club (OC MIC)	Collaboration and education among investing members.
3/14/2024 8-9:15pm et 5-6:15pm pt	A Stock Watcher Checklist	Learn more about effective portfolio management
4/1/24 6:30-8pm pt	Board of Directors Meeting	Come listen in and learn about the Chapter.
4/29/2024 5:30-6:45pm pt	Is Valueline Still Valuable presenters David Lenig & Marcia Couey (under Stock Investing Made Easy)	Find out more about this independent investment research firm.

[Login](#) and check the BetterInvesting website frequently for new online events.

## MARK YOUR CALENDAR

### Golden West Chapter Annual Meeting Date

*We're Back Live and In Person*

*Join us for the Golden West Annual Meeting on  
June 15, 2024 — 2:30-4:30pm*

*Mark your calendars now so you don't miss out!  
More details to come.*



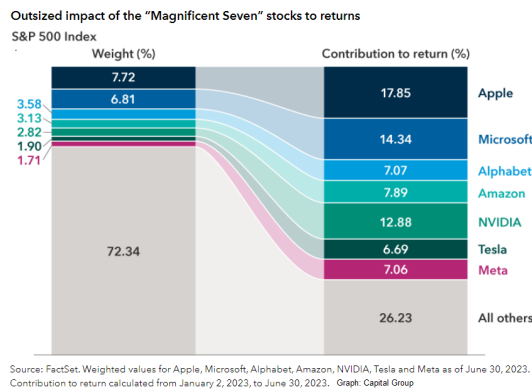
# Education Article?

## What's In Your Index?

If you are at all involved in investing currently, no doubt you have heard the pundits and talking heads in the media say something along these lines: *All you really need is a passively managed index fund tied to the Standard & Poor's 500 index. Don't bother trying to pick your own stocks and for Heaven's sake, you don't ever want to patronize any actively managed mutual fund. No one can beat the market!*

This advice has hit home with many investors. Currently, five of the six largest mutual funds in the world are index funds that invest in the Standard and Poor's 500 index, also referred to as the S&P 500 index, the S&P 500, or just the S&P. The Standard and Poor's 500 index roughly represents the 500 largest companies based in the United States. However, the 500 stocks don't all contribute to the index in the same manner. The S&P 500 index is market weighted. This means that the larger the market value (aka market size, market capitalization) of the company, the more weight is given to the company in the index. Over the past decade, a few very large stocks have come to dominate the index. The Magnificent Seven, as they are currently called, are Apple, Microsoft, Alphabet (Google), Amazon, Nvidia, Tesla, and Meta (Facebook). Nothing like a good ol' fashioned marketing jingo to sell advertising dollars on your investment website or cable network!

If you were to do a study of the companies represented in the S&P 500 Index Fund you would find that the top 10 represent over 33% of the fund. But that's not the worst part. For several years and even more so recently, these few very large company stocks have been the major drivers for the percentage returns of the S&P 500. Below is a graph from [The Capital Group](#) that shows both the outsized influence from The Magnificent Seven on the both index weight and the percentage return from January 2023 to June 2023. Referring to the graph, you will see that at the end of June 2023, the top seven stocks made up 27.66% of the index. However, their performance contributed 73.77% of the return of the index. Let that sink in even further. Seven stocks contributed over 73% of the return for an index with 500 companies!



So, if you are one of the many investors who owns an index fund based on the S&P 500, we hope that you now have a better understanding of what's in your Index fund. We leave you with a question. Do you believe that an index with 500 stocks where 10 of the stocks make up over 33% of the index is sufficiently diversified? If you want to see something even more scary, research the percentages of the top twenty or fifty companies in the S&P 500. Maybe we should call it the S&P 10 or S&P 20 or maybe the S&P 50. I know. Let's call it the Nifty Fifty! We could download the movie *Shaft* and watch old reruns of *All in the Family* and party like it's 1972.

**Final comments:** Many people have convinced themselves that the S&P 500 index is the perfect investment. Reality

check! There is no perfect investment. All investments have advantages; all investment has disadvantages. However, these individuals have a cult-like adherence to the idea that the S&P 500 is perfect and that no one can do better. It doesn't matter that there are many money managers who have beaten the S&P 500 over statistically significant periods of time. Many investment clubs using the BetterInvesting concepts and tools have done the same. That doesn't matter to them. Often, people don't want to be confused with the facts. Be gentle with them. Maybe point them to this article or invite them to your next investment club meeting. In any event, don't be surprised if no small amount of anger is directed your way if you dare criticize their celebrity investment superstar.

As always, we wish you much success in all your investing endeavors.

Frank Paiano

Email: wonderprofessor@gmail.com

# Congratulations to our 2024 Anniversary Clubs!!

Kudos to you! Each of your clubs is unique, but you have things in common as well. You have developed skills that allow you to work together as a group to make informed investment decisions. You have likely learned many skills over the years from each other. That's what makes a club special – people working together, learning from each other, supported by the BetterInvesting community, and hopefully making some money in the process. Someone will be reaching out to you in the next couple of months to offer a visit to present your award certificate. Cheers! Well done!!



## 35 Years

America's Finest City Investment Club, San Diego

## 30 Years

Maneki Investment Club, Inland Empire

MAM\$, Inland Empire and Las Vegas

Quest Investment Club, Los Angeles

## 25 Years

Y2K Investment Club, San Diego

## 20 Years

Two Rivers Investment Club, San Diego

## 15 Years

GO Investment Club, Henderson, Nevada

# Club Visits by a Chapter Director

Thank you for the opportunity to visit your clubs! It is such a joy for us to get to know the wonderful things are happening out there under the BetterInvesting umbrella. You are accomplishing much in the work that you do within the Investment Club setting – learning and growing, developing skills that enable you to be a better investor while encouraging others to do the same.

Club Name	Location	Purpose	Date of Visit	Topic Covered
Circle of Happiness	Los Angeles	Celebrating 5-year anniversary in 2023	October 15, 2023	Effective club meetings
Prayer and Prosperity Investment Club	San Diego	Celebrating 20-year anniversary in 2023	October 29, 2023	MyClub reports
IWF Investment Club	Multi-state family club	New club mentorship	October 7 <sup>th</sup> and January 6 <sup>th</sup>	On-line tools, including PERT
Maneki Investment Club	Inland Empire	Celebrating 30-year anniversary in 2024	January 28, 2024	Treasurer/Club Operations
Women of the Round Table	West LA beach cities	New club mentorship	January 31, 2024	Overview of on-line tools

We are available to visit your club too! Whether you're a new club, celebrating a special event, or just would like to have someone come to answer questions or do a short education segment, send an email to [contact@goldenwest.betterinvesting.net](mailto:contact@goldenwest.betterinvesting.net) and let us know you are interested. There are special perks



Thanks for having us visit!  
We enjoy getting to know our clubs!





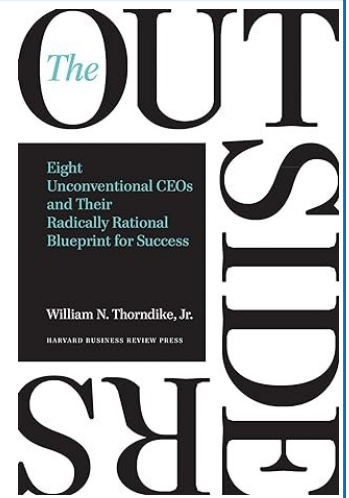
## The Outsiders: Eight Unconventional CEOs and Their Radically Rational Blueprint

### BOOK REVIEW

This is a great read for those interested in how several CEOs created outstanding returns for their shareholders with practical capital allocation strategies that provide successful outcomes. The authors engaging writing style will keep beginner and advanced investors interested. Understanding how

a company effectively generates returns and increases their per share value is a big part of the investing equation. The success stories are inspiring yet the book is informative and provides lessons for us all.

Author: William N. Thorndike, Jr  
Submitted by: R. Brazell



\*If you have a favorite book on investing you would like to review and recommend to your fellow investors, send your proposal to [contact@goldenwest.betterinvesting.net](mailto:contact@goldenwest.betterinvesting.net) and we will consider it for a future newsletter.

### We love our Volunteers!

Share your skills and time with us and gain investment knowledge you can invest in long-term!



The Golden West Chapter is run entirely by volunteer Directors, who give freely of their time and knowledge. The more volunteers we have, the more people we can reach and teach. If you are one of those people who want to learn more and like to help out, we want you as a director! Right now we are in need of a TREASURER. If you have the skills for the job, and want to learn more about investing while spending time with a great group of folks, we would love to hear from you! If you are interested, contact us at [contact@goldenwest.betterinvesting.net](mailto:contact@goldenwest.betterinvesting.net).

\*\*\*We are offering individuals that would like to become a Golden West Chapter director the incentive of a FREE one-year BetterInvesting membership, including the SSGPlus online tools. \*\*

### Club Corner

Need an interesting Education Program at your investment club meeting? We're here to help! Golden West Chapter has many programs to share with you on most popular investing topics and tools. To arrange either a virtual or in-person presentation to your club, contact us at [contact@goldenwest.betterinvesting.net](mailto:contact@goldenwest.betterinvesting.net)

## Welcome to our New Members!

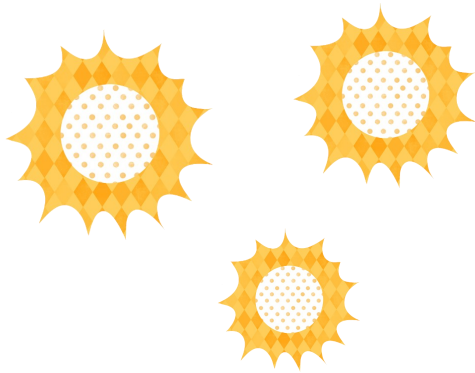
Welcome to our new individual and club members from November, December and January! We are happy to have you join our BetterInvesting family and want to extend a sincere welcome. Please know that the Golden West Chapter is here to support you. If you have any questions, do not hesitate to contact our VP of Membership, Dori Raser, at [bi.draser@gmail.com](mailto:bi.draser@gmail.com). Again, congratulations on your new adventure. Here's to your BetterInvesting!

### Individual Members:

Wendy & Koenraad L. (Costa Mesa)

Luis M. (Mission Viejo)

Sandy M. (Study City)



### Club Members

Dana B. (Santa Monica) Women of the Round Table

Ajit D. (Banning) Sun Lakes Investment Partners

Ruby D. (Long Beach) FEM Unlimited

Maria D. (Marina del Rey) Women of the Round Table

Jane F. (Santa Monica) Women of the Round Table

Katy H. (Santa Monica) Women of the Round Table

Maria K. (Topanga) Women of the Round Table

Helen R. (Los Angeles) Women of the Round Table

Richard S. (Orange) Valhala

Diane V. (Topanga) Women of the Round Table

### Member Perk!

Investment clubs provide education to its members and social | long-term connections that can help members enhance their individual or family investment portfolios and create financial legacies for future generations.

Consider attending one today!



***"Choose wisely. One door leads to market meltdown, the other to increased return on investment."***

CartoonStock.com



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*"An investment in knowledge pays the best interest." — Benjamin Franklin*



<https://www.betterinvesting.org/chapters/goldenwest>  
[contact@goldenwest.betterinvesting.net](mailto:contact@goldenwest.betterinvesting.net)

**About BetterInvesting** Since 1951, BetterInvesting has helped over 5 million people become better, more informed investors. You can learn more about the benefits of investment clubs by visiting [www.betterinvesting.org/clubs](http://www.betterinvesting.org/clubs) to sample many of our investment club resources, at no cost or obligation. The Heart of Illinois Chapter of BetterInvesting is the local resource for investment education about how to buy good stocks at the right price with the goal of doubling your portfolio value in five years by investing regularly, reinvesting dividends, and diversifying investments.

**Important Notice to our Readers:** BetterInvesting is a non-profit educational organization that sponsors programs and provides information through their local volunteer chapters for the education and use of individual investors and investment club members. BetterInvesting neither recommends nor endorses specific securities. Everyone is encouraged to do their own stock selection research.