

CHAPTER NEWS

LAMS Chapter Newsletter January 2024

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**Please make sure all your club members get a copy of the Newsletter.
If anyone needs help subscribing just email us at**

contact@lams.betterinvesting.net

We'll be glad to help.



President's Message

I sincerely wish each of you could have joined us at the Roundup. Ken Kavula and Mark Robertson both had the benefit of hearing the founding fathers of BetterInvesting. These two men have done very well with their portfolios, and it is because they have followed these concepts. They brought this to us in New Orleans.

I'd like to share one talk that really inspired me to go back to my club to see if our portfolio could be improved. Here's the gist of what the speakers said:

George Nicholson told us many years ago that a sales growth rate of 11.5% to 12.5% for the entire portfolio would result in returns that should beat the average market by at least five points. The rest of the growth to meet the average 15% return per year, that we target, comes from dividends and P/E expansion. From this we get the mantra, "Earnings follow Sales, and Stock Price follows Earnings". That, folks, should never be forgotten.

If we are going to find companies with a sales growth of 11.5% to 12.5%, we are going to have to look mostly at medium to small companies. Why? Because sales growth for large companies is usually less than 7%; medium companies 7% to 12%; and small companies greater than 12%. There are the occasional anomalies, but not often.

The other concept we should never forget is that we want only quality stocks. The risky darlings of Wall Street are so tempting, but we have plenty of quality stocks to choose from. The Stock Selection Guide (SSG) gives us tools for scouting out such stocks. We should stick to our principles, and we have the BetterInvesting tools to do so.

Finally, we should compare our annual return for our portfolio to the market's return. Did we beat the market by 5 points? Then we did well! Some people mistake the notion of the average 15% return to mean each and every year. But that is to be achieved over time. All we aim for is beating the market by 5 points each year.

Hope that's useful information for you. Sure was for me! We just need to stay focused on the basic concepts.

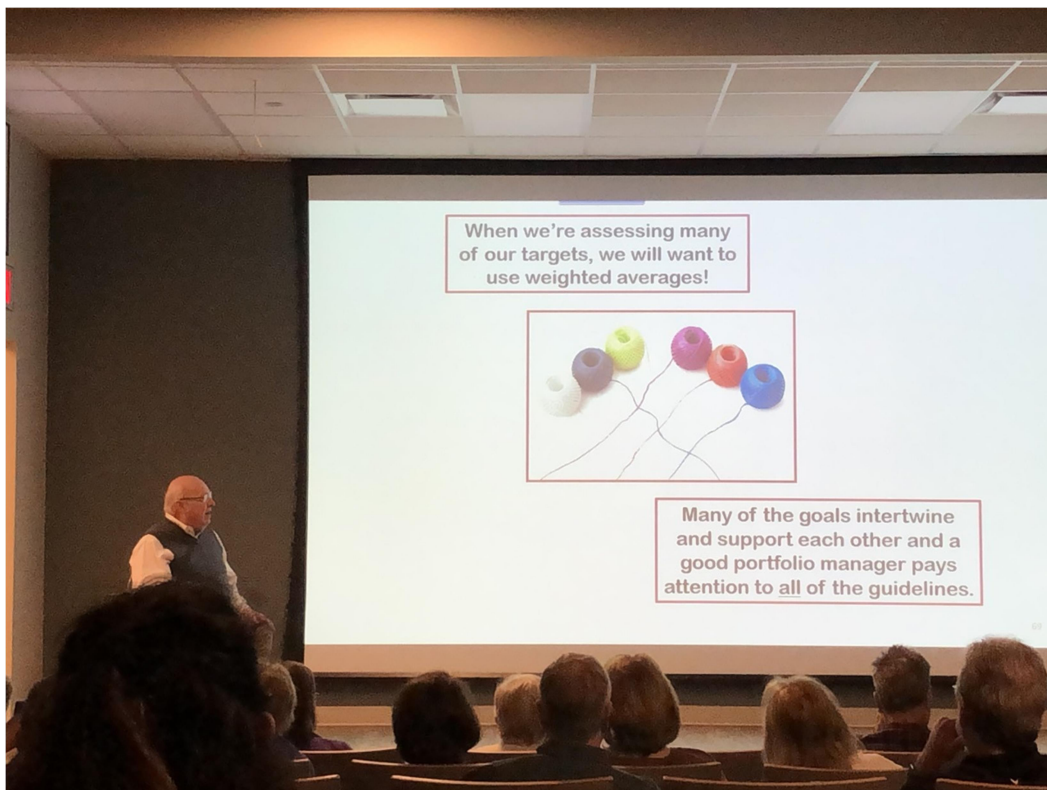
Wishing you many happy returns,

Angela Lannen



LAMS Roundup 2023 in New Orleans

Our major Chapter event of the year, held on Saturday, Nov. 4 in New Orleans, featured guest presenters Ken Kavula and Mark Robertson. Ken and Mark spent the day with our Chapter providing investment education to our members. Here is an outline of their presentation, which covered lots of topics. For those who didn't attend, here's what you missed!



Time-Honored Lessons (Over Eight Decades)

- Spoke a lot about George Nicholson, his ideas, and his contribution to NAIC/BetterInvesting.
- Talked about how BI investors are in a unique position to outperform both the indexes and the average investor, who sees returns of around 6% annually.
- Emphasized the importance of including small and mid-sized companies in a portfolio.
- Provided a list of some of their favorite Best Small Companies.

Bank Stock Analysis & A Case Study

- Discussed and demonstrated how to analyze a bank stock using **SSG^{PLUS}**.
- Showed how to add a line on the **SSG^{PLUS}** graph to show Total Assets. Growth of Total Assets should mirror growth in sales and earnings per share.
- Provided guidelines for gauging the % return on average assets (ROAA) of a bank.
- Explained that although free cash flow for most companies should be monitored, for banks it should be ignored.
- Demonstrated these ideas by looking at a sample bank, including a check on loan loss provision, book value, and dividend.

Opportunity Discovery (Triple Play Driven)

- Described the Triple Play effect: **(1)** the depressed price of the stock can return to normal levels; **(2)** the increased profit margins can produce increased earnings and a higher price; and **(3)** the increased profitability of the company may cause it to sell at higher price-to-earnings ratios.
- Used four sample companies to demonstrate how to find possible Triple Play companies using the Value Line page.

These are a Few of Our Favorite Screens

- Demonstrated several screening possibilities using ManifestInvesting.
- Went over how to screen using **SSG^{PLUS}** with emphasis on the Small Company screen and the new A-List Stocks screen.
- Showed how to sort the results of an **SSG^{PLUS}** screen and how to quickly view the SSG graphs to look for the best up, straight, and parallel SSGs.
- Showed how to create your own screens using your own criteria.

Portfolio Design & Management

- Discussed some of the finer points of portfolio management, including targets, sector diversification, how many stocks to own, diversification by company size.
- Ken used a portfolio from one of his investment clubs to illustrate some of the ideas that were discussed.
- He emphasized taking action slowly and methodically.

LA/MS Portfolio Review & Nudges



Four of our Chapter's clubs submitted their portfolios for Ken and Mark to review. They displayed the portfolios and pointed out some areas for possible improvement. All four clubs had at least one club member in attendance to discuss Ken and Mark's ideas.

The four clubs that participated were:

- Financial Divas club of New Orleans, LA
- Dollars and Sense club of DeRidder, LA
- Ladies Lagniappe club of Slidell, LA
- LAMS Chapter Model Club

The presentation was informative, educational, and entertaining. There was time for questions and discussions. Ken and Mark told lots of their investing stories throughout the day and offered anyone who was interested a PDF file of the entire presentation.

Support for Clubs

Directors in the LAMS Chapter can use GoToMeeting to allow participants to discuss various investment topics. Email us at conact@lams.betterinvesting.net to schedule a visit from one or more of our directors. Topics could range from club operations to issues related to stock studies. Club members decide.

Club Tax Webinars

Club treasurers can get help with preparing club taxes in these useful webinars from ICLUBcentral.

Closing the Books Webinar from Dec. 19, 2023, archived on Youtube.
<https://www.youtube.com/watch?v=zHkLfwR0mE0&list=PL6IUgAkWnuLNFYUxzMoOilu-6FehDRNif>

Register for upcoming webinars:

<https://register.gotowebinar.com/register/2788536737531371276>

Jan 16, 2024 - ***Preparing the Investment Club's 2023 Tax Returns using myICLUB***

Feb 20, 2024 - ***2023 Investment Club Tax Clinic***

Other myICLUB archived webinars (some with PDF handouts) are available here:

<https://www.myiclub.com/clubhub/webinars.aspx>



LAMS Model Investment Club

You're invited to sit in on any of our meetings to see our Chapter Model Club in action. Meetings are normally held on the first Monday of the month (second Monday if there's a holiday conflict). The Model Club is a real investment club that uses real money and has a real portfolio. We're currently at 12 members from across Louisiana and Mississippi, and one member in Texas. And we average about 4 guests per meeting.

You're also invited to forward the contact information to your club members and friends who might be interested in learning about investment clubs or investing the BI way. BetterInvesting members and non-members are welcome. Our next meeting dates are Jan. 8, Feb. 8, and March 4.

We use GoToWebinar for meetings. To attend please register ahead of time at:

(Note: This is a new registration link for 2024)

<https://register.gotowebinar.com/register/8064740103851396448>

You can also dial in using your phone: 1 (646) 749-3131.

Enter Access Code: 944-996-925.

If you'd like more information about the Model Club or about attending a meeting you can contact Eric Resweber at contact@lams.betterinvesting.net.

LAMS Stock Picking Contest Update

Each portfolio began at \$100,000. Two to ten securities could be chosen. You could enter a security if Yahoo could price it, no cryptocurrencies

Black names are individuals. **Blue** names are investment clubs. **Green** names are benchmarks. **Red** names are other information.

\$100 to the winning club. \$50 to the winning individual.

The competition began December 1, 2023 and will run through the last day of the month before our 2024 Roundup. Prizes will be awarded at the annual Chapter Meeting in 2024.

The winning portfolio from the last contest was entered again (starting with \$100,000) to see how it performs for another year.

LaMs Chapter Stock Pickers Contest

November 2023 until Next Round-Up

**12/29/23
3:26 PM**

Portfolio Name	12/29/23	12/1/23	11/30/23
	Mkt Value	Mkt Value	Mkt Value
Dennis Malcolm (LMMIC)	121,414.84	105,719.25	100,000.00
Kaye Clingan (LMMIC)(EIC)(DAD)	112,948.44	102,353.46	100,000.00
Gretchen Blondeau (LMMIC)(LLIC)	112,337.55	102,076.81	100,000.00
Everyday IC (Jackson)	111,894.78	103,483.35	100,000.00
Jo Watkins	110,276.64	102,580.54	100,000.00
Eric Resweber (LMMIC)	109,394.02	102,654.44	100,000.00
Ladies Lagniappe IC	108,506.76	102,171.89	100,000.00
Jane Owens (LLIC)	107,039.39	100,596.74	100,000.00
SW Investors	105,174.53	101,336.64	100,000.00
Janice Prejean	105,150.74	100,180.09	100,000.00
Favorites - Top 10 Choices	104,443.62	101,107.94	100,000.00
Benchmark Index	104,422.92	100,587.37	100,000.00
Benchmark EFT	104,163.01	100,591.59	100,000.00
Winner 2022 Portfolio	103,956.65	101,782.11	100,000.00
Dollar A Day IC (Jackson)	103,892.94	99,751.03	100,000.00
Janice Caamano (LLIC)	103,856.00	100,721.45	100,000.00
Karen Peavy (DSIC)	103,804.79	101,420.25	100,000.00
Dollars & Sense IC (DeRidder)	102,001.60	99,434.90	100,000.00
Deborah McKean	96,343.21	97,071.77	100,000.00
Joe Farrell (Not in contest) 4 bank stocks	117,556.91	104,995.67	100,000.00



Useful Links

If you're not currently a member of BetterInvesting you can visit the **BetterInvesting website** to learn more about the organization
<https://www.betterinvesting.org/>

LAMS Chapter web page

<https://www.betterinvesting.org/chapters/lams>

Register to attend **LAMS Model Club meetings** as a guest

<https://register.gotowebinar.com/register/8064740103851396448>

If this newsletter was forwarded to you and you would like to **subscribe to the newsletter** click:

<https://www.betterinvesting.org/chapters/lams>

and fill out the form. We'd love to have you join us!

Video Learning Library—BetterInvesting members can access the very many archived webinar recordings here:

<https://lists.betterinvesting.org/link.php?M=3389991&N=25554&L=12063&F=H>

Guests and non-members can also access a sampling of **BetterInvesting webinars** to learn more about BetterInvesting, investing the BI way, investment clubs, and more:

<https://www.betterinvesting.org/learn-about-investing/free-videos>



New Chapter Members: LAMS Chapter got seven new members this last quarter. A club in Lake Charles, LA has four new members and a club in Hernando, MS has a new member. Clubs in Baton Rouge, LA and Flowood, MS each have a new member. And we have a new individual member from Baton Rouge, LA. We welcome all our new Chapter members.

Member Benefits and Discounts: BetterInvesting members are eligible for certain benefits and discounts. Visit the [MemberBenefits&Discounts](https://www.betterinvestingoffers.org/discounts-and-benefits.html) page of the BI website to see if you can use any of these offers:
<https://www.betterinvestingoffers.org/discounts-and-benefits.html>

These are your volunteer Louisiana/ Mississippi Chapter directors

Angela Lannen, DeRidder, LA
Kaye Clingan, Jackson, MS
Eric Resweber, Zachary, LA
Joe Farrell, Jackson, MS
Dennis Malcolm, Lafayette, LA
David Arnold, Hattiesburg, MS
Jimmy Stewart, Jackson, MS
Ghanashyam Patel, New Orleans, LA

If you have a question about BetterInvesting, investment clubs, or investing in general, contact a director near you at contact@lams.betterinvesting.net
We're here to help.

**Please make sure all your club members get a copy of the Newsletter.
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We'll be glad to help.