NATIONAL ASSOCIATION OF INVESTORS CORPORATION
BETTERINVESTING™
LA/MS Chapter

CHAPTER NEWS

LAMS January 2026 Newsletter

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President's Message

In 2024, tennis great Roger Federer gave the commencement address at Dartmouth University. In the middle of the address he made a claim that shocked the world. He said over the course of 1,526 points games that he played, he only won 54% of the points. He won barely half the points that he played. Or put another way he lost almost half the points that he played over the course of his career. Considering that Federer won 80% of the matches he played it's amazing that he lost almost half the points in those matches.

Made me wonder about other sports:

- Ty Cobb leads all Major League baseball players in career batting average at just shy of 37%. He got a hit once out of every three times he went to the plate
- Peyton Manning leads all National Football League quarterbacks in career passes completed at just over 65%. That means one out of every three passes he threw were incomplete.
- Artis Gilmore holds the career field goal percentage in the National Basketball Association at just under 60%

Notice what stands out with these professional athletes? No one is perfect. No one is anywhere close to perfect. And yet, they were the leaders in their particular sport. In fact, they are in the Hall of Fame in each of their individual sports.

It doesn't take perfection to be in the Hall of Fame – in sports, in business, in investing or in life.

So, what would we consider a winning percentage in investing? Or to put it another way, how many stock selections do we have to get right to end up in the investing Hall of Fame?

- Cy Lynch writes a column for the Better Investing magazine where he manages an imaginary model portfolio. His goal is to have 50-55% outperform the total stock market index.
- Manifest Investing hosts a monthly stock roundtable. They also have an imaginary stock portfolio they have been assembling for 17 years or so. Their stated goal is to outperform the total stock market by 55%.

Those winning percentages are about the same as Roger Federer's point winning percentage in tennis.

Our investing goal is not perfection. Let me say that again: OUR INVESTING GOAL IS NOT PERFECTION. In fact, our goal is to be right a little over half the time. Which means that we will be wrong a little under half the time. That might not be good enough to put us in the investing hall of fame with Lynch and Buffett and the other big names. But being right a little over half the time will enable us to win the investing game.

So, what are the take-a-ways?

- You're going to be wrong a lot of the time
- Roger Federer said "remember it's just a point and not the whole game". Don't focus on the losses. When a stock doesn't work out – move on.
- Get rid of the losers quickly
- You can win 80% of the games by only winning a little over half the points
- Just stay in the game

Happy investing,
Dennis Malcolm
LA/MS Chapter President

REMINDER: *This year's LA/MS Stock Roundup will be held in New Orleans at the Metairie Country Inn and Suites on February 28, 2026. You'll find the information needed to register a little later in this newsletter. Hope to see you there*

💹 Join Us for the LAMS Stock Roundup--A Day of Insights & Actionable Investing Strategies

Mark your calendar for Saturday, February 28, 2026, and get ready for a dynamic day of investing education at the LAMS Stock Roundup! We'll gather from 9:00 AM to 3:00 PM at the Country Inn & Suites in Metairie, LA, for a full slate of engaging presentations, practical tools, and peer-to-peer learning.

Whether you're a seasoned investor or just starting out, this event is designed to help you sharpen your strategy, discover new ideas, and make confident decisions in today's market.

What to Expect

- Expert-led sessions on timely investing topics
- Lively discussions with fellow BetterInvesting members
- Actionable tips to strengthen your portfolio
- A light lunch included with registration

Featured Topics

We're curating a diverse lineup to spark ideas and deepen your knowledge:

- Using AI in Stock Research
- Let's Talk Stocks (open discussion)
- Funding Your Retirement with Dividends
- A Pharmacist's Perspective on Pharmaceutical Investing
- Starting Points for the SSG
- Is Value Line Still Valuable?

Event Details

📅 Saturday, February 28, 2026

📍 Country Inn & Suites – Jefferson Meeting Room
2713 N Causeway Blvd, Metairie, LA 70002

🕘 9:00 AM to 3:00 PM

💵 $35.00 per person (includes lunch)

📝 Register Now

Secure your spot through Eventbrite:
Register here for the LAMS Stock Roundup.

https://www.eventbrite.com/e/lams-chapter-stock-round-up-2026-tickets-1514187167579?aff=oddtdtcreator

🛏️ Hotel Accommodations

For out-of-town guests, we've arranged a special group rate of $139.00 plus tax for Friday night at the Country Inn & Suites.

- Book your room online here (you may need to copy and paste the URL into your browser): https://www.choicehotels.com/reservations/groups/ho56t4?checkInDate=2026-02-27&checkOutDate=2026-02-28&ratePlanCode=BSBMTX

- Or call 504-648-3823 and ask for the BetterInvesting LAMS Chapter block.

You can also scan this QR code for more information and to register:

Support for Clubs

Directors in the LAMS Chapter can use GoToMeeting to allow participants to discuss various investing topics. Email us at contact@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

Tax season is approaching. Here are some deadlines to keep in mind for the upcoming tax season:

• 2/16/26—Delivery deadline for brokerage 1099s.
• 3/16/26—Deadline for providing K-1s to club members.
• 3/16/26-- Deadline for filing IRS Form 1065.

myICLUB provides several resources to help investment clubs and club treasurers handle tax filing.

Here are some **investment club basics** from myICLUB:
https://www.myiclub.com/general_tax_principles.aspx?utm_source=MailingList&utm_medium=email&utm_campaign=Club+Tax+Return+Guide+2024+%28myICLUB+Subscribers%29

Webinars
If you missed *Closing the Investment Club's Books* on Tue, Dec. 16, 2025 you can access the recording here:
https://youtube.com/ICLUBcentral

Upcoming webinars:
01/20/26: Preparing the Investment Club's 2025 Tax Return
02/17/26: Investment Club Tax Clinic

Register here:
https://register.gotowebinar.com/register/2788536737531371276

If you miss a webinar, you can view the archived presentations at:
https://youtube.com/ICLUBcentral

A long list of **frequently asked questions** about club taxes:
https://www.myiclub.com/faq/category.aspx?id=27&utm_source=MailingList&utm_medium=email&utm_campaign=Club+Tax+Return+Guide+2024+%28myICLUB+Subscribers%29

LAMS Model Club

LAMS Chapter Model Investment Club
New to BetterInvesting? Not in a club? Trying to learn the SSG but need to see it in action to understand it better? Need to find some friends to learn from and learn with?

Interested in some new stock ideas? LAMS Model Club is made up of both experienced and newbie investors. We learn together and challenge each other to learn and earn better returns.

All our meetings are open to visitors to watch, listen, and learn. We welcome questions and comments. Interested in starting an investment club? Invite your potential members to attend with you to see how a BetterInvesting club operates.

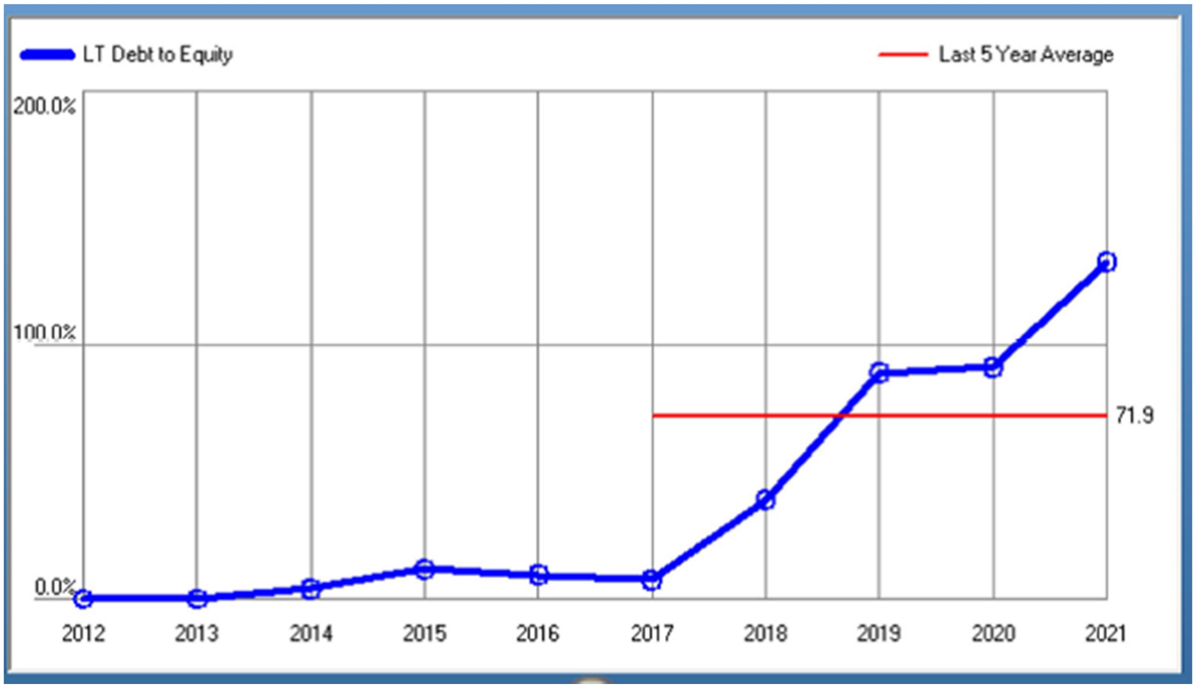
All monthly meetings are held online using GoToWebinar. Visitors have the opportunity to gain limited access to the Club's myICLUB website where they can look more closely into the Club's portfolio and returns. Existing clubs and club members might go away with an idea or two to use in their own clubs. We strive to invest in good quality growth companies bought at the right price.

Meetings are held on the first Monday of the month (second Monday if there is a holiday conflict) at 7:30 PM. Our next meeting dates are January 5, February 2, and March 2.

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

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 us at contact@lams.betterinvesting.net.



From No Debt to High Debt

By Google Gemini

Here is a question posed to Google Gemini, followed by Gemini's response:

In the past many publicly traded companies have operated with little or no debt on their balance sheets. But in more recent years many of those companies have taken on debt to fund their operations. Why is this?

There are several reasons publicly traded companies have shifted from operating with little or no debt to taking on significant amounts of debt to fund their operations. This trend is primarily driven by the strategic financial benefits of debt over equity, which include a lower cost of capital, tax advantages, and retaining ownership control.

Lower cost of capital

For many companies, the cost of borrowing money (debt) is significantly cheaper than the cost of raising money by selling stock (equity).

- **Lower returns expected by lenders:** Lenders who provide debt financing are paid a fixed interest rate and are generally considered lower risk than equity investors. In the event of bankruptcy, debt holders are first in line to be repaid. Since their investment is more secure, they accept a lower rate of return compared to shareholders, who take on more risk.
- **Higher returns expected by shareholders:** Equity investors expect a higher potential return to compensate them for their higher risk. This makes raising capital through equity more expensive for the company.

Tax benefits

Interest payments on debt are often tax-deductible, creating what is known as an "interest tax shield". This benefit effectively lowers the company's overall cost of borrowing and is a major incentive for taking on debt. In contrast, the returns paid to shareholders through dividends are not tax-deductible.

Retention of control

Taking on debt allows a company's current management and owners to raise capital without diluting their ownership stake or giving up control. When a company issues stock, it sells a portion of the business to new investors, who are then entitled to a share of profits and have a say in major decisions. With debt financing, the lender has no control over business decisions as long as payments are made on time.

Magnified returns for shareholders

Leveraging with debt can enhance the return on equity for shareholders. If a company's return on its investments is greater than the interest rate it is paying on its debt, the excess return is passed on to shareholders. This creates a "multiplier effect," increasing shareholder value more than if the business had been funded entirely by equity.

Increased access to credit

In periods of low-interest rates, taking on debt becomes even more attractive as the cost of borrowing falls. As companies have gained financial maturity and a stable cash flow, they have built up creditworthiness, allowing them to access a wider range of debt products from lenders and financial markets.

The shift from conservative to growth-focused strategies

In past generations, the stigma around debt led many companies to use only equity financing for growth, viewing debt-free balance sheets as a sign of financial strength. More recently, a more aggressive, growth-oriented mindset has taken hold, with many company leaders accepting and managing debt to leverage capital and increase market share. Financial strategies have become more sophisticated, and debt is now seen as a standard tool for funding expansion, acquisitions, and operations.

Useful Links

Open House 90-day free trial:
https://hello.betterinvesting.org/90day-ws
Anyone can sample a BI membership. If you're a BI member please share this URL with anyone who might be interested in trying out BetterInvesting. All that's required is to enter ZIP code, name, and email address to gain access to the ninety day, core trial membership. No credit card needed, so they don't get trapped into having to cancel or anything like that. This will just expire after ninety days.

This trial membership includes:
1. A digital copy of BetterInvesting Magazine
2. Our "Why Invest" webinar
3. First Cut Stock Reports
4. Instant access to a trial version of our online stock selection and analysis tools

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

If this newsletter was forwarded to you and **you would like to subscribe to the newsletter**, just fill out the form at the bottom of this 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

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

A Growth Story: Ritchie Bros.

Disclaimer: *Stocks mentioned are for educational purposes only. BetterInvesting does not make investment recommendations. Please do you own research.*

Sometimes the companies we invest in have interesting histories. Here is one of those stories.

Ritchie Bros. Auctioneers (RBA) is the world's largest auctioneer of used heavy construction and agricultural equipment. It is a Canadian company that actually got its beginning as a family run used furniture store near Vancouver, Canada.

Three brothers, Ken, John, and Dave, and their father started the furniture store in a two story house. There came a time when they needed to raise $2,000 to pay off a bank debt. A family friend suggested that they hold an auction to auction off some of the furniture. The Ritchies decided that was a good idea and hauled all the furniture they did not want to auction up to the second floor of the house. Everything left on the first floor was to be sold at the auction.

The auction was a big success. Enough money was raised to pay off the debt. Auctions became a regular event at the store after that.

One day a farmer approached the Ritchies and asked them to hold an auction to help him sell some used agricultural equipment. That auction also was a big success which led to others asking them to do the same. The business went from auctioning furniture to auctioning heavy equipment.

Ritchie Bros. serves buyers and sellers of commercial assets and vehicles worldwide, with a strong customer base in industries like construction, transportation, agriculture, energy, mining, and automotive. Many companies often buy used equipment rather than invest in new equipment, especially if the machinery will only be used temporarily.

The Ritchies told a story about one of their early equipment auctions. Remember, this was in Canada. A blizzard occurred on the day of a scheduled auction but people turned out for the auction anyway. They would up participating in the auction by sitting in their pickup trucks and flashing their headlights and honking their horns to make bids.

From there the auction business moved to different places around North America and eventually around the world. The company rented locations for some of its auctions and built permanent locations in other places.

One of the brothers eventually retired from running the business and bought a yacht for he and his wife to spend two years traveling around the world. Once their trip was over, Ritchie Bros. Auctioneers auctioned off the yacht for them.

The company has since acquired several other businesses, including one of its major competitors. It is now known as RB Global and has grown from a small family run business to the world's largest industrial auctioneer.

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. If anyone needs help subscribing just email us at contact@lams.betterinvesting.net. **We'll be glad to help.**