



October 2019 Newsletter



President Terry Gilbert's Message

Dear North Carolina Chapter
BetterInvesting (BI) Members,

In this column I will cover some past and future North Carolina Chapter events. The first highlight is the North Carolina-South Carolina Educational Day, Saturday, Cy Lynch is one of BI's most highly regarded educators. For more information see the announcement on page 5 of this newsletter. Do attend, you will benefit from doing so.

If you haven't already done so, check out the NC Chapter's new web page, <https://new.betterinvesting.org/north-carolina>. The new site is a more streamlined, attractive page that will be easier for you to navigate. It is also easier for the chapter to keep up-to-date.

The Chapter's Portfolio Contest is underway with eight entrants. See page 2 for a listing of the clubs and the current value of their portfolio. We will be updating their progress throughout the year and hope your club will consider entering future contests.

The Chapter thanks the Mountain Laurel Investment Club of WNC for joining the Visit-a-Club program.

The North Carolina Chapter held its annual meeting August 24th in Kernersville. Craig Braemer gave an informative, engaging talk on how owning a moat can help your portfolio using BI investment principles. New Directors and officers were elected. Terry Gilbert (President), Tanya Robinson-Caldwell (Vice President), Ron Cox (Assistant Secretary for data & membership), Warren Leggett (Treasurer), and David Debruhl (Assistant Treasurer) were elected as 2019-2020 officers. Dan Perlman, Tanya Robinson-Caldwell, were re-elected as Directors to serve 1-year terms. Ron Cox was re-elected to serve a 3-year term. We welcome Susan Jordan to the Board who will be an Associate Director with a 1-year appointment. Brenda Jones will become an Associate Director also with a 1-year appointment. We welcome two new Board members, Tasia Mabry-Associate Director and Jacqueline-Jahn Volunteer. Special thanks to Dan Perlman, (cont'd on p. 2)

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Brenda Jones and Terry Gilbert who completed terms as President, Secretary and Treasurer, respectively.

The North Carolina BI Chapter is arguably a medium large chapter with active programs. It is fair to say the Chapter is doing well but the desire to further enhance the Chapter's presence among Chapter members was discussed at the meeting. To advance this goal, two significant developments during 2018-19 were the laying of plans for the October 26th joint NC and SC Educational Day and the 2018-19 Portfolio Contest. Both are additions to the set of activities that the Chapter has done in the past few years. For some time the Directors of the Chapter have primarily been located in the Triad area. The Chapter serves all of North Carolina and some of Virginia. An effort has been underway to have Directors more widely dispersed throughout the area.

The success of the Chapter partially depends on what it does for NC chapter members but it is not just a oneway street. The Chapter hopes you will engage in BI activities (e.g., Club visits, the Visit-a-Club program, attending Model Club meetings, etc.), contact Directors for whatever help we can offer, and the like.

If you have Club members who aren't getting Chapter emails, we would love for them to add their email addresses to our email list. Although the BI Web site is undergoing change, the likely way to do this is to sign into the BI web site, go to the Update Profile tab, scroll down, check "Local Chapter News and Events: Occasional communications from your local BetterInvesting chapter about news and events taking place in your area," and save the change.

Email Address:

president@northcarolina.betterinvesting.net

Portfolio Contest Standings

At the end of September the standings of the Portfolio Contest Clubs were as follows:

Club	Value
Hickory Investment Club	\$10745.13
Big Bucks Club	\$10542.32
Piedmont Investment Club	\$10314.61
Paupers Investment Club	\$9903.69
NC Model Club	\$9834.26
Legacy Investment Team	\$9763.47
PPP Investment Club	\$9157.60
Tickuntie Investments	\$9096.39

Each club invested an imaginary \$10,000 on September 1st. On September 30th, the value of \$10,000 invested in the S & P 500 on September 1st would have dropped to \$9919.68.

In September the stock with the largest gain, 19.7%, was LKQ held by the Big Bucks Club. The second largest stock gain, 15%, was Abbvie, held by both the Hickory Investment and the Piedmont Investment Clubs.



Lessons from My Dad Wishes for My Daughter

Reported by Tasia Mabry*

I was 4 years old when my dad joined The Paupers Investment Club. You could kind of say I grew up with Better Investing and that early exposure helped me feel comfortable investing in the stock market later in life. My dad has always been a man of few words, but his actions speak loud. While I was growing up, he would watch the news for stock prices daily and research new companies based on the Better Investing principles. His preparation for making wise investment decisions helped me see habits that I needed to become a savvy investor. Because of this early exposure, I was comfortable investing as soon as I was old enough to open my own brokerage account, invest in my first 401k through work, and join my dad's investment club.

But just because I was comfortable with the stock market pretty early on, many of my peers didn't share the same perspective. Most were afraid to invest on their own, but did participate in their companies' 401k program. Some were just completely unaware that it could help them save for long term goals like retirement. But a few felt they had seen the market let down their families before during the Great

Recession and chose not to participate. I decided I wanted to help build confidence in decision making. Not necessarily did I think that I could change peoples' perspectives, but I wanted to show people there are education options available to them to learn more about the stock market. I know as a millennial myself that we value being able to access resources needed to make the best decisions with our money as possible. Most of us have student loan debt, looking to save for property, but struggle to afford those and have disposable income to invest with. So I posted a message on Facebook and asked if anyone wanted to join me to learn more about the stock market by forming an investment club.

I don't know if my dad knows that he's the inspiration for me to not only join him with The Paupers, but to also start investment clubs on my own as well. I give him credit for so much of the success I've had in my life and I have no idea how I could ever repay him for that. But now that I have my own little one to pour into, maybe I'll inspire her to start her own investment club in 25 years.

*Tasia Mabry is the North Carolina Chapter's newest Associate Director and a new mother. The Chapter Directors congratulate her on her new daughter. She is a second generation BI member who spearheaded the establishment of the Legacy Investment Team, an online club. She is that group's Treasurer and a Member of the Paupers Investment Club.

Doug Gerlach's Small Cap Picks

Reported by Dan Perlman, Chapter Director

On September 28th, Doug Gerlach spoke at the MoneyShow on his current picks among small cap stocks. Doug is president of ICLUBcentral, a wholly-owned subsidiary of BetterInvesting (BI), and editor-in-chief of ICLUBcentral's subscription newsletters: the award-winning, market-beating *Investor Advisory Service* and the *SmallCap Informer*.

Doug divided his time between explaining his BI-based philosophy and identifying his current pick of 12 small cap stocks. He started by noting that cumulatively over the past 15 years the S & P 600 small cap index has outperformed the S & P 500 by roughly a third. Next he mentioned BI's four basic principles (invest regularly, diversify, buy at the right price, hold as long as it meets BI-SSG fundamental standards). In selecting small cap stocks, Gerlach added two other principles: don't swing for the bleachers (i.e., huge gains), and chose well-managed companies with growth opportunities. He argued for remaining invested but offered six reflections on tough markets, seeing them and dips in the prices of individual stocks as offering buying opportunities.

In the second part of his presentation he briefly discussed each of 12 small cap companies that he sees as top picks for 2020 and beyond (see the Table below, the highlighted stocks were in the buy zone at the time of his presentation). (Because Doug continues following stocks that grow after he selects them, some of his "small cap" stocks are now actually smaller mid-cap stocks).



Ticker	Company	9/25/19 Price	Current P/E	Proj Total Relative Return	Proj Relative Value	Upside/Downside	Buy Below	Sell Above
AL	Air Lease	\$42.45	8.7	21.8	89%	3.8	\$46	\$89
BOOT	Boot Barn Holdings	\$35.53	24.5	10.8	134%	1.2	\$27	\$49
BSTC	BioSpecifics Technologies	\$56.95	19.0	21.5	85%	6.3	\$69	\$124
CCS	Century Communities	\$30.40	12.3	23.9	122%	4.5	\$35	\$71
DNKN	Dunkin Brands Group	80.28	29.0	13.8	136%	2.4	\$77	\$119
DOC	Physicians Realty	\$17.27	16.2	17.4	95%	4.6	\$19	\$27
ESNT	Essent Group	\$49.41	9.5	18.7	98%	3.3	\$51	\$90
EVR	Evercore Inc.	\$82.16	10.1	29.3	78%	10.2	\$114	\$213
FLT	Fleetcor Technology	\$291.57	29.5	16.4	111%	4.0	\$312	\$518
NVEE	NV5 Global	\$68.62	28.8	15.7	121%	2.4	\$64	\$116
SSNC	SS&C Technologies	\$45.07	12.7	26.7	69%	41.4	\$68	\$118
TPIC	TPI Composites	\$19.38	n/a	35.6	n/a	16.9	\$34	\$71

These are stocks that you or your club might consider, but remember: do your own analysis. Doug will again present at the Dallas MoneyShow, Monday, October 14, 12:15-1:00, title [Five Stocks To Consider Now](#) ([click here](#) to register)

BetterInvesting Launching New Web Sites

BetterInvesting's national office plans to launch its new member and new public websites on October 23rd. The new Volunteers Resources section of the BetterInvesting website will be live on Monday, Oct. 7. The Volunteers Resources pages will be maintained by the BIVA Board. The new look and feel are very much

like that of the chapter pages. The BIVA Board has done a great job of reorganizing and updating the information. The new sites are designed be more streamlined, and more easy to navigate. Outdated materials are being eliminated.

2019 North Carolina BI Chapter Activities and Events

NC-SC Educational Day

Saturday, October 26

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. The topics Cy will present are as follows:

Getting Risk Right – Seeking maximum return while minimizing risk is the goal of most, if not all, investors. The problem is that most of what we are told about “risk” is wrong. Most pundits and investment professionals equate risk with volatility. Cy will first demonstrate that volatility is not the same as risk and consider alternative definitions of risk. We will then explore how volatility presents opportunity and how treating it as risk can harm your financial well-being.

Preferred Procedure – In this class, Cy debunks worries over the “complexity” of the Preferred Procedure, explains the logic behind the process and shows how simple it is to apply. After introducing the concept, he demonstrates ways to increase your confidence in your sales growth and pretax profit margin projections. We will then examine ways to project future income tax rates and shares outstanding. Then Cy pulls it all together to demonstrate using the Preferred Procedure to project future EPS for actual companies.

Stock Portfolio Management – Stock evaluation is a vital part of successful investing, but it's just the first step. How well you manage your “team” of stock holdings is what ultimately determines your success. In this class, Cy explains why it's best to make portfolio management decisions by focusing on the potential impact on your overall portfolio of a decision to buy, hold or sell a stock, rather than just looking at a single stock in isolation. He'll then use practical examples to demonstrate how this portfolio-centered decision-making methodology can simplify your investment decisions and take emotion out of portfolio management, especially the dreaded decision to sell.

For more information including how to register, [click here](#).

Wilmington Meet and Greet

Date: Tuesday, October 29, 5:30 - 7:00 pm

Location: New Hanover County Public Library, Downtown

Address: [201 Chestnut Street, Wilmington, NC 28401](#)

Free Parking

Educational Presenter: Dan Perlman, NC Chapter Past-President of BetterInvesting

The North Carolina Chapter is pleased to announce a Greater Wilmington Better Investing event. It is for individuals who are both club and non-club Better Investing members who live in the greater Wilmington area. After time for a meet and greet, giving attendees an excellent opportunity to meet one another, Dan Perlman, NC Chapter Past-President, will present an educational component aimed at BI programs, benefits and questions members might have.

If you are a BetterInvesting member, come to meet others in the Wilmington area. If you have never been to a BetterInvesting meeting, you may want to come to hear what we are all about and to hear important information about the organization. BetterInvesting's mission is: to provide individuals and investment club members a program of sound investment information, education, tools and support to help create successful lifetime investors.

Please RSVP to: Jacqueline Jahn, jjahn100@gmail.com

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. Recordings of Meetings are now being made available for viewing.

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.

2019-20 North Carolina BI Chapter Directors and Volunteers

Terry Gilbert —President

Tanya Robinson-Caldwell —Vice
President

Ronald Cox—Assistant Secretary &
Chapter Data Manager

Warren Leggett—Treasurer

David DeBruhl

Jane Chatterjee

Kathy Dougherty

Jacqueline Jahn, Volunteer

Susan Jordan, Associate Director

Brenda Jones, Associate Director

Daniel Perlman

Sandra Scales

Tasia Mabry, Associate Director

Louise Sechler—Director Emeritus

Contact Information and Web Addresses:

Contact: contact@northcarolina.betterinvesting.net

North Carolina Web site: <https://www.betterinvesting.org/ncarolina>

National BetterInvesting Web site: www.betterinvesting.org