

### **BetterInvesting: Where Main Street Meets Wall Street 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 common-sense 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 (formerly the National Association of Investors Corporation, 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 investors how to make sense of the huge amount of information that confronts them daily and focus on what really matters. With our live and archived webinars, in-person events, easy-to-use online tools for evaluating a company’s investment potential, monthly magazine and generous community of like-minded investors, investors have all they need to take control of their financial security.

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 BetterInvesting members nationwide. The organization has grown primarily through grass roots, word-of-mouth communication to become the world’s largest nonprofit investment education organization.

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 better, 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 lifetime 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 common-sense proprietary 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 lifetime 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 that want to 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 of member volunteers who have benefited from BetterInvesting 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 BetterInvesting home office in Madison Heights, Mich. Subject to leadership and oversight by BetterInvesting's 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 and member volunteers nationwide.

BetterInvesting's revenue is derived primarily from membership dues, advertising and sales of investment publications, software and materials. BetterInvesting also operates a for-profit subsidiary, ICLUBcentral, that 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 Eve Lewis, chair of the board, and Kathleen (Kamie) Zaracki, CEO. Their passion for BetterInvesting's mission mirrors that of our founders.

Eve recently retired from Cengage Learning following an educational publishing career spanning 36 years. In her role as publishing director, Eve was responsible for new product development in the high school business, personal finance and marketing curriculum. A former business education teacher, Eve has been a supporter of BetterInvesting's mission for many years, joining the board of Directors in 2008. Her company published the high school text *Investing in Your Future*, authored by BetterInvesting, which presents BI's financial planning and investing principles in a step-by-step process. Eve's mission is to help others – particularly youth — better understand the world of personal finance and investing through BetterInvesting's time-tested methods.

Eve received her undergraduate and graduate degrees in Business Education from Northern Michigan University. She resides in Milford, Ohio.

Kamie joined BetterInvesting from The Conference Board, a global nonprofit organization where she had served as director of associates service since 2006. While at The Conference Board, she expanded its

relationship with member firms in the Fortune 1000; her accomplishments include securing major funding to launch the Center for Corporate Citizenship & Sustainability.

Kamie previously held several leadership positions at AT&T, beginning in sales and progressing to increasingly responsible and complex positions that focused on sales support, market segmentation, product management and new-product development. At AT&T she compiled a track record for improving both performance and customer service. Her activities included supporting the company's local voice and data services by improving customer satisfaction. The product received the JD Powers Award for Best Business Local Voice in 2003. She was also responsible for deploying AT&T's nationwide DSL infrastructure.

Kamie is a past president of the board of trustees for the Montclair (N.J.) Historical Society and has served as a trustee of the Montclair Shared Housing Association. She received her bachelor's degree in marketing and economics from the University of Michigan and her MBA in international marketing from Boston University.