



## **Main Street Meets Wall Street for Hundreds of Thousands of American Investors**

BetterInvesting (formerly the National Association of Investors Corporation, NAIC) plays an important role in the U.S. economy, helping thousands of ordinary Americans successfully participate in the nation's equity markets. Over 1,300 experienced volunteers, augmented by a full-time professional staff, serve nearly 90,000 BetterInvesting members nationwide. The organization has grown primarily through grass roots, word-of-mouth communication to become the world's largest non-profit investment education organization.

BetterInvesting has been a force in American investing since 1951, educating more than five million investors from all walks of life. 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, non-profit organization, BetterInvesting keeps dues low and costs down for its members. BetterInvesting's revenue is derived primarily from membership dues, magazine advertising, conference fees and sales of investment publications, software and materials. Using this fund, the organization provides cost-efficient programs and services -- bringing Wall Street to Main Street by empowering its members to become better, more informed investors.

### **What is the BetterInvesting's mission?**

Every employee, officer, volunteer and trustee is driven by the same commitment, standards of excellence and beliefs about BetterInvesting's mission of investor empowerment.

Organization 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 stocks using proprietary tools that help them collect, organize and evaluate company performance data. Key decision factors include sales growth, profit margins and earnings, which have proven to be strong predictors of stock price over the long-term.

### **How did BetterInvesting get started?**

BetterInvesting was founded in 1940 as The National Association of Investment Clubs (NAIC), by Thomas E. O'Hara, now a chairman emeritus of the organization. O'Hara partnered with the late George A. Nicholson Jr., considered the father of the modern investment club movement, and a few of their friends to form the Mutual Investment Club of Detroit. From the start, they practiced three investment principles: (1) invest regularly; (2) reinvest earnings; and (3) invest in quality growth companies at a reasonable price. A fourth principle -- diversification across company size and industry segments--was added later.



In 1951, O'Hara he took the concept to a national level by creating the NAIC to further spread the principles of investing that the Mutual Investment Club of Detroit had used so successfully for over a decade. The 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.

### **What are the benefits of BetterInvesting membership?**

We help our members build wealth through local, regional and national learning events, as well as web-based tools, software, member publications and online resources. Drawing on these resources, BetterInvesting members have routinely outperformed market benchmarks.

This can be clearly seen in BetterInvesting's Top 100 Index, which tracks aggregate member results compiled from the organization's annual survey of member investing activity. This unique index represents actual holdings of individual investors. It is market-weighted, with each stock affecting the Index in proportion to the number of shares held by BetterInvesting members. In the 15 years since its inception, the Top 100 Index has shown an annualized price appreciation of 12.5 percent, 14.7 percent higher than the 10.9 percent average gain posted by the S&P 500.

One way BetterInvesting members beat the market is by learning to avoid bad investment decisions. For example, using the BetterInvesting approach, less than two percent of BetterInvesting investment clubs owned Enron stock when that company collapsed. And, using methodology driven by company earnings and historic price/earnings ratios, our members largely avoided problems during the '90s technology bubble, since few of the "hot" companies of the time had any earnings, most had extreme price/earnings ratios and none had any significant history.

To help members develop and apply their stock assessment skills, BetterInvesting partners with more than 200 of America's top publicly traded companies. 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.

Peter Lynch, in his 1994 book, *Beating the Street*, covers BetterInvesting with the headline "8,000 Investment Clubs Can't Be Wrong." Each club is committed to the same underlying goal that drove the first BetterInvesting club in 1951: To help its members build wealth through practical investment education and support.

## How is BetterInvesting structured?

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 1,400 BetterInvesting volunteers who serve BetterInvesting clubs and individual members nationwide.

Day-to-day operations of BetterInvesting are managed from the BetterInvesting home office located in Madison Heights, Michigan. Subject to leadership and oversight by BetterInvesting's Boards, 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.

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## Our commitment

Today, the mantle of leadership worn by O'Hara and Nicholson has passed to Roger H. Ganser, Chairman of the Board and Kathleen (Kamie) Zaracki, CEO. Their passion for the BetterInvesting's mission mirrors that of our founders.

Roger is Managing Partner and founder of Venture Investors LLC (Venture), the General Partner of early stage venture capital funds focused on info-tech and bio-tech companies within the Big Ten states. The funds are focused primarily on companies spinning out of university research. Venture Investors LLC is headquartered in the University Research Park, Madison with a second office in Ann Arbor, Michigan.

Roger is on the board of directors of the Medical College of Wisconsin Foundation, UW-Whitewater Foundation, and various portfolio companies. He has a Master of Public Administration, Urban Development degree from the Rockefeller School, State University of New York, Albany and a Bachelor of Education, Broad Field of Social Science from the University of Wisconsin-Whitewater.

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.

