



FEBRUARY 2011 NEWSLETTER

From the editor...

As Better Investing members, you are a pretty tough lot. You like to have things your way and I agree wholeheartedly. That's the way it should be and that's the reason the Better Investing organization and your Rocky Mountain Chapter offer educational events of all kinds delivered in all ways to meet your needs, interests and preferences.

Some like to learn by reading... we have you covered with a broad array of excellent texts from BetterInvesting and a list of recommended reading on our [website](#).

Others learn best in a classroom environment where they can readily and easily interact with the instructor and fellow students... we have you covered again through our extensive offering of low cost, formal classroom opportunities.

Many want to "learn by doing" by analyzing a stock as a group with an experienced chapter volunteer acting as leader and facilitator. To meet that need, we offer the monthly StockTalk event and even make it available over the internet with GoToMeeting if you'd rather participate from home.

Some want us to come to the club and teach a specific subject of particular interest to the membership as a group or have the club's portfolio evaluated by a team of experienced chapter volunteers... you're covered again. Contact us for details and cost.

The national organization offers many opportunities to learn over the internet with GoToWebinar. Webinars

are often free but occasionally entail a modest fee to cover expenses.

Finally, your chapter makes GoToMeeting available for \$15 per meeting so clubs can hold meetings via the internet. Want to avoid the winter weather and the traveling hazard that often involves? Want to save time and money traveling to and from meetings? The GoToMeeting option may be right for you. One club I know now meets via GoToMeeting a majority of the time and love it. Contact us to find out more.

- John Rogers

FEBRUARY EVENTS

> **StockTalk: February 12th, 9am to Noon at the Indian Tree restaurant**

> **Introduction to the Stock Selection Guide (SSG): February 26nd, 9am to 3pm at the Indian Tree restaurant**

Go to our [website](#) and register today!

SPRING EDUFEST

The theme for the Spring EduFest on April 30th at Colorado Christian University is "**Shaping Up Your Portfolio**" and is the first in a series of EduFests putting emphasis on preparing for and living in retirement. We're all in either of those two categories, so there is something of great interest for everyone.

Our keynote speaker will be Doug Gerlach. Doug is CEO of ICLUBcentral and StockCentral and a riveting speaker. ICLUBcentral supports our clubs through online services and key software products such as ToolKit. ICLUBcentral merged with BI in 2010.

You'll not want to miss this one!

SPECIAL ANNOUNCEMENT

BetterInvesting is offering a series of webinar classes on **Intermediate Judgment**. The second class in this series will be held on February 10th, at 6:30pm MST. This webinar series of classes is focused on improving your judgment and projection skills on the SSG. If you missed the first class, it is still possible to register for this one. We will take a close look at sales. We will start by looking at past sales and show how to analyze and interpret the data in order to make realistic projections. Then we turn to projecting future sales growth and talk about factors that should be considered, where to start your projections, and the role of analysts in your projections. We will also discuss resources that can assist you in making good projections.

To register, click [here](#) and then click on "Online Classes" then select "A Closer Look at the Top Line"

TALES FROM THE BRIGHT SIDE

Better Investing generally advises to maintain a portfolio consisting of about 25% large, 50% medium, and 25% small companies. Medium and small sized companies tend to grow quickly and help us meet our target of doubling our investments in five years.

But it can be tough. There is a world of historical data and commentary available for large companies. So they are easy to research and evaluate. Medium sized companies are somewhat more difficult to research. But small companies really challenge our clubs. There is often a dearth of information on small companies because they are small and rarely have a very long history. They also tend to be more volatile and the uncertainties in our performance projections are much

higher than for large and medium sized companies. What do we do then?

Your chapter president, Joan Loken, has an excellent idea she and her club have implemented successfully. Including several small companies, Joan's club portfolio has handily beaten the S&P500 index for three years in a row since adopting this new approach. What is her secret? A combination of Manifest Investing and the [Forbes list of 100 most outstanding small companies](#).

Manifest Investing was founded several years ago by BI guru Mark Robertson. Mark and his group analyze companies the BI way with an additional twist. He calculates a Quality Factor that ranks a company against its peers in the areas of financial strength, profitability, sales growth, and earnings predictability. On the MI website, they have a portfolio (they call it a "dashboard") of the Forbes 100 small companies showing the Quality and the Projected Average Return (PAR) along with other relevant parameters.

From this list, you can choose some to further research and evaluate.

If you'd like to test it out, just click [here](#) and register for a free 30 day trial subscription. Login and find the "Published Dashboards" list and select "More dashboards..." then click on "2010 Forbes 100 Small Companies" dashboard by Daniel Horinek.

Membership in MI is \$89/yr for an individual or \$169/yr for the whole club.

Good hunting!

WORDS OF WISDOM

"Patience, planning, and perspective always win in the end"

– Nilus Mattive