

TOP TEN BETTERINVESTING VIDEOS FOR NEW MEMBERS AND WHY

Merrily Hardisty

February 16. 2022

GOALS

- Following are the goals of this presentation:
- The top ten (10) suggested educational BetterInvesting videos will instruct new members to become successful investors.
- To learn why the selected videos are important tools to building the skills of the new member.
- To learn how to access the videos and other BetterInvesting website features.
- To learn the programs designed to help the new member use and complete a Stock Selection Guide (SSG).
- To discover over 125 educational videos covering all the subject matter needed to become a better investor.

The BetterInvesting Mission

- But first, I will discuss the BetterInvesting Mission:
- As a non-profit organization, the BetterInvesting mission is to educate individual investors and investment clubs to become successful life-long investors.
- Founded in 1951, as the National Association of Investment Clubs (NAIC), BetterInvesting has helped over 5 million people from all walks of life learn how to improve their financial future. The association was borne of the conviction that anyone can become a successful lifelong stock investor by following sound, practical investing principles.
- BetterInvesting teaches you how to build a profitable portfolio of high quality growth companies to help you reach your long-term financial goals.
- BetterInvesting provides:
 - a. **Unbiased stock investing classes.** The D.C. Chapter of BetterInvesting offers Stock Selection Guide (SSG) classes both in the spring and the fall.
 - b. **Effective online stock selection and analysis tools.** Over 125 free BetterInvesting videos to help you become a better investor
 - c. **Exclusive investor publications and other resources.** The monthly BetterInvesting magazine, Ticker Talk, Stock Up, First Cut Stock Reports, Investor Advisory Service.

The BetterInvesting Methodology

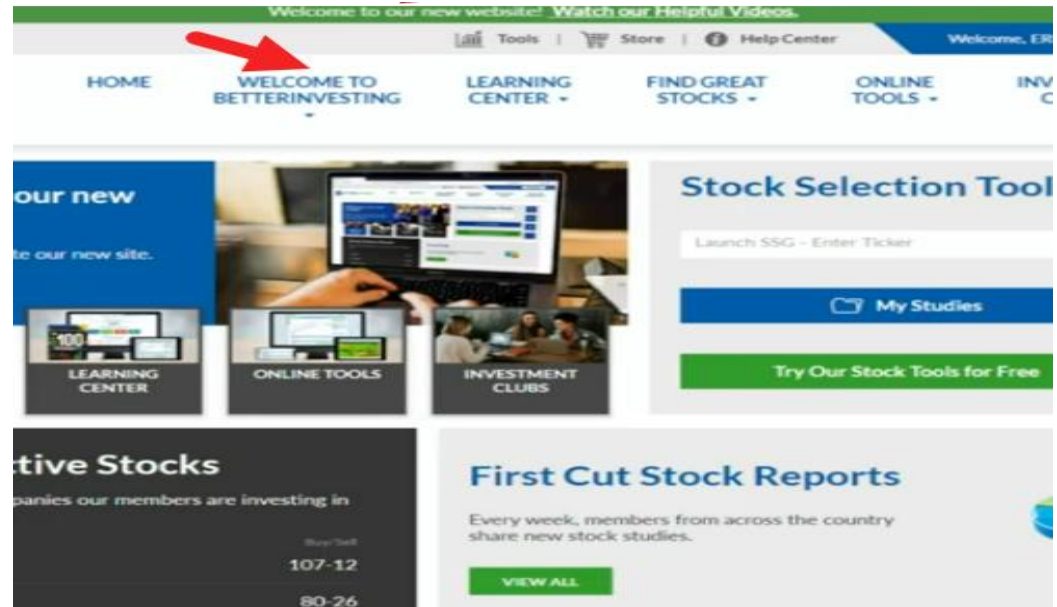
- BetterInvesting's core principles:
 1. Invest a set amount of money regularly.
 2. Reinvest all earnings.
 3. Buy stock in high-quality growth companies.
 4. Diversify your portfolio.
- Principle No. 3 is where the most energy is placed:
 1. Look for companies in which to invest.
 2. Verifying company quality.
 3. Determining a fair price to pay for the company's stock.
- To find a quality growth company and whether the stock is selling at a reasonable price, better investor's use the Stock Selection Guide (SSG).
- The BetterInvesting educational programs teach the methodology behind the SSG. The online stock selection tools enable you to apply the methodology.
- Better investors are not stock traders. They hold a company in their stock portfolio as long as the company's fundamentals remain intact and the potential for an appropriate return on the investment exists.

TOP 10 EDUCATIONAL VIDEOS AND WHY

1.	BetterInvesting New Website Orientation	39:05
2.	Why Invest in Stocks	57.25
3.	Understanding the Jargon	1:05:44
	Introduction to the Stock Selection Guide (SSG) Series (SSG):	
4.	Selecting the Best Companies	1:07:33
5.	Determining a Fair Price	1:09:22
6.	Estimating Future Growth	1:22:49
7.	Estimating Future P/E's	1:17:32
8.	Judgment and the Stock Selection Guide	1:15:28
9.	CoreSSG Tutorial	1:19:31
10.	SSGPlus Tutorial	1:17:42

Video #1 BetterInvesting New Website Orientation

- You will learn the ins and outs of the newly improved website navigation features and original content for members and guests. You will find this video by going to the BI member page, logging in, and clicking on the “Welcome to BetterInvesting” tab.
- You will familiarize yourself with how to log in to the new member home page, access the new Video Learning Library (there are more than 125 educational videos), First Cut Stock Reports and more. These webinar recordings are free and available to all individuals interested in stock investing.
- Highlights:
 - Showcases education about investing
 - Learning Center
 - Online Tools
 - First Cut Stock Reports
 - Upcoming Events
 - Most Active Stocks
 - My Chapter
 - BetterInvesting Magazine
 - Ticker Talk
 - Stock Up
 - Events
 - Find Great Stocks
 - Investment Clubs
 - Our Community



BetterInvesting Videos 2 - 10

- To access videos 2 – 10, go to the BetterInvesting Home Page, log in, go to the Tool Bar and click on “Learning Center.”



HOME

WELCOME TO
BETTERINVESTING

LEARNING
CENTER ▾

FIND GREAT
STOCKS ▾

ONLINE
TOOLS ▾

INVESTMENT
CLUBS ▾

OUR
COMMUNITY
▾



Video #2 Why Invest in Stocks

- This introductory video discusses the rationale for long-term equity investing, the value of financial freedom and how BetterInvesting principles can be applied to becoming a successful investor.
- You will learn why people buy stocks to make money.
- You will learn how the Stock Market provides a mechanism to share in company profits.
- You will learn the basic vocabulary you need to know to study stocks.
- You will learn that price depends on perception as well as supply and demand.
- The BetterInvesting method provides a structure for evaluating and selecting stocks for maximum return.

Video #3 Understanding the Jargon

- The basic concepts and vocabulary needed to study the Stock Selection Guide (SSG) are introduced.
- Profits are important
- What is Wall Street?
- Indexes: Measuring the Market
- Ticker Symbols
- P/E or Price to Earnings Ratio
- The BetterInvesting Stock Selection Guide organizes all of the jargon to determine answers to two key questions:
 1. Is the stock a quality growth stock?
 2. Is it selling at a fair and reasonable price?

Stock Selection Guide (SSG)



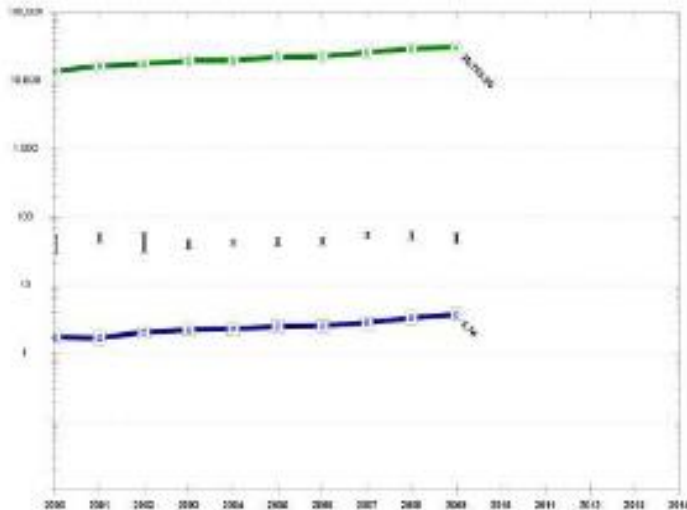
Company:	Abbott Laboratories	Date:	3/15/2010
Prepared by:	CAF/MSZ	Data taken from:	SEI 2009 Q3R
Market traded:	NYSE	Industry:	Pharmaceutical Preparation/Manufacture
Capitalization — outstanding amount:	marketplace		
Preferred (\$M):	0.0	% Insiders:	0.0
Common (\$M Shares):	1,551.2	C/E:	9.0
2007 (EPS):	14.932	% to 1st Qtr:	41.3
		% Ret/Dn:	6.9

Stock Selection Guide

Symbol: ABT

1 VISUAL ANALYSIS of Sales, Earnings, and Price

122009 quarter ending (12/29)	2009 (2Q)	earnings per share
Latest Quarter	6,709.1	1.13
Year Ago Quarter	7,945.1	0.68
Percentage change	10.89%	12.28%



(1) Historical Sales Growth: 8.9% (2) Historical Earnings Per Share Growth: 8.7%

(3) Estimated Future Sales Growth: 0.00% (4) Estimated Future Earnings Per Share Growth: 0.00%

2 EVALUATING Management

Abbott Laboratories

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Last 5 Year Avg
Pre-tax Profit on Sales (Net Sales - Taxes/Gain)	26.81%	21.76%	24.39%	23.31%	23.90%	22.89%	22.55%	20.83%	21.56%	21.55%	22.02%
% Earned on Equity (EPS / Book Value)	21.02%	28.82%	30.19%	26.62%	26.62%	26.48%	27.67%	26.58%	29.69%	26.38%	26.72%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for estimating earnings per share stock prices. PRESENT PRICE \$4.2 HIGH THIS YEAR \$6.79 LOW THIS YEAR \$1.27

Year	A	B	C	D	E	F	G	H
	Price	Price	Earnings	Price Earnings Ratio	Dividend	% Payout	% High Yield	
	High	Low	Per Share	High A / C	Low B / C	Per Share	P / C * 100	F / B * 100
1 2000	\$5.00	\$7.50	3.48	20.15	\$5.12	1.055	42.70	2.65
2 2000	49.87	29.18	2.93	18.71	15.49	1.182	45.85	2.56
3 2007	\$9.00	49.70	2.82	21.10	17.28	1.272	45.04	2.61
4 2008	61.08	45.75	3.32	18.40	13.78	1.425	42.32	3.07
5 2009	\$7.29	41.27	3.74	15.34	11.03	1.080	41.71	3.78
6 TOTAL		212.6		54.7	72.7		218.7	
7 AVERAGE		42.5		18.9	14.3		43.7	
8 AVERAGE PRICE EARNINGS RATIO 18.7							9 CURRENT PRICE EARNINGS RATIO 14.6	

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 6 YEARS

Avg. High P/E: 0.00 X Estimate High Earnings/Share: 0.00 = Forecasted High Price \$: 0.00

B LOW PRICE - NEXT 6 YEARS

(a) Avg. Low P/E: 14.54 X Estimate Low Earnings/Share: 3.74 = Forecasted Low Price \$: 0.00

(b) Avg. Low Price of Last 5 Years: 42.49

(c) Recent Market Low Price: 41.27

(d) Price Dividend With Support: Present Dividend: 1.762 High Yield: 3.82% = 48.52

Selected Forecasted Low Price: 0.00

C ZONING - 25%-50%-25%

Forecasted High Price: 0.00 Minus Forecasted Low Price: 0.00 = 0.00 Range: 25% of Range: 0.00

Buy Zone: 0.00 to 0.00

Hold Zone: 0.00 to 0.00

Sell Zone: 0.00 to 0.00

Present Market Price of \$4.22 is in the Sell Zone

D UP-SIDE DOWN-SIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

High Price: 0.00 Minus Present Price: \$4.22 = -4.22 = -1.00 To 1

Present Price: \$4.22 Minus Low Price: 0.00 = \$4.22

E PRICE TARGET (Risk: This shows the potential market price appreciation over the next five years in simple interest basis)

High Price: 0.00

PRESENT MARKET PRICE: \$4.22 = 0.00 X 100 = 0.00 = 100 = -100.00 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A Present Five Year Dividend \$: 1.760 Present Price of Stock: \$4.52 = 0.39 = 3.23 % Present Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout: % = %

Forecast High P/E: 0.00 = %

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout: % = %

Forecast Average P/E: 7.27 = %

C COMPOUND ANNUAL RETURN - USING FORECAST LOW P/E

Annualized Appreciation: %

Average Yield: %

Annualized Rate of Return: %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation: %

Average Yield: %

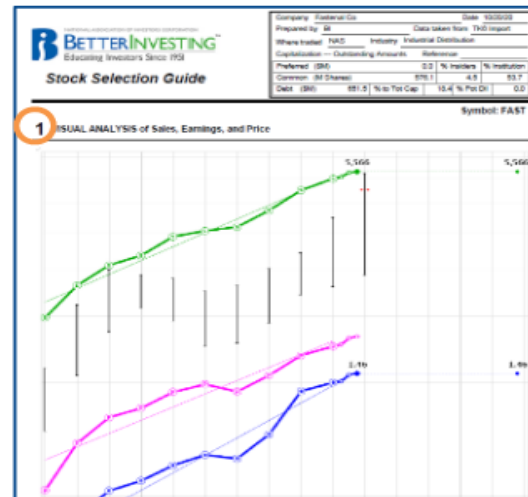
Annualized Rate of Return: %

Video #4 Selecting the Best Companies

- Learn to read and interpret sections 1 and 2 of the Stock Selection Guide to recognize high quality growth stocks.

The Stock Selection Guide: Printed Report Section 1 & Section 2

Organizes fundamental information needed to determine if a company is a quality growth company.



(Page 1)

2 EVALUATING Management

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last 5 Year Avg.
Pre-tax Profit on Sales	19.0%	20.8%	21.5%	21.5%	21.1%	21.3%	19.9%	19.9%	19.9%	19.6%	20.1%
% Earned on Equity	20.7%	25.4%	27.0%	25.6%	25.8%	28.7%	26.2%	28.5%	32.3%	30.6%	29.3%
% Debt To Capital	0.0%	0.0%	0.0%	0.0%	0.0%	14.4%	16.6%	16.9%	17.6%	15.9%	16.3%

Fastenal Co

(Page 2)

Video #5 Determining a Fair Price

- You will review guidelines to identify high quality, growth companies
- You will learn to read and interpret a completed Stock Selection Guide to determine if a company is currently at a fair price.
- You will evaluate the expected annualized return if a stock is purchased at the current price.
- Price/Earnings (P/E) helps you evaluate how a stock is valued by investors.
- High and low prices are estimated based on future expectations for earnings per share (EPS) growth and P/E's.
$$P/E \times EPS = \text{Price}$$
- Your judgment is required to complete the SSG.
- Price zones and the upside downside ratio indicates when to buy hold and sell.
- Buying quality growth stocks at too high a price is one of the biggest mistakes you can make as an investor!
- Total return consists of both price appreciation and dividend yield.
- BetterInvesting suggests that the goal for a portfolio be 15% compounded annual return. However, each and every stock does not need a 15% compounded annual return to meet the goal. A diverse portfolio offers the goal of a 15% annual return:
 1. Company size and expected return are frequently related: Small Company offers faster EPS growth, more risk and more volatility. Large Company EPS growth slows as company gets larger, is more stable and less volatile.
 2. Diversify by Size: BetterInvesting suggests your portfolio include: 25% small companies (annual sales are less than \$1 billion), 50% medium companies (annual sales are between \$1 billion and \$10 billion) and 25% large companies (annual sales are greater than \$10 billion).
 3. Diversifying by company size and growth rate: Small – acceptable growth at least 12%; Medium – acceptable growth 7% - 12%. And Large acceptable growth 5% - 7%

Video #6 Estimating Future Growth

- This video returns to a more thorough examination of the Analyze Growth and Evaluate Management sections of the Stock Selection Guide (SSG), by examining historical sales and earnings per share growth and factors that contribute to future growth. Guidance is offered to help make reasonable, conservative projections of future sales and earnings growth rates. The intent of the video is to teach the student how to make reasonable growth projections.
- What you will learn:
 1. Identify the relationship between earnings and sales. Earnings come from sales.
 2. Introduce some factors that contribute to sales and earnings growth.
 3. It is natural for a company's growth to slow as it gets larger.
 4. Review guidelines for making reasonable growth projections.
 5. Sales related questions: What does the company do to make money? What factors contributed to the growth of sales in the past? How will the company grow sales in the future? Are there any problems in the company or industry? To answer these questions, it is best to reference several resources such as Value Line; Morningstar. CFRA, and the company website.
 6. The growth projections you make are based on a combination of historical data, analyst estimates, and other research.
 7. Quality growth companies have consistently growing sales, consistently growing EPS and good management. Future EPS are projected to determine future stock price.
 8. Before you can project future sales growth you should know what the company does to make money, how they grew sales in the past, some ways they plan on growing future sales and potential risks to future growth.

Video #7 Estimating Future P/Es

- This video provides guidelines to help you make reasonable projections for future high and low P/Es and determine if the stock is a buy, sell or hold.
- What you will learn:
 1. Gain a better understanding of estimating P/Es five years into the future. Are there any trends? Are there values that do not seem to fit? P/Es in the 30s and above are rare and hard to maintain.
 2. Practice estimating P/Es five years into the future. You want your forecast low price to be lower than the current price. A good rule of thumb is to keep the forecast low price at least 20% below the current price.
 3. Learn to select a reasonable price range for the stock five years from now Use extreme caution if you estimate future P/Es higher than the historical averages.
 4. Gain a better understanding of potential return.

Video #8 Judgment and the SSG

- The main judgments needed to complete an SSG are reviewed. How your judgment affects the SSG to determine whether the stock is a buy, hold or sell is examined.
- What you will learn:
 1. Define a quality company.
 2. Discuss need for judgment on the Stock Selection Guide.
 3. Identify judgment items on the SSG.
 4. Discuss how judgment is tied to conclusions on the SSG.
 5. Emphasize that better judgments lead to better results.

Video # 9 CoreSSG Tutorial

- See how easy it is to navigate step-by-step through a stock study using the CoreSSG in the tutorial. The CoreSSG is designed for beginner investors. Education and analysis tips are included to guide the user step-by-step through the process. Key features are reviewed and demonstrated.
- What you will learn:
 1. “Learn by doing” process
 2. Acclimate you to the CoreSSG
 3. Complete a Core SSG
 4. Learn how to save, share and update a CoreSSG.
- Resources:
 1. CoreSSG Quick Start Guide
 2. SSG Guidelines for Beginners

CoreSSG Quick Start Guide

CORE SSG CoreSSG Quick Start Guide

1 How to Access

What Is the Stock Selection Guide?

The Stock Selection Guide (SSG) is BeteInvesting's primary stock analysis tool, which organizes a company's historical financial data to help investors identify the characteristics of quality growth companies and to enable plotting of potential future growth from historical trends. The SSG also organizes historical price and P/E data to help an investor determine a reasonable price to pay for the stock.

The online CoreSSG tool presents the core concepts and conservative guidelines of the Stock Selection Guide methodology in an easy-to-use, step-by-step format for the new investor.

To open a new study, enter a ticker into the box on the member home page, pick from the list and click GO

Stock Selection Tools

GO

My Studies

New Study

For our Stock Tools for Free

-OR- Click on My Studies to go to your library of saved studies.

2 How to Open a New Study, Open a Saved Study

Click on the My Studies icon to open the Portfolios and Studies page.

Enter a new ticker and click on New Study.

Mouse over an existing study and click to open.

- Step-by-step guide to navigating the CoreSSG stock selection tool
- Available on the Help & Information Tab

Video #10 SSGPlus Tutorial

- This tutorial includes a demonstration of how to walk through the SSGPlus to complete a Stock Selection Guide highlighting many of the features in this powerful stock analysis tool.
- What you will learn:
 1. What is the SSGPlus and how do I access?
 2. Key operations from the Quick Start Guide.
 - a. How to Access
 - b. How to Open a New or Saved Study
 - c. How to Visually Analyze History & Quality
 - d. How to Review Peer Data
 - e. How to Forecast Sales & Earnings
 - f. How to Review P/E History, Forecast Prices
 - g. How to Review Your Potential Return
 - h. How to Save, Share, Print & Research

Member Home Tools Access

The screenshot displays the Better Investing member home page. At the top, a navigation bar includes links for Tools, Store, and Help Center, along with a user greeting 'Welcome, Smart Investor 19' and a 'MY ACCOUNT' link. Below this is a main navigation menu with options: HOME, WELCOME TO BETTERINVESTING, LEARNING CENTER, FIND GREAT STOCKS, ONLINE TOOLS, INVESTMENT CLUBS, and OUR COMMUNITY. The main content area features a 'Welcome!' section with a 'WATCH VIDEO' button and four category tiles: WELCOME!, LEARNING CENTER, ONLINE TOOLS, and INVESTMENT CLUBS. To the right is a 'Stock Selection Tools' section with a search input field labeled 'Launch SSG - Enter Ticker', a 'GO' button, and a vertical stack of buttons: SCG, CR, and a question mark. Below the main content are two additional sections: 'Most Active Stocks' (describing the top 10 companies) and 'First Cut Stock Reports'.

SSGPlus Quick Start Guide

SSG^{PLUS} SSGPlus Quick Start Guide

Are you ready for SSGPlus?

The online SSGPlus tool provides a two-page view of the Stock Selection Guide for the more experienced user.

Users already familiar with Stock Selection Guide concepts and who complete SSG studies on a regular basis find that the condensed format of the SSGPlus is easy and efficient to navigate.

The SSGPlus tool also offers in-depth research opportunities by providing additional graphs of fundamental annual data, quarterly data analysis and more portfolio reports.

Regardless of the SSG tool used, the methodology and the results are the same.

1 How to Access

To open a new study, enter a ticker into the box on the member home page, pick from the list and click GO.



-OR- Click on My Studies to go to your library of saved studies.

2 How to Open a New Study, Open a Saved Study

Click on the My Studies icon to open the Portfolios and Studies page.

Enter a new ticker and click on New Study.

Mouse over an existing study and click to open.



- Eight Easy Steps to Basic SSGPlus Functionality
- Available as a handout on the event page and in GoToWebinar control panel.
- Available on the Help & Information Tab

Link to BI Stock Selection Website

**Learn every step of the BetterInvesting
stock selection process by visiting
www.betterinvesting.org/intro**

Conclusion

The benefits of watching the the top ten BetterInvesting videos for new members are:

- Learning how to navigate the BetterInvesting website.
- Getting to know the BetterInvesting Mission and Methodology.
- The videos will assist new members to become successful investors.
- Learning why the selected videos are important tools to building the skills of a new member.
- More experienced members can review the videos to strengthen their judgments.
- Learning how to use and complete the online stock selection and analysis tools.
- Making smarter investing decisions.
- And, finally, discovering the value of financial freedom and the rationale for long-term equity investing, and how BetterInvesting principles can be applied to becoming a successful investor.

Learn more at:

<https://www.betterinvesting.org/members/learning-center/video-learning-library/video-library?p=2016>