



PUGET SOUNDINGS

Puget Sound Chapter - BETTERINVESTING

Winter 2020

Puget Soundings is the newsletter of the Puget Sound Chapter of BetterInvesting. The chapter's mission is to provide its members with investing education and club development information.

Circulation: 1100

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Help Your Grandkids Create Their Own Inheritance

BetterInvesting strives to introduce young people to the benefits and tools for sound money management, saving and investing, so they can start early and create a lifetime of financial security.

Duane and Lynn Fister, members of the STAR investment club in Gig Harbor since 2007, have embraced that goal: they open a Roth IRA for each of their teenaged grandchildren, and every time the teenager puts their own money into the account, Duane and Lynn match it, until the account reaches a total value of \$1,000.

"As your grandchildren



The Fister family at the Investors Education Conference, from left: Daughter Julianne McLain, grandson Matyus McLain, Lynn Fister, daughter Lael Gray and Duane Fister.

become teenagers, it's hard to come up with gift ideas for them, and this also helps us share and pass on our values to them," says Lynn.

One of their grandchildren,

17-year-old Kyla Gray of Pullman, has a job at McDonald's and has invested \$1,000 of her own money in her account. With her grandparents' contributions and valuation gains,

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Back by Popular Demand, 2020 IEC Scheduled for November 7

The 2019 Investors Education Conference, held November 9, was well attended and enthusiastically received. The event featured several new classes and a new club portfolio review session (see page 2) in place of the former club portfolio contest. Many classes had standing-room-only attendance and our day-long Intro to the SSG class attracted new members and beginning investors.

Many thanks to Al Valencia, who chaired the event for the first time. He did an outstanding job, and he has volunteered to chair the event again in 2020. Yay!

This year's IEC will be held Saturday, November 7, again at the Mercer Island Community Center. Planning will start soon and volunteers are always needed.

Thanks to the hard-working committee that organized the 2019 event: Bob Adams, Gary Ball, Shaun Danielson, Diane Ellison, Linda Glein, Marilyn Grose, Jackie Hertel, Susan Kirsop, Huong Nguyen, Cecil Penberthy, Chris Reightly, Bill Riordin, Lisa Robertson, Betty Taylor, Carol Theine, Bev Tiedje and Al Valencia

2019 Chapter Portfolio Review & Repair Shop

New at the 2019 Investors Education Conference was a chapter-wide club portfolio summary and club “repair shop,” led by Puget Sound Chapter President and IEC instructor Carol Theine. This replaced the portfolio contest we have had in years past, as participation had declined.

Twelve clubs submitted their portfolios, with a total value of \$1,621,311. Here are some of Carol’s observations:

- Average number of stocks per club: 10 (22 high; 5 low)
- Sector diversification: Consumer Discretionary, 26%; Industrials, 19%; Tech, 16%; Financials, 14%.
- Size diversification by growth rate: Large/Slow Growing, 20%; Medium, 26; Small/Fast Growing, 45%
- Top stocks (number of clubs that own): ULTA, 8; AL, 7; AMZN, 6; V, 5; SBUX, 5; CTSB, 5; GOOG, 5; FB, 4; AAPL, 4; GNTX, 4

The Women of Woodinville (WWW)

Shauneen Danielson, chapter treasurer, has been awarded the national Thomas E. O’Hara Award for outstanding service. Shaun has been the chapter’s treasurer for several years and has served on the nominating committee. She negotiates venue contracts for our events, including the Investors Education Conference, and keeps track of the chapter’s equipment and supplies. Shaun always steps up to the plate when something needs to be done and no one else volunteers.

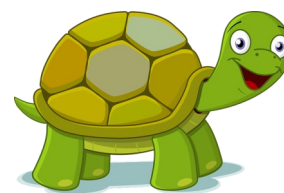
was the brave club that agreed to have its portfolio analyzed in a live and public “repair shop,” modeled after the popular feature in the BI magazine.

Carol noted that for a club with 10 members, WWW’s current holding of 21 stocks, plus 3 mutual funds, is too many. She suggested 15, with each stock accounting for 5-10% of the portfolio. AMZN has been very successful for the club; it now represents 18% of the portfolio and overweights it in the consumer cyclical sector. CRM (Salesforce) has also done well but projected annual return (PAR) has slowed. Both stocks are now in the sell zone. She suggested other lower return holdings COST, BRK.B and HD be examined for possible sale. She noted the club has good core holdings in GOOG, COST, HD, SBUX, ULTA and PCAR.

The club is well diversified with 50% fast growth rate stocks, 25% medium growth and 25% slow growth.

Betty Taylor was awarded the chapter’s 2019 Blue Chip Award at the IEC. Betty has served on the board since 2010, and has served on the nominating committee. Betty’s biggest contribution is as registrar for our events, including classes, special meetings and the IEC. She sets up our events in EventBrite so attendees can register online, and keeps track of attendance numbers and payment. Everyone who works with Betty notes her cheerfulness and her wonderful smile.

Tips for Club Meetings From Ken Kavula, Mid-Michigan



The mascot for Ken Kavula’s Mid-Michigan Model Club is a tortoise, reflecting the club’s style – slow and methodical.

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Typical Agenda:

- Ideally, meetings should be an hour, never more than 1 ½ hours. .
- 10-30 minutes on education. They do “themes” over a few months or the entire year. In 2019 they focused on the online SSG tools. This year they will spend 2 or 3 months on crypto currencies – block chain and bitcoin.
- Often (4 or 5 times a year) education is in the form of an industry study for a stock they are considering. These take 45-50 minutes.
- 10-15 minutes on stock reports and buy/sell/hold decisions. Don’t waste time on every stock. Address only 2 or 3 only if there are issues that need addressing

Buy and Sell Decisions:

- Never buy a stock the first time it is presented
- Always do an industry study for a proposed stock and use the SSG to compare it to peers (See “Buy the Best” webinar at betterinvesting.org/members/learning-center)
- Always try to get consensus on buys and sells. Don’t make decisions until everyone is on board, even if it takes 2 or 3 meetings
- For and buy and sell decisions, spell out and document your reasons for buying and selling

Schedule a Club Class or Visit

Was your club unable to attend our Investors Education Conference in November? Do you have new members or members who need a review of the Stock Selection Guide. We offer our core Stock Selection Guide classes to clubs "on-demand," where our excellent instructors come to you. We can offer any of the classes to your club at a mutually agreeable date and location.

Fees are flexible based on number of hours, number of students and instructor travel distance. We can also publicize the class to BI members in the area to build up a larger class.

You provide the classroom and a screen (or blank wall), and we'll provide the instructor, equipment and materials. We can teach one of these standard classes or customize a class to meet your club's needs:

- Introduction to BI Methodology--Core Class I
- Stock Selection Guide (SSG) Judgment--Core Class II
- Portfolio Management --Core Class III

We also offer one-hour **club visits**, to discuss a topic of interest or to review your club's portfolio. To arrange a class or visit, email contact@puget.betterinvesting.net. Visits are free if instructor's travel is within 50 miles.

Model Club and Kitsap Workshops

The Puget Sound Chapter's **Model Investment Club** is an operating stock investment club intended to demonstrate best practices to those already in or interested in joining a club. We welcome BI members and the public to observe meeting operations, stock studies and investment decisions. Membership is open to investors of all levels residing in Washington state.

Most meetings are online and are usually held on the third Monday of the month, from 7 to 8:30 p.m. Advance registration required. For links to online meetings: betterinvesting.org/puget

The **Kitsap Special Interest Group** meets the second Monday of each month, September through June, from 12:30 to 3:30 p.m. at the Sheridan Park Community Center, 680 Lebo Blvd. Bremerton. Coordinator is Al Valencia, coach_al@hotmail.com

March 9 – Exploring the BetterInvesting website. A company will be reviewed using online tools.

April 13 – Value Investing. Comparing and contrasting value companies with growth companies.

May 11 – Intrinsic Value. How to find this Buffetesque quality and apply it to a stock study.

June 8 – Successful Steps to Investing. A basic blueprint to start with for gaining the knowledge of stock study.

Help Your Grandchildren Create Their Own Inheritance

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she has already accumulated a nice nest egg. Even after reaching the Fisters' contribution limit, Kyla continues to invest her own money.

"When she gets her paper statements in the mail, it's pretty exciting," said Lynn, noting that Kyla's been lucky to have started investing in an up market and has seen a 20 percent return. "But she's young and even if the market changes, she's still got lots of time."

One of the Fisters' 14-year-old grandsons, Matyus McLain, of Priest River, Idaho, attended the chapter's Investors Education Conference last November, and is excited about getting started investing. For Christmas, the Fisters gave him a book, "Quit Like a Millionaire: No Gimmicks, Luck, or

Trust Fund Required" and also talked to him about some of the BetterInvesting principles. They're even looking for an investment club in his area.

The Fisters have 10 grandchildren (with another on the way) and are committed to continuing the contributions as those children become teenagers. Matyus' 10-year-old brother Mason is already showing an interest and enjoyed reading parts of the "Quit Like a Millionaire" book.

Lynn notes that a Roth IRA can only be funded with the child's earned income (even from things like babysitting and household chores) and those earnings cannot be inflated beyond a fair market value. They are careful not to "match" more than the amount the child has earned in a year.



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To Stay In Touch, Make Sure You're Getting Chapter Emails

Over the last few years, we've reduced the frequency and size of this printed edition of our chapter newsletter. To make sure you're hearing about chapter events and news, **make sure you're getting our chapter email newsletter**, Puget Soundings. We try hard not to inundate you with emails; we generally send only one a month.

To subscribe, log in to your BetterInvesting account at betterinvesting.org and click on the "My Account" link at the top of the page. In the left column, click on the "Email and Product Subscription Information" link. Once there, you can opt in to various kinds of news and notices. To get Puget Sound Chapter news, be sure to check "Local Chapter News and Events."

You can also keep in touch by visiting our website:
betterinvesting.org/puget

To contact a board member, email:
contact@puget.betterinvesting.net

Invite Your Friends and Family to Our April Money Smart Week Events

Every April, our chapter participates in the national Money Smart Week, aimed at introducing the public to basic financial literacy. This year we have an outstanding lineup of presentations. All classes will be held at the Seattle Central Library, on Saturdays, 2-4 p.m. Our excellent instructors are Gary Ball and Sanjib Saha.

If you have family and friends who could benefit from some basic financial information, this is a great place to start. The first two classes are primarily aimed at those in their 20s through 40s, while the last class is aimed at those in their 50s and 60s. However, all classes have information for all age groups.

- April 4:** A Roadmap for Your Lifetime Financial Journey
- April 11:** Earn Your Financial Independence
- April 18:** It's Never Too Early to Start Planning for Retirement
- April 25:** Stop Worrying and Start Living Your Retired Life