

For myICLUB.com Investment Clubs

# Linking myICLUB.com to BetterInvesting's Online Tools™

QUICK  
START  
GUIDE



Estimates Source: Thomson/Zacks

2005

2006

2007

2008



OK

# Linking myICLUB.com to BetterInvesting's Online Tools Quick Start Guide

Keeping your club's portfolio up-to-date has never been easier than with **myICLUB.com's** link to the **BetterInvesting (BI) Online Tools**. Now your investment club members can update their **Stock Selection Guides** once on the **BetterInvesting.org** website, and all data and judgment will flow through to the club's **Portfolio** and **StockWatcher Reports** on **myICLUB.com**.

This **Quick Start Guide** will help you and your fellow investment club members get started on this new feature to enhance your portfolio management tasks. Please review it carefully, and feel free to let us know if you have suggestions or discover problems with the functions.

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## Overview of the myICLUB.com/BI Online Tools Link

Investment clubs must undertake many tasks related to portfolio management on a regular basis. Learning to identify overvalued holdings or spotting potential problems before they become more severe can help a club to increase its total return and minimize its risk. **myICLUB.com's** numerous **Portfolio Reports** can assist in this regard.

Since many of the myICLUB.com **Portfolio Reports** are based on aspects of **BetterInvesting's Stock Selection Guide (SSG)** approach to stock analysis and portfolio management, many of the myICLUB.com Reports require the judgment of an individual who is analyzing the company. These judgment items, such as the projected growth of earnings per share and revenues or the expected high and low Price/Earnings Ratios of the future, are part of the SSG tools. As a company's price, EPS, revenues, and other values change over time, the values on the Portfolio Reports also change. Carefully monitoring these changes starts with regularly updating the SSG for each stock in the club's portfolio.

Since the overwhelming majority of clubs and users of myICLUB.com are BetterInvesting members, myICLUB.com has created a tool to link member's SSGs to their clubs' portfolios. This way, club members need only update their SSGs on the BetterInvesting.org website and updates are automatically made to the club's portfolio on myICLUB.com, with no extra steps involved!

In addition to fueling the club's Portfolio Reports, a member's SSG is also used to be linked to that member's **StockWatcher Reports** on myICLUB.com, another useful aid for interpreting the most important items that impact a company's long-term prospects.

To utilize this function, each member first needs to link their BetterInvesting.org account to their myICLUB.com account. This is a one-time function.

The club's Administrator needs to assign each stock in the club's portfolio to a member.

Prior to each meeting (or on another schedule established by the club), each member needs to update their assigned Stock Selection Guides in the BI Online Tools application on BetterInvesting.org.

Immediately after updating their SSGs, the Portfolio Report entries and StockWatcher Reports for those stocks are updated in the club's myICLUB.com website.

If a member doesn't update their SSGs, the Portfolio Reports will show the information from the last update, whenever it was.

## Link Club Member Stock Studies to myICLUB.com StockWatcher & Portfolio Reports

myICLUB.com **Portfolio Reports** provide important details on fundamental characteristics of the stocks owned by the club. This information can help you maintain diversification, spot signs of trouble, and measure the portfolio's performance over time.

Several of the reports -- the **Portfolio Review**, **Portfolio Offense**, **Portfolio Defense**, **Portfolio Summary**, and **Portfolio Trend Reports** -- require estimates of each company's future performance. These judgment items come from the Stock Selection Guide, and so must be provided by the stock studies created and maintained by one or more members using BetterInvesting's BI Online Tools application (BetterInvesting membership required for each member serving as a StockWatcher). By linking to the club StockWatchers' individual stock studies, all club members can view the results on the five portfolio reports that utilize SSG data.

In order to fill in the data in the myICLUB.com Portfolio Reports, the club's Administrators and StockWatchers must follow these steps:

### 1. On myICLUB.com, club members link their myICLUB.com accounts to their BetterInvesting.org memberships.

- On [myICLUB.com](https://myiclub.com), click **My Account** at the top right corner of any page.
- Select **Establish BI Link** from the left navigation menu.
- Enter your BetterInvesting username and password, then click the **Establish Link** button.
- Once your link is established, the message "Your ICLUB-BI link is established" will be displayed along with your BetterInvesting membership number. (This only needs to be done once by each member.)

### 2. On myICLUB.com, the club's Administrator assigns each of the club's stocks to a StockWatcher.

- On [myICLUB.com](https://myiclub.com), go to the **Reports** page, and then click **StockWatcher Assignments**.
- Select the assigned club member for each stock in the club's portfolio. (Note: Only stocks can have StockWatchers. Other types of securities cannot be assigned.)
- Click the **Submit** button when done.

### 3. On BetterInvesting.org, club members create Stock Selection Guides for their assigned stocks using BI Online Tools.

- If a study already exists, then this step can be skipped.
- If a study does not exist, members should log into the [BetterInvesting.org](https://www.betterinvesting.org) website and create an SSG using BI Online Tools.

### 4. On myICLUB.com, club members select the BI Online Tools stock studies for their stocks.

- On [myICLUB.com](https://myiclub.com), go to the Reports page and select **My Assigned Stocks**.
- Select the correct BI Online Tools study to be used in myICLUB.com reports.
- Click the **Submit** button when done.

Once the above steps have been completed for each stock in the club's portfolio, the myICLUB.com **Portfolio** and **StockWatcher Reports** that use SSG data will use the judgment from each assigned SSG to complete the report.

**Club members must update the price, data, and judgment regularly in BI Online Tools (such as before each club meeting) in order for current information to flow through to the reports on myICLUB.com. They do not need to re-select the stock study on myICLUB.com.**

**It may be useful in BI Online Tools to rename the stock studies used for club updates to include the club name or other reference—this makes it easy for the member to know which stock study to update prior to a club meeting.**

## Frequently Asked Questions

**Q. What do we do if our investment club assigns multiple members to cover a single company?**

A. Only one StockWatcher can be assigned for each stock in the club portfolio and be given the responsibility to update the SSG using BI Online Tools.

**Q. How do we add StockWatchers for a new company?**

A. Repeat steps 2 through 4 for that new holding.

**Q. How do we change StockWatchers for a current holding?**

A. The Administrator can change the StockWatchers at any time using the StockWatcher Assignments page.

**Q. Who can change the StockWatcher Assignments?**

A. The club's Administrator and any members who have been assigned privileges to "Manage Ballots and StockWatcher Assignments" can set or edit StockWatcher Assignments.

**Q. Our club has a single Portfolio Manager who updates our stock studies. Can that person update the data in the Portfolio Reports?**

A. Yes, a single member with access to BI Online Tools can be the assigned StockWatcher for all of the club's holdings.

**Q. Why does the Portfolio Report says that the "SSG Link has not been established" for a company?**

A. Make sure that a member has been assigned as the StockWatcher for that company, and that the member has completed and saved an SSG for that company, and that the member has selected the study in their My StockWatcher Assignments page.

**Q. Why is the data on my report different from my SSG data? I've linked my BI Online Tools stock study to myICLUB.com?**

A. BI Online Tools allows users to save multiple stock studies for the same company. Check in the myICLUB.com My StockWatcher Assignments page to make sure the right study has been selected for that company. Tip: you can change the Study Name in BI Online Tools from the default (which is "TICKER MM/DD/YY") to something that references your club, such as "TICKER CLUBNAME." This makes it easier to identify when you are selected the study in myICLUB.com and when you need to update the SSG prior to a club meeting or presentation.

**Q. What happens if a member doesn't update their stock study in BI Online Tools?**

A. Once the study is linked to the club, the data on the study will be used whenever the Portfolio Report is displayed, no matter how old the data is. Most reports include an indication of who the StockWatcher is and the date of their last update, so all members will be see the stale data and know who is responsible.

**Q. The prices on the Portfolio Reports don't match the Valuation Statement prices. Why not?**

A. The Portfolio Reports only include data from the BI Online Tools-generated stock study for the club's stock, including current prices, P/E ratios, projected total return, buy/hold/sell prices, etc. If current prices from the Valuation were displayed alongside other data from the SSG, there could be significant discrepancies in calculations. If club members generated the club's portfolio reports using Toolkit 6 or BI Online Tools directly, the prices might not match the club's Valuation Statement prices, either. The differences can be minimized by establishing a standard date for valuations and stock studies, or for recommending that stock studies be updated as close to the meeting date as possible.

**Q. I have other questions about the particular data on the Portfolio Reports.**

A. There are two places to check for additional help about the various data points and calculations on the Portfolio Reports: the BI Online Tools documentation, and the Help link on every Portfolio Report on the myICLUB.com website.

**Q. How much is BetterInvesting membership?**

A. Visit BetterInvesting for current information on membership for you and your club at <https://www.betterinvesting.org/store/membership/club-member>.

**Q. We use Toolkit 6. Can we upload our SSG files to myICLUB.com?**

A. No, you cannot upload \*.SSG or \*.ITK files to myICLUB.com for use in the club's Portfolio Reports. However, you can upload and import \*.ITK files into BI Online Tools and they can be linked in that fashion. It may be simpler, however, to begin using BI Online Tools for your club's stock studies.

**Q. Our club owns ETFs, mutual funds, bonds, limited partnerships, or other non-stock assets. Can these be included on the Portfolio Reports?**

A. No, only Common Stocks are suitable for inclusion and review on the myICLUB.com Portfolio Reports, and other asset types are not included.

## Help for Portfolio Reports

### Portfolio Review Report

The **Portfolio Review Report** is the first line of defense in keeping the one out of five stocks that might be a loser from damaging your portfolio. This tool permits you to view your companies' quarterly operations and the percent changes from the comparable periods in the previous year, in effect generating early warning signals when you need to investigate sub-par performance.

This report permits you to view your companies' quarterly operations and the percent changes from the comparable periods in the previous year and receive early warning signals when you need to investigate sub-par performance. Using the Portfolio Review and the other myICLUB.com portfolio management reports, you may be able to double your money every five years—the goal of all investment clubs.

A condensed version of the report is displayed by default. This version is more streamlined and provides only the most essential information and is often easier to interpret. Check the box to “Show extended report” to see complete details.

The Portfolio Review Report will flag values to alert you when the numbers fall outside of the normal range. Any figures that are highlighted

- EPS, Sales, Pre-Tax Profit, and Trailing 12 Months (TTM) EPS will be flagged in pink if their actual growth rates are less than the estimated growth rates on the SSG.
- Proj RV (Projected Relative Value) will be flagged yellow if the value is less than 80 percent or higher than 150%.
- Rwd/Rsk (Reward/Risk Ratio or Upside/Downside Ratio) will be yellow if the ratio is less than 3 to 1.
- % Total Return will be yellow if the figure is less than 10%.
- The date when the SSG was last updated will be in red if it is older than seven days.

If no BI Online Tools Link is established for a company, the fields **Proj RV, 5-Year Avg P/E Ratios, Est EPS Grwth, PEG Ratio, Rwd/Rsk Ratio, % Total Ret, and 5-Year Est Lo & Hi Prices** will display “N/A.”

For complete definitions of the column headers, see the BI Online Tools documentation.

### Portfolio Offense Report

The Portfolio Offense Report contains the factors on which you determine that a stock is under-, fairly-, or over-valued. Typically, stocks that currently show a Reward/Risk (Upside/Downside) Ratio below 1.0, have Relative Value greater than 150%, and have a projected annual total return of much below 15% are considered to be on the overvalued range on the Stock Selection Guide. While it is often prudent to hold stocks during periods of overvaluation, a portfolio comprised of low total return stocks will not likely be able to meet your portfolio objectives for overall return.

Displayed with the name, company ticker symbol, and quarter ending date, are the following for each stock in the portfolio:

- **Relative Value (RV):** The percentage of the current P/E compared to the average P/E ratio on the SSG. Around 100% is usually considered “reasonable,” with lower levels considered undervalued and higher values considered “expensive.” When RV falls below 80% or so, it ceases to be a valuation indicator, instead pointing to a market or fundamental event that has depressed the share price significantly. Where the market is in its regular cycles (bull or bear), where the economic is headed (expansion or contraction), or how much future company growth

might be higher or lower than past growth can influence your evaluation of what a particular RV level indicates.

- **Projected Relative Value:** The percentage of the current P/E compared to the average of the future high and future low P/E ratios on the SSG. Since investors often reduce expected future P/E ratios below their historical levels (in an attempt to be “conservative” in their judgment), this figure can potentially reveal much more about a stock’s current valuation level than RV alone. (This figure will not be displayed if there is no BI Online Tools link established for the company).
- **Reward/Risk (Upside/Downside) Ratio:** The amount of potential upside from the current price to the expected future high price on the SSG (the upside) as compared to the amount of potential downside from the current price to the selected future low price on the SSG (the downside). When purchasing, this should be 3:1 or better (three times the amount of reward to each unit of risk). When the ratio falls below 1:1, the amount of future price appreciation appears to be limited. When the ratio falls closer and closer to 0:1, it means that there is likely no future price appreciation likely—and the chance that the stock could fall significantly in price is much higher. Any value below 1.0 is flagged on the Report. (This figure will not be displayed if there is no BI Online Tools link established for the company).
- **Total Return:** Total return is the annualized rate of return of the stock’s price from its current price to the estimated future high price on the SSG, including dividends. A 15% rate of total return represents a doubling of the stock’s price in five years, which would be a pleasing outperformance to the long-term annual rate of return of large-cap stocks in the 10%-12% neighborhood. While not every stock in the portfolio needs to (or will) return 15% a year, the more stocks in the portfolio that have total return rates below 15%, the greater the chance the portfolio will trail the broader market. Any value below 15.0% is flagged on the report. (This figure will not be displayed if there is no BI Online Tools link established for the company).

It is considered more important to consider defensive problems with a stock portfolio before addressing offensive (valuation-based) concerns. Often companies that appear to be overvalued are the biggest winners in a portfolio, so investors are hesitant to mess with success. But as the old adage goes, “what goes up must come down,” and overvalued stocks often perform accordingly.

For complete definitions of the column headers, see the BI Online Tools documentation.

## Portfolio Defense Report

The Portfolio Defense Report displays all of the stocks in your portfolio, highlighting those that failed to meet or exceed your threshold when comparing the fundamental performance with your expectations. For each company, you will find the quarterly data on the upper line and the data for the trailing twelve months on the line beneath, allowing for quick evaluations of all owned companies.

Displayed with the name, company ticker symbol, and quarter ending date, are the following for each stock in the portfolio:

- **% ACE Growth (Sales):** Analysts’ Consensus Estimate (ACE) of the sales growth rate for the next two fiscal years.
- **% Est Growth (Sales):** Estimated future sales growth rate, taken from the StockWatcher’s BI Online Tools stock study.
- **% Chg Sales:** Actual percentage change between sales, for the most recent quarter on top and for the trailing twelve months on the bottom. Any recent sales growth rate that is less than the

projected growth rate on the SSG will be flagged, indicating a potential deterioration of the company's fundamentals.

- **% Diff (Sales):** The percentage by which actual sales growth differs from expected growth, for the most recent quarter on top and for the trailing twelve months on the bottom. Negative values are flagged.
- **% ACE Growth (EPS):** Analysts' Consensus Estimate (ACE) of the EPS growth rate for the next two fiscal years.
- **% Est Growth (EPS):** Estimated earnings growth, taken from the StockWatcher's BI Online Tools stock study.
- **% Chg PTP:** Actual percentage change between pre-tax profit, for the most recent quarter on top and for the trailing twelve months on the bottom. While the SSG does not include projections for future growth of pre-tax profits, the estimated EPS growth rate can be used as a proxy for expected PTP growth. Any recent PTP growth rate that is less than the projected EPS growth rate on the SSG will be flagged, indicating a potential deterioration of the company's fundamentals.
- **% Diff (PTP):** The percentage by which actual pre-tax profit growth differs from expected (forecast) earnings growth, for the most recent quarter on top and for the trailing twelve months on the bottom. Negative values are flagged.
- **% Chg EPS:** Actual percentage change between earnings for the most recent quarter on top and for the trailing twelve months on the bottom. Any recent EPS growth rate that is less than the projected EPS growth rate on the SSG will be flagged, indicating a potential deterioration of the company's fundamentals.
- **% Diff (EPS):** The percentage by which the actual earnings growth rate differs from expected (forecast) growth rate, for the most recent quarter on top and for the trailing twelve months on the bottom. Negative values are flagged.

The key to interpreting the Defense Report is understanding that companies that don't meet your expectations for growth on a quarter-by-quarter basis are less likely to meet your expectations for long-term growth. Certainly, companies may have one or two "bad" quarters, but these can often lead to one or more "bad" years.

The first step is to re-evaluate the Stock Selection Guide for the affected company—it may be that recent results indicate future performance may be likely be lower than had been anticipated, so reducing expected growth rates on the SSG may cause the items to no longer be flagged on the Defense Report. Reducing expected growth rates could also lead to the conclusion that the stock is no longer a desirable candidate for the club's portfolio.

Investigate thoroughly companies with deteriorating fundamentals to understand the causes of their problems, and constantly seek to improve your portfolio by replacing weak companies with better candidates.

For complete definitions of the column headers, see the BI Online Tools documentation.

## Portfolio Summary Report

The **Portfolio Summary** is an especially popular and useful report for an investment club. It is organized to help you find opportunities to add to existing positions from the stocks you already own. Often, investors ignore companies they own when considering how to invest new monies, but the best stocks might be right beneath your nose.

In addition to the name and ticker symbol, the report offers the following information:

- **% of Portfolio:** Based on the current valuation, the percentage that the stock comprises in the portfolio.
- **Price Date:** The date the stock was priced on the SSG. For stocks that have no BI Online Tools link established, this will be the last valuation price.
- **Price:** At the last SSG price update or valuation.
- **P/E:** The current P/E on the SSG. For stocks that have no BI Online Tools link established, this is the current price divided by the trailing twelve months EPS without adjustment.
- **Relative Value:** The current P/E compared to the average P/E on the SSG. For stocks that have no BI Online Tools link established, this is the comparison of the current P/E to the actual P/E ratios of the last five years without adjustment.
- **Projected Total Return:** The annualized rate of return that the security may provide if it reaches the projected high price and high P/E ratio used in the SSG, also including dividends (if any). (This figure will not be displayed if there is no BI Online Tools link established for the company).
- **Reward/Risk:** The reward/risk (also known as the upside/downside ratio) assessment at the current price on the SSG. (This figure will not be displayed if there is no BI Online Tools link established for the company).
- **Buy Below:** The top of the “Buy” range on the SSG. (This figure will not be displayed if there is no BI Online Tools link established for the company).
- **Sell Above:** The bottom of the “Sell” range on the SSG. (This figure will not be displayed if there is no BI Online Tools link established for the company).

For further definitions of the column headers, see the BI Online Tools documentation.

## Portfolio Trend Report

While the Portfolio Review Report aids in analyzing trends of companies, the Portfolio Trend Report permits you to view the “trend of the trends”—the quarterly performance of the company’s fundamentals in each of the last *two* quarters.

The top line for each company shows the percentage change of the most recent quarter’s sales, pre-tax profit, and EPS as compared to the year-ago quarter. Also shown is the percentage change of EPS for the trailing twelve months (TTM) as compared to the twelve months immediately prior to that period.

The bottom line shows the same information, but for the quarter (or TTM) before the most recent quarter (or TTM), as compared to its counterpart one year prior.

Actual growth rates which are below the estimated future EPS growth rate are flagged in pink.

This allows you to spot quarterly and/or annual performance that has not met your expectations for two consecutive periods—a great deal more significant than the results of a single quarter. Where one bad quarter noted in the Portfolio Review Report might raise a warning flag, two in a row demand that you find out the cause. Two negative or significantly sub-standard quarters should compel you to research the problem to find out whether the cause of this poor performance is something transient, or long-term.

Re-evaluate your Stock Selection Guide judgment, paying particular attention to your expected future growth. If recent results indicate you were perhaps too aggressive in your selection, consider reducing your future growth rate expectations for the company, and then review the Trend Report again.

As always, investigate thoroughly companies with deteriorating fundamentals to understand the causes of their problems, and constantly seek to improve your portfolio by replacing weak companies with better candidates.

The **Current Price** will be taken from the linked BI Online Tools stock study. If no BI Online Tools Link is established for a company, then the price from the club's most recent valuation is used.

If no BI Online Tools Link is established for a company, the **% Est EPS Growth** field will display "N/A."

For complete definitions of the column headers, see the BI Online Tools documentation.

## If You Need Help

If you encounter issues, please follow these steps:

1. Review the steps in this **Quick Start Guide**, which cover the most common problems and situations encountered by clubs.
2. Review the answers in the ICLUB.com **Frequently Asked Questions** (FAQ) at [www.ICLUB.com/faq/](http://www.ICLUB.com/faq/). Chances are good that others have had the same question and the answer can be found here.
3. Post your question in the **Clubhouse** section of **StockCentral.com** (for StockCentral.com subscribers only).
4. Post your question to the **Club Treasurers List** hosted on the BetterInvesting website where other knowledgeable club treasurers can provide assistance.
5. Contact the ICLUBcentral Support team online at [www.ICLUB.com/support/](http://www.ICLUB.com/support/). Please provide as much detail as possible when submitting your question.
6. Contact our Support team by telephone at 1-877-33-ICLUB, Monday-Friday 9:30 am – 6:00 pm ET.

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