



YOUNG  
INVESTORS  
SOCIETY

## 4TH QUARTER 2015 NEWSLETTER

YOUNG INVESTORS SOCIETY

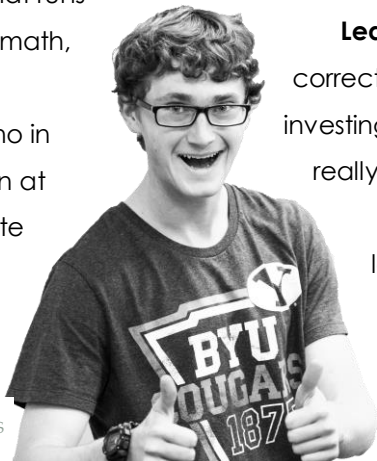
### INVESTING IN OUR FUTURE

#### A "Few Things Right"

Warren Buffett famously said "You only have to do a very few things right in your life so long as you don't do too many things wrong." The further ahead we go with Young Investors Society, the more I am convinced that Young Investors Society seems to be one of those critical things that if we do right will go a long, long way. Thank you all for being a part of it, this has been a great quarter.

I want to introduce you to Nathaniel Driggs. He is the first official Dollar-a-Day investor. (He turned 18 so didn't have to wait for custodial accounts to open at Robinhood like the rest). He's an impressive kid that runs track, excels at math, and volunteers playing the piano in his congregation at church. He wrote a seriously brilliant paper on why he

NATHANIEL DRIGGS



thinks that Google is a great investment and has already built a portfolio of 10-20 high-quality stocks to invest in. He walked me through "Why" on each company with convincing reasoning and skill. Amazing! Nathaniel is the first. I'm confident that he won't be the last. In fact, 15 years from now, I believe that there will be more than a million more Nathaniels, investing early and changing the financial trajectory of their families forever.

#### Our 3 Pillars of Success

After thinking carefully about how we can make the most difference in the lives of youth, we've narrowed our guiding principles into three key pillars: Learn, Invest, Inspire.

**Learn.** We aim to teach correct, long-term fundamental investing principles in a way that really sticks with kids.

**Invest.** It one thing to learn something, it is entirely different to actually do it, and create a habit (Give a

### ONGOING PROJECTS

**Website V2.0:** When: End January. Who: Achint and Luutaa team.

Cost: \$4,000 (+\$2,500 to build in app form)

**Video Filming:** When: February or March.

Who: The Viewfinder LLC

Cost: \$3,500

#### Marketing Videos:

When: 1Q16: Who: Nathan Frisk, Head Start Video.

Cost: \$500/each

**Insurance / Legal:** In discussions, currently receiving quotes

**Gala:** In discussions, currently receiving quotes

#### Summer Camps:

Summer 2016

Auditorium costs are ~\$500-800/night

January 9, 2016

man a fish, or teach him to fish). If we can facilitate kids saving and automatically depositing in investment accounts when they are teenagers, we are creating a habit that will last a lifetime and build significant wealth for them.

**Inspire.** Making money alone is not the objective. We want to build future leaders and great contributors to the community. We want to change lives, from all income levels, and in countries all around the world.

These pillars will be the basis for how we measure our success as we go forward.

## What We're Learning

Given that this is a pilot year and our primary goal is to test and perfect the model, I'll focus the bulk of this letter on our key findings from the pilot schools. Overall the results have been good. We've learned a ton, we've made some mistakes and had some fantastic victories. Each school is a little laboratory as we test out what is working and what's not. I'll divide the key things we've learned into two categories of feedback: from teachers, and from kids.

## Teachers

- In general, teachers tend to really like the lesson plans, rating them 4 or 5 out of 5.
- A link to experienced investors is important to them, stories of specific stocks that invested in

and as a resource to help answer questions.

- Teachers would like more training. We started doing Google Hangouts "Office Hours" but the participation has been minimal. DECA and SIFMA do teacher training conferences at the start of the each year.
- Continuity is lost if students are unable to attend consistently.

## Kids

- By far, the most interest from the kids seem to be for the Dollar-a-Day program. They're clamoring to get started!
- Classes are most effective when they are actually doing something, either through activities or open time, rather than just listening to a teacher. 2/3 activity time, 1/3 instruction time seems to be the right balance.
- Kids want something more frequent, and more engaging. They ate up the concepts of the new web platform (gamified quizzes, leader boards, ranks, monthly stock pitch board).
- Some kids have said that we're moving too fast, or would like an introductory course. Others get too far ahead fast.

Here are some of the adjustments that we're pursuing as a result of the feedback:

- Investing in a new website platform. This will solve many of the issues (hub for teacher FAQs and training, student ongoing engagement, easy catch-up if miss a lesson).
- Filming 2-minute videos to introduce each lesson with real-life stories from the stock market.
- Fundraising to pay for full-time employees or interns, to help support teachers.
- Creating introductory lesson courses.
- Creating leagues of mock portfolios where schools can

compete and be tracked over years, at Wall Street Survivor.

- Pushing Robinhood to set up custodial accounts ASAP!

## Pilot Schools

We are currently offering YIS in six schools, in line with our goal for the year. Four are offering full-YIS (Oak Park, CA, Agoura Hills, CA, Franklin, MA, & Pennsbury, PA) and two are doing a scaled down version (San Marino, CA and Hough, NC). In total, we have about 100 kids actively participating in YIS currently.

## Investor Night

On December 4<sup>th</sup> 2015 we held the first community investor night at Oak Park High School. Overall, the event was a success, all the kids there really seemed to enjoy themselves and actually no one wanted to leave. It will be a great platform for marketing and strengthening member engagement going forward. We need to get the time of the event right, and do better on the marketing, but overall we really liked this format.

## YIS Brazil

Sergio Goldman, a long-time stock investor in Brazil, heard about YIS and expressed interested in setting it up in Brazil. After a few phone conversations, Sergio came up with a plan to lead the charge in Brazil, and is currently building an outstanding team. We aim to have 3 pilots in February in Brazil. Personally, I'm seeing huge potential already in

Brazil and interest from other countries.

### Partnerships

We continue to strengthen our partnerships with Wall Street Survivor and Robinhood and have added an additional partnership as well:

**World Federation of Young Investors (WFYI):** The World Federation of Young Investors is a member organization of Youth Investment programs around the world. They saw our website, reached out to me, and hearing about what we were doing, offered YIS to be a member, and me to be on their Membership Board.

### Fundraising

We continue to believe that YIS makes for a fantastic investment. It is at the center of three very powerful ways to make a difference: education, financial literacy, and the rising generation. With the power of compounding each \$1 given to YIS endowment equals \$27,350 in kids' retirement accounts by the time they reach age 70.

Jane Winslow has put together a great fundraising plan. It involves choosing "Founding Sponsors" and planning an Annual Fundraising Gala. We've had some conversations with Gala consultants, and we have some work ahead of us, but this

seems to be a good way to put our name on the map and build a sustainable revenue source.

### New Team Members

Speaking of donations, the biggest donation remains those sharing their time and expertise. I know your time is valuable and have great appreciation for all that you give. YIS is one of those "right things" that can make a difference in many young lives.

This quarter we've had two additions the board. These individuals are very talented and critical pieces to our puzzle going forward.

**Rory Olson.**  
Rory is the CEO of Wall Street Survivor,

one of the best online platforms that teaches investment content through online courses, videos and leagues. Rory is a successful entrepreneur from Montreal, having founded and sold six companies, and has been involved in several non-profit boards.

**Mike Zisa.** Mike is the author of "The Early Investor: How Teens and Young Adults Can Become Wealthy" and teaches a Wealth Management class at Pennsbury High School in Pennsylvania. He has been teaching investment

clubs for over a decade, and was also a Financial Advisor for Merrill Lynch.

### Outlook

Looking ahead to the remainder of this school year, it's going to be busy and exciting. The National Stock Pitch Competition in April should be a fantastic showcase of all that the kids have learned. By next quarter, we should have the new website built and Robinhood accounts up and running. We will test the remainder of the first lessons and continue to get

feedback from students and teachers on how to make YIS better. And we'll be gearing up for

our national rollout next year.

Looking ahead, I sincerely see the potential to reach millions of Nathaniels. Just the vision of that has been getting me through many of these long nights.

I want to thank everyone again for all you've contributed to YIS so far. It continues to be a dream come true for me to do a meaningful work with people that I respect so much and love to be around. Thanks for your patience and belief in me.

Looking forward to a great 2016!

-James

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(ASSUMES 1 IN 5 MATCHED)