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NAIC GROWTH FUND INC

Form N-30D

February 27, 2002

NAIC Growth Fund, Inc.  
December 31, 2001  
Annual Report

Contents	
Report to Shareowners	2
Statement of Assets and Liabilities	3
Statement of Operations	4
Statements of Changes in Net Assets	5
Financial Highlights	6
Portfolio of Investments	7
Notes to Financial Statements	10
Report of Independent Public Accountants	14
Dividends and Distributions	15
NAIC Growth Fund, Inc., Board of Directors	19
Shareowner Information	21

Report to Shareowners:  
December 31, 2001

The events of 2001 caused turmoil in the stock market with the attacks on America and the realization that the economy has been in a recession since at least march. Stock prices actually began a downward trend in 2000. Based on historical averages, however, prices did not appear to decline to a point where they seemed to be bargains. Even with lower prices, many stocks sold at fairly high multiples, even those operating in the "old" economy.

For the year, the Dow Jones Industrial Average declined 7.1%, while the S&P 500 was down 13.0%. Hardest hit was the Nasdaq that dropped 21.1%. The net asset value for the Fund, adjusted for dividends, declined 1.6%. While negative numbers are never welcome, the Fund did outperform the popular averages in 2001.

There were some sales primarily made earlier in the year, resulting in capital gains for the Fund. Those stocks sold included two small holdings that were acquired because of spin-offs - McData and Zimmer. In addition, the Fund trimmed holdings in American International Group and Household International. Sold outright were Reuters, Coca Cola, Dallas Semiconductor and Cooper Industries.

The Fund added shares in Comerica, ConAgra, General Electric, Merck, Pfizer and Vishay Intertechnology. Four of those purchases were made in late September following the attack on the United States and when the stock market had declined quite dramatically.

The Board of Directors declared two dividends during the year. The first was paid August 1, while the second that included a capital gains distribution was paid on January 30, 2002. In total, the cash dividends amounted to \$0.6725.

Thomas E. O'Hara  
Chairman

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Kenneth S. Janke  
President

NAIC Growth Fund, Inc.  
Statement of Assets and Liabilities  
As of December 31, 2001

ASSETS

Investment securities		
-at market value (cost \$8,906,660)		\$20,858,933
Short-term investments		
-at amortized cost		3,495,372
Cash and cash equivalents		931,199
Dividends & interest receivable		41,050
Prepaid insurance		10,852
Prepaid fees		15,000
		25,352,406

LIABILITIES

Dividends payable	1,391,374	
Accounts payable	51,823	1,443,197
TOTAL NET ASSETS		\$23,909,209

SHAREOWNERS' EQUITY

Common Stock-par value \$0.001 per share; authorized 50,000,000 shares, outstanding 2,158,842 shares	\$	2,159
Additional Paid-in Capital		11,954,470
Undistributed net investment income		307
Unrealized appreciation of investments		11,952,273

SHAREOWNERS' EQUITY \$23,909,209

NET ASSET VALUE PER SHARE \$ 11.08

See notes to financial statements

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NAIC Growth Fund, Inc.  
 Statement of Operations  
 For the Year Ended December 31, 2001

INVESTMENT INCOME

Interest	\$	151,248
Dividends		311,703

462,951

EXPENSES

Advisory fees	182,924
Legal fees	57,821
Transfer agent	34,326
Audit fees	22,000
Insurance	17,668
Directors' fees & expenses	13,297
Custodian fees	13,046
Other professional services	12,000
Mailing & postage	9,805
Other fees & expenses	8,643
Printing	8,554
Annual shareholders' meeting	3,455

Net Expenses	383,539
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Net investment income	79,412
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REALIZED AND UNREALIZED GAIN ON INVESTMENTS

Realized gain on investments:

Proceeds from sale of investment securities	1,962,392
Cost of investment securities sold	591,849

Net realized gain on investments	1,370,543
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Unrealized appreciation of investments:

Unrealized appreciation at beginning of year	13,807,151
Unrealized appreciation at end of year	11,952,273

Net change in unrealized appreciation on investments	(1,854,878)
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Net realized and unrealized loss on investments	(484,335)
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NET DECREASE FROM OPERATIONS	\$	(404,923)
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See notes to financial statements

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NAIC Growth Fund, Inc.  
 Statements of Changes in Net Assets  
 For the years ended:

	December 31, 2001	December 31, 2000
<b>FROM OPERATIONS:</b>		
Net investment income	\$ 79,412	\$ 183,239
Net realized gain on investments	1,370,543	2,875,672
Net change in unrealized appreciation on investments	(1,854,878)	1,481,679
Net decrease/increase from operations	(404,923)	4,540,590
<b>DISTRIBUTIONS TO STOCKHOLDERS FROM:</b>		
Net investment income	80,695	186,201
Net realized gain from investment transactions	1,370,543	2,875,672
Total distributions	1,451,238	3,061,873
<b>FROM CAPITAL STOCK TRANSACTIONS:</b>		
Dividend reinvestment	1,607,357	47,746
Cash purchases	230,222	49,622
Net increase from capital stock transactions	1,837,579	97,368
Net increase/(decrease) in net assets	(18,582)	1,576,085
<b>TOTAL NET ASSETS:</b>		
Beginning of year	\$23,927,791	\$22,351,706
End of year (including undistributed net investment income of \$307 and \$1,590, respectively)	\$23,909,209	\$23,927,791
<b>Shares:</b>		
Shares issued to common stockholders under the dividend reinvestment and cash purchase plan	158,525	6,512
Shares issued to common stockholders for the December 2000, 15% stock dividend	0	260,823
Shares at beginning of year	2,000,317	1,732,982
Shares at end of year	2,158,842	2,000,317

See notes to financial statements

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NAIC Growth Fund, Inc.  
 Financial Highlights (a)  
 For the years ended:

	2001	2000	1999	1998	1997
Net asset value at beginning of year	\$11.96	\$11.22	\$10.86	\$9.56	\$7.89
Net investment income	.04	.09	.08	.12	.09
Net realized and unrealized gain (loss) on investments	(.25)	2.18	.76	1.68	1.99
Total from investment operations	(.21)	2.27	.84	1.80	2.08
Distribution from:					
Net investment income	(.04)	(.09)	(.09)	(.11)	(.09)
Realized gains	(.63)	(1.44)	(.39)	(.39)	(.32)
Total distributions	(.67)	(1.53)	(.48)	(.50)	(.41)
Net asset value at end of period	\$11.08	\$11.96	\$11.22	\$10.86	\$9.56

Per share market value, end of period	Ask	10 3/4	11	10 1/4	10 3/4	15 1/4
	Bid	10 1/4	10 1/2	10	10 1/4	14 1/2

Total Investment Return Annualized:

Based on market value					
1 year	3.70%	30.90%	2.85%	(25.42%)	58.50%
from inception	11.66%	12.57%	10.28%	11.30%	17.84%
Based on net asset value					
1 year	(1.59%)	27.27%	7.75%	18.84%	26.43%
from inception	12.42%	13.81%	13.15%	13.79%	13.69%

Net Assets,  
 end of year (mil) \$23,909.2 \$23,927.8 \$22,351.7 \$20,701.2 \$17,335.3

Ratios to average net assets annualized:

Ratio of expenses to average net assets (b)	1.57%	1.25%	1.00%	0.83%	0.96%
Ratio of net investment income to average net assets (b)	0.32%	0.74%	0.70%	1.13%	0.96%
Portfolio turnover rate	1.77%	10.61%	4.20%	5.87%	6.31%

(a) All per share data for 2000, 1999, 1998, and 1997 has been restated to reflect the effect of a 15% stock dividend which was declared on August 18, 2000 and paid on September 29, 2000 to shareholders of record on Sept. 18, 2000.

(b) For the years ended 2000, 1999, 1998, and 1997, the adviser

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voluntarily waived all or a portion of its fees. Had the adviser not done so in 2000, 1999, 1998, and 1997 the ratio of expenses to average net assets would have been 1.44%, 1.37%, 1.39%, and 1.69% and the ratio of net investment income to average net assets would have been 0.55%, 0.32%, 0.57%, and 0.23% for each of these years.

NAIC Growth Fund, Inc.  
Portfolio of Investments -  
December 31, 2001

% Common Stock	Shares	Cost	Market
3.6 Auto Replacement			
Dana Corporation	10,000	\$223,000	\$138,800
O'Reilly Auto*	20,000	242,606	729,400
10.6 Banking			
Bank One Corp.	7,000	212,495	273,350
Citigroup	20,000	79,167	1,009,600
Comerica, Inc.	6,000	199,635	343,800
Huntington Banc.	24,200	221,907	415,998
Synovus Financial	20,000	140,937	501,000
3.4 Building Products			
Clayton Homes	20,000	221,325	342,000
Johnson Controls	6,000	96,895	484,500
5.1 Chemicals			
OM Group, Inc.	10,000	344,650	661,900
Polyone Corp.	10,000	88,000	98,000
RPM	18,000	190,250	260,280
Sigma Aldrich	5,000	94,937	197,050
0.5 Computers			
EMC Corp.*	10,000	70,912	134,400
3.0 Consumer Products			
Colgate-Palmolive	8,000	98,500	462,000
Newell Rubbermaid	9,000	237,375	248,130
6.3 Electrical Equipment			
American Power Conv.*	10,000	190,531	144,600
Federal Signal	12,000	280,562	267,240
General Electric	15,000	149,886	601,200
Vishay Intertech*	25,000	245,379	487,500
2.2 Electronics			
Diebold	10,000	269,187	404,400
Molex, Inc.	5,000	81,979	135,250
9.6 Ethical Drugs			
American Home Prod.	6,000	90,510	368,160
Bristol-Myers Squibb	6,000	101,400	306,000
Eli Lilly	6,000	91,687	471,240

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Johnson & Johnson	4,000	45,500	236,400
Merck & Co., Inc.	6,000	149,805	352,800
Pfizer, Inc.	14,000	129,140	557,900
6.3 Financial Services			
Household Int'l	19,000	175,353	1,100,860
State Street Boston	8,000	75,500	418,000
4.9 Food			
Albertson's	7,000	235,331	220,430
ConAgra	12,000	206,025	285,240
Heinz, H.J.	6,000	179,375	246,720
McCormick & Co.	10,000	223,975	419,700
6.9 Hospital Supplies			
Biomet Corp.	15,750	122,250	486,675
Invacare	10,000	245,375	337,100
Stryker Corp.	14,000	160,063	817,180
1.9 Industrial Services			
Donaldson Co.	12,000	162,563	466,080
4.7 Insurance			
AFLAC, Inc.	20,000	143,906	491,200
American Int'l Group	8,000	67,499	635,200
1.7 Machinery			
Emerson Electric Co.	7,000	170,393	399,700
4.3 Multi Industry			
Carlisle	8,000	318,631	295,840
Pentair	7,000	171,894	255,570
Teleflex	10,000	277,938	473,100
1.4 Office Equipment			
Hon Industries	12,000	283,938	331,800
1.0 Restaurants			
McDonald's	8,000	53,625	211,760
1.3 Realty Trust			
First Industrial Realty Trust	10,000	257,463	311,000
1.6 Semiconductor			
Intel	12,000	228,563	377,400
2.4 Soft Drinks			
PepsiCo	12,000	205,374	584,280
0.5 Telecommunications			
ADC Telecom.*	24,000	14,156	110,400
2.2 Transportation			
Sysco Corp.	20,000	142,750	524,400
1.8 Utilities			
CenturyTel, Inc.	13,000	196,563	426,400

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87.2%	Investment Securities	\$8,906,660	\$20,858,933
Short-term Investments			
14.6	United States Treasury Bill, Maturing 1/24/2002		\$3,495,372
3.9	Misc. Cash Equivalents		931,199
18.5%			\$4,426,571
Total Investments			\$25,285,504
(5.7%)	All other assets less liabilities		(1,376,295)
100%	TOTAL NET ASSETS		\$23,909,209

### Top Ten Holdings - NAIC Growth Fund, 12/31/01

Company	Market Value	% of Portfolio Investments
Household Int'l	\$1,100,860	4.6
Citigroup	1,009,600	4.2
Stryker Corp.	817,180	3.4
O'Reilly Auto	729,400	3.1
OM Group	661,900	2.8
American Int'l Group	635,200	2.7
General Electric	601,200	2.5
PepsiCo	584,280	2.4
Pfizer	557,900	2.3
Sysco	524,400	2.2

NAIC Growth Fund, Inc.

Notes to Financial Statements

(1) ORGANIZATION

The NAIC Growth Fund, Inc. (the "Fund") was organized under Maryland law on April 11, 1989 as a diversified closed-end investment company under the Investment Company Act of 1940. The Fund commenced operations on July 2, 1990.

(2) SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Fund not otherwise set forth in the notes to financial statements:

Dividends and Distributions - Dividends from the Fund's net investment income and realized net long- and short-term capital gains will be declared and distributed at least annually. Shareowners may



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elect to participate in the Dividend Reinvestment and Cash Purchase Plan (see Note 4).

Investments - Investments in equity securities are stated at market value, which is determined based on quoted market prices or dealer quotes. Pursuant to Rule 2a-7 of the Investment Company Act of 1940, the Fund utilizes the amortized cost method to determine the carrying value of short-term debt obligations. Under this method, investment securities are valued for both financial reporting and Federal tax purposes at amortized cost, which approximates fair value. Any discount or premium is amortized from the date of acquisition to maturity. Investment security purchases and sales are accounted for on a trade date basis. Interest income is accrued on a daily basis while dividends are included in income on the ex-dividend date.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Federal Income Taxes - The Fund intends to comply with the general qualification requirements of the Internal Revenue Code applicable to regulated investment companies. The Fund intends to distribute at least 90% of its taxable income, including net long-term capital gains, to its shareowners. In order to avoid imposition of the excise tax applicable to regulated investment companies, it is also the Fund's intention to declare as dividends in each calendar year at least 98% of its net investment income and 98% of its net realized capital gains plus undistributed amounts from prior years.

The following information is based upon Federal income tax cost of portfolio investments as of December 31, 2001:

Gross unrealized appreciation	\$	12,133,419
Gross unrealized depreciation		(181,146)
Net unrealized appreciation	\$	11,952,273
Federal income tax cost	\$	8,906,660

Expenses -The Fund's service contractors bear all expenses in connection with the performance of their services. The Fund bears all expenses incurred in connection with its operations including, but not limited to, management fees (as discussed in Note 3), legal and audit fees, taxes, insurance, shareowner reporting and other related costs. Such expenses will be charged to expense daily as a percentage of net assets. The Advisory Agreement provides that the Fund may not incur annual aggregate expenses in excess of two percent (2%) of the first Ten Million Dollars of the Fund's average net assets, one and one-half percent (1 1/2%) of the next Twenty Million Dollars of the average net assets, and one percent (1%) of the remaining average net assets for any fiscal year. Any excess expenses shall be the responsibility of the Investment Adviser, and the pro rata portion of the estimated annual excess expenses will be offset against the Investment Adviser's monthly fee.

A director of the Fund provides professional services to the fund. The fees for those services amounted to \$12,000 for the year ended

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December 31, 2001.

### (3) MANAGEMENT ARRANGEMENTS

Investment Adviser - Growth Fund Advisor, Inc., serves as the Fund's Investment Adviser subject to the Investment Advisory Agreement, and is responsible for the management of the Fund's portfolio, subject to review by the board of directors of the Fund.

For the services provided under the Investment Advisory Agreement, the Investment Adviser receives a monthly fee at an annual rate of three-quarters of one percent (0.75%) of the average weekly net asset value of the Fund, during the times when the average weekly net asset value is at least \$3,800,000. The Investment Adviser will not be entitled to any compensation for a week in which the average weekly net asset value falls below \$3,800,000.

Custodian and Plan Agent - Standard Federal Bank, NA (SFB) serves as the Fund's custodian pursuant to the Custodian Agreement. As the Fund's custodian, SFB receives fees and compensation of expenses for services provided including, but not limited to, an annual account charge, annual security fee, security transaction fee and statement of inventory fee. American Stock Transfer and Trust Company serves as the Fund's transfer agent

and dividend disbursing agent pursuant to Transfer Agency and Dividend Disbursement Agreements. American Stock Transfer and Trust Company receives fees for services provided including, but not limited to, account maintenance fees, activity and transaction processing fees and reimbursement of out-of-pocket expenses such as forms and mailing costs.

### (4) DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

The Fund has a Dividend Reinvestment and Cash Purchase Plan (the "Plan") which allows shareowners to reinvest dividends paid and make additional contributions. Under the Plan, if on the valuation date the net asset value per share is lower than the market price at the close of trading on that day, then the Plan Agent will elect on behalf of the shareowners who are participants of the Plan to take the dividends in newly issued shares of the Fund's common stock. If net asset value exceeds the market price on the valuation date, the Plan Agent will elect to receive cash dividends, and will promptly buy shares of the Fund's common stock on whatever market is consistent with best price and execution. The number of shares credited to each shareowner participant's account will be based upon the average purchase price for all shares purchased.

### (5) DISTRIBUTIONS TO SHAREOWNERS

On May 17, 2001, a distribution of \$0.028 per share aggregating \$59,864 was declared from net investment income. The dividend was paid August 1, 2001, to shareowners of record June 29, 2001. On December 6, 2001, a distribution of \$0.6445 per share aggregating \$1,391,374 was declared from net investment income and realized gains. The dividend was paid January 30, 2002, to shareowners of record December 27, 2001.

The tax character of distributions paid during 2001 and 2000 was as follows:

	2001	2000
Distributions paid from:		
Ordinary income	\$ 80,695	\$ 186,201
Long-term capital gain	1,370,543	2,875,672
	\$1,451,238	\$3,061,873

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As of December 31, 2001, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	\$	307
Unrealized appreciation		\$11,952,273

### (6) Investment transactions

Purchases and sales of securities, other than short-term securities for the year ended December 31, 2001, were \$365,421 and \$1,962,392, respectively.

### (7) FINANCIAL HIGHLIGHTS

The Financial Highlights present a per share analysis of how the Fund's net asset value has changed during the years presented. Additional quantitative measures expressed in ratio form analyze important relationships between certain items presented in the financial statements. The Total Investment Return based on market value assumes that shareowners bought into the Fund at the bid price and sold out of the Fund at the bid price. In reality, shareowners buy into the Fund at the ask price and sell out of the Fund at the bid price. Therefore, actual returns may differ from the amounts stated.

### Report of Independent Public Accountants

To the Board of Directors and Shareowners of NAIC Growth Fund, Inc.:

We have audited the accompanying statement of assets and liabilities of NAIC GROWTH FUND, INC. (a Maryland corporation), including the portfolio of investments, as of December 31, 2001, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2001, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of NAIC Growth Fund, Inc. as of December 31, 2001, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with accounting principles generally accepted in the United States.

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ARTHUR ANDERSEN LLP

Detroit, Michigan,  
January 4, 2002.

NAIC Growth Fund, Inc.  
Dividends and Distributions: Dividend Reinvestment and Cash  
Purchase Plan

We invite you to join the Dividend Reinvestment and Cash Purchase Plan (the "Plan"), which is provided to give you easy and economical ways of increasing your investment in the Fund's shares. THOSE SHAREOWNERS WHO HAVE ELECTED TO PARTICIPATE IN THE PLAN NEED NOT DO ANYTHING FURTHER TO MAINTAIN THEIR ELECTION.

American Stock Transfer and Trust Company will act as the Plan Agent on behalf of shareowners who are participants in the Plan.

All shareowners of the Fund (other than brokers and nominees of financial institutions) who have not previously elected to participate in the Plan or who have terminated their election may elect to become participants in the Plan by filling in and signing the form of authorization obtainable from American Stock Transfer and Trust Company, the transfer agent for the Fund's shares and the shareowners' agent for the Plan, and mailing it to American Stock Transfer and Trust Company P.O. Box 922 Wall Street Station, New York, NY 10038. The authorization must be signed by the registered shareowners of an account. Participation is voluntary and may be terminated or resumed at any time upon written notice from the participant received by the Plan Agent prior to the record date of the next dividend. Additional information regarding the election may be obtained from the Fund.

Dividend payments and other distributions to be made by the Fund to participants in the Plan either will be paid to the Plan Agent in cash (which then must be used to purchase shares in the open market) or, will be represented by the delivery of shares depending upon which of the two options would be the most favorable to participants, as hereafter determined. On each date on which the Fund determines the net asset value of the shares (a Valuation Date), and which occurs not more than five business days prior to a date fixed for payment of a dividend or other distribution from the Fund, the Plan Agent will compare the determined net asset value per share with the market price per share. For all purposes of the Plan, market price shall be deemed to be the highest price bid at the close of the market by any market maker on the date which coincides with the relevant Valuation Date, or, if no bids were made on such date, the next preceding day on which a bid was made. The market price was \$10.75 on December 31, 2001. If the net asset value in any such comparison is found to be lower than said market price, the Plan Agent will demand that the Fund satisfy its obligation with respect to any such dividend or other distribution by issuing additional shares to the Participants in the Plan at a price per share equal to the greater of the determined net asset value per share or ninety-five percent (95%) of the market price per share determined as of the close of business on the relevant Valuation Date. However, if the

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net asset value per share (as determined above) is higher than the market price per share, then the Plan Agent will demand that the Fund satisfy its obligation with respect to any such dividend or other distribution by a cash payment to the Plan Agent for the account of Plan participants and the Plan Agent then shall use such cash payment to buy additional shares in the open market for the account of the Plan participants, provided, however, that the Plan Agent shall not purchase shares in the "open market" at a price in excess of the net asset value as of the relevant Valuation Date. In the event the Plan Agent is unable to complete its acquisition of shares to be purchased in the "open market" by the end of the first trading day following receipt of the cash payment from the Fund, any remaining funds shall be used by the Plan Agent to purchase newly issued shares of the Fund's common stock from the Fund at the greater of the determined net asset value per share or ninety-five percent (95%) of the market price per share as of the date coinciding with or next preceding the date of the relevant Valuation Date.

Participants in the Plan will also have the option of making additional cash payments to the Plan Agent, on a monthly basis, for investment in the Fund's shares. Such payments may be made in any amount from a minimum of \$50.00 to a maximum of \$1,000.00 per month. The Fund may, in its discretion, waive the maximum monthly limit with respect to any participant. At the end of each calendar month, the Plan Agent will determine the amount of funds accumulated. Purchases made from the accumulation of payments during any one calendar month will be made on or about the first business day of the following month (Investment Date). The funds will be used to purchase shares of the Fund's common stock from the Fund if the net asset value of the shares is lower than the market price as of the Valuation Date which occurs not more than five business days prior to the relevant Investment Date. In such case, such shares will be newly issued shares and will be issued at a price per share equal to the greater of the determined net asset value per share or ninety-five percent (95%) of the market price per share. If the net asset value per share is higher than the market price per share, then the Plan Agent shall use such cash payments to buy additional shares in the open market for the account of the Plan participants, provided, however, that the Plan Agent shall not purchase shares in the "open market" at a price in excess of the net asset value as of the relevant Valuation Date. In the event the Plan Agent is unable to complete its acquisition of shares to be purchased in the "open market" by the end of the Investment Date, any remaining cash payments shall be used by the Plan Agent to purchase newly issued shares of the Fund's common stock from the Fund at the greater of the determined net asset value per share or ninety-five (95%) percent of the market price per share as of the relevant Valuation Date. All cash payments received by the Plan Agent in connection with the Plan will be held without earning interest. To avoid unnecessary cash accumulations, and also to allow ample time of receipt and processing by the Plan Agent, participants participants that wish to make voluntary cash payments should send such payments to the Plan Agent in such a manner that assures that the Plan Agent will receive and collect Federal Funds by the end of the month. This procedure will avoid unnecessary accumulations of cash and will enable participants to realize lower brokerage commissions and to avoid additional transaction charges. If a voluntary cash payment is not received in time to purchase shares in any calendar month, such payment shall be invested on the next Investment Date. A participant may withdraw a voluntary cash payment by written notice to the Plan Agent if the notice is received by the Plan Agent at least forty-eight hours before such payment is to be invested by the Plan Agent.

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American Stock Transfer and Trust Company as the Plan Agent will perform bookkeeping and other administrative functions, such as maintaining all shareowner accounts in the Plan and furnishing written confirmation of all transactions in the account, including information needed by shareowners for personal and tax records. Shares in the account of each Plan participant will be held by the Plan Agent in noncertificated form in the name of the participant, and each shareowner's proxy will include those shares purchased pursuant to the Plan and of record as of the record date for determining those shareowners who are entitled to vote on any matter involving the Fund. In case of shareowners such as banks, brokers or nominees, which hold shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by such shareowners as representing and limited to the total number of shares registered in the shareowner's name and held for the account of beneficial owners who have elected to participate in the Plan.

There are no special fees or charges to participants other than reasonable transaction fees and a termination fee of \$15.00 plus 10 cents per share.

With respect to purchases from voluntary cash payments, the Plan Agent will charge a pro rata share of the brokerage commissions, if any. Brokerage charges for purchasing small blocks of stock for individual accounts through the Plan are expected to be less than the usual brokerage charges for such transactions, as the Plan Agent will be purchasing shares for all participants in larger blocks and prorating the lower commission rate thus applied.

The automatic reinvestment of dividends and distributions will not relieve participants of any income tax liability associated therewith.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Fund reserves the right to amend or terminate the Plan as applied to any voluntary cash payment received and any dividend or distribution to be paid subsequent to a date specified in a notice of the change sent to all shareowners at least ninety days before such specified date. The Plan may also be terminated on at least ninety days written notice to all shareowners in the Plan. All correspondence concerning the Plan should be directed to American Stock Transfer and Trust Company, P.O. Box 922 Wall Street Station, New York, NY 10038.

Directors  
Directors Who Are Interested Persons of the Fund

Name, Address  
and Age\*  
Position(s)  
Held with  
Fund  
Term of  
Office and  
Length of

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Time Served  
Principal Occupation(s) During  
Past 5 Years  
Number of  
Portfolios in Fund  
Complex Overseen  
by Director or  
Nominee for  
Director\*\*  
Other  
Directorships  
Held by  
Director or  
Nominee for  
Director

Thomas E.  
O'Hara  
Age 86

Chairman of the Board and  
DirectorTerm of office one year.  
Served as a director since 1989.  
Chairman Emeritus of the Board  
and Trustee of the National  
Association of Investors  
Corporation, a nonprofit  
corporation engaged in investment  
education ("NAIC") and Chairman  
Emeritus and Director of Growth  
Fund Advisor, Inc., the Fund's  
investment adviser (the  
"Investment Adviser") February,  
2002 to present. Chairman and  
Trustee of NAIC and Chairman  
and Director of the Investment  
Adviser to February, 2002.  
One  
None.

Kenneth S.  
Janke  
Age 67

Director, President and Treasurer  
Term of office one year. Served as a  
director since 1989.Chairman, Chief Executive  
Officer and Trustee of NAIC and Chairman,  
Chief Executive Officer  
and Director of the Investment  
Adviser February, 2002 to present.  
President and Trustee of NAIC and  
President and Director of the  
Investment Adviser to February,  
2002.  
One  
Director,  
AFLAC.

Lewis A.  
Rockwell

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Age 83

Director and Secretary

Term of office one year. Served as a director since 1989. Counsel to the law firm of Bodman, Longley & Dahling LLP, counsel to the Fund, NAIC and the Investment Adviser; Trustee and Secretary of NAIC; Director and Secretary of the Investment Adviser.  
One  
None.

Peggy L.  
Schmeltz  
Age 74

DirectorTerm of office one year. Served as a director since 1989. Adult Education Teacher; Trustee of NAIC; Director of Bowling Green State University Foundation Board.  
One  
None.

\*The address of each is the address of the Fund. Messrs. O'Hara, Janke and Rockwell and Mrs. Schmeltz are interested persons of the Fund within the meaning of Section 2(a)(19) of the Investment Company Act of 1940. Mr. O'Hara is an interested person because he is a trustee of NAIC and a director of the Investment Adviser. Messrs. Janke and Rockwell are interested persons because they are trustees and officers of NAIC and directors and officers of the Investment Adviser, as noted above. Mrs. Schmeltz is an interested person because she is a trustee of NAIC.

\*\*The Fund is not part of any fund complex.

Directors Who Are Not Interested Persons of the Fund

Name, Address  
and Age\*  
Position(s)  
Held with  
Fund  
Term of  
Office and  
Length of  
Time Served  
Principal Occupation(s) During  
Past 5 Years  
Number of  
Portfolios in Fund  
Complex Overseen  
by Director or  
Nominee for  
Director\*\*  
Other  
Directorships  
Held by  
Director or  
Nominee for



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Director

Cynthia P.  
Charles  
Age 80

DirectorTerm of office  
one year. Served as a  
director since 1989.Retired.  
One  
None.

Carl A. Holth  
Age 69

DirectorTerm of office one year.  
Served as a director since 1989.  
President and Director, Greater  
Detroit Capital Corporation;  
Financial Consultant and President  
of Carl A. Holth & Associates, Inc.  
(a private financial consulting and  
business appraisal firm); Director,  
Sunshine Fifty, Inc., and Harrison  
Piping Supply, Inc.  
One  
None.

Benedict J. Smith  
Age 81

DirectorTerm of office one year.  
Served as a director since 1989.  
Retired; Director and Treasurer,  
Detroit Executive Service Corps;  
Director, Vista Maria; Trustee,  
Henry Ford Health System,  
Behavioral Services.  
One  
None.

James M. Lane  
Age 72

DirectorTerm of office one year.  
Served as a director since 1989.  
Retired; Director, Chateau  
Communities, Inc., Wheaton  
College, William Tyndale College,  
Baseball Chapel, Inc. and Christian  
Camps, Inc.  
One  
None.

\*The address of each is the address of the Fund.

\*\*The Fund is not part of any fund complex.

The Fund's Investment Adviser is a wholly owned  
subsidiary of N.A.I.C. Holding Corporation, a Michigan corporation  
which conducts no business activities. NAIC and N.A.I.C. Holding

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Corporation are each wholly owned subsidiaries of the National Association of Investment Clubs Trust (the "Trust"). Mr. O'Hara is the Chairman Emeritus and a Trustee of the Trust; Mr. Janke is the Chairman, Chief Executive Officer and a Trustee of the Trust; and Mr. Rockwell is the Secretary and a Trustee of the Trust. The Fund is the Investment Adviser's sole advisory client.

No director or nominee for election as director, nor any of their immediate family members, owns any securities beneficially or of record in the Fund's Investment Adviser or any of its affiliates. There were four meetings of the Board of Directors held during 2001. Each Director attended at least 75% of the meetings of the Board of Directors and committees of the Board on which he or she served during 2001.

NAIC Growth Fund, Inc.  
Board of Directors

Thomas E. O'Hara  
Chairman,  
Highland Beach, FL

Lewis A. Rockwell  
Secretary,  
Grosse Pointe Shores, MI

Carl A. Holth  
Director,  
Clinton Twp., MI

Kenneth S. Janke  
President,  
Bloomfield Hills, MI

Benedict J. Smith  
Director,  
Birmingham, MI

James M. Lane  
Director,  
Highland Beach, FL

Peggy L. Schmeltz  
Director,  
Bowling Green, OH

Cynthia P. Charles  
Director,  
Ambler, PA

Shareowner Information

The ticker symbol for the NAIC Growth Fund, Inc., on the Chicago Stock Exchange is GRF. You may wish to visit the Chicago Stock Exchange web site at [www.chicagostockex.com](http://www.chicagostockex.com).

The dividend reinvestment plan allows shareowners to automatically reinvest dividends in Fund common stock without paying commission. Once enrolled, you can make additional stock purchases through monthly cash deposits ranging from \$50 to \$1,000. For more information, request a copy of the Dividend Reinvestment Service for Stockholders of NAIC Growth Fund, Inc., from American Stock Transfer and Trust Company, P.O. Box 922 Wall Street Station, New York, NY 10038 Telephone 1-800-937-5449

Questions about dividend checks, statements, account consolidation, address changes, stock certificates or transfer procedures write American Stock Transfer and Trust Company, P.O. Box 922 Wall Street Station, New York, NY 10038 Telephone 1-800-937-5449

Shareowners or individuals wanting general information or having questions, write NAIC, P.O. Box 220, Royal Oak, Michigan 48068. Telephone 877-275-6242 or visit us at our website at [www.naicgrowthfund.com](http://www.naicgrowthfund.com).