

Follow-on Offering

[www.naicgrowthfund.com](http://www.naicgrowthfund.com)

INVESTOR GUIDE

  
**NAIC<sup>®</sup>**  
**GROWTH**  
*fund*

(GRF-Ticker symbol)



**An Established Fund Investing  
in Common Stocks Designed  
for Investors Seeking:**

underwriter:



**BROKER  
DEALER  
FINANCIAL  
SERVICES CORP.**

-  Long-term growth, utilizing the concept of “Total Return” for selecting investments.
-  Portfolio diversification by both industry and company size.
-  Portfolio management with over 12 years experience.

*This Investor Guide must be preceded or accompanied by a prospectus.*



## Important Facts About the Fund

### INVESTMENT OBJECTIVE:

**T**he Fund is a diversified closed-end investment company. The Fund's investment objective is long-term growth. The Fund utilizes the concept of "Total Return" for selecting investments. The Fund tries to achieve total return by investing in those equity securities with growth potential and that also may be expected to increase cash dividends on a regular basis.

### PRINCIPAL INVESTMENT STRATEGIES:

The Fund seeks to achieve its investment objective primarily through investment in a portfolio of equity securities that is diversified, both by industry and company size. The Fund typically invests in securities of "Growth Companies" that have price/earnings and debt/equity ratios that are equal to or lower than the average of companies in the same industry.

### INVESTMENT ADVISOR:

The Fund's investment adviser is Growth Fund Advisor, Inc., a Michigan corporation ("Investment Adviser"). Its parent organization, National Association of Investment Clubs Trust, has been engaged in providing investment education and advisory services since 1951. The Fund's initial investment adviser was National Association of Investors Corporation ("NAIC"), an affiliate of the Investment Adviser. As part of a corporate reorganization, the Trust formed the Investment Adviser, which succeeded NAIC as investment adviser to the Fund in 1999. The Investment Adviser follows the following four investment principles developed by NAIC:



**INVEST REGULARLY**



**REINVEST EARNINGS**



**INVEST IN "GROWTH"**



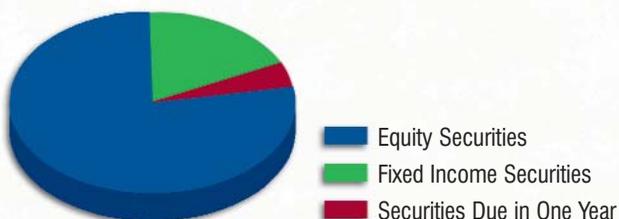
**DIVERSIFY**

## TERMS OF OFFERING:

- The offering is expected to end 07/09/2005, subject to extension or termination.
- Ticker: GRF, Chicago Stock Exchange Listing.
- Offering Price: Net Asset Value divided by (1 minus the applicable sales charge), rounded to the nearest penny.
- Broker Dealer Financial Services Corp. is acting as the lead underwriter in connection with this offering.

### SUMMARY OF INVESTMENT POSITION

AS OF 6/30/03 (UNAUDITED)



### TOP TEN HOLDINGS –

NAIC GROWTH FUND, INC., 06/30/03 (UNAUDITED)

Company	Market Value	% of Portfolio Investments
Pfizer	\$ 805,000	3.6
Stryker	699,500	3.1
O'Reilly Auto	673,600	3.0
PepsiCo	657,600	2.9
Citigroup	645,150	2.9
General Electric	629,640	2.8
AFLAC	615,400	2.7
Merck & Co., Inc.	610,200	2.6
Sysco	591,000	2.6
Colgate-Palmolive	576,800	2.6

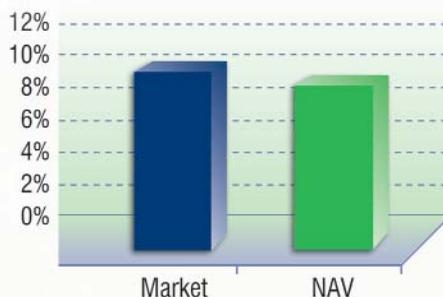
### TOP TEN INDUSTRIES –

NAIC GROWTH FUND, INC., 06/30/03 (UNAUDITED)

Industry	% of Portfolio Investments
Banking	10.5
Ethical Drugs	8.9
Hospital Supplies	6.6
Food	6.4
Electrical Equipment	5.6
Multi Industry	5.4
Insurance	5.2
Consumer Products	3.7
Auto Replacement	3.0
Soft Drinks	2.9

### TOTAL RETURN SINCE INCEPTION (ANNUALIZED)\*

AS OF 6/30/03 (UNAUDITED)



(Past performance is no guarantee of future results.)

\* Total return reflects 100% stock dividend in 1997 and 15% stock dividend in 2000, inception date: 7/02/1990.





## Risk Factors

The following summarizes certain risks that you should consider before deciding whether to invest in the Fund.

### General Considerations

You should understand that all investments have risks. Therefore, the Fund cannot guarantee you will not realize losses from investing in the Fund. In addition, the Fund cannot give you any assurance that the Fund's investment policy will be successful or that the Fund will attain its investment objectives. The Fund is not intended to serve as a complete investment program for an investor.

### Long-Term Perspective

The Fund emphasizes investing in equity securities for long-term capital appreciation as measured by "total return," with little regard to short-term market fluctuations. The Fund tries to achieve total return by investing in those equity securities with growth potential and that also may be expected to increase cash dividends on a regular basis. While the Fund does not attempt to purchase equity securities that have a high yield, relative to the popular stock averages, a record of increased cash dividends is one of the factors taken into consideration when selecting equity securities for the Fund's portfolio. The Fund is intended for investors who understand and are willing to accept the risks of seeking long-term appreciation.

### Investment in Growth Companies

Most of the companies in which the Fund invests are "growth companies." A "growth company" is a company that has exhibited faster-than-average gains in earnings over the last few years and is expected to continue to show high levels of profitable growth. The stocks of growth companies may involve more risk. For example, growth companies may have limited product lines, markets or financial resources and may lack management depth. In addition, stocks of such companies may have limited marketability and may be subject to more abrupt or erratic changes in stock price than securities of larger, more established companies or than overall market averages in general.

### Investment in Special Situation Companies

The Fund may also invest in companies that are determined by the Investment Adviser to possess "special situation" characteristics by reason of developments uniquely applicable to that company, such as possible takeovers, new product announcements, etc. If the anticipated development does not occur, shares of "special situation" companies may not appreciate in value or may decrease in value.

### Investment in Small and Medium Sized Companies

Investing in securities of small and medium sized companies may involve greater volatility than investing in larger and more established companies because they can be subject to more abrupt or erratic share price changes than larger, more established companies. Small companies may have limited product lines, markets or financial resources and their management may be dependent on a limited number of key individuals. Securities of these companies may have limited market liquidity and their prices may be more volatile.

### Investment in Foreign Companies

Investments in securities of foreign companies involve certain inherent risks. Foreign investments may be subject to heightened political and economic risks, particularly in countries with unstable governments, immature economic structures, different legal systems, economies based on few industries, and national policies restricting investments by foreigners. There is also the risk of unpredictable government confiscation of company assets and/or other controls. Further, foreign issuers may not be subject to the same uniform accounting, auditing, or financial reporting standards. The Fund's investments in companies located in particular foreign countries could be adversely affected by changes in the value of that country's currency.

### Reliance on Key Personnel

Kenneth S. Janke is primarily responsible for the investment decisions made by the Investment Adviser on behalf of the Fund. Mr. Janke was also responsible, together with Thomas E. O'Hara, for the investment decisions made on behalf of the Fund by the Investment Adviser's predecessor, NAIC. Accordingly, Mr. Janke has been responsible in whole or in part for the investment decisions made on behalf of the Fund since the Fund's inception. Mr. Janke is a Director and Chairman and Chief Executive Officer of the Adviser. Mr. Janke's principal occupation during the past five years has been President (to February, 2002), Chairman and Chief Executive Officer (from February, 2002 to July, 2002), and Chairman (from July, 2002) of NAIC. There can be no assurance that a replacement can be found for Mr. Janke in the event he severs his employment relationship with the Investment Adviser or is unable to fulfill his role due to death or disability. There is no written employment contract between Mr. Janke and the Investment Adviser. Mr. Janke is 68 years old.

### Offering Price

The shares will be sold in the offering at a price equal to the Fund's net asset value per share as of the applicable determination date (usually, the close of business on the Thursday immediately prior to the sale in the offering), plus the applicable sales charge. The sales price will be determined by the following formula: net asset value divided by (1 minus the applicable sales charge), rounded to the nearest penny. Because the market value of the shares is likely to be different than the net asset value per share at any given time, the purchase price of shares in the offering may be more or less than the prevailing market price of the shares at the time of the sale. Because shares of closed-end funds frequently trade at market prices less than the net asset value per share, it is likely that the offering price per share will be greater than the market price per share at any given time.

### Investment Company Shares

As with any security, shares of the Fund may increase or decrease in value from time to time, and these changes may or may not be related to

changes in the value of the securities held by the Fund (as reflected in its net asset value). In addition, shares of closed-end investment companies like the Fund frequently trade at a discount from net asset value. The possibility that shares of the Fund will trade at a discount to net asset value is a risk which is separate from the risk that the Fund's net asset value will decrease. The Fund cannot predict whether its shares will trade in the future at a premium to or a discount from net asset value or the level of any premium or discount.

### Secondary Market for Fund's Shares

The issuance of shares in the offering may have an adverse effect on the secondary market for the Fund's shares. The increase in outstanding shares resulting from the offering may put downward pressure on the market price for the shares of the Fund. The Fund also issues shares through its Dividend Reinvestment and Cash Purchase Plan. See "Dividend Reinvestment and Cash Purchase Plan." Shares may be issued under the Dividend Reinvestment and Cash Purchase Plan at a discount to the market price for the shares, which may also put downward pressure on the market price for shares of the Fund.

### Repurchase of Shares by the Fund

You will not have the right to have the Fund redeem your shares. However, the Fund is authorized to repurchase shares when they are trading at a discount of 10% or more below net asset value. If the Fund decides to repurchase shares, it is permitted to borrow money to finance these repurchases. Any such borrowing will exaggerate the effect of an increase or decrease in the value of portfolio securities on the Fund's net asset value. In addition, the Fund will be required to pay interest and other costs (such as commitment fees or the cost of maintaining minimum average balances) with respect to the borrowed funds, and these expenses may exceed the benefit to the Fund from repurchasing its shares.

### Anti-Takeover Provisions

Certain provisions of the Fund's Articles of Incorporation and By-laws are designed to prevent a takeover of the Fund. These provisions may have the effect of depriving shareholders of an opportunity to sell their shares at a premium. See "Description of Shares."

### Regulated Investment Company

The Fund has conducted and intends to continue to conduct its operations so that it qualifies as a "regulated investment company" for purposes of the Internal Revenue Code of 1986, as amended (the "Code"). This relieves the Fund of any liability for federal income tax to the extent that its earnings are distributed to its shareholders. If the Fund fails at any time to qualify as a "regulated investment company," the income of the Fund for that fiscal year will be taxed. This would result in a decrease in income for distribution to shareholders of the Fund and a reduction in the net asset value of the Fund.