



Annual Report
December 31, 2004

www.naicgrowthfund.com

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**REPORT TO SHAREOWNERS:
DECEMBER 31, 2004**

UNCERTAINTIES CONTINUED TO WEIGH ON STOCKS THROUGH 2004 THAT INCLUDED A NUMBER OF AREAS THAT INVESTORS HAD LITTLE CONTROL OVER. FOREMOST WAS THE PRESIDENTIAL ELECTION THAT WAS DECIDED IN NOVEMBER, BUT WAS STILL OVERSHADOWED, ONCE THE RESULTS WERE KNOWN, BY OIL PRICES, THE WAR IN IRAQ, CONCERN ABOUT THE INFLATION RATE AND WITH IT THE RESULTANT POSSIBLE INCREASES IN INTEREST RATES. ALL OF THIS MEANT THAT THE PRICE OF STOCKS WOULD RISE ONE DAY AND DECLINE THE NEXT.

DURING THE YEAR, THE DOW JONES INDUSTRIAL AVERAGE WAS UP 5.3% WHILE THE STANDARD & POOR'S 500 AND THE NASDAQ COMPOSITE FARED BETTER, INCREASING 10.9% AND 9.0%, RESPECTIVELY. THE NAV FOR THE NAIC GROWTH FUND WAS UP 9.3% WHEN THE YEAR-END DISTRIBUTION IS TAKEN INTO CONSIDERATION. THE VAST MAJORITY OF STOCKS HELD THAT PAY DIVIDENDS, INCREASED THE PAY OUT DURING THE YEAR. WE EXPECT TO SEE THAT TREND CONTINUE INTO 2005 AS COMPANIES ARE REPORTING FAIRLY NICE INCREASES IN EARNINGS.

IN ADDITION TO THE SALES OF ALBERTSON'S AND INVACARE REPORTED IN THE SEMI-ANNUAL REPORT, THE MANAGERS SOLD AMERICAN INTERNATIONAL GROUP AND A SMALL HOLDING OF HOSPIRA THAT HAD BEEN SPUN-OFF FROM ABBOTT LABORATORIES, RESULTING IN CAPITAL GAINS OF APPROXIMATELY \$455,000 FOR THE YEAR. NEW POSITIONS WERE MADE IN ABBOTT LABORATORIES WITH 14,000 SHARES, MEDTRONIC (11,000 SHARES) AND POLYMEDICA (10,000 SHARES). WE ALSO ADDED TO OUR POSITIONS DURING THE YEAR IN A NUMBER OF OTHER STOCKS. THEY INCLUDED 2,000 AVERY DENNISON (7,000); 7,000 CITIGROUP (22,000); 6,000 COLGATE-PALMOLIVE (16,000); 2,000 GENERAL ELECTRIC (24,000); 6,000 H.J. HEINZ (16,000); 2,000 NEWELL RUBBERMAID (18,000); 2,000 PEPSICO (17,000); 5,000 PFIZER (28,000); 6,000 STATE STREET (14,000); 3,000 SYNOVUS FINANCIAL (27,000); AND 2,000 TELEFLEX (14,000).

WE ARE PLEASED WITH THE REVENUE AND EARNINGS PROGRESS BEING MADE BY A LARGE PERCENTAGE OF THE COMPANIES IN THE PORTFOLIO AND LOOK FORWARD TO THE RETURN TO SOME NORMALITY WHEN PRICES REFLECT EARNINGS AND POTENTIAL EARNINGS. THOSE PERIODS ARE NEVER IN LOCK STEP, BUT IT DOES EVENTUALLY RETURN. THE SOONER, THE BETTER.



THOMAS E. O'HARA
CHAIRMAN



KENNETH S. JANKE
PRESIDENT

NAIC GROWTH FUND, INC.
STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2004

ASSETS

INVESTMENT SECURITIES		
-AT MARKET VALUE (COST \$11,996,517)		\$24,084,502
SHORT-TERM INVESTMENTS		
-AT AMORTIZED COST		3,194,369
CASH AND CASH EQUIVALENTS		76,065
DIVIDENDS & INTEREST RECEIVABLE		60,299
PREPAID INSURANCE		14,082
PREPAID FEES		4,875
		<hr/>
		27,434,192

LIABILITIES

DIVIDENDS PAYABLE	474,812	
ACCOUNTS PAYABLE	66,740	
ADVISOR FEES PAYABLE	19,778	561,330
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TOTAL NET ASSETS		\$26,872,862
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SHAREOWNERS' EQUITY

COMMON STOCK—PAR VALUE \$0.001 PER SHARE; AUTHORIZED 50,000,000 SHARES, OUTSTANDING 2,427,506 SHARES		\$ 2,429
ADDITIONAL PAID-IN CAPITAL		14,776,682
UNDISTRIBUTED NET INVESTMENT INCOME		5,766
UNREALIZED APPRECIATION OF INVESTMENTS		12,087,985
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SHAREOWNERS' EQUITY		\$26,872,862
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NET ASSET VALUE PER SHARE		\$ 11.07
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SEE NOTES TO FINANCIAL STATEMENTS

NAIC GROWTH FUND, INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2004

INVESTMENT INCOME

INTEREST	\$	49,294
DIVIDENDS		443,261
		492,555

EXPENSES

ADVISORY FEES	192,144
LEGAL FEES	70,000
EXPENSE REIMBURSEMENT	47,322
AUDIT FEES	29,245
INSURANCE	24,140
TRANSFER AGENT	23,595
PRINTING	15,253
OTHER FEES & EXPENSES	13,381
CUSTODIAN FEES	12,000
OTHER PROFESSIONAL FEES	12,000
DIRECTORS' FEES & EXPENSES	11,748
MAILING & POSTAGE	8,883
ANNUAL SHAREOWNERS' MEETING	3,480
	463,191
TOTAL EXPENSES	463,191
NET INVESTMENT INCOME	29,364

REALIZED AND UNREALIZED GAIN ON INVESTMENTS

REALIZED GAIN ON INVESTMENTS:		
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	1,409,034	
COST OF INVESTMENT SECURITIES SOLD	954,014	
		455,020
UNREALIZED APPRECIATION OF INVESTMENTS:		
UNREALIZED APPRECIATION AT BEGINNING OF YEAR	10,347,031	
UNREALIZED APPRECIATION AT END OF YEAR	12,087,985	
		1,740,954
NET CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS		1,740,954
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS		2,195,974
NET INCREASE FROM OPERATIONS	\$	2,225,338

SEE NOTES TO FINANCIAL STATEMENTS

NAIC GROWTH FUND, INC.
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED:

DECEMBER 31, 2004 DECEMBER 31, 2003

FROM OPERATIONS:

NET INVESTMENT INCOME	\$ 29,364	\$ 12,596
NET REALIZED GAIN ON INVESTMENTS	455,020	806,949
NET CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS	1,740,954	2,887,254
NET INCREASE/(DECREASE) FROM OPERATIONS	2,225,338	3,706,799

DISTRIBUTIONS TO STOCKHOLDERS FROM:

NET INVESTMENT INCOME	19,792	16,990
NET REALIZED GAIN FROM INVESTMENT TRANSACTIONS	455,020	806,949
TOTAL DISTRIBUTIONS	474,812	823,939

FROM CAPITAL STOCK TRANSACTIONS:

DIVIDEND REINVESTMENT	419,422	748,337
CASH PURCHASES	201,717	314,679
NET INCREASE FROM CAPITAL STOCK TRANSACTIONS	621,139	1,063,016
NET INCREASE/(DECREASE) IN NET ASSETS	2,371,665	3,945,876

TOTAL NET ASSETS:

BEGINNING OF YEAR	\$24,501,197	\$20,555,321
END OF YEAR (INCLUDING UNDISTRIBUTED NET INVESTMENT INCOME OF \$5,766 AND (\$3,805), RESPECTIVELY)	\$26,872,862	\$24,501,197

SHARES:

SHARES ISSUED TO COMMON STOCKHOLDERS UNDER THE DIVIDEND REINVESTMENT PLAN, CASH PURCHASE PLAN, AND FOLLOW-ON OFFERING	59,054	104,355
SHARES AT BEGINNING OF YEAR	2,368,452	2,264,097
SHARES AT END OF YEAR	2,427,506	2,368,452

SEE NOTES TO FINANCIAL STATEMENTS

NAIC GROWTH FUND, INC.
FINANCIAL HIGHLIGHTS (A)
FOR THE YEARS ENDED:

	2004	2003	2002	2001	2000
NET ASSET VALUE AT BEGINNING OF YEAR	\$10.34	\$9.08	\$11.08	\$11.96	\$11.22
NET INVESTMENT INCOME	.01	.01	.02	.04	.09
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	.92	1.60	(1.48)	(.25)	2.18
TOTAL FROM INVESTMENT OPERATIONS	.93	1.61	(1.46)	(.21)	2.27
DISTRIBUTION FROM:					
NET INVESTMENT INCOME	(.01)	(.01)	(.02)	(.04)	(.09)
REALIZED GAINS	(.19)	(.34)	(.52)	(.63)	(1.44)
TOTAL DISTRIBUTIONS	(.20)	(.35)	(.54)	(.67)	(1.53)
NET ASSET VALUE AT END OF PERIOD	\$11.07	\$10.34	\$9.08	\$11.08	\$11.96
PER SHARE MARKET VALUE, END OF PERIOD					
LAST TRADED PRICE (B)	\$9.00	\$9.50	\$9.95	\$10.75	\$10.50
TOTAL INVESTMENT RETURN ANNUALIZED:					
BASED ON MARKET VALUE					
1 YEAR	(3.31%)	(1.02%)	2.10%	3.70%	30.90%
FROM INCEPTION	8.97%	9.94%	10.86%	11.66%	12.57%
BASED ON NET ASSET VALUE					
1 YEAR	9.26%	18.05%	(13.81%)	(1.59%)	27.27%
FROM INCEPTION	10.53%	10.63%	10.06%	12.42%	13.81%
NET ASSETS, END OF YEAR (000's)	\$26,872.9	\$24,501.2	\$20,555.3	\$23,909.2	\$23,927.8
RATIOS TO AVERAGE NET ASSETS					
ANNUALIZED:					
RATIO OF EXPENSES TO					
AVERAGE NET ASSETS (C)	1.80%	1.79%	1.61%	1.57%	1.25%
RATIO OF NET INVESTMENT INCOME					
TO AVERAGE NET ASSETS (C)	.11%	.06%	.17%	0.32%	0.74%
PORTFOLIO TURNOVER RATE	6.53%	11.31%	11.19%	1.77%	10.61%
AVERAGE COMMISSION RATE PAID PER SHARE	\$0.095	\$0.125	\$0.125	\$0.125	\$0.125

(A) ALL PER SHARE DATA FOR ALL PERIODS 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) IF THERE WAS NO SALE ON THE VALUATION DATE, THE BID PRICE FOR EACH SUCH DATE IS SHOWN.

(C) FOR THE YEAR ENDED 2000, THE ADVISER VOLUNTARILY WAIVED ALL OR A PORTION OF ITS FEES. HAD THE ADVISER NOT DONE SO IN 2000, THE RATIO OF EXPENSES TO AVERAGE NET ASSETS WOULD HAVE BEEN 1.44%, AND THE RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS WOULD HAVE BEEN 0.55%, FOR THAT YEAR.

NAIC GROWTH FUND, INC.
PORTFOLIO OF INVESTMENTS - DECEMBER 31, 2004

<u>%</u> <u>COMMON STOCK</u>	<u>SHARES</u>	<u>COST</u>	<u>MARKET</u>	<u>%</u> <u>COMMON STOCK</u>	<u>SHARES</u>	<u>COST</u>	<u>MARKET</u>
3.4 AUTO REPLACEMENT				4.7 CONSUMER PRODUCTS			
O'REILLY AUTO*	20,000	\$242,606	\$901,000	COLGATE-PALMOLIVE	16,000	\$469,850	\$818,560
				NEWELL RUBBERMAID	18,000	452,267	435,420
TOTAL			<u>\$901,000</u>	TOTAL			<u>\$1,253,980</u>
13.2 BANKING				3.3 ELECTRICAL EQUIPMENT			
CITIGROUP	22,000	368,635	1,059,960	GENERAL ELECTRIC	24,000	441,341	876,000
COMERICA, INC.	10,000	404,669	610,200	TOTAL			<u>876,000</u>
HUNTINGTON BANC.	25,000	238,023	618,500				
JP MORGAN CHASE	13,200	331,370	514,932				
SYNOVUS FINANCIAL	27,000	317,651	771,660				
TOTAL			<u>3,575,252</u>	2.1 ELECTRONICS			
2.8 BUILDING PRODUCTS				2.6 FINANCIAL SERVICES			
JOHNSON CONTROLS	12,000	96,895	761,280	STATE STREET BOSTON	14,000	339,934	687,680
TOTAL			<u>761,280</u>	TOTAL			<u>687,680</u>
3.0 CHEMICALS				9.9 ETHICAL DRUGS			
RPM	25,000	287,099	491,500	ABBOTT LABORATORIES	14,000	599,572	653,100
SIGMA ALDRICH	5,000	94,937	302,300	JOHNSON & JOHNSON	15,000	614,274	951,300
TOTAL			<u>793,800</u>	MERCK & Co., INC.	10,000	359,350	321,400
				PFIZER, INC.	28,000	606,755	752,920
				TOTAL			<u>2,678,720</u>
SEE NOTES TO FINANCIAL STATEMENTS							

<u>% COMMON STOCK</u>	<u>SHARES</u>	<u>COST</u>	<u>MARKET</u>	<u>% COMMON STOCK</u>	<u>SHARES</u>	<u>COST</u>	<u>MARKET</u>
7.2 FOOD				9.4 MULTI INDUSTRY			
CONAGRA	18,000	\$351,815	\$530,100	CARLISLE	9,000	\$364,086	\$584,280
HEINZ, H.J.	16,000	532,050	623,840	PENTAIR	28,000	456,569	1,219,680
McCORMICK & Co.	20,000	223,975	772,000	TELEFLEX	14,000	445,435	727,160
TOTAL			<u>\$1,925,940</u>	TOTAL			<u>\$2,531,120</u>
9.7 HOSPITAL SUPPLIES				1.6 OFFICE SUPPLIES			
BIOMET CORP.	17,000	166,709	737,630	AVERY DENNISON	7,000	384,044	419,790
MEDTRONIC	11,000	545,159	546,370	TOTAL			<u>419,790</u>
POLYMEDICA	10,000	284,082	372,900				
STRYKER CORP.	20,000	95,500	965,000				
TOTAL			<u>2,621,900</u>	2.1 REALTY TRUST			
2.9 INDUSTRIAL SERVICES				FIRST INDUSTRIAL	14,000	394,963	570,220
DONALDSON Co.	24,000	162,563	781,920	REALTY TRUST			
TOTAL			<u>781,920</u>	TOTAL			<u>570,220</u>
3.0 INSURANCE				3.3 SOFT DRINKS			
AFLAC, INC.	20,000	143,906	796,800	PEPSICO	17,000	433,218	887,400
TOTAL			<u>796,800</u>	TOTAL			<u>887,400</u>
2.6 MACHINERY							
EMERSON ELECTRIC Co.	10,000	335,278	701,000				
TOTAL			<u>701,000</u>				

SEE NOTES TO FINANCIAL STATEMENTS

% COMMON STOCK SHARES COST MARKET TOP TEN HOLDINGS - NAIC GROWTH FUND, 12/31/04

2.8 TRANSPORTATION

SYSCO CORP.	20,000	\$142,750	\$763,400
TOTAL			<u>763,400</u>

**89.6% INVESTMENT
SECURITIES**

<u>\$11,996,517</u>	<u>\$24,084,502</u>
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SHORT-TERM INVESTMENTS

11.9	UNITED STATES TREASURY BILLS, MATURING 1/27/2005	\$3,194,369
0.6	MISC. CASH EQUIVALENTS	<u>155,321</u>
12.5%		<u>\$3,349,690</u>

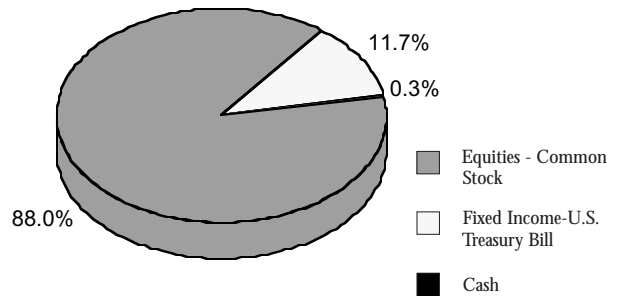
TOTAL INVESTMENTS	\$27,434,192
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(2.1)	ALL OTHER ASSETS LESS LIABILITIES	(561,330)
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<u>100%</u>	TOTAL NET ASSETS	<u>\$26,872,862</u>
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COMPANY	MARKET VALUE	% OF PORTFOLIO INVESTMENTS
PENTAIR	\$1,219,680	4.5
CITIGROUP	1,059,960	3.9
STRYKER	965,000	3.6
JOHNSON & JOHNSON	951,300	3.5
O'REILLY AUTO	901,000	3.4
PEPSICO	887,400	3.3
GENERAL ELECTRIC	876,000	3.3
COLGATE-PALMOLIVE	818,560	3.0
AFLAC	796,800	3.0
DONALDSON Co.	781,920	2.9

Summary of Investment Position
as % of Total Investments
12/31/2004



* NON-INCOME PRODUCING SECURITY

SEE NOTES TO FINANCIAL STATEMENTS

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 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. IF NO SUCH PRICES ARE AVAILABLE ON THE VALUATION DATE, THE BOARD OF DIRECTORS HAS DETERMINED THE MOST RECENT MARKET PRICES BE USED. 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, 2004:

GROSS UNREALIZED APPRECIATION	\$ 12,142,782
GROSS UNREALIZED DEPRECIATION	(54,797)
NET UNREALIZED APPRECIATION	<u>\$ 12,087,985</u>
FEDERAL INCOME TAX COST	<u>\$ 11,996,517</u>

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. THE EXPENSES OF THE FOLLOW-ON OFFERING ARE NOT CONSIDERED AN EXPENSE OF THE FUND FOR PURPOSES OF THE EXPENSE LIMITATIONS OF THE ADVISORY AGREEMENT. IN ADDITION, DURING 2004 THE FUND'S INVESTMENT ADVISER PAID FOR CERTAIN ADVERTISING AND PROMOTIONAL EXPENSES RELATING TO THE FUND'S FOLLOW-ON OFFERING FOR WHICH IT WAS NOT REIMBURSED. A DIRECTOR OF THE FUND RECEIVES COMPENSATION FOR ACTING AS SECRETARY TO THE FUND. THE FEES FOR THOSE SERVICES AMOUNTED TO \$12,000 FOR THE YEAR ENDED DECEMBER 31, 2004.

(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 DECEMBER 9, 2004, A DISTRIBUTION OF \$0.1956 PER SHARE AGGREGATING \$474,812 WAS DECLARED FROM NET INVESTMENT INCOME AND REALIZED GAINS. THE DIVIDEND WAS PAID ON JANUARY 27, 2005, TO SHAREOWNERS OF RECORD ON DECEMBER 20, 2004.

THE TAX CHARACTER OF DISTRIBUTIONS PAID DURING 2004 AND 2003 WAS AS FOLLOWS:

	<u>2004</u>	<u>2003</u>
DISTRIBUTIONS PAID FROM:		
ORDINARY INCOME	\$ 19,792	\$ 16,990
LONG-TERM CAPITAL GAIN	<u>455,020</u>	<u>806,949</u>
	<u>\$474,812</u>	<u>\$823,939</u>

AS OF DECEMBER 31, 2004, THE COMPONENTS OF DISTRIBUTABLE EARNINGS ON A TAX BASIS WERE AS FOLLOWS:

UNDISTRIBUTED ORDINARY INCOME	\$ 5,766
UNREALIZED APPRECIATION	\$ 12,087,985

(6) INVESTMENT TRANSACTIONS

PURCHASES AND SALES OF SECURITIES, OTHER THAN SHORT-TERM SECURITIES FOR THE YEAR ENDED DECEMBER 31, 2004, WERE \$3,254,873 AND \$1,409,034, 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., INCLUDING THE PORTFOLIO OF INVESTMENTS, AS OF DECEMBER 31, 2004 AND THE RELATED STATEMENT OF OPERATIONS FOR THE YEAR THEN ENDED, AND THE STATEMENT OF CHANGES IN NET ASSETS AND FINANCIAL HIGHLIGHTS FOR EACH OF THE TWO YEARS IN THE PERIOD THEN ENDED. THESE FINANCIAL STATEMENTS AND FINANCIAL HIGHLIGHTS ARE THE REPOSIBILITY OF THE FUND'S MANAGEMENT. OUR RESPONSIBILITY IS TO EXPRESS AN OPINION ON THESE FINANCIAL STATEMENTS AND FINANCIAL HIGHLIGHTS BASED ON OUR AUDIT. THE FINANCIAL HIGHLIGHTS OF NAIC GROWTH FUND, INC. FOR EACH OF THE THREE YEARS IN THE PERIOD ENDED DECEMBER 31, 2001 WERE AUDITED BY OTHER AUDITORS WHO HAVE CEASED OPERATIONS AND WHOSE MOST RECENT REPORT DATED JANUARY 4, 2002 EXPRESSED AN UNQUALIFIED OPINION ON THE FINANCIAL STATEMENTS CONTAINING THOSE FINANCIAL HIGHLIGHTS.

WE CONDUCTED OUR AUDIT IN ACCORDANCE WITH AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA. 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, 2004 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 AUDIT PROVIDES 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, 2004, THE RESULTS OF ITS OPERATIONS FOR THE YEAR THEN ENDED, AND THE STATEMENT OF CHANGES IN NET ASSETS AND FINANCIAL HIGHLIGHTS FOR EACH OF THE TWO YEARS IN THE PERIOD THEN ENDED, IN CONFORMITY WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA.

PLANTE & MORAN, PLLC

JANUARY 11, 2005

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 \$9.00 ON DECEMBER 31, 2004. 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 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 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.

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 Who Are Interested Persons of the Fund and Officers

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**	Other Directorships Held by Director (Public Companies)
Thomas E. O'Hara Age 89	Chairman of the Board and Director	Term of office one year. Served as Chairman as a director since 1989.	Chairman Emeritus of the Board (since 2002) and Trustee (since 1951) of the National Association of Investors Corporation, a non-profit corporation engaged in investment education ("NAIC") and Chairman Emeritus (since 2002) and Director of the Growth Fund Advisor, Inc. (since 1999), the Fund's investment adviser ("the Investment Adviser"). Chairman of NAIC (from 1951 to 2002) and Chairman of the Investment Adviser (from 1999-2002).	One	None.
Kenneth S. Janke Age 70	Director, President and Treasurer	Term of office one year. Served as a President and a director since 1989.	Chairman and Trustee of NAIC (since 2002) and Chairman, Chief Executive Officer and Director (since 2002) and President and Treasurer (since 1990) of the Investment Adviser. Chief Executive Officer of NAIC (from 1981 to 2002).	One	Director, AFLAC Incorporated (insurance).
Lewis A. Rockwell Age 86	Director and Secretary	Term of office one year. Served as a Secretary and as a director since 1989.	Counsel to the law firm of Bodman LLP, counsel to the Fund, NAIC and the Investment Adviser since their inception; Trustee (since 1956) and Secretary (since 1987) of NAIC; Director ;and Secretary of the Investment Adviser (since 1999).	One	None.
Peggy Schmeltz Age 77	Director	Term of office one year. Served director since 1989.	Adult Education Teacher; Trustee of NAIC (since 1995); Director of Bowling Green State University Foundation Board. Former member of NYSE Advisory Committee (1992 to 1994)	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**	Other Directorships Held by Director (Public Companies)
Carl A. Holth Age 72	Director	Term of office one year. Served as a director since 1989.	Director, Sunshine Fifty, Inc., and Harrison Piping Supply, Inc.	One	None.
Benedict J. Smith Age 84	Director	Term of office one year. Served as a director since 1996.	Retired; Director and Treasurer, Detroit Executive Service Corps; Director, Vista Maria (a nonprofit charitable organization); Trustee, Henry Ford Health System, Behavioral Sciences.	One	None.
James M. Lane Age 75	Director	Term of office one year. Served as a director since 1996.	Retired; Director, Wheaton College, Baseball Chapel, Inc. and Christian Camps, Inc.	One	None.
Luke E. Sims Age 55	Director	Term of office one year. Served as a director since 2002.	Partner in the law firm of Foley & Lardner LLP and Director, Wilson-Hurd Mfg. Co.	One	LaCrosse Footwear, Inc. (manufacturer and marketer of sporting and industrial footwear).

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

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

Additional information concerning the directors of the Fund is contained in the Fund's Statement of Additional Information which is available, without charge, upon request by calling (877) 275-6242.

Compensation

The following table sets forth the aggregate compensation paid to all directors in 2004. Directors who are affiliated with the Investment Adviser or the Investment Adviser's affiliates do not receive any compensation for service as a director. The Chairman and President are not compensated by the Fund, except for reimbursement for out-of-pocket expenses relating to attendance at meetings and other operations of the Fund. No other officer of the Fund received compensation from the Fund in 2004 in excess of \$60,000.

Directors Who Are Interested Persons of the Fund

Name of Person, Position	Aggregate Compensation from Fund*	Pension or Retirement Benefits Accrued as Part of Fund Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From Fund and Complex Paid to Directors**
Thomas E. O'Hara, Chairman and Director	None	None	None	None
Kenneth S. Janke President, Treasurer and Director	None	None	None	None
Lewis A. Rockwell Secretary and Director	None	None	None	None
Peggy Schmeltz, Director	\$1,425	None	None	\$1,425

Directors Who Are Not Interested Persons of the Fund

Name of Person, Position	Aggregate Compensation from Fund*	Pension or Retirement Benefits Accrued as Part of Fund Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From Fund and Complex Paid to Directors**
Carl A. Holth, Director	\$1,425	None	None	\$1,425
James M. Lane, Director	\$1,425	None	None	\$1,425
Benedict M. Smith, Director	\$1,425	None	None	\$1,425
Luke E. Sims, Director	\$1,325	None	None	\$1,325

*All amounts shown are for service as a director.

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

NAIC GROWTH FUND, INC.
BOARD OF DIRECTORS

THOMAS E. O'HARA
CHAIRMAN,
HIGHLAND BEACH, FL

KENNETH S. JANKE
PRESIDENT,
BLOOMFIELD HILLS, MI

PEGGY L. SCHMELTZ
DIRECTOR,
BOWLING GREEN, OH

LEWIS A. ROCKWELL
SECRETARY,
GROSSE POINTE SHORES, MI

BENEDICT J. SMITH
DIRECTOR,
BIRMINGHAM, MI

LUKE E. SIMS
DIRECTOR,
MILWAUKEE, WI

CARL A. HOLTH
DIRECTOR,
CLINTON TWP., MI

JAMES M. LANE
DIRECTOR,
HIGHLAND BEACH, FL

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.

THE DIVIDEND REINVESTMENT PLAN ALLOWS SHAREOWNERS TO AUTOMATICALLY REINVEST DIVIDENDS IN FUND COMMON STOCK WITHOUT PAYING COMMISSIONS. 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

THE FUND FILES ITS COMPLETE SCHEDULE OF PORTFOLIO HOLDINGS WITH SECURITIES AND EXCHANGE COMMISSION FOR THE FIRST AND THIRD QUARTERS OF EACH FISCAL YEAR ON FORM N-Q. THE FUND'S FORM N-Q ARE AVAILABLE ON THE COMMISSION'S WEBSITE AT [HTTP://SEC.GOV](http://SEC.GOV), ON THE FUND'S WEBSITE AT [HTTP://WWW.NAICGROWTHFUND.COM](http://WWW.NAICGROWTHFUND.COM) UNDER THE HEADING "SEC EDGAR FILINGS" AND UPON REQUEST BY CALLING 1-877-275-6242. THE FUND'S FORMS N-Q MAY BE REVIEWED AND COPIED AT THE COMMISSION'S PUBLIC REFERENCE ROOM IN WASHINGTON, D.C., AND INFORMATION ON THE OPERATION OF THE PUBLIC REFERENCE ROOM MAY OBTAINED BY CALLING 1-800-SEC-0330.

A DESCRIPTION OF THE POLICIES AND PROCEDURES THAT THE FUND USES TO DETERMINE HOW TO VOTE PROXIES RELATING TO PORTFOLIO SECURITIES IS AVAILABLE (1) WITHOUT CHARGE, UPON REQUEST, BY CALLING 877-275-6242; (2) ON THE FUND'S WEBSITE AT WWW.NAICGROWTHFUND.COM; AND (3) ON THE SECURITIES AND EXCHANGE COMMISSION WEBSITE AT WWW.SEC.GOV.

INFORMATION REGARDING HOW THE FUND VOTED PROXIES RELATING TO PORTFOLIO SECURITIES DURING THE MOST RECENT TWELVE MONTH PERIOD ENDED JUNE 30, 2004 IS AVAILABLE (1) WITHOUT CHARGE, UPON REQUEST BY CALLING 1-877-275-6242 OR ON THE FUND'S WEBSITE AT HTTP://WWW.NAICGROWTH-FUND.COM AND (2) ON THE COMMISSION'S WEBSITE AT HTTP://WWW.SEC.GOV.

THE BOARD OF DIRECTORS OF THE FUND APPROVED THE CONTINUATION OF THE INVESTMENT ADVISORY AGREEMENT WITH ITS INVESTMENT ADVISOR, GROWTH FUND ADVISOR, INC., IN DECEMBER 2004. IN RENEWING THE INVESTMENT ADVISORY AGREEMENT, THE BOARD DISCUSSED THE FOLLOWING MATERIAL FACTORS: A COMPARISON OF THE FEES PAID TO, AND SERVICES RENDERED BY, CERTAIN OTHER INVESTMENT ADVISORS OF OTHER FUNDS HISTORICALLY SELECTED BY THE BOARD FOR PEER COMPARISONS (INCLUDING THE REASONABLENESS AND LOW PRICE OF THE FEES CHARGED BY GROWTH FUND ADVISOR, THE FAVORABLE LONG-TERM INVESTMENT PERFORMANCE OF THE FUND, THE UTILIZATION OF, GENERALLY, THE NAIC INVESTMENT PRINCIPLES AND THE NAIC STOCK STUDY PROGRAM FOR INVESTMENT DECISIONS, THE REASONABLENESS OF THE COSTS OF SERVICES PROVIDED BY THE GROWTH FUND ADVISOR, INC.), AND THE PROFITS REALIZED BY GROWTH FUND ADVISOR, INC. DURING ITS TENURE AS INVESTMENT ADVISOR TO THE FUND. THE BOARD ALSO FAVORABLY CONSIDERED THAT GROWTH FUND ADVISOR, INC. USES A BROKER BASED PRIMARILY ON BEST EXECUTION WHILE ALSO LOOKING AT THE VALUE OF ANY RESEARCH PROVIDED AS WELL AS FINANCIAL RESPONSIBILITY AND RESPONSIVENESS. THE BOARD DEFERRED ANY DISCUSSION OF THE EFFECT ON FEE PAYABLE TO GROWTH FUND ADVISOR, INC. OF ANY GROWTH IN ASSETS RESULTING IN ECONOMIES OF SCALE UNTIL SUCH TIME AS THE POTENTIAL FOR SIGNIFICANT ASSET FUND GROWTH BECOMES REALIZABLE. OVERALL, THE BOARD DETERMINED THAT IT REMAINS SATISFIED WITH THE NATURE, EXTENT AND QUALITY OF SERVICES, AND THE INVESTMENT PERFORMANCE PROVIDED BY GROWTH FUND ADVISOR, INC.

SHAREOWNERS OR INDIVIDUALS WANTING GENERAL INFORMATION OR HAVING QUESTIONS, WRITE NAIC GROWTH FUND, INC., P.O. BOX 220, ROYAL OAK, MICHIGAN 48068. TELEPHONE 877-275-6242 OR VISIT US AT OUR WEBSITE AT WWW.NAICGROWTHFUND.COM.