

## What Makes a Good Investment Club?

### Meetings:

- How often are meetings held and where? A club should meet 10-12 times a year on a regular schedule.
- Does the club use an agenda?
- Do the meetings start and end on time?
- Does the club maintain a written record of the reasons for stock transactions?

### Members:

- Do all club members belong to BetterInvesting?
- Are all the members active in the club, particularly in the selection of stocks?
- How experienced are the members at investing?
- What does the club expect of new members?
- What time commitment will be expected of me?
- Are extra fees assessed to join or withdraw funds?
- What minimum amount is each member required to invest each month? Is this an amount I can afford?

### Reports:

- Do the members receive meeting minutes in a timely manner?
- Have I received a copy of the partnership agreement and operating agreement to review **before** I decide to join? Is it current and signed by all members?
- Do the members have access to monthly valuation statements and member status reports?
- Are the proper tax records filed annually? (For example, for a general partnership, does the club file a 1065 form and distribute K-1 reports to all partners?)
- Are the club's financial records reviewed annually by a committee of members?
- Does the club use a unit valuation accounting system to track member units?

### Stock Presentations & Purchases/Sales:

- How does the club make its investment decisions? Does the club use a weighted or equal-share voting system?
- Does the club follow BetterInvesting methodology? Is a Stock Selection Guide (SSG) prepared for every stock purchased or sold?
- Is background material distributed to members along with an SSG when a new stock purchase is proposed?
- Are stocks discussed thoroughly and intelligently? Are presenters prepared?
- Does the club diversify its purchases by size and by industry?

### Education:

- How does the club ensure continuing investment education?
- What will I learn about investing in stocks?
- Does the club attend chapter training or other BetterInvesting seminars?
- Is there a mentoring program or some other way to welcome new members into the club?

### Officers:

- Does the club change officers regularly according to its operating procedures?