

Why a Model Club?

The Pgh. Chapter NAIC Model Club (PCMC) and the Pittsburgh Chapter NAIC Computer Club (PCNCC) are investment club partnerships affiliated with BetterInvesting™ (the National Association of Investors Corp. — NAIC).

They are sponsored by the Pittsburgh Chapter of BetterInvesting (NAIC), which provides training and assistance for BetterInvesting-affiliated investment clubs in western Pennsylvania and northern West Virginia, and sponsors the Pittsburgh Investors Fair® each spring.

OBJECTIVES: To teach investors the BetterInvesting techniques for selecting growth stocks in which to invest, and to give members experience in the organization and operation of an investment club. It is expected that members will leave a Model Club to form their own club once they gain an understanding of BetterInvesting™ investment techniques and club operations.

WHY TWO CLUBS? The PCMC focuses on NAIC's traditional methods, while PCNCC emphasizes the application of BetterInvesting™ computer software to those methods.



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Chapter Web Site (new address)
www.betterinvesting.org/pgh

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Pittsburgh
Chapter

Model Investment Clubs

*Learn the techniques used by
successful investment clubs.*

Organization and Procedures of the Pittsburgh Model Clubs

MEETINGS:

Each club holds regular monthly meetings. PCMC meets on the second Saturday morning of each month from 10am—noon, at the Shaler Public Library, 1822 Mount Royal Blvd., Glenshaw (next to the Shaler Intermediate School).

PCNCC usually meets on the fourth Saturday of each month from 9am—11am except December, at St. James Church, 11524 Frankstown Road, Penn Hills.

Check the Pittsburgh Chapter Home Page for current information.

INVESTMENTS:

Investment portfolios are maintained by each Club. Each Partner owns a share of the total portfolio value, based on the Partner's total number of valuation units purchased, as explained under Accounting.

BetterInvesting™ and the Model Clubs are oriented toward identifying stocks of companies with a proven history of growth and prospects for above-average future growth. The primary tool for this evaluation is the BetterInvesting™ Stock Selection Guide, which will be used as an aid for all investment decisions.

The Clubs emphasize long-term investment techniques, rather than market-timing and short-term stock trading. A portion of each Club's portfolio may be in common-stock dividend-reinvestment plans. Because the Clubs attempt to maintain a reasonably diversified portfolio of individual stocks, it is not likely that mutual funds will be considered for investment.

VISITORS:

A prospective member of either club must attend a minimum of two meetings before joining. Visitors are welcome to observe and join in the discussions, but may not participate in the decision-making activities of a Club.

MEMBERSHIP:

New members are welcome to join either club (but not both) at any time, subject to the provisions of the Club's partnership agreement and bylaws. There are two categories of membership:

Primary Partners are Directors of the Pittsburgh Chapter of BetterInvesting™. All others are invited to join as Associate Partners. Associate Partners may be members for a period of 24 months, during which time they will have an opportunity to learn how an investment club functions, so that when they withdraw from the Club they will be prepared to form a new investment club of their own. Associate Partners may continue as members after 24 months if a Club has less than the full membership prescribed in the Partnership Agreement and if there are no prospective members waiting to join.

Members are considered to be individual participants. Couples are welcome to attend the meetings, but only the Club Partner may vote. If both members of a couple join, their partnership accounts are maintained separately, and both are expected to participate.

PARTICIPATION:

All members are expected to attend and participate regularly, and to make regular investments in their Club. Each member is required to invest a minimum of \$10 per month, with a maximum limit of \$100 per month. All Partners have a voice in the investment activities of their Club, and are encouraged to present stock studies for consideration. Partners who miss more than three meetings in a row will be assumed to have withdrawn.

ACCOUNTING:

Each Club's treasurer will keep the financial records of the Club in accordance with NAIC guidelines, using computer software specifically designed to manage investment club accounting.

A Club's portfolio will be valued prior to each meeting, and a "unit value" assigned to each \$10 invested by members at that meeting, in much the same manner that mutual funds value their shares. Using this method, it is not necessary for each partner to have an equal amount of money invested in the Club.

When a member withdraws, the amount returned will be based on the current value of the number of units owned, in accordance with the provisions of the Partnership Agreement.

TAXES:

The Clubs are registered with IRS as investment club partnerships, which provide that the clubs pay no taxes. Each Partner will receive the information necessary to declare his/her portion of a Club's investment income and expenses, and is required to pay taxes on that portion.

BetterInvesting™ (NAIC) AFFILIATION:

The Clubs maintain membership in BetterInvesting™ (NAIC). Non-NAIC members who join will be enrolled as NAIC members, and will receive all the regular benefits of NAIC membership, including the monthly magazine Better Investing. If both members of a couple join a Club, one membership covers both. New members will also receive a BetterInvesting™ Investors Manual. Startup fees will be assessed to new members to cover the cost of NAIC membership and supplies, as necessary.