

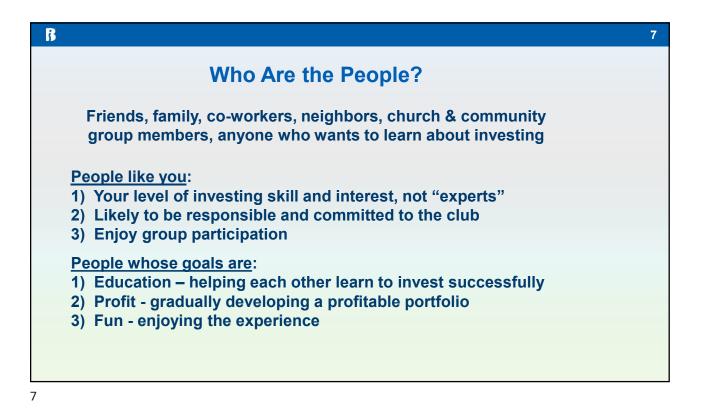




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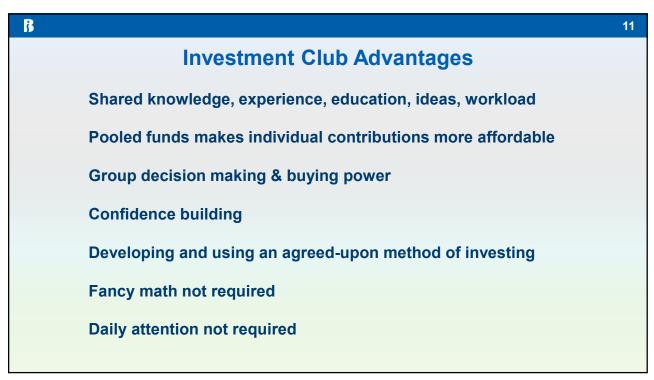




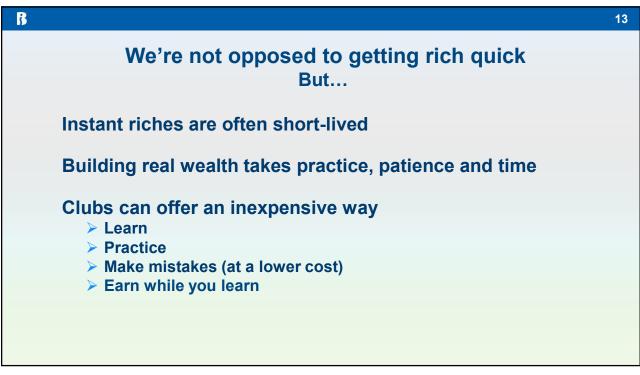


















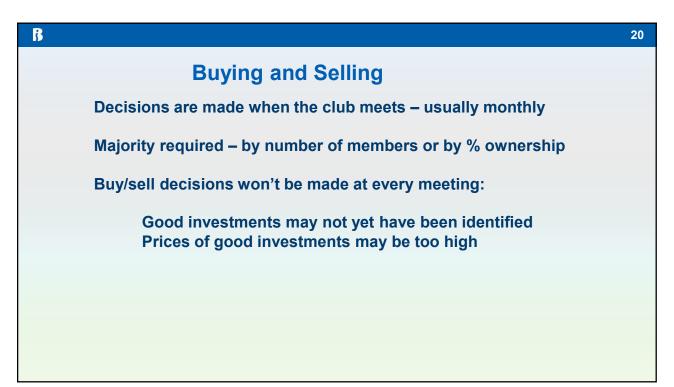
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What to Expect	
Affordability – Each club decides this	
• Many clubs have a one-time investment of about \$100/partner for start-up costs	
 Monthly investments by each partner can be as low as \$10-\$30 or as high as \$100+. Partnership decides. Most funds will be invested in the club portfolio Members not required to invest equal amounts Club Expenses cut into profits. Accounting and annual tax reporting Use discount brokers 	
 Annual membership/subscription fees for club or per partner 	

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Typical monthly meeting	
<u>Administration</u> (5-10 minutes) - Review minutes of previous meeting - Review treasurer's report/collect monthly investments	
<u>Education</u> (30-45 minutes) Presentation(s) by one or more partner(s)	
<u>Portfolio Related Activities (</u> 45-60 minutes) - Stock watcher's reports (10-15 minutes, total, not each) - Presentation/review of possible new stocks (30-40 minutes) - Voting on trading decisions, if any (5-15 minutes)	
<u>Wrap-Up</u> (5-10 minutes) Confirm assignments for next meeting, etc.	







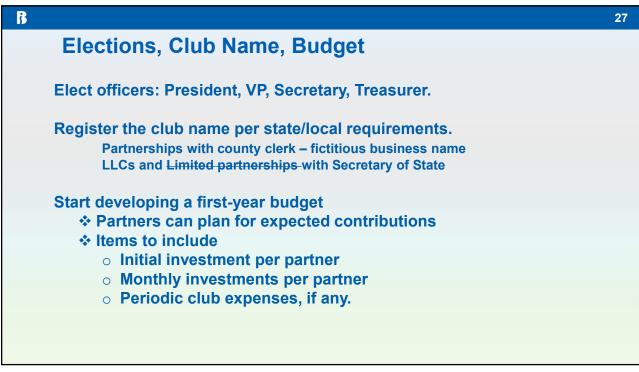
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Manage Expectations	
BI "Rule of 5" about stocks – Even for experienced investors → One of 5 investments will soar.	
 One will go down really badly. 	
Three will do more or less as you expect.	
In the market, nobody is perfect	
> Never blame the partner who presented a stock that disappoints.	
Never give extra credit to someone who finds good performer.	
Decisions are a partnership, not individual responsibility.	
Expect all partners will make some bad calls over time.	
Never "marry" an investment. If the quality does not hold up, get a "divorce" (sell the investment) sooner rather than later.	
Learn from both good and bad experiences.	



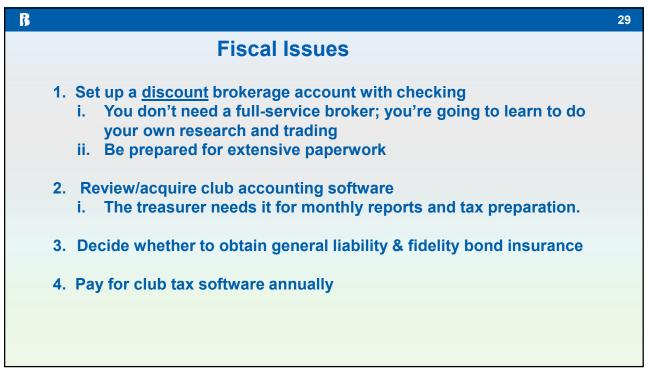




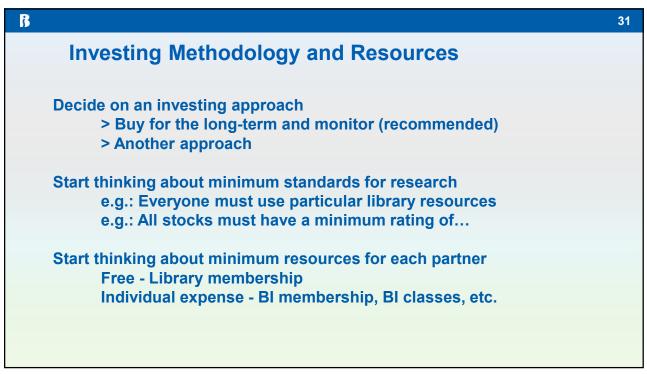




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Legal Documents	
 Get a Federal Tax Identification Number - IRS form SS-4 Can apply online at irs.gov 	
 Review/adopt a General Partnership Agreement Model agreements available from BetterInvesting 	
 Review/adopt Operating Procedures The PA and OP must require active participation by all partners to avoid SEC regulation 	
Check for state/local tax & regulatory rules	









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Tips For Running a Club	
Follow your Partnership Agreement!!	
Have an agenda for each meeting	
Be transparent about club operations/finances	
Share club financial position each meeting	
Audit your financial records regularly, at least annually.	
Don't forget about filing tax returns	
Be kind to your officers.	
They don't control brokers, the IRS, banks, the market, etc.	
Don't allow a few to dominate club decisions	
Don't try to keep all members as equal owners	
Voting on issues can still be on an equal basis	
Seek help from your BetterInvesting chapter	
We even help non-BetterInvesting clubs	





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