



Heart of Illinois Chapter News

Home of the Beardstown Ladies Investment Club

February 2026

President's Message

Wishing you a successful start to the new year. The market performed strongly in 2025, delivering notable returns for clubs and individual investors. Early indicators suggest 2026 is also off to a positive start.

Our chapter has several upcoming events, including the in-person BINC from April 23–26, celebrating the 75th anniversary of NAIC. The conference will feature over forty classes and distinguished guest speakers like David Gardner, co-founder of The Motley Fool among them. Registration is still open at <https://www.betterinvesting.org/BINC>. See the Classes and Speakers link on the next page.

The chapter's model club convenes on the third Monday of each month at 6 p.m. Central, providing a practical forum for investment analysis using BetterInvesting[™] tools. Details and meeting links are available on our chapter website: <https://www.betterinvesting.org/chapters/heart-of-illinois>.

Additionally, the "Wednesday Morning Breakfast Club" offers informal weekly discussions on investment topics, welcoming participants nationwide. There is no set agenda, and all are encouraged to share ideas.

As tax season approaches, investment clubs are reminded to file Form 1065 with the federal government and comply with state requirements. K-1s must be distributed to partners by March 15. For assistance, contact Steve Emmerich or Bobbie Kincaid. A virtual meeting is being considered to support club treasurers, especially those new to the process. Further details elsewhere in this newsletter

Chapter Milestones and Club Highlights

2026 has proven to be an exceptional year for both the market and our chapter's community. We are proud to recognize and celebrate the remarkable achievements of ten investment clubs that have reached significant anniversaries this past year:

- Sowers Investment Club – 25 years, Pekin
- Nailah Investment Club – 25 years, Rockford
- Pourleapyears Investment Club – 25 years, Rockford
- Easy Street Investment Club – 25 years, Effingham
- WIN Women Investors Network – 30 years, Peoria
- Happy Money Makers – 30 years, Pekin
- Women Investor Network – 30 years, Charleston
- Little Egypt Investment Co. – 30 years, Carmi

- Go For Broke Investment Club – 35 years, Springfield
- Today’s Woman Investment Club – 40 years, Monmouth

In addition to honoring these established clubs, we extend a warm welcome to two newly formed investment clubs: Bullseye Investment Club of East Moline and Little Red Pony Investment Club of Springfield. These groups are comprised of younger members who are eager to develop their saving and investing skills. Their enthusiasm marks an exciting new chapter for our organization.

The Value of BetterInvesting™ and Volunteering

BetterInvesting™ continues to empower millions by fostering financial education and lifelong investing habits. Our clubs serve as valuable spaces for sharing insights and learning together. For those seeking a deeper understanding and greater involvement, we invite you to join the dedicated group of volunteers supporting our chapter. Even a small contribution of your time can yield immeasurable personal and professional rewards.

It’s Tax Time – Help is Available

Investment Club Partnerships must file a US-1065 each year by the deadline: this year by March 16th. By this same date, members also have to receive their Schedule K-1s along with instructions for using this form. Our Chapter has two people very familiar with the myICLUB accounting program and tax-filing process who have offered to help any club with tax preparation and e-file questions. We are concerned that younger clubs less than 5 years of age might need extra tax-time help. Just send an email to either Stephen Emmerich at mriguy52@hotmail.com or Bobbie Kincaid at bobbiekincaid@comcast.net. Please don’t wait for March 15 or 16.

Following the Tax Time theme, Bobbie has put together an article about the headaches of owning REITs in your portfolio. For the sake of space, it’s included at the end of this newsletter. If you have comments or questions, please direct them to Bobbie at the email above.

Facebook is Waiting for You to Join Us

Join our Facebook group: Just search “Heart of Illinois” on Facebook and connect with fellow members. <https://www.facebook.com/groups/103681926409261>

The 2026 BetterInvesting National Convention (BINC)

BINC is coming to Chicago, Illinois, April 23–26, 2026. This link will take you to the page where the class titles and presenters are listed: <https://www.betterinvesting.org/binc2026/schedule-sessions>. Do you have any memorabilia to help us go back in time to celebrate how the National Association of Investors Corp started, and later became BetterInvesting? If so, contact Stephen Emmerich at mriguy52@hotmail.com.

Heart of Illinois Chapter Events – This chapter is here to serve you, your club, and its members. Your active participation is welcome. All activities are open to the public – most online:

2026 HOIC EVENTS SCHEDULE		
MONTH	DATE	ACTIVITY (dates and times CT)
MARCH	2	Board Meeting/Roundtable GTM 7 PM - 8 PM
MARCH	16	Model Club meeting GTM 6PM-7:30 PM
APRIL	6	Board Meeting/Roundtable GTM 7 PM - 8PM
APRIL	20	Model Club meeting GTM 6PM-7:30 PM
APRIL	23-26	BINC 2026 at Chicago Marriott O'Hare, 8535 W. Higgins Rd, Chicago, IL
MAY	4	Board Meeting/Roundtable GTM 7 PM - 8 PM
MAY	18	Model Club meeting GTM 6PM-7:30 PM
JUNE	15	Model Club meeting GTM 6PM-7:30 PM
JUNE	20 (TBD)	Annual Board & Planning Meeting - Attendance Required. Guests welcome. Lunch included. 10am-1200. Details to be determined. Perhaps Springfield
JULY	20	Model Club meeting GTM 6PM-7:30 PM
AUGUST	3	Board Meeting/Roundtable GTM 7 PM - 8 PM
AUGUST	17	Model Club meeting GTM 6PM-7:30 PM
SEPTEMBER	7	Board Meeting/Roundtable GTM 7 PM - 8 PM (Labor Day)
SEPTEMBER	21	Model Club meeting GTM 6PM-7:30 PM
OCTOBER	5	Board Meeting/Roundtable GTM 7 PM - 8 PM
OCTOBER	19	Model Club meeting GTM 6PM-7:30 PM
NOVEMBER	2	Board Meeting/Roundtable GTM 7 PM - 8 PM
NOVEMBER	16	Model Club meeting GTM 6PM-7:30 PM
DECEMBER	7	Board Meeting/Roundtable GTM 7 PM - 8 PM
DECEMBER	21	Model Club meeting GTM 6PM-7:30 PM
		PRESENTATIONS MADE AT MONTHLY MEETINGS ARE 10-20 MINUTES IN LENGTH, AND WILL BE ON A TOPIC OF INTEREST TO ALL BI INVESTORS.
		All meetings: Open to the Public -- All times are Central Time -- Online
		HOIC Wednesday Morning Breakfast Club every Wednesday at 8am
		TENTATIVE CALENDAR - WILL BE UPDATED AS INFORMATION IS CONFIRMED
file: HOIC Events Schedule-2026.xlsx		

Go here for login information: <https://www.betterinvesting.org/chapters/heart-of-illinois/local-events>

WHY OUR CLUB DOESN'T HOLD REITs IN OUR PORTFOLIO

While REITs are popular for individual portfolios, they are often discouraged for **investment club partnerships** primarily due to significant accounting complexities and tax-reporting delays.

The main reasons for this recommendation include:

1. Accounting and Revaluation Complexity

Investment clubs typically use **unit-value accounting**, which requires revaluing the entire portfolio every month to determine the value of member contributions or withdrawals.

- **Late Classification:** REITs do not pay simple "dividends." Their distributions are a mix of ordinary income, capital gains, and **Return of Capital (ROC)**.
- **The "Waiting Game":** REITs often do not announce the final tax breakdown of their distributions until late January or February of the following year.
- **Retroactive Adjustments:** Once the breakdown is released, the club treasurer must go back and edit every monthly valuation from the previous year to account for the ROC and other components. This can change the value of withdrawals made by members months earlier, leading to significant administrative headaches.

2. Tax Reporting Burdens (Form 1065 & K-1)

Because an investment club is a partnership, it must accurately pass through every type of income to its members via **Schedule K-1**.

- **Detailed Breakdown:** The treasurer must manually separate REIT income into specific categories, such as **Section 199A Dividends** (Box 5) and **Unrecaptured Section 1250 Gains** (Box 20).
- **Accuracy Risks:** If the treasurer does not manually perform these recategorizations, the club's tax filings will be inaccurate, potentially causing members to pay more tax than necessary.

3. Less Favorable Tax Treatment

In a partnership structure, some of the natural tax advantages of REITs are slightly diminished or complicated:

- **Ordinary Income Rates:** Unlike qualified dividends from standard stocks, most REIT dividends are taxed at the higher **ordinary income rate** (though the 20% Section 199A deduction helps offset this).
- **No Loss Pass-Through:** While REITs pass through gains to the club, any losses are "trapped" at the REIT level and cannot be used by the club members to offset their other income.