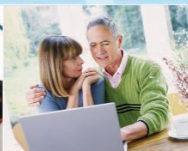


How to Start an Investment Club



NATIONAL ASSOCIATION OF INVESTORS CORPORATION

BETTER INVESTING[™]

The Leader In Investment Education

*AS FEATURED ON ABC'S
GOOD MORNING AMERICA*



Congratulations ...

You're about to join millions of Americans who have taken control of their financial futures by forming an investment club and following the proven principles and methodology of BetterInvesting.

WHAT IS BETTERINVESTING?

BetterInvesting is a non-profit, member-driven, volunteer-based organization committed to empowering its members to become successful long-term investors. BetterInvesting makes no stock recommendations and receives no commissions or fees from member investing activities.

WHAT IS AN INVESTMENT CLUB?

An investment club is a small group of individual investors who come together to learn, share investing experiences and help each other become more successful investors. At group meetings – usually held monthly – members pool their investment dollars, review studies of stocks presented by club members, and select one or more stocks to buy, based on BetterInvesting's unique investing methodology.

WHAT ARE THE ADVANTAGES OF AN INVESTMENT CLUB?

- Education: the ongoing accumulation of investment know-how is at the heart of every successful club.
- Companionship: your club will be a great place to share the work, the knowledge and the fun with people whose company you enjoy.
- Buying Power: through your shared portfolio, club members are able to invest in stocks that an individual may not be able to afford and quickly build a diversified portfolio.
- Safety in Numbers: like having lots of friends with flashlights to help light the way, you won't have to go it alone.

10 Steps to Your Club's Success



STEP 1 *Choose Club Members*

One of the key factors in a club's success is its membership mix. Family, co-workers, neighbors and friends are good places to start. Look for people not too far above or below your own level of investing experience. Successful investment clubs follow a proven, long-term approach to building wealth; all members of your club should share this philosophy.

STEP 2 *Enroll with BetterInvesting*

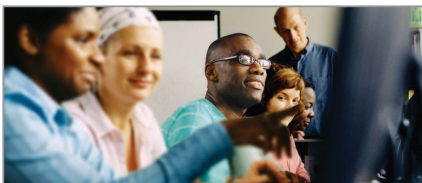
Membership in BetterInvesting may be the most important single step your club can take. The most consistently successful clubs are those that make full use of the educational materials, services, resources and investing tools provided by BetterInvesting.

STEP 3 *Hold an Initial Organizational Meeting*

Invite those people who may be interested in joining your club. A local BetterInvesting Chapter can help you prepare for, or conduct, your first meeting. To find a local chapter, go to www.betterinvesting.org.

STEP 4 *Elect Officers*

Designate your club's President, Vice President, Secretary and Treasurer as early as possible. Elect your officers for one- or two-year terms. The club treasurer should have an assistant who can move up later.



STEP 5 *Complete the General Partnership Agreement*

Most clubs choose to become a General Partnership. Start-up and operation costs are low and the tax advantages are significant. Each member of the club is a general partner. The Partnership Agreement is the founding blueprint that establishes the club's purpose, objectives and specifications.

STEP 6 *Prepare Club Operating Procedures*

Your club's Operating Procedures describe everyday rules and regulations, such as the duties of officers and the time of meetings. Operating Procedures should be customized to meet the needs of your members, and can be revised as necessary.

STEP 7 *Register with Federal and State Authorities*

As a business entity, your club must submit IRS Form SS-4 to apply for an Employer Identification Number (EIN). You'll also file a "Certificate of Conducting Business as Partners" form, which varies by county or state. Your club will file an annual tax return (IRS Form 1065), and each member will file his or her own club tax return using the information from IRS Schedule K-1.



STEP 8 *Open Checking and Brokerage Accounts*

Most clubs begin with both a checking and a brokerage account. Choose the type of broker (full-service, discount, and online) that best matches the goals and needs of your club. MyStockFund (online broker) has partnered with BetterInvesting to offer members discounted pricing – a good place for you to start.

STEP 9 *Begin Monthly Club Meetings and Educational Programs*

Clubs that hold well-run, organized meetings consistently enjoy superior investment results. As soon as possible after the formation of your club, members should begin to use the unique set of tools offered by BetterInvesting to help analyze and evaluate stocks.

STEP 10 *Use BetterInvesting Chapters and Online Resources*

BetterInvesting Chapters include over 1,500 trained volunteers who are committed to supporting local clubs through seminars, workshops and events. In addition, BetterInvesting's website offers a large collection of investment information, with a particular emphasis on club formation and operation. You'll find sample documents and forms to start your investment club at www.betterinvesting.org.



Become a BetterInvesting Member

Download a BetterInvesting Club Member Application from our website or contact Member Services toll free at 877-275-6242.

CLUB - \$40, PLUS \$25 PER MEMBER

CLUB RECEIVES:

- Barron's – one-year subscription
- Investment Club Operations Handbook
- Introduction to Successful Investing Handbook
- General Liability Insurance
- S&P Quarterly Stock Reports

CLUB MEMBERS RECEIVE:

- *BetterInvesting Magazine* – one-year subscription
- Local Chapter Support and Training
- Stock Purchase Plans:
 - MyStockFund (Basic Plan - One Free Purchase a Month for First Year)
 - Low Cost Plan
- Discounts on Educational Events, Programs, Resources and Software
- Preferred Rates: Money Markets, Credit Cards and CDs
- Online Tools and Resources:
 - Self-guided Courses
 - Article Archives
 - Member Insights
 - Insta-Polls
 - Blogs
 - Company Financial Reports
 - Stock, Mutual Fund and Portfolio Analysis Tools

Individual, Youth and Lifetime memberships are also available. See BetterInvesting.org for more information.

In-Depth Resources

FOR CLUBS AND THEIR MEMBERS

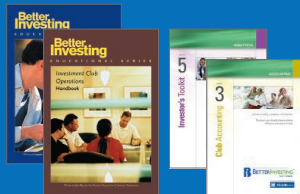
BetterInvesting offers members a wide variety of educational products and tools to help build investing knowledge and efficiently manage their investing activities.

SOFTWARE

- Club Accounting
- Club Tax Software
- Classic Plus
- Investor's Toolkit
- Portfolio Manager
- Stock Analyst
- Stock Prospector
- Take Stock

BOOK SERIES

- Investment Club Operations Handbook
- Introduction to Successful Investing Handbook
- Stock Selection Handbook
- Mutual Fund Handbook
- Using Portfolio Management Wisdom Handbook
- Investing for Life Youth Handbook
- Computerized Investing & The Internet Handbook



For more information, visit our online store at betterinvesting.org, or call a member services representative at 877-275-6242.

Join the BetterInvesting Community – as part of a club, or as an individual member – and take the next step toward a better, more secure financial future.

FOR MORE INFORMATION, OR A MEMBER APPLICATION, CONTACT BETTERINVESTING:

PHONE NUMBERS

TOLL FREE: 877-275-6242

TEL: 248-583-6242

FAX: 248-583-4880

EMAIL AND WEBSITE

EMAIL: service@betterinvesting.org

WEBSITE: www.betterinvesting.org

OFFICE HOURS

MONDAY-FRIDAY 8:30 AM – 5:00 PM ET

MEMBER SERVICES HOURS

MONDAY-FRIDAY 8:00 AM – 6:00 PM ET

