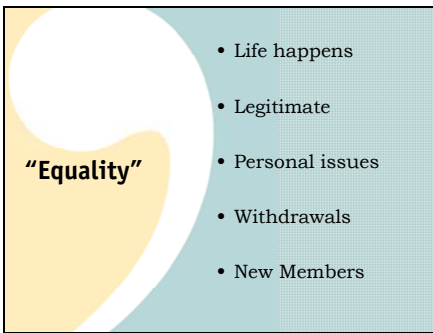


In a club, everyone is equal in the sense that income and expenses are allocated to you based on the number of shares you own. Just as with a mutual fund, the number of shares you own will depend on the amount of money you contribute and the price of a share on the date you make your contribution. If I own more shares than you do, I will receive a greater total amount of income. This makes sense. It is inevitable that different club members will own different numbers of units. An investment partnership is a long term undertaking. The only way everyone would own exactly the same number of shares is if everyone's contributions were recorded for exactly the same amounts on exactly the same days,

Month, after month, after month

Year after year after year



But,

Life Happens

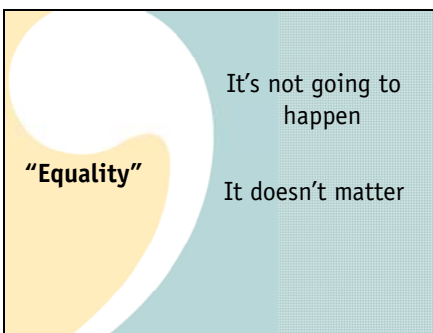
People miss payments for legitimate reasons

People will have times where they can't contribute as much as they used to

People might need some of the money they have invested in your club

People may want to join your club

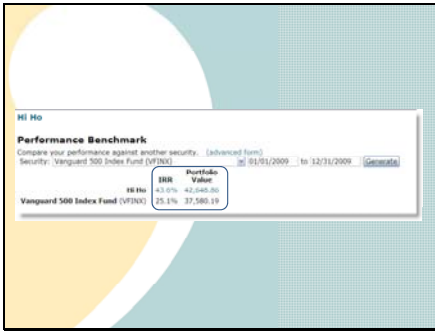
It doesn't make sense to make members leave your club or not allow new members to join if they will actively participate but are unable to have quite the same monetary stake as other members.



We can tell you after years of participating in and working with investment clubs,

That equal ownership is just not going to happen.

But the good news is that it doesn't matter. Your club accounting is designed to account for everyone's percentage of ownership accurately. If your treasurer is reconciling the books correctly each month, you can be sure your ownership is being tracked properly and you are being allocated the same amount of income and expenses in proportion to your ownership share as everyone else.



Focus on learning and working together to optimize your portfolio performance.

If your portfolio grows well, all members will benefit, even if they don't benefit by exactly the same total amounts. You will benefit equally based on the number of units you own and the dates that you made contributions to the club. You are a group working together to learn to manage a mutual fund. The fund doesn't care who owns what.

What matters is that each member is committed to participating in the group both monetarily and by providing research and education, not that each person owns exactly the same share of the club.