



FAQs about the Montgomery County Model Investment Club (MCMC)

1. What is an Investment Club?

An investment club is a form of partnership that allows individuals to pool their finances to purchase any form of investment. Investment clubs can be formed to purchase stocks, bonds, real estate, commodities, and similar investment products. [MCMC purchases common stocks](#). We don't purchase bonds, commodities, or real estate. The best way to look at an investment club it is a small mutual fund where you and the other partners are the stock analysts. There is work to being in an investment club. But we believe being in an investment club can be fun, profitable, educational, and enjoyable.

2. How is MCMC organized?

The Montgomery County Model Investment Club (MCMC) is a general partnership. We are governed by the laws of the state of Maryland and the United States. The partnership runs from January 1 to December 31 of each year. On December 31 of each year all income, expenses, capital gains, and capital losses "pass through" to the partners. The exact amount is determined by the length of time you have been in the investment club and the percentage of the club you own.

3. Tracking the Money

Because we are pooling our money, we need a way to track how much each person owns in the club. [MCMC uses the Unit Value accounting system developed by BetterInvesting \(BI\)](#). This method of

accounting treats partners fairly. Partners do not own "shares" in the club. Each partner owns a percentage of the club. This percentage is tracked by the number of "units" owned. To track this information, we use a cloud-based software program called Bivio. The site is encrypted and secure. Partners have 24-7 access to Bivio.

4. What is BetterInvesting?

[BetterInvesting \(BI\) is a not-for-profit investment education organization](#) located in Troy, MI. Since 1951, BI has been helping individuals learn more about investing in the stock market and encourages people to form investment clubs to learn together. BI has local volunteer chapters across the country. The local chapter of BI is the [DC Regional Chapter](#).

5. What is a Model Investment Club?

[A Model Investment Club has the expectation of showing individuals how to operate a stock investment club properly, or in a "model" fashion](#). MCMC is an officially sanctioned activity of the DC Regional Chapter and as such is designed to help others learn about investing and how to use the specific online tools of BI.

6. What is Bivio?

[Bivio is a private for-profit company that takes care of all our contributions made by partners and syncs with our brokerage account](#). In addition, Bivio has a tax package that allows for the club to submit our federal taxes for the club and provide the appropriate tax information for each



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partner. There is no connection between BetterInvesting and Bivio other than many investment clubs of BI use the services provided by Bivio.

7. Our Investment Philosophy

We follow the investment approach of BetterInvesting. [We purchase growth companies at a reasonable price.](#) We don't time the market.

8. How We Analyze Stocks

We use [the BI online tools to determine which stocks to buy, hold or sell.](#) The main form to evaluate companies is the Stock Selection Guide (SSG). Additional tools allow us to compare companies and select the best company based on our evaluation. You are not required to be proficient in using our tools before joining.

9. Costs in Joining MCMC

MCMC requires membership in Better Investing (BI). [You can join for 90 days for free.](#) After 90 days, you can upgrade to CoreSSG for \$102 per year or SSGPlus for \$120 per year. Our partners generally have SSGPlus. [The additional features](#) are worth the nominal cost.

10. Other Costs

Some newcomers also take a class on how to use the SSG. The DC Chapter sponsors a two-Day SSG class in the spring and fall. The cost is around \$30-40. [MCMC also has a group membership in Manifest Investing.](#) Manifest Investing is a for-profit business. Manifest is not related to BI but many of us

find benefit from their resources. Manifest is another long-term buy-and-hold investment approach. The cost of an individual membership is around \$40 per person per year.

Some club members purchase other investment products but there is no requirement that you purchase anything other than the annual BI membership.

11. How Are Contributions Collected?

Each partner shall make regular capital contributions into MCMC's brokerage account each month in an amount of at least \$30.00. You will need to set up a monthly bill pay that will deposit your contribution into our brokerage account at TD Ameritrade. To distinguish our contributions from each other, each partner selects a unique "penny amount". For example, a partner may deposit a contribution in the form of \$30.17. That penny amount of \$0.17 is unique to a partner making sure contributions are recorded correctly.

12. Business Meetings

MCMC meets from 7:00 PM to 9:00 PM on the third Wednesday of each month at [the Rockville Memorial Library](#). While COVID has restricted in-person meetings, MCMC has the expectation that partners will regularly attend in-person meetings when the library is open for group meetings. All Business meetings of MCMC are free and open to the public. [When we can't meet in](#)



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[person, the partners of MCMC use GoToMeeting to conduct their meetings.](#)

13. Administrative Meetings

Four times a year MCMC has administrative meetings to plan our administrative, investment & education sessions. By moving most of the administrative matters outside of the monthly business meetings to these four one-hour meetings we can spend more time in our business meetings learning and investing in common stocks. The administrative meetings are held virtually on the 1st Wednesday of the months of March, June, September, and December. These meetings start at 7:00 PM and end promptly at 8:00 PM. All partners are encouraged to attend.

14. Stock Study Groups

MCMC partners recognize that we need additional time to study and prepare for upcoming business meetings. As such MCMC has two stock study groups that meet monthly. Stock Study Group #1 meets on the 2nd Wednesday of the month for an hour. Stock Study Group #2 meets on the last Thursday of the month for an hour. The expectation is MCMC partners will select one of the two study groups and participate in the education and preparation of upcoming business meetings. These one-hour meetings are held virtually.

15. Social Gatherings

MCMC has two social gatherings a year. They are designed to be fun and learn more about your partners in a casual and

comfortable fashion. Social gatherings coincide with the summer and the winter holiday season. The date and time is based on what works best for most partners.

16. Mentoring and Receiving Help

Every partner of MCMC was at one time a novice investor. We aren't looking for investing experts. We are looking for people willing to learn and take some time to understand our tools and forms. That means homework. But we also want to give you a mentor to help you through the process of being a better investor.

17. Expectations of MCMC Partners

MCMC partners are expected to take an active role in the club. All partners are expected to attend club meetings, take the lead on at least one stock presentation and one educational presentation annually. Members are expected to follow at least one stock from the portfolio and two stocks from the watchlist. Finally, members are expected to be responsible for a business role in the club. Don't worry we won't throw all these requirements at you at once. It can take you up to a year to be fully integrated into the club. Most club partners spend between 8 and 15 hours per month learning about investing and participating in the club's different meetings.

18. MCMC's Mission Statement

The Montgomery County Model Investment Club's (MCMC) mission is to provide education in long-term stock investing through sound investing principles. MCMC



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accomplishes this through group discussions in a collaborative, friendly, and participatory environment that results in profitable investment decisions. MCMC follows the BetterInvesting principles: 1) Invest regularly; 2) Reinvest all earnings; 3) Invest in quality growth companies; 4) Diversify to reduce risk.

Partners of the Montgomery County Model Investment Club (MCMC) are committed to the club's mission statement. They are willing to participate in all facets of the club's operations, to include regularly attending meetings, paying dues, conducting, and reporting on stock research and education topics, participating in meeting discussions and serving terms as club officers and committee roles. Partners of MCMC should be open-minded, curious, enthusiastic, dependable, and responsible. MCMC members are encouraged to attend local, regional, and national workshops, offered either online or in person.

19. MCMC Welcomes Visitors

If you are interested in learning more go to our site (www.bivio.com/mcmc), click on "Communication/Files" and open the "Welcome" folder. Finally, you can write to all partners in the club by emailing us (mcmc@bivio.com).

Come join us as we learn and earn.

20. How Do I Join MCMC?

After attending three business meetings, you are eligible to join MCMC as an Associate Partner. You can do that by filling

out our application form. After that, we will send you an invitation to be a guest on Bivio so you can see our finances. Then we will assign you a mentor so you can begin the process of becoming a better investor. The rest of the process is really based on how quickly you want to proceed. Once you have given an educational presentation and a new stock study presentation at the club's business meetings, you will become a full partner.

21. A Final Thought

We realize this list might seem intimidating. Remember we are to help each other become better investors. We don't expect you to be proficient in all aspects of investing prior to joining.

We are looking for people who are willing to learn, can work well with others, will be supportive of the other partners, will be an active participant in their own investment future, and take an active role in helping the club run smoothly.

If this sounds like the type of club you want to belong, then please reach out to us. We are always looking for good additions to the club.

History of MCMC

MCMC started in February of 2017 with seven partners. Our lifetime performance is 10.7%. **Note:** This information is correct as of March 1, 2022.