

Club Connect: Guidance for Investment Clubs

Congratulations to you and your fellow club members for choosing to have your club participate in the Club Connect program. It's our hope that through this program your club finds a new club member who becomes a valuable, contributing member of your club and helps sustain the club for years to come.

We must caution you that, although all participants are members of BetterInvesting®, individuals in the Club Connect program have not been vetted by NAIC/BetterInvesting, just like we have not vetted any of the other current members of your club.

While there have been cases of theft or personality conflicts in clubs over the decades, we believe these instances to be rare rather than the rule. Nevertheless, tread carefully. With due diligence, we believe your club can set itself up for success with this program. Many BetterInvesting investment clubs help offset concerns by requiring a prospective member to first attend three club meetings as a guest, as well as prepare a Stock Selection Guide® (with the club's assistance), in advance of voting the prospective member into the club.

Warmly welcome these prospective members to your club as you interview them to confirm they would be a good fit. We suggest playing the game 20 Questions to help determine compatibility. As such, here are 20 questions you may want to ask any prospective club member:

1. Have you ever been a member of an investment club?
2. What would you like to achieve by being part of an investment club? (*Or phrase as*) Why does an investment club intrigue you?
3. Do you belong to any other type of club? (*not investment clubs*)
4. Are you comfortable being part of a legal partnership?
5. Have you been part of a partnership, or small business, previously?

6. Are you comfortable growing your money long-term? (*as our investment club is not a bank and is focused on the long-term of 5 years or more.*)
7. Are you willing to accept paper losses (i.e., unrealized losses) in times of market volatility in the short-term?
8. Are you committed to the four proven principles of BetterInvesting? (View at www.betterinvesting.org/about-us/mission-method-of-stock-investing)
9. Do you currently invest in individual stocks in your own account? Have you?
10. What is your level of comfort with the BetterInvesting Online Stock Tools Suite? (*or*) Have you previously completed a Stock Selection Guide (SSG[®])?
11. Would you consider yourself a value investor, growth investor, dividend investor or something else?
12. Do you use/follow any online financial/investing websites or newsletters?
13. Are you comfortable meeting once a month? (*or whatever the frequency of the club meetings*). Are you comfortable meeting on the ___ day of the month? (*or whatever is unique for your club*).
14. Are you able to deposit a minimum of \$___ monthly into the investment club?
15. How would you rate your level of comfort with computers and similar technology including video calls? (*A: Great, medium, basic, not technical*).
16. Are you willing to put in at least ___ hours of research per month to be an active member of the investment club?
17. Have you ever been arrested for embezzlement, theft or a similar felony?
18. What word would people close to you choose to use to describe you?
19. What would you like to know about our club?
20. Is there anything else we should know about you?