



Starting A ShareClub

We welcome your participation in helping organize a *ShareClub* in your area. We list your name and evening telephone number in *Canadian MoneySaver* to accept calls and arrange the first meeting. At the first meeting your group would develop the agenda depending on their interests, needs and common goals. The idea is to share the organization, discussion and future growth of your *ShareClub*. Some of the groups have guest speakers etc. You are only limited by your group's ideas.

Please consider starting a club in your area. We need your evening telephone number and the area you like to represent. Below is an example of how one *ShareClub*, the Mid-Island Club, has been organized.

Club Structure

Formed in January 1998, the Club has 30 members. Monthly meetings are held at Nanoose Place Hall. It has no constitution, nor are minutes of meetings kept but a meeting format and decorum has evolved through practice. The principle of a *MoneySaver* *ShareClub* is maintained with a program geared to a "sharing of investment knowledge". Annual dues are currently \$25 per annum. There are three active Club positions: president, treasurer, and statistician. By member choice, a temporary cap on membership was imposed this year. Inter-Club member communications are primarily by Internet and newsletters.

Meeting Format

Following announcements and a short "administrative" session, the reports on committee activities are presented on an as-emerging basis. The statistician reports on the member's individual standings in our own Stockpicks game, a simulated stock market game of four stocks. Presentations are made by member(s) on a topic that is the feature for the meeting. That is followed by a rap session on the presenter's subject or any other subjects, topical or otherwise, offered for open discussion. Meetings are typically about two hours duration with a coffee break.

Subject Presentations

The range and scope of presentations are wide and varied. We are fortunate to have members whose former (or current) occupational skills are such that a specific subject of group interest can be arranged. However, because members are at differing stages on the investment learning curve, it has been a challenge to provide a program of continuing interest to all. Some topical and core "subjects" are repeated. External presenters when used, usually associated with financial planning and investment analysis, are asked for their input on a specific topic and are also vigorously questioned on their presentation and related subject matter. That is part of the learning process. Some of the topics covered include the following:

- Corporate Financial Reports - understanding their purpose, how to read and use reports.
- Application of Computers to Investing - available products and their use, charting, using the Internet.
- Fixed-Income Portfolios - an overview on asset mix and using fixed income and other securities.
- DRIPs, SPPs and Interest-Yielding Instruments - how they are secured, income trust units, etc.

- Understanding the Market - fundamental and technical analysis, psychology of markets, trends, etc.
- Investment Monitoring and Tracking Techniques - SWPs, ACB, withdrawals, tracking methods.
- Mutual Funds - the types of funds, index and segregated funds, how they function, performance, MERs.
- Options, IPOs and Derivatives - what are they and how are they used, the ranges available, types, costs.
- Fixed-Income Instruments - what is available to investors, the pros and cons, and how to use them.

Club Activities

- A bulletin/newsletter is published with a focus on investment topics. Topical issues are presented with editorial comments to assist members in keeping current on emerging issues and events.
- On a monthly basis (excluding summer) Stockpicks - each individual's selection of stocks is updated and individual standings are reported. A winner is declared at the end of November and recognized at an awards luncheon . Also recognized is the *MoneySaver of the Year*, a member-voted award to the member who best emulated the *MoneySaver* principle and spirit of sharing.
- A social event (a summer BBQ) is organized at a private home with spouses and others invited. In December, an awards dinner is held to recognize the efforts of members, and honour the winner of the Stockpicks game for the year. Initiated for 2000, ten stocks were selected to be the Clubs Top Ten choice. A retirement income fund started in June 2000 is administered by a team to assist members in selection and management of investments for income purposes.
- Training seminars are held to upgrade skills. Five topical skills-enhancement seminars are offered from *The Basics of Investing* to *Fundamental Analysis*. Computer training and computer based monitoring and evaluation techniques are also provided, which has become a popular feature.
- Weekly coffee-clutch gatherings become forums for discussion of investments and a social outlet.

Some Observations

It takes a lot of work by the leader(s) to keep a club active and to provide meaningful programs for all. In spite of all the best intentions not everyone has the same passion or interest in the stock market. The process is often too demanding for some. However, it is paramount that each member be given an opportunity to learn from others and to share his or her know-how in one form or another. Recognition that not everyone can contribute in all segments of a program is crucial. Second, *it is a ShareClub*, not an investment club. At the outset, prospective members must understand the mandate that any investing is done by the individual himself, and on his own.

Also significant is that member interest is closely associated with increasing and improving in their own investing know-how and ability to "manage" some part of their own portfolio. Members elect to drop out for a variety of reasons but most frequently it's that they are not learning nor progressing. Providing an environment for learning, formalized as in training seminars or as informal as over coffee, must exist.

While a collegial environment is highly desirable, people learn from others and in different ways. Thus capping a Club's membership may cap the investment skills of a Club itself and is likely to hamper the progress of members. The normal attrition rate may not always make for a vigorous Club.

My personal observation is those who have the desire to learn and do so in spite of starting from a near zero investment knowledge base are the club's best members. Their willingness to learn and actually want to do something about it is key. Above all, it is the *learning through sharing* that really works and builds a club.

**Alex Kobelak, Past President
Club Trainer Since 2003**