

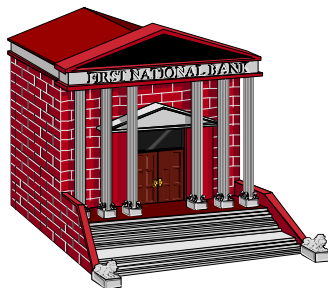


START YOUR OWN INVESTMENT CLUB

Based on the past experience of successful entrepreneurs, you can likely benefit by starting your own investment club. This may be done with very little effort, yet with surprisingly good results.

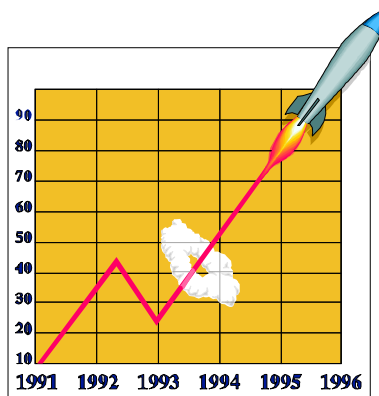
First, tell one or two people close to you about your plan, and then arrange a meeting time and place convenient to other friends and relatives who may be also interested. Those you invite to your first gathering may be approached with a letter similar to the sample letter that follows. It is not recommended that over fifteen or twenty people attend the first meeting.

The purpose of the first meeting is to arouse interest, and to have each person contribute a minimum of £10 to an investment pool with the ultimate objective of creating an investment company. At the first or second meeting, three temporary trustees may be elected to take charge of the funds collected and to deposit them with a bank or savings company, depending upon where the greatest rate is available.



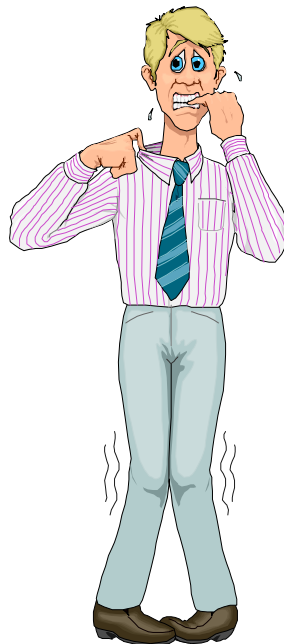
Each member should contribute at least £10 per month until such time as a solicitor can be engaged to incorporate the members under the broadest possible provisions allowed. This will enable you to buy and sell stocks, bonds, commodities, mortgages etc., and also purchase, sell or lease real estate for profit. You might also invest in viable, up and coming businesses, or start several endeavours or a business that has an excellent chances of a good return on invested funds. By doing some checking you may find that a solicitor will furnish his legal services in exchange for stock in your new investment company.

Once your organisation has accumulated between £500 to £1000 you should call in a reliable discount stockbroker to recommend growth stocks. A discount broker will save your group a large amount of money in brokerage fees. As you increase your assets, reinvest the profit to develop a sizeable portfolio for the group.



One of the most basic success secrets in investing is to diversify, not only in stock purchases, but also in different and unrelated fields such as real estate. When your assets have grown to some extent, the members can begin to consider a purchase of income producing real estate. Opportunities in this field can be found in many areas, and company members should be asked to submit likely properties for further investigation as they find them. This could include flats, shopping centres, multi family dwellings, and other prosperous looking businesses. This way, a balance may be maintained to affect and / or offset any one loss. It goes without saying, however, that each separate proposition will have been thoroughly investigated in advance of the decision to invest for the company. In this field, you will find that you will be reading and studying in the fascinating world of investment and finance to your own and your company's benefit.

In the early stages, officers and directors are not generally paid for their services, since they will not usually be required to spend much of their own time working in the business other than attending regular monthly meetings. Once the membership has grown and more activity is required, it is wise to compensate them for their extra efforts for the group. Be sure that your officers are alert and qualified individuals.



We have described how an investment business group can be organised, and given you some details of what it might do, but here is an exciting real life example of how one such group prospered. The group started small, investing small amounts over a period of two years, and ran their collective principal of £7,000 into an asset value of £15,000. Another group on five years developed a principal of £15,000 into assets well over £45,000. These assets were obtained primarily through stock purchases and real estate investments.

The sample letter we mentioned earlier should read as follows:

Dear xxx, I am in the process of starting an investment club. Knowing that you have an active interest in increasing your income, I felt you would be interested in an opportunity that could benefit a group of participants in a solid investment venture. The first meeting will be at my home on (date), at (time). If you are interested and would like to learn the details, use the enclosed addressed card to let me know, or call me at (telephone number). Thank you, and I hope to see you at the meeting. Yours sincerely, etc.

