The Constitution of the Bates College Investment Club

Name and Purpose

This organization shall be known as the Bates College Investment Club (BCIC), whose operations are to be overseen by the Investment Committee of the Bates College Board of Trustees.

The purposes of BCIC shall be:

- to provide interested students, faculty, and staff with the opportunity to manage a portfolio of financial assets on behalf of the College with the primary goal of learning how to exercise responsible ownership through active participation in the research and evaluation of corporate performance and prospects.

- to practice responsible ownership by evaluating the system of contracts and incentives facing the board of directors and the executive officers in managing each firm held in the portfolio and to vote on proposals placed before the shareholders to further the efficient use of corporate assets.

- to prudently manage funds designated to the BCIC by investing in publicly traded stocks, bonds and other approved financial instruments that the members believe will provide suitable levels of growth and/or income at commensurate levels of risk;

- to teach any member of the community the fundamentals of investing that they may apply in their own lives, regardless of career;

- to provide those with interests in more advanced techniques the opportunity to learn such methods of analysis and to gain experience in their implementation;

- to provide opportunities for students to learn about career opportunities in the investment field;

- to establish connections with alumni men and women in business who are interested in sharing their experience and expertise on a voluntary basis with members of the campus community;

- to allocate a percentage of the portfolio value each year as determined by policy toward financial aid and to help promote donations to Bates College;

Bates College Investment Club Goals

1) To maximize the capital appreciation of a diversified portfolio, with an annual goal each academic year of exceeding the broad market averages, such as the S&P 500 and the NYSE Composite. At a minimum, the goal is to increase the value of the portfolio each
year, net of the contribution required in support of the Bates College financial aid program.

2. To have at least thirty (30) members per academic year.

Membership

Any member of the Bates community, student, faculty, or staff, is eligible to be a member of BCIC. To become and remain a voting member of BCIC, an individual must be engaged and participate in the governance of the BCIC. Each member must attend at least two BCIC meetings each semester to be eligible to vote. Each member must present to the BCIC or participate in the preparation of at least one investment proposal presented to the BCIC each academic year.

Members with experience will share in the responsibility of teaching new members the basic techniques of analysis required for investment decisions. New members are expected to attend any informal “classes” during their first year and participate in a collaborative preparation of an investment proposal.

Membership must be renewed at the beginning of each academic semester.

Structure and Elections

The Investment Committee of the Board of Trustees and the presiding Faculty Advisor shall oversee the operations of the BCIC. The Treasurer of Bates College has sole authority to open, close, and transfer funds to and from the accounts managed by the BCIC.

The BCIC officers shall consist of President, Vice President, Secretary, Assistant Secretary, and Treasurer and shall be students elected through majority votes of the BCIC voting members.

Officers will serve a one year term, and are limited to one year in any “office.” There are no restrictions on seeking or holding additional officer positions in successive or future years. Any member of the BCIC may nominate or second candidates for office. The elections of officers will take place at the end of the academic year (April). Elected persons will assume their positions at the beginning of June, following their election. In order to be eligible as an elected officer, that person must be a student member and, after the 2005-2006 academic year, have served as a BCIC member for at least one academic year.

Should any elected office, except that of the President, become vacant during the academic year, elections will take place at the next scheduled meeting. In the interim, the President and Vice President will choose at their discretion a temporary substitute.
-President: duties include presiding over all scheduled meetings, overseeing BCIC sponsored activities, and in general, tending to the operation and overall welfare of BCIC. The President has the primary responsibility for coordinating and directing investment research done by the members, and inviting and coordinating alumni visits and presentations. The President shall serve as the liaison with the Office of Communications and Media Relations and may also serve as the liaison with the Office of College Advancement to secure additional funds from donors.

-Vice President: primary responsibilities include organizing informal classes on investment analysis and valuation and assisting the President in coordinating and directing stock research and other BCIC affairs. If for whatever reason, the President chooses to step down from office, the Vice President shall assume the President’s position until June of that academic year.

-Secretary: keeps permanent records of the BCIC, such as statistics on club membership, member attendance, voting eligibility and voting results. The Secretary shall organize all voting sessions and conduct fair, secret balloting. The Secretary shall keep a record of all investment proposals presented to members at BCIC meetings and shall prepare and distribute the minutes of the preceding meeting.

-Assistant Secretary: besides providing assistance to the BCIC Secretary for statistical recordkeeping, elections, and monthly reporting, the Assistant Secretary will maintain the library of reference materials and a financial database to support the investment research of BCIC members.

-Treasurer: maintains all financial records and prepares financial reports on the status of all BCIC investments for each monthly meeting of the BCIC. The Treasurer shall also prepare financial reports for the October, January, and May meetings of the Investment Committee of the Board of Trustees, or upon their request.

-Faculty Advisor: there shall be one advisor from the Bates Faculty, appointed by the President of Bates College, who monitors all BCIC activity and reporting, and ensures that stated policies are maintained. The Faculty Advisor serves as liaison between the BCIC and the Bates Administration and the Investment Committee of the Bates College Board of Trustees. The Faculty Advisor will have overall responsibility for the operation of the investment portfolio and will execute trades authorized by a majority vote of the voting members. The Faculty Advisor has the authority to resolve any and all disputes within the BCIC, including but not limited to voting rights and vote counting in both investment votes and voting for officers.

**Meetings**

BCIC will hold eight meetings annually, four per academic semester, not including informal “classes”, extracurricular business network meetings, and special events arranged by the BCIC. The first BCIC meeting of each semester will occur within three weeks of the beginning of the semester to ensure maximum membership. During those
three weeks, the elected officials will actively seek membership to effectively balance, diversify, and expand the BCIC. The President, with approval of the Faculty Advisor, may call special meetings when urgent business is pending.

The eight regularly scheduled meetings will alternate between “non-voting” and “voting” meetings. Special meetings called by the President may be “voting” meetings. The two “non-voting” meetings per semester are designed to delegate investment research responsibilities, to provide time to discuss methods of investment analysis and valuation, and to initiate preparatory measures for the following “voting” meetings. The April meeting will also include the election of officers for the following academic year.

There will be two “voting” meetings per semester, the first scheduled roughly at the semester mid-point, the second during the first week of December and of April. During these meetings, quantitative and qualitative research will be presented for proposed investments, following which members may vote to change BCIC’s holdings by a simple majority. Investment Proposals by individual members or a group of members shall be made available to all members of the BCIC one week prior to regularly scheduled “voting” meetings. The selection of an educational topic in investment analysis and valuation for the subsequent “non-voting” meeting will be made and responsibilities for discussion leadership will be assigned.

At the end of each academic year, a select group of officers of BCIC will present an oral report to the Investment Committee of the Bates College Board of Trustees on the BCIC’s investment performance during the academic year. The presentation will take place during the May meeting of the Bates College Board of Trustees, or at another time convenient for the Investment Committee.

**Amendments**

This BCIC Constitution will be initially approved by the President of Bates College and the Investment Committee of the Bates College Board of Trustees and at all times will be consistent with and subject to review by the Investment Committee of the Bates College Board of Trustees and the President of Bates College. Amendments to the BCIC constitution may be recommended by a three-fourths majority vote of all voting members in residence and must be approved by the presiding Faculty Advisor. Recommended amendments are forwarded for approval by the Investment Committee of the Bates College Board of Trustees.

**Bates College Investment Club Guidelines and Policy**

The Investment Committee of the Bates College Board of Trustees will approve a set of Investment Guidelines for the portfolio managed by the BCIC. Investment Proposals presented to the BCIC shall follow the Investment Guidelines and only those types of securities permitted by the Investment Guidelines may be held by the BCIC. Recommended changes to the Investment Guidelines require a majority vote of all voting members of the BCIC in residence and must be approved by the presiding Faculty
Advisor and the Investment Committee of the Bates College Board of Trustees before they become effective.

The Bates College Investment Club will contribute four percent of the Average Value of the Portfolio towards financial aid for the subsequent academic year, but limited only to the extent that the contribution does not reduce the portfolio's value below the value of the funds placed with the BCIC for management. The Average Value of the Portfolio is to be computed at the end of June as the average of the end-of-quarter portfolio values from the previous twelve quarters.

Approved by the President of Bates College:______________

Approved by the Investment Committee of the Bates College Board of Trustees:______________