

# ENGINEERING UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY

## Investment Fund Bylaws Adopted December 27th 2020

### Article 1: Definitions

- 1.1 The Engineering Undergraduate Society of McGill University (hereafter referred as **"EUS"**) is the registered name of the not-for-profit corporation representing the engineering and architecture undergraduate students at McGill University
- 1.2 The **Board of Governors** of the EUS is the administrative board of the Engineering Undergraduate Society of McGill University which is composed of Administrators as defined by the EUS Constitution
- 1.3 The Official Banking Partner of the EUS shall be the banking partner with whom the EUS operates and does the following transactions but not limited to: deposits, withdrawals, cheque payments, investments, and credit card; hereafter referred as **"the Bank"**
- 1.4 The Investment Fund of the EUS (hereafter referred as "Investment Fund") shall be the collection of assets in specified investment accounts with the Bank
- 1.5 The EUS Vice President Finance is one of the two official Signing Officers of the EUS as per the EUS Constitution and the EUS Financial Bylaws (hereafter referred as the **"EUS VP Finance"**)

### Article 2: Purpose

- 2.1 The Investment Fund shall serve to invest EUS' reserves over a long time period
- 2.2 The Investment Fund shall be used for:
  - 2.2.1 Conserving asset values in terms of real dollars
  - 2.2.2 Capital expenses, renovations, and improvements
  - 2.2.3 Long term financial stability and capital gains

### Article 3: Responsibilities

- 3.1 The Investment Fund shall be managed through accounts with the Bank
- 3.2 The Investment Fund shall be administered and allocated by the Board of Governors
- 3.3 Quorum for voting on motions regarding the Investment Fund shall be the same as defined by the EUS Constitution during regular Board of Governors meetings
- 3.4 The Board of Governors shall discuss the distribution of the Investment Fund at least once every three (3) years
  - 3.4.1 The EUS VP Finance shall prepare a report which outlines the performance of the fund for the past 3 years and its historical performance
    - 3.4.1.1 The report shall be presented to the Board of Governors prior to discussion of the Investment Fund and respective Bylaws

- 3.4.2 The discussion shall serve to review the performance of the fund, and to forecast any potential withdrawals and decapitalization of the fund
- 3.4.3 In addition, the Investment Fund Bylaws shall be reviewed and discussed in the meeting
- 3.4.4 At the end of the meeting, the Board of Governors shall vote to reaffirm the Investment Fund distribution and the Investment Fund Bylaws

#### **Article 4: Management**

- 4.1 The Investment Fund shall be invested in only low-risk investment vehicles
  - 4.1.1 Low-risk as designated by professional financial institutions or advisors
- 4.2 Gains made from distributions like interest and dividends (hereafter referred as “capital gains”) shall be reinvested into the Investment Fund until decapitalization
- 4.3 In the case of excessive reserves in the chequing account of the EUS, the VP Finance may transfer funds from the chequing account to the Investment Fund under the accord of the EUS Accountant
  - 4.3.1 Should the EUS Accountant be unavailable for approval for any reason, the funds may be transferred under the accord of the Board of Governors

#### **Article 5: Risk Policy**

- 5.1 The risk management policy of the Investment Fund exists in order to mitigate the risks of capital losses and to increase the long term performance of the fund
- 5.2 The Investment Fund shall be invested in an investment portfolio which is limited as follows:
  - 5.2.1 More than 50% of the investment portfolio shall be made up of fixed income securities, cash, and cash equivalents
  - 5.2.2 The management fees shall be under 2%
  - 5.2.3 The maximum targeted capital gains shall not be higher than 5% per year
- 5.3 In the case of a change in content or the rules of management of the investment accounts by the Bank, the Board of Governors shall call a meeting in order to reposition the Investment Fund towards an investment portfolio which is in line with the risk policy described herein
- 5.4 In the event of a sustained economic trouble, the Board of Governors shall call a meeting in order to reevaluate the Investment Fund’s performance

#### **Article 6: Decapitalization of the Investment Fund**

- 6.1 Liquidation of funds from the Investment Fund shall be made only for the following reasons:
  - 6.1.1 To meet the liquidity needs of the society;
    - 6.1.1.1 Approval shall be affirmed by both the EUS VP Finance and the EUS Accountant. Should the EUS Accountant be unavailable for approval for any reason, the funds may be transferred under the accord of the Board of Governors
  - 6.1.2 Required funding for a capital project exceeding the capacity of the Long

Term Capital Account of the Student Space Fund contained within the Investment Fund;

6.1.2.1 Approval shall be affirmed by the EUS Council and the Board of Governors

6.1.3 Altering the distribution or administration of the Investment Fund

6.1.3.1 Approval shall be affirmed by the Board of Governors in accordance with the Investment Fund Bylaws

6.1.4 In an emergency scenario such as the payment for pertinent legal costs, damage, fine, or disclosure which would affect the society's liquidity

6.1.4.1 Approval shall be affirmed by the Board of Governors

## **Article 7: Amendments**

7.1 Amendments to this bylaw must be approved by a 2/3 majority vote of the Board of Governors of the EUS

## **Article 8: Interpretation**

8.1 In the case of a conflict between this POLICY/BYLAWS and the following documents, the following documents prevail in the order they are listed in:

8.1.1 The Quebec Companies Act

8.1.2 The EUS Letters Patent

8.1.3 The EUS Constitution