

CONSTITUTION AND BY-LAWS

STUDENT MANAGED INVESTMENT PORTFOLIO ORGANIZATION

RADFORD UNIVERSITY

FUNDS FOR INVESTMENT BY THE STUDENT MANAGED INVESTMENT PORTFOLIO ORGANIZATION WERE PROVIDED FROM THE INVESTMENT COMMITTEE OF THE RADFORD UNIVERSITY FOUNDATION.

Article I: Name

The name of this organization shall be the Student Managed Investment Portfolio Organization (**SMIPO**).

Article II: Objectives

The objectives featured in this section only involve the primary facets of the Student Managed Investment Portfolio Organization's operations and do not include the numerous secondary objectives such as enhancing the University's reputation and developing new recruiting advantages. These fundamental objectives outline a broad level of understanding that include various areas of study:

- To enhance the career opportunities available to students by supplying them with a unique academic and business experience.
- To provide students with the opportunity for hands-on experience in business decision-making.
- To acquire a solid foundation in the concepts of portfolio management and securities analysis.
- To gain an appreciation of the impacts of economic, social, and political events on the financial markets.
- To give students the opportunity to utilize the basic tools of accounting in an organizational setting.
- To give students experience in financial reporting in an investment management setting.
- To provide students with the experience of developing marketing strategies for various aspects of an organization.
- To offer the opportunity to engage in recruiting and other human resource activities.
- To develop an appreciation for the complexity of interactions required in an organizational setting.
- To be evaluated on performance by the Radford University Foundation as any other manager would be

- To earn a return that ranks in the top half of similar risk investment funds, as per the overall policies set by the Radford University Foundation.
- To remain fully invested with liquidity limited to levels required in making adjustments in sector allocations.

Article III: Membership

Section 1: General requirements

Any full-time Radford University student may apply for membership. Membership in this organization will not discriminate on the basis of sex or gender, race, creed, nationality, sexual orientation, disability, age, veteran or marital status, nor religious or political affiliation.

Section 2: Qualification

Members must be enrolled as a full-time student at Radford University and maintain a 2.7 grade point average. To maintain membership once accepted, members must maintain adequate performance evaluations and reviews as defined by the Board of Directors, the Executive Board, and the Department of Human Resources of the organization.

Section 3: Privileges

Each member shall be entitled to one vote for general body decisions.

In order to be considered a voting member in any investment decision, the student shall have completed at least one semester as a Junior Analyst in the Organization.

Section 4: Selection

New members shall be selected by the Selection Committee. The purpose of the Selection Committee shall be to represent the best interests of the Organization when considering new members for positions within the Organization. The Selection Committee shall meet on an as-needed basis to assure applicants are screened and selected. All screening and selection of applicants will follow the application and selection protocol of the Human Resources Department. The Selection Committee shall select new members and place them in available positions within the Organization. The Selection Committee shall make selection decisions for all positions excluding those of the Executive Board. The selection for members of the Executive Board must be made by the Board of Directors.

Section 5: Removal

Membership of those in the Student Managed Investment Portfolio Organization, excluding the membership of those on the Executive Board, may be terminated for failing to satisfy the levels of expectation or guidelines set forth by the Executive Board and the members. A three-fourths ($\frac{3}{4}$) vote of all members is required to terminate a member. Such a removal must be approved by the Faculty Advisor. A member of the Executive Board may be removed from office and membership terminated for just cause. A three-

fourths (3/4) vote of the Board of Directors is required to remove an officer from the Organization.

Section 6: Fees

Each member of the Student Managed Investment Portfolio Organization shall pay a minimum of \$10 USD per school year as a tax-deductible donation to the Student Managed Investment Portfolio Organization Scholarship Fund.

Article IV: Meetings

Section 1: Board of Director Meetings

Board of Director meetings shall be held at least once each semester and on an as-needed basis.

Section 2: General Meetings

General meetings shall be held on a regular basis during the academic year. All members are required to attend general meetings.

Section 3: Special General Meetings

A special general meeting may be called for any purpose by a member of the Executive Board.

Section 4: Committee Meetings

Committee meetings may be called by the respective committee chairperson on an as-needed basis. The Executive Board must be informed in advance of all committee meetings.

Section 5: Other Meetings

Other meetings (i.e. department, division, group and individual meetings) may be organized by group members on an as-needed basis. Other meetings are informal and no official business is to be conducted in these meetings.

Section 6: Quorum

In general meetings and special general meetings, a quorum is three-fourths (3/4) of the members. In Board of Director meetings and committee meetings, a quorum is a simple majority (50%, plus one) of the members of the respective committee.

Section 7: Voting

Each member shall be entitled to one vote. A two-thirds (2/3) vote is required in all Board of Director meetings, general meetings, special general meetings, and committee meetings. Each member holds the option to abstain from any vote. An abstention will be considered a neutral vote and the 2/3 majority will be counted on actual votes cast. Before a motion which requires a vote is brought to the table, it shall be determined if the vote will be called or secret. In a general meeting or special general meeting, a member of the Executive Board shall count and record the votes. In a Board of Director meeting or committee meeting, the respective chairperson shall count and record the votes.

Section 8: Business

The order of business at all general meetings shall be conducted as follows:

1. Check for quorum
2. Review and approve previous meeting minutes
3. Briefings
4. Executive Board Reports
5. Committee Reports
6. Old Business
7. New Business
8. Announcements

All meetings shall be conducted according to Robert's Rules of Order, Newly Revised. Minutes shall be maintained for all meetings where business is conducted.

Article V: Board of Directors

Section 1: The Board of Directors shall be the governing body of the Student Managed Investment Portfolio Organization. The Board of Directors role shall represent the best interests of the Radford University Foundation and Radford University.

Section 2: The Student Managed Investment Portfolio Organization Board of Directors shall be: the Radford University Vice President of University Advancement, or his or her designate, the Dean of the College of Business and Economics, or his or her designate, the Faculty Advisor, and other selected business and university leaders. The Board of Directors shall be comprised of a minimum of five (5) and maximum of ten (10) people. At the first meeting of each academic year, a chairperson shall be elected.

Section 3: The Board of Directors shall oversee the broad operations of the Organization and provide feedback and/or assistance to the Executive Board as needed. The Board of Directors must approve all guidelines, policies and procedures governing the organization including, but not limited to, the Organizational Handbook, Constitution and By-Laws and Investment Policies and Procedures. The Board of Directors shall select the Executive Board members, upon consideration of recommendations submitted by existing or exiting Executive Board members and/or the Faculty Advisor.

Article VI: Faculty Advisor

Section 1: The Faculty Advisor shall be appointed by the Dean of the College of Business and Economics and shall serve until an alternative appointment is made.

Section 2: The Faculty Advisor shall work closely with the members of the Organization in overseeing operations to ensure they are conducted in compliance with Radford University policies, and the laws of the United States, the Commonwealth of Virginia, and the City of Radford.

Section 3: The Faculty Advisor shall serve as the chairperson of the Faculty Advisory Board.

Section 4: The Faculty Advisor shall serve as a member of the Board of Directors.

Section 5: The Faculty Advisor must authorize all operating expenses of the organization to be paid from the SMIPO foundation account.

Section 6: The Faculty Advisor must sign all trade orders prior to execution.

Article VII: Faculty Advisory Board

Section 1: The Faculty Advisory Board is an advisory body of the Student Managed Investment Portfolio Organization.

Section 2: The Faculty Advisory Board shall consist of a group of interested faculty advisors from diverse fields of study pertinent to the operations of the Organization.

Section 3: The role of the Faculty Advisory Board will be to provide support through an advisory role to the members working in various business functional areas of the Organization's operation.

Article VIII: Endowment Account Custodian

Section 1: The Endowment Account Custodian shall be appointed by the Vice President of University Advancement and shall serve until an alternative appointment is made. The Faculty Advisor may serve as the Endowment Account Custodian.

Section 2: The Endowment Account Custodian shall be the legal custodian of the endowment investment account held under the title of Radford University Foundation, Inc. The Endowment Account Custodian shall be granted full access to the endowment investment account history and transaction records and shall execute all investment transactions submitted by the Organization.

Section 3: Prior to entering an account transaction, the Endowment Account Custodian must be presented with an Investment Order Form. The Investment Order Form must contain the signature of the Vice President of Finance, the signature of the President and the signature of the Faculty Advisor. After having been presented with the completed Investment Order Form, the Endowment Account Custodian shall execute the transaction in a timely manner. Upon receiving confirmation of the account transaction, the Endowment Account Custodian shall sign the Investment Order Form. One copy of the Investment Order Form shall then be distributed to the Radford University Foundation Inc., one copy to the President, and one copy shall be retained by the Endowment Account Custodian.

In the case that the Endowment Account Custodian feels an error exists in the Investment Order Form, he/she shall return the Investment Order Form to the President for further review. In the case that the Investment Order Form requests a transaction not outlined by the Investment Policies and Procedures, the Endowment Account Custodian shall not

execute the Investment Order Form and notify the President and Vice President of Finance.

Article IX: Executive Board

Section 1: The Executive Board of the Student Managed Investment Portfolio Organization shall be the President, the Vice President of Finance, the Vice President of Investments, and the Vice President of Operations.

Section 2: Duties of the Executive Board members are outlined as follows.

A. President

1. Plan and coordinate general meetings.
2. Help promote the activities of the Organization and their ongoing benefit to students and the reputation of Radford University through contact with various University departments and offices, the Radford University Foundation, etc.
3. Represent the Organization in professional settings.
4. Meet regularly with Vice Presidents and faculty advisors to outline goals and initiatives.
5. Work with the Vice President of Operations to initiate promotional objectives and further improve the quality and efficiency of operations.
6. Work with the Vice President of Finance and Vice President of Investments to review and assess portfolio performance, current holdings, and discuss initiatives and strategies, which the Investments division may pursue.
7. Work with the Vice Presidents to assemble cross-functional committees, ad-hoc committees, and teams to complete various projects and educational initiatives.
8. Collaborate and interact with all members on a continual basis to gain feedback and make suggestions on ways to better the Organization.
9. Assemble necessary committees.
10. Prepare, in conjunction with the Vice President of Finance, monthly investment performance reports to be submitted to the Vice President of University Advancement and Board of Directors on or before the 7th of the following month.
11. Preside over the VP of Finance, VP of Investments, and VP of Operations along with all other members of the organization.

B. Vice President of Finance

1. Compile the necessary information and coordinate the creation and distribution of the monthly investment performance reports.
2. In conjunction with the Vice President of Operations: Oversee, evaluate, and review individual presentations by analysts.
3. Coordinate voting and other investment decision-making responsibilities.
4. Mediate debates and question/answer periods pertaining to investment topics.
5. Schedule investment presentation times and dates with analysts.
6. In conjunction with Vice President of Investments: Lead investments division in assembling an outline of semester goals and objectives, including asset allocation strategies and sector allocations.

7. Draft a mission paper at the start of each semester summarizing the semester goals and objectives of the investments division.
8. Continuously work with the group to re-evaluate past investment decisions and review current holdings.
9. Serve as convener and member of the Investment Analysis Support Committee. In that role, serve as resource person for Chief Accountant, Chief Economist, and all members of investments division.
10. Preside over Chief Accountant and Accountant.

C. Vice President of Operations

1. Compile the necessary information and coordinate the creation and publication of a semester report to review and summarize the operational initiatives and accomplishments of the Organization.
2. Coordinate the publication of a twice per semester newsletter publicizing past and current happenings and announcements in the Organization.
3. Act as a liaison to contribute marketing and promotional ideas from the Executive Board and Board of Directors.
4. In conjunction with the Vice President of Finance: Oversee, evaluate, and review individual presentations by analysts.
5. Meet regularly with division members to:
 - a. Explore new ways to positively promote interest in the Organization to current and prospective RU students.
 - b. Integrate technological means of publicity and advertisement into a marketing and recruiting campaign.
 - c. Create and initiate group building activities and experiences for all members of the Organization.
6. Arrange for outside guest speakers for meetings.
7. Write news and press releases to announce significant developments and/or happenings within the Organization.
8. Work with campus-wide and other local sources of publications to relay information to promote the public knowledge of the Organization.
9. Preside over Information Technology, Human Resources, Marketing and Archivist.

D. Vice President of Investments

1. Assist Vice President of Finance in assembling an outline of semester goals and objectives, including asset allocation strategies and sector allocations.
2. Periodically calculate portfolio betas and equity sector betas.
3. Assemble and present monthly updates on the collective performance of the portfolio, including a performance analysis of each of the equity sectors.
4. Consult with the Chief Economist to use forecast models to construct optimal portfolio allocation assessments.
5. Determine the sector assignments of investment analysts.
6. Work with investment analysts and the Vice President of Finance to help determine proper asset and equity allocations in accordance with desired level of risk and economic forecasts.

7. Provide periodic updates on the status of the asset and equity sector allocations of the portfolio and recommend actions to realign allocations if considered necessary.
8. Serve as convener and member of the Investment Analysis Support Committee. In that role, serve as resource person for Chief Accountant, Chief Economist, and all members of investments division.
9. Preside over Senior and Junior Investment analysts, Chief Economist and Economist.

Section 3: Executive Board members shall be appointed by the Board of Directors, upon the completion of an application and interview process.

Section 4: In the case of an abrupt resignation or temporary extenuating circumstances which cause a member of the Executive Board to be absent from the duties of the Organization, the remaining Executive Board members, upon approval of the Faculty Advisor, may appoint an Organization member to an acting position on the Executive Board until further notice from the absent Executive Board member or until a permanent replacement is selected by the Board of Directors for the vacated position.

Article X: Investments Division

Section 1: Investment decisions should be made according to the Student Managed Investment Portfolio Organization Investment Handbook. This handbook will outline procedures for stock selection, screening, and portfolio allocations.

Section 2: The Investments Division of the Student Managed Investment Portfolio Organization shall consist of the following positions: Vice President of Investments, Senior Investment Analysts, Junior Investment Analysts, Chief Economist, Economist, Chief Accountant, and Accountant.

Section 3: Duties of the Investments Division members are outlined as follows.

A. Chief Economist, Economist

1. Give a summary report at each general meeting regarding current economic, political and social events affecting market conditions.
2. Twice per semester, present analysis of the economy and factors that impact each sector to assist in sector allocation decisions.
3. Provide the group with documented monthly economic overview reports summarizing economic news and activities for the month previously ended.
4. Contribute a periodic demographic overview of global market conditions when making asset and sector allocation decisions.
5. Provide outlook and forecast information when determining broad based goal and objective decisions.
6. Conduct research regarding timing of market entry.
7. Serve in a support role and participate in investment presentations.

8. Work with Analysts to provide feedback and economic insight regarding investment opportunities.
9. Each month, review and update the forecasts for GDP growth and Federal Reserve Bank interest rate changes, as used in the SMIPO Analysts Workbook.
10. Each semester, review and update conditional returns for the broad market, as used in the SMIPO Analysts Workbook.

B. Chief Accountant, Accountant

1. Handle day-to-day record keeping of all investment transactions.
2. Responsible for all expense account activities.
3. Manage a detailed record of the expenses incurred by the Organization. Document and submit all expense request forms.
4. Coordinate the preparation of a semester budget.
5. Audit all investment transactions and maintain brokerage records, confirmation files and statements.
6. Prepare financial reports and account analysis on a monthly basis for internal review in monthly reports.
7. Prepare financial reports and consolidated account summaries and analysis each semester to be published in semester reports.
8. Give a periodic summary report in general meetings regarding new accounting laws, GAAP changes, etc. and their effect on securities in the market.
9. Act as a consultant in assisting with detailed analysis of financial statements of potential investment opportunities. These activities help to fulfill the Chief Accountant's responsibilities as a member of the Investment Analysis Support and Education Committee.
10. Monitor portfolio for securities that require reevaluation due to automatic triggers described in the Investment Policies and Procedures Manual.

C. Senior Investment Analyst, Junior Investment Analyst

1. A Senior Investment Analyst shall be defined as a person who
 - is enrolled in or has completed the Student Managed Investment Portfolio Organization Training class or an Investments class
 - has completed at least one active semester in the organization
 - and is given the privilege to vote
2. A Junior Investment Analyst will assist a Senior Investment Analyst in his or her duties while working towards completing the requirements to become a Senior Investment Analyst.
3. Participate in a minimum of three (3) investment analysis presentations per semester. Announce investment topic (i.e. stock) for presentation a minimum of three (3) days before presentation. Schedule a presentation time and have it approved by the Vice President of Finance a minimum of seven (7) days in advance, or less if requested by the Executive Board.
4. Follow established analysis procedures and be familiar with basic investment evaluation criteria (i.e. capital asset pricing model (CAPM), security market line, discounted cash flow analysis, etc.). Present information derived from use of the SMIPO Analyst Workbook. Have documented research information and provide

- outline of presentation for distribution to all members and for documentation purposes.
5. Stay abreast of current events affecting the broad market and its performance.
 6. Devote a significant amount of time outside general meetings toward investment research for the Organization.
 7. Be prepared to give a brief summary at each general meeting addressing current events and issues facing respective sector assignment. Be aware of upcoming dates for company earnings announcements, quarterly reports, ex-dividend date, etc.
 8. Be prepared to present informed view of individual stock and sector expected performance.
 9. One Analyst will serve on the Investment Analysis Support and Education Committee as the SMIPO Analysis Workbook Manager.

Article XI: Operations Division

Section 1: The Operations Division of the Student Managed Investment Portfolio Organization shall consist of the following positions: Director of Human Resources, Director of Marketing, and Manager of Information Technology. All members of the Operations Division also have a responsibility in the Investments Division of the Organization.

Section 2: The Operations Division shall be divided into three departments, each containing two positions. The three departments are as follows: Human Resources Department, Marketing Department, Information Technology Department.

Section 3: Duties of the Operations Division members are outlined as follows.

A. Director of Human Resources

1. Develop and review the application and selection protocol.
2. Create and utilize a feedback system to improve synergy within and between the Operations and Investments divisions.
3. Structure and uphold protocol for an evaluation process and periodic performance review.
4. Conduct periodic performance reviews of all members individually.
5. Conduct entrance and exit interviews with all members.
6. Work with Information Technology Department to establish the most efficient and convenient methods of referencing member information.
7. Uphold strong confidentiality standards and establish and uphold protocol. Organize and facilitate extracurricular group building activities.
8. Address external inquiries from interested candidates about the application and selection process.

B. Director of Marketing

1. Develop and implement a general marketing strategy for the Organization.

2. Assemble and update a bulletin board to serve as means of relaying information and as a reference for those interested in the Organization.
3. Periodically post portfolio performance information and other highlights.
4. Create and publish pamphlets and promotional flyers, etc.
5. Work with Information Technology Department to implement an online marketing strategy.
6. Promote activities and events within the Organization to targeted audiences.
7. Lead the design and development of semester reports and semester newsletters.
8. Work with the Human Resources Department to implement a recruitment campaign each semester.
9. Help to positively promote the Organization by developing and coordinating tours of facilities and informational sessions for prospective RU students and their families, faculty and staff members, students currently enrolled at RU, members of the business community and private sector, and any other parties who wish to learn more about the Organization.

C. Director of Information Technology

1. Continuously update website to promote the Organization.
2. Research, gain and maintain a thorough understanding of all relevant software applications and their application in a business setting.
3. Reference and correspond with outside resources to maintain efficiency and proper usage of all software and hardware.
4. Periodically test equipment and conduct necessary maintenance operations.
5. Organize and conduct workshops and tutorial sessions with members to explain and demonstrate proper techniques and use of software and available applications.
6. Serve as technical support liaison for the Investment Analysis Support Committee.
7. Design, implement and maintain a remote access information system.
8. Work continuously in support of all members to develop high quality professional presentations.
9. Coordinate logistical setup of all presentations and any multimedia setup that is needed.

D. Archivist

1. Keep records of all general meetings including taking minutes, attendance, and document general, special and committee meeting times.
2. Organize and develop an accurate and efficient record keeping method to include all member information including biographical data, resume, course schedule, performance reviews, attendance records, etc. and continuously update those records.
3. Keep documented records of all votes and decisions made within the Organization, including those updates and amendments made to the Organizational Handbook, Constitution and By-Laws, Investment Policies and Procedures and other policies and protocol.
4. Document all investment information made by individual members or sectors including buy/sell presentations, economic analysis reports, and daily briefings.

5. Act as a resource to all members in the Organization and assist in providing the necessary information required by those members. Know where to find the needed information when asked.

Article XII: Committees

Section 1: The Selection Committee, Budget Committee, and Legislative Committee listed in Sections 2, 3 and 4 respectively are those that the Organization views as necessary for the immediate and continuing long-term success of the Organization. The Executive Board reserves the right to establish ad hoc committees at any time.

Section 2: Selection Committee

The Selection Committee will consist of Organization members appointed by the Faculty Advisor each semester. The Director of Human Resources will serve as the Committee Chairperson by default and others will be chosen from diverse areas within the organization with the intent of representing the best interests of all Organization members. The group will make the selection decisions for all student held positions, with the exception of the Executive Board members, whose selection is by the Board of Directors.

Section 3: Budget Committee

The Budget Committee will consist of Organization members appointed by the President each semester. Members will be chosen from diverse areas within the organization with the intent of representing the best interests of all Organization members. Expense requests by a group member or department must be reviewed and approved by the Budget Committee before being authorized. All requests must be presented by the Chief Accountant to the Faculty Advisor. The Faculty Advisor is the custodian of the expense account.

Section 4: Legislative Committee

The Legislative Committee will consist of Organization members appointed by the Faculty Advisor each Spring Semester. Members will be chosen from diverse areas within the organization with the intent of representing the best interests of all Organization members. The Legislative Committee will help revise and update legislative documents as needed including but not limited to the organizational Handbook and Constitution and By Laws. Any legislative changes recommended by this committee must follow the process outlined in the Article XV: Amendments.

Section 5: Investment Analysis Support and Education Committee (6+ members)

The Investment Analysis Support Committee will consist of Organization members appointed by the Executive Board each semester. The Investment Analysis Support Committee will be convened by the Vice President of Investments / Vice President of Finance. Standing members will be the Chief Accountant (or Accountant, upon Executive Board directive), the Manager of Information Technology, and the SMIPO Analysis Workbook Manager. The chair of the Investment Analysis Support and Education Committee will be selected from these members. At least two additional Analysts will

serve on this committee. Other members are expected to assist this committee, upon request, on ad-hoc teams with specific goals.

The Committee will be responsible for:

1. Directing resources to assist Senior Investment Analysts and Investment Analysts in their responsibilities.
2. Maintaining and enhance all training materials related to the functioning of the Investments Division, including user manuals for the SMIPO Analysis Workbook and the spreadsheets used in recordkeeping by the Chief Accountant and Vice President of Finance.
3. Providing training sessions on the SMIPO Analysis Workbook, and other investment topics, like Financial Statement Analysis, Sector Analysis, etc.

Section 6: A member of any committee can be removed from that committee by a three-fourths (3/4) vote of all members of that committee.

Article XIII: Distribution of Income

Investment income generated by the organization will be automatically available to the Radford University Foundation, Inc. at the end of each quarter to supplement their quarterly Endowment payout.

Article XIV: Responsibilities

The organization will adhere to University policies, the Constitution, and laws of the United States of America, the Commonwealth of Virginia, and the City of Radford.

Article XV: Amendments

Section 1: Proposed amendments to the constitution and by-laws of the Student Managed Investment Portfolio Organization may be recommended by the Legislative Committee. Such changes must then be presented to a quorum of the organization in writing and a two-thirds (2/3) vote of the members is required to recommend the changes.

Section 2: The recommended changes are then submitted to the Board of Directors. A two thirds (2/3) vote of the members of the Board is required to adopt the changes.

Section 3: Any revision of the constitution and by-laws must be submitted to the Office of Student Leader Resources promptly after adoption.

