

AHEPA

District #10

By-Laws addendum for financial investments

2017

Final draft to be presented during
the district#10 convention
on May 20th, 2017

Table of Contents

I Financial Policy	3
II Fiscal Matters	4
III Amendments	5
XIII Dissolution	5

District#10 By-Laws addendum District #10

Rev #15 (April 2014 – October 2015)

I Financial Policy

1.1 Investment Policy Statement

The AHEPA District#10 in an effort to guide the Investment Policy Committee in making future investment decisions. Although markets are in constant flux, the stated desired objectives, rates of return, and allocations of the investment portfolio shall provide some continuity on how the investments are managed. This Investment Policy Statement shall always be flexible and amendable by the Foundation Board.

1.2 Primary Objective

To invest non-active capital in income-generating investments with long term capital growth prospects. In the meantime, the organization should have **adequate funds** to operate so as to not have to disinvest the long term funds in an unplanned and urgent manner.

1.3 Target Rate of return

A targeted rate of return that is at least 2% plus the annual inflation rate.

1.4 Time Horizon

Perpetuity

1.5 Investments of Funds / Asset Allocation Guidelines

The Investment Committee consisting of the current District#10 Governor, the current District#10 Treasurer of AHEPA and an AHEPA member appointed by the District#10 lodge.

1.6 The responsibility of the Investment Committee will be to work with the Foundation's broker/investment representative to invest and administer the Foundation's funds according to the guidelines set forth below. In fulfilling this responsibility, the Investment Committee will invest the Foundations' entire portfolio and value funds, as follows:

1. No new funds shall be purchased in tax exempt, tax deferred, tax free or tax managed mutual funds or securities or any kind of annuities (fixed or variable) except tax exempt government guarantee bonds.
2. No funds shall be invested in proprietary products of any kind, including funds and investment products issued or managed by the current broker/investment representative's firm or broker / dealer, and any investment vehicle which is being underwritten or initially offered in any fashion by said broker/investment representative's firm or broker/dealer
3. No funds shall be invested in puts, calls, covered calls and other option investments
4. The equity investment of funds in common and or preferred stock, including ETFs (Exchange Traded Funds) and mutual funds, shall not be less than 60% of the fund and not more than 80% of the value of the entire portfolio with no more than 10% total exposure in any one stock in any company or entity.

5. The investment of funds in fixed income (individual bond issue, ETFs, mutual funds, corporate bonds) or other similar products shall not be less than 20% or greater than 40% of the value of the entire portfolio with no more than 10% total exposure invested in any one individual issue or company
6. The investment of the Foundation's funds in bond instruments as specified in subsection (10), above, shall be limited to investment grade or higher as rated by Moody's (Baa or higher), Standard and Poor's (BBB or higher) or Fitch (BBB or higher)
7. Money Market Funds (MMF) and Certificates of Deposit should not be considered investment vehicles, but shall be utilized to hold funds for unspecified and unrestricted periods of time until a suitable investment can be identified
8. The remaining portion of the portfolio (40%) not invested as set above shall be invested in mutual funds. Every effort shall be made to diversify the portfolio between value, growth, growth and income, and global and straight income funds as seen fit at the discretion of the Investment Adviser with the concurrence of the Investment Committee based on the current market conditions. Open-end mutual funds, Exchange Traded Funds (ETFs) and Closed-end mutual funds will be covered under the definition of "funds" and shall be used for indexing, allocating to an investment area where individual securities are not appropriate or feasible. The use of Morningstar and other such services should be used as an indication of the fund manager's past accomplishments and not an indicator of future performance.
9. Any of these guidelines may be waived or amended by the Investment Committee upon recommendation of and the approval of the Board, on an investment by investment basis, based on current economic, fiscal or other circumstance deemed relevant and necessary at the time.
10. A Registered Investment Adviser may be employed based on the discretion of the Board. By law, the *fiduciary duty* requires the investment adviser to act in the best interest of the clients, putting the clients' interests ahead of their own at all times. The investment adviser is required to provide up-front disclosures of his/hers qualifications, services, compensation, range of fees, methods of analysis, and any possible conflicts of interest.

II Fiscal Matters

All funds of the Educational Foundation shall be maintained as a separate segregated fund and shall be deposited in such banks or other depositories as the Board of Directors may select

2.1 Check Signatures

Two (2) Signatures shall be required on all checks of the Educational Foundation bank account. The signature of Treasurer shall be one of the required signatures and either the Chairperson of the Board, or the Vice-chairperson

2.2 Annual Report

1. The Executive Secretary shall present a report at mid-year District Conference and a written report at the District Convention.
2. The Treasurer shall present a written report at mid-year District Conference and at the District Convention.

2.3 Public Inspection

The financial records of the Educational Foundation shall be available for inspection in compliance with the 501 (c) 3 status

2.4 Audit

The Board of Directors shall cause the financial records of the AHEPA District#10 to be reviewed annually

III Amendments

12.1 Methods

These By-Laws may be reviewed for change by a majority vote of the voting Board of Directors and approved at the annual District Convention

Original Document: ...Date: 28 March, 2017

XIII Dissolution

13.1 Dissolution

Upon dissolution, all assets of the AHEPA District#10 organization remaining after all debts and any other obligations have been met shall be designated to the order of AHEPA National.