

BYLAWS

Financial Navigator Student-Managed Investment Fund Lucas College and Graduate School of Business

- I. Article I – Name of the Fund
 - a. The name of the fund shall be the “*Financial Navigator Student-Managed Investment Fund*” (hereinafter referred to as the “Fund”) in the Lucas College and Graduate School of Business, San Jose State University.
 - i. Financial Navigator, Inc. is providing support for administration of the Fund by funding an expendable faculty stipend and miscellaneous expenses related to it. The faculty recipients of this stipend will be called the *Nancie Fimble Investment Fellows*.
- II. Article II – Purpose of the Fund
 - a. Provide students a hands-on learning experience in investing.
 - i. Learn how to evaluate financial assets through market, industry, and corporate evaluation.
 - ii. Learn how to structure a well-diversified portfolio through real-world analysis.
 - iii. The goal of the Fund is to outperform the S&P 500 Index.
- III. Article III – Qualifications of Membership
 - a. Must be an undergraduate or graduate student at San Jose State University.
 - b. Must have completed or currently be taking Bus 170 (Fundamentals of Finance) with the intent to take 172A (Investment Analysis).
- IV. Article V – Code of Conduct
 - a. All members will be held responsible for duties assigned to them.
 - b. Investment decisions must be made in the best interests of the Fund, in order to facilitate its long-term growth and success.
 - i. If a member’s actions can be proven to be against the best interests of the Fund, immediate review of said member will be conducted by the Board.
- V. Article V – Addition of Members
 - a. Board members and Analysts will be elected prior to the commencement of each semester.
 - b. Each member is allowed 2 excused absences from meetings.
- VI. Article VI – Nancy Fimble Investment Fellows
 - a. Investment Fellows will be chosen from the faculty of the Accounting and Finance Department, Lucas College of Business.
 - b. One Fellow will be assigned the duty to conduct all trading agreed upon by the Board.
 - c. One Fellow will be responsible for keeping a complete record of all transactions on behalf of the Fund as well as keeping original statements from the Fund’s brokers.
 - d. Records shall be made available upon request.
- VII. Article VII – Ex-Officio Advisor
 - a. An Ex-Officio Advisor from Financial Navigator will sit in on meetings, acting as a mentor to the Fund.
 - b. Said advisor will not have any voting power in the decision making of the Fund.
- VIII. Article VIII – Executive Board
 - a. The Executive Board will be referred to as the “Board” in this document.
 - b. The Board will consist of three students as defined below and two faculty Fellows. The Board will be elected each semester.

- i. Chief Executive Officer – the CEO will be responsible for overseeing the Fund’s activities to ensure future growth of the Fund, investments, and relationships with donors. Responsibilities include but are not limited to the following:
 1. Creating schedule and agenda for meetings.
 2. Leading all board meetings.
 3. Ensuring that fellow board members’ goals are met.
 4. Organizing information and creating the Annual Report.
 5. Compiling all presentations and speeches to Fellows/Advisor and the Board.
- ii. Chief Investment Officer – the CIO will oversee the Fund’s investments, keeping future investment returns and donor relationships in mind. Responsibilities include but are not limited to the following:
 1. Drafting investment-making proposals to be recommended to the Board.
 2. Tracking and reporting performance of all investments in the Fund on a monthly basis.
 3. Appointing Industry Lead Analysts as required with the prior approval of the Board.
 4. Assisting in creating the Annual Report.
- iii. Chief Analyst – the Chief Analyst will manage and oversee the Industry Analysts, serving as their main point of contact. Responsibilities include but are not limited to the following:
 1. Working closely with Industry Analysts, delegating research and reporting duties.
 2. Ensuring that all Industry Analysts’ industry reports are ready and complete ahead of the monthly Board meetings.
 3. Recording the minutes at Board meetings.

IX. Article IX – Lead Industry Analyst Roles

- a. Lead Industry Analysts will work on teams and provide **analytical** research. Said Analysts will report to the Chief Analyst and the Board with their recommendations for potential inclusion of securities into the Fund’s portfolio.
 - i. Lead Industry Analyst tasks include but are not limited to the following:
 1. Researching the market, industry, and companies that pertain to their respective industries.
 2. Working closely with the Chief Analyst in creating reports for each analyst’s respective industry on a weekly basis.
 3. Presenting recommendations for their industry-specific securities to the Board on a monthly basis.

X. Article X – Removal of Members

- a. Members may be asked to resign if they fail to perform the duties and responsibilities asked of them.
 - i. Removal of a member requires a unanimous vote by the Board.
 - ii. Removal of a Board member requires a unanimous vote by all other Board members.

XI. Article XI – Acceptable Investments

- a. Securities that are on listed on US Exchanges or major international exchanges will be permitted.
 - i. Common and preferred stock including American Depositary Receipts (ADR’s).
 - ii. Other collateralized equity instruments, exchange-listed corporate bonds, mutual funds, money market accounts, Real Estate Investment Trusts (REIT’s), Exchange Traded Funds (ETF’s) and US Treasury instruments.
- b. Investments that are unacceptable are: margin purchases, short sales, and investment derivatives (futures and options).

XII. Article XII – Investment Decision-Making

- a. Decisions to buy/hold/sell a security will be made by a simple majority of the Board.
 - i. Board meetings will be bi-weekly unless otherwise stated.
 - ii. Monthly meetings will be held where all Lead Industry Analysts will give their pitches on whether to buy/hold/sell securities in their designated industries.
 - iii. All decisions must adhere to the investment goals of the Fund.
- b. Securities will be chosen from Investment Grade Bonds and/or High Quality Stocks.

- c. If a security has a 20% drop in market price within a one-week period, immediate analysis will be presented at the next meeting by the CIO to decide whether to buy/hold/sell.

XIII. Article XIII – Annual Reports

- a. An Annual Report will be prepared by the CIO, displaying the Fund’s activities and performance. This report must be presented by the CEO to the Board, Advisors, and all Analysts at the Annual Board Reporting Meeting.
 - i. This Report will be available upon request by interested parties.
 - ii. The Chief Analysts will be responsible for making sure all reports are given to the CIO at a designated date prior to the Annual Reporting Meeting.

XIV. Article XIV – Annual Audit

- a. The Fund’s books will be audited by a group of students from Beta Alpha Psi (BAP) under the supervision of BAP’s advisor.

XV. Article XV – Investment Fund Returns

- a. Each semester, the Board will decide upon further course of action with the returns of the Fund.
 - i. If the returns of the Fund are less than 5%, all proceeds will be reinvested in the Fund.
 - ii. If the returns of the Fund are greater than 5%, the proceeds may be reinvested in the Fund and/or reallocated to support the Fund’s expenses.
 - iii. If the returns of the Fund are over 100% over the course of several years, the Dean of the Lucas College and Graduate School of Business will reevaluate with the Board whether allocations from the principal should be made to the Lucas College.

XVI. Article XVI – Liabilities

- a. No member of the Fund shall be held personally liable for any losses accrued by the Fund, with the exception of losses resulting from the intentional misconduct or criminal activity of said member.

XVII. Article XVII – Amendment Procedure

- a. Bylaws can be amended with a unanimous vote of the Executive Board.
- b. Amendments must be approved by the Dean of the Lucas College of Business.

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Date


