

The Constitution of the Bloomsburg Investment Group

Preamble

We, the Bloomsburg Investment Group, to include students, faculty and advisors, in Order to form a more perfect Organization; establish Guidance and ensure Longevity to provide for Interested Persons, and promote Commitment and Education to secure the Rights of the Organization to ourselves and Successors; establish this Constitution of the Bloomsburg Investment Group of Bloomsburg University of Pennsylvania.

Article 1: Mission and Vision Statements

Section 1: *Mission Statement:* The Mission of the Bloomsburg Investment Group is to provide students with an educational experience in the principles and techniques of equity analysis, portfolio management, and market research.

Section 2: *Vision Statement:* The Vision of BIG is to manage The BIG Fund and to provide financial assistance to Bloomsburg University College of Business students.

Section 3: *Accomplishing the Mission and Vision Statements:* The BIG Fund, managed by the Bloomsburg Investment Group, will provide assistance in the form of scholarship funds, funds allocated to the University and/or reinvestment into The Fund, through realized capital gains, dividend income, and interest income of The Fund.

Article 2: Stakeholders

Section 1: The primary stakeholder of The BIG Fund, managed by the Bloomsburg Investment Group, shall be the Bloomsburg University Foundation and the Office of the Dean of Bloomsburg University College of Business.

Section 2: The Board of Directors of the Bloomsburg Investment Group shall be appointed by and organized through the Office of the Dean of Bloomsburg University College of Business. The members of the Board may consist of, but not limited to, individuals involved in the College of Business Advisory Board, University Advancement, the Bloomsburg University Foundation, alumni and executives within the investments industry. The Dean of the College of Business shall serve as Chairman of the Board with the authority to appoint or terminate the directorate.

Section 3: Board members shall serve for three year terms with the option for reelection by the Office of the Dean upon completion of a term. The Board of Directors must meet at least twice per calendar year to discuss the progress of BIG and other relevant information. One meeting must take place during the end of the spring semester to serve as the annual meeting. The Board of Directors is responsible for mentoring students of the Bloomsburg Investment

Group, offering guidance and direction, and assuring conformance with the Group's investment objectives.

Article 3: General Membership

Section 1: The Bloomsburg Investment Group shall be composed of Members of any Disciplines and Classes who have an interest in Finance and related topics, and who possess the Commitment and Attitude Guidelines required by the Bloomsburg Investment Group and any other Membership Requirements established.

No Student shall be a Member of the Bloomsburg Investment Group who is not enrolled as a Full- or Part-time Student of Bloomsburg University of Pennsylvania.

Members of the Bloomsburg Investment Group shall vote on matters that require a vote, each given an equal vote of one tally if in attendance at the General Meeting in which the vote takes place.

Article 4: Membership Positions

Section 1: The Bloomsburg Investment Group shall be managed by an Executive Board, which consists of a President, Vice President, Economic Analyst, Treasurer, and Secretary. These Members are collectively responsible for all BIG activities and overall portfolio management including, but not limited to, portfolio holdings, asset allocation, macroeconomic environment understanding, and risk management. Executive Board Members may also participate in security research.

President: Responsibilities will include leading General and Executive meetings and advising the Group in any manner necessary. The President is the primary communicator with faculty/advisors, donors, and other interested persons. The President assumes the role of Chairman of the Bloomsburg Investment Group.

Vice President: Will assist the President with daily responsibilities. The Vice President assumes the role of President when sitting President is absent. The Vice President also assumes the role of other Executive members in event of absence.

Economic Analyst: Responsible for developing an expertise in in economic events and data. The Economic Analyst shall be responsible for bringing economic data to the attention of the Executive Board and the General Members. The Economic Analyst will consult the group on how economic events impact markets, sectors, and industries.

Treasurer: Responsible for all recordkeeping of all funds within the Bloomsburg Investment Group and The BIG Fund. He/she shall maintain accurate records of financial statements, a

yearly budget, transaction history, and other related documentation. Responsible for coordinating with Bloomsburg University Foundation Inc. to report trade confirmations and other pertinent documents required by the Foundation to maintain accuracy.

Secretary: Duties shall include recording of meeting minutes, taking attendance, and keeping an accurate calendar of all BIG activities. The Secretary will also be responsible for maintaining all documentation including, but not limited to, trade receipts, monthly statements, annual reports, etc. of The BIG Fund. The Secretary will also be responsible for maintaining Bloomsburg Investment Group Equity Reports, Semester-End Reports, and academic Year-End Reports.

Section 2: All Members of the Bloomsburg Investment Group, except current Executive Board Members, will assume one of the following roles: Sector Head, Senior Analyst, or Junior Analyst. Sector Heads shall be appointed by the Executive Board at the beginning of each semester by $\frac{3}{4}$ vote. Senior Analysts will be Members, excluding Sector heads, with at least one year of active Membership. Junior Analysts will be Members, excluding Sector Heads, with less than one year of active Membership. Senior and Junior Analysts will be divided among sectors based on weighting decided upon by Executive Board.

Sector Head: Develops an expertise and deeper understanding of one of the S&P 500 sector to which he/she was appointed. Will be responsible for a group of Senior and Junior Analysts in conducting sector and equity analysis. Must maintain knowledge of portfolio holdings in the sector. Assumes the role of a mentor to Senior and Junior Analysts assigned to the sector.

Senior Analyst: Assists in analysis of sector industries. Creates equity analyses for publicly traded companies within the sector. Assumes the role of a mentor for Junior Analysts.

Junior Analyst: Assists Senior Analysts in equity research. Creates equity analyses for publicly traded companies within the sector.

Section 3: Chief Risk Officer: The Chief Risk Officer (CRO) is to be nominated by the Group Advisor and approved by the Executive Board. Responsibilities for the CRO include signing off on all trades, assessing risk on the current portfolio as well as potential investment decisions, and keeping an open line of communication between Sector Heads and the Group Advisor.

Additionally, the following changes will be made for the creation of the CRO:

- i. The CRO has input on all Sector Equity Reports, approving the Sector proposal based on the outlined risk protocol. Once both parties understand the risk of the transaction, the CRO's disclaimer will be placed at the end of the report.

- ii. The CRO will create a range of values in which the stock will be re-evaluated in. Ranges will be discussed with sector heads, but will be determined on a sector-by-sector basis EXCLUSIVELY by the Sector Head to avoid bias.

Article 5: Organizational Structure

Section 1: Through the generous support of BU alumni and under careful stewardship of the University's Foundation, the initial funds for BIG were allocated by the College of Business Office of the Dean to promote educational experience of students in the club. The Foundation has delegated fund management responsibilities to BIG and its advisors. These responsibilities are as follows: establish and monitor investment policies and guidelines; manage investments through the membership base as defined in Article 4; conduct periodic review of investment performance and report the results to the Executive Board.

Section 2: The Governing Body will include The Board of Directors and Advisors and Executives of BIG. All parties shall act in a fiduciary capacity with respect to The Fund and is accountable for overseeing investments of all asset classes owned by The Fund. The Investment Policy Statement defines investment objectives, distribution policies, and investment guidelines to which The Governing Body and any other parties shall follow. The Governing Body will review The Investment Policy Statement once per academic year.

Article 6: Meetings

Section 1: General meetings will be open to all students, including those without Membership status, enrolled in Bloomsburg University, regardless of Major or Class. Meetings will take place in the Benner-Hudock Center for Financial Analysis (Sutliff Hall Room 123), unless otherwise decided upon. Meetings and meeting times may be changed, added, or subtracted by the Executive Board on a discretionary basis.

Section 2: An Executive Board meeting of the Bloomsburg Investment Group will be held on a weekly basis upon the conclusion of a General Meeting. Meeting dates will be determined on a weekly basis by the President and Vice President. Meetings will take place in Sutliff Hall Room 123.

Section 3: Once a week, a formal meeting of the Bloomsburg Investment Group will take place for one hour. This meeting will include a lecture by a Finance Professor on a related topic to the Bloomsburg Investment Group's current focus. The meeting will be worth one credit hour per semester and will be considered a business elective for the graduation requirements.

Article 7: Elections

Section 1: Election of Executive Board Members: Elections shall be held within the final three weeks of the academic year. Each position shall be held for one academic year. Members

interested in executive roles must have held Membership status for at least two years prior to assuming executive role. Members may be reelected for as many terms as enrolled as a full-time student. Each Executive nominee shall be voted in by a simple majority vote of members present in the election meeting. If only one candidate is nominated, members have one vote and may either choose to vote or not vote. If more than one candidate is nominated, members have one vote and must vote for a candidate.

Section 2: The role of the President, Vice President, Treasurer, Economic Analyst and Secretary Positions shall be self-nominated, accompanied by a brief testimonial.

Section 3: Special Elections: In the event of an Executive Member either graduating or being unable to perform his/her duties, a special election shall be held in a timely manner upon vacancy of the position. All election rules apply.

Section 4: Impeachment Process: In the Event that a Member of the Bloomsburg Investment Group's Executive Board is unable to perform his/her duties or no longer holds Membership status or has violated the disciplinary policy PRP 4801, may be subject to impeachment by Members. Members must nominate a new Member for the position in which impeachment is being considered. A seventy percent vote is required to impeach a Member of the Executive Board by all Members present at the General Meeting, but becomes invalid if a nominee cannot achieve a seventy percent vote to elect the new Executive Member. Nominees for the impeachment process cannot be self-nominated. All voting rules apply.

Section 5: All voting shall be conducted by a secret ballot.

Article 8: Security Voting

Section 1: A vote shall be held for each security following the final presentation on that security in the General Meeting. In order for the security to pass and be added or subtracted to/from The BIG Fund, a seventy percent majority vote must be achieved by all present Members at the meeting in which the vote takes place. A majority vote must be achieved by all present Members at the meeting in order to hold the security.

When a security passes the vote in the General Meeting, the Executive Board will discuss how much of The BIG Fund will be allocated to the selected security. A consensus will be met by all Members of the Executive Board on the security's asset allocation.

Section 2: All voting shall conducted by a secret ballot.

Article 9: Advisor's Role

Section 1: The Advisor's role in the Bloomsburg Investment Group is to provide guidance, assistance, and any other necessary support that the group would require. The Advisor shall trade securities on behalf of the Bloomsburg Investment Group following the completion of the appropriate forms. The Advisor shall conduct lectures on the topics of interest, per request of the BIG (see Article 6, Section 3) or the group shall seek assistance of external content experts via live or online lectures, webinars, demos, etc.

Section 2: The Advisor shall not conduct him/herself in a manner that inhibits the Bloomsburg Investment Group from its Mission and Vision Statements. The Advisor shall not trade any security without consent of the Bloomsburg Investment Group and the completion of the appropriate forms.

Article 10: Annual Reports

Section 1: The Bloomsburg Investment Group shall be responsible for creating Equity Reports, Semester-End Reports, and academic Year-End Reports. All reports will be provided to interested persons in a timely manner. All reports shall be published on the Bloomsburg University Bloomsburg Investment Group website.

Section 2: Equity Reports will be made by Sector Heads, Senior Analysts, and Junior Analysts. Each Equity Report shall be signed by the Sector Head of the respective sector. Equity Reports will be completed prior to the vote on the equity in the General Meeting. Equity Reports shall follow the Bloomsburg Investment Group Equity Report format.

Section 3: Semester-End Reports shall be created within the last three weeks of the Fall and Spring Semester. Semester-End Reports shall follow the Bloomsburg Investment Group Semester-End Report format.

Section 4: Academic Year-End Reports shall be created within the last three weeks of the Spring Semester. Academic Year-End Reports shall follow the Bloomsburg Investment Group Year-End Report format.

Section 5: It is the responsibility of the Bloomsburg Investment Group's Executive Board and Advisors to find an outside group to conduct an audit of all documents and appropriate items once per academic year. No member of the Bloomsburg Investment Group shall be part of the auditing team.

Article 11: Fiduciary Responsibility

Section 1: By accepting their positions, Members of the Bloomsburg Investment Group, to include General Members, Executive Board, Advisors, Board of Directors, the Office of the Dean, and all other interested parties agree to act strictly within the best interest of The BIG

Fund. No party involved with The BIG Fund shall receive payment or compensation for services rendered to The Fund.

Article 12: Amendments

Section 1: Amendments to the Bloomsburg Investment Group Constitution can be proposed by any Member, Advisor, or Board of Director of the Bloomsburg Investment Group. Amendments shall be proposed to the Executive Board at an Executive Board Meeting. The Executive Board holds the right to modify proposed Amendments. The proposed Amendment must pass a 4/5 vote by the Executive Board to allow a vote in the General Meeting. The Amendment will pass following a seventy percent vote in the General Meeting and will be signed into effect by each member of the Executive Board and the Advisor.

Section 2: Proposed changes to The Investment Policy Statement can be made by The Governing Body or any BIG member and may be passed by a simple majority of current BIG members upon review of The Governing Body, the Advisor, and in consultation with the Dean or his appointees.