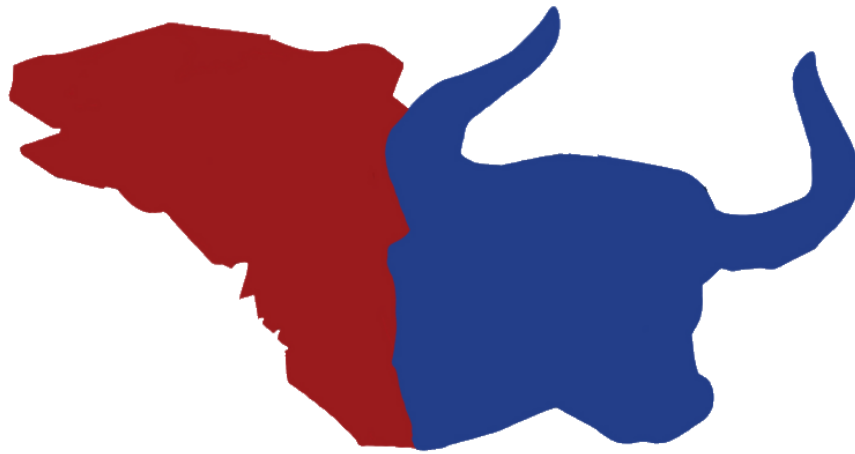


UTM Capital Constitution



UTM**CAPITAL**

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Preface

We, the members of the Executive Board of the UTM Capital Student Fund, do hereby establish this Constitution and Student Fund Investment Policy on July 31, 2023.

Article I – Campus Group Name

- a. The campus group name for the organization is “UTM Capital”, having been rebranded from the previous name “UTM Capital Management” during the 2022/2023 academic year.
- b. The club’s name is now abbreviated as “UTMCAP” having previously been abbreviated as “UTMCM” prior to the rebranding. The organization will be referred to by its full name, abbreviated name, and “the Fund” throughout this document.

Article II - Purpose

- a. The purpose of UTMCAP's Core Operations is two-fold:
 - i. Fiduciary responsibilities as an investment fund entail both performance and reporting.
 1. Concerning performance, UTMCAP should seek to grow its assets under management through the investment guidelines mentioned in Article X.
 2. Concerning reporting, UTMCAP should develop an annual presentation highlighting its performance for the year to be submitted to the Board of Directors, preferably engaging in monthly updates of investment performance.
 - ii. Responsibilities to our committed membership. This is handled through the Fund's organization, training, and industry experience. The fund will focus on providing quality experiences to members with an emphasis on principles, learning, and leadership.
- b. The purpose of the UTMCAP Case Competition Team is to participate in a wide range of capital markets-oriented case competitions. The team's primary objectives are three-fold:
 - i. Skill Development: Refine abilities through real-world finance competitions.
 - ii. Career Exploration: Explore diverse capital markets paths via case challenges.
 - iii. Networking and Connections: Build valuable contacts with peers and professionals.

Article III – Membership

- a. UTMCAP is open to all UTM undergraduate students regardless of academic track record or program of study. There is no membership fee required to join as a member of UTMCAP, and there is no associate membership fee structure.
- b. General club members are categorized into three roles:
 - i. Analysts – General club members who help make up teams of members that work and enjoy club experiences together. Analysts additionally aid in the research of companies within an industry and work on investment pitches for the Fund.
 - ii. Senior Analysts – Senior club members who help oversee their respective groups and take on a lead role in equity research.
 - iii. Investment Leaders – Group leaders that are tasked with helping lead their respective groups in participating in club events, activities, and other club offerings. Such leaders will also lead investment presentations for the fund and ensure that each member of their respective group is given the opportunity to learn and present ideas to UTMCAP.
- c. Case Team Competitors take on a role in addition to being general club members who are assigned to a coverage group. There can be a maximum of fifteen (15) competitors on the UTM Capital Case Team. Competitors must participate in at least two capital market focused case competitions during the academic year. Competitors play a crucial role in representing UTM Capital in external case team members.
- d. Although there is no mandatory participation for members, all members of UTMCAP are expected to participate in club activities, training experiences, events, and other club offerings. Mandatory responsibilities are enlisted upon members of the UTMCAP Executive Team.

Article IV – Executives

- a. UTMCAP's Executive Team comprises of five to six members (depending on the state of the presidency), each tasked with unique responsibilities and duties accordingly:
 - i. President (or Co-Presidents) – Oversees all aspects of the club and takes on the responsibility of all successes and failures. Works with members of the board to develop specific mandates and execute on any ideas. Delegates tasks to VPs and is responsible for tracking progress accordingly. Supports Investment Leaders in a variety of areas including updates on club activities, managing the analyst class, and communicating relevant information accordingly.
 - ii. VP Finance – Responsible for all financing activities associated with the club and its events. Manages current club finances including but not limited to; the investment portfolio, operational financing, partnership financing, events financing, and gifts/ rewards. This member will be under severe scrutiny from the board with regard to projecting any future financing activities and will work with all members of the executive team on helping to execute key projects.
 - iii. VP Events & Operations – Responsible for overseeing the development of events and keeping track of all moving parts including but not limited to; scheduling, managing/ forming speaker relations, bookings, and other event planning needs. In addition to this, the VP is also responsible for all operational activity on a day-to-day basis. This will involve taking operational leads, communicating announcements, sorting invitations, and attendance tracking. Also responsible for general communications across UTMCAP and relations with both internal and external stakeholders. Internal stakeholders primarily consist of all UTM organizations UTMCAP is involved with (UTMM, UTMSU, etc.), whereas external stakeholders consist of sponsors and related entities.

- iv. VP Marketing – Responsible for increasing participation and cohort size of the organization. They will take the lead role in all marketing strategies, social media channels, and general university advertising and develop ideas to increase membership of the club.
- v. VP Case Comps – Responsible for identifying capital markets focused case competitions and planning out the roster and logistics of the team. They will take on the role of providing training support and fostering a strong teamwork culture in the team.

Article V – Meetings

- a. Executive meetings occur on a bi-weekly basis to align ongoing objectives, propose new ideas, provide updates, express concerns, and ask any relevant questions.
- b. General meetings occur weekly throughout the fall and winter semesters. The purpose of general meetings is for club missions, goals, and accomplishments to be shared with all members accordingly. General meetings also provide an opportunity for members to ask the Executive Team any questions within a reasonable time frame and provide financial updates if requested by any members.

Article VI – Elections

- a. UTMCAP will hold annual elections during the winter semester to elect a new set of Executive Members for the following academic year. Elections winners will be selected based on a voting majority, with no margin of winning needed to qualify a candidate as newly elected. All club members will be qualified to vote. Votes from non-members will be disqualified. If election procedures are deemed unfair by reasonable standards by the Clubs Committee or the Academic Societies Affairs Committee, these results will be subject to a petition by a member, and re-election will be held under the supervision of the UTMSU Campus Groups Coordinator.
- b. Election procedures involve the following protocols:
 - i. Elections will take place at a given time during the winter semester.
 - ii. All registered club members are eligible to participate in club elections.
 - iii. Elections will involve a Chief Returning Officer (CRO) supervising the electoral process. The CRO cannot be a registered club member or Executive Team member and must be approved by both the Executive Team and Campus Groups Coordinator.
 - iv. Advertising for the elections will be made mandatory and will take place over a minimum of one week to help determine nominees.
 - v. Nominees will be allotted a minimum of one week to campaign.
 - vi. After the campaign period, an election period will take place consisting of either 2 or 3 days of voting.
 - vii. The winning nominees will be informed by the Executive Team and will be officially recognized during the final UTMCAP event of the academic year.
 - viii. If no one opts to run in the election for a particular position, the former executives have the right to collectively appoint a suitable candidate for that position. This candidate must be subsequently approved by the VP of Campus Life.

- c. The Club Committee and ASAC withhold the right to nullify any group's election results if evidence of gross misconduct has been found in the operation of the election.

Article VII – Removals from Office & Member Demotions

- a. It is possible for any Executive Team leader to be removed or demoted from office if there is sufficient evidence of misconduct presented to the Board and/or UTMSU. Regarding internal removals or demotions, the following process is outlined for each title accordingly:
 - i. President (or either one of or both Co-Presidents) – 7/8 board members must vote in favor of removal or demotion.
 - ii. Vice Presidents – 6/8 board members must vote in favor of removal or demotion.
 - iii. Investment Leaders – 6/8 board members must vote in favor of removal or demotion.
 - iv. Senior Analysts – may be demoted or removed through the following process:
 1. By way of approval from Investment Leaders with the consent of the President (or both Co-Presidents) or consent of the Chair or through 5/8 board member votes.
 2. Likewise, the President or Chair may dismiss any Senior Analyst with the consent of the Investment Leader or through 5/8 board member votes.
 - v. Analysts – may be removed through the following process:
 1. By way of approval from Senior Analysts in combination with the consent of the investment leader and either the President (or both Co-presidents) or the Chair or through 5/8 board member votes.
 2. Likewise, the President (or both Co-Presidents) or Chair may dismiss any Analyst with the consent of the Investment Leader and either the consent of the Senior Analyst or through 5/8 board member votes.
 3. Both Case Team Competitors and Analysts will be subjected to the same removal criteria.

- vi. A vacant position due to the circumstances arising from these voting procedures must then be filled through another vote by the general members and the Executive Team for a new candidate to take up the empty position.
 - vii. In the case of a vacancy in Investment Leader positions through disciplinary procedures, resignation, or any other circumstance, the President and the Chair shall name a replacement for the position, subject to a confirmation vote from a majority of the Board of Executives, along with approval from UTMSU.
- b. Removal from the office can occur at any time by notice from the UTMSU in case of harassment and evidence of discrimination. The UTMSU will conduct an investigation and notify the individual of the sanctions. Such sanctions could be but are not limited to:
- i. Permanent / Temporary ban from campus group activities
 - ii. Mandatory consent / anti-oppression training
 - iii. Permanent / Temporary ban from UTMSU spaces
 - iv. Permanent / Temporary ban from campus group events

Article VIII – Article Reviews & Constitution Amendments

- a. This Article shall be reviewed at least annually by the Board of UTMCAP.

This review shall consider whether there have been:

- i. A fundamental change in the spending policies of the Fund.
- ii. Revisions to the expected long-term trade-off between risk and return on key asset classes.
- iii. A shift in the financial risk tolerance of the University.
- iv. Shortcomings of the Policy that emerge in its practical operation.
- v. Recommendations by a Manager or third party.
- vi. Changes in applicable legislation.
- vii. Any proposed changes to UTMCAP policies and procedures.

- b. Amendments

- i. Executive Team members reserve the right to amend this Article given a 6/8 vote from the Board.
- ii. The Faculty Supervisor and Chair reserve the right to veto any amendments, therefore an 8/8 vote will be necessary to overrule this decision.
- iii. Any amendment decision must go through UTMSU before being formalized.
- iv. A thorough review shall be conducted every five years. At any time, the Board may make recommendations regarding club policy. A copy of such Policy, or relevant sections thereof, shall be delivered to each Executive Team member and members of the Board for review.

Article IX – Principles of the Fund

- a. UTMCAP holds six principles core to its operation and vision.
 - i. Simplicity – is important in an ever more complex and often distracted world. Our core and first tenet is that certain inputs yield substantial outputs and thus disproportionate effort should be focused on those inputs. Additionally, we emphasize that less is sometimes better than more.
 - ii. Leadership – is a strong component of UTMCAP, and we hold to inspire individuals to become effective leaders. The Fund holds that this initiative is central to this tenant.
 - iii. Innovation – is central to our organization. Individuals must critically assess the modern world and their shortcomings to inspire innovation and make the things of the present better.
 - iv. Integrity – is necessary, and the truth should never be sacrificed for the opinions or emotions of the many. Everyone is accountable for his or her actions, and we must diligently remain true to the core philosophy of this organization.
 - v. Passion – is more than dedication or hard work, individuals must demonstrate a passion for developing the organization and developing themselves as people.
 - vi. Teamwork – is ever more important where individuals must transcend their personal needs to do what is best for the future of the organization and their team. Members should hold each other accountable and challenge one another to accomplish common goals.

Article X – Investment Approaches & Guidelines

- a. The Fund is governed by a four-part value-minded investment approach, including the analysis of macro trends, corporate strategy, financial statements, and equity valuation.
 - i. Macro Trends - this focuses on industry drivers, global development, and broad-based factors. In short, this is the big-picture, top-down component, and context for the investment.
 - ii. Corporate Strategy - this focuses on Porter's Five Forces, competitive advantage, and the management's vision. This can also include the culture and discipline of an organization.
 - iii. Financial Analysis - this focuses on the income statement (profitability, fixed vs. variable expenses, R&D, margins, and historic growth), balance sheet (capital structure, debt, equity, assets, cash, book value), and other financial metrics (often industry-specific).
 - iv. Equity Valuation - this includes DCF, comparable company valuation, and other valuation techniques (although emphasis should be placed on DCF and comparatives).
- b. UTMCAP acts as a long-oriented investment fund that aims to manage its assets under management in a manner that is value-driven and is reminiscent of its fiduciary duty to investors.
 - i. UTMCAP will be allowed to invest in equities, fixed income, ETFs, mutual funds, REITs, and other investment instruments.
 - ii. UTMCAP will not be able to purchase securities, which have the potential to lose more than their purchase price. Additionally, UTMCAP will not be able to purchase physical real estate, leverage any investment, or purchase any derivative securities.
 - iii. During extended periods of absence from the university, the President with the Vice-Presidents will determine an appropriate mechanism for managing the Fund's allocation.
 - iv. UTMCAP reserves the right to allocate any funding that it has been granted without requiring external approval.

Article XI – Investment Process

- a. The Fund will be allowed to make changes to the portfolios if the following conditions are met:
 - i. A majority of present members vote in favor of the investment action.
 - ii. A majority of Executive Board members vote in favor of the investment action.
 1. If the Executive Board is split equally to call for action, the President/Co-Presidents serve as the tie-breaking vote.
 2. If a member of the Executive Board votes against the decision of the general members, each Executive Board member must distribute a written statement with their rationale within 7 days. Failure to do so will grant the investment action to proceed.
 - iii. Faculty Supervisor and Chair vote in favor of an investment action with written consent and an accompanying signature.

Article XII – Governance

a. The Executive Committee of the Fund is responsible for all management decisions; however, the Faculty Supervisor has veto powers over such decisions.

i. Oversight

1. The Faculty Supervisor oversees the Student Fund. In the case where the fund has no supervision, all operations of the fund must be halted until the organization or the University appoints a new faculty supervisor, who acts as the Chair of the Board. The Board of Directors consisting of faculty, mentors, investment advisors, and major donors oversees the management of the fund and offers expert investment advice in line with UTMCAP's purpose and investment approach.

2. At the end of each academic term, the Investment Committee must present to the Board a document outlining the fund's performance, analysis, and investment decisions made during the term. Other responsibilities of the Board include:

- a. Review and recommend changes to the investment policies including asset allocation and allowable investment classes.
- b. Determine and approve asset allocation and investment classes within the scope of the relevant policy.
- c. Appoint, review, and replace, as necessary, investment managers; and
- d. Monitor and report on investment performance.

ii. Custodian

1. The custodian of the Fund shall be a trust company registered in Canada; a legal entity that acts as a fiduciary, agent, or trustee on behalf of the organization.

2. The trustee is responsible for the administration, management, and transfer of assets that are held in the investment account.

3. The Custodian shall hold all investments and assets of the Fund.

iii. Investment Leaders

1. Assets of the fund are suggested by Investment Leaders who undergo research of investment ideas for the Fund. The expanded duties of Investment Leaders include:
 - a. Offer investment recommendations to the Board of Directors in accordance with the Investment Mandate and Performance Standards outlined in the Investment Policy Statement.
 - b. Adhere to the research standard of the club. The investment recommendations are made through rigorous analysis of securities where the Investment Leader, along with his/her Senior Analyst coordinate such analyses in their industry.
 - c. The Investment Leaders must also vet its Senior Analyst team at the beginning of each academic year. An interview process must take place and the position of Senior Analyst can only be filled by students who will continue their studies in the next academic year in order to ensure the successful continuation of the club.
 - d. Provide a signed document by all managers attesting to compliance with the Mandate & the Policy at the end of each academic term.
 - e. Meet with the Board of Directors to review investment performance and other investment issues relevant to the Fund at the end of each academic term.
 - f. Provide written reports of the investment portfolio and performance and adhere to the best practices for standards of professional conduct such as those in the CFA Institute Code of Ethics.
- b. The structure of the fund is found under [Appendix A](#).

Article XIII – Fund Capital

- a. The fund’s monetary capital can be raised through two channels.
 - i. Donations – UTMCAP may approach potential donors to seek funding. If a donation is to be made to UTMCAP, the club must provide a receipt to the donor. As a registered not-for-profit student organization under the UTM Student Union (UTMSU), donors may claim the donation as a charitable donation tax credit. If the donor is a corporation and/or organization, we may offer a sponsorship partnership. The details of the sponsorship are outlined in the sponsorship package and the contract between the club and the corporate sponsor.
 - ii. University Institution – The University of Toronto and/or the Department of Management may choose to provide funding as long as UTMCAP abides by the rules and regulations put in place by the university institution to use the funding for investment purposes.
- b. Custodial Account
 - i. Account Controls
 1. The Faculty Supervisor will be the primary account holder of the custodial account. They will be able to access the account with full accessibility. This involves entering and/or exiting trades, having access to performance reports, historic reports, P/L analysis, and access to deposit and withdrawal from the account. The Faculty Supervisor (The Chair) has signing authority over the account.
 2. The individuals in the Executive Committee will have viewing authority over the custodial account in the presence of the Faculty Supervisor.
 - ii. Funding the Account
 1. The donor deposits money directly to the fund’s bank account. The President must provide the donor with the account number, client number, and the name of the brokerage firm in order for them to make a direct deposit to the custodial account.

2. Once the money has been placed in the trading account, it can only be withdrawn under the following conditions:
 - a. The Custodian may withdraw funds in order to meet the fund's legal and tax obligations.
 - b. The President may put in a request to the Board of Directors to withdraw funds for general operating expenses of the student club which includes but is not limited to funding events, seminars, and case competitions. The club may withdraw funds once at the beginning of each academic term up to an amount of \$2,000. In order to make such a request, the Board of Executives must fill out a "Funding Proposal" which includes a budget outlining all the operating expenses that will be made throughout the academic term.
 - c. The Faculty Supervisor may decide to withdraw funds under special circumstances. A written statement by the Board of Directors, the Chair, and the President must be prepared to outline the reason for withdrawing funds and presented to the Department of Management and the University's Student Union (UTMSU) and will be approved on a case-by-case basis.
 - d. If the fund is to be terminated under any circumstances. A letter from the president and the Faculty Supervisor must be written outlining the reason for the termination of the investment fund. The letters must be presented to the Department of Management and the university's Student Union for consent. The Faculty Supervisor may then contact the custodian to withdraw the money from the fund after meeting its legal obligations. A meeting must then be set between the Executive Committee, and the representatives from the University, the Department of

Management, and the Student Union to decide how capital will be redistributed. The funds should benefit the social welfare of the University's students or the community in general. For example, the funds may be donated to sponsor student awards, help the Li-Koon Chun Finance Learning Center expand its services, and donate to specific charities the university institution supports.

Article XIV – Investment Policy Statement

a. Investment Objective

- i. The investment objective of the Fund is to generate long-term growth of the Fund's assets. The Fund will invest in a broadly diversified portfolio of mid-to-large capitalization stocks of Canadian and U.S. issuers that may provide capital gains or income for educational purposes and in no way commercial in nature.

b. Market Beliefs

- i. Over the longer-term, assets that have greater risk are expected to provide greater returns. Risk in this context is broader than the general measure of volatility of returns especially when measuring investment outcomes across different markets. Therefore, qualitative factors in assessing risk may be considered when developing an investment policy.
- ii. To achieve the long-term objectives of the fund, a certain level of risk must be taken. This will involve the selection of certain asset classes with greater volatility but greater expected return over longer periods.
- iii. The majority of the variability in the investment returns, and the implied inherent risk, can be explained by the strategic asset allocation selected. As a result, the strategic asset mix decision is critical in determining the risk profile of the investments.
- iv. The investments should be diversified across a broad range of financial assets, asset classes, geographies, and management styles as portfolio diversification provides a reduction in investment risk.
- v. Simplicity and transparency are essential attributes of any asset, asset class, or investment strategy that could be contemplated for portfolio diversification.
- vi. The risk and return characteristics of specific asset classes should be reviewed periodically to evaluate if the investment strategy or the asset allocation for the Policy and its impact on specific investment risk and return metrics is still appropriate.

c. Authorized investments

- i. The Fund is restricted to investing only in:
 1. The equity securities of Canadian Issuers that trade on the Toronto Stock Exchange with a minimum market capitalization of C\$300,000,000 and whose long-term debt rating is greater than B according to the Dominion Bond Rating Service (DBRS)/ Standard and Poor's/ Moody's or Fitch.
 2. The equity securities of U.S. Issuers that trade on the New York Stock Exchange and NASDAQ with a minimum market capitalization of US\$300,000,000 and whose long-term debt rating is greater than B according to the Dominion Bond Rating Service (DBRS)/ Standard and Poor's/ Moody's or Fitch.
 3. Income trust units of Canadian Issuers that trade on the Toronto Stock Exchange with a minimum market capitalization of C\$300,000,000 and who are domiciled in jurisdictions that provide limited liability protection to unit holders and are rated STA-3 or higher by DBRS.
 4. Cash and short-term cash equivalents denominated in Canadian dollars, including cash held in the brokerage account, Government of Canada, or Provincial debt securities maturing within 60 days.
 5. Investments in Government fixed-income securities with maturities under 60 days, corporate fixed-income securities, equity securities of non-Canadian and non-U.S. Issuers, installment receipt securities, and derivative investments, such as options, futures, and warrants, are not permitted.
 6. The Fund is prohibited to invest in "vice stocks" such as tobacco, marijuana, alcohol, and gambling.
 7. All investments made by the Fund are to be settled in cash. Margin purchases and short sales are not permitted.
- d. Asset Allocation

- i. The Fund will normally adhere to the following Asset Mix ranges for the Fund's exposure to the allowable investments:
 - ii. Within the Asset Mix, the Fund will also adhere to the following concentration, diversification, and liquidity restrictions:
 - 1. The Fund's portfolio must consist of securities from a minimum of 7 and a maximum of 30 Canadian and U.S. Issuers.
 - 2. The Fund's portfolio must include securities of Canadian and U.S. Issuers from at least four (4) different industry sectors.
 - 3. No one industry sector shall exceed 25% of the total assets of the Fund at the time of purchase; on a cost basis.
 - 4. No one Canadian or U.S. Issuer shall exceed 10% of the total assets of the Fund at the time of purchase; on a cost basis.
 - 5. The Fund's total ownership of shares or units in any one Canadian or U.S. Issuer cannot exceed 5% of the average daily trading volume over a 10-day period for that Canadian or U.S. Issuer.
 - 6. Rebalancing – No one Canadian or U.S. Issuer shall exceed 25% of the total assets of the Fund on a market valuation basis. In order to mitigate idiosyncratic risk, the Executive Committee must rebalance the portfolio and reduce its holdings in that single issuer.
 - iii. The Fund will have a phase-in period of two academic terms from funding to attain the target asset mix range. The Faculty Supervisor must approve any deviations from the asset mix restrictions after the two academic terms phase-in period.
- e. Benchmark
- i. The Fund will be measured against a weighted average of the S&P/TSX Composite Total Return Index and the S&P 500 Total Return Index. The weighted average will be on a pro-rata weighted basis, the actual exposure to each market over the relevant period. Performance relative to the indexes will be reviewed every term.

- ii. The Fund will benchmark its Fixed Income holdings on a prime rate + 3% basis.
- f. Risk Management
 - i. Risk is managed through a diversified portfolio and relevant industry-standard risk measures.
- g. Borrowing
 - i. The Fund shall not borrow money.
- h. Valuation of Investments
 - i. Valuation of the Canadian securities held by the Fund will be based on their market prices as reported by the Toronto Stock Exchange or other Canadian Marketplace. Valuation of the U.S. securities will be based on their market prices as reported by the New Stock Exchange or NASDAQ. The student-investment team advising the Fund will notify the Faculty Supervisor if the market for any security held by the Fund becomes inactive.
- i. General Guidelines
 - i. The student-investment team will research and recommend investments for the Fund. The advice provided by the student-investment team for the assets of the Fund, including the selection of individual securities, will fall within the guidelines of this investment policy statement. Students will require a signed acknowledgment by at least one Faculty Supervisor in advance of each transaction.
 - ii. The Executive Committee should keep its investment research confidential. In the case where a member of the Executive Committee presents information to a person who is not a member of the fund, they must face consequences deemed reasonable by the Board of Directors and the President.
 - iii. The student-investment team and/or president will meet with the Faculty Supervisors at least once every month to review the portfolio.

- iv. Proxies must be voted on with the intent of fulfilling the investment objectives and must be approved by the Faculty Supervisor before voting rights are exercised.
- v. The Fund will maintain proper investment records and prepare the following for investment review purposes:
- vi. End-of-term reports include the following:
 - 1. A list of all portfolio transactions completed during the term.
 - 2. Copies of investment analysis reports.
 - 3. Copies of all trade approvals.
 - 4. Macro-economic analysis.
 - 5. A summary of current portfolio assets, market valuations, and portfolio turnover.
 - 6. The portfolio's total rate of return over time periods including the quarter, the previous one, three, five, and ten years, and since inception.
 - 7. Performance comparison of the portfolio relative to its benchmark calculated on a time-weighted rate of return basis.
 - 8. A performance report illustrating the portfolio's risk-adjusted returns, Sharpe Ratio, Alpha, and Beta against its benchmarks.
 - 9. A summary of investment decisions made and the investment rationale.
 - 10. Proxy voting information including the reasons for the vote (for club continuity purposes).
 - 11. A compliance report that will indicate whether or not the Fund complies with the statement of investment policies and procedures during the term. In the event that the Fund is not in compliance, the students managing the fund are required to advise the Faculty Supervisor and the student union representative detailing the nature of the non-compliance and recommend the appropriate course of action to remedy the situation.

- vii. Annual report (as of April 30) including the following:
 - 1. A macro-economic analysis.
 - 2. A detailed year-end reconciliation to the brokerage account report for the University's annual financial statement preparation for the Student Union.
 - 3. A summary of current portfolio assets, market valuations, and portfolio turnover.
 - 4. The portfolio's total rate of return over time periods including the quarter, the previous one, three, five, and ten years and since inception.
 - 5. Performance comparison of the portfolio relative to its benchmark calculated on a time-weighted rate of return basis.
 - 6. A summary of investment decisions made and the investment rationale.
 - 7. Proxy voting information including the reasons for the vote for club continuity purposes.
- viii. The student-investment team will make presentations of the Fund's performance to the Board of Advisors once at the end of each academic term. The presentation will include end-of-term reviews and an annual review of investment performance, an overview of the economy and the outlook for financial markets, their current investment strategy, and a review of past performance results.
- j. Investment Policy Statement Policy and Procedure Review
 - i. The statement of investment policies and procedures may be reviewed and amended at any time, but it must be formally reviewed at least annually. In case an amendment is required, students will submit a proposal with supporting documentation to the Faculty Supervisor and the student union (UTMSU) representative recommending the change. If the Supervisor and representative agree, it is forwarded to the Board of Directors for their approval.

Article XV – Related Parties & Conflicts of Interest

a. Definition of Related Party

- i. For this Policy, a Related Party means:
 1. A member of the Governing Bodies.
 2. An officer, director, or employee of the University.
 3. A person responsible for investing the assets of the Fund, or any officer, director, or employee thereof.
 4. An association or union representing employees of the University, or an officer or employee thereof.
 5. The immediate family of any person referred to in any of paragraphs (1) to (4).
 6. An affiliate of the University.
 7. A senior executive of a corporation that is directly or indirectly controlled by a person referred to in any of paragraphs (1) to (5).

b. Related Party Transactions

- i. The assets of the Fund shall not be used to invest in securities of Related Parties.
- ii. Notwithstanding the above, the assets of the Funds shall not be invested in any securities of the University or an affiliate of the University unless such securities are publicly traded, held within a pooled fund, and selected by a Manager acting independently.
- iii. Any other transactions with a Related Party can only be undertaken if the transaction is required for the operation or administration of the Fund and must be on terms and conditions that are not less favorable to the Fund than the then market terms and conditions.

c. Conflict of Interest

- i. To assist in identifying real, potential, or perceived conflicts of interest and, in so doing, to ease the operation of the Governing Bodies in the conduct of their work, all members of the Governing Bodies are asked each year to review the University's "Conflict of Interest Policy Regarding the Executive Committee of the Fund" and to disclose any

obligation, commitment, relationship or interest that may conflict or may be perceived to conflict with their duties as a member of a Governing Body of the Fund.

- ii. If any agent of or advisor to the Governing Bodies, or any person employed in the investment or administration of the Fund not covered under the “Conflict of Interest Policy Regarding the Executive Committee of the Fund” has or acquires any material interest, direct or indirect, in any matter in which the Fund is concerned or may benefit materially from knowledge of, participation in, or by virtue of an investment decision or holding of the Fund, the person involved shall within three business days after the individual becomes aware of the conflict of interest disclose in writing this conflict of interest to the Board of Directors. The disclosure should also be made orally if awareness of the conflict occurs during the discussion of the Fund’s business.
- iii. The Faculty Supervisor shall then immediately advise all members of the relevant board, and they shall decide upon a course of action. Any such person will thereafter abstain from any decision-making with respect to the area of conflict including the exercise of his/her votes, until the issue causing the conflict of interest is resolved independently by the remaining individuals with voting rights.
- iv. The conflict-of-interest guidelines for the Funds will be consistent with the overall guidelines for the University. To the extent that certain situations may create a conflict of interest not covered by the University’s guidelines, this policy establishes additional guidelines.
- v. Every disclosure of interest, with the name of the individual declaring the conflict and how the conflict was resolved, under this Section shall be recorded during meetings.

Appendix A

Organizational Structure

