

CONSTITUTION

This document is the Constitution of the McMaster Investment Club.

Hereon in, the McMaster Investment Club may be referred to as either the “McMaster Investment Club”, “MAC Investment Club”, “the club” or “MACIC”.

I. DISCLAIMER

The views and actions may not reflect the views of all the members of the McMaster Students Union (MSU) or McMaster Students Union Inc.

All components of the MAC Investment Club Constitution must be interpreted within the scope of the McMaster Students Union Constitution, By-laws, and policies.

II. MISSION STATEMENT

The mission of the MAC Investment Club is to provide its members with valuable hands-on experience in the capital markets. Directed towards but not limited to students, faculty, staff, and alumni, the MAC Investment Club will offer the McMaster community the unique opportunity of a ‘laboratory-like’ environment to develop their interests and expertise in investing. Through its policy of “Education through Action”, the Club will allow members to develop- by their own initiative- strategies for responsible investing, and an understanding of the forces behind global securities markets.

Beyond education, the MAC Investment Club will actively seek to create a value-added environment, which develops communicative, analytical, leadership, and management skills. Through transparency, accountability, and professionalism, the Club will look to develop McMaster University’s reputation as an innovative institution empowering individuals to manage their future. Most importantly, the MAC Investment Club aims to create the leaders of tomorrow.

III. CLUB STRUCTURE

i. Overview

The MAC Investment Club will be organized internally into General Members, Investors, Fund Management, the Executive, and the Board of Directors.

ii. General Members

General Membership is open to everyone, and not limited to members of the McMaster University community.

General Members are entitled to attend all meetings, participate in discussion, attend any MAC Investment Club events, and have access to all club documents.

All Members shall receive a copy of the MACIC Constitution upon joining the club.

iii. Investors

Investors are General Members of the MAC Investment Club who choose to invest in one or more 'slots', contributing to the club's assets under management .

Investors are fully entitled to a share in the profit/loss of the club's assets under management.

Invested members of the MACIC have full voting rights within the club, enabling them to actively participate in the club's investment decision-making.

Only Investors may participate in fund management, or become members of the Mac Investment Club Executive.

iv. Fund Management

Charged with managing the MAC Investment Club's assets, the Fund Management will be invested members with unique experience, and a superior understanding of securities, investing, and the financial markets.

The Fund Management will be organized in teams- comprised of Fund Managers, and their respective Associates- assigned to specific industry groups or security types.

Fund Managers and their teams will be responsible for compiling research on, and presenting a report of their findings and suggestions to the club.

For a more detailed description of the MACIC Fund Management's duties and responsibilities, see the club's Operational Guidelines.

v. The Executive

The MAC Investment Club Executive, members of which must be invested in the club through the purchase of one or more slot, will be responsible for running the club efficiently, effectively, and professionally.

The Executive must therefore abide by all MACIC rules and Operational Guidelines.

The MACIC Executive will be comprised of the club's President/Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operations Officer (COO), and any number of other executive positions they see necessary for the effective operation of the club.

Members of the MACIC Executive will be selected through a fair interview process by a panel comprised of the club President/CEO and other members of the Executive. The incoming MACIC President/CEO must be approved by the club's Board of Directors.

Selection of the Executive should be based on real-world experience, leadership skills and potential, management skills, organizational proficiency, communication skills, technical understanding of financial markets and instruments, and the desire and drive to continually improve the club.

For a more detailed description of the MACIC Executive's duties and responsibilities, see the club's Operational Guidelines.

vi. Board of Directors

The Mac Investment Club will have a Board of Directors comprised of the previous year CEO, an executive of the current year and finally an invested member of the current year who will give strategic oversight to the long-term operations and direction of the club. The executive will be chosen by the CEO

and resumes for the invested board member will be collected at the annual general meeting and an applicant will be chosen soon after.

The Board of Directors may not interfere in the day to day operations of the MACIC.

The Board has the power to remove and replace any member of the Executive team whose performance they find to be harmful to the club's long-term health and viability.

The Board has the right to veto any decision by the executive which contradicts the club's Constitution or Operating Guidelines.

All changes to the Constitution and Operating Guidelines must be approved by the Board of Directors.

IV. ACCOUNTABILITY

The MAC Investment Club will actively seek to build a culture of accountability within its organization and among its members. The club Executive and Fund Management will be responsible to the club and its members for its smooth and effective operation, as well as upholding its founding principles of transparency, accountability, and professionalism. The Club will not be responsible for any financial losses to its investors, as explained and agreed to through its contract with investors.

V. TRANSPARENCY

The MAC Investment Club will strive to uphold a policy of information transparency both with its members, and the public.

All documents will be made available to club members in hardcopy. Documents will include but not be limited to all Fund Managers' Reports, CFO's Monthly Update, executive and general meeting minutes, memos, mass emails and email newsletters, and all written and signed receipts.

Furthermore, the club will maintain a website open to the General Membership and the public with posted copies available for viewing that will include Fund Managers reports, Executive's biographies, the club's performance (past and present), Annual Reports, meeting minutes, registration forms, contracts, Operational Guidelines, and the club's constitution.

VI. PROFESSIONALISM

As a training ground for the leaders of tomorrow, the MAC Investment Club will strive to build a culture of professionalism among its members, and its Executive and Fund Management in particular. Professional meetings, reports, and presentations will build its reputation and differentiate it from other clubs and organizations in the McMaster University community, and in general. Furthermore, by maintaining a high-level of professionalism, the club will ensure its enduring viability.

VII. RISK & RETURN

With its goal of educating members of the club and the McMaster community about financial markets and investing through real-world experience, the MAC Investment Club is in a unique situation where the potential for its members to turn a profit is essential to its effective operations.

The foundation of finance and financial theory is the trade-off between risk and return. Exposing its members to this fundamental concept is necessary for the MACIC to effectively educate the community on financial markets and personal investing.

The potential to profit (or make a loss), is crucial to aligning the interests of club management and members, and effectively balances the decision-making of the club on investment decisions. It simultaneously motivates members to look for returns on their investment, and make well-considered decisions.

VIII. AMENDMENTS

Amendments to the MAC Investment Club's Constitution must be approved by the club's Board of Directors and McMaster Students Union.

i. Unless otherwise approved by the Board of Directors or as directed by further amendment to the Constitution, no one invested member may possess more than six (6) voting slots in the MAC Investment Club. Although an invested member may buy an unlimited number of investment slots, slots will lose voting rights after six (6) purchases.