

THE STUDENT ASSOCIATION OF THE STOCKHOLM SCHOOL OF ECONOMICS



THE STUDENT ASSOCIATION

STOCKHOLM STUDENT INVESTMENT FUND STATUES

Last Revision Approved by the SASSE Council:

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§ 1. TITLE AND CONSTITUTIONAL SUBORDINATION

§1.1

This organization shall be called the Stockholm Student Investment Fund and is herein referred to as 'the Fund' or 'SSIF'. The Fund is also governed by the SASSE Statutes and the Policy & Regulations outlined in the SASSE Statutes. If anything in these statutes is in conflict with the SASSE Statutes, the SASSE Statutes takes precedence.

The Fund (meaning its sub-projects and sub-associations) shall follow an academic year in regards to operations, investments and financial reporting unless otherwise noted in these statutes. The academic year shall be 1 July to 30 June. (See §14.1 and §15.1).

This organization shall be called the Stockholm Student Investment Fund and is herein referred to as 'the Fund' or 'SSIF'. The Fund is a union of projects and associations within the Student Association at the Stockholm School of Economics (SASSE) which are collectively governed by this constitution (Constitution).

- a) The projects and associations which belong to the Fund as well as how these relate to other SASSE bodies are further explained in Section 3.
- b) This Constitution is subordinated the SASSE Statutes. If any clause in this Constitution would be in conflict with those of SASSE, the SASSE Statutes takes precedence.
- c) This Constitution is subordinated to the SASSE Statutes and statutes even when this Constitution exhibits more specific statutes.
- d) This Constitution is not subordinated to the SASSE Statutes in the event that such SASSE Statutes are merely recommendations or in any other way not mandatory for the operations, structures, procedures or the alike of SASSE projects and associations.
- e) The Fund (meaning its sub-projects and sub-associations) shall follow an academic year in regards to operations, investments and financial reporting unless otherwise noted in this Constitution. The academic year shall be 1 July to 30 June. (See §14.1 and §15.1)

2. PURPOSE

§2.1

The mission of the Fund is to establish and manage an investment portfolio that shall serve as an educational tool. The Fund aims to host complimentary educational events, workshops, and networking opportunities throughout the academic year. (see Section 6 titled "The Investment Management of the Fund" for more details).

§2.2

The Fund shall provide any SASSE member with an opportunity to discover a passion for and develop their knowledge of investment management. This shall be provided in an informal environment that removes intimidation and prejudice that may hinder less experienced students

from joining. The Fund shall host educational events in a manner that is professional, ethical and sustainable.

§2.3

The Fund shall ensure that strong and lasting relationships between the Fund and stakeholders (SSIF members, Stockholm School of Economics (SSE), SSE students, SASSE, professional organisations and individuals from the financial industry, investment community as well as other industries), is established and maintained.

§2.4

The Fund shall continuously forge partnerships with other societies and organisations whose interests align closely with those of the Fund. This shall be done with the current members' and SASSE's best interest in mind.

§2.5

The Fund shall actively promote a diverse and gender-equal representation among its members, committees and events.

§2.6

The Fund shall strongly advocate for women in finance, striving to help increase the number of female students at SSE who choose the BSc finance specialization, MSc in Finance as well as who choose to pursue a business or academic career in finance.

§2.7

The Fund shall facilitate SASSE members' path to a career within finance through networking and providing a credible experience with investing and fund management.

§2.8

The Fund shall host educational events throughout the year that are engaging and an insightful source for financial education. The Fund endeavors to create a platform where industry knowledge can be passed on to our members and to increase the employability of our members as well as SASSE members in general.

3. ORGANISATION

§3.1 The Presidium

The Presidium is responsible for leading the operational and investing activities of the Fund.

The Presidium consists of:

- a) The President
- b) The Vice President

- c) Head of Fund(s)

The President presides over the Presidium as well as the Executive Committee. The Head of Fund(s) presides over the Investment Committee. (See Section 4, Section 5 and Section 12 for further details.)

§3.1 The Executive Committee

The Executive Committee is responsible for the running of all operational activities of the Fund excluding the investment decisions of the Fund which is administered by the Investment Committee.

The Executive Committee consists of:

- a) The Presidium
- b) Executives (e.g. Head of Corporate Relations, Treasurer, Head of Events, etc)

The number of Executives are decided on by the Presidium.

§3.2 The Investment Committee

The Investment Committee shall determine the asset allocation strategy (but not the asset allocation limits) and the ultimate investment decisions for the Fund.

The Investment Committee shall be comprised of:

- a) the Presidium,
- b) Sector Heads

The President of SSIF can also include the Executives into the Investment Committee.

§3.3

The operational branch of SSIF, headed by the Executive Committee is organized under the SASSE Business Committee as a standard SASSE project.

The investment branch of SSIF headed by the Investment Committee is an authorized association under the SASSE Council.

§3.4

The President presides over the Presidium as well as the Executive Committee. The Head of Fund(s) presides over the Investment Committee. (See Section 4, Section 5 and Section 12 for further details.)

§3.5

The Fund may select an Advisory Board. This is done by the Executive Committee, even though the Investment Committee may give advice or propose prospects for Advisory Board

membership to the Executive Committee. This Advisory Board should hold no more than 10 members, with a goal of 7 members, unless otherwise decided by the SASSE Board or by the SASSE Council.

- a) Unless otherwise decided by the SASSE Board or by the SASSE Council, the Advisory Board should hold no more than
 - i) 3 SSIF alumni, students and/or SSE alumni who are particularly suited as advisors of the Fund
 - ii) 4 members of the SSE faculty, in particular from the SSE departments of Finance as well as Accounting
 - iii) 6 members from the business community, in particular from the financial industry
- b) Advisory Board membership may be personal or institutional and should be granted during a defined period of time. For institutional membership (of for example a company or department) the Executive Committee will facilitate and communicate with the institution in question as to what person from the institution will represent the institution on the Advisory Board at a certain time or event. Personal memberships should be preferred over institutional.
- c) A member of the Advisory Board receive the right, but not the obligation, to vote during “Pitching Events”. (See Section 7 and in particular §7.4-§7.5 for more details)
- d) Advisory Board members can be invited, collectively or personally, to attend, but not vote, in Investment Committee meetings.
- e) Advisory Board members (or “advisors”) can be invited, collectively or personally, to attend and advise, but not vote, in Executive Committee meetings.

§3.6

To defend the long-term vision and aims of the Fund, the Fund should, under the direction of the Executive Committee and primarily as the responsibility of the Head of Fund(s), develop a dialogue with “Fund Management Board” who oversee other SASSE funds.

This Constitution also allows for some processes to be simplified if they are first passed through “Fund Management Board”. Such arrangements can only be pursued if the statutes of “Fund Management Board” allow for such procedures. This Constitution hence opens up for the possibility of “Fund Management Board” to play a limited role in SSIF procedures to the extent that it is allowed by the statutes of “Fund Management Board”. As such, the statutes of “Fund Management Board” are not subject to this Constitution, neither is this Constitution subject to the statutes of “Fund Management Board”.

§3.7

The roles of the Advisory Board and in particular “Fund Management Board” are only indicative, with no right to vote or make decisions in presiding committees and hence the members of these two bodies as well as the body as such (in the case of “Fund Management Board”) are to be exposed to no liability (including but not limited to financial, legal and

economic liability, personal and collective responsibility before stakeholders, for economic result or financial return). Neither is there any obligation to attend any Fund events, meetings or comment on any committee inquiry neither any requests from the general membership nor specific members of SSIF.

§3.8

There should be established an indicative “SSIF Coordination Committee” (Coordination Committee) consisting of the SASSE President, Business Committee President, SASSE treasurer and the SSIF Presidium. If there be an SSIF Treasurer which is not the SASSE Treasurer, such a treasurer can take the place of the Vice President if the Vice President so wishes or if any of the default SSIF representatives are unable to attend. The committee will meet regularly to ensure that the work within the Fund and SASSE is coordinated and in harmony.

The President of SSIF should keep a frequent dialog with the President of the Business Committee and the SASSE Treasurer.

§3.9

The names of the Fund bodies set forth in §3.1-§3.3, §3.5 as well as §3.8 can all be changed by the SASSE Council, but still keep their constitutional names in this Constitution. The SASSE Board may in like manner change the names of the Fund bodies set forth in §3.1, §3.5 and §3.8.

4. RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE (REMOVE)

§4.1

The following shall be the responsibility of the Executive Committee:

- a) Provide Fund and SASSE members with an environment with a sense of openness where members may learn new skills in relation to fundamental analysis of investments.
- b) Motivate members, existing and potential, to engage with the Fund irrespective of previous experience. This may primarily involve assuming an analyst role.
- c) Assist Sector Heads, shall they require it, with management of their teams or giving general advice for delivering a high-standard investment proposal that is eventually pitched to the Fund.
- d) Ensuring a consistent series of guest lecturers, networking events, educational seminars are provided to members.
 - i) Most events, especially such of educational and professional nature, should be open to the general membership of SASSE. Pitching events (see Section 7) and internal parties, networking events and the alike may be exceptions.
- e) Proactively engaging with members to address potential conflicts and/or complaints regarding any operational aspect of the Fund.

- f) Making sure there is a clear line of communication with Sector Heads to exchange ideas and maximize the aims of the Fund (e.g. finding ways to improve the educational benefit to members of the Fund as well as of SASSE).
- g) Ensure that the Fund's course of action lies in accordance with the aims of the Fund outlined in Section 2.
- h) Furthermore, in addition to voting rights, the President will have the final say in Executive Committee decisions and has the right to veto against proposals. This veto right does not imply that the President can bypass the democratic process of the Executive Committee by making decisions contrary to the majority view of an Executive Committee in quorum. It means however that decisions which threaten the good name of the Fund, the school (SSE) or SASSE can be vetoed against by the President. This veto right should be practiced sparingly.
 - i) Invitations to attend non-investment related meeting may be extended to Sector Heads. Their role in such instances will focus on an advisory capacity and they shall not be given the right to vote on issues that may arise (to eliminate potential conflicts of interest within the Fund).
 - ii) The removal of Sector Heads and/or Assistant Sector Heads may be warranted if the person(s) involved has failed to fulfil his or her role. In order to be removed, the Executive Committee and the Investment Committee shall both independently vote on the matter and a majority decision must be reached in each case. The President has the right to adjourn the matter till the next meeting of any of the committees if the President feels that it is warranted. A matter of this type which has already been adjourned by the President in a certain committee may not be adjourned again by sole request by the President, but requires a majority decision by the committee in question to adjourn it further.
 - iii) The Head of Fund(s) can be dismissed if more than two thirds of the SASSE Council votes in favor of such a proposal.

§4.2

The sitting Executive Committee is responsible for the selection of the new Executive Committee (There are special regulations concerning the selection of President and Head of Fund, see Section 13) for the following academic year. The selection procedure shall follow the guidelines set for the selection of Sector Heads. Interviews may also be conducted to distinguish between exceptional candidates. Such interviews shall be conducted between the applicant and the outgoing Executive Committee member whose position the applicant wishes to assume the following academic year. Shortlisted candidates are finally entered into a general election open to all current members of the Fund where the winning candidate shall be decided based on a simple majority voting system. If not convenient, and if the outgoing Executive Committee can reach a unanimous decision on the matter, the Executive Committee may decide on a candidate instead of opening it up to a general election. Such general elections could be arranged electronically and do not require a general meeting. If all applicants to a position, which pass through the screening process, are accepted by the Executive Committee, a general election does

not have to be facilitated for this position. Sitting Committee members are allowed to reapply, but shall be given no special favor.

§4.3

The Fund shall publish an annual report, at the end of the year, of the Fund's activities over the course of the year, with a review of the current financial position, for the benefit of our members and any other interested parties. The report shall be the ultimate responsibility of the Executive Committee.

§4.4

The general signatories of the Fund shall jointly consist of at least two of the following; the President, the Vice President, the Head of Fund(s).. (See §6.5 regarding signatories for the SSIF investment portfolio).

§4.5

The President of SSIF answers to the Business Committee President on issues concerning the Executive Committee or its operational branch. The Business Committee President will bear the responsibility for the operational result of the SSIF operational branch, the part of SSIF headed by the Executive Committee and organised under the Business Committee.

5. RESPONSIBILITIES OF THE INVESTMENT COMMITTEE

§5.1

The Investment Committee independently manages the asset allocation for the Fund, the asset allocation strategy and the ultimate investment decisions for the Fund. It is the Head of Fund(s) that presides over the investment committee. Asset allocations are constrained by asset allocation limits decided by the SASSE Council. The Investment Committee is responsible for, as often as needed, pitching asset allocation limits to the SASSE Council who are ultimately responsible for accepting/declining/amending the proposal. **Asset allocation limits documents should have dates of “valid from” and “valid thru” specified. The asset allocation limit documents are valid until the SASSE Council revises it.**

§5.2

Asset allocation limits documents should have dates of “valid from” and “valid thru” (or equivalent) specified. The SASSE Council may pass new asset allocation limits at any time replacing the current one. If the most recent asset allocation limit is expired, the Investment Committee may only perform disinvestments and no investments.

§5.3

Sector Heads will be chosen by the Presidium. Sector Heads are responsible for selecting Assistant Sector Head(s), if required, based on merit. Candidates are selected exclusively on merit. Members are encouraged to nominate themselves or peers within the Fund. Past Fund membership is not a requirement for application or selection. Members that have previously been deeply involved in the Fund (just as any other student-run investment fund of similar nature) will be given particular attention, even though prior experience should never be a basis for reelection. Sector Head elections shall be held at the beginning of the fall semester - but may extend throughout the year if necessary. Positions must be allocated in a manner that is transparent to all members, and above all fair to all applicants.

§5.4

The Investment Committee shall not have an allocated budget for expenses. Any and all funds are either invested or held in cash in an investment portfolio (see Section 6). Any expenses for the Fund must be covered by the Executive Committee.

The Investment Committee shall not have a budget allocated for expenses. All funds allocated to SSIF are to be held either invested or in cash in an investment portfolio. Operating expenses for the fund must be covered by the Executive Committee.

§5.5

Being ultimately responsible for investments and asset allocations, the Head of Fund(s) sets out the general allocation strategy and vision for the fund. The Head of Fund(s) answers to the SASSE Council on issues concerning the fund. Analysts answer to their Sector Heads, who in turn answer to the Head of Fund(s).

§5.6

The Head of Fund(s) answers to the SASSE Council on issues concerning the fund itself - meaning its investments and asset allocation etc. **The President answers to the SASSE Council on issues of operational nature that still pertain to the investment branch of SSIF.**

The President of SSIF answers to the SASSE Council on operational issues related to the investment branch.

§5.7

The President may take the role of the Head of Fund(s) if the Head of Fund(s) cannot be contacted or the Head of Fund(s) requests it. The President will then answer before the SASSE Council in taking the role of Head of Fund(s) in accordance with §5.5.

6. THE INVESTMENT MANAGEMENT OF THE FUND

§6.1

The Fund shall manage an investment portfolio in the form of a fund within SASSE called the Stockholm Student Investment Fund (“investment portfolio”, “the fund” or “the SSIF fund”) that shall serve as an educational tool. Any and all returns of the fund shall be utilized for the advancement of the Fund’s causes (see Section 9), unless otherwise decided by the SASSE Council

§6.1

Managing the fund shall be the complete responsibility of the Investment Committee. The SASSE Council **should only decide on broad allocation limits. may only decide on broad allocation limits.**

§6.2

Reallocations from other SASSE accounts as well as endowments from corporations and other third-parties shall be the source of financial capital for the fund.

§6.3

The investment portfolio shall be managed with the goal of achieving returns in the medium to long-term (3 to 5 years). Attempting to profit from short-term price fluctuations through frequent trades of the same security will not be permitted by the Fund.

Any exceptional circumstance warranting a short-term selling of an asset shall be conducted only after the Investment Committee votes to instigate selling activities for the respective asset given at least three quarters of the Investment Committee in favor of the proposal.

§6.4

Investment strategies shall not be undertaken if they lack solid fundamental analysis or are considered to have significant risks attached which do not justify potential returns. Allocation limits set by the SASSE Council may restrict exposure to asset classes, markets, indices and the alike.

§6.5

Signing on behalf of the SSIF fund regarding asset allocations, reallocations, endowments, payouts, investments, disinvestments, and the alike, the President and Head of Fund(s) must co-sign investment and disinvestment orders for the fund. The Vice President may sign in the stead of the President and the President in the stead of the Head of Fund. The President may not however sign for himself and on behalf of the Head of Fund. The SASSE treasurer could take the place of the Head of Fund(s) should an explicit per-occasion decision from the Student Association Council force such an arrangement or it is requested by the Head of Fund.

§6.6

In order to defend the long-term, the ethical as well as other ambitions of the Fund, it may be necessary to speak on behalf of the Fund in shareholders' meetings, by, for example, raising questions, concerns or ideas to the board or assembly of shareholders. The Head of Fund(s) has no obligation to visit shareholders' meetings of the portfolio companies. However, the Head of Fund(s) may choose to do so. The Head of Fund(s) can appoint someone else to represent the Fund in shareholders' meetings. In such a scenario the Fund may be represented by the President, Vice President, a Sector Head in a sector relevant to the portfolio company in question or the SASSE treasurer. If the Head of Fund(s) appoints somebody other than the aforementioned individuals to represent the Fund at a shareholders' meeting, then such a representative may attend on behalf of the fund, but may not speak on behalf of the Fund in such a meeting.

§6.7

The Head of Fund(s) may delegate to the President the full responsibility to attend or appoint people to attend shareholders' meetings, representing the Fund, with the same constraints as put forth in §6.6.

§6.8

To defend the good name of SSE, SASSE as well as the Fund itself, the SASSE Board or the SASSE Council may decide on a gag-policy towards the Fund, in general or specifically for a certain portfolio company's meetings. This means that the Fund may still be represented at shareholders' meetings, but no representative of the Fund may speak on behalf of the Fund on shareholders' meetings for portfolio companies for which a gag-policy is in effect. In the case of a general gag-policy this applies to all and any portfolio company.

§6.9

Policies banning the actual representation of the Fund on shareholders' meetings, rather than just the right to speak on behalf of the Fund on such meetings, may hurt the work of the Fund and should never be pursued. (Compare with §6.10 and §6.11 (a.))

§6.10

Expenses that occur in regard to visiting shareholders' meetings should be covered by the Operational branch. The Executive Committee has however an option (if granted by the operational budget) and no obligation to cover such expenses. Therefore, any visit which will require expenses on behalf of the Fund must be allowed by the Executive Committee before it is pursued.

§6.11

Authorizations, if necessary, to attend certain shareholders' meetings should be arranged by the Executive Committee in cooperation with the SASSE Board. The SASSE Board has no

obligation to facilitate for authorizations for shareholders' meetings if such processes are tedious, complicated, legally risky, legally disadvised or the alike.

§6.12 (moved from chapter 9)

Businesses who endow the fund with financial capital do so without any future claim on the fund. The Executive Committee may offer services in exchange for sponsorship (to cover operational expenditures in the operational branch) or endowments (to be continuously allocated within the fund by the investment branch of SSIF). §9.8 §9.3-§9.8 can be changed by the same rule set forth in §9.3.

7. ADDING INVESTMENTS TO THE FUND

§7.1

Any investment by the Fund must be preceded with a pitch during a pitching event.

Any investment proposals should be analysed in individual sector-teams, led by the respective Sector Head, and pitched to the fund during a pitching event. All investment proposals should be sent for approval by the Head of Fund(s).

Investment Proposals can be made by any member of the Fund and will initially be made in the individual sector-team meetings. Each Sector Head has the right to reject a proposal if they deem it warranted, however must provide reasons justifying the rejection. Proposals can then be resubmitted later on if the individual so chooses, given that economic conditions have changed in favor of the company or security or if additional research has been conducted which provides additional information in favor of investment. Any proposal that is accepted by a Sector Head shall be submitted to the Head of Fund(s) for approval.

Investments by the Fund are to:

- a) be long term,
- b) expose the fund to a limited liability,
- c) be ethical,
- d) not expose the Fund to explicit currency risk without the explicit consent of the President,
- e) Be decided by the Investment Committee of SSIF only under broad constraints and not the direct involvement of outside parties such as the SASSE Board or SASSE Council,
- f) follow the Company Policy decided on by the SASSE Council.

Investments by the Fund are to

- a) Be long term
- b) Expose the fund to a limited liability

- c) Be ethical. The Fund aims to invest in an ethical manner, for example considering issues including but not limited to child labor and animal cruelty. If an investment proposal is made which is considered as questionable in this regard, the Investment Committee shall vote on the matter. If more than half of the Investment Committee members consider the investment to be against the aims of the Fund, the proposal shall be rejected. In addition no investments can be made in the type of companies put forth in SASSE Company Policy section 2 and 4, with exception to section 2.2 regarding staffing, recruitment and headhunting companies.
- d) Not expose the Fund to explicit currency risk without the explicit consent of the Head of Fund
- e) Be decided by the Investment Committee of SSIF only under broad constraints and not the direct involvement of outside parties such as the SASSE board or SAC.
- f) The Advisory Board as well as “Förvaltningsrådet” is not to be understood such outside parties as described in (e.) but can counsel and advise on investment decisions broadly or specifically but cannot vote nor force allocation, investments or divestments. They should as such be exposed to no liability (including but not limited to financial, legal and economic liability, personal and collective responsibility before stakeholders, for economic result or financial return) for the decisions made by the Investment Committee.

The Advisory Board as well as “Fund Management Board” is not to be understood such outside parties as described in (e.) but can counsel and advise on investment decisions broadly or specifically but cannot vote nor force allocation, investments or divestments. They should as such be exposed to no liability (including but not limited to financial, legal and economic liability, personal and collective responsibility before stakeholders, for economic result or financial return) for the decisions made by the Investment Committee.

§7.2

Investment proposals which have been approved by the Head of Fund(s) will undergo a thorough analysis by the individual and relevant Sector teams followed by the submission of a detailed report before the specified pitching event.

§7.3

Investment decisions can only be taken during a Investment Committee meeting, over which minutes must be kept. If the Executive Committee is included, this shall be noted in these minutes. Investments decisions are taken by a simple majority where all the present members of the Investment Committee are eligible to vote.

§7.4

The Investment Committee is in quorum when at least half of the original members are present.

Original members refer to the President, Vice President, Head of Fund(s) and Sector Heads.

§7.5

Members of the Investment Committee should be able to vote “BUY”, “DON’T BUY” or abstain.

Sector Heads are not allowed to vote on investments within their own sector and in that case are to be considered not present.

If votes are tied, the Head of fund(s) has the casting vote.

§7.6

If an investment has been approved by the Investment committee, the committee independently decides on the amount to be allocated, in accordance with the allocation limit set by the SASSE Council.

§7.7

The President of SSIF has the right to veto any investment they believe would ultimately harm the fund.

Prior to the pitching event, the Investment Committee is tasked with listing all investment proposals that are to be pitched. There is no maximum number of pitches allowed, although the Executive Committee should consider time constraints of the pitching events. If an unmanageable quantity of proposals are to be handled at a pitching event the Executive Committee may add an additional pitching event which must be made known to members at least 14 days in advance. If on the contrary, there are too few proposals to be presented, a pitching event may be moved or canceled.

§7.4

Sector Heads are responsible for coordinating their teams and preparing a professional pitch to the Fund. At the pitching event, sector teams propose their investment opportunity. Following each pitch, time should be given to the audience to ask questions. The Advisory Board will also be given an opportunity to comment. The members presenting the proposal receive the last word and the Advisory Board the second to last word.

§7.5

Pitching event participants have to at least be an analyst to vote. Members on the Advisory Board as well as the Executive Committee are also able to vote. Voters receive one vote per pitch or proposal. In the voting procedure a voter can choose to vote affirmative, negative, neutral or abstain from voting.

§7.6

The Investment Committee independently decides the amount of capital that should be allocated between different investments, constrained by allocation limits set by the SASSE Council. This shall be determined during a meeting of the Investment Committee, and the President as well as the Head of Fund(s) shall have the right to veto against a proposal if they believe the purchase will harm the portfolio or reputation of the Fund.

§7.7

If an investment proposal is rejected after the final vote, the Investment Committee shall provide reasons for the rejection so as to allow the proposer of the investment opportunity to conduct further analysis addressing these issues. If a vote was set in place during the pitching event, a valid reason for the Investment Committee deciding not to invest would be that too few voted in favour of the proposal. The proposer(s) may then re-propose the investment idea for inclusion in later pitching events if they so desire.

8. LIQUIDATING INVESTMENTS IN THE FUND

§8.1

Divestment from the Fund can occur with or without a preceding pitch. Divestments are decided by the Investment Committee.

Proposals for divestments from a security shall be allowed from any member of the Fund. Such proposals shall be passed along to the respective Sector Head, and passed through the Head of Fund(s) to a pitching event.

§8.2

Divestment without a proceeding pitch requires a two-thirds majority.

Divestment based on a proceeding pitch requires a simple majority.

§8.3

Members of the Investment Committee should be able to vote “SELL”, “DON’T SELL” or abstain.

Sector Heads are not allowed to vote on divestment within their own sector and in that case are to be considered not present.

§8.4

In order for a divestment to occur, two-thirds of the Investment Committee must vote to do so. (see §6.3 for details on how divestments can be performed without the proposal going through a pitching event).

§8.5

The following points shall lead to a vote on divestment (these points should, if possible, be interpreted analogically for investments in securities not linked to companies - and be interpreted in a reasonable manner for broader aggregate instruments such as stock indices):

- a. The company's action or inaction is directly responsible for social injury.
- b. The Investment Committee has exhausted all practicable shareholder rights in seeking to modify the company's behavior or has determined that pursuing such rights would likely be futile.
- c. Over the long term, the negative social impacts brought about by the company outweigh the social benefits that the company provides.
- d. The company has been afforded the maximum reasonable opportunity to alter its behavior and has failed to do so in a manner that materially reduces such injury.
- e. Divestment of the Fund's investment in the company is not likely to impair the Fund's capacity to carry out its mission.
- f. Or such requirements for investments as described in §7.1 are not, or are no longer, valid for the specific security invested in and measures to immediately correct this cannot be ensured.

9. DISTRIBUTION OF INVESTMENT RETURNS

§9.1

In the event that assets from the fund are distributed to other SASSE accounts, SASSE is bound to spend or reinvest the capital in the financing of projects or to cover expenses that fit into either of the following causes (earmarking):

- a) Enhance SSE students' educational experience within finance as well as other subjects
- b) Women within finance
- c) SASSE:s focus on professions - to connect SSE students with businesses and employers in the financial industry as well as other industries.

§9.2

The causes described in §9.1 do not have to be limited to SASSE projects but could entail third-party projects that support the causes.

§9.3

The causes of the fund in §9.1 may be changed if at least two thirds of the SASSE Council votes in favor of such a change, without alteration, during two meetings, if there is at least 2 months and at most 10 months between the meetings and there is no negative vote on any the SASSE Council meeting in between (i.e. less than two thirds of the SASSE Council in favor of the proposed change). Alternatively the causes of the Fund may be changed by a two third the SASSE Council in favor, if at least three weeks before the meeting a unified "Fund Management

Board” has approved of the change and all members of the SSIF presidium have been informed about the proposal.

§9.4

To protect the third-party endowments to the fund as well as the long-term strategy of the Fund for its investments, the SASSE Board or the SASSE Council can make reallocation claims as follows:

- a) SASSE:s maximum short term claim: $\max(0, \min(MVTA^* - CTPE, COE))$
- b) SASSE:s maximum long term claim: $\max(0, MVTA^* - CTPE)$
- c) The notation above shall be interpreted as
 - i) $MVTA$ = Market value of total fund assets at a certain time
 - ii) TPC = Total pending claims, i.e. claims by SASSE which have not yet been paid at that certain time
 - iii) $MVTA^* = MVTA - TPC$
 - iv) $CTPE$ = Cumulative third party endowments at that certain time, in nominal terms, i.e. not adjusted for inflation nor for the development of the fund
 - v) COE = Market value of cash or equivalent fund assets at that certain time
 - vi) Liquidation value for an asset is used instead of market value if liquidation value is less than 5% lower than the market value.
 - vii) Untransferred SASSE reallocation commitments to the fund shall not be counted to $MVTA$

§9.5

Short-term claims are to be paid within 50 days and long-term claims within 6 months. Long-term claims can be transferred as non-cash assets. SSIF should attempt to pursue the transfers faster if possible. The SASSE Council can decide to force-sell assets for long-term claims and force transfer assets for any type of claim if the time limits are not held. Untransferred SASSE reallocation commitments may be claimed back (that is, canceled) at any time by the SASSE Council or the SASSE Board (to the extent that the canceled commitment(s) is of a size that permits the board to make such a decision in the absence of the SASSE Council), effective immediately or at a certain date specified.

§9.6

The SASSE Council or the SASSE Board need to clearly report where the assets have been reallocated or to what purpose they have been spent.

- a) Canceled commitments should however not be regarded earmarked according to §9.1 and are not subject to §9.6.

§9.7 (moved to chapter 6)

Businesses who endow the fund with financial capital do so without any future claim on the fund. The Executive Committee may offer services in exchange for sponsorship (to cover operational expenditures in the operational branch) or endowments (to be continuously

allocated within the fund by the investment branch of SSIF). §9.8 §9.3-§9.8 can be changed by the same rule set forth in §9.3.

10. MEMBERSHIP

§10.1

Memberships to the Fund will be open to all SASSE members and will be deemed complete upon acknowledgment of a written receipt from the Head of Communication and Recruitment or equivalent.

Membership in SSIF is open to all SASSE Members.

§10.2

Each member has the right to vote in the general election where shortlisted candidates for the Executive Committee (excluding President) are voted upon and decided based on the candidate receiving the most votes. (see §4.2 for the Executive Committee selection process).

Members of SSIF consists of:

- a) The Presidium,
- b) The Executive Committee,
- c) The Investment Committee,
- d) Analysts,
- e) Aspiring Analysts.

§10.3

The position of aspiring analysts shall be given to all members who express interest.

After completing the first pitch, an aspiring analyst is given the position of Analyst.

§10.4

If a pitch is deemed unprofessional, the Investment Committee can, with a two-thirds majority decide not to promote the aspiring analyst(s) to Analysts.

§10.3

Each member has the right to object to the selection of a Sector Head or initiate the removal process of a Sector Head by bringing their concern to the Executive Committee. (See §4.1b for the removal of Sector Heads).

§10.4

All members can attend pitching events (see Section 7), but the right to vote is restricted to members of the Executive Committee, Investment Committee, Advisory Board and Analysts

(including Assisting Sector Heads and the alike). Thus, a membership as such does not grant voting right on pitching events.

11. GENERAL MEETINGS

§11.1

The Fund should facilitate general meetings to ensure an open voting process and to encourage members to be involved in the advancement of the Fund. All members have the right to vote in general meetings and receive one vote each. The President should be the default chairman and lead general meetings.

§11.2

These meetings may involve but are not limited to:

- a) Amendments to the SSIF Statutes
- b) Presentation of reports of the funds performance
- c) Proposals for policy changes regarding operations, communication, procedures or the alike
- d) Objections to how the fund is managed
- e) Removal of officials within the Presidium, the Executive Committee or the Investment Committee

§11.3

At least 10 days notice must be given by the President to all members of the Fund prior to a general meeting. General meetings can be held in combination with pitching events.

At least 5 days before a general meeting, an agenda with the matters to be discussed is to be made available to all members of the Fund.

§11.4

A general meeting should be called if at least 10% of the membership of the Fund, within a scope of 30 days, in writing, make known that such is their wish. The general meeting should then not be delayed by more than 30 days unless the members who have demanded the meeting agree that it should be delayed further.

A general meeting of SSIF can be called in the following ways:

- a) A decision made by the SASSE Council to call a meeting with a simple majority
- b) A decision made by the SASSE Board to call a meeting with a simple majority
- c) A decision made by the Investment Committee to call a meeting with a simple majority
- d) Written request signed by 25 % of the members of the Fund handed in to the President of SSIF, the SASSE Council or the SASSE Board

The meeting should be held within 30 days of the decision and should be announced to all members of the Fund as well as the SASSE Council and the SASSE Board.

§11.5

General meetings according to §11.4 cannot be demanded during the summer period (summer period, in this paragraph only, refers to 30 days before school ends for the summer till school starts again in the beginning of autumn). If such a meeting is demanded, in writing, during the summer period, then the meeting must be held no later than 30 days after the start of the SSE fall semester.

These meetings cannot be held during the summer period. If a decision to hold a meeting is made, it shall be held no later than 30 days after the start of the SSE fall semester.

12. COMMITTEE REGULATIONS (all relevant aspects of this chapter is already included in chapter 7 and 8, investment and divestment)

§12.1

Committee meetings shall be called if the President chooses to do so or if a majority of voting members on either the Executive or Investment Committee provide a written request to the President with the express purpose being to call a committee meeting. In order for a committee meeting to be called, all recruited elected committee members must be given at least twenty-four hours notice.

- a) The Executive Committee and the Investment Committee are in quorum if more than half of its non-excused (see (c.)) members are gathered.
- b) Members receive one vote each. Decisions are, if nothing else is stated, reached by a simple majority. A casting vote is given to the President in the Presidium as well as the Executive Committee and to the Head of Fund(s) in the Investment Committee. The President has the casting vote in all committees (or the Vice President if the President is not present).
 - i) Casting votes can, but do not have to be used, to resolve a tie. If the casting vote is not used to resolve a tie, a decision is not reached.
- c) In order to maintain the integrity of the Fund as well as its committee members, committee members can be excused by the presiding member of a committee for a certain meeting or for a certain topic.
 - i) An excused member should not comment on the matter or should alternatively be dismissed from the meeting
 - ii) The excused member cannot vote on the matter
 - iii) The excused member does not count as attending (for the matter or meeting at hand) nor does the member count as among the committee members of whom

more than half need to be present in order for the committee to be in quorum.
(see (a.))

- iv) A member cannot be excused in absence
- v) When excusing a committee member the presiding committee member should open up for opposing views. Any committee member, including the one proposed to be excused, can oppose the excusal. If opposed, the excusal can only be executed if all committee members in quorum unanimously vote for the excusal after the member in question has had the chance to comment.
- d) Such excusals as are described in (c.) should be used sparingly and in the event that, for example, members of the Executive Committee have applied for positions for the coming year which the Executive Committee are to install, or for members of the Investment Committee who have personal investments in or professional restrictions to comment and/or vote on a certain stock, security or sector.
- e) If decisions are made per capsulam, all non-excused members of the committee are seen as present and decisions must be made unanimously among these members.
 - i) Excusal of committee members during per capsulam voting requires an indication that every member, including the one being proposed to be excused, are not opposed to the excusal.
- f) Minutes could but do not have to be taken for committee meetings with the exceptions:
 - i) Meetings of the Investment Committee where investment (or divestment) decisions are made
 - ii) Investment decisions need to be clearly reported
 - iii) Excused or abstaining members must be noted in minutes or investment decisions
 - iv) Reservations from committee members opposing a certain decision must be noted in minutes or investment decisions

§12.2

No fund member may receive monetary benefits or other benefits unless the same benefits are available to every member of the Fund.

§12.3

Members of the Executive and Investment Committees may resign at any point throughout the year. Resignations will be made official upon receipt of a written notice by the individual to the President or Vice President. In such an event informal recruitments may be undertaken by the Executive Committee.

13. RECRUITMENT PRESIDENTIAL, HEAD OF FUND(S) AND GENERAL RECRUITMENT REGULATIONS

§13.1

All recruitment within SSIF have to follow the SASSE Recruitment Regulations.

§13.2

Recruitment of all individuals included in the Investment Committee shall feature an evaluation on their ability to assess investment opportunities.

§13.3

If a member of the Investment Committee resigns at any point throughout the year, a new recruitment should be conducted.

§13.1

All statutes in this Constitution which regard recruitment, selection and elections of officials and candidates for positions; including, but not limited to, recruitment-specific statutes in Sections 4, 5, 10, 13 and 14, are trumped by an SSIF Recruitment Directions and Policy document passed by the SASSE Council. The procedures, policies and directions described in such a document do not have to be exhaustive, and the statutes regarding recruitment in this Constitution thus works as default procedure, policy and direction in regards to recruitment.

§13.2

Furthermore, such statutes in this Constitution as described in §13.1 are also subordinated “Recruitment Regulations” within SASSE.

§13.3

In the event that the superordinate regulations in §13.1 and §13.2 contradict each other, the direction of the more specific of the two, on the matter in question, should be followed, as long as both of them are described in a mandatory manner. If they are not both described in a mandatory manner, then they should not be seen as contradictory. Neither should they be seen as contradictory if one of them explicitly states precedence over the other regarding the matter at hand. If none of them can be deemed as more specific in regards to the matter at hand, then the regulations according to §13.2 should be followed.

§13.4

The President will be selected during the spring semester. The application process should open within 2 months of the end of the spring semester. The presidency shall be open to any member of the Fund who wishes to apply and was a member before the announcement of the recruitment to the position (but could extend to all SASSE members). The Executive Committee shall be in charge of the selection process and must endeavor to complete the process in a clear, unbiased, and equitable manner for all parties involved.

§13.5

Upon receipt of application, each applicant for the President position shall be voted on by both the Executive and Investment Committees and shall require a majority vote to continue to the second stage.

§13.6

Second stage applicants must deliver a short pitch to the combined Committees and be interviewed by the current President. The pitch may address anything of the applicant's choice. If only one applicant reaches the second stage, that applicant shall be named as President for the upcoming year upon an interview and approval by the President (the President has a right to call for a revote). If more than one applicant obtains a majority vote from the Committees and reaches the second stage, those applicants shall be subjected to a further vote (following their pitch and interview by the President) from both Committees and the one which receives the larger number of votes shall be named President for the upcoming year.

§13.7

A sitting President may reapply for a second term but not a third. As always, prior experience in this role shall not be a basis for reelection.

§13.8

The Executive Committee will be in charge of selecting a new Head of Fund(s) in the end of the summer or the beginning of the fall. There are two stages of recruitment of the Head of Fund. Applicants in the first stage may get shortlisted, without interview, if a unanimous vote in the Executive Committee bids so. The applicants who are not shortlisted are taken to the second stage. During the second stage a interview process is pursued by one or several of the previous Head of Fund, the previous President and the new President. Interviews are aimed to assess applicants' financial understanding and experience, leadership ability as well as the applicants' understanding of the role and time-commitment as Head of Fund(s) and of the aims, purposes, investment style and long-term focus of the Fund along with the applicants' own vision for the Fund. All second stage applicants must be interviewed. To assess the financial understanding and experience of the candidate, the Executive Committee may choose to engage a third-party in the interview process. The Executive Committee then vote for the candidates. If there are more than two candidates, then the candidate with the least votes should be removed at every instance of voting, repeated until one candidate has won the majority vote against one other candidate. The new Head of Fund(s) along with a short description of other applicants should be presented to the SASSE Council who may impose another recruitment procedure of the original applicants or of a new recruitment round even after an applicant has been accepted by the Executive Committee as the new Head of Fund.

14. HANDING OVER OF RESPONSIBILITIES

§14.1

The Executive Committee is responsible for the management of the Fund during the current year (1 July to 30 June) which ends with the publication of an annual report. (see §4.3)

The President of SSIF is responsible for the management of the Fund during the current year (1 July to 30 June) which ends with the publication of an annual report. (see §4.3)

§14.2

The outgoing Investment Committee is responsible for the portfolio management of the Fund until the new Investment Committee (excluding President and Vice President) is elected in the following fall semester.

§14.3

The Investment Committee cannot make investments over the summer period however they are able to make disinvestment decisions over the summer period based on exceptional circumstances. (see §6.3)

15. FINANCE

§15.1

The Executive Committee shall be in charge of dealing with the finances of the Fund. The committee deals only with the investments of the Fund as a back office to the Investment Committee. **The SSIF operating year shall be 1 July to 30 June each year.**

§15.2

The budget of the Operational branch should cover all operational expenses of the Fund.

- a) Transaction costs should not be regarded as operational expenses but rather as a reduction of assets, and should as such be carried by the fund of the Fund, i.e. as a reduction of the assets managed by the Investment branch.
- b) Fixed costs for investment, bank and security accounts or other investment related expenses which do not vary with the size or number of transactions should not be regarded transaction costs in (a.) and as such should be carried by the budget of the Operational branch.
- c) Investment are not allowed...

§15.3

The SASSE Treasurer could as such be assigned as Treasurer of the Fund. If so, no election or recruitment process is necessary for the position. The SASSE Council may force the SASSE Treasurer as SSIF Treasurer and the SSIF Treasurer is then dismissed.

The SASSE Treasurer is the Treasure of SSIF.

§15.4

The SASSE Board or the SASSE Council may appoint an auditor to audit the asset allocation and valuation of the Fund as well as investigate its operational expenses, budgeting or the alike at any time.

§15.5

The fund of the Fund, i.e. the investment portfolio of the Investment branch, are assets under SASSE per se and should be reported on the SASSE balance sheet. It should be possible, however, to distinguish the assets of the SSIF fund from other SASSE accounts. Also, any major liability specifically for the fund as such should be made available in SASSE's financial reporting.

§15.6

The SSIF fund is regulated by these statutes as well as the SASSE Statutes and should exhibit a limited liability towards SASSE to the extent permitted by Swedish law. In case of insolvency of the fund or other legal sequestrate or liquidation measures taken against the fund, other SASSE accounts should not be exposed to those measures unless the SASSE Board or the SASSE Council so decides.

- a) In exhibiting a limited liability towards SASSE, the fund should only hold assets and should hence not take up credits to for example, but not limited to, leverage its investment returns. Also, §7.1 states other requirements for eligible investments in the fund.

§15.7

Internal and public reports of the fund's performance or value should clearly state unpaid SASSE reallocation commitments and untransferred SASSE reallocation claims.

- a) This paragraph only refers to reports about the Fund or the fund thereof as such. Hence, this Constitution does not state if this policy has to be followed for SASSE financial reports.

§15.8

Even if the Operational branch could be seen as a SASSE project which fulfills the causes of the Fund and hence could be funded by the distributed returns of the fund, this should be seen as a bad practice. In order to keep the integrity of the Fund and the fund thereof, it is highly recommended that the Operational branch of the Fund is not funded by the returns of the SSIF fund. This is to avoid that increased returns of the fund cause the Fund's financials to be a target of intra-Fund politicizing and intra-SASSE lobbying, unjustifiable membership benefits, over-spending or ever-increasing spending by the operational branch.

16. OUTSIDE AFFILIATIONS

§16.1

The Executive Committee is responsible for seeking further relationships with organizations in an effort to improve the educational aims of the Fund.

17. AMENDMENTS, INTERPRETATIONS AND DISSOLUTION

§17.1 AMENDMENTS

Amendments to these statutes require a decision on two SASSE Council meetings with at least one month, and maximum one year apart.

§17.2 INTERPRETATIONS

In the event of disputing interpretations of these statutes, the matter shall be handled by the Statutory Interpretation Committee (SIC) as referred to in the SASSE Statutes.

§17.3 DISSOLUTION

To dissolve the Fund or its fund requires a decision by the SASSE Council. The decision must be made with a $\frac{2}{3}$ majority on two separate council meetings within at least one month apart.

Should the fund be dissolved, all assets of the fund should, on dissolution, be incorporated into other SASSE accounts.

Third party endowments may only be used or reinvested to the causes of the Fund.

17. CONSTITUTIONAL ADJUSTMENTS

§17.1

The SASSE Council can make constitutional adjustments of this constitution in three ways, unless otherwise stated herein.

- a) With a favorable vote during two meetings with at least five weeks, no negative vote (a vote on the matter where a majority was not reached) as well as a maximum of 6 months in between the meetings.
- b) With a favorable vote on one the SASSE Council meeting where a unanimous vote from the “Fund Management Board” has been reached as well as all members of the Presidium have been informed at least three weeks before the the SASSE Council meeting.
- c) A favorable vote by the SASSE Council after the proposition has received a favorable vote on a general meeting of the Fund.

18. DISSOLUTION OF THE FUND

§18.1

To dissolve the Fund or its fund a favorable vote during two meetings with at least five weeks, no negative vote and maximum 6 months in between the meetings is needed. These votes are only regarded favorable if at least two thirds of the SASSE Council vote in favor of the proposition to dissolve SSIF or its fund.

§18.2

In harmony with the causes of the Fund, all assets of the fund should, on dissolution, be incorporated into other SASSE accounts. The assets can only be used in or reinvested to the causes of the Fund (earmarking).

§18.3

In case of a SASSE crisis or similar, the assets from the dissolved SSIF fund will not have to be earmarked according to §18.2. Removal of the earmarking of the assets of the dissolved fund of the Fund should only be undertaken if

- a) A third-party economics advisor or appointed auditor of SASSE deem it unfeasible, for the future or imminent economic stability of SASSE, that earmarking as described in §18.2 are undertaken
- b) Such an advisor or appointed auditor in (a.) make available a dated report detailing the case and its rationale and that the person(s) and/or firm(s) behind the report are included in the report
- c) Such a report in (b.) is made available to the Fund stakeholders
- d) the SASSE Council make a unanimous vote on the matter (meaning that no gathered member in a the SASSE Council meeting in quorum votes against the proposal of dissolving the Fund or the fund thereof with a removal of such earmarking as is described in §18.2)
- e) A decision by the SASSE Council in (d.) and a report in (b.) coincide in detailing which specific assets, which proportion of the value of the assets or what exact value of liquidated or marked-valued assets should and/or should not be earmarked according to §18.2
- f) The decision by the SASSE Council in (d.) and the report in (b.) as described in (e.) are dated within four months of each other.

§18.4

If the assets of the fund of the Fund are earmarked according to §18.2 through the process described in §18.1, then the earmarking should, without any additional procedures, be subject to §18.3-§18.4. This means that if a crisis occurs within SASSE, after the dissolution of the Fund (or solely the fund thereof), procedures according to §18.3 can still be undertaken long after the actual dissolution took place.

§18.5

No third-parties have any claim on the fund in the event of a dissolution.

19. DISPUTE RESOLUTIONS

§19.1

In the event of disputing interpretations of this Constitution, an Statutes Interpretation Committee (SIC) should be set up in the same manner as the Coordination Committee. The Interpretation Committee is only in quorum if all members of the committee are present or get the chance to vote in another way. All members of the Interpretation Committee have one vote each and decisions are made by majority of votes. To aid in resolving the interpretation dispute the committee may take help of

- a) Fund alumni, particularly such who have been part of the Fund presidium b. Past and present SASSE Board and Board of Directors members, particularly such who are or have been responsible for Financials in Board of Directors, President, Treasurer or President of the Business Committee.
- b) Fund tradition
- c) SASSE tradition and indicative policy
- d) the Project Plan for the Fund
- e) Professors from the SSE Department of Law

§19.2

If no majority decision can be reached by the Interpretation Committee, they should present their work according to §19.1, the different views as well as rationale thereof before the SASSE Council who will decide on an interpretation by majority vote.