

New Jersey City University
STUDENT INVESTMENT MANAGEMENT GROUP
Charter Statement

Established February 15, 2007

Amended October 15, 2007

Amended June 15, 2008

Amended September 15, 2011

Amended January 30, 2012

Article I. GENERAL

New Jersey City University (hereafter NJCU) Student Investment Management (hereafter SIM) Group seeks to become the benchmark for the application of the study of finance in a university setting. The NJCU SIM Group will manage an investment portfolio as part of the permanent funds of the New Jersey City University Foundation, providing students with an opportunity to experience the entrepreneurial and competitive spirit of global financial markets, and the fiduciary obligation of professional investment managers. The business of the Group is the real world application of the analytical theory of finance for the education of NJCU students, emphasizing ethics and due diligence.

Article II. OBLIGATION

2.1 Outpace the rate of return of the S&P 500 on an annual basis by exploiting opportunities in various investment vehicles.

2.2 Establish relationships with industry practitioners and sponsors who are willing to share their experience and expertise.

Article III. STRUCTURE, ROLES AND RESPONSIBILITIES

The Group's structure will consist of the following:

PRESIDENT – Responsible for the operations of the fund and monitoring the activities of the fund's members. He or she shall delegate responsibilities of officers in a manner that shall be consistent with the duties of the position held by such officers. The President is also responsible for holding SIM Group meetings, and maintaining weekly communication with Group members. The President is also responsible for preparing the semester report about the SIM Group operations to the NJCU Foundation and the University Administration. The President will report directly to the Adviser and University Administration.

VICE PRESIDENT(S) – The Vice President(s) shall play a key role in monitoring the funds' portfolio and investments. They will assist the President with guiding the performance of the Portfolio Manager and Analysts; and will help with the Executive Board report. The Vice President shall preside at meetings in the absence of the President and perform the duties of the President in accordance with the roles set within the Investment Policy. One Vice President will be responsible for keeping record of the meeting minutes, as insurance for finalized decisions. Both Vice Presidents shall be responsible for tracking portfolio performance; to be consistent with that responsibility, the Vice presidents will present a graphic display of said performance at each meeting. Vice President(s), will report directly to the President and if urgent, directly to the Adviser.

CHIEF MARKET STRATEGIST – Responsible for keeping all members informed about current activities in the market and the state of the economy by providing timely and accurate data and analysis. Tasks include publication of a weekly market update including a summary of the past week's economic events and a forecast of the coming week's expectations and announcements as well as an analysis on the implications of these events. Maintain a one-month economic forecast which will serve as the basis for the investment philosophy of the SIM Group Fund. This forecast will be used to develop the weightings of each investment sector.

PORTFOLIO MANAGER(S) – The Portfolio Managers are responsible for overseeing new investment acquisitions and recommendations from their Analysts. They are also responsible for monitoring and updating the existing SIM Group portfolio as pertains to performance and risk analysis; and communicates with members when there is a need to re-evaluate current stocks. If there is a tie during voting for a proposal, the Portfolio Manager of that designated sector will be credited a tie-breaker vote. Portfolio Managers must provide brief weekly reports on their sectors/holdings and once a month, must provide a detailed report to the Group. These detailed reports will be assigned to the portfolio Manager(s) at the discretion of the President. Portfolio Manager(s) will report directly to the President.

ANALYST(S) – Analyst(s) are responsible for researching their assigned sector. Analysts must monitor the stocks in their sectors for buy and sell signals of the stocks in their sector; informing their Portfolio Manager through reports. Analyst(s) will assist their Portfolio Manager with investment presentations and in-depth portfolio review of holdings. Analyst(s) will report to their Portfolio Manager(s).

Article IV. MEMBER SELECTION

4.1 New members can apply during the first three weeks of the Fall and Spring Semesters. All majors with at least beginner knowledge of business, economics or financial markets, at either the undergraduate and graduate levels, are invited to apply to join

4.2 After reviewing the member's application. The new member will be added to the mailing list. Once the member is added, the President will send out an email introducing and welcoming the member to the group.

4.3 It is the responsibility of each new member to become familiar with the established SIM Group policies and procedures and to review all historical documentation.

4.4 No member of the SIM Group shall have voting rights on a particular investment should such the member fail to attend two (2) consecutive meetings prior to the vote.

4.5 No member shall remain in good standing should such member fail to attend four (4) consecutive meetings with failure to contact the President or Vice President.

4.6 No member shall be permitted to be a member of the SIM Group should such individual be on academic probation during such a semester or miss five (5) consecutive meetings

4.7 Elections will be held in April. In the case of mid-semester vacancies, special elections will be held promptly to fill the open positions Furthermore, members can only be elected by members that are currently enrolled at NJCU and have been part of the Group for at least one (1) year.

Article V. MEETINGS

5.1 Each meeting will be chaired by the SIM Group president. If the president is unable to attend, the meeting will be coordinate by the Vice President(s) or Chief Market Strategist. It is the responsibility of the President to notify the Vice president(s) and Advisor prior to the scheduled meeting if unable to attend in order to allow sufficient preparation time.

5.2 There will be an agenda for each meeting, prepared by the President that will be emailed to all members and Advisor at least one (1) day prior to the meeting.

5.3 The executive vice president will take attendance and document minutes for each meeting. Minutes will be reviewed at the beginning of each meeting and a vote taken to accept the minutes. Open action items will be included in the minutes and status reviewed at each meeting.

5.4 Every member is expected to attend the meetings. A second meeting via online or in person is mandatory for Portfolio Managers to have during the week with their Analyst(s). The Vice President(s) should be notified in advance if a member is unable to attend a scheduled meeting.

5.5 Meetings will be structured by the following:

- A. Approval of Prior Meetings' Minutes
- B. Portfolio Performance (3 Leaders; 3 Laggards)
- C. Chief Market Strategist Report
- D. Brief Portfolio Manager(s) Overview
- E. In-Depth Portfolio Manager Review (Rotating)
- F. Buy/Sell Proposals
- G. New Business

Article VI. INVESTMENT POLICY

6.1 SCOPE This investment policy applies to all financial assets under the management of NJCU SIM Group. These funds are accounted for in NJCU SIM Group Fund. Investment funds must be made in conjunction with Federal and/or state laws and regulations and may only be invested in accordance with such laws and regulations.

6.2 PRUDENCE All SIM Group members, when recommending or investing , shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with standards involving such matters would use to attain the objectives of the SIM Group Fund. This standard requires that when making investment recommendations, the member shall consider the role that the investment plays within the portfolio of assets of the NJCU SIM Fund and the investment objectives listed in this constitution, and shall be applied in context of managing the overall investment portfolio. Such investments should consider the return and risk to existing holdings.

6.3 INVESTMENT TYPES, RESTRICTIONS AND ALLOCATION

- A. TYPES The investments of the SIM Group's assets shall be made in accordance with Federal, State and existing statutes. Stocks of publicly traded companies, bonds, mutual

funds, exchange traded funds and ADR's are acceptable investment vehicles. Furthermore, the uses of stop loss and limit orders are recommended.

- B. RESTRICTIONS No short sale of securities, no derivatives, no margin, no aftermarket trading and no micro-cap equities shall be considered viable investments.
- C. ALLOCATION It is the policy of the NJCU SIM Group Fund to diversify its investment portfolio. Assets shall be diversified to reduce or eliminate the risk of loss and balance the effects of interest rate changes affecting different types of securities. Investments will be diversified by:
 - A. Limiting investments to avoid over-concentration in securities from a specific issuer or business sector; will be at the President's discretion.

6.4 NEW INVESTMENT PROCEDURE

All members are required to perform analysis and make one to two recommendations per semester which shall be reviewed and voted upon by the SIM Group. In case a dead lock vote is The President, shall be granted a second vote on the standing issue. When considering a particular investment opportunity, a target price point or percentage should be established to ensure an expected return. After securities have met stated requirements, the Adviser shall be notified within twenty four (24) hours. Upon approval of Adviser, the brokerage firm will be notified to execute order by the Adviser.

Prior to the purchase of any new asset(s):

- A. Macro-Economic Review: The Chief Market Strategist performs weekly macro-economic review, as well as a monthly economic forecast.
- B. Individual Recommendation: Analysts are responsible for analysis when recommending a stock. The recommendation must include a stop loss order and target price or percentage.
- C. Voting: Only standing members who have attended two (2) consecutive meetings shall have voting privileges. A 2/3 vote is required to pass the recommendation. Portfolio managers will receive a second vote if there is a tie. The President shall receive a second vote if there is a dead lock.
- D. Execution: Made in compliance with stated investment policy. Brokerage consultation and Adviser approval must be secured.
- E. Monitor existing portfolio: Monitoring will include review of stop loss orders and performing monthly evaluations.

Article VII. CHANGE MANAGEMENT

Changes to this charter can only be made in the Fall Semester. Only two (2) revisions to policies can be made at one time. Changes to all policies and procedures that have been voted on and approved by the SIM Group will only be made according to the Change Management Procedure documented below:

Any member can submit a change request by doing the following:

7.1 Submit the Change Request to the Faculty Advisor, President, and the Vice President(s) for distribution to the group for review.

7.2 Documents impacted by the change will be updated and posted in the following semester's charter statement.

7.3 Changes will only be considered for members with at least one (1) year of experience