



AMS Investments

PREPARED BY LOUIS RETIEF

How much \$\$\$ do we currently invest?



Current State

Fiscal Year	\$ Invested	\$ Return	% Interest
2015-2016	\$16.8 Million	\$152,534	.09%
2014-2015	\$15.8 Million	\$302,479	1.91%
2013-2014	\$13.8 Million	\$300,312	2.17%
2012-2013	\$14 million	\$224,600	1.6%

Total Interest last 4 fiscal year = \$979,925

Current Investment Policy

- **Bylaw 10:**
- (a) The General Manager shall:
 - ii) cause all funds of the Society to be held as deposits in a bank as defined in the Bank Act of Canada or a credit union authorized to carry on business under the Financial Institutions Act of British Columbia, **or invested in shares, stocks, bonds, debentures, securities, and other investments rated at or above “Single A” (A) rating, as assigned by the Standard & Poor’s Corporation or its successor;**

Problems

- The policy does not make any sense
- It leaves it up to interpretation of MD
- Generates extremely low returns, barely beats CPI
- Unutilized returns
- Invested in 100% Fixed Income (Government bonds)

Solutions & Next Steps

- Write a new investment policy!
- Get budget committee to approve policy!
- Get Governance to approve the policy!
- Run a referendum to change investment policy!

- BUT WHAT WOULD RESULTS OF THAT BE ???

Proposed Investment Policy

- Increased interest rate from 1-2% to 5-6%
- Change policy to 70% fixed income and 30% equities.

Fiscal Year	\$ Invested	\$ Return	% Interest
2015-2016	\$16.8 Million	\$840,000	5%
2014-2015	\$15.8 Million	\$790,000	5%
2014-2014	\$13.8 Million	\$690,000	5%
2012-2013	\$14 million	\$700,000	5%

Total Interest last 4 fiscal year = \$3,000,200

Difference = \$2.1 Million Dollars

Pro's and Con's

Pro's	Con's
Increased Operating Revenue of Society between \$400,000-\$600,000 a year	Higher return higher risk
No cost to students	Cost of fund manager
Utilize current fee structure	
Grow endowment faster	
Better than increasing AMS fees (\$4.2 Fee = \$205,800)	
Better than fee restructure	

Proposed change to bylaws

- **Bylaw 10:**
- (a) The General Manager shall:
 - ii) cause all funds of the Society to be held as deposits in a bank as defined in the Bank Act of Canada or a credit union authorized to carry on business under the Financial Institutions Act of British Columbia, **or invest according to an investment policy which has been approved by council in consultation with a fund manager.** ~~invested in shares, stocks, bonds, debentures, securities, and other investments rated at or above "Single A" (A) rating, as assigned by the Standard & Poor's Corporation or its successor;~~

Questions

