**** *American Fisheries Society*

**Organized 1870 to Promote the Conservation, Development and Wise Utilization of the Fisheries**

**Guidelines for AFS Investment and Management of Unit Funds**

**Revised January 2017**

**Purpose**: Many AFS Units (Sections, Chapters and Divisions) have acquired moderate to substantial funds but have insufficient means to invest those funds properly. AFS can provide a service by investing these funds for the units as part of it overall investment portfolio and provide the potential for greater return on investment.

**AFS Investment Portfolio**: The Society utilizes AXA (<https://us.axa.com/home.html>) to manage its portfolio. Investment advisor, Gretchen Bolton, works with AFS providing the Society with professional investment management advice. In 2016, AFS and completed a manager evaluation comparing Gretchen / AXA with other investment advisors and reaffirmed its decision to continue working with Gretchen. The AFS portfolio is managed to comply with an investment strategy developed by the AFS Investment Committee (currently under review). This investment policy reflects a relatively aggressive growth strategy focused on long term investing of funds.

* As of December 2016, the AXA-AFS portfolio is roughly 70% equity (57% US domestic equity, and 13% non-US international), with 24% invested in Fixed Income (bond) funds, as well as a money market.
* The full AFS portfolio was valued at $3.9 million as of December 2016. AXA charges AFS an investment fee of 0.5% per year on the value of the portfolio.
* 10 year average annual return is 7.0% versus the benchmark index of 5.4%.
* Currently four chapters and one division have over $80,000 invested in the portfolio.

Upon request, AFS will provide units with the latest portfolio monthly statement and the most recent annual portfolio appraisal. A summary of AXA-AFS investment portfolio performance since inception is provided below.

**Investment Criteria**:

1. A minimum investment amount of $10,000 is required to participate in the program.
2. Minimum time for investment should be three years. Funds can be accessed prior to three years without penalty but entry into the program should be with funds for which there is no anticipated use of the funds for a minimum of three years.
3. Additional funds can be added to the account at any time.
4. A 30-day advance notice is requested for withdrawal of funds from the account. This allows AFS and AXA to best determine which investment is most timely to be sold to access the requested funds.

**Account Management**:

1. All funds deposited with AFS are pooled with the AFS portfolio. Investment performance, positive or negative, will reflect that of the overall portfolio. Investments may be subject to either gains or losses within a given period, and there is no guarantee of positive results over shorter periods.
2. AFS will maintain an accounting of all unit invested funds and AFS will be solely responsible for tracking these funds, interacting with AXA on deposits and withdrawals, assigning return, and providing regular statements of account activity and balance to the units. Units should not contact AXA or the AXA investment advisor working with AFS. Any questions regarding Unit investments should be directed to AFS staff—Daniel Cassidy, Deputy Executive Director ([dcassidy@fisheries.org](mailto:dcassidy@fisheries.org)).
3. Each unit investment account is assigned a monthly return based upon the AXA monthly statement and AXA monthly return calculations. Deposits made during any given month will be assigned an investment start date of the 1st of the following month and receive return adjustments beginning with that starting date. Withdrawals will be based upon the account value at the end of the month preceding withdrawal date.

**Balances and Returns by Year since Inception**

**Net Returns**

**Balances Annual Change Cumulative Since**

**Sept. 2006**

Opening $1,492,316

12/31/06 $1,553,737 4.12% 4.12%

12/31/07 $2,274,343 5.60% 8.70%

12/31/08 $1,409,546 - 38.02% - 32.63%

12/31/09 $1,812,915 28.62% -13.35%

12/31/10 $2,084,589 14.99% - 0.37%

12/31/11 $2,334,281 - 6.05% - 6.35%

12/31/12 $2,623,752 12.40% 5.27%

12/31/13 $3,203,385 22.09% 28.53%

12/31/14 $3,727, 402 2.64% 33.56%

12/31/15 $4,177,167 - .80% 24.7%

12/31/16 $3,929,119 9.2% 38.5%

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**Application for Deposit of Unit Funds in AFS Investment Portfolio**

AFS Subunit Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Primary Contact Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Street Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ State: \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Zip Code: \_\_\_\_\_\_\_\_\_\_\_

Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Amount to be deposited: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Funds deposited by AFS units are with other AFS funds into a single investment portfolio managed by AXA. Investments may be subject to either gains or losses within a given period, and there is no guarantee of positive results over any time horizon. Past performance is no guarantee or indicator of future performance. The annual investment fee is 0.5% in addition to the administrative expenses of the underlying mutual fund investments and is charged to all investments as is done with the entire AFS portfolio. Units should be fully aware that there are no guarantees on the performance of these investments. Units should also agree that these investments are part of a long-term investment strategy and funds should not be considered for operational expenses. A minimum investment period of three years is recommended although there is no penalty for withdrawal of funds at any time. The AFS investment portfolio is managed under a strategy developed by the AFS Investment Committee. Units do not have any options for selecting specific investment funds or other investment instruments (e.g. money market, bonds) for their funds. All funds are considered part of the AFS investment pool and are managed as such.

Deposits should be sent to: Daniel Cassidy, American Fisheries Society, 5410 Grosvenor Lane, Suite 110, Bethesda, MD 20814-2199. Make checks payable to: American Fisheries Society

The AFS unit agrees to these conditions.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

AFS Unit Representative