

ASIANetwork By-Laws

ARTICLE I Name

The name of the organization shall be ASIANetwork.

ARTICLE II Purpose

ASIANetwork is an association of North American liberal arts colleges and universities dedicated to promoting the study of Asia and committed to cooperating in providing services to each other. We believe the small college setting and the liberal arts curriculum can combine creatively with Asian studies to educate a new generation of undergraduates for a changing world in which Asian societies will play increasingly prominent roles.

ASIANetwork is also a professional association for Asian studies faculty. While enjoying the benefits of participation in regional and national Asian studies organizations, many liberal arts college faculty feel the need for additional consultation and professional exchange with colleagues in other liberal arts colleges. The unique teaching mission, scale, and resource limitations of the undergraduate liberal arts institution pose special problems and opportunities that are too often overlooked in the meetings of research-oriented organizations.

We are committed to encouraging activities of mutual interest. These include, but are not limited to:

1. Promoting curriculum development and design, both for individual courses and for infusing Asian studies across the liberal arts curriculum.
2. Promoting inter-institutional cooperation in foreign study programs, in grant writing, in building a national Asian studies student honor society, and other areas of concern.
3. Promoting faculty development, through curriculum workshops and through two-way faculty exchanges with colleges and universities in Asia.
4. Providing the services of a network of consultants for member schools wishing to establish new programs or to evaluate existing ones.
5. Exchanging information through annual conferences, a newsletter, and electronic mail networks.
6. Sharing cultural and public affairs programs such as concerts, speakers, art exhibits and film series.

ARTICLE III Membership

The membership in the network shall be institutional, composed of liberal arts colleges. Individuals who are not on the faculty of such member colleges may affiliate as individuals under guidelines set forth by the Board of Directors. A representative will be designated by member institutions at the time dues are paid.

The membership year shall begin September 1. Annual membership dues shall be set initially by the Board of Directors. Any changes in membership dues shall be proposed by the Board of Directors and ratified by the majority vote of the representatives of member institutions present at the annual meeting.

Newly established membership categories, approved at the April 10, 2010 ASIANetwork Business Meeting in Atlanta, GA are as follows:

INSTITUTIONAL MEMBERS - Annual dues: \$300.00. “Institutional Members” will be comprised of two categories of institutions: Category I and Category II.

Category I— all accredited, degree-granting institutions that define their primary mission as the provision of an undergraduate liberal arts education. Ordinarily, these will be relatively small colleges with enrollments of 6,000 students or less.

Category II—all accredited, degree-granting institutions that define one of their missions as the provision of an undergraduate liberal arts education. Ordinarily, Category II Institutional Members will be small universities, some community colleges, and/or other institutions with enrollments of 6,000 students or more.

All benefits of institutional membership are available to both categories. Since the mission of ASIANetwork is the fostering of Asian Studies in small liberal arts colleges, in competition for fellowships and grants administered by ASIANetwork and for Board Membership, preference may be given to Category I institutions.

AFFILIATE MEMBERSHIP - is open to either organizations (foundations, publishing houses, etc.), or individuals with an interest in undergraduate liberal arts education. Affiliate Membership confers all the benefits open to other members, except that they are not eligible: (1) to apply for fellowships or grants administered by ASIANetwork; or (2) to nominate or elect candidates to serve as officers of the organization. Annual dues: \$100.00 for organizations and \$50.00 for individuals.

ARTICLE IV Organization and Governance

Section I Board of Directors

The Board shall oversee operations of the ASIANetwork in between its annual meetings on behalf of its members.

The Board of Directors of the ASIANetwork consists of nine (9) members. Terms of service on the Board of Directors shall be for three (3) years with staggered terms to be determined by the Board itself. Approximately one-third (1/3) of the Board of Directors shall be elected at each annual meeting. Each year the Board of Directors at its first meeting shall elect a chair; the chair will become a member of the Board, if not already so.

Board members completing their terms of service cannot be re-elected to the Board without a waiting period of at least one year.

An Executive Director, named by the Board, shall serve as the chief administrative officer of the organization. The Executive Director shall represent the organization in all official matters, be authorized to conduct business and legal matters on behalf of the organization and administer day-to-day affairs. The Executive Director is responsible to the Board of Directors and serves under the terms it sets. The Executive Director shall be a voting member of the Board.

Section II Meetings

Representatives from member institutions shall meet annually at a time and place designated by the Board of Directors. Only representatives from member institutions may vote on matters coming before the organization. Member institutions have one undivided vote no matter how many individuals from an institution are in attendance. Individuals from non-member institutions may attend meetings as non-voting participants.

At the annual meeting a business session will be held. The business meeting agenda will include:

- a financial report on the organization.
- any special committee reports.
- election of members to the Board of Directors.
- selection of committee members.
- old business.
- new business.
- announcement of the time and location of future annual meetings.
- adjournment.

A quorum for conducting the business of the organization at the annual meeting shall consist of at least thirty percent (30%) of the representatives of member institutions.

Section III Committees

The Chair of the Board of Directors, on the advice and consent of Board members, may appoint committees to facilitate the purpose and work of the organization.

Committees of the Board and of the general membership may include such concerns as: membership, resource development, publications and information exchange, nominations, study abroad, faculty development, exchanges and curriculum.

Committee members may be reappointed.

The nominating committee, selected by the Board of Directors and chaired by the Board member who is completing his or her term, will choose a slate of candidates to be placed in nomination at

the next business meeting. Additional nominations from the floor may be made. All members on the Board must be elected by a majority vote. Candidates should be asked and should give their approval prior to the submission of their names.

Committees will report to the Chair of the Board of Directors. These reports will be summarized in the minutes of the Board meetings.

Voting in Board meetings and in meetings of Board committees is by individuals, not member institutions.

ARTICLE V Changes in By-Laws

These By-Laws shall go into effect immediately, following ratification by a majority vote of representatives present and voting. Changes in the By-Laws may be proposed by the Board of Directors to representatives at the annual meeting. Proposed changes will be stated in writing and sent to representatives at least sixty (60) days prior to the annual meeting. Changes may also be proposed by representatives at the annual meeting provided they are circulated in writing.

Proposals for By-Law changes made by representatives at the annual meeting may not be voted on until the next annual meeting of the organization.

Changes in the By-Laws are put into effect immediately by a two-thirds (2/3) majority vote of the authorized representatives present and voting.

ARTICLE VI Finances and Incorporation

Section I

The fiscal year shall begin September 1.

Section II

No part of the net earnings of the corporation shall inure to the benefit of, nor be distributed to, its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distribution in furtherance of the purposes set forth in this Constitution. No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statement) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of these By-Laws, the corporation shall not carry on any other activities not permitted to be carried on (a) by any corporation exempt from Federal Income Tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation contributions to which are deductible under Section 170 (c) (2) of the Internal

Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Section III

Upon dissolution of the corporation, the Board of Directors shall, after paying and making provision for the payment of all the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, education, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501 (c) (3) of the Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Court of

Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VII Investment Policy (see attached)

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ASIANetwork Investment Policy
J.F. Peterman and S.W. Barnett
9/1/2004

ASIANetwork

INVESTMENT POLICY

Adopted: April 23, 2005
Whittier, CA

Table of Contents

	<u>Page</u>
Statement of Purpose	3
Goals and Objectives of the Fund	4
Investment Program Policies and Procedures	5
Investment Management Policies, Guidelines, and Restrictions	6

Statement of Purpose

This policy statement is a framework for the management of the investable assets of ASIANetwork, a non-profit, tax-exempt 501(c)3 association of colleges and universities to promote the study of Asia in undergraduate education. Investable assets consist of a Fund that serves as a long-term repository for accumulated funds and a short-term repository for grant monies, which, unlike accumulated funds, may be governed by grant restrictions

The Fund should grow into an endowment fund at a threshold of \$1,000,000 that can provide earnings to meet administrative costs of ASIANetwork operations **and provide for financial contingencies**. This policy statement will assist the ASIANetwork Board of Directors in supervising and monitoring the investments of the Fund. In implementing and monitoring the Fund the Board may establish a Financial Advisory Committee and/or engage the assistance of a professional financial services advisor.

The guidelines in this policy statement allow for flexibility and a process to capture investment opportunities while prudently and carefully setting reasonable risk-control parameters for the investment program.

The management of the Fund will be in accord with the following basic fiduciary principles:

- *Caution* to yield modest increase without unwarranted risk over the long term,
- *Oversight* with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like aims,
- *Diversification of investments* to help minimize the overall risk of the portfolio and maximize the rate of return, for any given level of risk.
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- *Minimized spending* of the Fund to preserve assets toward realization of an endowment fund at a threshold of \$1,000,000, and
- *Moral scrutiny* by the Executive Director, with the advice of a Finance Advisory Committee, to avoid investments clearly offensive to the membership of ASIANetwork.

This policy statement addresses the following issues:

- The *goals and objectives* of the Fund and the investment program; and
- The *investment strategy*, including asset allocations, spending policy, rebalancing procedures, and investment guidelines

Goals and Objectives

Objectives of the Fund

The primary investment objective of the Fund is to grow assets and minimize the cost associated with the investment process toward

- preservation of the real purchasing power of the principal, and
- provision of a stable source of perpetual financial support.

Performance Goals

On an annualized, net-of-fees basis the Board expects the total return of the portfolio

- to equal or exceed the projected spending rate of 5% of the Fund plus inflation (CPI) over a rolling five-year period.

Additionally, the returns should show favorable comparative performance characteristics by

- being equal to or exceeding the average return of appropriate capital market indices weighted by the asset allocation target percentages over a rolling five-year period, and
- being equal to or exceeding the average return of a universe of similarly managed funds.

Because performance goals are based on a long-term investment horizon, interim variations should be expected.

Investment Philosophy

Allocation of the assets of the Fund will be according to a long-term investment horizon and fiduciary principles in the Statement of Purpose, above. Thus a strategic long-run asset allocation plan of a consistent and disciplined manner, with emphasis on passive investment vehicles, such as index mutual funds and money market funds, will be the major determinant of the Fund's investment performance.

Management of the assets will be on a total-return basis. Although the policy recognizes the goal of preservation of capital, it also assumes that varying degrees of investment risk are generally rewarded with increased returns that compensate for the additional risk. Increased risk above stable long-term low risk securities will be necessary to preserve capital, and the pursuit of riskier investment strategies is appropriate if such strategies are in the best interest of the organization. Evaluation of selected investment strategies will be on a risk-adjusted basis as is needed to meet the goals and expectations of the investment policy.

Risk management of the investment program focuses on understanding the Fund's investment and operational risks. The investment program will seek to minimize operational risks and achieve appropriate compensation for the investment risks undertaken on behalf of the Fund.

Investment Program Policies and Procedures

Investment Program Policy

The investment program shall invest according to an asset allocation strategy designed to meet the goals of the Fund. Factors informing this strategy include the following:

- The near-term goal of achieving a \$1,000,000 threshold,
- The projected spending needs,
- The maintenance of sufficient liquidity to meet spending payments, and
- Historical and expected long-term capital market risk and return behaviors.

This policy provides for diversification of assets in an effort to maximize the investment return and manage the risk of the Fund consistent with market conditions. Because of the fluctuation of market values, positioning allocations within a specified range constitutes compliance with the policy. Full implementation of the asset allocation policy may require extension over time, and periodic adjustments of the policy will be necessary.

Investment Program Strategy

Allocation of the Fund shall be across a number of investment classes to provide diversification and achieve the Fund's investment objectives. The Board realizes that although this strategy will under normal market conditions meet the spending goals of the Fund, there is no guarantee of this result. The following table defines the Fund's target asset allocation and range for each asset class:

Target Asset Allocation Table

<u>Asset Class</u>	<u>Min. Wt.</u>	<u>Target</u>	<u>Max. Wt.</u>	<u>Representative Index</u>
U.S. Equities	25%	30%	35%	S&P 500
Non-U.S. Equities	5%	10%	15%	MSCI World Ex-U.S.
Fixed Income and Cash and Equivalents	55%	60%	65%	Lehman Aggregate and 90-Day T-bills

The Board will place assets with qualified external Investment Managers **of index mutual funds and money market funds** who show competence in each asset class.

Spending Policy

The Board anticipates, upon realization of \$1,000,000 threshold, distribution annually of 5% of the Fund over a rolling five-year period with the understanding that this spending rate will not normally exceed the total return from the investment. Any change in spending policy should be voted on by a majority of the Board.

Rebalance Policy

The purpose of rebalancing is to maintain the long-term policy asset allocation within the targeted ranges while contributing to controlling portfolio risk. The assets will be rebalanced within the stated ranges on a uniform basis to reduce portfolio expenses as far as practicable as defined in the Target Asset Allocation Table. The portfolio will be evaluated quarterly and rebalanced at least annually by Board action.

Roles and Responsibilities

The Board of Directors acting directly or through the Executive Director of ASIANetwork with the possible assistance of a professional financial services advisor, and in view of any recommendation from a Financial Advisory Committee of the Board, shall have responsibility for the oversight and management of the Fund within the framework of investment policies and procedures set by the Board. The Board shall have the power to employ or discharge fiscal agents or advisors.

The Executive Director of ASIANetwork shall be responsible to the Board for maintaining detailed records on all investment funds and for directing the implementation of the investment policies and procedures established by the Board. The Executive Director will supervise the provision of quarterly reports on the Fund for review by the Board.

Investment Management Policies, Guidelines, and Restrictions

The investment policies, guidelines, and restrictions in this policy statement are a framework to help the Board and the external Investment Manager(s) of the Fund achieve the investment objectives at a level of risk deemed acceptable. The Fund will be diversified both by asset class and within asset classes, with emphasis on passive investment vehicles such as index mutual funds and money market funds. The function of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the performance of the total Fund and thus to reduce the risk level associated with the portfolio investment.

Equity Securities

The purpose of equity investments, both domestic and international, in the Fund is to provide capital appreciation, growth of income, and current income. This asset class carries the assumption of greater market volatility and increased risk of loss, but it also provides a traditional approach to meeting portfolio total return goals. This component includes domestic and international common stocks, American Depository Receipts (ADRs), preferred stocks, and convertible stocks traded on the world's stock exchanges or over-the-counter markets.

Decisions as to individual security selection, number of industries and holdings, current income levels, and turnover are left to broad external Investment Manager discretion, subject to the standards of fiduciary prudence and fiduciary principles in the Statement of Purpose, above.

Within the above guidelines and restrictions, the external Investment Manager(s) has complete discretion over the timing and selection or sale of equity securities.

Fixed Income Securities

Domestic and international fixed income investments provide diversification-dependable sources of current income. Diversification within fixed income investments will be allocated flexibly among maturities of different lengths according to interest-rate prospects and the goals of the Fund. Fixed income instruments should reduce the overall volatility of the Fund's assets and provide a deflation or inflation hedge where appropriate.

Fixed income investment includes both the domestic fixed income market and the markets of the world's other developed economies. It includes, but is not limited to, U.S. Treasury and government-agency bonds, non-U.S. dollar denominated securities, public and private corporate debt, mortgages and asset-based securities, and non-investment grade debt. Fixed income investment also includes money market instruments, including, but not limited to, commercial paper, certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, and U.S. Treasury and agency obligations. The external Investment Manager(s) must take into account credit quality, issuer concentrations, and maturity in selecting an appropriate mix of fixed income securities.

Within the above guidelines and restrictions, the external Investment Manager(s) has complete discretion over timing the sale, purchase, and selection of fixed income securities.

Cash and Equivalents

The external Investment Manager(s) may invest in the highest quality commercial paper, certificates of deposit, repurchase agreements, Treasury Bills, and money market funds to provide income liquidity for expense payments and preservation of the Fund's principal value. Uninvested cash reserves shall, however, be kept to a minimum..

Within the above guidelines and restrictions, the external Investment Manager(s) has complete discretion over timing the purchase, sale, and selection of cash-equivalent securities.

Restrictions

The Board may waive or modify any of the restrictions in these guidelines in appropriate circumstances. Any such waiver or modification will be made only after a thorough review of the external Investment Manager(s) and the investment strategy involved. The Board will maintain an addendum supporting investments made as the result of waiver or modification as a permanent record of the Board.

External Investment Manager(s): Reporting and Evaluation

The external Investment Manager(s) responsible for the Fund's assets shall report quarterly on the performance of the portfolio, including comparative returns for the funds and their respective benchmarks. Included in each report will be a complete accounting of all transactions involving the Fund during the quarter and a statement of beginning market value, fees, capital appreciation, income, and ending market value for each account. The external Investment Manager(s) should review the portfolio with the Board via the Executive Directorship of ASIANetwork annually, with supplemental reviews as necessary.

The Board recognizes that market conditions may greatly influence the ability of an external Investment Manager to meet year-to-year investment goals and objectives. Further, the Board realizes that significant cash flow also may affect the ability of an external Investment Manager to meet a specific short-term objective. Accordingly, the Board expects to monitor performance through absolute return objectives, relative performance against identified benchmarks, and comparison with other Investment Manager(s) where possible.