

ECOLE EUROPEENNE BRUXELLES III - EUROPEAN SCHOOL BRUSSELS III

ASSOCIATION DES PARENTS - PARENTS ASSOCIATION

EXTRAORDINARY MEETING OF 10 SEPTEMBER 2019

Document Number
CA 47/2019

MINUTES OF THE MEETING OF THE ADMINISTRATIVE BOARD

Meeting started at 7 pm at the European School Brussels III, Teachers Canteen, chaired by APEEE President, Anastassios Papadopoulos.

Members of the Administrative Board:

Present / **Excused/ Absent:**

Ronald ALBERS (RA)

Geraldine BARRY (GB)

Hayet BENABDERRAHMANE (HB)¹

Agnès BOUCHERON (AB)

Sarah BUCKLEY (SB)

Adán CASTILLO DÍAZ (ACD)

Barbara EGGERS (BE)

Catherine FENECH (CF)

Georgios GEORGIANNAKIS (GG)

Arnoud HEERES (AH)

Tomas HRUBY (TH)

Květa JANOUŠKOVÁ (KJ)

Kamila KAUKIEL (KK)

Rosita LAKE (RL)

Elena MARTÍN ALONSO (EMA)

Jakub NICE (JN)

Koen NOMDEN (KN)

Anastassios PAPADOPOULOS (AP)

Gerard PAYNE (GP)

María SAURA MORENO (MSM)

Andreas SCHNEIDER (AS)

Yvonne STAUSBOLL (YS)

Eleanna STERGIOULI (ES)

Nicole STYLIANIDOU (NS)

Fani ZARIFOPOULOU (FZ)

¹ Her mandate ended on 31 August 2019.

Extraordinary participation: Alexander BARTOVIC (AB), Mr Nicolas CLAERHOUT (NC) and Mr Vincent SLAMBROUCK (VS) from PNB Paribas Fortis

Agenda point	Discussion/conclusion	Follow-up	Responsibility
Approval of the draft agenda	The draft agenda CA 46/2019 was approved.		AP
1. Présentation des avantages et désavantages des différentes options de gestion des fonds de l'APEEE / Presentation of pros and cons of various investment options (Managed Portfolios, Branch 26 and ETF Trackers) - By Mr Nicolas CLAERHOUT, BNP Paribas Fortis	<p>The main item on the agenda of this extraordinary Board meeting was the presentation by BNP Paribas Fortis of the investment options available for an AISBL, such as APEEE. This followed up on the previous exchanges between the APEEE Treasurer and BNP Paribas Fortis, as it was requested by the Board in the previous meeting in June 2019, in which alternative service (investment) providers and portfolios were sought.</p> <p>The sole objective was to allow a further exchange of views on their proposal (Iris fund) and to clarify some points, in particular the difference between a Managed Portfolio, Branch 26 and ETF Trackers, before the Board decides on any follow-up at a later stage.</p> <p>NC's presentation took the form of a CA document 48/2019 (distributed to the Board on 29 September).</p>	GP will deliver a proposal for the final amount to be invested at the next Board meeting.	GP AP AB


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	<p>NC stressed the very low interest rates (close to or below 0%), including for most 10-year government bonds. He underlined the risks in equity markets (not defensive products) and the lack of expertise within in APEEE, which necessitates a proper financial management by experts. He explained the term “sustainable investment” by pointing to three different criteria, namely “green” ones (funds focusing on the development of the circular economy), those with a socially-responsible footprint and finally those who are qualified as such because of the specific governance model of the companies. NC presented also the reporting obligations.</p> <p>The next steps for the APEEE should be as follows:</p> <ol style="list-style-type: none"> 1. Define “investment buckets” (see PPT below) on the basis of: <ol style="list-style-type: none"> a. The overall financial situation (APEEE objectives) in conjunction with the investment objectives (the definition of a risk profile for a required return, for instance, a bucket for salaries; the Board confirmed that this amount should not be qualified as “legal reserve”, as such an obligation does not exist legally but is only considered as a precautionary measure under the employer’s duty of care) with returns beating inflation; 		

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	<p>b. The investment horizon (between 3 to 5 years or more than 10 years; Board members opinions differ on this matter; the majority of the expressed views on 10 September set the minimum horizon at 5 years)</p> <p>2. For each bucket, determine the fitting risk profile / appetite (this profile determines also the managing costs out of the return; normally there are no entry and exit fees for above 1 million euros).</p> <p>3. Contract the solutions (discretionary portfolio with a dedicated manager/a risk portfolio versus a balanced portfolio with a fixed fee) matching the determined profile.</p> <p>4. Define the internal decision-making process in the Board by defining the persons mandated to act in consultation with the bankers.</p> <p>In the following links, Board members will find:</p> <ul style="list-style-type: none"> - Information relating to the IRIS contract: Le contrat IRIS.pdf. The flash invest also illustrates our sustainable approach Flash Invest BNPPF Private SRI (F).pdf - The details of PNB pricing: Tarifs des principaux services d'investissement - dynamique.pdf <p>It was noted that the reduced entry fee for Iris (0.5% instead of 1.5% for a minimum amount of 500k EUR) is only valid up</p>		

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	<p>until the end of September 2019.</p> <p>Following the presentation, some Board members (BE, TH, JN) insisted on performing a prior fully-fledged analysis of investment objectives (risk profile) as well as of the capital to be invested (out of 2.4 million euros excess cash) against APEEE operational needs per sector (“bucket 1”) over the next few years as well as the possible APEEE contributions to School’s projects (“bucket 2”), although the precise amounts for co-financing are still unknown at this point in time. They proposed that any investment decision is based on a clear spending policy on a medium- to longer-term basis as well as on the clarification of costs. BE queried the compliance of any decision with APEEE Statutes and asked about parental involvement in consultations.</p> <p>JN and TH insisted on starting slowly by applying – to the largest degree possible – the resolutions adopted in the most</p>		

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	<p>recent General Meeting, thereby initially dividing a significant amount of 1.1 million euros across a number of new bank accounts, thus each amount falling under the capital-guaranteed scheme; they were of the position that only the amount cited in the resolution for investment (400k euros) could be made available for investment with a relatively short horizon (3-5 years maximum) and this should be also shared between a few service providers in order to reduce risks. They suggested that possible investments in improving APEEE services (cafeteria renovation and enhancing quality) must be considered. Moreover, no decision must be taken, before the final 2018-9 figures are known. BE was in favour of a longer investment horizon of 5 years for an amount ranging from 400k to 500k euros.</p> <p>Other Board members (RA, YS, NS, GG, RL, ACD) were in favour of extending the horizon to beyond 10 years with a very minimum of 5 years. The available amount for investment could be easily set at 1 million euros or even at 1.5 million if this is managed in two parts and within a different timeframe.</p> <p>In reply to the various comments, GP stated that APEEE must protect its assets and that an investment appraisal delays the</p>		

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	<p>whole process, especially as cost constraints for all school activities vary over time. In fact, we can comply with the first part of the 2018 Resolution, “Invest excess cash into savings accounts and one or two balanced funds” but it is not possible to satisfy the second part of the resolution “with a floor protection of at least 95%, with daily liquidity”. (For ease of reference, AB’s written comment is quoted here:</p> <p><i>“The GA resolution calls for loss-limit at 95%. But it was misunderstood what it means. The GA and the Board assumed that there would be a floor under which the value would not fall. In practice, the loss-limit or stop-loss is an order at which the asset is automatically traded in order to close the position. However, this is available only on some products/by some providers. Furthermore, it means that the investment is converted into cash and a decision has to be made what to do next. If the rule is improperly used or mismanaged it can actually have negative impact on performance.”)</i></p> <p>AB recalled that only this year 50k EUR are lost by doing nothing against inflation, although the Board remained</p>		

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	<p>cautious and did not take any risk. APEEE has not been prudent in the past and suggested taking risks but only in the long run. He suggested that 1 million euros is to be used solely as a liquidity buffer, while the remaining 1.4 million is clearly qualified for an investment (financial and spending) strategy.</p> <p>KJ prepared a synthesis of the possible scenarios at the end of the Board meeting.</p>  <p>Management_of_APE EE_Funds.pptx</p>		
2. Révision des statuts et du règlement intérieur - État des lieux / Statutes and Internal Regulation's review - State of play (poss.)	The point was postponed to the next Board meeting in September/October 2019.		FZ Ad-hoc WG
A.O.B.	<p>BE and other Board proposed the APEEE looks at the possibility of introducing an “Eco-label” and suggested the provision of grass-fed meat in the canteen.</p> <p>RA queried the inability to use the calendar function in SMS</p>	P/N Education	WG Canteen

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	for primary teachers as it has been blocked by the school, although OSG enables the function and suggested a further discussion on the use of SMS calendar in Primary.	Council meeting on 8 October and Follow-up in the Board meeting on 15 October 2019	WG Primary Board

Prochaine réunion du CA prévue le mardi, 24 septembre 2019, à 19 heures²

Next Board meeting scheduled on Tuesday 24 September 2019, at 7 pm

Liste indicative des points / Indicative list of points

- i. Réunion avec le nouveau directeur/nouvelle directrice / Meeting with the new Director
- ii. Révision des statuts et du règlement intérieur - État des lieux / Review of Statutes and Internal Regulation - State of play

² The date of the next meeting moved finally to 1 October 2019 because of the S1-S7 class meetings planned for 24 September 2019.