

APEEE GENERAL MEETING OF 22 JANUARY 2018

MOTION 4 -proposed by the Board on APEEE ASSETS

Proposal of the cash management policy of APEEE

The WG confirms that currently:

There is no policy related to excess income or deficit

There is no optimal return on assets

- There is no investment policy
- There is no a policy to define reserve for legal obligations and unforeseen incidents
- APEEE is not protected against default of banks....
- APEEE is not protected against bankruptcy (while other APEEEs are)

Do not invest in :

- Term deposits (very low return, limited liquidity)
- Money market funds (negative return)
- Equity funds (can be volatile in short term)

State owned bonds (negative yield in short term)

Cash used for running operations

Keep the cash volume on c/a around 810 k€, with a recommended cash balance per sector :

- Keep the current accounts with one bank,
- one account per each sector,
- with interest rate at least 0%,
- with actively setup cash management to- and from the savings accounts

Resolution 1

a) Keep excess cash as reserve with optimal return

In order to limit risks for APEEE:

- to benefit of the 100k€ in each bank under deposit guarantee scheme of Belgium, and
- to keep legal reserves (just in case) – as done in the other APEEEs

Divide the reserve for 6 month salaries and other contractual obligations (around 1 mio€) among savings accounts of 5 or 6 banks (cca 150 k€ each), with return of 0.5-1%.

b) Invest excess cash into savings accounts and one or two balanced funds with a floor protection of at least 95%, with daily liquidity

In practice what is proposed is a combination of:

Minimum risk approach:

Invest excess cash into savings accounts only

Limited risk approach:

Invest excess cash / reserves of about 1mio in a daily liquidity fund, with floor protection, with a historical return with at least 1.5-3%, with limited volatility, SRI (socially responsible investment) shareclass

c) Annual profit of APEEE will be re-invested into staff training, ICT, infrastructure

- At least 25 % of any annual profit of APEE generated will be re-invested into staff training, ICT infrastructure, other improvement proposals as decided by the administrative board

(The rest will be added to a savings scheme)

