Chi Phi Educational Trust

INVESTMENT POLICY

Reviewed and amended by the Chi Phi Educational Trust on June 12, 2009; amended March 26, 2010, May 18, 2010, March 21, 2011, June 22, 2012, July 26, 2012, January 22, 2013

PURPOSE OF THIS STATEMENT

This statement is issued by the Board of Trustees of The Chi Phi Educational Trust and sets forth the objectives and guidelines to be used in the management of the monetary assets of the Chi Phi Educational Trust (the Fund). In a broad sense, the assets of the portfolio will be managed in a manner in keeping with its fiduciary nature and within the standards of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted in the State of Georgia. The primary purposes of this document are to:

1. Define the investment objectives of the Fund.
2. Establish and record the investment policies and guidelines for the prudent management of the Fund.
3. Provide a working document that can be used by the Board of Trustees in the management and oversight of the Fund.

INVESTMENT GOALS AND OBJECTIVES

1. The primary investment objective of the Fund is capital preservation. Being a perpetual pool of assets, it is appropriate to establish a policy by which the Fund can achieve the highest possible return within the Fund's risk tolerance.

2. The secondary goal is generation of current income through dividends, interest and appreciation. The Trustees understand that there is a need for cash outflow from the Fund in the form of educational programs and services. Although the estimated annual outflows may represent a significant draw on the current asset base, it is expected that fund-raising efforts will add significantly to the capital base from which the funds are taken. These withdrawals will be met through a combination of dividend and interest income and capital appreciation.

3. The goal for the investment of any equity asset is to outperform the relevant index (based on the asset class), net of fees over rolling three-year and longer periods. The Board recognizes that quarterly fluctuations in the prices of securities may cause the Fund to underperform its benchmark in shorter than three year periods. The Fund is to attain a total real rate of return of at least 6% per annum over the long term within acceptable levels of risk and volatility. The Fund is also expected to perform in the top 1/3 of all managers in the selected asset class as measured by an appropriate manager universe to be determined by the Board.

INVESTMENT POLICY

1. The investment of the Fund's assets will be governed by the following policies:

   a. The Fund's assets should be well diversified within those asset classes that will help it to achieve the primary objective of capital preservation and the secondary objective of current income generation. The Board should be mindful of the level of risk for all investment vehicles with risk being defined as the potential for loss in real terms in any one-year period.

b. The Fund's assets should be invested primarily in 1) equity securities, recognizing that historically the returns from equity investments over long-term investment horizons have tended to be higher than those achieved with fixed income investments and 2) fixed income securities, recognizing their stable income characteristics and lower risk profile. The other permissible investment vehicles are listed in section 1 under "Asset Allocation" below.

c. The Fund should be invested in a manner that would be considered as prudent by a responsible investor charged with the oversight of a similar pool of assets with similar goals and objectives.

d. If mutual funds are to be used, they will be no-load funds.

2. The oversight for the investment of the Fund's assets will reside with the Board of Trustees of The Chi Phi Educational Trust. The Board may delegate the day-to-day operations of the investment of the Fund to qualified investment organizations (including mutual funds) with the understanding that the investment of the Fund will be in accordance with this investment policy statement, however, notwithstanding anything to the contrary contained in this Investment Policy statement, assets invested in commingled vehicles (including mutual funds) will be managed in accordance with the investment policies, procedures, and guidelines set forth in the applicable prospectus, offering circular, or offering memorandum for such vehicles. The Board will also assign the responsibility for the selection and monitoring of the appropriate investment organizations or vehicles to the Investment Committee that will make regular reports to the Board on the performance of the Fund's assets.

a. All decisions regarding the hiring and firing of investment organizations and/or use of particular investment vehicles will be subject to a majority vote of the Board of Trustees.

b. The cost for the management of the assets within the Fund should be held to a minimum prudent level, given the appropriateness of the investment organizations or vehicles being used and the current market for investment services. The Board may decide to pay a higher cost for a certain investment vehicles in return for investment related services provided directly to the Fund that are in direct application to the objectives and administration of the Fund.

ASSET ALLOCATION

1. Given the long term nature of the Fund and its primary investment goal of capital preservation, the appropriate long-term strategic asset allocation would be:

	Asset Class	**Range**
a.	Equities	40% to 75%
b.	Fixed Income	20% to 70%
c.	REITs	0% to 10%
d.	Cash Equivalents	0% to 10%
e.	Hedge Fund of Funds	0% to 15%

2. Investments within each class will be made on a prudent basis given the goals and risk tolerances of the Fund and should be well diversified. To achieve the risk/return objectives for the long-term strategic asset allocation above, the strategic target for each specific portfolio investment product will be continuously evaluated and will fluctuate from time to time within the above-stated ranges as approved by resolution of the Trust or the Trust Investment Committee, as delegated by the Trust.

3. Investments within each class should be diversified between styles (growth and

value), sectors and maturities as selected by the investment advisor.

4. This section may be satisfied through the utilization of no-load mutual funds.

5. Dynamic Asset Allocation - Within the investments described above in the long-term strategic asset allocation, investments are permitted on an account-by-account basis in overlay portfolios, which are regulated mutual funds (the "Overlay Portfolios") to complement the long-term strategic asset allocation. This is known as the Dynamic Asset Allocation ("DAA") portfolio overlay strategy, which is designed to manage short-term portfolio risk and mitigate the effect of extreme outcomes by varying the asset allocation of a portfolio through investment in the Overlay Portfolios.

   The investments in the DAA Overlay Portfolios may cause the portfolio's overall exposure to equities, fixed income, REITs and other asset classes to vary significantly from the target allocations specified above under long-term strategic asset allocation. Another effect of investing in the Overlay Portfolios is that the portfolio will gain exposure to asset classes, through the holdings of the Overlay Portfolios, other than those contemplated above under long-term strategic asset allocation. The holdings of the Overlay Portfolios are limited only as provided in the prospectus then in effect for the Overlay Portfolios.

REBALANCING

1. Over time, an asset class allocation in any given account will move away from its long term strategic target. It is understood that it is inefficient to rebalance to the strategic target until the estimated added value more than pays for the transaction costs and taxes incurred in the rebalancing.

2. Generally, it is appropriate to rebalance once divergence from the target allocation is approximately 5% or greater, either via cash flows or by selling an asset class to bring the actual allocation closer toward its strategic target. However, other factors may cause the acceptable divergence level to increase or decrease as deemed appropriate by the managers. Some of these factors may include taxes, relative target weights and current market conditions.

3. Asset classes in the underlying portfolio will be rebalanced in accordance with the standard rebalancing process described above. However, if a short-term modification to the overall asset allocation is deemed warranted by the Dynamic Asset Allocation process, changes will be made within the DAA Overlay Portfolio. In addition, the DAA Overlay Portfolio will be rebalanced against the underlying portfolio so that it remains a consistent percentage of the overall asset allocation.

EQUITY INVESTMENTS

1. Equity holdings should be ones that are consistent with the primary goal of capital preservation with market capitalization in excess of $300 million. They may include common stocks, preferred stocks, ADR's, and issues convertible into common stocks.
2. All assets should have a readily attainable market value and be traded on the NYSE, AMEX, NASDAQ or other principal exchanges.
3. Exposure to a single issuer will be limited to 10% at market value at time of purchase for the Strategic Equity portfolio.
4. No single industry of the portfolio, as defined by GICS® (Global Industry Classification Standard), should be more than the greater of 3 times the weighting of

the same industry within the S&P 500 or 35% measured at market at the time of purchase.

FIXED INCOME INVESTMENTS

1. Fixed income securities are defined as contractual obligations of the United States Government, its Agencies or U.S. domiciled corporations. International securities may be considered.
2. All holdings should be Investment Grade, or better, as rated by an SEC registered Nationally Recognized Statistical Rating Organization.
3. Maturities can range from 1 to 30 years; however, the duration of the entire fixed income portfolio should be not less than five (5) nor more than fifteen (15) years.

REITs

1. Real-estate investment trusts, or REITS, are pooled investment vehicles that invest primarily in real-estate-related loans or interest, or income-producing real estate property interests.
2. REITs allow Chi Phi to participate in the commercial real estate market without the illiquidity, lack of diversification or high maintenance costs that are associated with owning individual pieces of properties, including office buildings, industrial warehouses, shopping centers, residential apartments and hotels.
3. To qualify as a REIT and be exempt from corporate income taxes, the company must distribute virtually all its taxable income to its shareholders every year.

CASH INVESTMENTS

1. Cash investments are defined as U.S. dollar denominated fixed income securities that mature in 13 months or less and includes money market funds.
2. Acceptable vehicles would include but not be limited to:

    a. United States Treasury and Agency securities;
    b. Prime Bankers Acceptances of major U.S. Banks;
    c. Certificates of Deposit of major U.S. banks;
    d. Commercial Paper of U.S. Corporations rated A-1 or P-1by Moody’s and Standard and Poors, respectively.
    e. Repurchase Agreements with major U.S. banks.

3. Money market funds of recognized brokerage firms or banks might also be used. These may invest in a combination of U.S. Treasury or corporate securities and generally while have a constant Net Asset Value (NAV) of $1.00.

HEDGE FUND OF FUNDS

1. The Fund may invest in a collective investment vehicle that operates as a fund of hedge funds.
2. Such fund will allocate its assets among investments in portfolio funds that are managed by unaffiliated asset managers that employ a broad range of investment strategies.
3. It may, however, concentrate its investments in particular strategies in order to take perceived investment opportunities or based on its current outlook. Such fund may make investments in entities classified as passive foreign investment companies.

COMMINGLED VEHICLE GUIDELINES

1. Investments in mutual funds, hedge funds, and other alternative investments, and other commingled investment vehicles are permitted, although it is understood that assets invested in such commingled vehicles will be managed solely in accordance with the investment policies, procedures, and guidelines set forth in the prospectus or other relevant document for such commingled vehicle, notwithstanding anything to the contrary set forth in this Statement of Investment Policy.

DYNAMIC ASSET ALLOCATION

1. Exposure to Dynamic Asset Allocation will be achieved through investment in the Overlay Portfolios of the Sanford C. Bernstein Fund, Inc.

PERFORMANCE MONITORING

1. The performance of the investments and investment managers of The Fund will be monitored on a quarterly basis by the Investment Committee and on a semi-annual basis by the Board of Trustees.
2. The investment returns of The Fund will be measured against the appropriate index for the investment class. The Investment Committee will be responsible for determining and monitoring the appropriate indices to be used.
3. Any investment manager that fails to meet the performance objectives of The Fund will be reviewed by the Investment Committee, which will make a recommendation to the full Board as to their future in managing The Funds assets.
4. The assets of The Fund may be rebalanced regularly due to;
   a. Asset classes reaching the upper limit of their allocation ranges;
   b. Recommended changes in the asset allocation arising from a significant changes in either the investment markets or the overall economy; and
   c. The addition of new asset classes arising from the significant inflow of new assets to The Fund.

LIQUIDATION OF GIFTED SECURITIES

1. Any securities received by The Fund as a donation will be offered to the current investment managers to see if the donated securities would fit their investment strategies. If they are not wanted, then the securities will be liquidated, and the cash either held for liquidity purposes or distributed to one or more of the investment managers for their investment.
2. Any securities received by the Fund and accepted by the Board of Trustees with the stipulation that they not be liquidated will be held and not liquidated, predicated upon a determination that such action provides a benefit to the Trust.

REVIEW OF INVESTMENT POLICY

1. The Investment Policy of The Chi Phi Educational Trust is meant to be a working document that will change over time as the needs of the Chi Phi Educational Trust change. Therefore, the Board of Trustees will review the Investment Policy on an annual basis at the first meeting of the Board in each fiscal year. This can be done in conjunction with a review of the prior fiscal year’s investment performance.
2. Changes to the Investment Policy can be recommended and discussed at any time in the interim but must be approved by the Board of Trustees.