

Chi Phi Educational Trust

INVESTMENT POLICY SUMMARY

Based on the Policy reviewed and amended by the Chi Phi Educational Trust on June 12, 2009; amended March 26, 2010, amended March 21, 2011, amended June 22, 2012, amended July 26, 2012

Introduction: This is a Summary of the Investment Policy adopted and utilized by the Board of Trustees to manage the Chi Phi Educational Trust endowment fund (the Fund). For a complete copy of the Policy, contact the Chi Phi Development Office at 404.231.1824.

Investment Objective: The primary investment objective of the Fund is capital preservation. The secondary goal is generation of current income through dividends, interest and appreciation. 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: The Fund's assets should be well diversified within equity securities (for historical return value) and fixed income securities (for stable income characteristics). The Fund's long term return should outperform a measure of inflation (CPI) plus 3%. 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.

Asset Allocation: The target allocation for the Fund is:

<u>Asset Class</u>	<u>Range</u>
Equities	40% to 75%
Fixed Income	20% to 70%
REITs	0% to 10%
Cash Equivalents	0% to 10%

Investments within each class will be made on a prudent basis given the goals and risk tolerances of the Fund. Investments within each class should be diversified between styles (growth and value) and among market capitalizations (small, medium and large),

sectors and maturities as selected by the investment advisor.

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. All holdings should be Investment Grade, or better, as rated by an SEC registered Nationally Recognized Statistical Rating Organization.

Governance: The oversight for the investment of the Fund's assets resides with the Board of Trustees. The Board delegates the day-to-day operations of the investment of the Fund to AllianceBernstein. The Board assigns the responsibility for the selection and monitoring of AllianceBernstein and its investment vehicles to the Investment Committee that makes regular reports to the Board on the performance of the Fund's assets.

Fund Managers: AllianceBernstein: After an extensive review, the Trust moved all of its monetary investments to AllianceBernstein (NYSE: AB; www.alliancebernstein.com) in January 2010. AllianceBernstein is a research-driven investment firm that is global in scope and client-centered in its mission. They offer a comprehensive range of investment services across regions and along the risk-and-return spectrum: style-pure growth equities and value equities; style blend equities; fixed income; index and structured services; alternative investments; and both customized and packaged multiasset-class solutions. As of March 2010, AllianceBernstein has \$501 billion worth of assets under management.