



**DELTA CHI EDUCATIONAL FOUNDATION**  
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### **Delta Chi Educational Foundation Investment Policy**

Adopted by the Board of Directors on March 26, 2015

\* There shall be the creation of three (3) “portfolios” where the non-Real Estate assets of the Educational Foundation will be held.

Portfolio One called “Short Term” will hold the funds that will be needed in the next eight (8) months.

The Short Term needs shall factor in the monthly re-occurring expenses, grant request fulfillment, marketing expenses, fund raising expenses, etc...

The amount to be in this portfolio shall be determined by the Chief Administrative Officer (CAO), Treasurer and the Board appointed representative from the Board to the Investment Advisory Committee.

These funds shall be held in a checking account and/or money market managed by the CAO.

Portfolio Two, called “Intermediate Term”, shall hold funds that may be requested in the period between eight (8) months and twenty-four (24) months.

The assets in Portfolio Two shall be invested 80% Income Fund investments and 20% Growth Fund investments.

Portfolio Three, called “Long Term”, shall hold funds that should not be needed in the next 24 months.

The assets in Portfolio Three shall be invested 40% Income Fund investment and 60% Growth Fund investment.

The funds in Portfolio Two and Portfolio Three are to be managed by the Investment Advisory Committee of the Delta Chi Educational Foundation.

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Income Fund investments shall be primarily invested in U.S. Treasury securities; investment grade corporate bonds, bond funds, and/or exchange traded funds; FDIC insured Certificates of Deposits; money market funds and cash equivalents.

The Income Fund investments with maturities will generally be structures in a laddered format and held until maturity after purchase.

The IAC has the discretion to lengthen or shorten the average maturity of investments depending upon the interest rate environment at the time of investment.

Growth Fund investments will be invested with the objectives of moderate capital appreciation and income within an acceptable aggregate risk level.

The Growth Fund investments may include domestic and foreign stock mutual funds and exchange traded funds, long-short/market neutral mutual funds, Real Estate Investment Trusts (REIT), dividend paying domestic and foreign stocks, etc.

The Growth Fund may have cash in it from time to time during re-allocation periods, rebalancing of the Funds or maturity/sale of investments.

Performance Evaluation Performance of all Growth Fund investments will be reviewed at least quarterly against appropriate benchmarks.

Rebalancing The Growth Fund will have many increases and possibly decreases in value with the passing of time. The IAC will, at its consensus discretion, “rebalance” the total investments in both Portfolio Two and Three to maintain the targeted allocation balance between Income and Growth in each portfolio taking into account market changes and needs of the Foundation when making a decision.

As a guideline, the IAC will rebalance when either the Growth or Income Fund has a variance of approximately 4% from its targeted allocation in either portfolio.

The IAC may, at its consensus discretion, decide to post-pone a rebalancing if the committee thinks the market conditions are not right to do such at that time.

\* It will be the Executive Committee of the Educational Foundation’s responsibility to decide which account will be placed into which Portfolio. The

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IAC will only be allocating assets into the Growth Fund and Income Fund based on the amount that the Executive Committee informs the IAC of how much needs to be in Portfolio Two. All other assets will be placed in Portfolio Three.

\* The CAO shall inform the IAC and the Executive Committee when funds are needed at least 30 days in advance of any needs so that the IAC may make those funds available without penalty to an investment.