**INVESTMENT POLICY STATEMENT**

# PREAMBLE

The Delta Kappa Gamma Ohio State Organization (hereafter in this document known as OSO), as a fiduciary, holds all of the funds of The Delta Kappa Gamma Ohio State Organization. Therefore, even the legally unrestricted funds of OSO are held by the corporation as a steward for the sake of carrying out the business of the OSO as it supports its mission and purposes. The Executive Board of OSO (hereafter in this document known as the Board) is the decision-making body for the corporation. The following investment objectives and directions are to be judged and understood in light of that overall sense of stewardship.

#  DELEGATION of INVESTMENT RESPONSIBILITY

The OSO President, First Vice President, Treasurer and appointed OSO members termed in this document the OSO Finance Committee, acting on behalf the membership, and with its full faith and support, has supervisory and reporting authority over its financial affairs. The OSO Finance Committee is responsible for reporting on investments to the Executive Board. In carrying out its responsibilities, the OSO Finance Committee will act in accordance with these Investment Policies (the Policies) and all applicable laws and regulations. The Executive Board reserves to itself the exclusive right to revise the policies.

The Executive Board and its OSO Finance Committee are authorized to retain one or more Investment Financial Advisors to assume the investment management of funds and assets owned or administered by the Delta Kappa Gamma Ohio State Organization. The day-to-day investment decisions are delegated to such Financial

Advisors, subject to the policies outlined in this Investment Policy Statement. The

Executive Board may also grant exceptions to the Investment Policies when appropriate. The Executive Board will retain investment managers as needed to meet OSO investment objectives.

# INVESTMENT OBJECTIVES

The primary investment objective of The Delta Kappa Gamma Ohio State Organization is to preserve and protect its assets, by earning a total return with respect to time horizon, liquidity needs, and risk tolerance. OSO considers its investment policy as a basic tool for the implementation of a long range investment program; therefore, OSO will avoid substantive changes over short periods of time or reacting to current short term market conditions.

# ASSET ALLOCATION

The Executive Board shall establish and approve the asset allocation guidelines with the assistance of the OSO Finance Committee. To accomplish OSO investment objectives, the Financial Advisor(s) is authorized to utilize portfolios of equity securities (common stocks and convertible securities), fixed-income securities, and short-term (cash) investments. As a guide to accomplishing these objectives, the Financial Advisor(s) shall remain within the ranges provided in Appendix A. The Executive Board can modify these ranges from time to time. The actual investment targets shall be set within those limits by the Financial Advisor(s) in conjunction with the OSO Finance Committee. The asset allocation mix and target ranges will be reviewed and, if appropriate, revised as directed by the Executive Board at least once per year. The allocation will be rebalanced to target weights semi-annually, and as otherwise required by significant market movements.

# ASSET CLASS GUIDELINES

1. Common and preferred stocks – The Financial Advisor(s) may invest in any unrestricted, publicly traded common or preferred stock that is listed on a major exchange or a national, over-the-counter market that is appropriate for the portfolio objectives, asset class (such as Large Cap Value and Growth, Small/Mid Cap Value and Growth, or International Value and Growth). In addition the funds may be invested in Real Estate Investment Trusts (REITs), American Depository Receipts (ADRs), mutual funds, exchange traded funds (ETFs), and oil and gas Master Limited Partnerships (MLPs).
2. Fixed-income securities – The quality rating of bonds and notes must be

“BBB/Baa” or better, as rated by Standard & Poor’s or Moody’s. The portfolio may consist of only traditional principal and interest obligations (no derivatives) with an average maturity of twenty years or less. Permissible fixed-income investments include US Government obligations and its agencies, treasury inflation protected securities (TIPS), corporate bonds, asset-backed securities, international bonds, mutual funds, and exchange traded funds (ETFs).

1. Cash/Cash equivalents – The quality rating of commercial paper must be A-1, as rated by Standard & Poor’s, P-1, as rated by Moody’s, or better. The assets of any money market mutual funds must comply with this standard and/or the quality provisions for fixed-income securities. Permissible cash investments include US Treasury Bills, Commercial Paper, and Certificates of Deposit.
2. Alternative Investments -- Alternative investments may provide an investment portfolio improved risk-return characteristics. They may also increase diversification and provide for additional return while maintaining or reducing portfolio volatility.  Alternative investments may include funds investing as a hedge to the equity or fixed income markets, market neutral strategies, managed futures or commodities.   These funds should utilize an open-ended mutual fund or an ETF structure that provide daily liquidity.

# ASSET DIVERSIFICATION

As a general policy, the Financial Advisor(s) will maintain reasonable diversification at all times according to the acceptable ranges in Appendix A. Ohio State Organization expects its asset allocation policies to reflect, and be consistent with, the investment objectives and risk tolerances of the OSO. The Financial Advisor(s) will rebalance to the asset allocation target should the allocation fall outside the acceptable range.

# TRANSACTIONS

All purchases of securities will be for cash and there will be no margin transactions, short selling, or commodity transactions.

# INVESTMENT CRITERIA BASED ON MISSION OR SOCIAL RESPONSIBILITY

The Delta Kappa Gamma Ohio State Organization desires to invest in companies whose business conduct is consistent with OSO goals and beliefs. Therefore, the Finance Advisor(s) will use its best efforts to avoid in investing directly in the securities of any company know to participate in businesses OSO deems to be morally offensive.

# MANAGED ACCOUNTS

The Delta Kappa Gamma Ohio State Organization desires to accomplish the investment objectives of OSO by utilizing money managers who will adhere to the criteria of this investment policy. The equity managers may use the large capitalization growth style, the large capitalization value style, small/mid- capitalization growth style, small/mid-capitalization value style, or an international growth or international value style. The fixed income manager should invest in fixed income securities meeting the criteria of this investment policy.

# REPORTING REQUIREMENTS

1. Monthly – The Financial Advisor(s) will provide OSO Finance Committee with a monthly written statement containing all pertinent transaction details for each separately managed portfolio for the preceding month, including:
	1. The name and quantity of each security purchased or sold, with the price and transaction date;
	2. An analysis for each security of its description, percentage of total portfolio, purchase date, quantity, average cost basis, current market value, unrealized gain or loss, and indicated annual income and yield (%) at market;
	3. An analysis for the entire portfolio and the current asset allocation by investment category (equities, fixed income securities, and cash reserves.
2. Periodically – The Finance Advisor(s) shall provide the OSO Finance Committee detailed information about (1) asset allocation, (2) investment performance, (3) future investment strategies, and (4) any other matters of interest to the Committee.

1. Annually – The Financial Advisor(s) shall provide an annual summary of all transactions in each fiscal year, together with a report of investment performance for the year by portfolio, to the OSO Finance Committee.

# CASH FLOW REQUIREMENTS

The Ohio State Organization Finance Committee will be responsible for advising the Financial Advisor(s) in a timely manner of OSO cash distribution requirements. The Financial Advisor(s) is responsible for providing adequate liquidity to meet OSO cash flow requirements in accordance with this policy.

# Appendix

Entity Investment Asset Class

Ohio State Organization Equities: 0 - 70%

 Fixed Income: 25 - 75%

 Alternatives: 0 – 15%

Cash: 3 – 25%