



The Bylaws of the Alpha Kappa Psi Portfolio

Prepared By: Alpha Kappa Psi Nu Pi Investment Committee
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ARTICLE I: PURPOSE OF THE FUND

A. Investment Goals

1. The Alpha Kappa Psi Nu Pi Chapter Investment Portfolio aims to provide a structured, student-managed platform for applying financial theory to real-world investment scenarios. Through hands-on involvement in financial analysis, strategic asset allocation, and portfolio management, the fund seeks to beat S&P 500 index returns over rolling three-year periods, while fostering a disciplined, risk-aware investment mindset among its members.

B. Professional Development

1. This portfolio offers students immersive investment experience to prepare members for investment banking and wealth management careers. By participating in the end-to-end investment process, members build critical technical skills—such as equity research, valuation, risk assessment, and portfolio construction—while also strengthening soft skills like communication, leadership, and decision-making under uncertainty. The program prepares students to excel in competitive internships and full-time roles within the finance industry.

C. Contribution to Alpha Kappa Psi

1. The investment portfolio enhances Alpha Kappa Psi Nu Pi Chapter's mission by aligning professional development with experiential learning. It also contributes to the Nu Pi chapter's funding, allowing more professional events and fraternity networking.
2. The fund also serves as an internal training ground for members by providing regular workshops and knowledge-sharing sessions. These include stock pitch training, fundamentals of portfolio diversification, and guidance on building and delivering compelling investment theses. By equipping members with these practical tools, the fund helps strengthen the chapter's overall financial literacy and ensures that all participants, regardless of prior experience, can actively contribute to and learn from the fund's activities.

ARTICLE II: MEMBERSHIP AND ROLES

A. Portfolio Manager

1. The Portfolio Manager is a year-long elected position as the executive of the Alpha Kappa Psi Nu Pi Investment Portfolio. This individual is responsible for overseeing the strategic vision, management, and performance of the fund. Duties include leading portfolio meetings, facilitating investment discussions, and making final decisions on all trade recommendations, with input from the Portfolio Committee. The Portfolio Manager will maintain communication with the faculty advisor and regularly present performance reports at chapter meetings. These performance reports will be quarterly and benchmark the fund against the S&P 500 index.

B. Portfolio Committee

1. The Portfolio Committee is a year-long position consisting of two selected chapter members. Responsibilities focus on active research and analysis of current and potential satellite positions. Each member is expected to contribute to investment proposals and will cover a breadth of industries to promote

well-rounded knowledge and skill development. The Committee collaborates closely with the Portfolio Manager to ensure responsible investment decisions and will document all activities to maintain transparency. The Committee may also be tasked with organizing professional development sessions for chapter members.

C. Faculty Advisor

1. The Faculty Advisor shall act as an experienced mentor and guide, providing feedback on investment strategies and ensuring adherence to fraternity and university policies. When appropriate, the Faculty Advisor may also facilitate connections with industry professionals or represent the fund in university-wide financial forums. Every investment decision is verified by the faculty advisor, ensuring each one has logical, sound reasoning.

ARTICLE III: INVESTMENT STRATEGY

A. Core Satellite Strategy

1. The AKPsi Portfolio will be invested in 100% equities. The **core** of the portfolio consists of diversified passive investments such as ETFs and index funds, providing consistent market exposure and stable returns. The **satellite** portion is actively managed, allowing student analysts to research, select, and monitor individual stocks or sectors. This strategy balances risk with growth opportunity.
2. No more than 10% of the total fund shall be invested in a single security, and no more than 50% of the total fund shall be invested in a single industry. Individual stock investments should be mid- or large-cap with a minimum \$2B market cap.
3. 75% of the portfolio will be allocated to the core and 25% to the satellites.
4. The portfolio will be reviewed quarterly and rebalanced to match percentage allocation guidelines.
5. A maximum of 20 stocks will be held as satellites at one time.
6. No more than 10 trades will be executed each semester.
7. Shorting or buying on margin is prohibited.
8. The fund operates under moderate risk tolerance, appropriate for long-term growth. Each investment decision should align with the portfolio's principles of diversification, capital preservation, and ethical investment practices.

B. Uninvested Cash

1. Cash holdings will not surpass 5% of total funds unless as a strategic decision to reduce market exposure or during reallocation periods.
2. All dividends will be automatically reinvested into the portfolio's core holdings.

ARTICLE IV: DECISION-MAKING

A. Proposals

1. Proposals are raised by the Portfolio Manager or Committee members during a scheduled meeting. The proposal does not need to be fully developed at this stage. Instead, the purpose of the initial presentation is to introduce the idea, explain the basic rationale, and spark interest among members. Once an idea is proposed, all fund members (manager and committee members) are expected to conduct their own independent research before the next meeting. This includes evaluating the company's financials, risk factors, industry outlook, and how the investment

would fit into the current portfolio. At the next meeting or at another time decided upon by the fund members, an investment decision is reached.

B. Decisions

1. A buy, hold, or sell decision must be unanimous among the fund members. If a consensus cannot be reached, the trade won't be executed.
2. If a member proposes a sell, they must also propose an alternative stock to buy in place of the sold position.
3. All investment decisions shall be approved by the fund's faculty advisor.

ARTICLE V: MEETINGS AND EXPECTATIONS

A. Meetings

1. The fund members will meet **biweekly** at an agreed upon time. At this meeting, members will discuss overall portfolio performance, track satellite performance, and propose trades. They will also finalize investment decisions regarding proposals from the previous meeting
2. Fund members are expected to attend every meeting. They are allowed two absences with a legitimate reason (sickness, family, etc.). If necessary, members may attend the meeting through Zoom, though in person attendance is strongly preferred.
3. If a member has excessive absence or fails to communicate in a timely manner, they may be subject to removal by a majority vote.
4. All members are expected to contribute to discussion of the portfolio at each meeting and are required to propose at least one buy/sell during the semester. Due to the long-term goals of the portfolio, there will be more holds than buys/sells executed.

B. Documentation

1. Each trade, including rationale, will be stored inside the "Portfolio" folder within the AKPsi Google Drive. All chapter members will have access to view the trades.
2. General stock holdings and performance reports will be posted on social media for public viewability.

ARTICLE VI: AMENDMENTS

A. Amendments

1. The bylaws document can be amended at the beginning or end of each semester. Any proposed changes must be approved by all members and the faculty advisor.
2. All approved amendments will be documented inside the "Portfolio" folder within the AKPsi Google Drive. All chapter members and future managers will have access to view the amendments.