

INVESTMENT PARAMETERS

Last Amended: October 21, 2025

The 2025-2026 Masters Student Investment Fund has established the following guidelines for managing the portfolio.

I. Portfolio Objectives

- a. The Fund aims to achieve an annual return of 12%, with an annualized standard deviation of 12%, beta of 0.8 and a Sharpe and Sortino Ratios of approximately 0.66 and 0.94 respectively.
- b. The Fund should limit idiosyncratic risk to 20% of the total portfolio risk.
- c. The Fund should not hold more than 4% of the portfolio in a single stock position.
- d. The Fund should not allocate more than 20% of the portfolio to any one industry.
- e. The Fund's performance benchmarks include an alpha target of 3.19% and a Treynor Ratio of approximately 0.10.

II. Fund Allocation Protocols

- a. Upon a majority vote, a strategy will be added if the portfolio has sufficient cash available.
- b. If cash is insufficient, an existing strategy may be liquidated upon team proposal.

III. Proposal Requirements

- a. Strategy Proposal Format: All strategy proposals should follow the templates found on Canvas, allowing for justified deviations.
- b. Sale Proposal Format: Sale proposals should follow the templates found on Canvas, with flexibility for justified deviations.

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Update this section accordingly. Revision is suggested.

Last Amended: October 28, 2024

The 2024-2025 Masters Student Investment Fund has established the following guidelines for managing the portfolio.

IV. Portfolio Objectives

- f. The Fund aims to achieve an annual return of 19%, with an annualized standard deviation of 12%, beta of 0.7 and a Sharpe and Sortino Ratio of approximately 1.0.
- g. The Fund should limit idiosyncratic risk to 20% of the total portfolio risk.
- h. The Fund should not hold more than 3% of the portfolio in a single stock position.
- i. The Fund should not allocate more than 20% of the portfolio to any one industry.
- j. The Fund's performance benchmarks include an alpha target of 2.75%, a maximum drawdown limit of 20%, and a Treynor Ratio of approximately 0.15.

V. Fund Allocation Protocols

- c. Upon a majority vote, a strategy will be added if the portfolio has sufficient cash available.
- d. If cash is insufficient, an existing strategy may be liquidated upon team proposal.

VI. Proposal Requirements

- c. Strategy Proposal Format: All strategy proposals should follow the templates found on Canvas, allowing for justified deviations.
- d. Sale Proposal Format: Sale proposals should follow the templates found on Canvas, with flexibility for justified deviations.