South Hill Fund

Investment Guidelines, Best Practices, Policies, and Procedures for the Management of the South Hill Fund

May 6, 2026

Executive Summary

The Ithaca College South Hill Fund is an umbrella fund comprised of three sub-funds: an equity portfolio managed as part of the Equity Analysis - (FINA 38000) course and the Equity Portfolio Management (FINA 38500) course, a fixed income portfolio managed as part of the Fixed Income Analysis (FINA 37500) course, and a second equity portfolio managed by the Core Trading Consultants, a student club.

As of May 6, 2026, the combined value of the portfolio -was approximately $1.5million and was made possible by generous alumni donations. Oversight of the South Hill Fund is provided by the School's Investment Advisory Board [the IAB includes the Finance Faculty].

- **Academic Objective:** To expose students to the real world of investing including - Fundamental security research, portfolio analysis, and portfolio management; to help develop and refine students' skill set in analyzing the performance of companies, evaluating the broader stock and bond markets, making portfolio-driven investment decisions, and understanding the financial risks involved in those decisions.

- **Portfolio Objective:** To deliver superior risk-adjusted returns relative to the benchmark over the long term by using rigorous Fundamental analysis to identify and own high-quality companies; to help fund a sustainable annual withdrawal rate of about 4% for the Ithaca College Investment Track Scholarship.

South Hill Fund: Overall Guidelines

There are certain administrative guidelines that apply to all three sub-funds and to the umbrella fund.

- All portfolio decisions must be made by the students, with guidance from faculty, advisors, and the IC Investment Advisory Board (IAB).
- Students should conduct in-depth Fundamental research when evaluating and pitching individual stocks or ETFs to buy or sell.
- Students must reach a consensus in terms of determining what to sell and/or buy in the portfolio. This is a democratic investment committee. Majority rules.
- Students should evaluate the portfolio from a top-down perspective when determining sector weights, Duration target, Interest Rate risk, and Credit risk with consideration given to the current macro-economic environment (interest rates, economic growth, corporate earnings trends etc.).
- Portfolio rebalancing decisions, based on sector and position constraints, should be made throughout the - the semester, when appropriate.
- The fund is organized as a not-for-profit special activity fund under the umbrella of Ithaca College, therefore there are no tax implications from trades.
- All trade proposals decided upon by students will be executed by a faculty member who has trading authorization.
- The portfolio will be monitored during the off-semester months by faculty and IAB members. During the summer break, the Investment Director, in concert with the Investment Program Manager will facilitate hiring a summer intern from the asset management specialization for 10 to 15 hours per week.
- All trade executions and the rationale behind the portfolio trades will be summarized and sent to the IAB, along with performance, on a quarterly basis.
- Total cash position of the portfolio should range from 0.5% to 7.5% of the value of the portfolio. Cash can be held in a Money Market fund.
- Use of leverage is not permitted in the portfolios.
- Use of derivatives, including Option trading, is not permitted in the portfolios.
- A semester-end presentation will be made to the IAB, giving students the opportunity to receive feedback from seasoned professionals. This presentation should discuss the direction of the overall portfolio, current portfolio exposures, past performance, review of recent trades, and investment recommendations.
    - Portfolio performance should be reported with and without the cash position to account for the cash necessary to fund the Investment Track Scholarship.
- The distribution for the Investment Track Scholarship will be allocated on a pro-rata basis between the equity portfolio managed by the Equity Analysis and Equity Portfolio Management courses and the Fixed Income Analysis course. The equity

portfolio managed by the Core Trading Consultants is explicitly excluded from this allocation.

These guidelines aim to ensure that the student managed fund is comprised of a diversified portfolio of high-quality investments that prove resilient amid periods of increased market volatility, thus reducing the need for any portfolio adjustments during off-semester months.

SHF Equity Portfolios (Equity Analysis, Equity Portfolio Management and Core Trading Consultants)

Benchmark: The S&P 500

Investable Universe: Companies within the FTSE Russell 1000 Index.

Sector Constraints: The portfolio will target a +/- 50% band to each individual sector within the S&P 500 Index. For example, if the S&P 500 index has a 20% allocation to the technology sector, the maximum and minimum portfolio weight to the sector would be 30% and 10%, respectively.

Position Constraints: No individual stock may make up more than 10% of the portfolio. For the largest 100 members of the index, the individual position can be no larger than 2 times their proportion of the index. For the remaining 900 members of the index, the position size is capped at 2% of the portfolio. The portfolio should target an average 2% weight with anywhere from 40 to 60 individual stock holdings.

Rebalancing Trades: When sector or portfolio constraints are hit, rebalancing trades should be executed, with direction from the students as to what to buy and sell, to satisfy the constraints.

Individual stocks vs ETFs: Broad-based index or sector ETFs can be held as a placeholder for exposure in certain areas of the market, but the portfolio should ultimately be made up of about 40 to 60 individual stocks with little to no ETFs.

Additional Guidelines:

- Sector analysts should offer recommendations on whether to add, reduce, or maintain current exposure to their assigned sector.
- Stock pitches in the portfolio should be long-term oriented. Short-term day or swing trading is not permitted in the portfolio.
- Students should re-evaluate stock positions bought in prior semesters and look back to the original students' theses to see if anything has changed, if price targets have been met, and the current environment merits profit taking. In other words, does it still make sense to own?

- When initiating a purchase recommendation, a price target should be established that triggers reevaluation of the position.

SHF Fixed Income Portfolio (Fixed Income Analysis)

Benchmark: The Bloomberg Aggregate Bond Index

Investable Universe:

- U.S. Treasuries and Agency debt, Mortgage-backed securities, Commercial-mortgage-backed securities, corporate debt, High Yield debt, international and Emerging Markets debt.
- Municipal bonds should not be used in the fund due to the tax-exempt status of the fund.
- With the exception of U.S. Treasury Securities, Fixed income ETFs are the required holding vehicle over individual securities due to the illiquidity associated with individual securities, higher costs incurred from large bid /ask spreads, as well as higher trading commissions related to individual bonds.
    - At the discretion of the Fixed Income Analysis course faculty, U.S. Treasury Securities can be purchased and held in the portfolio.

Portfolio Constraints: Maintain a broadly diversified fixed-income portfolio with consideration given to the portfolio's overall Credit quality, Yield, Interest Rate risk, and Duration in relation to the broader macroeconomic environment.

Duration Risk: The maximum average duration of the portfolio is capped to the upside at 7 years.

Sector Exposure Limits:

- Exposure to High-Yield debt is limited to 20% of the portfolio.
- Exposure to Emerging Markets debt is limited to 10% of the portfolio.
- International debt securities should not exceed 30% of the portfolio, including Emerging Markets debt.
- Exposure to corporate securities should not exceed 40% of the portfolio.
- Exposure to Mortgage-backed securities should not exceed 40% of the portfolio.

Additional Guidelines

As part of the Fixed-Income Analysis class, students should re-evaluate positions, sector exposures, Credit risk, Duration, and Interest Rate risk of the overall portfolio.