

**BULLDOG INVESTMENT FUND
INVESTMENT POLICY
as amended in November, 2009**

The Bulldog Investment Fund (the Fund) and its constituents (Trustees of Samford University, the Fund Board, and student managers of the Fund) deem it desirable to set forth herein a policy to guide student managers' investment decisions.

Section 1. Investment Goal. The investment goal of the Fund is to maximize the long-term rate of return consistent with prudent risk limits.

Section 2. Fund Objectives. The Fund's objectives are

- a. To deliver experiential education in securities analysis and portfolio management.
- b. To generate an investment return (capital gains and income) that consistently exceeds the benchmark's total return.

Section 3. Benchmark, Return Measurement.

- a. The Standard & Poor's 500 Index (S&P500) will be the Fund's benchmark.
- b. Since the Fund is exempt from federal and state taxation, the return goal is based on total return with no preference given to whether the return comes from dividends, interest, or capital gains.
- c. Monthly returns shall be calculated using a time-weighted rate of return and assuming that all external flows occur mid month. Periodic returns (greater than one month) shall be linked geometrically.

Section 4. Allowed Investments. The Fund may:

- a. Purchase equity securities that are listed on one or more national or regional U.S. exchanges. American Depository Receipts (ADR) and real estate investment trusts (REIT) are expressly permitted.
- b. Purchase exchange traded funds (ETFs). However, the Fund must be able to demonstrate that no securities within the ETF conflict with the values and mission of Samford University. Thus, as a practical matter, broad index ETFs are not permitted.
- c. Purchase and sell listed options. However, the Fund may employ only two option strategies: buying protective puts and writing covered calls. See Section 6 for further limitations.
- d. Hold cash to meet operating expenses, to anticipate withdrawals, or to avoid adverse market conditions.

For all investments, the Fund must be able to demonstrate that the issuer's primary business does not conflict with the values and mission of Samford University.

Section 5. Disallowed Investments, Activities. The Fund may not:

- a. Borrow money.
- b. Take positions in futures or forward contracts.

- c. Purchase mutual funds other than exchange traded funds. This clause explicitly prohibits hedge funds.
- d. Purchase privately-placed securities with limited or no liquidity, such as limited partnerships.
- e. Purchase real estate, collectibles, metals, or currency.
- f. Sell short.

Section 6. Risk Tolerance, Management. The Fund has an infinite time horizon and, as such, has a high tolerance for risk. However, the Fund should mitigate risks by diversifying across industry sectors and individual securities as set forth below:

- a. The Fund's target asset allocation is 100 percent in equities. The actual allocation may decrease to as little as 60 percent in order to allow students to manage risk under adverse market conditions and permit them to gain experience with other asset classes.
- b. The Fund shall maintain an exposure to each economic sector (as defined from time to time by Standard & Poors) that is within 50 percent of the sector's weight in the S&P500. By way of example, if the energy sector has a 15 percent weighting in the S&P500, the fund may have between 7.5 percent and 22.5 percent in energy securities.
- c. If a sector has less than a 5 percent weighting in the S&P500, the Fund may elect to have no exposure to that sector.
- d. ETFs shall be allocated to a sector based upon its securities' weightings. For ease of implementation, an ETF that identifies itself as a sector ETF shall automatically be allocated to said sector.
- e. At the time of purchase, a single security may comprise no more than 7 percent of the Fund.
- f. Listed put options may be purchased to protect either specific securities or the portfolio as a whole. At the time of purchase, the notional value of the puts may not exceed the market value of the security or portfolio being protected. In addition, the Fund must not allow the notional value of all put positions to exceed the Fund's total value at any time. The Fund shall exercise care choosing puts that closely match the characteristics of the securities being protected. The purchase of index puts is expressly allowed. The "sin stock prohibition" is not relevant here since a put increases in value only when the underlying stock or index declines in value.
- g. Listed call options may be written on existing securities or as a coordinated position with a new security purchase. At no time shall the number of shares represented by the options exceed the number of shares held in the security.

Section 7. Reports. The Fund shall submit monthly performance reports to its Board and the investment officer of the university in form and substance satisfactory to all parties. The Fund managers shall make an oral presentation to the Trustees of the university (or its assigns) at least once each semester.

Section 8. Dormant Periods. At the end of each semester, the Fund managers shall create a plan for the operation of the Fund during times when class is not in session. This plan shall set forth stop loss amounts (per share) for each security in the portfolio, and the Fund shall place orders in conformity with this plan. The amounts will be set by the Fund managers and shall not be subject to review except in instances where the plan, if executed, would violate the provisions of this policy. The Fund Board shall meet periodically during dormant periods to review holdings of the Fund. Except under extreme circumstances, the Board will respect the wishes of the Fund managers and adhere to their plan.

Section 9. Policy Changes. Fund managers are expected to review this policy and recommend changes

that reflect the current economic climate, market conditions, educational opportunities, and changes in the investment management industry. Such changes must be approved by the Fund Board before being implemented. The Fund Board may elect to involve the Trustees in the approval process as it deems necessary.

Approved by the Bulldog Investment Fund Board at its meeting of _____, 2009.

Chairman of the Investment Committee