

# **Investment Policy for Naples Reserve Homeowners Association**

**Approved: June 14, 2023 BoD Meeting**

## **Investment of Funds**

The Board of Directors of Naples Reserve Homeowners Association shall invest funds held in the Working Capital and Reserve Accounts to generate revenue that will accrue to the various account balances pursuant to the following goals, criteria, and policies:

- a) Safety of Principal – Promote and ensure the preservation of investment fund principal.
- b) Liquidity and Accessibility – Structure maturities to ensure availability of assets for projected or unexpected expenditures.
- c) Minimal Costs – Investment costs (redemption fees, commissions, and other transactional costs) should be minimized.
- d) Diversity – Mitigate the effects of interest rate volatility upon investments.
- e) Return – Funds should be invested to seek the highest level of return, consistent with other investment goals.

## **Limitation on Investments**

Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured, SIPC (Securities Investor Protection Corporation) insured, and/or issued by the U.S. government or government sponsored entities.

## **Investment Strategy**

The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach. This will be done after referencing Reserve Studies and Cash Flow Analysis to ensure anticipated liquidity needs of the Association are met.

## **Independent Professional Investment Assistance**

The Board of Directors of the Association may hire a Registered Investment Advisor to assist in the formulating and specific investment strategy if deemed necessary.

## **Review and Control**

The Board shall review Working Capital and Reserve Fund Investments periodically to ensure that the investment of funds is meeting our goals and objectives and shall make prudent adjustments as needed.