

# Naples Reserve Homeowners Association

## Investment Policy

Board Approved Effective October 16, 2024

### Investment of Funds

The Board of Directors (Board) of Naples Reserve Homeowners Association (NRHOA) shall invest funds held in the *Working Capital Account* and *Reserve Account* to generate return income that will accrue to those respective accounts pursuant to the following goals, criteria, and policies:

- a) Safety of Principal – Investment vehicles should promote and ensure the preservation of investment fund principal.
- b) Liquidity and Accessibility – The selection of investment vehicles should structure maturities to enable availability of assets for projected or unexpected expenditures.
- c) Investment Costs – All investment purchases must minimize any Investment costs (redemption fees, commissions, and other transactional costs).
- d) Diversity – The selection of investment vehicles should mitigate the effects of interest rate volatility upon investments.
- e) Return – All funds should be invested to seek the highest level of return, given (a) – (d) above.

### Limitation on Investments

Unless otherwise approved by the Board, all investments under this Policy will be FDIC (Federal Deposit Insurance Corporation) insured, and/or Guaranteed by the United States Government.

### Investment Strategy

The investment strategy of NRHOA should demonstrate a long-term outlook by diversifying the maturity dates of all non-equity instruments within the portfolio utilizing a laddered investment approach. This will be done in consideration of the NRHOA Reserve Studies and Cash Flow Analysis.

### Independent Professional Investment Assistance

The Board of NRHOA may hire a qualified investment counselor to assist in any aspect of the investment process, especially when total Investments exceed \$2,000,000.

### Review and Control

The Board shall review *Working Capital Account* and *Reserve Account* Investments periodically to ensure that the funds are in compliance with this Policy and make adjustments as appropriate.