

Colorow at Squaw Creek HOA Investment Policy

Investment of Reserves

The Executive Board of the Association (the "Board") shall invest funds held in the Reserve Fund to generate revenue that will accrue to the Reserve Fund account balance with the following goals in order of priority:

- a) Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.
- b) Liquidity and Accessibility. Structure maturities to ensure the availability of funds for projected and unexpected expenditures.
- c) Minimal Costs. Minimize Investment costs (redemption fees, commissions, and other transactional costs).
- d) Diversification. Mitigate the effects of interest rate volatility on Reserve assets.
- e) Return. Invest Funds to seek the highest level of return in keeping with the preceding goals.

Limitation on Investments

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

No Owner will have any direct interest in the investments of the Reserve Fund.

Investment Strategy

The Association's investment strategy emphasizes a long-term outlook and is consistent with the Reserve Study, if any. It diversifies the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach.

Unless otherwise approved by the Board, no investments will have a maturity date beyond five years.

Independent Professional Investment Assistance

The Board may hire a qualified investment counselor to assist in formulating a specific investment strategy. The threshold for hiring a qualified investment counselor becomes significant when the Reserve Fund balance exceeds \$1,000,000.

Review and Control

The Board shall review Reserve Fund investments periodically to ensure that the funds receive competitive yields and make prudent adjustments as needed.

Standard of Conduct

The Officers and Directors of the Board shall make investments pursuant to this policy in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner they reasonably believe to be in the best interests of the Association.

Policy Approved by Board at meeting on

July 2, 2024

President's Signature

Date:

7.9-24

Secretary's Signature

Date:

7/9/2024

Treasurer's Signature

Date:

7/12/2024