

# **G | H** Grand Haven at Alcovy Mountain HOA **Investment Policy**

The Board of Directors of the Association shall invest funds held in the Reserve accounts to generate revenue that will accrue to the Reserve Fund accounts balance pursuant to the following goals, criteria, and policies, listed in order of importance:

1. Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.
2. Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
3. Minimal Costs. Investment costs (redemption fees, commissions, and other transactional costs) should be minimized.
4. Diversity. Mitigate the effects of interest rate volatility upon Reserve assets
5. Return. Funds should be invested to seek the highest level of return.

## **Limitation on Investments**

All investments will be FDIC (Federal Deposit Insurance Corporation) insured, and/or Guaranteed by the United States Government.

## **Investment Strategy**

The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity date of fixed income instruments within the portfolio utilizing a laddered investment approach. This will be done after referencing the Reserve Study to ensure anticipated liquidity needs of the association. The Association should also maintain a contingency amount of \$30,000 in Reserve Funds in our standard banking accounts.

## **Independent Professional Investment Assistance**

The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.

## **Review and Control**

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