



## StillWaters Residential Association

### Investment Policy

Board Adopted  
8/6/2024

#### I. Policy Statement – Reserve Funds Investment

The StillWaters Residential Association (SWRA) Board of Directors has the fiduciary responsibility to effectively manage the financial affairs of the Association. The Board has the responsibility to ensure there are sufficient funds to cover future expenditures recognizing the reasonably predictable useful life of Association assets and amenities. The purpose of the Reserve Funds is to responsibly fund and finance the projected repair and replacement of those assets and amenities as needed.

#### II. Reserve Investment Policy

The Board of Directors shall invest funds held in the Reserve Fund accounts to generate revenue that will accrue to the Reserve Fund accounts balance while minimizing risks and maximizing return rates given the following objectives:

- Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal while minimizing risk.
  - Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected and unexpected expenditures.
  - Minimal Costs. Minimize investments costs.
  - Diversify. Mitigate the effects of interest rate volatility upon reserve assets.
  - Return. Invest funds to seek a reasonable rate of return.
- A. Limitation on Investments. Unless otherwise approved by the Board, all investments shall be FDIC (Federal Deposit Insurance Corporation) insured, NCUA (National Credit Union Administration) and/or guaranteed by the United States Government. Unless otherwise approved by the Board, the only investments that shall be made are FDIC/NCUA insured certificates of deposit with maturities not to exceed three years.
- B. Segregated Accounts. All reserve fund investments shall be maintained in an account or accounts separate from the Association's operating account or accounts.
- C. Independent Professional Investment Assistance. The Board may hire a qualified investment counselor or investment firm to help formulate and facilitate a specific investment strategy.
- D. Investment Strategy. The investment strategy of the Association shall emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach. At no time shall the maturity dates of any fixed-income investment exceed three months (90 days) from each other.
- E. Reserve 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.