

# **Reserve Investment Policy**

## **Parkside Place Homeowners Association, Inc.**

Under authority of the association and the Board of Directors per Florida Statute 720 and the Declaration of Covenants, the following Investment Policy shall be in effect.

### **Investment of Reserves**

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.

1. Safety of Principal: Promote and ensure the preservation of the Reserve funds principal.
2. Liquidity and Accessibility: Structure maturities to ensure availability of assets for projected or unexpected expenditures.
3. Minimal Cost: Minimize investment costs (redemption fees, commissions, and other transactional costs).
4. Diversity: Mitigate the effects of interest rate volatility upon the Reserve assets.
5. Return: Funds should be invested to seek the highest level of return while maintaining the investment guidelines.

### **Limitation on Investments**

Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corp) insured or guaranteed by the U.S. government.

### **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. The ladder amounts and time frames are to be based on the anticipated liquidity needs.

### **Independent Professional Investment Assistance**

The Board of Directors may hire a qualified investment counselor to assist in formulating an investment strategy. This is recommended when the Reserve Fund Balance exceeds \$500,000.