

**Franklin Park West Homeowners Association
Investment of Reserves Policy**

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

- a) **Safety of Principle.** Promote and ensure the preservation of the Reserve Funds principal.
- b) **Liquidity and Accessibility.** Structure maturities to ensure availability of assets for projected or unexpected expenditures.
- c) **Minimize Costs, Investment Costs.** Redemption fees, commissions, and other transactional costs should be minimized.
- d) **Diversity.** Mitigate the effects of interest rate volatility upon Reserve assets.
- e) **Return.** Funds should be invested to seek the highest level of return (safely).

Limitation on Investments

Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured, and/or guaranteed by the US Government.

Investment Strategy

The investment strategy of the association should emphasize a long-term by diversifying the maturity dates 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 are met.

Independent Professional Investment Assistance

The FPW Board of Directors may hire a qualified investment counselor to assist in formulating investment strategies.

Review and Control

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

Policy Approved by the FPW Board of Directors

FPW HOA BOD President	<u>Mary B. K.</u>	Date	<u>2-28-2024</u>
FPW HOA BOD Secretary	<u>Joseph Patton</u>	Date	<u>2/28/2024</u>
FPW HOA BOD	<u>Andrew W. H. G.</u>	Date	<u>2-28-24</u>
FPW HOA BOD	<u>Wendy A. Powell</u>	Date	<u>2/28/24</u>