

Raft Island Improvement Association (RIIA)

Investments

Subject: The investment of association moneys.

Purpose: To insure that the fiduciary responsibility of the Board of Trustee is fully met when investing membership resources.

Policy: The Board of Trustees is solely responsible for all investment decisions. All decisions will result after a full discussion by a quorum of Board members. For these purposes an investment shall be defined as: A monetary asset purchased with the idea that the asset will gain profitable returns as interest, income, or appreciation in value. The Board may use internal or external sources of consultation for this purpose.

Investments will be made via mutual funds or external investment advisors recommended by the Investment Committee. Allowable investments include US and non- US stocks and bonds, CD's and money market funds. No investments will be made in hedge funds, commodities or private real estate.

Asset allocation (including allocation among mutual funds) will depend on the purpose of the funds. Mutual funds expected to be used in the near term (0-3 years) will be invested primarily in lower risk assets, such as bonds, Certificates of Deposit (FDIC insured), and money market funds. Mutual funds with longer term horizons and higher expected returns, such as the Bridge Replacement Fund, may hold substantially more in risky assets (e.g. stocks).

Scope: This policy will apply to any and all investments of RIIA monetary assets.

Procedure:

The Board of Trustees will direct the initiation of all investments, their timeframes, and their terminations.

The Treasurer will be the sole officer with Internet access for any and all purchases, sales, and transfers of investment assets. The President will have written authority as a backup. The Treasurer will insure that all necessary and requested financial reports are provided to the Investment Committee.

The Investment Committee will be composed of RIIA members who will research prudent candidates for the investment being initiated taking into consideration the investment purpose, timeframe, risk, diversification, and other pertinent factors in developing an overall strategy.

The committee will meet to review the quarterly reports of currently held investments and provide written recommendations to the Board of Trustees.

Implementation Date: December 7, 2015