



MASTHOPE INVESTMENT POLICY
MASTHOPE MOUNTAIN COMMUNITY
PROPERTY OWNERS COUNCIL

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MASTHOPE MOUNTAIN COMMUNITY PROPERTY OWNERS COUNCIL
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Contents

- A. Introduction 3
- B. Legal Requirements 3
- C. Investment Objectives 3
- D. Investment Instruments 3
- E. Investment Strategies 3
- F. Investment Governance 4
- G. Change Log..... 4

Masthope Investment Policy

A. Introduction

This Investment Policy defines the objectives, goals and governance for the investment of funds owned by the Masthope Mountain Community Property Owners Council (Masthope). These funds may have been obtained through property owner assessments (such as, but not limited to, regular assessments for operations, capital projects, or reserves, fees, fines), or any other inflows for Masthope.

B. Legal Requirements

Legal requirements pertaining to the investment of community funds and the fiduciary role the Board of Directors has in managing and overseeing these investments can be found in the PA Uniform Planned Community Act (UPCA, 68 PA C.S. Chapter 53), the PA Prudent Investor Rule (20 PA C.S. Chapter 72), and the governing documents of Masthope.

C. Investment Objectives

The prudent investment of funds shall be subject to the following objectives, **in priority order**:

1. **Safety of Principal:** Pursue the preservation of the invested principal by minimizing credit risk and interest risk.
2. **Liquidity and Accessibility:** Ensure availability and accessibility of assets for planned, projected and unexpected expenses.
3. **Overall Return:** Funds should be invested to seek the highest level of overall return, including the impact of transactional investment costs (e.g., redemption fees, commissions).

D. Investment Instruments

Investments shall be guaranteed, secured, insured or collateralized by governmental or commercial institutions, such as the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), or US Government or Government Agency Securities. For example:

- Savings accounts
- Money market accounts
- Certificates of Deposit, including those offered through financial services such as Brokered CDs, or Certificate of Deposit Account Registry Service (CDARS)
- U.S. Treasury bills, notes or bonds

E. Investment Strategies

The investment strategy shall use the following principles:

1. **Cash or cash-equivalent investments:**
 - a. For Operations Funds, keep near-term funds needed for a moving 6 months window, as identified by the Budget, in cash or cash-equivalent instruments.

- b. For Reserve Funds, keep near-term funds needed for anticipated outlays over a moving 18 months window, as identified by Masthope’s Reserve Study, plus a 20% cushion, in cash or cash-equivalent instruments.
- 2. For funds over and above the near-term need, emphasize a long-term outlook while adhering to the Investment Objectives in this policy.
- 3. Align maturity dates of investment instruments for the portfolio with the anticipated liquidity needs as determined through Masthope’s Reserve Study (e.g., by utilizing a laddered investment approach).

F. Investment Governance

Governance, review and control of Masthope’s investments shall be subject to the following principles:

- All investments will be made or purchased in Masthope’s name.
- The purchase, withdrawal or transfer of investments require written approval by the President and Treasurer.
- At a minimum, the Treasurer will provide annual investment reviews during the Regular Association Meeting in March (“Budget Meeting”). Additional reviews may be provided during other Regular Meetings of the association as defined in the Bylaws.
- The Board of Directors will review regular financial statements and make adjustments as needed to ensure Objectives and Strategies of this Policy are being met.

G. Change Log

Issue	Board Approval Date	Motion ID	Effective Date
1.0	May 22, 2021	02:05:22:21	June 1, 2022