

Raft Island Improvement Association (RIIA)

Investments

Subject: The investment of association moneys.

Purpose: To ensure that the fiduciary responsibility of the Board of Trustees 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, exchange traded funds (ETF's) 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, or stock/bond mix targets, will depend on the purpose of the funds.

The Bridge Replacement fund (BRF) has a very long time horizon. Current assets are a very small fraction of the expected cost of a new bridge, and there is currently no new cash flow into the fund. Given the long time horizon, the fund can accept high risk in search of higher return. The target asset allocation is 90% global equity and 10% bonds/cash.

The Bridge Maintenance fund has a shorter and less definite time horizon. While long-term growth is desired, funds must be available for maintenance or repairs. Assets will be invested with moderate risk and a target asset allocation of 60 % global equity/stocks and 40% bonds.

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 responsibility and 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 ensure 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, tax consequences and other pertinent factors in developing an overall strategy. This committee will meet quarterly to review the reports of currently held investments and provide written recommendations to the Board of Trustees.

Implementation Date: February, 2024 (revised)

