



## **INVESTMENT POLICY**

### **Revised July 23, 2015**

#### **STATEMENT OF PURPOSE**

This policy is to be used for purposes which the Anthem Country Club Community Association (ACCCA) Board deems beneficial to the general good and welfare of Anthem. This investment policy statement describes the investment objectives of the ACCCA, establishes investment principles and creates guidelines for evaluating investment decisions. This document also establishes guidelines for communication between the ACCCA Board, the Finance Committee, Management Company, financial advisors and managers assigned to manage assets of the ACCCA.

#### **STATEMENT OF RESPONSIBILITY**

The ACCCA Board of Directors serves as the fiduciary for all of the assets listed in this investment policy statement. The treasurer of the ACCCA Board of Directors serves as the nonvoting liaison to the Finance Committee. The treasurer is the Board's primary contact with external investment advisors. The treasurer also works with the Finance Committee to recommend new investments for the Board's approval. The Finance Committee on behalf of the Board serves as the money manager on all of the assets listed in this investment policy statement. All Finance Committee considerations and decisions shall be for the sole benefit of ACCCA and in accordance with investment practices a prudent investor would follow. Investments are to be made consistent with the safeguards and diversity to which a prudent investor would adhere, exercising judgment and care, under the circumstances prevailing, considering the needs of both income and preservation of capital.

The Finance Committee will consist solely of members in good standing with the ACCCA. Their responsibilities include the following:

- Recommending investment managers for the ACCCA Board's approval;
- Establishing guidelines for investment managers;
- Monitoring the performance of investment managers; and
- Reporting, at least annually, to the ACCCA Board of Directors.

The ACCCA Board of Directors shall designate the individual(s) who are authorized to communicate with, and/or transact business with the investment adviser(s). Investment decisions should be reviewed and approved by at least the ACCCA president or treasurer or, in their absence, the Board designated individual from the Finance Committee. Full copies of monthly and/or quarterly investment portfolio composition shall be made available to the Finance Committee.

#### **INVESTMENT GOALS AND OBJECTIVES**

Preservation of capital and current income are the primary objectives. The asset value of the fund, exclusive of contributions or withdrawals, should grow in the long run and earn, through approved investments, a rate of return at least consistent with the appropriate market index.

To manage ACCCA financial assets prudently to secure rates of return consistent with the stated goal of preservation of assets. The target asset allocation will be a blend of fixed income

and cash investments as defined by the Investment Guidelines as written in the following section.

### **INVESTMENT GUIDELINES**

Acceptable Investments:

- Cash and Cash Equivalents: Acceptable investments are U.S. Treasury bills, money market funds and Federal Deposit Insurance Corp-insured certificates of deposit. The certificates of deposit are not to exceed 100 percent of the current Federal Deposit Insurance Corp. insured amount per issuer and/or the guaranteed amount. These investments are to provide income, liquidity for expense payments, and preservation of the portfolio's capital.
- Fixed Income: Acceptable investments are U.S. Government, U.S. Government Agency fixed income securities, or other investment high grade securities. These investments are to preserve the portfolio's capital and provide income.

### **PERFORMANCE REVIEW AND EVALUATION**

To ensure continued compliance with the objectives of this investment policy statement, periodic review of the plan's investment options will be conducted. The results of the review and the evaluative material used in the review process will become part of the records maintained by the plan fiduciaries conducting the review. The documents will include reasons for investment selection and adviser reviews.

Returns on investments will be measured against a benchmark composed of commonly accepted indices weighted to match the long-term asset allocation policy of the investment plan.

### **LIQUIDITY OF FUNDS**

The Reserve Fund is designed to meet short and long-term obligations of the ACCCA. The investment portfolio shall remain sufficiently liquid to meet all reserve requirements that may be reasonably anticipated. To ensure that adequate funds are available to pay the ACCCA projected financial obligations, investments' maturities shall reasonably match the anticipated cash disbursements of the ACCCA, as planned for in the Reserve Study.

At times, unexpected expenses may result in early liquidation of an investment. If the liquidation will incur a loss or result in a surrender fee, the investment with the shortest term and/or loss should be selected.

### **COMMUNICATION**

Communication is an integral part of the management process. This section addresses the need for regular and continued communication among the ACCCA Board of Directors, Finance Committee, Management Company (AAM, Inc.) and any investment managers or advisors. It establishes the reporting requirements and the frequency of review meetings.

Timely communication among parties shall include:

- Statements. Monthly statements showing transactions, cost and market values and full copies of monthly and/or quarterly investment portfolio composition.
- Online Client Viewing. Wherein a limited audience is designated to view through specific password access.
- Past investment performance. Review and evaluation for the current investment outlook.

- Investment strategy discussion and adherence to the ACCCA investment policy. The discussion shall include any modifications and changes to the investment objectives, goals and guidelines.
- Material changes. Information regarding changes in the ACCCA financial situation that may affect investment policy.
- Any other matters which may bear upon the investment of the assets.

#### **DUE DILIGENCE WITH INVESTMENT ADVISORS**

Prudent due diligence should be performed on any investment adviser who is considered as a business partner to the ACCCA. This should include, at a minimum: (a) a careful reading of all customer agreement documents relative to the rights, restrictions of use and security of the funds which will be invested by the ACCCA with the investment adviser's organization; (b) a statement from the investment adviser's organization, signed by an authorized party which specifically states that the investment organization cannot, under any circumstances, borrow or deploy customer funds, or pledge customer funds, and that customer funds are kept segregated from the investment organizations' funds; and (c) appropriate verification of the credentials of the investment adviser(s) who will be managing the funds of the ACCCA.



**Resolution  
of the  
Board of Directors  
of  
Anthem Country Club Community Association, Inc.**

**Subject: Revised Investment Policy**

**Submitted by: Finance Committee**

The following resolution was duly adopted by the Board of Directors of the Anthem Country Club Community Association, Inc. (ACCCA) at a regular meeting of the Board of Directors (Board) held on July 23, 2015:

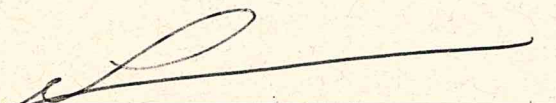
**WHEREAS:**

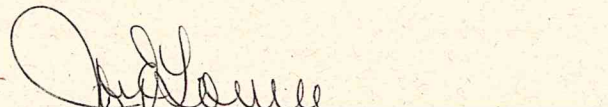
- The Finance Committee (Committee) is charged with reviewing the Association's investment funds and recommending changes for approval by the Board.
- The Committee has reviewed and revised the exiting Investment Policy adopted by the Board October 12, 2012.
- Proposed revisions are operational in nature and do not impact the existing Investment Guidelines.
- At this time, the Committee is seeking Board approval to adopt the revised Investment Policy as presented.

**THEREFORE, BE IT RESOLVED** that the ACCCA Board of Directors:

- Adopts the revised Investment Policy as presented.

The undersigned, by affixing their signatures hereto, do hereby consent to, authorize and approve of the foregoing resolution this 23<sup>rd</sup> day of July, 2015.

  
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Holly Matson, Vice President

  
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Joy Lovell, Secretary