



**Background:**

The DeBordieu Colony Community Association budgets and maintains a financial Reserve, sufficient to (1) fund major Capital/Infrastructure replacement and (2) fund recovery from natural disasters/emergencies. To meet these requirements, the balance in this Reserve account is expected to range between \$1.5M and \$2.5M. Cash reserves of this size and stability can, and should, earn substantial amounts of income. This income can have a favorable impact on Homeowners Fees over time.

**Investment Strategy:**

A significant portion of the Cash in the Reserve Account will be invested in a variety of financial instruments designed to form a Portfolio which will meet all of the following "**GUIDING PRINCIPLES**":

- a) *Investment Grade Financial Assets with low levels of risk and volatility,*  
**AND**
- b) *Which Optimize after-tax financial returns for this level of Risk,*  
**AND**
- c) *With maturities aligned to provide cash for known Capital Projects.*

While the types of financial assets and specific instruments in the Portfolio will change over time as financial market conditions change, it is intended that the Portfolio will meet the above **Guiding Principles** at ALL times. Any changes to these **Guiding Principles** require advance approval of the DCA Board.

**Governance and Reporting:**

The Financial performance of the Investment Portfolio will be tracked by the Finance Committee quarterly. Reports detailing Portfolio strategy/direction and performance will be made to the Board semi-annually, and to the Community members at the Annual Meeting and in the Annual Report.

President

Secretary

Witness