

WOODSTREAM FALLS CONDOMINIUM ASSOCIATION

Investment Policy

I. Purpose

The purpose of this Investment Policy is to establish an understanding of the investment goals, objectives, and management policies for the invested funds of Woodstream Falls Condominium Association (“WFCA”). This Investment Policy was adopted by the Board of Members (“Board”) to direct the prudent investment of reserve funds and funds in excess of normal operating costs, and to serve as a guideline for any Investment Manager, portfolio custodian, and investment consultant retained.

II. Investment Objectives

Overall

The primary objective for investment of reserve funds and funds in excess of normal operating costs is to assure that funds are secure and will be available for planned and emergency maintenance, renovation and improvement projects. A secondary objective is for funds themselves to generate moderate income through prudent, diversified investment.

Liquidity

The portfolio will be reviewed at least quarterly to assure that a quantity of funds are kept in easily accessible, or “liquid,” accounts in order to meet projected maintenance, operational and renovation needs. Funds not needed for maintenance, operations or renovations within a six month period may be invested pursuant to this policy.

Return

The investment objective for invested funds is described as “balanced.” Assets will be primarily invested in equities, including exchange-traded funds, and real assets (real estate and commodities) with a moderate emphasis on increasing the value of the invested funds. Alternative strategies (such as direct ownership of property) may be utilized to improve the risk/return relationship of the portfolio.

Risk

Historic capital market data and modern investment theory indicate a relationship between the level of risk (volatility) and the level of return that can be expected. Higher returns are typically associated with higher risk, with “higher” being, at any point in time, a matter of comparison with overall market rates. The Board has a medium-low tolerance for risk and uncertainty, meaning that the overall investment portfolio should be balanced so that the principal is not decreased other than through withdrawals for WFCA maintenance, operations or renovations. The Board will periodically set expected return benchmarks based on a moderate level of risk.

III. Investment Constraints

Time Horizon

Investment guidelines are based on the projected schedule of operational, maintenance and renovation needs. A combination of short-term, medium-term and longer-term investments are required to meet these needs.

Fiduciary Duty

In seeking to attain the investment objectives set forth, the Board shall exercise prudence and appropriate ongoing review of the investment portfolio.

Fees

The Board will seek to minimize management fees for the portfolio, and will seek to assure that management fees do not exceed 1% of portfolio value annually. The Board may engage the services of a portfolio manager within the constraints of this policy.

IV. Evaluation and Performance Measurement

The Board will review portfolio performance at least quarterly to ascertain if investments are meeting benchmarks and whether a change in portfolio allocation or management is advised.

Adopted at a Board of Members meeting on October 22, 2014.