

Lakeside Association Investment Policy

Purpose:

The purpose of this investment policy is to provide guidelines for the management of cash and cash equivalent assets owned by The Lakeside Association (Lakeside) and its unrelated business entities. These assets may be managed by The Lakeside Association or in some cases investment management may be delegated, by Board resolution, to The Lakeside Chautauqua Foundation (LCF) Investment Committee. The intention is to document the overarching policy across all entities associated with Lakeside.

Scope

The following pools of cash and cash equivalent assets existed as of the adoption date of this policy below:

- The Lakeside Association Charitable Annuities
- The Lakeside Association Revolving Investment Fund (Bettinger Fund)
- The Memorial Garden at Chautauqua Park Endowment
- The Lakeside Association cash on hand for operating funds, capital reserves, donor-restricted (non-endowment) funds, street and sanitary (assessment) funds

As of the date below, The Lakeside Association had previously delegated investment management for the charitable annuities, revolving investment (Bettinger) fund, and the endowment for the Memorial Garden at Chautauqua Park to the LCF Investment Committee. Therefore, this policy only applies to cash on hand. Should it be desirable to invest cash on hand for a period to exceed 24 months, consider creating another investment pool and delegating management to the LCF Investment Committee.

The LCF investment committee maintains individual investment policies for each of the three delegated investment pools.

Objectives:

The investment objectives, in priority order, are:

1. Liquidity: Maintain sufficient liquidity to meet short-term obligations and programmatic needs.
2. Capital Preservation: Minimize risk of loss through conservative investment choices.

November 2025

3. Return Optimization: Earn a competitive return within acceptable risk parameters.

Investment Guidelines

Permitted Investments:

Investment choices must align with the Lakeside Mission on an ethical and moral basis.

- FDIC-Insured bank accounts and certificates of deposit (CDs)
- U.S. Treasury securities and government agency bonds
- Money Market funds with low expense ratios
- Short-term bond funds with average duration under 3 years

Prohibited Investments:

- Derivatives, options, or futures
- Private placements or illiquid securities
- Individual equities or speculative instruments

Asset Allocation Targets:

- Short-Term Liquidity (0-6 months): 40-60% in money market funds or cash equivalents.
- Intermediate-Term (6-24 months): 30-50% in short-term bonds or CDs. Up to 20% intermediate-term bonds if invested for 18-24 months.

Restrictions and Authorizations

Bank deposits and CD's may not exceed FDIC Insurance limits at a single institution unless collateralized, without approval of the V.P. Finance and CEO/President. Execution of this policy is the responsibility of the CEO/President and V.P. Finance, subject to the Delegation of Control limits, who must provide dual authorization to move funds, monitor investments and report to the Finance Committee quarterly with balances, returns and compliance with the policy restrictions.

The organization may invest in money market mutual funds provided that:

1. **SEC Rule 2a-7 Compliance** – All money market funds must be registered under the Investment Company Act of 1940 and managed in accordance with **SEC Rule 2a-7**, ensuring adherence to strict credit quality, maturity, liquidity, and diversification standards.
2. **NAV Stability** – The fund must maintain a constant net asset value (NAV) of \$1.00 per share, with daily mark-to-market valuation practices.
3. **Liquidity Requirements** – Funds must maintain the required **daily and weekly liquid asset minimums** as defined under Rule 2a-7, ensuring adequate redemption capacity.
4. **Expense Ratios** – Preference shall be given to institutional money market funds with **low expense ratios** to minimize investment drag.

November 2025

5. **Counterparty Diversification** – No single issuer (other than the U.S. government or its agencies) shall represent more than 5% of the underlying securities held within the fund.

Any deviations from this policy must be approved, in advance, by the Finance Committee and recorded in the Committee meeting minutes.

Changes to the Investment Policy Statement

This Investment Policy shall be in force until modified in writing by The Lakeside Association Board of Directors. The Lakeside Association Board of Directors Finance Committee will review this Investment Policy at least annually to ensure continued appropriateness but may revise this Investment Policy at any time The Lakeside Association Board deems appropriate.

This Lakeside Association Investment Policy and all accompanying appendices have been presented to The Lakeside board for review and approved as of _____, _____, 2025.

Certified by:

Printed Name: _____

Title: _____

10.24.25 draft