

ACC-SFBA CHAPTER INVESTMENT POLICY

Adopted by the Board of Directors March 1, 2010

I. Purpose

The purpose of this statement is to set forth the policy and operational factors governing the investment management of various operating and reserve balances of cash, herein referred to as the "**Short Term Portfolio**" or "**STP**", and the policy for management of the association's long-term investment reserves, herein called the "**Long Term Portfolio**," or "**LTP**".

The target allocation of the Chapter's assets between the Short Term and Long Term Portfolios shall be determined by the Board, and reviewed by it at least annually. Such allocation must reflect any guidance from ACC National, as well as the Board's determination of appropriate reserves and forecasted needs.

II. Objectives

A. Short Term Portfolio

The investment objective of the STP is to ensure the safety of investment principal, provide for liquidity, and maximize the income consistent with the first two objectives for the Short Term Portfolio. A secondary objective of the STP is to structure maturities so that known cash needs are met on a periodic basis, or as requested by the association.

B. Long Term Portfolio

The investment objective of the LTP is to seek capital appreciation and enhance investment return without undue risk through investment in longer term holdings of bonds employing accepted diversification techniques to reduce volatility.

III. Eligible Investments

A. The following securities are eligible investments for the Short Term Portfolio, which may be managed by a professional investment advisor:

1. U.S. Treasury Bills or Notes
2. U.S. Agency Securities
3. Certificates of Deposit
4. Commercial Paper
5. High Quality Corporate Bonds
6. Money Market Funds

Individual securities shall have maturities in the short to intermediate range and be properly balanced to provide stable cash flow.

B. The following securities are eligible investments for the Long Term Portfolio, which may also be managed by a professional investment advisor:

1. Any of the investments from A above may be used from time to time to reduce risk or provide temporary investment pending longer term re-investment.
2. Individual long term high quality fixed income securities intended to be held to maturity.
3. Bond mutual funds in any of the foregoing categories.

The Long Term Portfolio may be invested in any of the foregoing types of securities but no one issue may exceed 20% of the total LTP and no class of securities may exceed 40% of the total LTP.

IV. Quality Constraint

Whenever reference is made to a "high quality" investment, it shall mean an S&P rating for the security or its issuer's senior debt of A or the equivalent Moody's rating if S&P is not available.