

INVESTMENT POLICY

The board of directors of the NATA has charged the Finance Committee with overseeing the investment of the surplus funds of the Association. The Finance Committee will monitor and review the policies as necessary.

Primary Objectives

1. To preserve capital by purchasing only high quality and diversified investments. At no time will the funds be invested in real estate, junk bonds, derivatives of non-liquid stocks, or bonds that are not highly rated or do not meet Association standards.
2. To obtain the highest possible rate of return on investments with low risk.

Investment Account:

Long term investments of the Association which are intended to remain in the investment portfolio for at least one year. Transfers to/from this account should be addressed annually by the Finance Committee after the committee completes its review of the audit report.

Operating Account

An operating account containing sufficient funds to cover expenses without having to access long term investments will be maintained. The funds will be kept in an interest bearing account.

Funds in Excess of the Operating Account

From 45% to 65% of the surplus funds will be invested in equity index funds.

Bonds will account for from 35% to 45% of the surplus funds invested, and may have maturity dates averaging up to five years. When the current portfolio of bonds mature, the proceeds will be invested in bond index funds that invest in investment grade bonds only.

At the beginning of each new calendar year, the portfolio should be rebalanced to the desired percentages. Asset allocation will be reviewed on a quarterly basis, with the expectation that the assets classes will be rebalanced to their respective guideline targets if the difference between actual and target range exceeds 5%.