

Revised Investment Policy 8-27-12

Summary of Changes

CHANGE LOG			
#	Section		Change Description
	<i>New / Existing / Removed</i>		
1	General Objectives: #2 Liquidity and Maximum Maturity and Maturity Distribution	<i>Existing</i>	<ul style="list-style-type: none"> • Expanded the detail of Maximum Maturity Distribution <ul style="list-style-type: none"> ○ Will have 20% maturing in less than 1 year ○ The County will try to take advantage of yield curve by spreading maturities throughout the 1-4 year horizon. <p>*Change to comply to Pooled Municipal Investment Board requirements</p>
2	Qualification of Investment Officials	<i>New</i>	<ul style="list-style-type: none"> • Added the section that discusses qualifications of Chief Financial Officer, Director of Accounting and Investment Manager <p>* Change to comply to Pooled Municipal Investment Board requirements</p>
3	Investment Parameters: # 1 Diversification	<i>Existing</i>	<ul style="list-style-type: none"> • Updated the Callable obligations from 20% of total U.S Government Agency obligations to 40%. <ul style="list-style-type: none"> ○ Due to the low interest rate environment, callable securities have become more attractive to buy for the call dates, than their final maturity dates. The yield on a callable security is higher than on a bullet. We have increased the limit of Callable obligations allowed in the portfolio in order to take advantage of the higher yield.
4	Investment Parameters: # 2 Maturities	<i>Existing</i>	<ul style="list-style-type: none"> • Expanded on the process we would go thru to determine which security to sell in the event we need to sell and investment. <ul style="list-style-type: none"> ○ The Investment Manage and Director of Accounting shall determine the security to sell based on <ul style="list-style-type: none"> ▪ Market Conditions ▪ Which security will present a positive capital gain • Clarified the Investment Manager and Director of Accounting will notify the Chief Financial Officer of this course of action. <p>* Change to comply to Pooled Municipal Investment Board requirements</p>
5	Reporting	<i>New</i>	<ul style="list-style-type: none"> • Added Rate Shock Analysis. A rate shock analysis is an analysis of the portfolio to see how it would change if rates were to dramatically increase or decrease. <ul style="list-style-type: none"> ○ Quarterly, a rate shock analysis will be performed on the investment portfolio. The Investment Manager will review the results of the analysis with the Accounting Director. • Change to comply to Pooled Municipal Investment Board requirements
6	Policy Considerations: #2 Amendments	<i>Existing</i>	<ul style="list-style-type: none"> • Changed the Amendments section from saying “This policy shall be reviewed on an annual basis and any changes must be approved by the Board.” To say <ul style="list-style-type: none"> ○ This policy shall be approved by the Board on an annual basis prior to submitting annual review materials to Pooled Municipal Investment Board. <p>* Change to comply to Pooled Municipal Investment Board requirements</p>