

RESOLUTION NO. 123-16

A RESOLUTION APPROVING THE CITY'S INVESTMENT  
POLICY

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF  
COLORADO SPRINGS:


Section 1. The City Council hereby approves the attached Investment Policy.

DATED at Colorado Springs, Colorado, this 22<sup>nd</sup> day of November, 2016.

  
\_\_\_\_\_  
City Council President

ATTEST:

  
\_\_\_\_\_  
Sarah B. Johnson, City Clerk



# **City of Colorado Springs**

## **Investment Policy**

**November 22, 2016**

The City of Colorado Springs ("the City") is a Colorado home rule municipality operating under its City Charter. The City functions under the direction of an elected Mayor. Existing Colorado State Statutes provide home rule municipalities with legal authority to promulgate and implement local standards for cash and investment management operations. The purpose of this Investment Policy is to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the City of Colorado Springs.

This Investment Policy was adopted by the City Council of the City of Colorado Springs by resolution on September 28, 1993. It was revised on November 8, 1994, February 27, 1996; October 8, 1996; October 26, 1999; February 12, 2002; March 9, 2004; May 24, 2005; July 11, 2006; April 24, 2007; June 24, 2008; May 26, 2009; May 25, 2010; November 22, 2011; November 26, 2013; November 10, 2014; and November 22, 2016. It replaces any previous investment guidelines formulated by members of City staff.

### **SCOPE**

The provisions of this Investment Policy (the "Policy") shall apply to all investable funds of the City of Colorado Springs (the "Portfolio"). Operating accounts, Reserve accounts and Bond Ordinance accounts shall be subject to the standards of this Policy, but may be managed by persons not under this Policy, and each manager of these funds shall establish guidelines pertaining to the following areas: delegation of authority, authorized securities and transactions, portfolio maturities and liquidity requirements, reporting and the selection of broker/dealers and custodians. Utility funds, endowment funds, and moneys held in bank checking accounts for operating purposes shall be excluded from the provisions of this Policy. This Policy shall not restrict ability of the City to invest funds according to the limitations imposed by bond resolutions or indentures of trust adopted by the City for the funds held by a trustee under bond resolutions.

All excess cash, except for cash in certain restricted and special accounts, shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance. Interest earnings shall be distributed to the individual funds not less than annually.

## OBJECTIVES

The Portfolio shall be invested in accordance with all applicable City policies, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

- Preservation of capital and protection of investment principal.
- Maintenance of sufficient liquidity to meet anticipated cash flows.
- Diversification to avoid incurring unreasonable market risks.
- Attainment of a market rate of return.

## DELEGATION OF AUTHORITY

The City Council establishes investment policy (City Code 1.6.102). The Mayor is charged with direct control of the City revenues (Article VII, City Charter). The City's Chief Financial Officer is responsible for the investment and custody of the City's investable funds, as well as the City's internal procedures affecting those funds. The Chief Financial Officer and designees shall implement the policies promulgated by City Council (City Code 1.2.602).

The following cites from the Code of the City of Colorado Springs shall apply:

### Chapter 1: Administration, Personnel and Finance

#### Article 2: Officers of the City

##### Part 6: Powers and Duties of the Chief Financial Officer

1-2-602: The Chief Financial Officer shall receive all monies belonging to the City, shall determine depositories and accounts and invest surplus cash in accord with approved policies.

#### Article 6: City Funds

##### Part 1: General Provisions

1-6-102 (A): Authorized by State Statutes: Any monies of the City which are not presently required in the conduct of its respective affairs may be invested in securities in a manner authorized by Colorado statutes and as directed by City Council.

The Chief Financial Officer shall develop written administrative procedures and internal controls, consistent with this Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

The Chief Financial Officer may delegate the authority to conduct investment transactions and manage the operation of the investment portfolio to the Controller and other specifically authorized staff members. The Chief Financial Officer shall maintain a list of persons authorized to transact securities business for the City of Colorado Springs. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The City Council has adopted Resolution 157-91, establishing the City Investment Advisory Committee. This committee, chaired by the City's Chief Financial Officer, meets semi-annually to make recommendations to City staff and the City Council regarding the investment policies and procedures of the City. Members of this committee are appointed by City Council and may include up to two City Council members.

The City may engage the support services of outside professionals in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources.

## **PRUDENCE**

The standard of prudence to be used for managing the City's assets shall be CRS 15-1-304, Standard for Investments, which in general states that investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of the property of another, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The Chief Financial Officer and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the Mayor and appropriate action is taken to control adverse developments.

## **ETHICS AND CONFLICTS OF INTEREST**

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Mayor any material financial interests they have in financial institutions that conduct business with the City and they shall subordinate their personal investment transactions to those of the City.

In addition, all covered persons (defined as officials, appointees, administrative officers, employees, independent contractors and volunteers) shall annually complete the City's requirement for ethics training, per City Code § 1.3.107.

## AUTHORIZED SECURITIES AND TRANSACTIONS

Subject to the limitations of this Policy, all investments and depositories authorized by the following state statutes shall be allowed by the City: Colorado Revised Statutes (C.R.S.): C.R.S. 11-10.5-101 *et seq*, Public Deposit Protection Act; C.R.S. 11-47-101 *et seq*, Savings and Loan Association Public Deposit Protection Act; C.R.S. 24-75-601 *et seq*, Funds Legal Investments; C.R.S. 24-75-601 *et. seq.*, Depositories; and C.R.S. 24-75-702, Local governments – authority to pool surplus funds. Any revisions or extensions of these sections of the C.R.S. will be assumed to be part of this Policy immediately upon being enacted. However, in the event that amendments to these statutes conflict with this Policy and past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so and the existing Policy shall govern the City's investments. In such instances, after consultation with the City's investment adviser, the City Attorney, and the Investment Advisory Committee, a recommended course of action will be presented to City Council for approval.

Maturity restrictions shall be calculated from settlement date to maturity date. For investment securities that can be redeemed prior to maturity (i.e. bonds with a put option), the redemption date will be considered the effective maturity date for the bonds.

Portfolio percentage restrictions by security type and issuer are applicable only on the date of purchase of the investment and are applicable to the total Portfolio. While each individual portfolio shall be managed within these limits, the Chief Financial Officer may authorize an individual portfolio to exceed the limits subject to the overall limits within the Portfolio. The Portfolio will be limited to an aggregate exposure of 50% for the following investment types: Municipal Bonds, Corporate Bonds, Commercial Paper, Negotiable Certificates of Deposit, and Banker's Acceptances.

The ratings requirements outlined in this section are those as published by Standard & Poor's ("S&P"), a Nationally Recognized Statistical Rating Organization ("NRSRO"). Securities purchased may be rated by Standard & Poor's, Moody's Investors Service, or Fitch Ratings, therefore, the ratings equivalents of those referenced by S&P are listed below:

LONG-TERM RATINGS		
Standard & Poor's	Moody's Investors Service	Fitch Ratings
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-
A+	A1	A+
A	A2	A
A-	A3	A-

SHORT-TERM RATINGS		
Standard & Poor's	Moody's Investors Service	Fitch Ratings
A-1+	P-1	F1+
A-1	P-1	F1

The City has further defined the eligible types of securities and transactions as follows:

1. U.S. Treasury Obligations: Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips or those securities for which the full faith and credit of the United States are pledged for the payment of principal and interest with maturities not exceeding five years from the date of trade settlement. 100% of the Portfolio may be invested in U.S. Treasury Obligations.
2. Federal Agency and Instrumentality Securities: Any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: The federal farm credit bank, the federal land bank, a federal home loan bank, the federal home loan mortgage corporation, the federal national mortgage association, the export-import bank, the Tennessee Valley Authority, the government national mortgage association, the world bank, or an entity or organization that is not listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph. Such securities shall be rated at least A or the equivalent at the time of purchase by at least two NRSROs and have maturities not exceeding five years from the date of trade settlement. No more than 85% of the Portfolio may be invested in Federal agency and instrumentality securities, and no more than 35% may be invested in any one issuer. Subordinated debt may not be purchased.

Authorized Federal Instrumentalities include, but may not be limited to:

- Federal Home Loan Bank
  - Federal Home Loan Mortgage Corporation
  - Federal National Mortgage Association
  - Federal Farm Credit Bank
  - International Bank for Reconstruction and Development (World Bank)
  - International Finance Corporation
  - African Development Bank
  - Asian Development Bank
  - European Bank for Reconstruction and Development
  - Inter-American Development Bank
3. Time Certificates of Deposit ("Time CDs"): Time certificates of deposit with maturities not exceeding one year, in FDIC insured state or nationally chartered banks or savings banks located in Colorado that are an eligible public depository as defined in C.R.S. 11-10.5-103. Time CDs exceeding the FDIC insured amount shall be collateralized in accordance with the Colorado Public Deposit Protection Act. No more than 5% of the Portfolio may be invested in Time CDs. No more than 2% of the Portfolio may be invested in CDs of a single institution.

4. Negotiable Certificates of Deposit ("Negotiable CDs"): Negotiable certificates of deposit denominated in U.S. dollars, issued by a bank that is organized and operating within the United States, that matures within three years from the date of trade settlement, and that, at the time of purchase, has either a) long term ratings of at least AA- or the equivalent by at least two NRSROs, or b) short term ratings of at least A-1 or the equivalent by two NRSROs. Investments in negotiable certificates of deposit may not exceed 30% of the Portfolio and no more than 5% may be invested with a single issuer.
5. Corporate Bonds: Corporate debt issued by any bank or corporation organized and operating within the United States. The City hereby further authorizes investments in securities issued by a corporation or bank that is organized and operating within Canada or Australia, not to exceed 5% per country. The aggregate exposure to corporate bonds may not exceed 35% of the Portfolio and no more than 5% may be invested with a single corporation. The debt authorized herein must be dollar-denominated and rated at least AA- or the equivalent at the time of purchase by at least two NRSROs. Maximum maturities of such securities shall not exceed three years from the date of trade settlement.
6. Municipal Bonds: General obligations and revenue obligations of state or local governments. Such obligations of Colorado (or any political subdivision, institution, department, agency, instrumentality, or authority of the state) shall be rated at least A- or the equivalent at the time of purchase by at least two NRSROs. Such obligations of any other governmental entity shall be rated at least AA- or the equivalent at the time of purchase by at least two NRSROs.

In addition, certificates of participation or other security evidencing rights in payments to be made by a school district under a lease, lease-purchase agreement, or similar agreement if the security carries at least two ratings by NRSROs and each rating is at least A- or the equivalent at the time of purchase.

For short term or variable rate instruments ("Short Term Municipal Bonds"), the securities must be rated at least A-1, MIG1, or the equivalent, by a NRSRO at the time of purchase.

All municipal bonds, certificates of participation, and short term municipal bonds shall have a final maturity not exceeding five years from the date of trade settlement. The aggregate exposure to such bonds may not exceed 20% of the Portfolio and no more than 5% of the portfolio may be invested with a single issuer.

Pre-Refunded Municipal Bonds which are secured by an escrow of U.S. Treasury securities or State and Local Government Series securities, shall be rated at least AA+ or the equivalent at the time of purchase by a NRSRO, and shall have a final maturity not exceeding five years from the date of trade settlement. No more than 40% of the Portfolio may be invested in Pre-Refunded Municipal Bonds and no more than 5% may be invested with a single issuer.

7. Commercial Paper: Commercial Paper with maturities not exceeding 270 days from the date of trade settlement and issued by any corporation or bank organized and operating within the United States. Such securities shall be dollar denominated and rated at least A-1 or the equivalent at the time of purchase by at least two NRSROs. Furthermore, the issuer's commercial paper program's size shall exceed \$200 million. Commercial paper may not exceed 30% of the Portfolio and no more than 5% may be invested with a single issuer.
8. Eligible Bankers Acceptances ("BAs"): Bankers Acceptances with maturities not exceeding 180 days from the date of trade settlement and issued by FDIC insured state or national banks with combined capital and surplus of at least \$250 million. BAs shall be rated at least A-1 or the equivalent at the time of purchase by at least two NRSROs. No more than 20% of the Portfolio may be invested in BAs and no more than 5% may be invested with a single institution.
9. Repurchase Agreements: Repurchase Agreements with maturities of 180 days or less collateralized by U.S. Treasury Obligations and Federal Agency and Instrumentality Securities listed in Items 1 and 2 above with the maturity of the collateral not exceeding 10 years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held in the City's custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with dealers who have executed a City approved Master Repurchase Agreement with the City and who are recognized as Primary Dealers by the Federal Reserve Bank of New York, or have a Primary Dealer within their holding company structure. The Chief Financial Officer shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the broker/dealers who have an executed Master Repurchase Agreement with the City.

The City may utilize Tri-party Repurchase Agreements provided that the City is satisfied that it has a perfected interest in the securities used as collateral and that the City has a properly executed Tri-party Agreement with both the counterparty and custodian bank.

No more than 50% of the Portfolio may be invested in repurchase agreements and no more than 10% may be invested with a single counterparty.

10. Local Government Investment Pools ("LGIP"): Local Government Investment Pools authorized under C.R.S. 24-75-702, that 1) seek a constant net asset value per share of \$1.00; 2) limit assets of the fund to securities authorized by state statute; and 3) have a rating of AAAM or the equivalent by any NRSRO.

100% of the Portfolio may be invested in LGIPs but no single LGIP may constitute more than 50% of the Portfolio.



11. Money Market Mutual Funds: Money Market Mutual Funds registered under the Investment Company Act of 1940 and authorized under C.R.S. 24-75-601 that 1) are "no-load" (i.e. no commission or fee shall be charged on purchases or sales of shares); 2) seek a constant net asset value per share of \$1.00; 3) invest only in U.S. government securities authorized in sections 1., 2., and 9. above; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 4) have a rating of AAAM or the equivalent by any NRSRO.

100% of the Portfolio may be invested in money market funds but no single fund may constitute more than 50% of the Portfolio.

12. Obligations of the City of Colorado Springs: General obligation bonds, revenue bonds, certificates of participation or other debt securities issued by or guaranteed wholly, partially or morally by the City of Colorado Springs, Colorado, or its departments.

Securities that have been downgraded below the minimum ratings described herein may be sold or held at the City's discretion. The Portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.

It is the intent of the City that the foregoing list of authorized securities be strictly interpreted. Any deviation from this list must be preapproved by the Chief Financial Officer in writing.

The City recognizes that bond proceeds may, from time to time, be subject to the provisions of the Internal Revenue Code, Federal Arbitrage Regulations, as amended. Due to the legal complexities of arbitrage law and the necessary immunization of yield levels to correspond to anticipated cash flow schedules, the reinvestment of such debt issuance may, upon the advice of Bond Counsel or financial advisors, deviate from the maturity limitation provisions of this Policy with written approval of the Chief Financial Officer.

## **PORTFOLIO MATURITIES AND LIQUIDITY**

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the City will not invest in securities maturing more than five years from the date of trade settlement. The duration of the Portfolio shall at no time exceed three years.

## **SELECTION OF BROKER/DEALERS**

It shall be the policy of the City to purchase securities only from authorized firms. To be eligible, a firm must meet at least one of the following criteria:

1. be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or have a Primary Dealer within their holding company structure;
2. report voluntarily to the Federal Reserve Bank of New York; or
3. qualify under Securities and Exchange Commission (SEC) Rule 15c-3 (Uniform Net Capital Rule).

Broker/dealers will be selected on the basis of their expertise in public cash management and their ability to provide services for the City's account. Approved broker/dealers and the firms they represent shall be licensed to do business in the State of Colorado and as such are subject to the provisions of the Colorado Revised Statutes, including but not limited to C.R.S. 24-75-601.

The City may engage the services of one or more professional investment advisory firms to assist in the management of the Portfolio. Such investment advisors may purchase and sell investment securities in accordance with this Policy and may utilize their own approved list of broker/dealers; however, the list shall comply with the criteria listed above and shall be provided to the City on an annual basis.

In the event that the City does not utilize an external investment advisor, each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form which includes the firm's most recent financial statements and the Chief Financial Officer shall maintain a file of these forms. Such broker/dealers must attest in writing that they have received a copy of this Policy.

The City may purchase Commercial Paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 7 of the Authorized Securities and Transactions section of this Policy.

## **COMPETITIVE TRANSACTIONS**

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be documented.

If the City is offered a security for which there is no other readily available competitive offering, then the City will document quotations for comparable or alternative securities.

## **SELECTION OF BANKS**

The Chief Financial Officer shall maintain a list of banks approved to provide depository and other banking services for the City. To be eligible for authorization, a bank must:

- be a member of the FDIC and
- qualify as a depository of public funds in the State of Colorado as defined in CRS 24-75-603 et seq. (as evidenced by a certificate issued by the State Banking Board).

In addition, the City may utilize an independent bank rating service to evaluate eligible financial institutions during any procurement process, as well as periodically thereafter.

## **SAFEKEEPING AND CUSTODY**

The Chief Financial Officer shall select one or more banks to provide safekeeping and custodial services for the City. A City approved Safekeeping Agreement shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. To be eligible for designation as the City's safekeeping and custodian bank, a financial institution shall:

- qualify as a depository of public funds in the State of Colorado as defined in CRS 24-75-603 et seq. and
- be a Federal Reserve member financial institution.

In addition, the City may utilize an independent bank rating service to evaluate eligible financial institutions during any procurement process, as well as periodically thereafter.

Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. It is the intent of the City that all securities be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City will be delivered by book entry and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

Safekeeping receipts or customer confirmations shall be issued for each transaction and shall evidence that the securities are held for the City as "customer". The custodian also shall be required to furnish the City a list of holdings on at least a monthly basis.

## **PORTFOLIO PERFORMANCE**

The investment and cash management portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements.

## **REPORTING**

The Chief Financial Officer shall prepare an annual report to the Mayor and the City Council on the investment earnings and performance results of the City's investment portfolio. The report shall include an overview of the investments held by the City and the current market value of the portfolio.

The Chief Financial Officer shall present to the Investment Advisory Committee, at least semi-annually, a review of the portfolio's adherence to appropriate risk levels and a comparison between the portfolio's total return and the established investment objectives and goals.

Monthly reports to the Chief Financial Officer will include the following information:

- monthly rate of return or yield
- monthly allocation to the major asset classes
- a list of purchases and sales during the month
- a list of current issues held in the portfolio

Annual reports to the Chief Financial Officer will be in compliance with the Governmental Accounting Standards Board No. 40 and will include the following:

- weighted average maturity or duration in years
- credit ratings of the investments.

## **POLICY REVISIONS**

This Investment Policy shall be reviewed annually by the Chief Financial Officer and the Investment Advisory Committee. This Policy may be amended by the City Council as conditions warrant.

## AUTHORIZED INVESTMENT SUMMARY

The table below provides only a summary of the authorized investments of the City. For a detailed description of the investment parameters that govern the City's investments please see "AUTHORIZED SECURITIES AND TRANSACTIONS".

The ratings requirements outlined in this summary grid of eligible investments and transactions are those as published by Standard & Poor's ("S&P"), a Nationally Recognized Statistical Rating Organization ("NRSRO"). Securities purchased may be rated by Standard & Poor's, Moody's Investors Service, or Fitch Ratings, therefore, the ratings equivalents of those referenced by S&P are outlined on page 3 of this policy.

Security Type	Maximum Portfolio %	Maximum Issuer %	Maturity Restrictions	Rating Restrictions
U.S. Treasuries	100%	100%	5 years	N/A
U.S. Agencies and Instrumentalities	85%	35%	5 years	A by 2 NRSROs
Time Deposit/CD	5%	2%	1 year	N/A
Negotiable CDs	30%	5%	3 Years	AA- or A-1 by 2 NRSROs
Corporate Bonds of a United States Issuer	35%**	5%**	3 years	AA- by 2 NRSROs
Corporate Bonds of a Canadian or Australian Issuer	5% per country**	5%**	3 years	AA- by 2 NRSROs
Municipal Bonds of a Colorado Issuer	20%*	5%*	5 years	A- by 2 NRSROs
Municipal Bonds of a Non-Colorado Issuer	20%*	5%*	5 years	AA- by 2 NRSROs
Municipal Bonds, School District Certificates of Participation	20%*	5%*	5 years	A- by 2 NRSROs
Municipal Bonds, Short Term	20%*	5%*	5 years	A-1 or MIG 1 by 1 NRSRO
Municipal Bonds, Pre-Refunded	40%	5%	5 years	AA+ by 1 NRSRO
Commercial Paper	30%	5%	270 days	A-1 by 2 NRSROs
Banker Acceptances	20%	5%	180 days	A-1 by 2 NRSROs
Repurchase Agreements	50%	10%	180 days	N/A
Local Government Investment Pool	100%	50%	N/A	AAAm by 1 NRSRO
Money Market Funds	100%	50%	N/A	AAAm by 1 NRSRO
Obligations of the City of Colorado Springs	N/A	N/A	N/A	N/A

\*The aggregate exposure to municipal bonds may not exceed 20% of the Portfolio, and no more than 5% of the Portfolio may be invested with a single issuer.

\*\*The aggregate exposure to corporate bonds may not exceed 35% of the Portfolio, and no more than 5% may be invested with a single corporation.

**Note:** The Portfolio will be limited to an aggregate exposure of 50% for the following investment types: Municipal Bonds, Corporate Bonds, Commercial Paper, Negotiable Certificates of Deposit and Bankers Acceptances.