

Financial Commission Meeting August 15, 2016
Agenda Item 3 - City Investment Policy
Financial Commission Subcommittee Notes for Discussion

<u>Investment Instruments</u>	<u>Current FC Recommendation</u>	<u>Proposed FC changes</u>
Municipal Obligations (including notes issued by the State of California, California local agencies, and the other 49 states)	Not permitted	5 years Type / Rate - TBD 30% of portfolio
Asset-Backed Securities, Mortgage Passthrough Securities, and Collateralized Mortgage Obligations	5 years Credit rating of no less than AA by an NRSRO 30% of portfolio	5 years Type / Rate – TBD 20% of portfolio 3% of portfolio per issuer
Corporate Medium Term Notes	4 years 25% of portfolio 5% of portfolio per issuer Major domestic institutions Credit rating of no less than A by any two of Standard & Poor's, Moody's, and Fitch	4 years 30% of portfolio 5% of portfolio per issuer Major domestic institutions Credit rating of no less than A by any two of Standard & Poor's, Moody's, and Fitch
Obligations issued by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank (Supranationals)	5 years 10% of portfolio Credit rating of no less than AA by an NRSRO	5 years 10% of portfolio Credit rating of no less than AAA by an NRSRO
Negotiable Certificates of Deposit	3 years 15% of portfolio 5% of portfolio per issuer Credit rating of no less than A (or A-1 for short-term securities) or its equivalent by any two nationally recognized statistical rating organizations (NRSROs)	3 years 30% of portfolio 3% of portfolio per issuer Credit rating of no less than A (or A-1 for short-term securities) or its equivalent by any two nationally recognized statistical rating organizations (NRSROs)