

**SECTION VI: AUTHORIZED INVESTMENTS**

The Chief Financial Officer or designee may invest in any of the listed investment instruments in the table below:

<u>Investment Type</u>	<u>Minimum Credit Rating At Purchase</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Permitting Legislation</u>
<b>US Treasury Notes, Bonds, Bills</b>				
United States treasury notes, bonds, or bills for which the full faith and credit of the United States are pledged for the payment of principal and interest; Bonds, notes, bills, warrants or obligations issued by an agency of the United States.	NR	5 years	100%	California Government Code Section 53601(b)
<b>US (Federal) Agency Obligations</b>				
Federal agency or United States government-sponsored enterprise (GSE) obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.	NR	5 years	100% No more than 30% of the portfolio may be invested in any single Agency/GSE issuer. The maximum percent of agency callable securities in the portfolio will be 20%.	California Government Code Section 53601(f).
<b>State of California Obligations</b>				
Registered state warrants or treasury notes or bonds of the State of California including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any department, board, agency, or authority of the state;	AA	5 years	30% / 5% of one single issuer	California Government Code Section 53601(c).
<b>All Other State Obligations</b>				
Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 States, in addition to California;	AA	5 years	20% / 5% of one single issuer	California Government Code Section 53601(d).
<b>California Local Agency/ Municipal Obligations</b>				
Registered treasury notes or bonds of any local agencies within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a local agency or by a department, board, agency, or authority of local agency;	AA	5 years	20% / 5% of one single issuer	California Government Code Section 53601(e).
<b>BART Obligations</b>				
Registered treasury notes or bonds of the District, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a department, board, agency, or authority of the District;	AA	5 years	20% / 5% of one single issuer	California Government Code Section 53601(a).
<b>Non-Negotiable Certificates of Deposits</b>				
Public time deposits in financial institutions having at least one branch within the District boundaries and will require 110% collateralization, less the portion authorized by California Government Code Section 53653 on public time deposits, except for San Francisco Federal Home Loan Bank Letters of Credit, in which case the required collateralization will be 105%.The Chief Financial Officer or designee has the authority to waive the required collateralization and substitute Federal Deposit Insurance Corporation (FDIC) for the first \$250,000 of the investment. The Chief Financial Officer will continue to seek minority depository institutions, as defined by the Federal Government, for the placement of a portion of the District's funds.	NR	5 years	20%	California Government Code Section 53630 (a) through (p) excluding subsection (m) promissory notes secured by first mortgages and first trust deeds.
<b>Supranationals</b>				
Only those in United States dollar denominated unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.	AA	5 years	30%	California Government Code Section 53601(q)
<b>Medium Term Corporate Notes</b>				
Corporate bonds, Corporate Notes and Deposit Notes. Issuers are banks and bank holding companies, thrifts, finance companies insurance companies and industrial corporations and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. These debt obligations are generally unsecured.	A	5 years	30%; no more than 10% in any single issuer	California Government Code Section 53601(k)
<b>Commercial Paper-Non-Pooled Funds</b>				
A short term unsecured promissory notes issued by financial and non-financial companies to raise short term cash. Financial companies issue commercial paper to support their consumer and/or business lending; non-financial companies issue for operating funds	Highest letter and number rating by an NRSRO A or A-1	270 Days	20%	California Government Code Section 53601(h)(2)(c)
<b>Repurchase Agreement</b>				
Repurchase agreements and will accept as collateral only securities of the U.S. government and U.S. governmental agencies which have a market value, including accrued interest, equal to the amount of the repurchase agreement	NR	365 Days	20%	California Government Code Section 53601(j)

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<p><b>Money-Market Mutual Funds</b>                      The money market mutual funds in which their portfolio must consist entirely of direct obligations of the U. S. Government, its agencies, or instrumentalities eligible, and repurchase agreements backed by such obligations. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S. C. Sec. 80a-1, et seq.), and have an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.</p>	<p>A money market mutual fund must receive the highest ranking by not less than two NRSROs or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.</p>	<p>N/A</p>	<p>20%</p>	<p>California Government Code Section 53601(l) and 53601.6(b)</p>
<p><b>Local Agency Investment Fund (LAIF)</b>                      The State of California Local Agency Investment Fund as authorized by California Government Code Sections 16429.1, 2, 3 &amp; 4. LAIF's investments in instruments prohibited by or not specified in the District's policy do not exclude the investment in LAIF itself from the District's list of allowable investments, provided LAIF's reports allow the Treasurer to adequately judge the risk inherent in LAIF's portfolio.</p>	<p>NR</p>	<p>N/A</p>	<p>Deposits subject to the State Treasurer's account limit (as published; currently \$75 million, subject to change)/20% of Portfolio</p>	<p>California Government Code Section 16429.1</p>
<p><b>County Pooled Investment Funds</b>                      An Investment Pool of cash reserves for County agencies, school districts and special districts. The Investment Pool is invested in fixed income securities that are legally permitted by California Government Code.</p>	<p>NR</p>	<p>N/A</p>	<p>NONE / 20% of Portfolio</p>	<p>California Government Code Section 27133; Subject to approval of County</p>