

TriMet Investment Policy – 2024 Revisions

2024 Changes to TriMet’s Investment Policy with Explanation of the nature of the change:

1. **6.0 Safekeeping, Custody & Authorized Dealers**

a. **6.3 Authorized Financial Dealers**

Updating language to state we will maintain a list of brokers, versus a list of four. This language allows for a greater pooler of investment brokers.

The District shall maintain a list of broker/dealers that are approved to transact with the District for investment purposes. Any firm is eligible to make an application to the CFO provided that they can meet the minimum criteria stated below. Additions and deletions to the list will be made at the District’s discretion.

2. **Authorized & Suitable Investments**

a. **7.2 Suitable Investments and Cash Management Tools**

Adding context to explicitly identify examples of U.S. Government Sponsored Enterprises (GSE). GSEs include, but are not limited to, the following:

Regional Bank Financing GSEs

- Federal Home Loan Banks (FHLB)
- Federal Farm Credit Banks (FFCB)

Mortgage Related GSEs

- Federal National Mortgage Association (FNMA or Fannie Mae)
- Federal Home Mortgage Corporation (FHLMC or Freddie Mac)

Public Power GSEs

- Tennessee Valley Authority (TVA)

U.S. Agency Obligations and Instrumentalities

Senior debenture obligations of U.S. federal agencies and instrumentalities or U.S. Government Sponsored Enterprises (GSEs) – Federal Instrumentality Securities. Federal Home Loan Bank (FHLB), Fannie Mae, Freddie Mac, Federal Farm Credit Bank (FFCB), Tennessee Valley Authority, among others.

- b. Minor edit to required rating agencies to state Aa3 **AND** better by Moody’s Investor Service and AA- or better by Standard & Poor’s. Previously the policy stated “or” where it should read “and” to include minimum ratings from both agencies.

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3. 7.3 Prohibited Investments

- a. 7.3.4 Cryptocurrencies, nonfungible tokens (NFT) or other new or volatile investment type are strictly prohibited.

Government Finance Officer Association advises governments to abstain from accepting cryptocurrency for receivables, using cryptocurrency for payables, and investing in these products. Such volatile and unstable products are typically unauthorized by state laws as an allowable investment vehicle for governments

4. 8.0 Investment Parameters

- a. Diversification – edit to reflect for U.S. Treasury Obligations there is no per issuer constraint. Policy now states per issuer is “N/A” or not applicable.
- b. U.S. Agency Obligations edit to increase the per issuer constraint from 33% to 35%. This increase is consistent with other local government policies and provides a slight increase in our per issuer limit.

5. 8.3 Investment Maturity

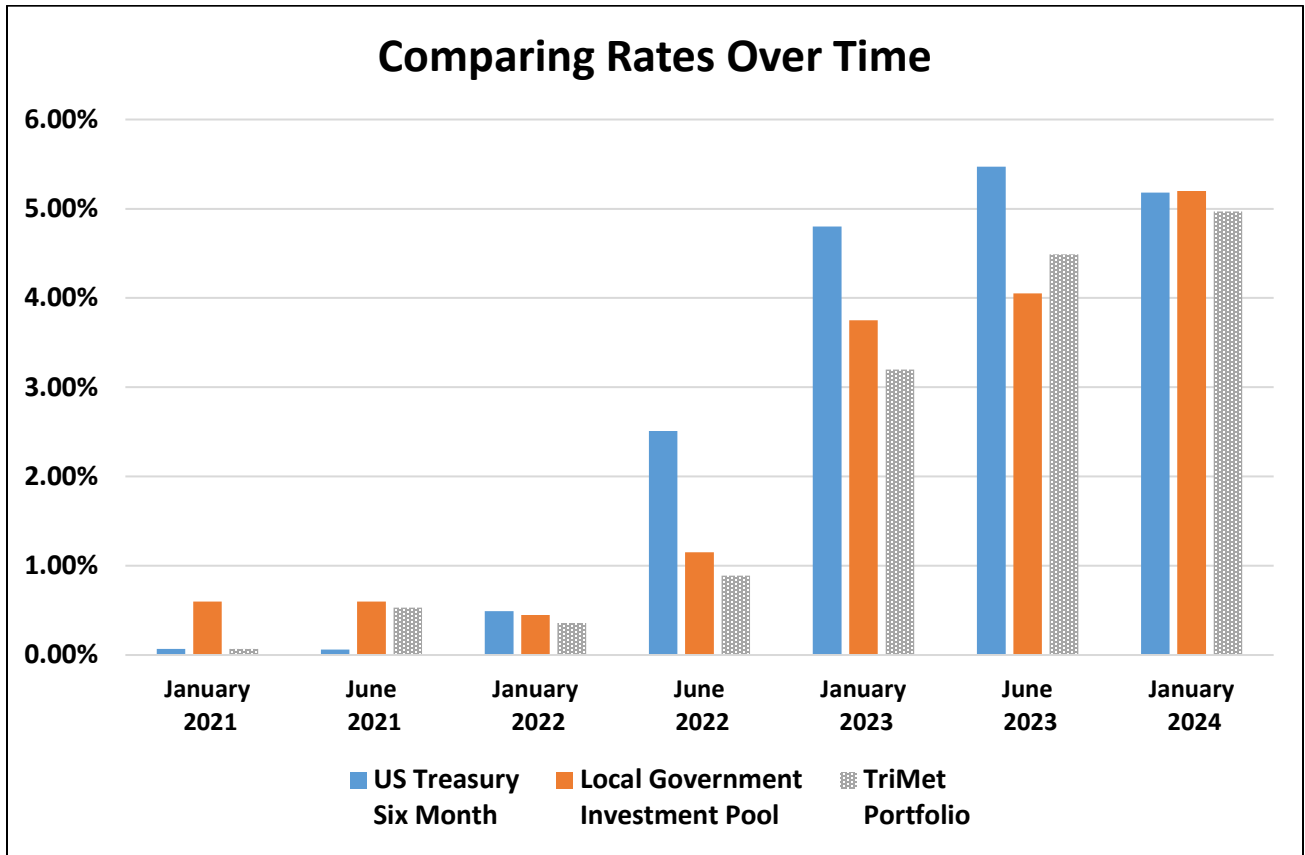
- a. 8.3.1 Clarification to state the settlement date versus date of purchase.
 - i. Necessary to clarify the date from which investment maturities are measured.
 1. Trade could be agreed to on Monday, but trade settles (executes) Wednesday
 2. Maturity limitations should be measured from the settlement date (Wednesday) as this is when TriMet takes ownership of the security purchased.

6. 9.2 Performance Standards

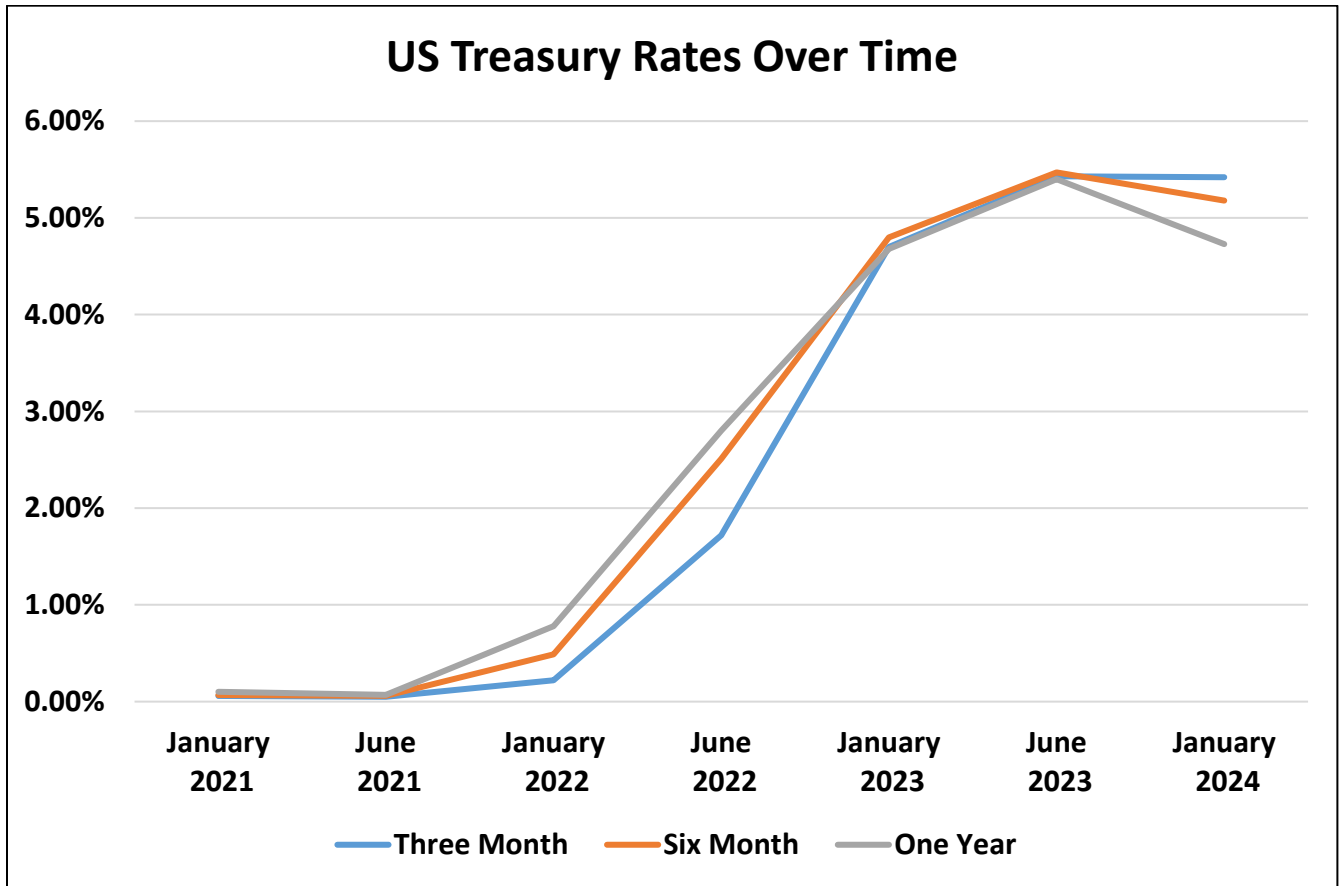
- a. 9.2.1 Additional language to identify rate comparisons for portfolio performance: The performance of the portfolio will be compared to the performance of investments such as:
 - Oregon Local Government Investment Pool Rates
 - Treasury Bill Rates
 - Rates earned on Certificates of Deposit

Benchmarking is important as it helps to ensure TriMet is making an appropriate return on its investments thereby maximizing its use of idle cash. If returns deviate significantly from established benchmarks TriMet will examine its investments and entertain reallocating holdings.

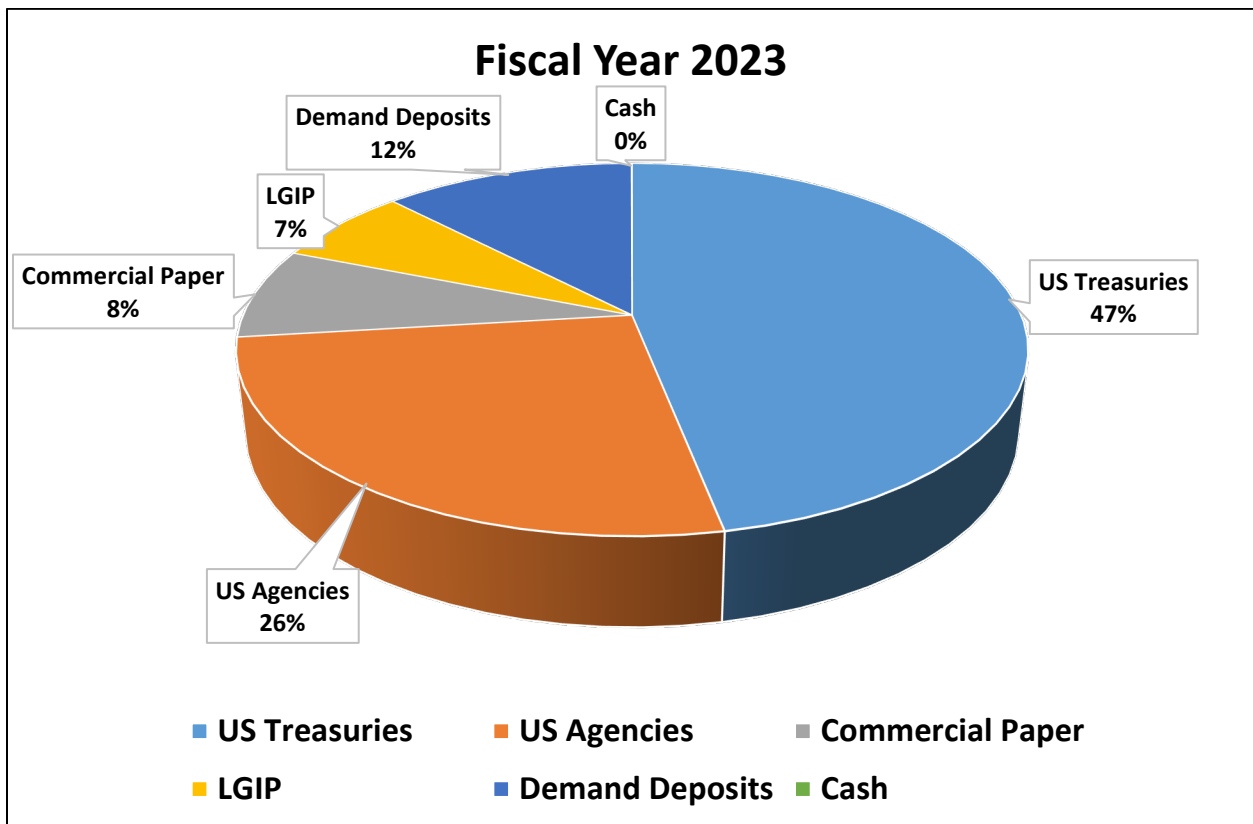
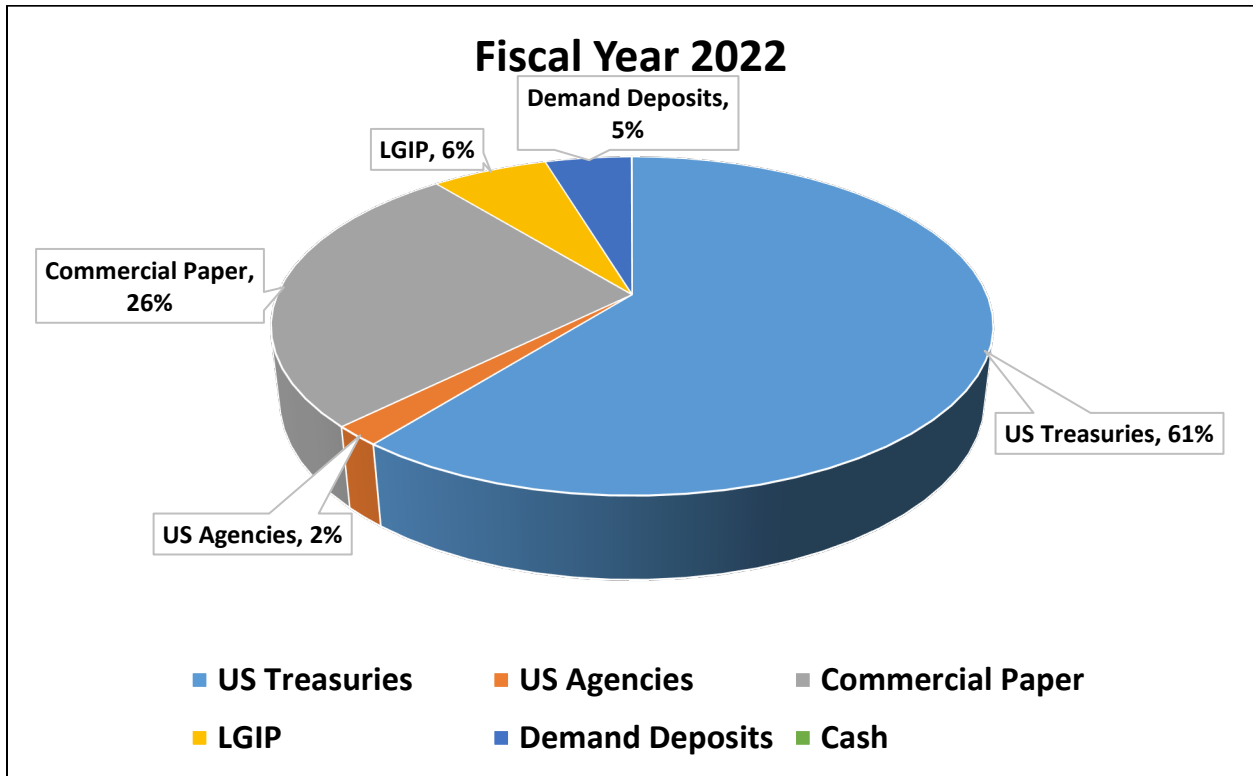
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