

# County of Allegheny

## OFFICE OF THE TREASURER



# Investment Policy

**Officially  
Certified by:**



ASSOCIATION OF PUBLIC TREASURERS  
UNITED STATES & CANADA

**John K. Weinstein**  
**TREASURER**

Revised June 2018

## Table of Contents

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I.	Certificate of Excellence.....	1
II.	Glossary.....	2-6
III.	Purpose.....	7
IV.	Policy.....	7
V.	Scope.....	7
	A.    Funds	
VI.	Prudence.....	8
VII.	Objective.....	8
	A.    Safety	
	B.    Liquidity	
	C.    Return on Investments	
VIII.	Delegation of Authority.....	8-9
IX.	Investment Procedures.....	9
X.	Ethics and Conflicts of Interest.....	9
XI.	Authorized Financial Dealers and Institutions.....	9-10
XII.	Authorized & Suitable Investments.....	10-13
	A.    U.S. Treasury Obligations	
	B.    U.S. Federal Agencies	
	C.    Repurchase Agreements	
	D.    Deposits	
	E.    Obligations of the Commonwealth of Pennsylvania	
	F.    Shares of Investment Company	
	G.    Certificates of Deposit Inside the Commonwealth of Pennsylvania	
	H.    Certificates of Deposit Outside the Commonwealth of Pennsylvania	
	I.    Commercial Paper	
	J.    Pennsylvania Local Government Investment Trust	
	K.    Invest	
XIII.	Master Repurchase Agreement.....	13

XIV.	Investment Pools/Mutual Funds.....	13
XV.	Collateralization.....	13-14
XVI.	Safekeeping and Custody.....	14
XVII.	Diversification.....	14
XVIII.	Maximum Maturities.....	14
XIX.	Internal Control.....	14
XX.	Performance Standards.....	15
	A. Market Yield (Benchmark)	
XXI.	Reporting.....	15
XXII.	Investment Policy Adoption.....	15
XXIII.	Attachment.....	16



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May 4, 2018

John K. Weinstein  
Treasurer  
436 Grant Street Room 108  
Pittsburg, PA 15219

Dear Mr. Weinstein:

The Association of Public Treasurers of the United States & Canada is pleased to present the Allegheny County Treasurer with the Association's Investment Policy Certificate of Excellence Award. The members of the Association's Investment Policy Certification Committee congratulate your government for its success in developing a comprehensive written investment policy that meets the criteria set forth by the Association's Investment Policy Certificate Committee.

A team of reviewers from the Investment Policy Certification Committee reviewed your Investment Policy and approved your entity's policy for the Certificate of Excellence Award.

You are cordially invited to attend the APT US & C annual conference to receive your award. Plaques are presented by the President of the Association and the Chairperson of the committee. This year, the 53<sup>rd</sup> Annual Conference will be in Memphis, Tennessee from July 20<sup>th</sup> through July 25<sup>th</sup>. We hope you will be able to attend. If not, we will get your plaque to you after the conference.

Once again, Congratulations on creating an excellent investment policy and attaining this award.

Sincerely,

Roger Wisecup, CPA, CPFA, ACPFIM  
Investment Policy Certification Committee Chairperson

## Glossary

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*Agencies* – Federal Agency Securities and/or Government-Sponsored Enterprises.

*Asked* – The price at which securities are offered.

*Benchmark* – A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

*Bid* - The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See offer.

*Board of Investment* – A three member Board comprised of the County Treasurer, who shall act as a Chair Person, the County Executive, and the County Controller. This board is responsible for providing a county investment program.

*Broker* - A broker brings buyers and sellers together for a commission. A broker does not sell securities from their own position.

*Certificate of Deposit* – A time deposit with a specific maturity evidenced by a certificate.

*Commercial Paper* – The short-term unsecured debt of corporations.

*Comprehensive Annual Financial Report or CAFR* -The official annual report for Allegheny County. This report is comprised of three sections: the introductory section, the financial section and the statistical section. This report is prepared in conformity with Generally Accepted Accounting Principles (GAAP). It includes information necessary to demonstrate compliance with finance-related legal and contractual provisions, as well as, detailed statistics.

*Collateral* - Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan or repurchase agreement. Also refers to securities pledged by a bank to secure deposits of public monies.

*Coupon* – The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value

*Dealer* – Acts as a principal in all transactions, buying and selling for his own account, as opposed to a broker.

*Debenture* – A bond secured by the general credit of the issuer only.

*Delivery versus Payment* – The two methods of delivery of securities are delivery vs payment and delivery vs. receipt. Delivery vs. payment is delivery of securities with an exchange of money for the securities. Delivery vs. receipt is delivery of securities with an exchange of a signed receipt for the securities.

*Discount* - The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

*Discount Securities* - Non-interest bearing money market instruments that are issued at discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

*Diversification* – Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

*Federal Credit Agencies* – Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., savings and loans, small business firms, students, farmers, farm cooperatives, and exporters.

*Federal Funds Rate* – The rate of interest at which Fed Funds are traded. Currently this rate is pegged by the Federal Reserve through open-market operations.

*Federal Deposit Insurance Corporation (FDIC)* - A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

*Federal Home Loan Banks (FHLB)* - Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies.

*Federal National Mortgage Association (FNMA)* - FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. A government sponsored enterprise (GSE) which is a publicly traded company operating under a Congressional Charter. Its purpose is to increase available and affordable homes for low and moderate income Americans.

*Federal Open Market Committee* – This committee is comprised of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member. The other Presidents serve on a rotating basis. As a means of influencing the volume of bank credit and money, the committee meets to establish Federal Reserve Guidelines for the purchase and sale of government securities in the open market.

*Federal Reserve System* - The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

*Fitch*- One of three nationally recognized statistical rating organizations (NRSRO) designated by the U.S. Securities and Exchange Commission. (See also Standard & Poors and Moody's)

*Government National Mortgage Association (GNMA or Ginnie Mae )*- Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions by insuring the timely payment of principal and interest from the aforementioned issuers. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the Federal Housing Administration (FHA), Veterans Affairs (VA), or Rural Housing Administration (RHA) mortgages. The term "pass-throughs" is often used to describe Ginnie Maes and are typically for first time home buyers and low-income borrowers.

*Liquidity* – The speed and ease with which an asset can be converted to cash.

*Local Government Investment Pool* – The aggregate of funds from various political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

*Market Value* - The price at which a security can be traded.

*Marked to Market* - The process of posting current market values for securities in the portfolio.

*Master Repurchase Agreement* - A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

*Maturity* – The date upon which the principal or stated value of an investment becomes due and payable.

*Moody's* - One of three well-recognized corporate and municipal bond rating agencies. Moody's also rates commercial paper and preferred stock, assigning credit ratings to reflect an issuer's ability to make timely interest and principal payments. (See also Standard & Poor's and Fitch).

*Offer* - The price asked by a seller of securities, (When you are buying securities, you ask for an offer.) See Asked and Bid.

*Open Market Operations* – In order to influence the volume of credit and money in the economy the Federal Open Market Committee directs the purchase and sale of government and other securities in the open market by the New York Federal Reserve Bank. This is the most flexible and significant monetary tool of the Federal Reserve.

*Portfolio* - Collection of securities held by an investor.

*Premium*- The difference between the par value of a bond and the cost of the bond, when the cost is above par.

*Primary Dealer* – A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

*Prudent Person Rule* – An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state- the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

*Rate of Return* - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond, the current income return.

*Repurchase Agreement* - A simultaneous agreement to sell securities to an investor and repurchase them at a fixed price on a fixed date.

*Safekeeping* - A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

*Security* – A tradable financial asset.

*Securities & Exchange Commission* - Agency created by Congress to protect investors in securities transactions by administering securities legislation.

*SEC Rule 15C3-1* – See Uniform Net Capital Rule.

*Structured Notes* - Notes issued by Government Sponsored Enterprises (FHLB, FNMA, etc.) and Corporations which have imbedded options (e.g. call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

*Standard & Poor's (S & P)* - one of three well-recognized corporate and municipal bond rating agencies. S & P also rates commercial paper and preferred stock, assigning credit quality ratings to reflect an issuer's ability to make timely interest and principal payments. (See also Moody's and Fitch).

*Tennessee Valley Authority* - (TVA) a wholly-owned corporation of federal government that finances the development and utilization of Tennessee River basin resources through the issuance of TVA Bonds. See also Federal Agency Securities.

*Uniform Net Capital Rule* – Also referred to as Net Capital Rule and Net Capital Ratio. A Security and Exchange Commission requirement that member firms, as well as, non-member broker-dealers in securities maintain a maximum ratio of 15 to 1 of indebtedness to liquid capital. Liquid capital is cash and assets converted to cash easily. Indebtedness is all money owed to a firm. This includes margin loans as well as commitments to purchase securities.

*U.S. Treasury Obligations* – Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

*Treasury Bills* – All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month Tbills at regular weekly auctions. It also issues “cash management” bills as needed to smooth out cash flows.

*Treasury Notes*- All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

*Treasury Bonds*- All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

*Yield* - The rate of annual income return on an investment, expressed as a percentage.

## **County of Allegheny County Investment Policy**

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### **III. Purpose:**

The purpose of this policy is to govern the Allegheny County Investment Program.

### **IV. Policy:**

The Allegheny County Treasurer shall invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of Allegheny County and conforming to all of the Commonwealth of Pennsylvania Statutes and the Allegheny County Ordinances governing the investment of public funds.

### **V. Scope:**

This policy applies to all financial assets of the County that are within the jurisdiction of the Treasurer including, but not limited to those assets held in the County's fiscal capacity, as well as, those held in a trust or agency relationship. If bond covenants are more restrictive than this policy, those bond proceeds will be invested in compliance with governing covenants.

This policy also applies to all financial assets of Allegheny County which funds are accounted for in the County of Allegheny Comprehensive Annual Financial Report and includes the following funds:

#### **A. Funds:**

1. General Fund
2. Special Revenue Funds
3. Capital Project Funds
4. Debt Service
5. Trust and Agency Funds except for those not maintained by the Treasurer
6. Administration of Retirement Office
7. Proprietary
8. (Any new fund created by the legislative body, unless specifically exempted.)

## VI. Prudence:

Investments shall be made with judgment and care under circumstances then prevailing. They shall be invested with care, skill, prudence, and diligence under prevailing circumstances, including but not limited to general economic conditions and anticipated needs of Allegheny County, not for speculation, but for investment, considering the probable safety of their capital, as well, as the probable income to be derived. The standard of prudence to be used by investment officials shall be the “**prudent person**” and/or “**prudent investor**” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with this policy and written procedures who exercise due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, with the provision that any deviation from expectation is acknowledged and action is taken to control adverse developments.

## VII. Objective:

Preservation of Allegheny County Funds, as well as, availability of the funds when needed are goals of the Investment Program. The program provides for a market rate of return to be earned without assuming undue risk to principal.

The primary objectives, in priority order, of Allegheny County’s investment activities shall be:

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments by the County Treasurer shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, Allegheny County will diversify its investments by investing funds among a variety of financial institutions and/or securities offering independent returns.
- B. **Liquidity:** The Allegheny County investment portfolio will remain sufficiently liquid to enable Allegheny County to meet all operating requirements which might be reasonably anticipated.
- C. **Return on Investments:** The Allegheny County investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the County’s investment risk constraints and the cash flow characteristics of the portfolio.

## VIII. Delegation of Authority:

Authority to manage the Allegheny County investment program is derived from the following: 16 P.S. Section 4964 and Section 813.05 of the Administrative Code of Allegheny County. Management responsibility for the investment program is hereby

delegated to the Chief Investment Officer or Chief Financial Officer within the Treasurer's Office who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures.

In addition, the Treasurer shall have the discretion as governed by the County Code to utilize a third-party agent to manage the process and advise on the dealers when in the best interest of the County. This agent shall adhere to the Investment Policy and Procedures.

#### **IX. Investment Procedures:**

The Treasurer shall establish written investment policies and procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, PSA Master Repurchase Agreements, wire transfer agreements, banking service contracts and collateral\depository agreements. Such procedures shall include delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer.

#### **X. Ethics and Conflicts of Interest:**

The Commonwealth of Pennsylvania mandates the County Treasurer and its employees as defined in the Ethics Law to file a Statement of Financial Interest Form pursuant to the provisions of the Public Official and Employee Ethics Law, Act 170 of 1978 as amended by Act 9 of 1989, 65 P.S.401 *et seq.*

In addition, the Accountability, Conduct and Ethics Code of Allegheny County enacted on April 17, 2001, shall file a written Disclosure of Interest Statement as adopted and published by The Accountability, Conduct and Ethics Commission ("ACE Commission") with the County Manager.

Officers 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 their ability to make impartial investment decisions.

#### **XI. Authorized Financial Dealers and Institutions:**

The Treasurer will maintain a list of financial institutions authorized to provide investment services and investment products. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness (e.g. minimum capital requirement of \$10 million and at least 5 years of operations) who are authorized to provide investment services and products in the Commonwealth of Pennsylvania. These may include "**primary**" dealers or regional dealers that qualify under "**Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule)**". No public deposit shall be made except in a qualified public depository as established by the laws of the Commonwealth of Pennsylvania.

All financial institutions and broker/dealers who desire to become a qualified financial institution or broker/dealer for investment transactions must first supply the Treasurer with the following as deemed appropriated by the Treasurer:

- Audited Financial Statements
- Proof of Financial Industry Regulatory Authority (FINRA)
- Broker/Dealers Certification of having read Allegheny County's Investment Policy
- Proof of Commonwealth of PA Registration

Upon review of the above, the Treasurer shall either place the institution or broker/dealer on its qualified list. Periodic review of the financial condition and registrations of qualified bidders will be conducted by the Treasurer.

A current audited financial statement is required to be on file for each financial institution and broker/dealer in which Allegheny County invests.

## **XII. Authorized & Suitable Investments:**

Allegheny County is empowered by statute to invest in the following types of Securities as summarized and restricted below:

### **Permitted Investments**

All debt obligations must be rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.

#### **A. U.S. Treasury Obligations:**

United States Treasury bills, notes, bonds or any obligation or other security issued by the United States Treasury or other obligation backed by the full faith and credit of the United States.

#### **B. U.S. Federal Agencies:**

Any bond, note or other security issued by any federal government agency or instrumentality. These federal agency securities shall be direct issuance's of the federal government agencies or instrumentalities such as:

1. Federal Farm Credit Bank (FFCB)
2. Federal Home Loan Bank (FHLB)
3. Federal National Mortgage Association (FNMA)
4. Federal Home Loan Mortgage Corporation (FHLMC)
5. Government National Mortgage Association (GNMA)
6. Tennessee Valley Authority (TVA)

**C. Repurchase Agreements:**

Repurchase agreements must be fully collateralized and meet the following requirements.

1. Include a definite termination date.
2. Be secured by a U.S. Treasury Obligation or United States Government Agency (A Rating) with maturities up to 40 years.
3. Meet the requirements for perfected security interest under applicable law.
4. Be established with a primary government securities dealer as defined by regulations of the Federal Reserve Bank of New York, or a depository institution doing business in the Commonwealth of Pennsylvania.

These tri-party Repurchase Agreements require the securities being pledged to the County to be held in the name of the County and to be deposited simultaneously with a third party chosen and approved by the County.

- a. The market value of securities subject to a Repurchase Agreement each day must be equal to the principal value plus accrued interest of the Repurchase Agreement by at least 100%.
- b. Securities must be marked to market daily and appropriate collateral adjustment made.

**D. Deposits:**

Savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions having their principal place of business in the Commonwealth of Pennsylvania and insured by the Federal Deposit Insurance Corporation, National Credit Union Share Insurance Fund, the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

**E. Obligations of the Commonwealth of Pennsylvania:**

This includes any of the Commonwealth of Pennsylvania Obligations or any of its agencies or instrumentalities backed by full faith and credit of the Commonwealth or the full faith and credit of its political subdivisions.

**F. Shares of Investment Company:**

The company must be registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933,

provided that the only investments of that company are in the authorized investments for county funds listed in clauses (A) through (E) and the fund is managed in accordance with 17 CFR 270.2a-7 (relating to money market funds) and the investment company is rated in the highest category by a nationally recognized rating agency and SEC compliant.

**G. Certificates of Deposit Inside the Commonwealth of Pennsylvania:**

Certificates of Deposit purchased from institutions having their principal place of business in the Commonwealth of Pennsylvania and insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation to the extent that such accounts are so insured. However, for any amounts above the insured maximum, such certificates of deposit shall be collateralized by a pledge or assignment of assets of the institution, and such collateral may include loans (including interest in pools of loans) secured by first mortgage liens on real property. Certificates of deposit purchased from commercial banks shall be limited to an amount equal to (20%) of a banks total capital and surplus. Certificates of deposit purchased from saving and loan associations or saving banks shall be limited to an amount equal to twenty percent (20%) of an institution's assets minus liabilities.

**H. Certificate of Deposit Outside the Commonwealth of Pennsylvania:**

Certificates of Deposit purchased from institutions having their principal place of business outside the Commonwealth of Pennsylvania and insured by the Federal Deposit Insurance Corporation, or the National Credit Union Share Insurance Fund, and, to the extent that such accounts are so insured, for any amounts above the insured maximum provided that approved collateral as provided by law therefore shall be pledged by the depository. Certificates of deposit purchased from commercial banks shall be limited to an amount equal to twenty percent (20%) of a banks total capital and surplus. Certificates of deposit purchased from savings and loan associates or savings banks shall be limited to an amount equal to twenty percent (20%) of an institutions assets minus liabilities.

**I. Commercial Paper:**

Commercial Paper issued by corporations or other businesses entities organized in accordance with Federal or State law with a maturity not exceed 270 days if rated in the top short-term category by at least two nationally recognized statistical ratings agencies. Commercial Paper must be purchased from a registered broker/dealer.

**J. Pennsylvania Local Government Investment Trust (PLGIT):**

Shares in PLGIT which is a financial service organization created by, and run by, local government officials, exclusively for Pennsylvania's municipalities, authorities, schools and other local regional government type entities can be purchased. The Trust fully complies with all Commonwealth of Pennsylvania statutes and regulations for the allowable investment of public funds.

**K. Invest**

A government pool established by the State Treasurer exclusively for Pennsylvania municipalities. The Trust fully complies with all Commonwealth of Pennsylvania statutes and regulations for the allowable investment of public funds.

**XIII. Master Repurchase Agreement**

A Master Repurchase Agreement must be signed with the bank or dealer. (e.g. a **PSA Master Repurchase Agreement** or equivalent)

**XIV. Investment Pools/Mutual Funds:**

A thorough investigation of the pool/fund is required prior to investing, and must be conducted on a continual basis. Such investigation may include but not be limited to the following:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations, how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Verification of whether reserves, retained earnings, etc. are utilized by the pool fund.
- A fee schedule, and when and how is it assessed.
- An eligibility of the pool/fund for bond proceeds and will it accept such proceeds?

**XV. Collateralization:**

Collateralization will be required on certain types of investments: certificates of deposit, savings accounts, time deposits, checking with interest and repurchase agreements. In

order to anticipate market changes and provide a level of security for all funds, the collateralization level will be at least (100%) of the market value of principal plus accrued interest.

The entity chooses to limit collateral to U.S. Treasury Obligations and U.S. Government Agencies. Collateral will be pledged at a minimum in accordance with 72 P.S. Section 3836-1 through Section 3836-6.

#### **XVI. Safekeeping and Custody:**

All security transactions, including collateral for repurchase agreements, entered into by Allegheny County shall be conducted at a minimum within the confines of Act 72.

Direct security transactions, including collateral for repurchase agreements, entered into by Allegheny County shall be conducted on a delivery-versus-payment (DVP) basis. The Treasurer, or a third party custodian/agent acceptable to the Treasurer, shall hold such securities in physical form, or in book-entry form in the name of Allegheny County. All security transactions shall be evidenced by a written confirmation delivered by the counterparty to the Treasurer.

#### **XVII. Diversification:**

The purpose of diversification is to reduce the overall risk within the Investment portfolio while attaining average market/benchmark rates of return. Allegheny County shall diversify its investments by security type/issuer and institution. Diversification will prevent over concentration in an entity. With the exception of U.S. Treasury Securities no more than 55% of Allegheny County's total investment portfolio will be invested in a single financial institution or security type. Percentage limits are in place to insure diversification; however, a reasonable temporary imbalance will not significantly impair this strategy.

#### **XVIII. Maximum Maturities:**

When possible, Allegheny County will attempt to match its investments with anticipated cash flow requirements. Allegheny County will not directly invest in securities maturing more than thirteen months from the date of purchase except where a corresponding cash flow necessitates a longer investment period. Allegheny County collateralizes its repurchase agreements; however, using longer-dated investments not to exceed forty years to maturity.

Reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

#### **XIX. Internal Control:**

As part of the annual audit of county government, the Treasurer participates in an independent review by an external auditor. The County Treasurer at his discretion may contract with an independent firm to audit the compliance with policies and procedures.

## **XX. Performance Standards:**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with investment risk constraints and the cash flow needs.

- **Market Yield (Benchmark):** The entity's primary investment strategy shall be passive with securities being held to maturity. Under certain circumstances; however, active management may be utilized to enhance portfolio risk structure, liquidity or yield in response to certain requirements.
- The County will adopt an appropriate benchmark that approximates the composition and weighted-average maturity of the County's portfolio. This basis will determine whether market yields are achieved.

## **XXI. Reporting:**

The Treasurer shall provide the Board of Investment with semi-annual investment reports, which provide a clear picture of the status of the current investment portfolio. Management will include comments on the fixed income markets, economic conditions, percentage of investment by categories, possible changes in the portfolio structure going forward and investment strategies.

Schedules in the semi-annual report should include the following:

- A listing of individual securities held at the end of the reporting period by authorized investment category
- Average life and final maturity of all investments listed
- Coupon, discount or earnings rate
- Par value, Amortized Book Value and Market Value
- Percentage of the Portfolio represented by each investment category

## **XXII. Investment Policy Adoption:**

The Board of Investment shall review the Investment Policy every two years at a minimum or as needed. The County of Allegheny Investment Policy and the modifications made thereto shall be adopted by the Board of Investment as needed.

**ATTACHMENT**  
**DEALERS AND FINANCIAL INSTITUTIONS**  
**CERTIFICATIONS OF UNDERSTANDING**

I, \_\_\_\_\_, an authorized representative of

\_\_\_\_\_ a licensed

(Institution)

\_\_\_\_\_

(Financial Institution or Dealer)

hereby certify in that capacity:

1. I have reviewed and understand the investment policies objectives and constraints of Allegheny County.

BY:

\_\_\_\_\_  
Print or type name

\_\_\_\_\_  
Institution or firm name

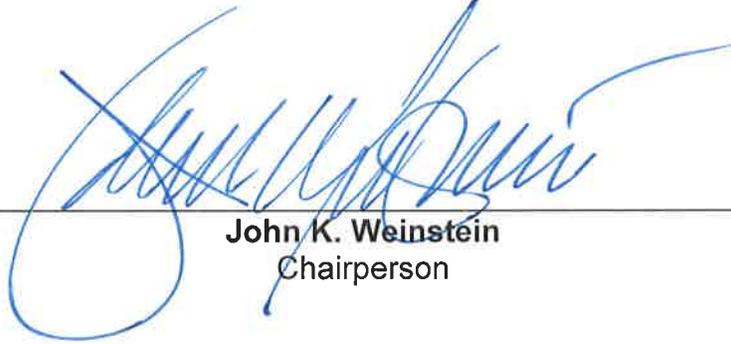
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
City, State, Zip Code

Approved, this day 20<sup>th</sup> day of June, 2018 by the  
Investment Board of Allegheny County.



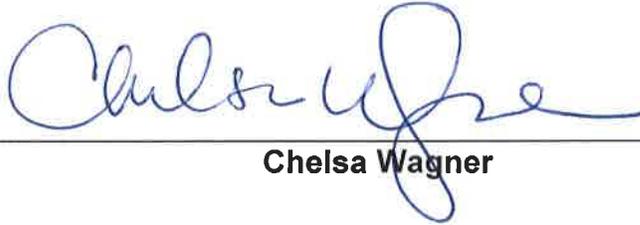
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**John K. Weinstein**  
Chairperson



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**Rich Fitzgerald**



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**Chelsa Wagner**