

City of San Jose Investment Policy Excerpt

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22.0 SOCIAL RESPONSIBILITY

In addition to and subordinate to the objectives set forth in Section 4.0 herein, investment of funds should be guided by the following socially responsible investment goals when investing in corporate securities and depository institutions. Investments shall be made in compliance with socially responsible investment goals as long as such investments achieve substantially equivalent safety, liquidity and yield compared to similar investments permitted by the Policy.

Investments are encouraged in i) entities that support community well-being through safe and environmentally sound practices and fair labor practices; ii) entities that support equality of rights for all protected categories/status included in the City Administrative Policy Manual 1.1.1. Discrimination and Harassment; and iii) entities that serve all members of the local community and promote community economic development. To the extent competing entities offer investment products of substantially equivalent safety, liquidity and yield, a Community Reinvestment Act rating of “satisfactory” or higher will be used as an investment criterion to differentiate between similar entities’ investment products.

The City shall make no direct investments in entities that directly engage in exploration, production, refining, or marketing of fossil fuels.

This section applies to new investments only and does not require divestment of existing investments.

23.0 INVESTMENT POLICY REVIEW/ADOPTION

The Policy shall be adopted by resolution of the City Council on an annual basis. This Policy shall be reviewed annually to ensure its consistency with respect to the overall objectives of safety, liquidity and yield, and its relevance to current laws and financial trends. An annual Statement of Investment Policy including proposed amendments to the Policy shall be prepared by the Director of Finance for the review and recommendation of the City Council Committee assigned the responsibility for review of Finance Department reports prior to submission to the entire City Council for consideration and approval.

24.0 TRAINING AND CONTINUING EDUCATION

The City strives for professionalism and accountability in the investment of its funds. In order to ensure the highest possible professional standards, City Investment Officials, as defined in the Policy, are encouraged to complete at least 16 hours per year of continuing education programs or other training in cash and investment management.

25.0 GLOSSARY

Definitions of investment-related terms are listed on Exhibit B.