

**City of San Mateo Investment Policy Excerpt**

<https://www.cityofsanmateo.org/DocumentCenter/View/45752/Investment-Policy-2020?bidId=>

5% of the City's total portfolio shall be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 10% of the City's total portfolio.

- H. Repurchase Agreements with a final termination date not exceeding 90 days collateralized by obligations of the U.S. Treasury, federal agencies and/or government-sponsored enterprises (described in sections VII.A and VII.C above). For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. All collateral must be delivered to the City's custodian bank by book entry, physical delivery, or by a third-party custodial agreement. The market value of the collateral securities shall be marked-to-the-market at least quarterly, and the value of the underlying collateral must be brought back up to 102 percent no later than the next business day. Market value must be calculated each time there is a substitution of collateral. No more than 10% of the City's total portfolio shall be invested in repurchase agreements with any one counterparty, and the aggregate investment in repurchase agreements shall not exceed 10% of the City's total portfolio.

The City or its custodian shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

The City may enter into Repurchase Agreements only with primary dealers of the Federal Reserve Bank of New York. Approved Repurchase Agreement counterparties shall have a short-term credit rating of at least "A-1", or the equivalent, and a long-term credit rating of at least "A", or the equivalent, by a NRSRO. Repurchase agreement counterparties shall execute a City-approved Master Repurchase Agreement with the City. The Finance Director/City Treasurer shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of broker/dealers who have executed this agreement.

Reverse repurchase agreements will not be permitted.

- I. **LOCAL AGENCY INVESTMENT FUND.** The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer (per Government Code Section 16429.1) for the benefit of local agencies up to the maximum amount permitted by LAIF or 65% of the market value of the City's total portfolio, whichever is less.
- J. **SAN MATEO COUNTY POOL.** The City may invest in the San Mateo County Pool established by the San Mateo County Treasurer for the benefit of local agencies (as established in California Code Section 53684). No more than 30% of the market value of the City's total portfolio may be invested in this category.
- K. **CALIFORNIA ASSET MANAGEMENT PROGRAM.** The City may invest in the California Asset Management Program (CAMP) a California Joint Powers Authority established to provide California public agencies with professional investment services (California Code Section 53601 (p)). No more than 20% of the market value of the City's total portfolio may be invested in this category.
- M. Shares of beneficial interest issued by a diversified management company 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.). Provided that the money market funds (1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of \$1.00; (3) have a rating of "AAA" or the equivalent by at least two NRSROs or have retained an investment adviser registered or