

INVESTMENTS

Policies

Florida Statute Section 218.415 will be followed for permissible investments.

PERMISSABLE INVESTMENTS

Pursuant to Florida Statutes Section 218.415, the Board adopted an investment policy which outlines the Board's investment responsibilities, objectives, and policies. The Board's investment policy authorizes the Board to invest in the following:

- a) The local Government Surplus Funds Trust Fund (SBA). (Maximum of 75%)*;
- b) Florida Local Government Investment Trust (FLGIT). (State Investment Trust) (100% allowed)*;
- c) Qualified money market mutual funds (Maximum of 50%)*;
- d) U.S. treasury bills, notes and bonds (100% allowed)*;
- e) Obligations guaranteed by the U.S. Government as to principal and interest such as obligations of the Government National Mortgage Association (GNMA) (Maximum of 5%)*;
- f) Non-callable Government Agency securities. (Maximum of 25%)*;
 - i. Federal Farm Credit Bank (FFCB)
 - ii. Federal Home Loan Mortgage Corporation (FHLMC)
 - iii. Federal Home Loan Bank (FHLB)
 - iv. Federal National Mortgage Association (FNMA)

This classification of government agency securities does not include any mortgage debt of any government agency.

- g) Time deposits and saving accounts in banks and saving and loan associations doing business in Florida. (Maximum of 50%)*;
- h) Tax-exempt obligations of the State of Florida and its various local governments, including Santa Rosa County.
- i) Repurchase Agreements for investment authorized in categories d, e, or f above. (Maximum of 40%)*

*To limit the County's concentration of credit risk, these are the maximum percentages of the County's total portfolio that can be in each type of investment.

Interest rate risk is limited by no security having a maturity exceeding 2 years. The weighted average to maturity for the portfolio shall be less than 365 days. Investments placed with the FLGIT, which typically invests in instruments with maturities of less than 5 years, are exempt from this limitation.

NON-PERMISSABLE INVESTMENTS

- a) Santa Rosa County may **not** directly purchase the following mortgage obligation investments that are permissible under Florida Statutes.
 - i. Federal Farm Credit Bank
 - ii. Federal Home Loan Mortgage Corporation
 - iii. Federal Home Loan Bank or its districts banks
 - iv. Federal National Mortgage Association (FNMA).
- b) The County may not direct purchase any investment that would be considered to be a derivative, or any other form of security, whose value is related to another security, or to an index, or to any other basis.
- c) Non-permissible investments currently held in the portfolio at the adoption of this Investment Policy may continue to be held. On maturity or sale of any non-permissible securities, the proceeds must be reinvested in accordance with this Investment Policy.

However, the County may invest in obligations guaranteed by a U.S. Government agency or instrumentality (a and b above) indirectly through its participation in the SBA, the FLGIT, or a qualified money market mutual fund.

APPROVED BROKER/DEALER

It is the policy of Santa Rosa County to purchase securities only from those broker/dealers (or agents) or banks included on the County's approved list, as approved by the Clerk of Circuit Court. The approved list will be developed in accordance with these Investment Policies.

INVESTMENT REPORTING

Monthly, or as deemed appropriate by the Clerk, the Clerk shall prepare a detailed list of the investments held in the portfolio.

In addition to the list of individual investment securities, the monthly report shall also indicate the following:

- *Diversification of the portfolio as set for in Section III A.1 of this Investment Policy
- *Maturity limitations established in Section III.B
- *Overall Portfolio return as compared to the 90 Day T-Bill rate

For complete detailed investment policy, see Santa Rosa County, Florida Investment Policies as amended March 10, 2011.