

**CAPITAL IMPROVEMENT BOARD
OF MANAGERS OF MARION COUNTY, INDIANA
INVESTMENT POLICY**

The CIB has established this Policy as its directives and intentions for the investment of Investable Funds of the CIB. Capitalized terms are intended to have their meanings as ascribed below (including the appendices).

1) Defined Terms

- a) CIB means the Capital Improvement Board of Managers of Marion County.
- b) CIB Depository means a financial institution approved as a public depository by the Indiana State Board of Finance as permitted and described in IC 5-13-8-9 in which Investable Funds are from time to time to be held.
- c) Cash Funding Needs means those future funding needs of the CIB that are foreseeable as identified from time to time by the Designated Primary Investment Employee and/or the Designated Secondary Approval Official (including those known by referenced to the terms and requirements of the Contractual Restrictions).
- d) Contractual Restrictions means the limitations and restrictions applicable to the investment of Investable Funds resulting from contractual undertakings of the CIB, identified as of the date of this Policy as set forth in Appendix A and as such is updated pursuant to Paragraph 18 herein.
- e) Covered Person means any person for whom the CIB maintains financial fidelity bond insurance coverage under its contracts insuring against acts of infidelity, theft and like matters.
- f) Designated Control Employee means the person serving under this Policy from time to time undertaking the functions herein ascribed to such Designated Control Employee, which persons shall be designated in writing by either of the Designated Secondary Approval Officials.
- g) Designated Primary Investment Employee means the person serving from time to time as the Chief Financial Officer of the CIB or such other Covered Person as may be jointly designated in writing by either of the Designated Secondary Approval Officials.
- h) Designated Secondary Approval Official means the person serving from time to time as the Executive Director or Treasurer of the CIB, as applicable.
- i) Group 1 Investments means any of the following:
 - Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States as permitted and described in IC 5-13-9-2(a)(1) and (a)(2);
 - Money Market Mutual Funds as permitted and described in IC 5-13-9-2.5; or
 - Interest Bearing Deposit Accounts as permitted and described in IC 5-13-9-5.3, provided that such is an account of a CIB Depository institution whose deposits are covered by the Indiana Public Deposit Insurance Fund pursuant to IC 5-13-12.

- j) Group 2 Investments means any of the following:
- Repurchase Agreements as permitted and described in IC 5-13-9-3, subject to the further requirements of Paragraph 8 herein;
 - Participation in loans as permitted and described in IC 5-13-9-3.5;
 - Certificates of Deposit as permitted and described in IC 5-13-9-4 and/or IC 5-13-9-5;
 - Interest Bearing Deposit Accounts as permitted and described in IC 5-13-9-5.3 5.3 that are not a Group 1 Investment;
 - Municipal Securities as permitted and described in IC 5-13-9-2(a)(3);
 - Local Government Investment Pool as permitted and described in IC 5-13-9-11; or
 - Other Investments as permitted by Statutory Requirements and Contractual Restrictions.
- k) Investable Funds means cash held by, in the name of, or any account of the CIB pending payment, transfer or other use thereof for (i) expenses for operations, renewal and replacement and related reserves, (ii) debt service and related reserves and (iii) capital expenditures.
- l) Investment Advisor means any person, firm, investment institution or financial institution selected by the Designated Primary Investment Employee with the concurrence of either of the Designated Secondary Approval Officials that is competent to provide third-party investment guidance.
- m) Investment Officials means the Designated Primary Investment Employee and, where applicable under this Policy, any of the Designated Secondary Approval Officials undertaking decisions, actions or inactions related to investments of Investable Funds.
- n) Maturity (and like derivations of such term) means the maturity date of any investment at which the Stated Principal Amount, together with the accrued and unpaid interest thereon, is payable to the holder thereof, whether at its final maturity or by operation of terms of optional or mandatory redemption exercisable by the holder thereof.
- o) Policy means the purposes and intentions set forth in this statement as renewed, amended, supplemented or replaced from time to time.
- p) Statutory Requirements means the laws of the State of Indiana applicable to the investment of Investable Funds including without limitation those identified as of date of this Policy as set forth in Appendix B and as such is updated pursuant to Paragraph 18 herein.

2) **Policy**

Investable Funds are to be invested subject to the requirements of this Policy in a secure manner to achieve a reasonable rate of return, with due and appropriate care to meet the daily cash flow demands of the CIB and to conform with Statutory Requirements and Contractual Restrictions. In general, all investments must comply with Statutory Requirements, which shall override and supersede any conflicting requirements in this Policy.

3) **Investment Philosophy**

Investments shall be made with due and prudent judgment and care, under circumstances then prevailing, which persons of reasonable prudence, discretion and intelligence exercise in the management of their own affairs. Investment Officials shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in the context of managing an overall portfolio, and not for speculation, but for investment, considering the safety of their principal as well as the income to be derived. Investment Officials acting in accordance with this Policy and in exercising due diligence shall not be personally responsible for any loss or damage resulting from any action or non-action by such person taken or omitted to be taken in good faith in furtherance of this Policy. Investment Officials may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the CIB) as to matters of law and shall not be responsible for in reliance upon such opinion or advice.

4) **Investment Objectives**

The primary objectives, in priority order, of the CIB investment activities shall be:

- a) Principal Preservation: Safety of principal is the primary objective of this Policy. Investments shall be undertaken in a manner that seeks to preserve Investable Funds.
- b) Liquidity: Investable Funds are to remain sufficiently liquid to allow the CIB to be able to timely respond to all cash flow requirements and to meet all operating and capital requirements of the CIB which might be reasonably anticipated.
- c) Return on Investments: Pursuit of due and prudent return on investments is a secondary objective of this Policy in light of seeking to effectively manage matters related to principal preservation and liquidity as set forth above. The rate of return on investments, while important, shall not take precedence over the first two objectives set forth above.

5) **Authorized Investments**

The Designated Primary Investment Employee is directed to invest Investable Funds in any of the following investments, each as such person may determine and as is consistent with this Policy:

- a) Group 1 Investments having a Maturity of 2 years or less.
- b) Group 1 Investments having a Maturity in excess of 2 years subject to the following: (i) the prior written concurrence of either of the Designated Secondary Approval Officials and (ii) giving notice (including providing such written concurrence) to the Designated Control Employee within ten (10) days after making any such investment.
- c) Group 2 Investments subject to the following: (i) not more than 20% of the CIB's total available Investable Funds be invested in any such Group 2 Investments where the credit exposure is to the same entity, (ii) the prior written concurrence of either of the Designated Secondary Approval Officials and (iii) giving notice (including providing such written concurrence) to the Designated Control Employee within ten (10) days after making any such investment.

6) **Risks**

The Designated Primary Investment Employee is directed to consider the following risks when investing Investable Fund:

- a) Interest Rate Risk: As a means of limiting exposure to fair value losses arising from increasing interest rates and any need to sell such investment prior to its Maturity in order to meet cash requirements, the Designated Primary Investment Employee shall structure the investment portfolio of Investable Funds so that securities Mature on or prior when such are needed to meet cash requirements of the CIB.
- b) Credit Risk: Credit Risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Credit risk shall be managed by compliance with the provisions of Statutory Requirements and Contractual Restrictions.
- c) Custodial Credit Risk: Custodial risk is the risk any failure of the counterparty that may result in the CIB not being able to recover the value of its investments or collateral securities that are in the possession of an outside party.
- d) Concentration of Credit Risk: This Policy places no limit on the amount that may be held in any CIB Depository subject however to Paragraph 7 herein. This Policy places no limit on the amount that may be invested in any Group 1 Investments. This Policy places limits on the amount that may be invested in any Group 2 Investments as is set forth in Paragraph 5(c) herein.

7) **Designation of Depositories**

All deposit of funds shall be made with at least two (2) financial institutions that are approved as public depositories by the Indiana State Board of Finance as permitted and described in IC 5-13-8-9(f). The listing of such public depositories is currently found at www.in.gov/tos/deposit). Also, the Local Government Investment Pool established within the office and custody of the Indiana Treasurer of State is approved as a depository per IC 5-13-9-11.

Within thirty (30) days after the amount of funds on deposit in any CIB Depository (other than as required by the State RDA or the CIB RDA) exceeds the lesser of \$70 million or 60% of the CIB's total available Investable Funds (and at a minimum on a semi-annual basis thereafter), the Designated Primary Investment Employee shall review this Policy and seek the written concurrence of either of the Designated Secondary Approval Officials to any continued maintenance of such amount of such funds therein and shall give notice (including providing such written concurrence) to the Designated Control Employee within ten (10) days after such concurrence.

8) **Repurchase Agreements**

Repurchase agreements entered into to invest Investable Funds shall be made under the direction of the Designated Primary Investment Employee (and with the prior written concurrence of either of the Designated Secondary Approval Officials as to each such provision) and shall conform with the following:

- a) Shall contain over-collateralization that are equal to or exceed standard minimums for the market at the time and are not less than 102% of market value of principal and accrued interest invested therein.
- b) Shall only utilize collateral security providers that the Designated Primary Investment Employee determines are regularly engaged in such matters in the State of Indiana.
- c) Collateral shall be held by an independent third party with which the entity has a current custodial agreement.
- d) Collateral shall be clearly marked to evidence of ownership and must be supplied to the custodial entity and retained.

9) **Diversification of Investments**

The CIB shall diversify its investments to limit exposure to credit concentrations, prevailing interest rates, type of funds invested and the cash flow needs of the CIB. Where prudent, diversification shall include consideration of diversity as to type of investment, number of institutions invested in and the scheduling of maturities.

10) **Maximum Maturities**

To the extent possible, the Investment Officials shall seek to match its investments with anticipated cash flow requirements. Investment Officials may invest its entire Investable Funds in investments that have a stated maturity of not more than two (2) years. Not more than 25% of its total Investable Funds shall be invested in securities with Maturities of not more than five (5) years in accordance with IC 5-13-9-5.7. Investable Funds shall be invested in securities with Maturities of not more than five (5) years in accordance with IC 5-13-9-5.7.

11) **Cash Funding Needs**

The Investment Officials shall periodically assess the future Cash Funding Needs of the CIB and endeavor to identify and preserve unrestricted or unreserved funds (inclusive of Investable Funds made pursuant to this Policy) to attempt to meet future Cash Funding Needs. The Designated Primary Investment Employee shall inform the Designated Secondary Approval Official when unrestricted or unreserved funds of the CIB are foreseen to be limited in amount relative to the total Cash Funding Needs so as to foster an improved prioritization of overall Cash Funding Needs planning.

12) Prohibited Investments

Any investment not consistent with this Policy are prohibited. Without limiting the generality of the foregoing, any purchases on margin, short sales, derivatives, swaps or similar investments shall be considered prohibited investments.

13) Delegation of Authority

Each applicable Investment Official shall be responsible for all transactions involving Investable Funds consistent with this Policy. The Executive Director and Chief Financial Officer of the CIB shall establish such additional systems of control (including written investment procedures) to regulate the activities of Investment Officials. No person may engage in an investment transaction involving Investable Funds except as provided under this Policy or as may be authorized a resolution of the CIB's board.

14) Ethics and Conflicts of Interest

Investment Officials and any and all other participants in the process involving Investable Funds shall act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence. Investment Officials and any and all other participants in the process involving Investable Funds 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.

15) Internal Control

The Executive Director and Chief Financial Officer of the CIB are responsible for establishing and maintaining an internal control structure to reasonably insure that assets are protected from loss, theft or misuse. An annual independent review by the Indiana State Board of Accounts will provide internal control by assuring compliance with this Policy.

16) Monitoring

On a continual basis (including reviewing each monthly statement detailing the investments of Investable Funds), the Designated Control Employee shall monitor the investments to ensure compliance with this Policy. If a prohibited investment is purchased (or another action or inaction contrary to this Policy is observed), both of the Designated Secondary Approval Officials, and the Designated Primary Investment Employee shall be notified by the Designated Control Employee immediately to determine if the investment must be sold or held to maturity (or if other corrective action shall be taken). If the written joint concurrence of the two (2) Designated Secondary Approval Officials as to a corrective action is not obtained within five (5) days after notice is provided by the Designated Control Employee, or upon discovery by either of the Designated Secondary Approval Officials of a prohibited investment, then a Designated Primary Investment Employee shall immediately notify the CIB's general counsel.

17) Periodic Meetings

The Designated Primary Investment Employee shall meet, in person or via conference call, with an Investment Advisor periodically, at a minimum on a quarterly basis, to (a) review the investment performance, interest rates, economic conditions, and to discuss future investment strategy, (b) discuss CIB's cash flow needs, (c) inquire as to their input on this Policy and (d) inquire as to any known additional federal, state and local laws or regulations applicable to the discharge of this Policy.

18) Investment Performance Benchmark

The Designated Primary Investment Employee shall cause to be maintained an investment portfolio's performance review by which to measure investment results against a benchmark comprised of the following:

- a) 10% of Investable Funds in Personal Money Market Deposit Account Index
- b) 35% of Investable Funds in Lipper Money Market Mutual Fund Index
- c) 20% of Investable Funds in S&P Government Investment Pool Index
- d) 35% of Investable Funds in 50% 90 Day Treasury Bills/50% ML 1-3 year Government Index

If one of the above indices is no longer available, the Designated Primary Investment Employee, upon approval of one Designated Secondary Approval Employee, may select another similar index to replace it. The Designated Primary Investment Employee shall report, at a minimum on a quarterly basis, on such investment portfolio's performance review to each Designated Secondary Approval Official.

19) Updates

On a continual basis, the Designated Control Employee shall monitor activity resulting in the need to update Appendix A and/or Appendix B for newly identified, modified or amended Statutory Requirements and/or Contractual Restrictions or any provisions of this Policy. The Designated Primary Investment Employee is directed to cause this Policy to be reviewed by the CIB's general counsel, at a minimum on a bi-annual basis following the General Assembly's session occurring during each odd numbered calendar year. As necessary, the Designated Primary Investment Employee shall update Appendix A and/or Appendix B for any such newly identified, modified or amended Statutory Requirements and/or Contractual Restrictions, with a copy thereof to be provided to the CIB's general counsel and each Investment Official.

20) Indiana Finance Authority

Nothing in this Policy shall apply to, revise or affect the investment of Investable Funds as required pursuant to the State RDA and IC 5-1-17.

21) Expiration Date

This Policy is effective February 19, 2021 and consistent with IC 5-13-9-5.7(a)(6) shall expire on February 18, 2023. The CIB's board may extend by any subsequent Resolution reapproving this Policy, in which event it shall have a renewed term of two (2) years from such date of re-adoption.

Date Approved: February 19, 2021

Appendix A
Contractual Restrictions

1. FOURTH AMENDED AND RESTATED REVENUE DEPOSIT AGREEMENT BETWEEN CAPITAL IMPROVEMENT BOARD OF MANAGERS OF MARION COUNTY, INDIANA, AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS DEPOSIT TRUSTEE, DATED AS OF SEPTEMBER 1, 2011 AND AMENDED ON APRIL 1, 2012 ("CIB RDA") including particularly Sections 4 and 12 therein.
2. RESTATED STADIUM AND CONVENTION SPECIAL FUND REVENUE DEPOSIT AGREEMENT AMONG CAPITAL IMPROVEMENT BOARD OF MANAGERS OF MARION COUNTY, INDIANA, INDIANA STADIUM AND CONVENTION BUILDING AUTHORITY, INDIANA OFFICE OF MANAGEMENT AND BUDGET, INDIANA FINANCE AUTHORITY, STATE BUDGET DIRECTOR AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS DEPOSIT TRUSTEE, DATED AS OF DECEMBER 7, 2010 ("State RDA") including particularly Sections 6 and 12 therein.
3. TRUST INDENTURE BETWEEN CAPITAL IMPROVEMENT BOARD OF MANAGERS OF MARION COUNTY, INDIANA, AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE, DATED AS OF MAY 1, 1999 AND AMENDED AND SUPPLEMENTED ("CIB Indenture") including particularly Sections 3.10 and 5.09 therein.
4. USE AGREEMENTS RELATED TO THE USE OF ANY CIB FACILITIES THAT HAVE USE TERMS IN EXCESS OF THREE(3) YEARS.

Appendix B
Statutory Requirements

- 1) IC 36-10-9
- 2) IC 5-13-8
- 3) IC 5-13-9
- 4) IC 5-1-17
- 5) IC 5-1-14-3