

INVESTMENT POLICY AND INVESTMENT STRATEGIES

RECORDED CHANGES

III. INVESTMENT STRATEGY

Hidalgo County maintains a blended portfolio, which encompasses five specific fund groups with unique needs and considerations designed to address the unique characteristics of the fund groups represented in the portfolios.

General Strategy for All Funds

The Hidalgo County investment portfolio has set a maximum maturity of five (5) years for allowable investments to be made. It will be Hidalgo County's policy to have an overall blended portfolio weighted average maturity (WAM) not to exceed three (3) years.

VII. AUTHORIZED INVESTMENTS

10. Commercial paper is an authorized investment if the commercial paper (1) has a stated maturity of 365 days or fewer from the date of its issuance; and (2) is rated not less than A-1 or P-1 or an equivalent rating by at least: (a) two nationally recognized credit rating agencies; or (b) one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

IX. INVESTMENT INSTITUTIONS

The County Treasurer is authorized to utilize the following institutions or groups to facilitate the investment of Hidalgo County funds, consistent with federal and state law and Hidalgo County's banking services depository contract:

- (1) Authorized Depository Bank(s);
- (2) SEC and State or NASD registered broker/dealers;
- (3) Money Market Mutual Funds;
- (4) Public Funds Investment Pools in the State of Texas; or
- (5) Public/Government securities brokers and dealers.

A written copy of the Hidalgo County Investment Policy shall be presented to any financial institution offering to engage in an investment transaction with Hidalgo County. The qualified representative of the financial institution offering to engage in an investment transaction with Hidalgo County shall execute a written instrument, which shall indicate the following:

1. The representative and sales personnel have received and reviewed the Hidalgo County Investment Policy; and
2. Acknowledged in writing as approved by Hidalgo County that the financial institution has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between Hidalgo County and the financial institution that are not authorized by this Policy.