

COUNTY OF CUMBERLAND, PENNSYLVANIA
INVESTMENT POLICY
(Adopted March 2003; Revised September 2006;
Revised May 24, 2023)

I. SCOPE

This investment policy (“policy”) is applicable to all funds, including bond proceeds under the control and jurisdiction of the Cumberland County Board of Commissioners, all elected officials authorized to make investments pursuant to section 1706 of county code and as supplemented by Act No. 10 of 2016, H.B. 1296, Gen. Assemb., Reg. Sess. (Pa. 2016), and all persons responsible for and authorized to execute investment transactions for said funds. This policy does not apply to county retirement funds which are the responsibility of the Retirement Board. Nor does it apply to funds collected or held by the county in escrow for other parties, or funds otherwise restricted by indentures, or by limitations imposed by applicable laws, regulations, or documents, which are covered by separate policy/procedure covering escrow funds.

Investments under this policy should allow for enough cash to remain in cash or cash equivalents to cover the current cash flow needs of the county. The amount of cash needed is heavily dependent on both projected fund balance and time of year. Any excess funds may be invested based on the expected cash flow needs which also consider the future projected year end fund balance and the timing of receipt of revenues.

II. PRUDENT PERSON STANDARD

The prudent person standard applies to anyone who invests funds on behalf of Cumberland County. The definition is as follows:

Investments shall be consistent with sound business practice, subject, however, to the exercise of that degree of judgment, skill and care under circumstances then prevailing which persons of prudence, discretion and intelligence, who are familiar with such matters, exercise in the management of their own affairs not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income to be derived there from as well as the probable safety of their capital.

Investment advisors are held to a higher standard, the prudent expert standard. This higher standard shall be applicable to all investment advisors and other financial professionals managing and/or investing funds subject to this policy. The definition is as follows:

The prudent expert standard requires the investment advisor(s) and other financial professionals to act with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent investment expert acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

III. OBJECTIVE

The primary objectives, in priority order, of this policy are legality, safety, liquidity and yield.

1. Legality: All investments shall be made in accordance with applicable laws of the Commonwealth of Pennsylvania.

2. Safety: Safety of principal is the foremost objective of the investment activities subject to this policy. Preservation of principal shall be of highest priority. Preservation of principal in the portfolio of investments shall be ensured by diversification and other means of minimizing credit risk, including avoidance of concentration of credit risk, market risk and interest rate risk, and by thoroughly investigating and reviewing the performance of all investment providers and professionals.

A. Credit Risk: The investment advisor will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the safest types of securities.
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Financial Advisor will do business.
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

B. Interest Rate Risk: The investment advisor will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools.

3. Liquidity: Investments shall remain sufficiently liquid to meet all operating requirements that are reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in local government investment pools which offer same-day liquidity for short-term funds. A fiscal year operations anticipated cash flow shall be developed so that investments can be made as early as possible, with maturities consistent with anticipated cash demands.

4. Yield: Investments shall be made with the objective of attaining a market-average rate of return throughout the budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

IV. RESPONSIBILITY AND AUTHORITY

1. Parties Involved

A. Commissioners. The commissioners, per county code, have the legal authority and obligation to invest county funds, to establish a policy for investment which provides reasonable and timely direction to county officials, staff, or others concerning the program, and monitor compliance with the policy to achieve its objectives.

B. Finance Office. Finance office staff shall be responsible for monitoring the cash flow of the county to determine the amount of excess funds available for investment. Investments will be considered to be either short term or long term based upon the time horizon for investment. Finance office staff, under the direction of the chief financial officer, shall work closely with all parties to comply with all elements of this policy.

C. Controller. The controller has the authority and is responsible to supervise the fiscal transactions and official acts of all officers and employees whose actions fall under this policy. From time to time, the treasurer and chief financial officer will request feedback on internal control structure as well as other policies and procedures that fall under this policy with the hope to ensure protocols and procedures meet auditing standards.

D. County Solicitor. The county solicitor ("solicitor") shall be consulted immediately if a question arises as to the legality of any particular investment or transaction. The solicitor may, with the approval of the commissioners, consult with special counsel when deemed necessary or appropriate.

E. Treasurer. The treasurer shall coordinate the execution of all documentation related to purchasing, redeeming, tracking, monitoring, and reporting of investments. The treasurer also works closely with the chief financial officer and finance office staff to comply with this policy.

F. Other County Officials. Other county officials, including the chief clerk and other officials or employees involved in county financial matters, shall perform such functions and duties as prescribed by county code and this policy to achieve the objectives of this policy.

G. Investment Advisor. The commissioners, or an elected official authorized to make investments, may consider the services of a recognized professional investment advisor to assist in achieving policy objectives as the need arises. For the purposes of this policy, this term encompasses investment advisor, investment broker, and investment manager. Only the Board of Commissioners may enter into a contract with an investment advisor.

2. Conflicts of Interest

Parties involved in the investment process, as set forth in Section IV.1, shall refrain from personal business activity that may conflict with the proper execution of the investment program, or that may impair their ability to make impartial decisions. Parties involved as noted in Section IV.1 in the investment process shall disclose as soon as known to the chief clerk any material interest(s) in financial institutions with which they conduct business, or any material personal financial/investment positions that may be related to the performance

of the investment portfolio. The disclosure process will be shared with involved parties from time to time and as needed.

Officers, agents and employees of the county's investment advisor(s) and other financial professionals involved in investment activities on behalf of the county shall refrain from personal business activities that could conflict with the proper execution and management of those investment activities, or that could impair their ability to make impartial decisions. No investment advisor or financial professional subject to this policy shall engage in self-dealing, i.e., serving as a broker or dealer on securities trades or other financial transactions for which it derives income.

3. Delegation of Authority

Authority to manage the investment programs that are subject to this policy shall be granted to such investment advisor(s) or other financial professionals designated by Cumberland County Board of Commissioners. The designation by the Cumberland County Board of Commissioners comes in the form of an investment management agreement which shall be executed by and between Cumberland County Board of Commissioners and the investment advisor(s), with said agreement incorporating and being subject to this Policy.

The investment advisor(s) shall act in accordance with established written procedures and all applicable county ordinances, resolutions, and policies, as the same may be amended from time-to-time. No person may engage in an investment activity for or on behalf of the county except as provided under the terms of this policy and the terms of such written Investment Management Agreement to which it, he and/or she is a party. The investment advisor(s) shall be responsible for all transactions undertaken by it and shall establish a system of internal controls to regulate the activities of its authorized agents and employees. Every investment advisor contracted by the Cumberland County Board of Commissioners shall be ready, willing, and able to and in fact shall meet and satisfy the requirements, standards and obligations imposed by this policy.

4. Internal Controls

The Chief Financial Officer along with the Treasurer are responsible to safeguard invested county assets. They shall establish and maintain an internal control structure that reasonably assures the assets of the investment portfolio are protected from loss, theft, or misuse. Internal or external audits may be requested on an as needed basis. At a minimum, the internal control structure is subject to annual review by an external auditor.

V. INVESTMENT PARAMETERS

1. Authorized Financial Institutions

All investment advisors or bidders shall verify in writing that they have received a copy of this policy. Such written statement shall indicate that they have read and understand this policy and all applicable statutes related to county investments, along with their intent to comply fully with these requirements. The county shall require all investment advisors/bidders to submit annually any or all of the following, as appropriate:

- Audited financial statements.

- Proof of Financial Industry Regulatory Authority (FINRA) certification.
- Proof of state registration.
- Provide annually the rating from a recognized rating agency.
- SEC Form ADV Part II (for investment advisors).

A list shall be maintained by the Treasurer of all financial institutions authorized to provide investment services as approved by the Cumberland County Board of Commissioners. A review of the financial condition and registration of qualified financial institutions shall be conducted by the treasurer and presented to the commissioners for approval. Approval will be set forth by resolution of the Board of Commissioners. The review will contain information using industry standard ratios for capital and liquidity measurements based upon financial information compiled by the financial institutions. The frequency of monitoring will be conducted based upon economic conditions and the strength of the banking sector.

2. Investment Types

County funds may only be invested in those instruments identified in Section 1706 (c), (d.1) and (e.1, e.2) of county code, supplemented by Act No. 10 of 2016, H.B. 1296, Gen. Assemb., Reg. Sess. (Pa. 2016) as amended, and in other applicable county code provisions as may be enacted.

3. Proposals

The Finance Office staff shall solicit a minimum of three proposals for all investments of county funds. The Finance Office staff will select the best product based upon the parameters of this policy. As necessary, Finance Office staff will coordinate with the elected official authorized to make investments to ensure the product meets cashflow needs.

If the county chooses to utilize the services of an investment advisor, a request for proposal is required. The responses shall be reviewed by the Board of Commissioners and/or their designee. If the county funds being invested are managed by an elected official other than the Board of Commissioners, the elected official shall complete the review. The commissioners will make the final selection of the advisor/broker and types of investments authorized. If the county utilizes the services of an investment advisor, the contract shall include the scope of services which shall conform per Section IV, subsection 3.

4. Diversification

The diversification of the county's portfolio serves the objectives of this policy: to reduce overall portfolio risks while attaining, or attempting to attain, benchmark average rates of return. The investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury and government agency securities).
 - Limiting investment in securities that have higher credit risks.
 - Investing in securities with varying maturities and ensuring that appropriate

liquidity is maintained in order to meet ongoing obligations.

County funds in excess of those required for daily operations of the county may be invested. Investments shall be guided by this policy subject to the following additional limitations:

Security Type	Maximum Allocation (at time of purchase)	Maximum with one entity (at time of purchase)	Ratings Requirement	Maximum Maturity
U.S. Government Securities	100%	N/A	N/A	N/A
U.S. Government Agencies & Instruments ¹	100%	50%	N/A	N/A
Bank Deposits ³	100%	100%	None, if fully collateralized or fully FDIC-insured.	N/A
Negotiable Certificates of Deposit	30%	10%	Highest ST by at least two NRSROs. For LT, senior debt obligations of the issuing institution or its parent must be rated at least "A" or its equivalent by at least two NRSROs.	3 Years
Certificates of Deposit (FDIC-insured and collateralized) ³	100%	40%	None, if fully collateralized or fully FDIC-insured.	N/A
G.O. Pennsylvania Municipal Bonds	25%	10%	Investment Grade	N/A
Mortgage Backed Securities (MBS)	30%	30%	N/A	5 Years ²
Commercial Paper	25%	10%	Highest Ratings Category by at least two NRSROs	270 Days
Bankers' Acceptances	30%	10%	Highest Ratings Category by at least two NRSROs	180 Days

Security Type	Maximum Allocation (at time of purchase)	Maximum with one entity (at time of purchase)	Ratings Requirement	Maximum Maturity
Repurchase Agreements	50%	50%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the Highest ST Rating Category	397 Days
SEC-Registered Money Market Funds ³	100%	N/A	Highest Ratings Category	N/A
Local Government Investment Pools ³	100%	N/A	Highest Ratings Category	N/A

¹. Fannie Mae (FNMA) and Freddie Mac (FHLMC) are a permitted investment as long as the conservatorship agreement remains in place. New programs must be vetted prior to investment.

². MBS securities shall have a maximum weighted average life of five (5) years.

³. The Finance Office staff is limited to regular bank products as indicated above.

In addition to the sector and issuer limits, additional guidelines include:

- No more than 40% of the county's total invested funds may be placed with any single bank or financial institution. These limitations shall be on an average basis calculated at the end of each month.
- Prior to closing and receipt of proceeds for any general obligation bond, tax anticipation notes or other debt, separate investment plans shall be developed for each transaction. The plan shall address all federal, state, and local laws, rules and regulations, projected cash flow and the structure of the borrowing.
- Any purchase of securities shall be executed on a delivery vs. payment basis through an independent third party. Securities shall be held by the custodian as evidenced by safe- keeping receipts.
- All securities will be recorded on the county's books on the trade date rather than the settlement date.

5. Permitted Investments

A. Obligations issued by the U.S. Government and its agencies which carry the full faith and credit guarantee of the United States.

B. Obligations, participations or other instruments of any federal agency, instrumentality or United States government sponsored enterprise, including those issued or fully guaranteed as the principal and interest by federal agencies, instrumentalities, or United States government-sponsored enterprises, if the debt obligations are rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.

C. Deposits in savings accounts or time deposits or share accounts of institutions, to the extent such deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund. To the extent that such deposits described in paragraph C exceed amounts covered by federal deposit insurance, approved collateral, as provided by law shall be pledged by the depository. The county has the authority to permit assets pledged as collateral to be pooled in accordance with the act of August 6, 1971 (P.L. 281, No. 72), as amended. These financial institutions are to be approved by the Cumberland County Board of Commissioners based upon the parameters set forth above.

D. If county funds are secured on an individual, rather than pooled basis, only U.S. Treasury and federal agency securities shall be pledged as collateral. Pledged collateral is defined as follows:

- Collateral will be pledged in the name of the county.
- The market value of collateral will be at least 102% of such deposits in excess of FDIC insurance.
- Collateral will be valued at least monthly by an independent pricing service. It is the responsibility of the financial institution to provide the county with the market value of the collateral.
- Collateral will be held by a third-party custodian bank, which may be the bank's trust department, on the county's behalf.
- Financial institutions and the county will complete a collateral agreement describing Act 72 compliance and reporting to the county.

If county funds are secured on a pooled basis, the type of asset which may be used as security is one of the following:

- an irrevocable letter of credit issued by a federal home loan bank in an amount equal to or greater than the total amount of public deposits being secured. The federal home loan bank issuing the irrevocable letter of credit must maintain a rating of at least the second highest rating level from one nationally recognized rating agency, as permitted by and subject to the other provisions of section 4(2) of Act 72 of 1971, 72 P.S. § 3836-4(2).
- The same type of security when county funds are secured on an individual basis. Collateral may be pledged in the name of the county, but for pooled collateral it isn't required.
- A combination of the above two types of asset security.

E. Obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or

instrumentalities provided such obligation is backed by the full faith and credit of the political subdivision.

F. Repurchase agreements with respect to United States Treasury bills or obligations, participations, or other instruments of or guaranteed by the United States, or any federal agency, instrumentality, or United States government-sponsored enterprise. See Section V.5.D for collateralization requirements.

Repurchase transactions may be conducted subject to the following additional conditions:

- underlying collateral shall be limited to U.S. Treasury bills and notes, short term obligations of the U.S. Government, its agencies or instrumentalities, and/or any obligation of the U.S. Government, its agencies or instrumentalities backed by a full faith and credit guarantee of the U.S.
- the margin for underlying collateral shall be 102% of the market value of principal and accrued interest and shall be reported to the county daily.
- all transactions shall be on a delivery vs. payment basis through an independent third party.

G. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days' maturity and the accepting bank is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.

H. Commercial paper issued by corporations or other business entities organized in accordance with federal or state law, with a maturity not to exceed 270 days if the issuing corporation or business entity is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.

I. Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less, issued by a nationally or state-chartered bank, a federal or state savings and loan association or a state-licensed branch of a foreign bank. For obligations with a maturity of one year or less, the debt obligations of the issuing institution or its parent must be rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations. For obligations with a maturity in excess of one year, the senior debt obligations of the issuing institution or its parent must be rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations. Examples include Standard & Poor's Rating Services, Moody's Investors Service, Inc, and Fitch, Inc.

J. Certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, the Pennsylvania Deposit Insurance Corporation, or the Pennsylvania Savings Association Insurance Corporation, or their successor agencies, to the extent that the accounts are so insured. However, for any amounts above the insured maximum, the certificates of deposit shall be secured by a pledge or assignment of assets of the institution pursuant to the collateralization provisions of this policy. Certificates of deposit purchased from commercial banks shall be limited to an amount equal to twenty (20%) percent of a bank's total capital and surplus. Certificates of deposit purchased from savings and loan

associations or savings banks shall be limited to an amount equal to twenty (20%) percent of an institution's assets minus liabilities.

K. Shares of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.) whose shares are registered under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. § 77a et seq.), if all of the following conditions are met:

- The investments of the company are the authorized investments under this subsection.
- The investment company is managed in accordance with 17 CFR 270.2a-7 (relating to money market funds).
- The investment company is rated in the highest category by a nationally recognized rating agency.

L. Local government investment pools, either state-administered or developed through intergovernmental agreement legislation, like the Pennsylvania Local Government Investment Trust (PLGIT), provided:

- The local government investment pool is rated in the highest tier by a nationally recognized rating agency.
- The local government investment pool restricts investments to those listed in paragraphs A-L hereof.

M. Investments in mortgage-backed securities (MBS) that are based on mortgages that are guaranteed by a government agency or federal instrumentality for payment of principal and a guarantee of timely payment. A maximum length of maturity for an investment in any MBS is five (5) years from the date of purchase. The maturity of mortgage-backed securities shall be considered the date corresponding to its weighted average life. The average life may be different from the stated legal maturity included in a security's description.

6. Additional Guidelines on Repurchase Agreements

As noted in Section V.5.D., all pledged collateral shall be held at and by a third-party institution, not by the depository, as required under Act 72. A written agreement shall be executed between the depository, the third-party custodian of the collateral, and the county ("Security Agreement") in such a form as may be approved by the county solicitor.

VI. REPORTING

1. Collateral Tracking

In the event the county enters into a new banking arrangement, the bank must acknowledge that they will treat the account as a government account for purposes of collateralization with PA Act 72. The collateral securing investment accounts of the county may be tracked monthly and retained for audit in the Treasurer's Office. Any concerns will be shared with the Board of Commissioners for review and, if necessary, action. Each elected official shall take appropriate measures to ensure any funds under their control are properly collateralized. At the end of each year, the controller's office will confirm that the county's deposits are collateralized.

2. Management Summary

A succinct management summary highlighting outstanding investments shall be prepared each month and shall list outstanding principal balance, current yield, account type, financial institution where the investment is held, and maturity date. For investments managed by an investment advisor, the advisor shall provide the monthly summary report to the chief operations officer/chief clerk, chief financial officer, and treasurer. For investments managed by the chief financial officer and made by the treasurer, the treasurer shall prepare the report in partnership with the chief financial officer. The report shall be shared with the chief operations officer/chief clerk and the commissioners.

3. Investment Performance

The Finance Office will monitor county investment performance and compare to standard benchmarks including the PA Treasury, PLGIT, and US Treasury. The performance measure will be included in the Finance Office department performance measures and published in the annual Strategy and Budget document.

VII. POLICY

1. Adoption

This policy shall be effective upon adoption by the Cumberland County Board of Commissioners.

2. Amendment

Subject to any changes in the underlying statutory or regulatory requirements any changes shall be approved by the Cumberland County Board of Commissioners.

GLOSSARY

BANKERS' ACCEPTANCE	Bankers' acceptances are short-term, non-interest-bearing notes sold at a discount and redeemed by the accepting banks at maturity for face value. Bankers' acceptances generally are created based on a letter of credit issued in a foreign trade transaction. The maximum maturity for bankers' acceptances is generally 180 days.
CERTIFICATES OF DEPOSIT (CD)	A time deposit with a specific maturity evidenced by a certificate.
COLLATERAL	Security pledged by a financial institution to a government entity for its deposit.
COMMERCIAL PAPER	An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The maximum maturity for commercial paper is 270 days, but most is sold with maturities of up to thirty (30) days. Almost all commercial paper is rated as to credit risk by rating services.
CONCENTRATION OF CREDIT RISK	The risk of loss attributed to the magnitude of a government's investment in a single issuer, pool, institution, or instrument.
COUNTERPARTY	Another party to a transaction. In the case of deposits and investments made by governmental entities, a counterparty could be the issuer of a security, a financial institution holding a deposit, a broker-dealer selling securities, or a third-party holding securities or collateral.
CREDIT RISK	The risk that a counterparty to an investment transaction will not fulfill its obligations. Overall credit risk can be associated with the issuer of a security, with a financial institution holding deposits, or with a party holding securities or collateral. Credit risk exposure can be affected by a concentration of deposits or investments in any one (1) investment type or with any one (1) counterparty.
CUSTODIAL CREDIT RISK	The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a

	transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.
DELIVERY VERSUS PAYMENT (DVP)	Delivery of securities with a simultaneous exchange of cash for the securities.
FOREIGN CURRENCY RISK	The risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Investments depending on substantial overseas activities or markets may present related foreign currency risk.
INTEREST RATE RISK	The risk that changes in interest rates will adversely affect the fair value of an investment.
INTERNAL CONTROL STRUCTURE	All methods and measures adopted within the County to safeguard its assets, check the accuracy and reliability of its accounting data, and promote operational efficiency and adherence to management's policies.
INVESTMENT GRADE	A rating that signifies a bond with a relatively low risk of default.
ISSUER	The entity that has the authority to distribute a security or other investment. A bond issuer is the entity that is legally obligated to make principal and interest payments to bond holders. In the case of mutual funds, external investment pools, and other pooled investments, issuer refers to the entity invested in, not the investment advisor or pool sponsor.
LIQUIDITY	The ability to quickly sell or convert an asset to cash.
LOCAL GOVERNMENT INVESTMENT POOL	An investment trust or pool organized by groups of political subdivisions or municipal authorities pursuant to Section 521 of the Public-School Code of 1949, or pursuant to the Intergovernmental Cooperation Law, 53 Pa. C.S.A. Sec. 2301 et seq., for the purpose of investing funds of such political subdivisions or municipal authorities for their exclusive benefit and in accordance with the laws governing their permissible investments. LGIPs include, but are not limited to, the Pennsylvania School District Liquid Asset Fund (PSDLAF), the Pennsylvania Local Government Investment Trust (PLGIT), the PA INVEST program operated by the Pennsylvania Treasury Department.
LONG-TERM	Any period exceeding forty-eight (48) months.

MARKET RISK	The risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline. Market risk is affected by the length to maturity of a security, the need to liquidate a security before maturity, the extent that collateral exceeds the amount invested, and the frequency at which the amount of collateral is adjusted for changing market values.
MATERIAL INTEREST	An interest or item that would be reported on the Commonwealth of Pennsylvania State Ethics Commission Statement of Financial Interests.
MATERIAL PERSONAL FINANCIAL/ INVESTMENT POSITION	A position that would be reportable on the Commonwealth of Pennsylvania State Ethics Commission Statement of Financial Interest.
MORTGAGE-BACKED SECURITY (MBS)	A security representing pooled debt obligations that passes income from debtors to its shareholders.
MID-RANGE	Any period between short-term and long-term.
MONEYMARKET MUTUAL FUNDS	A short-term investment product strictly regulated by the Securities and Exchange Commission.
PERMITTED INVESTMENTS	Any investment permitted as identified in Section 1706 (c), (d.1) and (e.1, e.2) of the County Code, as amended, and in other applicable County Code provisions as may be enacted.
PORTFOLIO	Collection of securities held by an investor.
REPURCHASE AGREEMENT	<ol style="list-style-type: none"> 1. An agreement in which a governmental entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities. 2. A generic term for an agreement in which a governmental entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities (as in definition (a) above) or for different securities.
SHORT TERM	Any period thirteen (13) months or less.
WEIGHTED AVERAGE MATURITY (“WAM”)	A weighted average maturity measure expresses investment time horizons—the time when investments become due and payable—in years or months,

weighted to reflect the dollar size of individual investments within an investment type.

YIELD The annual rate of return on an investment, expressed as a percentage.

Note: Several of the terms defined in this glossary are defined by statute. To the extent possible, this glossary is designed to supplement the statute. In the event of a conflict, the statute shall control.

ADOPTED THIS 24th Day of May, 2023.

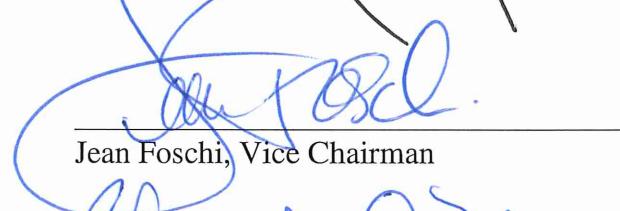
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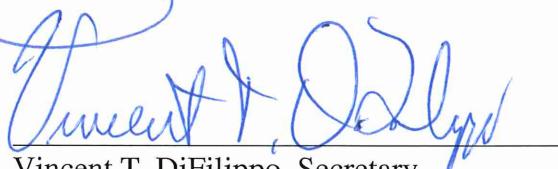


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