

Investment Strategy for the City of College Station

The City of College Station will pursue a passive investment strategy. Investments will be purchased with the intent of holding to maturity and will only be sold early under exceptional circumstances. In purchasing investments, the investment officer will attempt to follow a ladder strategy to ensure that the portfolio will have at least one investment maturing every month. Investment priorities are as follows:

1. Suitability - Any investment allowed under the Investment Policy is suitable.
2. Preservation and Safety of Principal - Investments of the City shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.
3. Liquidity - The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operational requirements that might reasonably be anticipated.
4. Marketability - Investments should have an active and efficient secondary market to enable the City to liquidate investments prior to the maturity if the need should arise.
5. Diversification - The Investment Officer will attempt to maintain a diversified portfolio with regard to security type, financial institution providing the security, and maturity.
6. Yield - The City's investment portfolio shall be designed with the objective of attaining the maximum rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints and the cash flow characteristics of the portfolio.