

St. Louis Regional Convention & Sports Complex Authority: Investment Policy Statement

Section 7. **Investment Types:** The Authority may invest any of its funds in:

- (1) Bonds, notes, certificates of indebtedness, treasury bills, or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States of America, including evidences of a direct ownership interest in future interests or principal payments on obligations issued or guaranteed by the United States of America, or securities which represent an undivided interest in such obligations, which obligations are held in a custody account by a custodian satisfactory to the Authority;
- (2) Bonds, notes or other obligations of any state of the United States of America or of any political subdivision of any state, which at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service;
- (3) United States Agency Securities. The Authority may invest in obligations issued or guaranteed by any agency of the United States Government.
 - a. U.S. Govt. Agency Coupon and Zero Coupon Securities. Bullet coupon bonds with no embedded options.
 - b. U.S. Govt. Agency Discount Notes. Purchased at a discount with maximum maturities of one (1) year.
 - c. U.S. Govt. Agency Callable Securities. Restricted to securities callable at par only with final maturities of five (5) years.
 - d. U.S. Govt. Agency Step-Up Securities. The coupon rate is fixed for an initial term. At coupon date, the coupon rate rises to a new, higher fixed term. Restricted to securities with final maturities of five (5) years.
 - e. U.S. Govt. Agency Floating Rate Securities. The coupon rate floats off one index. Restricted to coupons with no interim caps that reset at least quarterly.
 - f. U.S. Govt. Mortgage Backed Securities. Restricted to securities with final maturities of five (5) years.
- (4) Repurchase agreements maybe entered into for periods of 90 days or less with any bank, bank holding company, savings and loan association, trust company, financial institution or other credit provider organized under the laws of the United States or any state, which are secured by any one or more of the

securities described in Subsection (1) of this Section 7 and which have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such repurchase agreement; Collateral should be 102%. No more than 15% of the total market value of the portfolio maybe invested in repurchase agreements with any one issuer.

- (5) Certificates of deposit, time deposits, or money market accounts, constituting direct obligations of any bank, bank holding company, savings and loan association, trust company, financial institution or other credit provider, except that investments may be made only in certificates of deposit, time deposits, or money market accounts, which are:
 - a. Insured by the Federal Deposit Insurance Corporation ("FDIC").
 - b. Continuously and fully secured by securities described in subdivisions (1) of this Section 7, which have a market value, exclusive of accrued interest, at all times at least equal 110% equal to the principal amount of such certificates of deposit or time deposits; or
 - c. Issued by a bank, bank holding company, savings and loan association, trust company, financial institution or other credit provider whose outstanding unsecured long-term debt is rated at the time of issuance in either of the two highest rating categories by a nationally recognized rating service;
- (6) Bankers' Acceptances. Time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances. The Authority may invest in bankers' acceptances issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. Purchases of Bankers' Acceptances may not exceed 180 days to maturity. No more than 5% of the total market value of the portfolio maybe invested in Bankers Acceptances with any one issuer.
- (7) Commercial Paper. The Authority may invest in commercial paper issued by domestic corporations, which has received the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. Purchases of Commercial Paper may not exceed 180 days to maturity. Eligible paper is further limited to issuing corporations that have total commercial paper program size in excess of two hundred and fifty million dollars (\$250,000,000) and have a long term debt rating of A or better from at least one nationally recognized rating service. No more than 5% of the total market value of the portfolio maybe invested in Commercial Paper agreements with any one issuer.
- (8) Investment agreements constituting an obligation of a bank, bank holding company, savings and loan association, trust company, financial institution or other credit provider whose outstanding unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by a nationally recognized rating service;

- (9) Local Government Investment Pools established under the authority of Article VI, Section 16 of the Constitution of Missouri and Sections 70.210 to 70.320, Revised Statutes of Missouri, as amended ("RSM,") and rated at the highest rating category of at least one nationally recognized rating service.

All securities or investments purchased by the Authority shall mature or be redeemable at the option of the holder on a date or dates prior to the time when, in the judgment of the Authority, the funds so invested will be required for expenditure. The express judgment of the Authority as to the time when any funds will be required for expenditure or be redeemable shall be final and conclusive.

The provisions of this Section 7 shall not apply to the investment of proceeds of any revenue funds issued by the Authority, which proceeds are held by a trustee or escrow agent under a trust indenture, escrow agreement or similar agreement in a construction fund, acquisition fund, project fund or other similar such fund.

Investment Restrictions

(State Requirement)

- (1) A prohibition on the purchase of derivative securities, either directly or through a repurchase agreement;
- (2) A prohibition on the use of leveraging whether through a reverse repurchase agreement or otherwise;
- (3) A prohibition on the use of public funds for speculation