

	CITY OF PALM DESERT ADMINISTRATIVE PROCEDURES	
	<i>Subject</i>	Investment Policy
	<i>Policy No.</i>	FIN - 002
	<i>Date</i>	Issued: November 19, 2020 Revised: December 14, 2023
	<i>Approved by</i>	Resolution Nos. 2023-, SARDA-, FA-, HA- (prev. 2020-79, SARDA 080, HA-99, FA-70)
	<i>Authored by</i>	Finance Department

1.0 Policy

The policy of the **City of Palm Desert**, the **Successor Agency to the Palm Desert Redevelopment Agency**, the **Palm Desert Housing Authority**, the **Palm Desert Financing Authority**, and the **Palm Desert Recreational Facilities Corporation** (hereafter referred to collectively as the “City”) is to invest public funds with the goals of preserving capital, meeting the City’s daily cash needs, and achieving a market rate of return, while complying with all federal, state, and local laws.

2.0 Scope

This investment policy will apply to all funds over which the Treasurer’s Office has fiduciary responsibility and direct management control.

3.0 Prudence

The Treasurer’s Office follows the “Prudent Investor Standard”, which requires treasury officers to manage the City investment portfolio with the care, skill, prudence, and diligence that a prudent investor who is similarly situated would use, based upon general economic conditions and the City’s anticipated needs, in order to safeguard principal and to maintain liquidity (*Cal. Govt. Code*, section 53600.3).

Treasury officers, who follow the provisions of this policy and who exercise due diligence, will be relieved of personal responsibility for a security’s credit risk or market price risk if they report substantial deviations from expectations to the city manager and to the Finance Committee in a timely manner, and if they take appropriate action to control adverse developments.

“Substantial deviations” is defined as either a decline of 10 percent or more in the market value of a security due to issuer default, a credit risk downgrade, or the sale of a security prior to maturity at 10 percent or more below its acquisition cost.

4.0 Objectives

The City's investment objectives, in order of priority, are:

4.0.1 Safety

Safety of principal is foremost. Investments should be made with the aim of avoiding capital losses due to credit risk and to market price risk. Credit risk can be mitigated by investing in high-quality securities, diversifying investments, and pre-qualifying securities brokers and public depositories. Market price risk can be mitigated by matching debt maturities with anticipated cash requirements so that a premature sale of securities will not be necessary. It is recognized, however, that in a diversified portfolio, occasional measured losses are inevitable and must be considered within the context of overall investment return.

4.0.2 Liquidity

The City investment portfolio should be kept sufficiently liquid so that all operating requirements, which might be reasonably anticipated, can be met. The portfolio should consist largely of securities with active secondary markets.

4.0.3 Yield

Yield should be considered only after the basic requirements of safety and liquidity have been met. The City investment portfolio should be structured to achieve a market rate of return, without compromising safety and liquidity.

5.0 Delegation of Authority

The Palm Desert City Council is authorized to invest, to deposit, and to provide for the safekeeping of the City's funds, or to delegate those responsibilities to a city treasurer (*Cal. Govt. Code*, sections 53607 and 53608). The City Council has delegated those responsibilities to the city treasurer (*Palm Desert, California, Municipal Code*, section 3.08.010). The delegation is for a period of one-year unless revoked. Subject to review, the City Council may renew the delegation of authority each year. The director of finance serves ex officio as city treasurer (*Palm Desert, California, Municipal Code*, section 2.16.010). The city treasurer, or their designee, has exclusive authority to buy and sell securities on the City's behalf. The city treasurer must authorize all investment transactions, in writing, prior to initiation. If the city treasurer is unavailable, then the assistant finance director must perform that task. If authorized by the City Council, the city treasurer may also utilize the services of an external investment advisor to assist

with the investment program, which includes the authorization to execute transactions on the City's behalf. The investment advisor shall never take possession of the City's funds or assets. The investment advisor will follow this investment policy and any written directions from the city treasurer.

6.0 Investment Procedures

The city treasurer will develop written procedures for the City's investment program that are consistent with the provisions of this policy. These procedures will include safekeeping, repurchase agreements, banking service contracts, and collateral/depository agreements. They will also address the explicit delegation of authority to individuals who are responsible for investment transactions. No person may engage in an investment transaction except as provided for under the terms of this policy and under the procedures that the city treasurer establishes.

7.0 Conflicts of Interest

Treasury officers must refrain from personal business activity that could conflict with the proper execution of the City's investment program, or impair their ability to make impartial investment decisions. They must disclose to the City Council any material financial interest in financial institutions that do business in the City of Palm Desert.

8.0 Authorized Broker-Dealers and Financial Institutions

If the City has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of vetted and approved issuers, brokers/dealers and financial institutions with which to conduct transactions on the City's behalf.

For those investment transactions executed by the City, and not purchased directly from the issuer, the investment shall be purchased from a Broker-Dealer or Financial Institutions as authorized in this section.

The City Council will review and approve the securities broker-dealers that are authorized to do business with the City. Authorized broker-dealers are listed in Appendix A of this policy.

Only primary government securities dealers ("primary dealers") that regularly report to the Federal Reserve Bank of New York will be eligible for inclusion on the City's authorized list.

The only exception to the foregoing will be that the City Council may, at its discretion, accept, review, and approve Requests for Information ("RFI") from secondary securities brokers that: (1) have been in existence for more than five

years; (2) have a net capital position in excess of \$100 million; (3) are licensed as brokers by the State of California; and (4) are headquartered or have a branch office in California.

The total number of authorized broker-dealers must not exceed four. The City will accept and review new broker-dealer applications only when there is an immediate need to fill a vacancy on the authorized list. The Treasurer's Office will only accept RFIs from and transact business with the ***institutional securities sales departments*** of broker-dealers. The Treasurer's Office must not transact business with an authorized broker-dealer until all of the documentation that both parties require has been executed and delivered. All broker-dealers who wish to apply for inclusion on the authorized list must, at a minimum, provide the Treasurer's Office with a copy of the following documents unless otherwise noted:

- 8.0.1 Completed "Broker-Dealer Request for Information" (*signed original only*).
- 8.0.2 The firm's most recent Annual Report and Securities and Exchange Commission ("SEC") Form 10-K or 20-F.
- 8.0.3 The firm's Financial Industry Regulatory Authority ("FINRA") Form BD -- Uniform Application for Broker-Dealer Registration or, in the case of an investment department within a commercial bank, SEC Form MSD.
- 8.0.4 The firm's current FINRA Form BD Status Report.
- 8.0.5 FINRA Form U-4 -- Uniform Application for Securities Industry Registration or Transfer for each employee would who might be trading with the City.
- 8.0.6 Current FINRA Form U-4 Status Report on each employee who might be trading with the City.
- 8.0.7 A resume from each of the firm's employees who might be trading with the City.
- 8.0.8 The firm's delivery and wiring instructions.
- 8.0.9 An executed corporate resolution that identifies employees who are authorized to trade with the City.
- 8.0.10 The firm's current investment policy.

In addition to the above documents, secondary brokers must also submit:

- 8.0.11 The firm's most recent SEC Form X-17 A-5 or, in the case of an investment department within a commercial bank, SEC Consolidated

Reports of Condition and Income for A Bank with Domestic and Foreign Offices -- FFIEC 031.

The Treasurer's Office will investigate all broker-dealer applicants in order to determine if they: (1) are adequately capitalized; (2) are subject to pending legal action (either the firm or the trader); (3) make markets in securities that are appropriate for the City's needs; (4) are licensed as a broker by the State of California Department of Corporations; and (5) are a member of the Financial Industry Regulatory Authority. Broker-dealer applicants will be required to provide California state or local government references.

Any broker-dealer that has made a political contribution to any member of or candidate for the City Council, the RDA Successor Agency – Palm Desert Board, the Housing Authority Commission, or the Palm Desert Finance Committee in an amount that exceeds the limits in Municipal Securities Rulemaking Board ("MSRB") Rule G-37, within any consecutive four-year period following January 1, 1996, will be ineligible to transact business with the City.

The City Council will consider the submitted documents, along with the treasury officers' recommendations, and decide if any new broker-dealers should be added to the authorized list. If, in the City's opinion, a broker-dealer's RFI is missing, incomplete, or late (submitted after the specified deadline), contains false or misleading information, or if the broker has not submitted all of the documents that the City requires, then the City will automatically reject the broker-dealer's RFI and that broker-dealer will not be eligible to submit another RFI to the City for three years.

The city treasurer may terminate a broker-dealer for trade fails, trade errors, excessive staff turnover, failure to provide notice of a significant event, inflated pricing, adverse change in financial condition, failure to comply with solicitation instructions, pending litigation against broker-dealer by City, violation of City's gift ban policy, selling inappropriate investments, unethical behavior, collusion on pricing, tardiness in submitting offers, yield burning, lack of business due to a mismatch between city needs and broker-dealer inventory, or an insufficient volume of City business to justify broker-dealer retention.

The City Council must review and approve all commercial banks, savings associations, federal associations (as defined by *Cal. Fin. Code*, section 5102), and trust companies that are authorized as public depositories of City monies in the form of checking, savings, and money market accounts and certificates of deposit. The city shall have a signed agreement per *Cal. Govt. Code*, section 53649 with any depository accepting city deposits. Authorized financial institutions are listed in Appendix A of this policy.

The City will only deposit public monies in financial institutions that have:

- 8.0.12** At least \$50 billion in total assets. The only exception to the foregoing is that, under special circumstances, the City may procure limited services from a financial institution that has at least \$5 billion in total assets. Such services may include those that a larger financial institution does not provide, are more expensive if a larger financial institution does provide them, or are offered by a smaller financial institution on more flexible terms that better suit the City’s needs. Under this exception, deposits made will not exceed one-tenth of one percent (0.1%) of the City investment portfolio.
- 8.0.13** A core capital-to-total assets ratio of at least five percent.
- 8.0.14** Favorable statistical ratings from a nationally recognized statistical rating organization (“NRSRO”), as determined by the city treasurer.
- 8.0.15** A federal or state charter.
- 8.0.16** A branch office within Riverside County.
- 8.0.17** A “satisfactory” overall rating in their most recent evaluation by the appropriate federal financial supervisory agency in terms of meeting the credit needs of California communities, pursuant to federal law.

The City cannot deposit funds into a financial institution if the sum of the City’s deposits would exceed the total shareholders’ equity of the institution.

9.0 Authorized Investments

The City Council has authorized the Treasurer’s Office to invest in the following financial instruments under the terms and conditions stated below (*Cal. Govt. Code*, section 53600, et seq.). Percentage holding limits listed in this Policy apply at the time the security is purchased.

No.	Type of Investment	% of Portfolio Authorized	Other Restrictions
1.	United States Treasury bills, notes, bonds, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.	100%	

No.	Type of Investment	% of Portfolio Authorized	Other Restrictions
2.	<p>Federal Agency or United States government-sponsored enterprise (“GSE”) obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.</p>	100%	<p>No more than 30% of the portfolio may be invested in any single issuer <i>(excluding the proceeds of tax-exempt bonds)</i>.</p>
3.	<p>Municipal Debt Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.</p> <p>Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.</p> <p>Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable</p>	30%	<p>Maximum maturity: 5 Years</p> <p>Rated in a rating category of “A” (long-term) or “A-1” (short-term) or their equivalents or higher by an NRSRO.</p>

No.	Type of Investment	% of Portfolio Authorized	Other Restrictions
	solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.		
4.	Commercial Paper (“CP”) (Non-Pooled Fund) that general corporations organized and operating in the United States with assets exceeding \$500 million issue.	40%	Maximum maturity: 270 days Rated “A-1” by S&P or “P-1” by Moody’s. Asset-backed CP is ineligible for purchase.
5.	Negotiable Certificates of Deposit (“NCD”) issued by a nationally- or state-chartered bank, a savings association, a federal association, or a federally licensed or state-licensed branch of a foreign bank.	30%	Maximum maturity: 5 years Rated in a rating category of “A” (long-term) or “A-1” (short-term) or their equivalents or higher by an NRSRO .
6.	Time Certificates of Deposit (“TCD”) that qualified public depositories issue.	5%	Maximum maturity: 1 year TCDs must be collateralized. The city treasurer may waive the collateralization requirements for any portion that is covered by federal deposit insurance. TCDs must be centralized at one location for each bank or S&L.

No.	Type of Investment	% of Portfolio Authorized	Other Restrictions
			Issuing public depository must meet qualifying criteria on Pages 5 and 6 of this policy.
7.	Placement Service Deposits Bank deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States.	10%	Maximum maturity: 1 year The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance.
8.	Repurchase Agreement ("RP") that authorized brokers sell.	10%	Maximum maturity: 30 days Collateral must be United States Treasury, Federal, Agency, or GSE obligations. Zero coupon and stripped coupon instruments are not acceptable as collateral. Collateral must be valued at 102% of cost and adjusted weekly. City must have first lien and security interest in all collateral. City's custodian must hold collateral. An authorized broker must file a Securities Industry and Financial Markets Association ("SIFMA") Master Repurchase Agreement with the city treasurer, and the city attorney must review the agreement, prior to the transaction of RP business with that broker.
9.	Medium-Term Notes ("MTNs") that corporations	30%	Maximum maturity: 5 years

No.	Type of Investment	% of Portfolio Authorized	Other Restrictions
	<p>organized and operating in the United States, or depository institutions operating in the United States and licensed by the United States or by any state and operating within the United States</p>		<p>Rated in a rating category of "A" or higher by an NRSRO.</p>
10.	<p>Money Market Mutual Funds ("MMF") that are registered with the SEC under the Investment Act of 1940.</p>	<p>20% <i>(excluding bond proceeds)</i></p>	<p>Purchases are restricted to Government Money Market Funds.</p> <p>Either rated "AAA" or its equivalent by an NRSRO or retains an investment advisor registered or exempt from registration with SEC, with at least 5 years of experience managing a MMF with \$500 million or more in assets.</p> <p>No commission may be charged.</p>
11.	<p>State of California Local Agency Investment Fund ("LAIF") that the State Treasurer's Office manages.</p>	<p>Up to maximum (currently \$75,000,000 per account)</p>	<p>City Council and Redevelopment Agency approved participation in LAIF on 12/12/81 in Resolution No. 81-161.</p> <p><i>(Bond trustee accounts have no deposit limit)</i></p>

No.	Type of Investment	% of Portfolio Authorized	Other Restrictions
12.	Riverside County Treasurer's Pooled Investment Fund (TPIF) The TPIC was established by the County Board of Supervisors.	75% <i>(excluding bond proceeds)</i>	As provided under the <i>Cal. Govt. Code</i> section 53684.
13.	Local Government Investment Pools , Shares of beneficial interest issued by a local Government investment pool joint powers authority.	75% <i>(excluding bond proceeds)</i>	As required by law under the <i>Cal. Govt. Code</i> section 53601(p).

10.0 Diversification

The City shall diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type; excluding U.S. Treasuries, federal agencies, and pooled investments such as LAIF, money market funds, or local government investment pools.

11.0 Maximum Maturities

The city treasurer and/or their designee(s) shall maintain a system to monitor and forecast revenues and expenditures so that City funds can be invested to the fullest extent possible while providing sufficient liquidity to meet City's reasonably anticipated cash flow requirements. Maturities of investments will be selected to provide necessary liquidity, manage interest rate risk, and optimize earnings. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds.

For those investment types for which this Policy does not specify a maturity limit, no individual investment shall exceed a maturity of five years from the date of purchase unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment.

This Policy authorizes investing bond project and reserve funds beyond five years if the maturities of such investments do not exceed the expected use of the funds, the investments are deemed prudent in the opinion of the city treasurer, and the investments are not prohibited by the applicable bond documents.

12.0 Prohibited Investments and Strategies

The purchase of inverse floaters, range notes, mortgage-derived, interest-only strips, and securities that result in zero-interest accrual if held to maturity are prohibited (*Cal. Govt. Code*, section 53601.6). The purchase of asset-backed securities, bond mutual funds, non-federal agency mortgage-backed securities, reverse-repurchase agreements, and derivative contracts (forwards, futures, options, and swaps) are also prohibited.

Securities lending, short selling, and other hedging strategies are also prohibited.

Local government investment pools and money market mutual funds will be exempt from the prohibitions on derivative contracts, derivative securities, reverse repurchase agreements, securities lending, short selling, and other hedging strategies.

13.0 Investment Pools/Money Market Funds

The Treasurer's Office must conduct a thorough investigation of an investment pool or money market fund prior to purchasing its shares. The Treasurer's Office will develop a questionnaire that addresses the following issues with respect to the pool or fund:

- 13.0.1** A description of eligible investment securities and a written statement of investment policy and objectives.
- 13.0.2** A description of interest calculations, how interest is distributed, and how gains and losses are treated.
- 13.0.3** A description of how the securities are safeguarded (including the settlement process), how often they are priced, and how often the pool or fund is audited.
- 13.0.4** A description of who may invest in the pool or fund, how often, and the size of deposits and withdrawals that are allowed.
- 13.0.5** A schedule for receiving statements and portfolio listings.
- 13.0.6** Verification of whether the pool or fund uses reserves or retained earnings.
- 13.0.7** A fee schedule and when and how it is assessed.

- 13.0.8** The eligibility of the pool or fund for bond proceeds, and whether the pool or fund will accept them.

14.0 Portfolio Management Strategy

The Treasurer's Office will invest public funds using a **passive strategy** of buying and holding fixed-income securities. Whenever possible, a bond ladder will be constructed with laddered maturities that match anticipated cash flow dates. Securities may be sold prior to maturity only to: 1) address an actual or potential deterioration in credit quality; 2) rebalance the portfolio; or 3) meet unanticipated financial obligations.

The Treasurer's Office, however, may **actively manage** the City's holdings in local government investment pools that seek to maintain a constant net asset value of \$1.00 per share, in order to maximize income, so long as there is no risk of principal loss.

If the City has contracted with an investment advisor to provide investment services, the investment advisor may invest those city funds under their management using an active management approach.

15.0 Portfolio Rebalancing

If portfolio percentage constraints are violated, then treasury officers should evaluate whether to hold or sell the affected securities. No additional securities of that investment type may be purchased until compliance with policy limits is restored.

Portfolio percentage limits are in place in order to ensure diversification of the City investment portfolio. A small, temporary imbalance will not significantly impair that strategy.

16.0 Credit Downgrading

This policy sets forth minimum credit-risk criteria for each security. This criteria applies to the initial purchase of a security. It does not automatically force the sale of a security if the security's credit-risk ratings fall below policy limits.

If a security is downgraded below the minimum credit-risk criteria specified in this policy, then treasury officers should evaluate the downgrade on a case-by-case basis in order to determine whether the security should be held or sold.

The city treasurer will inform the city manager and the Finance Committee at its next meeting of the credit downgrade and the treasury officers' decision to hold or sell the downgraded security.

Treasury officers should review the credit standing of all securities in the City's investment portfolios annually, at a minimum.

17.0 Safekeeping and Custody

All securities transactions will be done on a delivery-versus-payment ("DVP") or a receipt-versus-payment ("RVP") basis. A third-party bank trust department ("Custodian") that acts as an agent for the City, under the terms of a custody agreement executed between both parties, will hold the securities. The custodial bank must be one of the 20 largest commercial banks in the world, as measured by total assets. The City's Custodian is listed in Appendix A of this policy.

The only exception to the foregoing will be securities purchases made with:

- 17.0.1** LAIF, TPIF, and local government investment pools.
- 17.0.2** Money market mutual funds.
- 17.0.3** Time Certificates of Deposit and Placement Service Deposits.
- 17.0.4** Federal Reserve Banks ("Treasury Direct Program") since the purchased securities are not deliverable.

No securities broker should have access to City monies, accounts, or investments. The city treasurer's prior approval, in writing, is required for any transfer of monies to or through a securities broker. If the city treasurer is unavailable, then the assistant finance director must authorize the transfer, in writing.

Broker trade confirmations are required for all trades. These confirmations must be reviewed immediately upon receipt, for conformity with the terms of the City's trade sheets.

18.0 Collateralization

All demand deposits and time deposits must be fully collateralized in accordance with *Cal. Govt. Code*, section 53630 et seq. The city treasurer may waive the collateralization requirements for any portion that is covered by federal deposit insurance.

19.0 Bond Proceeds

The city treasurer must segregate the gross proceeds of tax-exempt bonds from the City general pool and keep them in a separate pool. They must be invested in accordance with the instructions in their respective bond indentures of trust. The City's bond trustee ("Trustee") will hold all tax-exempt securities in third-party safekeeping. DVP and RVP rules will apply. The City's Trustee is listed in Appendix A of this policy.

Under the Tax Reform Act of 1986, the City is required to perform annual arbitrage calculations and to rebate excess earnings from the investment of the gross proceeds of tax-exempt bonds that were sold after the effective date of this law, to the United States Treasury. The city treasurer may contract with qualified outside financial consultants to provide the necessary technical expertise that is required in order to comply with this law.

20.0 Internal Controls

The city treasurer should ensure that all investment transactions comply with City policy. The Treasurer's Office should establish internal controls that are designed to prevent losses due to fraud, negligence, and third-party misrepresentation.

Internal controls deemed most important would include avoidance of collusion, separation of duties and administrative controls, separating transaction authority from accounting and recordkeeping, custodial safekeeping, clear delegation of authority, management approval and review of investment transactions, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, documentation of investment transactions and strategies, and monitoring of results.

The city treasurer must also establish a process of independent review by an audit firm of the City's investment program every three years. The audit firm must review the program's management in terms of compliance with the internal controls that City policy specifies.

A Finance Committee consisting of City officials and community representatives will be responsible for reviewing the City investment reports, transactions, policies and procedures, and strategies on at least a quarterly basis. The City Council will establish bylaws for the Finance Committee.

21.0 Reporting

The city treasurer must provide the City Council with a monthly investment report within 45 days after Finance Committee review of that report.

In accordance with the provisions of Governmental Accounting Standards Board (“GASB”) Statement Number 40, as amended March 2003, the monthly investment report must:

- 21.0.1** Organize individual securities, such as U.S. Treasuries, corporate bonds, and commercial paper, by investment type. Dissimilar investments, such as U.S. Treasury bills and Treasury strips, should not be aggregated.
- 21.0.2** List the credit-risk ratings of at least two NRSROs for each security, mutual fund, or investment pool. If the security, mutual fund, or investment pool has no rating, then it should be shown as “unrated”.
- 21.0.3** Disclose the amount of individual securities and corresponding issuers that exceed five percent of net plan assets, except for securities that the U.S. Government guarantees, money market mutual funds, and external investment pools.
- 21.0.4** Use the specific identification method to reflect interest-rate risk by investment type and amount.

The monthly investment report must include a complete portfolio inventory with details on issue, par value, book value, coupon/rate, original settlement date of purchase, final maturity date, CUSIP number, average-weighted yield, average days-to-maturity, market value (including source of market valuation), and a list of investment transactions. The report must also include a statement on compliance or noncompliance with the City investment policy, and a statement on whether there are sufficient funds to meet the City’s anticipated cash requirements for the next six months.

22.0 Investment Policy Adoption

This policy will be updated, as needed, and will remain in effect until a new policy is adopted, at least once every five years. Any proposed revisions to the policy must first be submitted to the Finance Committee for review and then to the City Council for review and adoption.

Appendix A: List of Authorized Financial Institutions

The Treasurer's Office is authorized to transact investment and depository business with the following financial institutions.

UNITED STATES GOVERNMENT

1. Federal Reserve Bank

PRIMARY DEALERS

1. J.P. Morgan Securities LLC
2. Wells Fargo Securities LLC

SECONDARY BROKERS

1. Piper Sandler & Company
2. Stifel, Nicolaus & Company

PUBLIC DEPOSITORIES*

1. Citibank, N.A.
2. JP Morgan Chase & Co.
3. MUFG Union Bank, N.A.

CUSTODIAN

1. Union Bank Global Custody Services

TRUSTEE

1. U.S. Bank Global Corporate Trust Services

*Exceptions are limited to those financial institutions defined in section 8.0.12