Revision approved on 12/18/99.

THE INVESTMENT POLICY FOR WOODBURY COUNTY, IOWA

This Investment Policy (hereinafter "Policy") is prepared pursuant to Iowa Code § 12B and applies to all operating funds, bond proceeds and other funds invested by Woodbury County. The Policy also applies to all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of Woodbury County. In addition to the requirements set forth in this Policy, all investments made by Woodbury County must be authorized under Iowa law. The investment of bond funds or sinking funds shall comply with this Policy and any applicable bond resolution.

In accordance with Iowa Code § 12B, the responsibility for conducting investment transactions resides with the Treasurer of Woodbury County. Only the Treasurer and those authorized by ordinance or resolution may invest public funds and a copy of any empowering ordinance or resolution shall be attached to this Policy.

The Treasurer and all officers and employees of Woodbury County involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

I. OBJECTIVES OF INVESTMENT POLICY

The Treasurer of Woodbury County, when investing or depositing public funds, shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to attain the goals of this section. This standard requires that when making investment decisions, the Treasurer shall consider the role that the investment or deposit plays within the portfolio of assets of Woodbury County and the goals of this section. The primary goals of investment prudence shall be based in the following order of priority:

A. Safety of principal is the first priority.

B. Maintaining the necessary liquidity to match expected liabilities is the second priority.

C. Obtaining a reasonable return is the third priority.

The trading of securities in which any public funds are invested for the purpose of speculation and the realization of short-term trading profits is prohibited.

II. INSTRUMENTS ELIGIBLE FOR INVESTMENT

Assets of Woodbury County may be invested in the following:

A. Obligations of the United States government, its agencies and instrumentalities.

B. Certificates of deposit and other evidences of deposit at federally insured depository institutions approved pursuant to chapter 12C.

C. Prime bankers' acceptances that mature within two hundred seventy days and that are eligible for purchase by a federal reserve bank, provided that at the time of purchase no more than ten percent of the investment portfolio shall be in investments authorized by this paragraph and that at the time of purchase no more than five percent of the investment portfolio shall be invested in the securities of a single issuer.

D. Commercial paper or other short-term corporate debt that matures within two hundred seventy days and that is rated within the two highest classifications, as established by at least one of the standard rating services approved by the superintendent of banking by rule adopted pursuant to chapter 17A, provided that at the time of purchase no more than five percent of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification, and provided further that at the time of purchase no more than ten percent of the investment portfolio shall be in investments authorized by this paragraph and that at the time of purchase no more than five percent of the investment portfolio shall be invested in the securities of a single issuer.

E. Repurchase agreements whose underlying collateral consists of the investments set out in paragraph "a" if the political subdivision takes delivery of the collateral either directly or through an authorized custodian. Repurchase agreements do not include reverse repurchase agreements.

F. An open-end management investment company registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80(a), and operated in accordance with 17 C.F.R. § 270.2a-7.

G. A joint investment trust organized pursuant to chapter 28E prior to and existing in good standing on the effective date of this Act or a joint investment trust organized pursuant to Iowa Code § 28E after April 28, 1992, provided that the joint investment trust shall either be rated within the two highest classifications by at least one of the standard rating services approved by the superintendent of banking by rule adopted pursuant to Iowa Code § 17A and operated in accordance with 17 C.F.R. § 270.2a-7, or be registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. § 80(a), and operated in accordance with 17 C.F.R. § 270.2a-7. The manager or investment advisor of the joint investment trust shall be registered with the federal securities and exchange commission under the Investment Advisor Act of 1940, 15 U.S.C. § 80(b).

H. Warrants or improvement certificates of a levee or drainage district.

Futures and options contracts are not permissible investments.

Each bank where investments are made must be on the most recent Approved Bank List as distributed by the Treasurer of the State of Iowa or as amended as necessary by notice inserted in the monthly mailing by the Rate Setting Committee. Each financial institution shall be properly declared as a depository by the governing body of Woodbury County. Deposits in any financial institution shall not exceed the amount approved by the governing body of Woodbury County.

III. POLICY OF DIVERSITY IN INVESTMENT PORTFOLIO

Where possible, it is the policy of Woodbury County to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In establishing specific diversification strategies, the following general policies and constraints shall apply.

A. Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity.

B. Liquidity practices to ensure that the next disbursement date and payroll date are covered through maturing investments, marketable U.S. Treasury bills or cash on hand shall be used at all times.

C. Risks of market price volatility shall be controlled through maturity diversification so that aggregate price losses on instruments with maturities approaching one year shall not be great than coupon interest and Investment Income received from the balance of the portfolio.

It's recommended that financial institutions with business establishments, within Woodbury County be given first consideration as long as the reasonable return is equal to that offered by other like financial institutions. The Treasurer shall request competitive interest rate and investment proposals from at least three investment institutions. All attempts should be made to invest within the county if all other considerations are equal.

IV. DISTRIBUTION OF THE POLICY

This Policy shall be delivered to all of the following:

1. The governing body or officers of Woodbury County to which this Policy applies.
2. All depository institutions or fiduciaries for public funds of Woodbury County.
3. The Auditor engaged to audit any fund of Woodbury County.
4. The State Auditor.
5. The County Auditor

In addition, a copy of this Policy shall be delivered to every fiduciary or third party assisting with or facilitating investment of the funds of Woodbury County.

This Policy shall be reviewed every 2 years or more frequently as appropriate. Notice of amendments to the Policy shall be promptly given to all parties spoken to early on in this investment policy.

This Investment Policy approved this 21st day of December, 1999 for Woodbury County, Iowa, Sioux City, State of Iowa.

SO APPROVED this 21st day of December, 1999, Sioux City, Iowa.

WOODBURY COUNTY, IOWA BOARD OF SUPERVISORS

Larry D. Clausen, Chairman

G.R. (Bob) Batcheller, Member

George W. Boykin, Member

Douglas L. Walish, Member

Maurice Welte, Member

ATTEST:

Patrick F. Gill, County Auditor/
Recorder