

ATTACHMENT 10 – RESERVE POOL INVESTMENT POLICY

OBJECTIVES

The Reserve Pool was created to provide an added layer of security for the WV Money Market and WV Government Money Market Pools. The objective of the pool is to provide support for the WV Money Market and WV Government Money Market Pools to ensure the net asset level does not fall below .9985. Allocations to the Reserve Pool will be determined by the Chairman.

Net investment income is declared as dividends and distributed on the last day of the month. If the pool incurs a loss resulting in negative income, the loss will be distributed on the last day of the month.

BENCHMARKS

None

<u>ASSET ALLOCATION PERMISSIBLE SECURITIES</u>	<u>DIVERSIFICATION - MAXIMUM % OF POOL</u>
U.S. Treasury Obligations	100
U.S. Government Agency Obligations	100
Repurchase Agreements	100
Government Money Market Funds	100
Certificates of Deposit	100
Depository Accounts	100

MATURITY RESTRICTIONS, DIVERSIFICATION GUIDELINES AND CREDIT LIMITS

All restrictions are based upon total dollar percentages of Pool holdings using an amortized cost basis. Securities that fall out of compliance may be held to maturity based upon recommendation of the Investment Manager and Investment Consultant. The Board may require the Investment Manager to sell non-compliant Securities.

- Maximum maturity of individual Securities cannot exceed 397 days from the date of purchase.
- Depository Accounts are required to be collateralized as defined in the West Virginia Board of Treasury Investments' ("BTI") Bank Account Collateral Policy.

BTI ROLE

- Develop Investment Guidelines.
- Provide cash flow information regarding Securities held by the Pool.
- Record contributions and withdrawals.
- Calculate monthly net income and net asset value.
- Prepare monthly a Statement of Net Assets, Statement of Operations, Statement of Changes in Net Assets, and a detailed list of Securities.

NAV MONITORING

- The BTI will monitor the net asset value of the WV Money Market and WV Government Money Market Pools on a daily basis in accordance with the BTI's Net Asset Value Monitoring Policy. This policy requires the Chief Financial Officer and Executive Director to develop a formal and written action plan to address the NAV decline when it falls below .9985. Board members are notified to approve the written action plan.
- If the net asset value falls below .9985, the BTI would request Board approval to utilize the Reserve Pool to ensure the NAV is stabilized at .9985.