

Rule 2019 – 2 “State Treasury Investment Policy”

Summary of Amendment to Investment Policy

The amendment to the Investment Policy addresses five topics. The Treasury's investment portfolio has historically limited purchases of corporate debt to 30% of the total portfolio in the aggregate, and 5% of the total portfolio to a single debt issuer. Prior to this proposed rule change, there were two exceptions to those percentage limits: one for commercial paper with a maturity of less than eight days and a second for investments made in the State Treasury Money Management Trust. Those two exceptions are eliminated by this rule change. The third substantive change limits the Treasury's holdings of second-tier commercial paper to 5% of the total portfolio. The fourth change removes the Treasury's authority to purchase "private placement" commercial paper. The fifth and final change removes the 10% cap on the Treasury's ability to place collateralized certificates of deposit in local banks.