



Investment Policy Update

May 14, 2014

Investment Policy Update

- Purpose of the policy
- Changes to the policy
- Discussion

Investment Policy - Purpose

□ Purpose

- To set forth the framework regarding the investment of funds under Tollway control and to define the parameters within which funds are to be managed

□ Applicable Statutes

- The Toll Highway Act (605 ILCS 10/)
- Public Funds Investment Act (30 ILCS 235/)
- Trust Indenture dated as of December 1, 1985, as amended, restated and supplemented



Investment Policy - Purpose

□ **Primary objective**

- The preservation of principal

□ **Secondary objectives**

- Sufficient liquidity to meet operating and capital needs
- Increase return on investments

□ **Authorized investment officers**

- Executive Director
- Chief of Finance
- Deputy Chief of Finance
- Controller

Investment Policy - Changes

- ❑ **Changes provide clarification regarding current practices**
- ❑ **Key changes to the following sections include:**
 - *Authorized Broker/Dealers, Investment Advisors and Financial Institutions* - Updated section to incorporate current practices regarding selection of investment advisors and financial institutions
 - *Term and Diversification* - Clarified section to identify funds with longer term liquidity needs may be invested for greater than one year
 - *Review and Reporting* - Updated section to incorporate current practices regarding periodic portfolio reviews by the Chief of Finance and Tollway to review policy no less than once every two years.

Investment Policy - Discussion Item

- ❑ **Consider expanding allowable investments to include municipal bonds and notes**
 - Public Funds Investment Act allows only Illinois municipalities to invest in municipals bonds and notes - Tollway currently excluded
 - Revisit whether to pursue legislation
 - Potential to increase investment earnings depending on relative condition of treasury vs. municipal markets



THANK YOU