



New York City Energy Efficiency Corporation

Investment Policy

Original Date of Approval:	June 30, 2013
Renewal/Revision Date:	February 16, 2023
Responsible Party:	Treasurer
Applicability:	All

I. Purpose.

The purpose of this document (this "Policy") is to establish the policies, procedures, and guidelines regarding the investing of funds of the New York City Energy Efficiency Corporation (the "Corporation"). Additionally, amongst other things, this Policy defines the roles and responsibilities of the person(s) responsible for the management and investment of the Corporation's funds under this Policy; it establishes the investment objectives of the Corporation; and it specifies authorized investments of the Corporation.

This Policy has been developed pursuant to the applicable provisions of the New York Prudent Management of Institutional Funds Act (the "PMIFA") and of the Public Authorities Law of the State of New York (the "PAL"), and has been duly approved by the Board of Directors of the Corporation (the "Board").

II. Scope.

This Policy applies to all operating, undisbursed capital and other funds, moneys and other financial resources of the Corporation available for investment by the Corporation on its own behalf or on behalf of any other entity or individual.

III. Investment Objectives.

The Corporation's funds invested pursuant to this Policy shall be managed to accomplish the following objectives:

A. **Legality.** Conform with applicable requirements set forth in the PMIFA, the PAL and all other applicable federal, state, and other legal requirements.

B. **Preservation of Principal.** The most important objective of the Corporation's investment program is the preservation of principal of funds within its portfolio of investments covered by this Policy.

C. **Maintenance of Liquidity.** The Corporation's funds shall be managed in such a manner that assures that funds invested under this Policy are available as needed to meet immediate and/or future operating requirements and lending commitments of the Corporation.

D. **Achieve a Prudent Return.** The Corporation's portfolio of funds invested under this Policy shall be managed in such a fashion as to achieve prudent income through the purchase of authorized investments as stated below, taking into account the other investment objectives.

IV. Investment Principles.

With respect to all funds invested pursuant to this Policy, the following will apply:

A. **Factors for Consideration.** The following factors must be considered to the extent relevant: (1) general economic conditions; (2) the possible effect of inflation or deflation; (3) the expected tax consequences, if any, of investment decisions or strategies; (4) the role that each investment or course of action plays within the overall portfolio of funds invested under this Policy; (5) the expected total return from income and the appreciation of investments; (6) other financial resources of the Corporation; (7) the needs of the Corporation to make distributions and to preserve capital; and (8) an asset's special relationship or special value, if any, to the purposes of the Corporation.

B. **Prudence.** All participants in the investment process and all participants responsible for depositing the Corporation's funds shall seek to act responsibly and shall avoid any transaction that might impair confidence in the Corporation to govern effectively.

Investments and deposits shall be prudently made with judgment and care, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process and all participants responsible for depositing the Corporation's funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Corporation's funds or which could impair their ability to make impartial investment decisions.

C. **Risk.** Management and investment decisions about an individual investment should be made not in isolation but rather in the context of the Corporation's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Corporation and its fiscal needs.

D. **Diversification.** The portfolio of investments made under this Policy shall be diversified in a manner considered prudent and appropriate by the Investment Manager (as defined below) to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security or other investment instrument.

V. Implementation.

The Treasurer of the Corporation or any other designee, if any, duly appointed by the Board (the "Investment Manager"), shall be responsible for the management and investment of funds covered by this Policy and for the implementation of this Policy and the establishment of investment procedures and a system of internal controls to regulate the activities of

appropriate staff, consistent with this Policy. The Investment Manager shall manage and invest funds covered by this Policy in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

VI. Authorized Investments.

In addition to deposits made in accordance with Section VII below, the Investment Manager, is authorized to invest funds of the Corporation covered by this Policy as summarized and restricted below:

A. **U.S. Treasury Obligations.** United States Treasury bills and notes, and any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States, with maturities of no longer than one year.

B. **Federal Agency Obligations.** Bonds, notes, debentures, or other obligations or securities issued by any agency or instrumentality of the United States, with maturities of no longer than one year.

C. **Certificates of Deposit.** Certificates of Deposit with New York banks, including minority-owned banks. All such certificates of deposit in these banks must be FDIC insured, except when otherwise collateralized by investments with negligible credit risks similar to those described in A and B above.

VII. Deposit Policy.

To the extent funds of the Corporation that are covered by this Policy are not invested in authorized investments made in accordance with Section VI above, the Investment Manager, is authorized to and shall cause such funds to be deposited with JPMorgan Chase Bank, N.A. (or another similar financial institution acceptable to the Treasurer and the President of the Corporation, and which institution is approved in writing by the Audit and Finance Committee of the Board), in interest and non-interest bearing commercial bank account(s) that are collateralized to the extent practical.

VIII. Written Contracts.

The Corporation shall enter into written contracts pursuant to which investments are made which conform with the requirements of this Policy and Section 2925.3(c) of the PAL unless it is determined by the Treasurer and the President of the Corporation that a written contract containing such provisions is not practical or that there is not a regular business practice of written contracts containing such provisions with respect to a specific investment or transaction.

IX. Eligible Brokers, Agents, Dealers, Investment Advisors, Investment Bankers and Custodians.

The following are the standards for the qualifications of brokers, agents, dealers, investment advisors, investment bankers and custodians:

A. Brokers, Agents and Dealers:

1. In Government Securities: any bank or trust company organized or licensed under the laws of any state of the United States of America or of the United States of America or any national banking association or any registered broker/dealer or government securities dealer.

2. In Municipal Securities: any broker, dealer or municipal securities dealer registered with the Securities and Exchange Commission (the "SEC").

B. Investment Advisors: any bank or trust company organized under the laws of any state of the United States of America or any national banking association, and any firm or person which is registered with the SEC under the Investment Advisors Act of 1940.

C. Investment Bankers: firms retained by the Corporation to serve as senior managing underwriters for negotiated sales must be registered with the SEC.

D. Custodians: any bank or trust company organized under the laws of any state of the United States of America or any national banking association with capital and surplus of not less than \$50,000,000.

X. Audit and Reporting.

The Corporation's independent accountants shall conduct an annual audit of the Corporation's investments for each fiscal year in conjunction with and as part of the annual audit of the Corporation's financial statements, the results of which shall be made available to the Board at the time of its annual review and approval of this Policy.

Annually, the Treasurer, or any duly appointed designees, shall prepare and the Board shall review and approve an Investment Report which shall include the provisions required by the PAL.

XI. Applicability.

Nothing contained in this Policy shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investment of funds made or entered into in violation of, or without compliance with, the provisions of these Policy.

XII. Conflict of Law.

In the event that any portion of this policy is in conflict with any State, City or federal law, that law will prevail.

XIII. Other Restrictions.

This Policy does not modify any restriction, if any, otherwise imposed on various types of funds held by the Corporation; for example, any restrictions set forth in the Corporation's contracts with the City, or resulting from the source of funds (e.g. federal funds). Those other restrictions, to the extent inconsistent with this Policy, shall govern.

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