THE TRUST FOR CULTURAL RESOURCES OF THE CITY OF NEW YORK

INVESTMENT GUIDELINES

Adopted July 26, 2006
Approved May 18, 2011, March 28, 2012, March 21, 2013, March 27, 2014, March 24, 2015, March 24, 2016, March 28, 2017 and March 27, 2018

I. Purpose

The purpose of this document is to establish policies, procedures and guidelines regarding the investing, monitoring and reporting of funds of The Trust for Cultural Resources of The City of New York (the "Trust").

II. Scope of the Investment Policy

This policy applies to the funds of the Trust, which for purposes of these Guidelines consist of all moneys and other financial resources available for investment by the Trust on its own behalf or on behalf of any other entity or individual. Funds held by the trustee under any bond resolution are deemed to be lent to the institution for the benefit of which bonds were issued under such bond resolution, and, accordingly, such funds are invested by the trustee under such bond resolution in accordance with the investment requirements set forth in such bond resolution; such funds are not funds of the Trust subject to these Guidelines.

III. Investment Objectives

The portfolio shall be managed to accomplish the following objectives:

A. Preservation of Principal – The single most important objective of the Trust's investment program is the preservation of principal of funds within the portfolio.
B. Maintenance of Liquidity – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future requirements of the Trust.
C. Maximize Return – The portfolio shall be managed in such a fashion as to maximize income through the purchase of authorized investments as stated below, taking into account the other investment objectives.

IV. Implementation of Guidelines

In accordance with the agreement between the Trust and New York City Economic Development Corporation ("EDC") for the administration of the Trust's operations, EDC shall be responsible for the prudent investment of funds and for the implementation of the investment program and the establishment of investment procedures and a system of controls to regulate the activities of subordinate staff, consistent with these Guidelines.

V. Authorized Investments

The Treasurer or an Assistant Treasurer of the Trust is authorized to invest funds of the Trust as permitted by Section 20.11(5) of the Arts and Cultural Affairs Law, which permits the Trust "to invest and reinvest any funds held in reserve or sinking funds or any other funds not required for immediate use or disbursement, including proceeds from the sale of any bonds or notes and any revenues, receipts, borrowings and income, in obligations of or guaranteed by the United States, the state or any political subdivision of the state, or any agency or instrumentality of any of them, or certificates of deposit, savings accounts, time deposits or other obligations or accounts of banks or trust companies in the state, secured, if the trust shall so require, in such manner as the trust may so determine." The Trust shall obtain security for such investments only to the extent security would be required if EDC were making such investments.

VI. Written Contracts

On behalf of the Trust, EDC shall enter into written contracts pursuant to which investments are made which conform with the requirements of these Guidelines and Section 2925.3(c) of the Public Authorities Law unless the Treasurer of the Trust determines 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.

VII. Diversification and Eligible Advisors

The portfolio shall be structured to diversify investments 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. Because of the limited size of the portfolio and the statutory limitations on the authorized investments by the Trust, it is not anticipated that diversification of investments will be a significant factor in the investment decisions, nor is it anticipated that the Trust will use the services of brokers, agents, dealers, investment advisors, investment bankers or custodians with respect to the Trust's investments.

VIII. Maximum Maturity

Maintenance of adequate liquidity to meet the cash flow needs of the Trust is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with cash requirements in order to avoid the forced sale of securities prior to maturity.

For purposes of this investment policy, assets of the portfolio shall be segregated into two categories based on expected liquidity needs and purposes – Cash equivalents and Investments. Assets categorized as Cash equivalents will be invested in permitted investments maturing in ninety (90) days or less or deposited in Deposit Accounts. Assets categorized as Investments will be invested in permitted investments with a stated maturity of no more than two (2) years from the date of purchase.

IX. Monitoring and Adjusting the Portfolio

Those responsible for the day-to-day management of the portfolio will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio as necessary to meet the investment objectives listed above. It is recognized and understood that the non-speculative active management of portfolio holdings may cause a loss on the sale of an owned investment.

X. Internal Controls

The Treasurer or an Assistant Treasurer of the Trust, under the direction of the Chief Financial Officer of EDC, shall establish and be responsible for monitoring a system of internal controls governing the administration and management of the portfolio. Such controls shall be designed to prevent and control losses of the portfolio funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel.

XI. Reporting

The following reports shall be prepared annually.

1. Audit – The Trust's independent accountants shall conduct an annual audit of the Trust's investments for each fiscal year of the Trust, the results of which shall be made available to the Board of Trustees at the time of its annual review and approval of these Guidelines.

2. Investment Report – The Treasurer or an Assistant Treasurer of the Trust, under the direction of Chief Financial Officer of EDC, shall prepare and the Board of Trustees of the Trust shall review and approve an Investment Report, which shall include:

   a. The Investment Guidelines and amendments thereto since the last report;
   b. An explanation of the Guidelines and any amendments made since the last report;
   c. The independent audit report required by Subsection (1) above;
   d. The investment income record of the Trust for the fiscal year; and
   e. A list of fees, commissions or other charges paid to any investment banker, broker, agent, dealer and advisor rendering investment associated services to the Trust since the last report.

   The Investment Report shall be submitted to the Mayor and the Comptroller of the City of New York and to the New York State Department of Audit and Control. Copies of the report shall also be made available to the public upon reasonable request.

XII. Applicability

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

XIII. 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.

XIV. Prior Investment Policy

These Investment Guidelines supersede all previously adopted investment policies and guidelines adopted by the Trust's Board of Trustees. However, these Investment Guidelines do not supersede or replace any other authorization given by the Trust's Board of Trustees that (i) empowered officers of the Trust to be authorized to enter into banking or other depository accounts and otherwise conduct banking business with financial institutions; (ii) the persons who, at the time in question, are the officers eligible and authorized to sign checks and the like; and (iii) the Secretary or Assistant Secretary of the Trust be authorized to certify, without further submission to the Board, as to the adoption by the Board of resolutions in such form as the depository institutions may require, provided that they are consistent with the provisions stated above. Empowered officers, for the purposes indicated in (i) above, have included and continue to include any officer otherwise authorized to sign any agreement on behalf of the Trust and the Treasurer and Assistant Treasurers of the Trust. Additionally, such officers may enter into agreements with banks and financial institutions for bank accounts and to purchase investments of the type indicated in these Investment Guidelines and other investments specifically approved by the Trust's Board of Trustees.

These Investment Guidelines do not modify any restriction, if any, otherwise imposed on various types of funds held by the Trust. As stated in Section II above, restrictions set forth in any revenue bond resolution govern the investment of funds held by the trustee under such revenue bond resolution. All such other restrictions, to the extent inconsistent with these Investment Guidelines, shall govern.