



NYC Technology Development Corporation

Fiscal Year 2017 Investment Report

- I. Investment Guidelines (See Schedule I)
- II. Explanation of the Investment Guidelines
- III. The NYC Technology Development Corporation (the “Corporation”) adopted Investment Guidelines on May 8, 2013, and these Guidelines have not been amended. The Investment Guidelines specify the policies and procedures relating to the investment of funds of the Corporation and the monitoring and reporting of those investments.
- IV. Results of the annual independent audit of the investments (See Schedule II)
- V. Investment Income of record of the Corporation (See Schedule III)
- VI. List of total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment services to the Corporation (See Schedule III)

NYC Technology Development Corporation

Investment Guidelines

I. Purpose

The purpose of this document is to establish policies, procedures and guidelines regarding the investing, monitoring and reporting of funds of the NYC Technology Development Corporation (“TDC”).

II. Scope of the Investment Policy

This policy applies to the funds of TDC, which for purposes of these guidelines consist of all moneys and other financial resources available for investment by TDC on its own behalf or on behalf of any other entity or individual.

III. Investment Objectives

The portfolio shall be managed to accomplish the following objectives:

- A. Preservation of Principal – The single most important objective of TDC’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 operating requirements of TDC.
- 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

The Treasurer 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

- A. The Treasurer of TDC is authorized to invest funds of TDC as summarized and restricted below:
- 1) 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.
 - 2) Federal Agency Obligations. Bonds, notes, debentures, or other obligations or securities issued by any agency or instrumentality of the United States.
 - 3) Commercial Paper. Commercial paper rated A1 or P1 by Standard & Poor's Corporation or Moody's Investor's Service, Inc. or Fitch.
 - 4) Bankers' Acceptances and Time Deposits of banks with worldwide assets in excess of \$50 million that are rated with the highest categories of the leading bank rating services and regional banks also rated within the highest categories.
 - 5) Certificates of Deposit with New York banks, including minority-owned banks. All such certificates of deposit in these banks must be Federal Deposit Insurance Corporation ("FDIC") insured, except when otherwise collateralized.
 - 6) Other investments approved by the Comptroller of New York City for the investment of City funds.
- B. In addition to the above investments, TDC may deposit funds in the following ("Deposit Accounts"), with respect to funds needed for operational expenses and funds awaiting investment or disbursement:
- 1) High quality no-load money market mutual funds that restrict their investments to short term, highly rated money market instruments.

- 2) Other interest bearing accounts, if permitted by applicable laws, rules and regulations, with New York City financial institutions designated by the New York City Banking Commission.

VI. Written Contracts

TDC 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 President or Treasurer 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

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. The maximum percentage of the total portfolio permitted in the indicated type of eligible security is as follows:

| | |
|---|---|
| A. U.S. Treasury | 100% maximum |
| B. Federal Agency | 100% maximum |
| C. Commercial Paper | 25% maximum |
| D. Bankers Acceptances and Time Deposits | 25% maximum |
| E. Certificates of Deposit | 20% maximum |
| F. Other Investments Approved by Comptroller for City Funds | A percentage deemed prudent by the Treasurer of TDC |

VIII. Maximum Maturity

Maintenance of adequate liquidity to meet the cash flow needs of TDC 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 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. Eligible Brokers, Agents, Dealers, Investment Advisors, Investment Bankers and Custodians

- A. The following are the standards for the qualifications of brokers, agents, dealers, investment advisors, investment bankers and custodians:
- 1) Brokers, Agents, Dealers
 - 2) 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.

- B. In Municipal Securities: any broker, dealer or municipal securities dealer registered with the Securities and Exchange Commission (the “SEC”).
- C. 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.

XII. Reporting

Quarterly

The Treasurer shall prepare and deliver to the Board of Directors once for each quarter of TDC’s fiscal year a report setting forth a summary of new investments made during that quarter, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

Annually

- A. Audit – TDC’s independent accountants shall conduct an annual audit of TDC’s investments for each fiscal year of TDC, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of these Guidelines.
- B. Investment Report – Annually, the Treasurer shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:
 - 1) The Investment Guidelines and amendments thereto since the last report;
 - 2) An explanation of the Guidelines and any amendments made since the last report;
 - 3) The independent audit report required by Subsection (1) above;
 - 4) The investment income record of TDC for the fiscal year; and

- 5) A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to TDC 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.

XIII. 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.

XIV. 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.

XV. Other Restrictions

These Investment Guidelines do not modify any restriction, if any, otherwise imposed on various types of funds held by TDC; for example, any restrictions set forth in any contract with the TDC's contract with the City of New York, or resulting from the source of funds (e.g., federal funds). Those other restrictions, to the extent inconsistent with these Investment Guidelines, shall govern.

NYC Technology Development Corporation
Annual Investment Report
As of and for the year ended June 30, 2017

Investment Income for FY 2017 (accrual basis) \$ -

Investment Fees for FY 2017:

JPMorgan Chase Bank \$ -

Cash and Cash Equivalent by Fund

| <u>Fund</u> | <u>Fair Value</u> |
|--|-------------------|
| Corporate Expense Fund | \$ - |
| Cash and Cash Equivalent | - |
| Total Cash and Cash Equivalents | \$ - |

Cash and Cash Equivalent by Security Types

| <u>Description</u> | <u>Fair Value</u> | <u>Maturities in Years</u> | |
|--|-------------------|----------------------------|---------------|
| | | <u>Less than 1</u> | <u>1 to 5</u> |
| JPMorgan Prime Money Market Fund | \$ - | \$ - | \$ - |
| Total Cash Equivalent | \$ - | \$ - | \$ - |
| Cash ¹ | - | | |
| Total Cash and Cash Equivalents | \$ - | \$ - | \$ - |

¹ Insured by the FDIC