

*The Maryland-National Capital Park & Planning Commission*



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**Investment Policy**  
**September 2025**

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**Prepared by the Office of the Secretary-Treasurer**  
**Department of Finance**

**Gavin Cohen, Secretary-Treasurer**  
**Jason Lawrence, Deputy Finance Director**  
**Tanya Hankton, Treasury and Investments Manager**

## **INVESTMENT POLICY**

### **I. SCOPE**

This Investment policy applies to all employees, including Commissioners, Merit System Employees, contract employees, consultants, advisors, appointed officials or anyone with delegated authority indirectly or directly investing Commission funds; and to the investment of all unexpended or surplus funds of The Maryland- National Capital Park and Planning Commission ("Commission"); and to accounts owned by the Commission, administered by the bank, or any person and institution acting in a fiduciary role. Funds not required for immediate- expenditure will be invested in a manner that will preserve capital while conforming to all State of Maryland statutes governing the investment of public funds and in accordance with best investment practices of public funds as promulgated by industry trade associations.

The Secretary-Treasurer and/or designee is authorized to invest such funds until such time that the Commission requires liquid funds for ongoing operating needs.

Except for cash in certain restricted and special funds, the entity consolidates cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration.

Investment income is allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles. These funds are reported in the Commission's Annual Comprehensive Financial Report and include:

- a) General Fund
- b) Capital Project Fund
- c) Enterprise Funds
- d) Special Revenue Funds
- e) Debt Service Funds
- f) Internal Service Funds
- g) New funds authorized by the Commission unless specifically exempted

This Investment Policy (Policy) does not cover the investment activities of: Pension Funds or certain Trust or Agency Funds, which are administered by separate trustees; and certain indentured funds and certain escrow funds, which are controlled by the respective indenture and escrow agreements.

This Policy represents the financial boundaries within which the Commission's cash and investment management process will operate.

## II. INVESTMENT OBJECTIVES

The Commission's primary objectives for the investment and management of public funds are as follows:

(a) **Safety of principal:** The protection of investment principal is the foremost objective in the overall portfolio. Investments of the Commission shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, the Commission will mitigate both credit risk and interest rate risk. Credit Risk is defined as the risk of loss due to the failure of the security issuer or backer and this risk will be mitigated by:

- (1) limiting investments to the safest types of securities listed in Section VII of this investment policy.
- (2) pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers with which the Commission will do business in accordance with Section VIII.
- (3) diversifying the investment portfolio such that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- (4) requiring third-party collateralization and safekeeping, and delivery-versus-payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.
- (5) monitoring the portfolio regularly to anticipate and respond appropriately to a reduction in the credit worthiness of any of the issuers.

Market or interest rate risk is defined as the risk that the market value of portfolio securities will fall due to an increase in general interest rates and this risk will be mitigated by:

- (1) structuring the Commission's portfolio so that securities mature to meet the Commission's working capital requirements for ongoing operations.
- (2) periodically restructuring the portfolio to minimize the loss of market value and/or maximize cash flows subject to the constraints described in Section X of this Policy.
  - Funds expected to be needed for working capital needs will remain in instruments with daily liquidity;
  - Short-term funds will be limited to instruments with maturities of one year or less based on purchase date;
  - Funds not identified as being needed for working capital or short-term needs may be invested for up to five years;

(b) **Liquidity:** The Commission maintains its principles of safety, liquidity, and yield while seeking to maximize cash flows of invested principal. The investment portfolio is structured to remain sufficiently liquid to meet all

reasonably anticipated operating requirements and to avoid long-term losses. Additionally, this Policy specifically prohibits trading securities for the sole purpose of speculation.

For reserve funds or those without a specific match to future cash flow needs of the Commission a longer investment time horizon may be prudent than funds needed for liquidity. The longer time horizon may result in unrealized losses noted on financial statements. However, realized losses are allowed if they provide a net gain to the portfolio over a reasonable period. Investment Advisors must adhere to maturity and duration parameters established to monitor performance and risk of an investment portfolio.

- (c) **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, with consideration of investment risk constraints and liquidity needs. Return on investment is of secondary importance to the safety and liquidity objectives described above, and consistent with the risk limitations and prudent investment guidelines described in this policy.

### **III. DELEGATION OF AUTHORITY**

- (a) In accordance with the Annotated Code of Maryland, Article 95, Section 22F, State Finance & Procurement Article Section 6-222, the responsibility for conducting investment transactions rests with the Secretary-Treasurer, Department of Finance.
- (b) The Secretary-Treasurer or designee (Investment Officials) are authorized to invest surplus Commission funds, in accordance with this Policy until the funds are needed.
- (c) Investment Officials shall have sole authority to buy and sell securities on behalf of the Commission. Investment Officials may utilize qualified outside financial consultants or investment advisory firms to provide the necessary technical expertise, tools, and resources that are required to buy and sell securities, and to analyze the Commission's cash flow requirements or other investment needs.
- (d) The Secretary-Treasurer shall establish written procedures for the operation of the Commission's investment programs consistent with this Policy. Such procedures must include:
  - 1. Explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under terms of this Policy and the procedures approved by the Secretary-Treasurer.

2. Procedures should include reference to safekeeping, master repurchase agreements, tri-party custodial agreements, delivery vs. payment, wire transfers, collateral depository agreements, accounting, and banking service contracts.
- (e) Responsibility for the operation of the Commission's investment program is hereby delegated to the Corporate Treasury and Investment Manager, who shall carry out established written procedures and internal controls for the operation of the investment program consistent with this Policy.

#### **IV. PRUDENT PERSON RULE**

The standard of prudence to be applied by the Investment Officials shall be the "Prudent Person Rule", which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The Prudent Person Rule shall be applied in the context of managing the overall portfolio.

Investment Officials making a good faith effort to act in accordance with written procedures and the Investment Policy and exercising due diligence, shall not be held personally responsible for an individual security's credit risk or market price change, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### **V. ETHICS AND CONFLICTS OF INTEREST**

Commission employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or that could impair their ability to make impartial investment decisions.

Commission employees shall disclose to the Secretary-Treasurer any material interests in financial institutions with which they conduct personal business. They shall further disclose to the Secretary-Treasurer any personal financial /investment positions that could be related to the performance of the investment portfolio, and refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Commission.

Investment Officials shall subordinate their personal investment transactions to those of the Commission, particularly with regard to the time of purchases and sales. Investment Officials shall comply with the Commission's Ethics Practice 2-24 and The SEC Investment Advisors Act of 1940

## **VI. INVESTMENT STRATEGY**

The Secretary-Treasurer shall hold periodic investment strategy meetings with the delegated Investment Officials and/or outside professional consultants and shall document the resulting investment strategies approved to meet the objectives of this Investment Policy.

## **VII. AUTHORIZED, SUITABLE AND PROHIBITED INVESTMENTS**

In accordance with the State Finance and Procurement Article Section 6-222 Investment Officials may invest Commission funds in the following investments:

- 1) **U.S. Treasury & Government Guaranteed** - U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government.
- 2) **Federal Agency/GSE** - Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality or government-sponsored enterprise (GSE).
- 3) **Supranationals** – U.S. dollar denominated debt obligations of a multilateral organization of governments.
- 4) **Municipals**– Obligations issued or guaranteed by any state, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of any U.S. state, territory or local government.
- 5) **Agency Mortgage-Backed Securities** - Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, which are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMOs) and REMICs.
- 6) **Asset-Backed Securities** - Asset-backed securities (ABS) whose underlying collateral consists of loans, leases or receivables, including but not limited to auto loans/leases, credit card receivables, student loans, equipment loans/leases, or home-equity loans.
- 7) **Commercial Paper** – U.S. dollar denominated commercial paper issued or guaranteed by a domestic or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs.
- 8) **Bankers' Acceptances** - Bankers' acceptances issued, drawn on, or guaranteed by a U.S. bank or U.S. branch of a foreign bank.
- 9) **Negotiable Bank Deposit Obligations** - Negotiable bank certificates of deposit, deposit notes or other deposit obligations issued by a nationally or state-chartered bank, credit union or savings association, or by a federally or state-licensed branch of a foreign bank or financial institution.

- 10) **Repurchase Agreements** - Repurchase agreements (Repo or RP) that meet the following requirements:
- a. Must be governed by a written SIFMA Master Repurchase Agreement which specifies securities eligible for purchase and resale, and which provides the unconditional right to liquidate the underlying securities should the counterparty default or fail to provide full timely repayment.
  - b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
  - c. Securities underlying repurchase agreements must be delivered to a third-party custodian under a written custodial agreement that may be of deliverable or tri-party form. Securities must be held in the investor's custodial account or in a separate account in the name of the investor.
  - d. Acceptable underlying securities must be securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, including U.S. Agency-issued mortgage-backed securities.
  - e. Underlying securities must have an aggregate market value, including accrued interest, of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.
  - f. The term of any repurchase agreement transaction must be 1 year or less.
- 11) **Money Market Funds** - Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.
- 12) **Maryland Local Government Investment Pools** – Any investment portfolio created under the Maryland Local Government Investment Pool (MLGIP) as established by §§ 17-301 et. Seq. of the Local Government Article of the Annotated Code of Maryland that is administered by the Maryland Office of the State Treasurer.

**Investment Limits and Specifications<sup>1</sup>**

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement <sup>2</sup>	Maximum Maturity
U.S. Treasury	100%	100%	N/A	5 Years
Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB	75%	33% <sup>4</sup>	N/A	5 Years (5-year avg. life for GNMA <sup>3</sup> )
GNMA				
Supranationals where U.S. is a shareholder and voting member	25%	10%	AAA/Aaa/AAA	5 Years

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement <sup>2</sup>	Maximum Maturity
Agency Mortgage-Backed Securities (MBS)	25%	33% <sup>4</sup>	At least AAA or Aaa by two rating agencies one of which must be S&P, Moody's, or Fitch	2 Year Avg. Life <sup>3</sup>
Asset-Backed Securities (ABS)	25%	5% <sup>5</sup>	At least AAA or Aaa by two rating agencies one of which must be S&P, Moody's, or Fitch	2 Year Avg. Life <sup>3</sup>
Commercial Paper (CP)	25% <sup>6</sup>	5% <sup>5</sup>	At least two ratings of A-1/P-1/F-1 or higher by S&P, Moody's or Fitch respectively	365 Days
Bankers' Acceptances (BAs)	20% <sup>6</sup>	5% <sup>5</sup>	At least two of the highest ST Rating Category (A-1/P-1, or equivalent)	180 Days
Negotiable Bank Certificates of Deposit	35% <sup>6</sup>	5% <sup>5</sup>	Maturities less than or equal to one year: at least two ratings of A-1/P1/F-1 or higher by S&P, Moody's, or Fitch, respectively. For maturities greater than one year: At least two ratings of AA/Aa/AA or higher by S&P, Moody's, or Fitch, respectively.	5 Years
Repurchase Agreements	40%	20%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent) If the counterparty is a Federal Reserve Bank, no rating is required	1 Year
Money Market Funds (MMFs)	50%	100%	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A
Maryland LGIP	100%	100%	Highest Fund Quality and Volatility Rating Categories by all NRSROs, <i>if rated</i> (AAAm/AAAf, S1, or equivalent)	N/A

**Notes:**

- <sup>1</sup> Concentration limits and rating requirements apply at the time of purchase measured from the transaction's trade date; maturity requirements measured from the transaction's settlement date
- <sup>2</sup> Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO") being S&P, Moody's and/or Fitch, unless otherwise noted. ST=Short-term; LT=Long-term. Ratings requirements are without regards to the rating modifiers.
- <sup>3</sup> Average life not to exceed two years from the date of settlement, unless such securities are subject to periodic reset of coupon or interest rate, in which case the average life may not exceed three years from the date of settlement, with the final maturity date not to exceed five years from the date of settlement.
- <sup>4</sup> Maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 33%.
- <sup>5</sup> Maximum allocation across all non-government permitted investment sectors is 5% combined per issuer.
- <sup>6</sup> Maximum allocation to all corporate and bank credit instruments is 75% combined.

**Investment Limits and Specifications Bond Proceeds<sup>1</sup>**

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement <sup>2</sup>	Maximum Maturity
Municipals	100%	N/A	Highest Fund Rating by all NRSROs who rate the fund	N/A
Money Market Funds (MMFs)	100%	N/A	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A
U.S. Treasury	100%	N/A	N/A	N/A

**Notes:**

- <sup>1</sup> Concentration limits and rating requirements apply at the time of purchase measured from the transaction's trade date; maturity requirements measured from the transaction's settlement date.
- <sup>2</sup> Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO") being S&P, Moody's and/or Fitch, unless otherwise noted. ST=Short-term; LT=Long-term. Ratings requirements are without regards to the rating modifiers.
- <sup>3</sup> The Commission is required under the U.S. Tax Reform Act of 1986 to perform periodic arbitrage calculations and to rebate excess earnings to the United States Treasury from the investment of gross proceeds of tax-exempt bonds. The Commission may contract with qualified outside financial consultants to provide the necessary technical expertise that is required to comply with this law.

**General Investment and Portfolio Limits**

1. General investment limitations:
  - a. Investments must be denominated in U.S. dollars and issued for legal sale in U.S. markets.
  - b. Minimum ratings are based on the highest rating by any one NRSRO, unless otherwise specified.
  - c. Concentration limits and rating requirements apply at time of purchase measured from the transaction's trade date; maturity requirements measured from the transaction's settlement date.
  - d. The maximum maturity (or average life for MBS/ABS) of any investment is 5 years. Maturity and average life are measured from settlement date. The final maturity date can be based on any mandatory call, put, pre-refunding date, or other mandatory redemption date.
2. General portfolio limitations:
  - a. The maximum effective duration of the aggregate portfolio is 5 years.
3. Investment in the following are permitted, provided they meet all other policy requirements:
  - a. Callable, step-up callable, called, pre-refunded, putable and extendable securities, as long as the effective final maturity meets the maturity limits for the sector
  - b. Variable-rate and floating-rate securities
  - c. Subordinated, secured and covered debt, if it meets the ratings requirements for the sector

- d. Zero coupon issues and strips, excluding mortgage-backed Interest-only structures (I/Os)
  - e. Treasury TIPS
4. The following are **NOT PERMITTED** investments, unless specifically authorized by statute and with prior approval of the governing body:
- a. Trading for speculation
  - b. Derivatives (other than callable and traditional floating or variable-rate instruments)
  - c. Mortgage-backed interest-only structures (I/Os)
  - d. Inverse floating-rate instruments (Inverse Floaters)
  - e. Foreign Currency (non-U.S. dollar currency)
  - f. Private placements and direct loans, except as commonly transacted by institutional investors (such as under Rule 144A or 4(2) commercial paper) and for which the investor meets the relevant requirements of being an accredited investor or qualified institutional buyer (QIB): Exception is given for bond proceeds.
  - g. Convertible, high yield, and non-U.S. dollar denominated debt
  - h. Short sales
  - i. Use of leverage (except reverse repurchase agreements which meet the terms required)
  - j. Futures and Options
  - k. Equities, Commodities, physical/paper Currencies and Hard Assets
  - l. Reverse Repurchase Agreements

Investment Officials are prohibited from borrowing money for the express purpose of reinvesting these funds, otherwise known as leveraging.

It is the policy of the Commission not to invest in derivative securities; these are financial contracts whose values are derived from the value of underlying securities such as stocks, bonds, currencies, and commodities.

## **VIII. AUTHORIZED DEALERS AND FINANCIAL INSTITUTIONS**

- (a) The Secretary-Treasurer shall establish and maintain a listing of financial institutions and broker/dealers authorized to provide investment services to the Commission's Finance Department. All authorized securities dealers and financial institutions must:
  - (1) be on the published "List of the Primary Government Securities Dealers Reporting to the Market Reports Division of the Federal Reserve Bank of New York", and qualified under SEC Rule 15c3-1; or,

- (2) be a financial institution (including securities dealers and commercial banks) having a local office within the State of Maryland; or,
  - (3) be a Securities and Exchange Commission registered Government Securities Dealer; and,
  - (4) have been incorporated as a financial institution for a period of at least five years; and,
  - (5) maintain at least \$100 million in net capital per current financial statements and have a short-term or long-term debt rating of investment grade by at least one NRSRO if acting as principal (e.g., for Repurchase Agreements), or at least \$4 million in net capital for allowed securities if acting as agent.
    - i. carry adequate insurance coverage including liability, errors and omissions, and worker's compensation (if applicable).
    - ii. be licensed and registered by the Financial Industry Regulatory Authority (FINRA).
- (b) All dealers, including primary dealers, are required to send annually to the Secretary-Treasurer their most recent audited financial statements and FOCUS reports, if applicable.
- (c) All dealers and financial institutions with which the Commission conducts business will be sent a copy of the Commission's current Investment Policy by the Finance Department, and a list of employees authorized by the Secretary-Treasurer to undertake investment transactions on behalf of the Commission. Each dealer and financial institution will be required to provide written certification that it will conform with the Policy.
- (d) The Commission may purchase repurchase agreements from dealers as defined in VIII (a) (5) above and with which the Commission has executed a master repurchase agreement. The master repurchase agreement is the industry standard as developed by the Bond Market Association/International Securities Market Association.
- (e) The Secretary-Treasurer is authorized to execute agreements on behalf of the Commission where an agreement and/or contract is required under this Section.

This list must be reviewed periodically, but no less often than annually to the determine that approved dealers continue to fulfill the above requirements and whether they should remain on the approved list.

The Commission may choose to work with an external investment advisor in the review and/or selection of broker/dealers or in the purchase of investment instruments. If used, the selection of an investment advisor will be based on a competitive procurement process.

## **IX. COMPETITIVE BIDDING**

Investments shall be awarded on a competitive bid basis to the institution whose percentage yield produces the greatest interest income to the Commission and complies with safekeeping requirements, investment diversification objectives and investment limitations. In the event multiple dealers offer identical desired investments and prices, the investment will be purchased from the dealer submitting the earliest response to the investment solicitation.

Comparative rates must be documented by the Investment Official for each competitive trade executed.

Investments may be awarded on a non-competitive basis when the investment security is a new issue that can only be purchased from one source or can be purchased at the same yield from any source.

Competitive bidding is not required for pooled investments or investments managed by contracted outside managers. Market information systems may be used to assess the market and determine that an offering is at or above the market for a comparable maturity and investment type when a situation makes competitive bidding impractical.

## **X. DIVERSIFICATION AND INVESTMENT LIMITATIONS INCLUDING MAXIMUM MATURITIES**

The Commission must diversify its investment portfolio to avoid incurring unacceptable risks inherent in over-investing in specific investments, individual financial institutions, or maturities.

If the balance of the Commission's investment portfolio drops below a level determined appropriate by the Secretary-Treasurer such that adequate diversification becomes difficult to obtain, or that daily cash require the Commission to invest in daily liquidity, these maximum percentages may be temporary suspended by the Secretary-Treasurer. To further protect the Commission, increasing maximum percentages should be directed at traditionally diversified investments such as Money Market Mutual Funds and/or the Maryland Local Government Investment Pool.

- (a) ***Diversification of Maturities*** - Investment maturities shall be adequate to cover anticipated cash flow requirements.

- (b) **Diversification by Investment Type** - In order to minimize market, maturity and counterparty risk, maximum percentages of the portfolio have been established for individual investment instrument classes and dealers. These percentages apply at the time the investment is purchased. These percentages may be modified to satisfy liquidity requirements if approved by the Secretary-Treasurer prior to execution.
- (c) **Diversification by Institution** – Purchases from individual institutions are limited to a maximum percentage of the Commission's total investment portfolio at the time of investment. The maximum percent limitation of the portfolio at the time of investment purchase is shown for each approved Broker/Dealers and Financial Institutions are limited to a maximum value of 30% of the Commission's total investment portfolio.

## **XI. COLLATERALIZATION**

- (a) Collateral shall be maintained in excess of Federal insurance coverage for all Commission bank accounts, certificates of deposit and time deposits. Acceptable collateral is specified under Section 6-202 of Title 6 of the State Finance and Procurement Article of the Annotated Code of Maryland.
- (b) Collateralization is required for all repurchase agreements and Certificates of deposit, including time deposits, of at least 102% of the market value of principal and accrued interest. Acceptable collateral shall consist of obligations of the United States, its agencies or instrumentalities as specified under Section VII (d).
- (c) The collateral shall be held by an independent third party with whom the Commission has a custodial agreement as specified under Section XI.
- (d) Securities pledged as collateral are subject to substitution, provided the substituted collateral conforms with all margin and security type restrictions and all associated costs are paid by the pledging entity.

## **XII. SAFEKEEPING AND CUSTODY**

- (a) All security transactions, including collateral for repurchase agreements, entered into by the Commission shall be conducted on a delivery-versus payment (DVP) basis except pooled investments, certificates of deposit and time deposits. Securities will be held by a third-party custodian designated by the Secretary- Treasurer and pursuant to signed tri-party agreements among all participants. All repurchase agreements will be governed by a Master Repurchase Agreement signed by the Secretary-Treasurer of the Commission and the appropriate official of the approved broker/dealer or financial institution.

- (b) The Custodian may not be a counterparty to the transaction, unless the custodian is one of the Commission's primary banks and the securities purchased from the bank, including collateral for repurchase agreements, certificates of deposit and time deposits, are held in the Commission's name and account.
- (c) A Federal Reserve Bank may serve as custodian for pledged collateral.

### **XIII. REPORTING REQUIREMENTS**

#### **(a) Monthly Reports:**

A consolidated monthly investment report of investment activities will be submitted by the Investment Manager to the Secretary-Treasurer for review. This report will include information such as type of investments held, the rate of return on the portfolio and each investment type, value of securities held by broker-dealers, and that all transactions are in compliance with the Commission Investment Policy.

The monthly Investment Report will be posted to the Commission's website.

1. A statement of the market value of the portfolio shall be issued at least annually as part of the Commissions' Annual Comprehensive Financial Report. This disclosure shall comply with all current applicable accounting standards consistent with statements issued by the Government Accounting Standards Board (GASB).
2. The Investment Manager shall maintain a complete record of all investment transactions.

#### **(b) Quarterly Reports:**

On a Quarterly basis, a "Quarterly Investment Report" shall be prepared that summarizes:

1. Recent market conditions, economic developments, and anticipated investment conditions,
2. Consulting advisors investment strategies employed in the most recent quarter,
3. A description of all securities held in the investment portfolio at quarter end,
4. The total rate of return for the quarter, year-to-date versus appropriate benchmarks, and
5. Any areas of policy concern warranting possible revisions to current or planned investment strategies.

#### **XIV. INTERNAL CONTROLS**

The Secretary-Treasurer shall establish and maintain a system of internal controls. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, consultants, advisors or imprudent actions by employees of the Commission. Accordingly, the Secretary-Treasurer shall establish written procedures for the operation of the Commissions' investment program that are consistent with the provisions of this Investment Policy.

The internal control structure shall address the following points:

- (a) Avoidance of collusion
- (b) Custodial safekeeping
- (c) Separation of transaction authority from accounting controls
- (d) Avoidance of physical delivery securities
- (e) Clear delegation of authority to subordinate staff members
- (f) Written confirmation of transactions for investments and wire transfers
- (g) Wire transfer agreement with the lead bank and third-party custodian(s)
- (h) Documentation of investment transactions
- (i) Monitoring and reporting of compliance and results

An Independent Auditor, as part of the Annual Financial Audit, will review the internal controls of the investment program.

#### **XV. INVESTMENT POLICY ADOPTION**

The investment policy is approved by the Corporate Treasury & Investment Manager and the Secretary Treasurer and adopted by resolution by the Commission. The Secretary- Treasurer may institute changes in these policies from time to time. Such changes shall be approved by the Commission and distributed to all those assigned investment responsibilities.

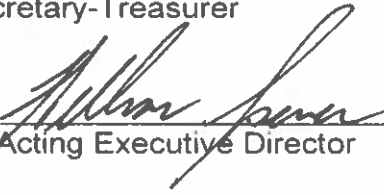
Adopted by: The Maryland-National Capital Park and Planning Commission  
approved this Investment Policy on 9/24/2025.

APPROVED BY:   
Tanya Hankton, Corporate Treasury & Investment Manager

DATE: 9/30/25

APPROVED BY:   
Gavin Cohen, Secretary-Treasurer

DATE: 9/30/2025

APPROVED BY:   
William Spencer, Acting Executive Director

DATE: 9/30/2025