Cherokee Nation Code Annotated
Title 62: Public Finance
Chapter 3: Deposit and Investment of Public Funds
§ 24. Term of Investments of Funds
Cite as: 62 CNCA § 24

A. *Short-Term Investment Pool Accounts.*

i. Public Funds needed for expenditures in less than eighteen (18) months shall be considered part of the Short-Term Investment Pool.

ii. The average weighted duration, in aggregate, for the Short-Term Investment Pool for each Short-Term Investment Manager shall be eighteen (18) months or less pursuant to cash flow timing of the portfolios.

iii. The primary Investment objective for the Short-Term Investment Pool Accounts shall be to provide for the preservation of Capital, with a secondary

emphasis upon the maximization of Investment income without undue exposure to risk.

iv. Types of Financial Instruments allowed for Short-Term Investments include but are not limited to interest-bearing banking deposits such as certificates of deposits, Certificates of Deposit Account Registry ("CDARS"), Insured Cash Sweeps ("ICS"), short-term cash funds, money market funds, institutional money market funds, "prime" money market funds, commercial paper, banker's acceptances, repurchase agreements, U.S. Government obligations, U.S. agency obligations and/or short-term corporate bonds.

(a) Corporate bonds are permissible subject to a preponderance of portfolio holdings being rated as Investment Grade as the term is defined by the U.S. Securities and Exchange Commission: *Bonds that are believed to have a lower risk of default and receive higher ratings by the credit rating agencies, namely bonds rated Baa (by Moody's) or BBB (by S&P and Fitch)* or above. These bonds tend to be issued at lower yields than less creditworthy bonds.

B. *Intermediate-Term Investment Pool Accounts.*

i. Public Funds needed for expenditures within eighteen (18) months to five (5) years shall be considered part of the Intermediate-Term Investment Pool.

ii. Intermediate-Term may be placed through direct Investments, the use of mutual funds, money managers, or a combination thereof.

iii. The Intermediate Investment Pool, in aggregate, will maintain an average weighted duration within +/- 1 year relative to the stated/market benchmark.

iv. The primary Investment objective for the Intermediate-Term Investment Pool accounts shall be to balance the preservation of Capital and the maximization of income without undue exposure to risk.

v. Types of Financial Instruments allowed for Intermediate-Term Investments include but are not limited to certificates of deposits, CDARS, ICS cash sweeps, U.S. government obligations, U.S. agency obligations, commercial paper, mortgage-backed securities, and Investment Grade corporate bonds *(see 62 CNCA §24(a)(iv)(a) for definition of Investment Grade corporate bonds)*. Bond mutual funds will be deemed acceptable if the majority of their portfolios comply with the credit ratings guidelines stated herein and whose average portfolio maturities are less than six (6) years.

C. *Long-Term Investment Pool Accounts.*

i. Public Funds not needed for expenditures within five (5) years, such as the Sovereign Wealth Fund, shall be considered part of the Long-Term Investment Pool.

ii. The primary Investment objective for the Long-Term Investment Pool accounts shall be to provide for the long-term growth of Principal and interest

income without undue exposure to risk.

iii. The Cherokee Nation's general policy toward the Long-Term Investment pool shall be to diversify Investments, including but not limited to, both equity and fixed income securities to provide a balance that will enhance total return, while avoiding undue risk concentrations in any single asset class. Asset allocation guidelines shall be made on a long-term basis, with consideration to current and projected Investment outlooks.

Historical Data

LA 13–85, eff. August 10, 1985. Amended LA 14–15, eff. September 15, 2015. Amended LA 32-21, eff. June 18, 2021.