

Investment Policy

**Finance, Budget and Audit Committee
March 19, 2026**

Changes to the Investment Policy

- i. Revise to lower Metro’s Investment Policy minimum credit requirement for Asset-Backed Securities and Mortgage Pass-Through Securities from “AAA” to “AA” to align with California government code minimum credit requirement of “AA”,
- ii. Adjust the minimum “A” rating requirement for Medium-Term Notes to require only one Nationally Recognized Statistical Rating Organization (NRSRO) rating when two or more ratings are available, consistent with the California government code, which requires a minimum “A” rating from an NRSRO, and
- iii. Amend external investment managers’ loss reporting provisions in section 3.2 of the Investment Policy.

Recommendations

- A. Adopting the Investment Policy in Attachment A;
- B. Approving the Financial Institutions Resolution authorizing financial institutions to honor signatures of LACMTA's Officials in Attachment B; and
- C. Delegating to the Treasurer or their designees, the authority to invest funds for a one-year period, pursuant to California Government Code ("Code") Section 53607.

Next Steps

- Upon Board approval, staff shall distribute the Investment Policy to external investment managers and broker-dealers
- The Investment Policy and Financial Institutions Resolution will be issued to financial institutions with whom Metro does business