STATEMENT OF
NEBRASKA STATE BAR ASSOCIATION
Investment Objectives, Policies, and Restrictions

Investment Objective

The investment objective of the Nebraska State Bar Association is to seek a prudent level of current income consistent with preservation of capital and maintenance of liquidity.

The investment objective and the following investment policies and restrictions are considered fundamental and cannot be changed without the approval of the House of Delegates.

Investment Policies and Restrictions

1. Investment Committee. Investment actions will be carried out by NSBA staff under the direction of the Investment Committee of the NSBA. The Investment Committee shall meet at least twice each calendar year to establish the allocation of financial assets among each of four investment categories:

    a. NSBA Cash Reserve – Funds designated for short-term liquidity needs of NSBA operations. Must be invested entirely in money market instruments.

    b. NSBA Capital Reserve – NSBA funds not needed to insure short-term liquidity. May be invested in higher-yielding instruments with investment horizons longer than 24 months.

    c. Client Assistance Fund Cash Reserve – Funds designated for short-term liquidity needs of the Client Assistance Fund. Must be invested entirely in money market instruments.

    d. Client Assistance Fund Capital Reserve – Funds not needed to insure short-term liquidity of the Client Assistance Fund. May be invested in higher-yielding instruments with investment horizons longer than 24 months.

    The Committee will also review and approve specific instruments other than money market, and set caps on exposure to individual instruments or asset classes. The Committee may delegate decisions regarding the timing of investment entry and exit to NSBA staff.

2. Money Market Instruments. Investments in money market instruments are restricted to the following:

    a. U.S. Treasury Bills

    b. Certificates of Deposit – Nationwide

        - Issued by banks, savings banks, and savings and loan associations chartered by the federal or any state government and which are FDIC-insured.
        - Maturities of up to 24 months.

c. Certificates of Deposit – Nebraska

- Issued by banks, savings banks, and savings and loan associations chartered by Nebraska or the federal government, having their principal office in Nebraska, and which are FDIC-insured.
- Maturities of up to 24 months.

d. U.S. Government Securities Money Market Funds

- Shares of money market mutual funds which invest primarily in securities of the U.S. Government, its Agencies or Instrumentalities.
- Fund must be registered under the Federal Investment Company Act of 1940, the Securities Act of 1933, and for sale in Nebraska.

e. Savings and Checking Accounts – Nebraska

- Savings and checking accounts.
- Banks, savings banks, and savings and loan associations chartered by Nebraska or the federal government, having their principal office in Nebraska, and which are FDIC-insured.

3. Other Instruments. Investments in instruments other than money market are restricted to the following:

- No-load open-end domestic index mutual funds.
- Liquid exchange-traded funds (ETFs) which are domestic index funds or, if actively managed, are themselves invested primarily in domestic index ETFs or open-end mutual funds.
- Funds must be registered under the Federal Investment Company Act of 1940, the Securities Act of 1933, and for sale in Nebraska.

4. Liquidity Requirement. Investments shall be made in such a manner as to provide cash availability to meet the liquidity needs of the NSBA.

5. Preservation of FDIC Insurance. No deposits (i.e., certificates of deposit, savings accounts, and checking accounts) in any one financial institution shall be made when combined with other deposits in the same institution shall be in excess of the maximum FDIC insurance limit.

6. Purveyors of Instruments. Institutions with offices located in Nebraska must be utilized for all transactions, except those involving nationwide certificates of deposit and open-end mutual funds.