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## Investment Policy

LCO may invest funds including the general fund, capital outlay funds, and any new funds to be established by LCO. Investments are made in accordance with local, state, and federal legislation as well as four main objectives: safety, liquidity, return on investment, and diversification.

1. **Safety:** Safekeeping of the principal is the primary objective of LCO's investment strategies. LCO's investment portfolio shall be constructed in such a way that prioritizes the safety of funds.
2. **Liquidity:** LCO's investment portfolio shall remain sufficiently liquid to meet all operating costs that may be reasonably anticipated.
3. **Return on Investment:** LCO's investment portfolio shall be constructed with the aim of obtaining a rate of return throughout budgetary and economic cycles.
4. **Diversification:** The investment portfolio shall be diversified by security type to minimize potential investment loss.

LCO's investments shall be made in accordance with the "Prudent Person" standard. LCO's investments shall be made with judgement and care, under circumstances then prevailing, which a person of prudence, discretion, and intelligence would 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.

Authority to manage LCO's investments is derived from [RSMo 182.800](#). Management responsibility for LCO's investments is delegated to LCO's Board of Trustees and/or their designee(s). Investment managers will follow internal controls and procedures for day-to-day operations of the investment program in line with LCO's Investment Policy.

LCO funds shall be invested only in manners permitted by local, state, and federal law and, to the extent permitted by law, may include the following among others:

- United States Treasury Securities
- United States Agency Securities
- Collateralized Public Deposits (CDs)

LCO funds may also be deposited into interest-bearing depository accounts, and funds may be deposited, withdrawn, or moved between accounts as deemed prudent by LCO investment managers.

Relevant Legislation: [RSMo 30.270](#), [RSMo 110.010](#), [RSMo 110.020](#), [RSMo 182.800](#), [Missouri Constitution Article IV Section 15](#), [Missouri Department of Revenue Chapter 43](#)

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