

Insurance Fixed Income AM Trust Fund

Description Summary

The Insurance Fixed Income AM Trust Fund (the “Fund”) has been established within the Fiduciary Collective Investment Trust by BOKF, NA, as Trustee of the Fiduciary Collective Investment Trust, and is subject to the terms thereof. Each trust owning an interest in such collective investment fund shall be deemed to own a proportionate share of each asset of the fund.

Investment Objective

The purpose of the Fund is to provide Participating Fiduciary Accounts (as defined in the Declaration of Trust) with a diversified investment vehicle seeking capital preservation and income.

Investments

The Fund will invest in US Dollar denominated securities that meet the following criteria:

- 1) Government obligations which are not in default as to principal and interest, and which are issued, assumed, guaranteed or insured by:
 - (a) the United States or any Agency
 - (b) any State or Local Government of the United States, limited solely to general obligation and revenue bonds.

- 2) Certificates of Deposit, which are insured up to the maximum Federal Deposit Insurance limit or which are issued by a bank on the NAIC’s List of Approved Banks and have a minimum Tier 1 Risk-Based Capital Ratio of 8% and a Long Term Issuer Credit Rating of ‘A3’ / ‘A-’, or equivalent.

- 3) Corporate Notes and Bonds, with the following limitations:
 - (a) Maximum 5% of the portfolio in any one issuer
 - (b) Maximum of 50% of the portfolio may be invested in corporate securities
 - (c) No more than 25% of the corporate allocation may be in one GICS industry
 - (d) Maximum of 5% may be non-US corporate bonds, with exception of Canada, not more than 1% of the cost of the Portfolio may be invested in any single obligor

The opinions expressed herein reflect the judgment of the author at this date and are subject to change without notice and are not a complete analysis of any sector, industry or security. The content in this document is for informational and educational purposes only and does not constitute legal, tax or investment advice. Always consult with a qualified financial professional, accountant or lawyer for legal, tax and investment advice.

- 4) Agency mortgage-backed securities (“Agency MBS”), provided individual issues are guaranteed full and timely payment of both principal and interest by the issuing Agency or the United States Government. When purchasing agency mortgage backed securities, the estimated average life, not the final maturity date, shall be used to determine if a security may be included in the portfolio. Agency MBS may not have an average life longer than 10 years at consensus prepayments speeds at the time of purchase, nor may it extend past 10 years when stressed at +300bps increase in interest rates.
- 5) Non-agency mortgage-backed securities (NAMBS) not issued or guaranteed by any government agency with a maximum LTV of 75% or better. When purchasing NAMBS, the estimated average life, not the final maturity date, shall be used to determine if a security may be included in the portfolio. NAMBS may not have an average life longer than 10 years at consensus prepayments speeds at the time of purchase, nor may it extend past 10 years when stressed at +300bps increase in interest rates.

Except for securities of the U.S. Government or any agency thereof, the Fund will acquire only securities with a minimum credit rating of ‘A3’ / ‘A-’, or equivalent, which are issued by entities incorporated in the U.S.

Leeway provision – Investments which do not qualify or are not permitted under the above limitations may not exceed 5% of the cost of the Portfolio.

The aggregate weighted average duration of the Fund may not exceed 5 years.

Investment of Cash

Cash accumulated in the Fund may be invested in appropriate short-term investments or money market funds.

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