APPROVED
JUL 24 2024
OCS, Inc.
Board of Directors

4025 - GENERAL INVESTMENT POLICY

I. PURPOSE

The purpose of this policy is to set forth the investment objectives and parameters for the Management of the investment funds of ODYSSEY CHARTER SCHOOL, INC. (hereinafter "Odyssey"). These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

II. SCOPE AND CONTROL

This investment policy applies to all financial assets, including funds under indentures as to which Odyssey may provide investment direction to the trustee, but does not apply to employee pension, 401k or similar assets, or to any assets as which another specific investment policy applies. This policy shall be subject to the control of the Board of Directors of Odyssey and may be amended thereby from time to time. The chief financial officer (or education service provider if Odyssey does not have a chief financial officer) shall manage this policy and any investment advisors operating hereunder and shall report to the Board of Odyssey not less often than bi-annually. The persons or entities managing Odyssey's investments are referred to herein as "Managers."

III. INVESTMENT OBJECTIVES

Safety of Principal The foremost objective of this investment policy is the safety of the principal.

Maintenance of Liquidity The portfolio shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner.

Return on Investment The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

IV. STANDARDS OF PRUDENCE

The standard of prudence to be used by the Managers who are employees or agents of Odyssey shall be the "Prudent Person" standard and shall be applied in the context of managing an overall portfolio. Managers who are employees of Odyssey acting in accordance with this investment policy, and meeting the Prudent Person standard, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported in a timely fashion to the Board of Odyssey and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. The "Prudent Person" rule states the following:

> Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence 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 from the investment.

While the standard of prudence to be used by Managers who are officers or employees of Odyssey is the "Prudent Person" standard, any person or firm hired or retained to invest, monitor, or advise concerning Odyssey's financial assets shall be held to the higher standard of "Prudent Expert". The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the Manager shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

V. ETHICS AND CONFLICTS OF INTEREST

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, employees involved in the investment process shall disclose to Odyssey any material financial interests in financial institutions that conduct business with Odyssey, and they shall further disclose any material personal financial/investment positions that could be related to the performance of Odyssey's portfolio.

VI. MATURITY AND LIQUIDITY REQUIREMENTS

A. To the extent possible, Managers shall match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The purchase of investments with maturities longer than five (5) years requires the Board's approval prior to purchase.

B. Investments do not necessarily have to be made for the same length of time that the funds are available.

VII. RISK AND DIVERSIFICATION

Assets held shall be diversified to control risks resulting from over concentration of assets in a specific maturity, issuer, instruments, dealer, or bank through which these instruments are bought and sold.

VIII. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS

Investment in any derivative products or the use of reverse repurchase agreements is specifically prohibited by this investment policy. A "derivative" is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values. This prohibition does not apply to "hedging" transactions utilizing derivatives, such as interest rate swaps.

IX. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

The following are the guidelines for investments and limits on security types, issuers, and maturities. The percentage allocations requirements for investment types and issuers are calculated based on the original cost of each investment. Investments not listed in this policy are prohibited.

A. United States Government Securities: negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government, including: Cash

Management Bills; State and Local Government Series (SLGS); Treasury Bills; Treasury Notes; Treasury Bonds; Treasury Strips.

A maximum of 100% of available funds may be invested in the United States Government Securities.

The length to maturity of any direct investment in the United States Government Securities is five (5) years from the date of purchase. Maturities longer than five (5) years require the Board's approval.

B. United States Government Agency Securities (full faith and credit): bonds, debentures or notes issued or guaranteed by the United States Governments agencies, provided such obligations are backed by the full faith and credit of the United States Government.

A maximum of 100% of available funds may be invested in United States Government agencies.

A maximum of 100% of available funds may be invested in individual United States Government agencies.

The length to maturity for an investment in any United States Government agency security is five (5) years from the date of purchase. Maturities longer than five (5) years require the Board's approval.

C. Federal Instrumentalities (U.S. Government sponsored agencies which are non-full faith and credit): bonds, debentures or notes issued or guaranteed by U.S. Government sponsored agencies which are non- full faith and credit agencies, including the following:

Federal Farm Credit Bank (FFCB)
Federal Home Loan Bank or its Clerk banks (FHLB)
Federal National Mortgage Association (FNMA)
Federal Home Loan Mortgage Corporation (Freddie-Macs) including Federal Home Loan Mortgage Corporation participation certificates
Student Loan Marketing Association (Sallie-Mae

A maximum of 50% of available funds may be invested in Federal Instrumentalities

A maximum of 20% of available funds may be invested in any one issuer.

The length to maturity for an investment in any Federal Instrumentality is five (5) years from the date of purchase. Maturities longer than five (5) years require the Board's approval.

D. Negotiable or non-negotiable Interest Bearing Time Certificates of Deposit, bought at par or at discount, issued banks organized under the laws of this state and/or in national banks organized under the laws of the United States, provided that the bank is not listed with any recognized credit watch information service, and only to the extent fully insured by FDIC.

The maximum maturity on any certificate shall be no greater than one (1) year from the date of purchase.

E. Repurchase Agreements: only with "Primary Securities Dealers" as identified by the Federal Reserve Bank of New York. A third party custodian shall hold collateral for all repurchase agreements with a term longer than one (1) business day. Securities authorized for collateral are negotiable direct obligations of the United States Government and Federal Instrumentalities with maturities under five (5) years and must have a mark-to-market value at a minimum of 102 percent during the term of the repurchase agreement.

A maximum of 50% of available funds may be invested in repurchase agreements with the exception of one (1) business day agreements and overnight sweep agreements.

A maximum of 25% of available funds may be invested with any one institution with the exception of one (1) business day agreements and overnight sweep agreements.

The maximum length to maturity of any repurchase agreement is 60 days from the date of purchase.

F. Commercial Paper: U.S.-based companies that are rated, at the time or purchase, “Prime-1” by Moody’s and “A-1” by Standard & Poor’s (prime commercial paper). If backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated at least “A” by at least two nationally recognized rating agencies. The LOC provider must be ranked in the top fifty (50) U.S. banks in terms of total assets by the American Banker’s yearly report.

A maximum of 50% of available funds may be directly invested in prime commercial paper.

A maximum of 50% of available funds may be invested with any one issuer.

The maximum length to maturity for prime commercial paper shall be 270 days from the date of purchase.

G. Bankers’ Acceptances: Issued by a U.S. bank which has at the time of purchase, an unsecured, uninsured and unguaranteed obligation rating of at least “Prime-1” by Moody’s or “A-1” by Standard & Poor’s. The bank must be ranked in the top fifty (50) U.S. banks in terms of total assets by the American Banker’s yearly report.

A maximum of 35% of available funds may be directly invested in bankers’ acceptances.

A maximum of 20% of available funds may be invested with any one issuer.

The maximum length to maturity for bankers’ acceptances shall be 180 days from the date of purchase.

H. State and/or Local Government Taxable and/or Tax-Exempt Debt: general obligation and/or revenue bonds, rated at least “A” by Moody’s or “A” by Standard & Poor’s for long-term debt, or rated at least “MIG-2” by Moody’s or “SP- 2” by Standard & Poor’s for short-term debt.

A maximum of 20% of available funds may be invested in taxable and tax-exempt debts.

A maximum of 20% of available funds may be invested with any one issuer.

A maximum length to maturity for an investment in any state or local government debt security is three (3) years from the date of purchase.

I. Money Market Mutual Funds: open-end and no-load money market funds provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. § 270.2a-7, which stipulates that money market funds must have an average weighted maturity of 90 days or less. In addition, the share value of the money market funds must equal to $1.00.

A maximum of 50% of available funds may be invested in money market funds.

The money market funds shall be rated “AAm” or “AAm-G” or better by Standard & Poor’s, or the equivalent by another rating agency.

J. Short-term Notes of Florida Charter Schools: promissory notes of tenor twelve months or less, issued by school operators with charters in good standing and not in “financial distress” under F.S. 1002.33, for loan amounts not in excess of 50% of the issuer’s prior fiscal year revenues. No loan to any one borrower shall exceed 25% of available funds.

K. Short-term or long-term loans to entities owned or controlled by Odyssey for the purpose of securing real property for possible future charter school operations.

X. REPORTING

The Managers shall provide the Board of Odyssey with investment reports no less often than twice each fiscal year, and upon request of the Board or any member thereof. Reports will include the following:

A. A listing of individual securities held at the end of the reporting period, and invested amounts

B. Percentage of available funds represented by each investment type

C. Coupon, discount or earning rate

D. Average life or duration and final maturity of all investments

E. Original acquisition value, par value, and current market value

F. Period and inception to date total return data

XI. THIRD-PARTY CUSTODIAL AGREEMENTS

All securities, with the exception of certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by, Odyssey shall be properly designated as an asset of Odyssey. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider’s safekeeping department for the term of the deposit.

The custodian shall provide Odyssey with safekeeping receipts that provide detail information on the securities held by the custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a “delivery vs. payment” basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Securities held as collateral shall be held free and clear of any liens.