

SOUTHERN TIER NETWORK, INC.
Other Supplementary Information
Annual Investment Report
December 31, 2023

The following represents the annual investment report as required by Section 2925 of Public Authorities Law:

Permitted Investments

The following instruments are approved for monthly operating needs and reserve/short-term investments:

- Bank deposits (checking/savings) for operational needs up to \$250,000 (may exceed FDIC limits at times)
- Bank certificates of deposits up to \$250,000 (FDIC insured limit and from highly rated institutions)
- Money market funds - fixed price funds

The following instruments are approved for long-term investments, defined as investments over 12 months:

- Approved passive indexed mutual fund or exchange traded funds (ETF), treasury bills/treasury notes, and bank CD's with maturities less than 60 months (also FDIC insured);
- Asset size in excess of \$5 billion;
- Bid offer spread of 5% maximum, and well diversified across sector types;
- No load funds; and
- Finance committee will approve long term investments and the fund.

Amendments Made to Investment Guidelines

None

Safeguards

Management will provide ongoing oversight of operational cash to ensure cash reserves are adequate to meet demands each period (month, quarter, year). Performance and risk objectives are to be met on a net of fees basis. Bank deposits, bank CDs or other instruments under 12 months are not required to be included in the performance measurement. The long-term investment performance of such assets will be measured against inflation objectives measured by CPI and against index objectives for individual portfolio components. Investment performance shall be measured no less than quarterly on a net of fees basis. Performance shall be evaluated over a one, three and five-year basis to allow for market fluctuations and volatility.

Authorized Financial Institutions and Dealers

It is the policy of the Organization to maintain a diversified portfolio of investment assets between asset classes and investment categories at all times. All investments must be immediately marketable. The approved types of investments can be allocated among three categories; bank deposits or CDs, money market funds, mutual funds and/or ETFs and treasury bills/treasury notes.

Provisions for Reporting on Investments

The Organization retains an independent auditor to provide an auditors' report of all investment practices on an annual basis.

Fees Related to Investment Service

The Organization did not incur any fees related to investment services for the year ended December 31, 2023.

Investments

Investments included cash and cash equivalents of \$383,646, certificates of deposit of \$250,068, exchange traded funds of \$2,092,444 and U.S. treasury bills/notes of \$4,187,835 as of December 31, 2023.