



Board Action Required

No Action Required

To: Dr. Jeff Turner & Board of Trustees
From: Kelly Penny
Subject: Annual Review of Investment Policy, training, brokers and performance
Date: September 18, 2008
Cc: Sid Grant

The Public Funds Investment Act (TX Govt. Code Chapter 2256) as articulated in Policy CDA (LEGAL) requires that:

“The investment policy and the investment strategy shall be reviewed not less than annually. The Board shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any change made to either the investment policy or strategies.”

The latest updates of both CDA (LEGAL) and (LOCAL) are attached for review. Neither policy has been changed since the last investment policy review by the Board of Trustees in July 2007. Additionally, the Board must annually review Broker/Dealer and investment officer training instructors (separate agenda item). There have been no changes to Broker/Dealers since the Board approved Texas Term Investment pool in September, 2007. The training instructors are as proposed in the separate agenda item.

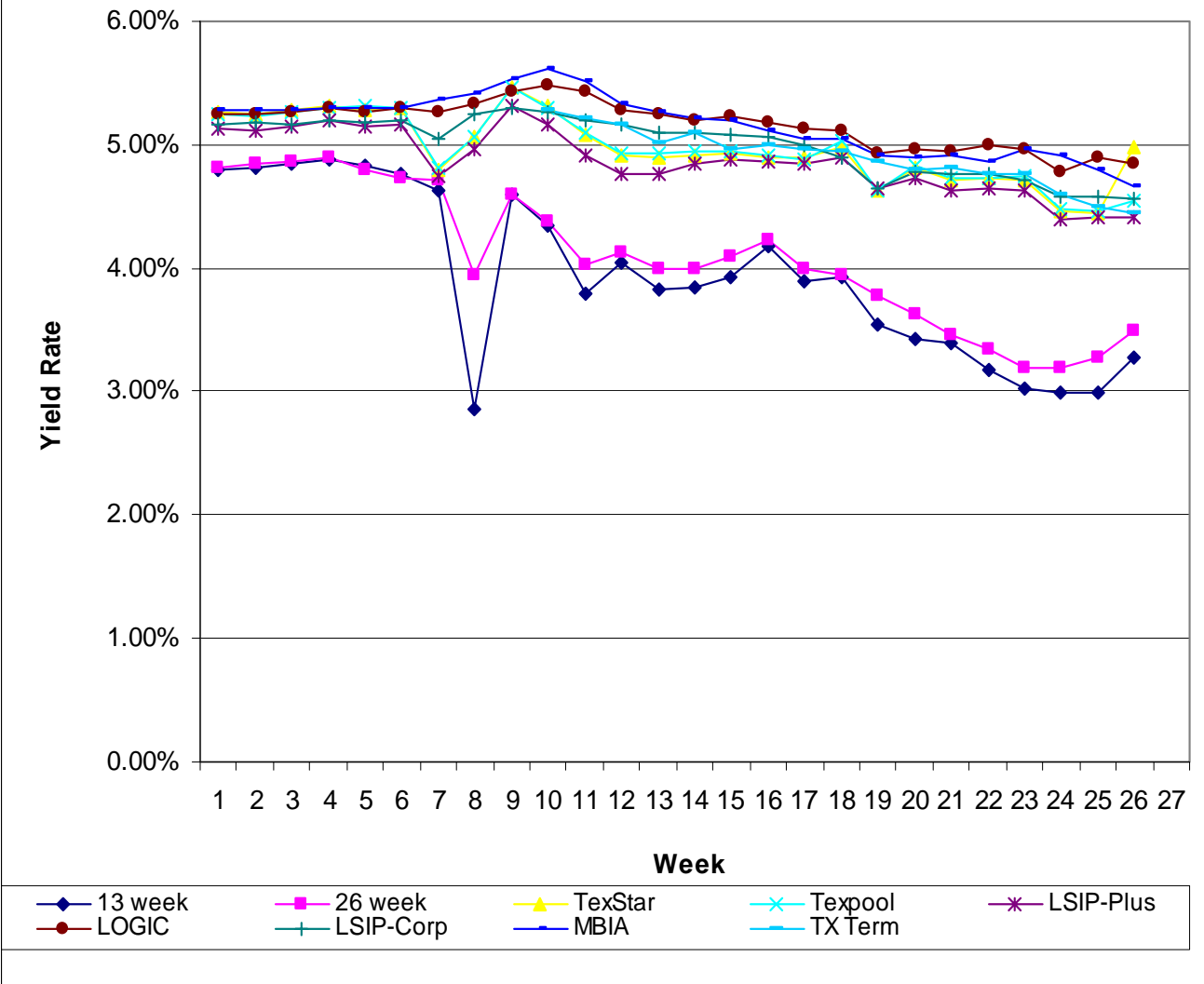
Review of Current Performance on Investments

The attached graphs and data compare the rates paid on the investment pools utilized with the rate for the 13 and 26 week T-Bill auctions. A distinct advantage of the investment pools is that investor funds are very liquid. Money can be transferred overnight either in or out of pools. Multiple governmental investment pools are utilized to diversify the investments.

The District has experienced greater earnings from pool investments than we would of from investing in T-Bills. As noted, interest rates have dropped substantially over the past year resulting in less interest earnings for the district.

Date	T-Bills		TexStar	Texpool	LSIP-Plus	LOGIC	LSIP-Corp	MBIA	TX Term
	13 week	26 week							
2007									
05-Jul	4.79%	4.81%	5.27%	5.25%	5.13%	5.25%	5.16%	5.28%	
12-Jul	4.82%	4.85%	5.24%	5.23%	5.12%	5.25%	5.18%	5.28%	
19-Jul	4.84%	4.87%	5.28%	5.27%	5.14%	5.26%	5.17%	5.28%	
27-Jul	4.89%	4.89%	5.32%	5.31%	5.19%	5.29%	5.20%	5.29%	
01-Aug	4.83%	4.80%	5.28%	5.31%	5.15%	5.27%	5.18%	5.29%	
08-Aug	4.77%	4.73%	5.30%	5.29%	5.17%	5.29%	5.19%	5.30%	
15-Aug	4.63%	4.71%	4.79%	4.81%	4.74%	5.26%	5.05%	5.37%	
22-Aug	2.85%	3.95%	5.06%	5.06%	4.96%	5.33%	5.25%	5.42%	
29-Aug	4.60%	4.59%	5.46%	5.46%	5.31%	5.44%	5.30%	5.54%	
05-Sep	4.35%	4.38%	5.31%	5.30%	5.16%	5.48%	5.27%	5.62%	5.28%
12-Sep	3.80%	4.02%	5.09%	5.09%	4.91%	5.43%	5.19%	5.52%	5.22%
19-Sep	4.05%	4.13%	4.91%	4.93%	4.76%	5.28%	5.16%	5.33%	5.16%
26-Sep	3.82%	4.00%	4.89%	4.92%	4.76%	5.25%	5.10%	5.27%	5.01%
03-Oct	3.84%	4.00%	4.91%	4.96%	4.84%	5.21%	5.10%	5.21%	5.09%
10-Oct	3.93%	4.10%	4.93%	4.95%	4.88%	5.23%	5.08%	5.19%	4.97%
17-Oct	4.19%	4.23%	4.90%	4.91%	4.87%	5.18%	5.07%	5.12%	5.00%
24-Oct	3.90%	3.99%	4.89%	4.89%	4.84%	5.13%	4.99%	5.04%	4.97%
31-Oct	3.92%	3.95%	4.99%	5.03%	4.89%	5.12%	4.89%	5.04%	4.94%
07-Nov	3.55%	3.78%	4.63%	4.62%	4.65%	4.94%	4.65%	4.91%	4.87%
14-Nov	3.43%	3.63%	4.81%	4.83%	4.73%	4.96%	4.78%	4.90%	4.80%
21-Nov	3.39%	3.46%	4.71%	4.73%	4.63%	4.94%	4.76%	4.92%	4.81%
28-Nov	3.18%	3.34%	4.73%	4.74%	4.65%	4.99%	4.77%	4.87%	4.77%
05-Dec	3.03%	3.19%	4.72%	4.74%	4.63%	4.96%	4.72%	4.97%	4.76%
12-Dec	3.00%	3.19%	4.47%	4.48%	4.40%	4.78%	4.58%	4.91%	4.60%
19-Dec	3.00%	3.28%	4.45%	4.46%	4.42%	4.89%	4.58%	4.80%	4.49%
26-Dec	3.28%	3.49%	4.98%	4.55%	4.42%	4.85%	4.57%	4.67%	4.44%

Investment Rates - July thru December 2007



Date	T-Bill		TexStar	Texpool	LSIP-Plus	LOGIC	LSIP-Corp	MBIA	TX Term
	13 week	26 week							
2008									
01-Jan	3.39%	3.51%	4.70%	4.45%	4.61%	4.92%	4.71%	4.74%	4.49%
08-Jan	3.26%	3.28%	4.37%	4.40%	4.34%	4.66%	4.50%	4.58%	4.36%
15-Jan	3.16%	3.05%	4.46%	4.52%	4.42%	4.73%	4.55%	4.29%	4.35%
22-Jan	2.42%	2.47%	4.00%	4.09%	4.07%	4.36%	4.31%	4.20%	4.27%
29-Jan	2.39%	2.38%	3.83%	3.86%	3.87%	4.05%	3.99%	3.96%	4.02%
05-Feb	2.28%	2.22%	3.55%	3.57%	3.59%	3.75%	3.74%	3.65%	3.77%
12-Feb	2.30%	2.14%	3.45%	3.48%	3.51%	3.63%	3.60%	3.58%	3.53%
19-Feb	2.25%	2.10%	3.49%	3.51%	3.51%	3.69%	3.60%	3.52%	3.54%
28-Feb	2.21%	2.13%	3.29%	3.26%	3.36%	3.51%	3.42%	3.43%	3.30%
06-Mar	1.82%	1.85%	3.23%	3.19%	3.32%	3.42%	3.40%	3.34%	3.26%
13-Mar	1.45%	1.48%	3.14%	3.08%	3.20%	3.31%	3.29%	3.24%	3.15%
20-Mar	1.12%	1.34%	2.57%	2.64%	2.84%	2.86%	3.07%	2.88%	3.09%
27-Mar	1.22%	1.58%	2.32%	2.33%	2.65%	2.72%	2.91%	2.87%	2.66%
03-Apr	1.47%	1.53%	2.72%	2.64%	2.84%	2.85%	2.98%	2.83%	2.68%
10-Apr	1.48%	1.64%	2.57%	2.54%	2.60%	2.79%	2.82%	2.75%	2.42%
17-Apr	1.12%	1.34%	2.39%	2.44%	2.56%	2.77%	2.73%	2.73%	2.50%
24-Apr	1.34%	1.72%	2.33%	2.39%	2.46%	2.70%	2.68%	2.70%	2.43%
01-May	1.45%	1.74%	2.12%	2.23%	2.36%	2.66%	2.62%	2.67%	2.42%
08-May	1.64%	1.78%	2.21%	2.26%	2.40%	2.58%	2.63%	2.56%	2.32%
15-May	1.83%	1.89%	2.22%	2.29%	2.42%	2.56%	2.63%	2.56%	2.35%
22-May	1.89%	1.93%	2.26%	2.29%	2.37%	2.54%	2.63%	2.50%	2.32%
29-May	1.91%	1.97%	2.46%	2.49%	2.53%	2.63%	2.66%	2.51%	2.39%
05-Jun	1.85%	2.00%	2.20%	2.23%	2.32%	2.54%	2.52%	2.44%	2.24%
12-Jun	1.89%	2.10%	2.24%	2.26%	2.34%	2.51%	2.55%	2.46%	2.24%
19-Jun	2.09%	2.41%	2.14%	2.16%	2.29%	2.47%	2.53%	2.53%	2.27%
26-Jun	1.86%	2.26%	2.25%	2.25%	2.39%	2.55%	2.55%	2.47%	2.25%
03-Jul	1.94%	2.19%	2.26%	2.27%	2.42%	2.57%	2.55%	2.47%	2.29%
12-Jul	1.90%	2.11%	2.10%	2.16%	2.32%	2.50%	2.47%	2.47%	2.27%
19-Jul	1.64%	2.00%	2.14%	2.22%	2.35%	2.54%	2.50%	2.45%	2.28%
28-Jul	1.55%	1.97%	2.25%	2.29%	2.43%	2.54%	2.49%	2.49%	2.28%
01-Aug	1.73%	1.92%	2.26%	2.33%	2.41%	2.57%	2.48%	2.49%	2.27%
08-Aug	1.74%	2.02%	2.17%	2.25%	2.36%	2.54%	2.46%	2.42%	2.20%
15-Aug	1.97%	1.98%	2.26%	2.33%	2.44%	2.60%	2.52%	2.51%	2.22%
22-Aug	1.89%	2.03%	2.20%	2.28%	2.42%	2.59%	2.53%	2.47%	2.22%
29-Aug	1.74%	1.97%	2.26%	2.32%	2.43%	2.64%	2.56%	2.48%	2.22%

Investment Rates - January thru August 2008

