

# Executive Summary

## Prepared for Board of Trustees Meeting

### November 11, 2008

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## Report from Investment Pools

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### Purpose of Report

The purpose of this report is to update the Board of Trustees as to the impact of the changes in the current financial market on the district's investments in the various investment pools.

### Objectives

Investment Program

- Safety and Maximize Financial Returns
- Liquidity
- Diversity
- Monitor Market – We have asked a representative from each investment pool to make a short presentation to the Board as an update of the impact of the financial market on their respective pool.

### Operational Impact

The District currently invests in the following investment pools:

- TexPool – a government pool investing primarily in a portfolio of short-term U. S. Treasury and government agency securities, including repurchase agreements collateralized by U. S. Treasury and government agency securities. TexPool does not invest in any corporate securities or commercial paper.
- TexSTAR – a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity and competitive yield. TexSTAR does not invest in derivatives, which include instruments which have embedded features that alter their character or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer or are not correlated on a one-on-one basis to the associated index or market, commercial paper or certificates of deposit.
- First Public – Lone Star Investment Pool – Liquidity Plus Fund – designed with the objectives of safety of principal, daily liquidity, and the highest possible rate of return. It invests only in securities issued or backed by the U. S. Government or its agencies and instrumentalities.

### Results

TexPool – The responsibilities for marketing and participant services for TexPool have been successfully transferred from Lehman Brothers to Federated Investors. Jerry Landrum will continue to serve as our TexPool marketing representative as Vice President of Federated Securities Corp.