

Contact: Patrice Sayre

REVISION TO THE BOARD OF REGENTS POLICY MANUAL – INVESTMENT POLICY

Recommended Action: Consider recommending that the Board approve, as a first and final reading, a revision to the Investment Policy, Chapter 7.04G(11) of the Board of Regents Policy Manual.

Executive Summary: Board Policy Manual Chapter 7.04G(11) (Investment Policy – Permitted Investments) should be revised to correctly identify corporate bonds as “below investment grade” rather than “investment grade.”

CURRENT CHAPTER §7.04G(11)

Permitted investments include:

- (11) With approval, below investment grade corporate bonds as defined by Standard and Poor's or its equivalent by Moody's or another Nationally Recognized Statistical Rating Organization. This type of investment may be made strategically as a fixed allocation or opportunistically by designated investment grade managers. Investments shall be in limited liability investment vehicles, such as limited partnerships, limited liability corporations, and other pooled investment funds. Additional credit quality restrictions may be made in the designated manager's investment guidelines.

Background/Analysis: The Board's current written investment policy was updated in September of 2008. The change proposed this month corrects the inadvertent omission of one word.