

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(8) of the Board of Regents Policy Manual.

Executive Summary: Board Policy Manual Chapter 7.04G(8) (Investment Policy – Permitted Investments) should be revised to correctly identify asset-backed securities as “mortgage- or asset-backed securities” rather than “asset-backed securities.”

CURRENT CHAPTER §7.04G(8)

Permitted investments include:

- (8) Mortgage pass-through securities and mortgage- or asset-backed securities that are issued by U.S. government agencies or carry a BBB- or Baa3 rating at the time of purchase from Standard & Poor’s or its equivalent as defined by Moody’s or another Nationally Recognized Statistical Rating Organization (NRSRO).

Background/Analysis: The Board’s current written investment policy was updated in September of 2008. The change proposed this month clarifies the definition of one type of allowable investment.