



Board Members

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Monthly Report to the Board of Land Commissioners
Since the June 16, 2009 Land Board Meeting thru July 14, 2009

Investment performance thru June 30, 2009 (preliminary)

Month: **0.1%** Fiscal year: **-17.9%**

Status of endowment fund reserves

For all endowments, estimated reserves as of April 30 were at least **2.7 times** the size of the approved FY2010 distributions.

Significant actions of the Endowment Fund Investment Board

Meetings: The EFIB Executive Committee met June 30 and endorsed temporary administrative rules related to the guaranty of school bonds by the Public School Endowment Fund. Adopted in response to legislation that was approved in the past session, **the rules include a one-time 2 basis point (0.02%) fee** to be paid by school districts for any future guaranties (about \$6,000 for a \$20 million 15-year bond). The fee compensates all beneficiaries of Public School Endowment Fund for the Fund's commitment to guaranty payment of bond issues. A more detailed Q & A on this fee is attached.

Compliance/legal issues, areas of concern

Material deviations from Investment Policy or compliance guidelines for investment managers: **None.**

Material legal issues: **None.**

Changes in board membership or agency staffing: **None.**

Upcoming issues/events

The EFIB will meet August 12 to develop a recommendation for the Land Board regarding FY2011 endowment fund distributions and transfers from the earnings reserve funds to the permanent funds. Based on the information available today, **EFIB staff would recommend that distributions be maintained at FY2010 levels.** The final recommendation to the Land Board will consider investment results thru the end of July and an updated forecast of land revenues provided by the Department of Lands.