

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 1

DATE:

January 19, 2007

RECOMMENDATION

TREASURER'S REPORT

ACTION REQUESTED

It is recommended that the Treasurer's Report for the month of November 2006 be received and placed on file.

STAFF SUMMARY

As of November 30, 2006, Cash and Investments totaled \$87,993,618.34 and were invested to return a total annualized return of 5.3443%. Summarized below is Eastern's latest investment performance compared to the established benchmarks.

- | | |
|--|-------|
| • 28 Day Auction Rate Notes (Putable) | 5.27% |
| • Benchmark: Bloomberg Commercial Paper Index | 5.26% |
| • Vanguard Short Term Investment Grade Fund | 8.51% |
| • Benchmark: Lipper Average 1-5 Year Investment Grade Fund | 7.85% |
| • Intermediate Duration Government Agency Bonds | 4.37% |
| • Benchmark: Five Year Treasury Note | 4.45% |

Specifics as to the quality, duration, and other related features of the University's investment portfolio are itemized in the accompanying detail of this report. In general:

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|---|---|
| • The portfolio has no investments in equities. | • 0% of the portfolio is in variable rate obligations. |
| • The portfolio has no leveraged investments. | • Average weighted credit quality of the portfolio is AA+. |
| • The portfolio has no speculative derivatives. | • Average weighted maturity of the portfolio is approximately 0.44 years. |
| • 100% of the portfolio is in fixed income obligations. | |

Cash and investments (excluding bond proceeds) as of November 30, 2006 increased by \$4.6 million compared to November 2005. The increase is primarily due to the 4% tuition and fee increase approved for the Fall of 2005 to be used for major capital renovation projects.

FISCAL IMPLICATIONS

The investment income is expected to meet budget.

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.

University Executive Officer

Date

Eastern Michigan University
CASH AND INVESTMENTS
November 30, 2006

	Date Settled	Mature/ Call Date	Account Balance		Annualized YTD Actual Total Return	Prior Month Annual. YTD Total Return
			Dollars	Pct. Total		
Cash						
EMU						
Comerica Bank/U.S. Bank	n/a	n/a	\$4,308,489.61	4.90%	4.8400%	4.8400%
Eagle Crest						
Citizen's Bank	n/a	n/a	\$471,506.66	0.54%	0.0000%	0.0000%
Total Cash			<u>\$4,779,996.27</u>	<u>5.43%</u>		
Investments						
Money Market Funds						
Dreyfus Institutional Preferred	Daily	n/a	\$0.00	0.00%	4.3164%	5.3955%
Total Money Market Funds			\$0.00	0.00%	0.0000%	0.0000%
28 Day Auction Rate Notes (Putable)						
SLMA (AAA)	11/24/06	12/22/06	\$2,500,000.00	2.84%	5.2200%	5.2300%
SLM Student Loans (AAA)	11/27/06	12/25/06	\$5,000,000.00	5.68%	5.2300%	5.2400%
Education Funding South (Aaa)	11/29/06	12/27/06	\$3,300,000.00	3.75%	5.2490%	5.2400%
Union Financial Services Inc. (AAA)	11/29/06	12/27/06	\$3,300,000.00	3.75%	5.2300%	5.2300%
Citizens Property Insurance (AAA)	11/30/06	12/28/06	\$2,000,000.00	2.27%	5.2600%	New
Wisconsin St. (AAA)	11/30/06	12/28/06	\$2,000,000.00	2.27%	5.2600%	New
Access Group Loans (AAA)	11/30/06	12/28/06	\$3,000,000.00	3.41%	5.2500%	5.3000%
Nel-Net Taxable Student Loans (AAA)	11/6/06	12/4/06	\$2,000,000.00	2.27%	5.3000%	5.3000%
Missouri Higher Ed Loan Authority (AAA)	11/6/06	12/4/06	\$3,350,000.00	3.81%	5.3200%	5.3000%
Missouri Student Loans (AAA)	11/7/06	12/5/06	\$1,650,000.00	1.88%	5.2990%	5.2800%
Greenpoint Taxable (Aaa)	11/20/06	12/20/06	\$5,000,000.00	5.68%	5.2800%	5.2700%
Hopkinsville Kentucky IDR (AA4)	11/30/06	weekly	\$200,000.00	0.23%	5.3600%	5.3500%
MKO Properties (A-1/P-1)	11/30/06	weekly	\$2,405,000.00	2.73%	5.3600%	5.3500%
Collegiate Funding Services (AAA)	11/9/06	12/7/06	\$5,000,000.00	5.68%	5.3000%	5.3000%
Nel-Net Taxable Student Loans (AAA)	11/17/06	12/15/06	\$2,000,000.00	2.27%	5.3000%	5.2900%
Collegiate Funding Services (AAA)	11/6/06	12/4/06	\$2,000,000.00	2.27%	5.2900%	5.2900%
Penn Higher Ed (AAA)	11/6/06	12/4/06	\$1,000,000.00	1.14%	5.3000%	5.2800%
Access Group Loans (AAA)	11/6/06	12/4/06	\$3,000,000.00	3.41%	5.2800%	5.2800%
Wisconsin St. (AAA)	11/7/06	12/5/06	\$4,000,000.00	4.55%	5.2180%	5.2200%
Citizens Property Insurance (AAA)	11/21/06	12/19/06	\$4,000,000.00	4.55%	5.2800%	5.2800%
Total Auction Rate Notes			<u>\$56,705,000.00</u>	<u>64.44%</u>	5.2713%	5.2737%
Short-Term (0-5 Year) Bond Funds						
One Group Ultra Short-Term Fund (Ultrasort)	Monthly	n/a	\$0.00	0.00%	1.4861%	1.8576%
Vanguard Short-Term Investment-Grade Fund	Monthly	n/a	\$8,406,872.07	9.55%	8.5111%	8.5434%
Total Short Term Funds			<u>\$8,406,872.07</u>	<u>9.55%</u>	8.5111%	8.5434%
Student Center/McKenny Bond Proceeds						
Commercial Paper And Agency Notes			\$101,750.00	0.12%	2.8180%	2.7517%
Int. Term (5 Year) Agency Bonds						
Fed. National Mortgage Assoc. (5/25/04 Call)	2/25/04	8/25/09	\$6,000,000.00	6.82%	4.4500%	4.4500%
Federal Home Loan Bank (3/17/05 Call)	12/17/04	12/17/09	6,000,000.00	6.82%	4.4500%	4.4500%
Federal Home Loan Bank (7/1/05 Call)	4/1/05	10/1/07	3,000,000.00	3.41%	4.1400%	4.1400%
Federal Home Loan Bank (4/18/06 One-time Call)	4/18/05	10/18/07	3,000,000.00	3.41%	4.2500%	4.2500%
Total Agency Bonds			<u>\$18,000,000.00</u>	<u>20.46%</u>	4.3700%	4.3700%
Total Non-Cash Investments			<u>\$83,213,622.07</u>	<u>94.57%</u>	5.4004%	5.3928%
Total Cash And Investments			<u>\$87,993,618.34</u>	<u>100.00%</u>	5.3443%	5.2917%

KEY FUND DATA

November 30, 2006

	Comerica Concentration Acct.	Auction Rate Notes	Student Center Bond Portfolio	Dreyfus Inst. Preferred	Vanguard S/T Investment Grade Fund	Total Funds At Present Mix
Fund Size/EMU Investment						
Total Fund Net Assets	n/a	n/a	n/a	\$7,687,123,301	\$17,676,798,422	
EMU's Investment						
EMU Percent Of Total Fund	\$4,779,996.27 n/a	\$56,705,000.00 n/a	\$101,750.00 n/a	\$0.00 0.00%	\$8,406,872.07 0.05%	\$69,993,618.34
Memo:						
EMU Investment At 11/30/05	\$17,002,943.76 (12,222,947.49)	\$30,800,000.00 25,905,000.00	\$18,783,562.15 (18,681,812.15)	\$0.00 0.00	\$7,973,713.44 433,158.63	\$74,560,219.35 (4,566,601.01)
EMU Investment At 7/1/06	\$8,097,568.09 (3,317,571.82)	\$52,110,000.00 4,595,000.00	\$6,315,717.85 (6,213,967.85)	\$0.00 0.00	\$8,118,963.10 287,908.97	\$74,642,249.04 (4,648,630.70)
Inception/Investment Dates						
Fund Inception Date				6/11/97	1/6/00	
EMU Initial Investment Date				1/20/01	1/18/96	
Ratings/Liquidity						
Morningstar	n/a	n/a	n/a	n/a	n/a	
Credit Rating Of Holdings	n/a	AAA	AAA	AAA	Aa3	AA+
Liquidity Option	Same Day	Next Day	Next Day	Same Day	Next Day	
Portfolio Mix/Maturity						
Commercial Paper/Promissory Notes				54.84%	0.00%	
Time Deposits				6.80%	0.00%	
Bank CD's/Short Term Bank Notes				32.51%	0.00%	
Utilities				0.00%	4.20%	
U.S. Treasuries				0.00%	19.90%	
U.S. Government Mortgage-Backed				0.00%	3.80%	
Corporate Bonds				0.00%	54.10%	
Mortgage/Asset Backed Securities				0.00%	16.60%	
Short Term Reserves				0.00%	0.20%	
Foreign				0.00%	1.10%	
Corporate Notes				5.85%	0.00%	
Cash/Other				0.00%	0.10%	
Total				100.00%	100.00%	
Weighted Average Maturity	Days 1	Days 28	Days 180	Days 47	Years 3.1	Years 0.44