

**Lee College District
Annual Investment Report (Including Deposits)**

**August 31, 2023
Market Value**

Investment or Deposit Type

Publicly Traded Equity and Similar Investments

| | |
|--|-------------|
| Common Stock (U.S. and foreign stocks held in separately managed accounts or internally managed by institution investment staff; exclude mutual or commingled funds) | 0.00 |
| Equity/Stock Mutual Funds | |
| Balanced Mutual Funds (where target allocation is > 50% equities) | |
| "Commonfund" Equity Commingled Funds | |
| Other Equity Commingled Funds (if primarily invested in publicly traded equities) | |
| Preferred Stock | |
| Other - list by type | |
| Total Publicly Traded Equity and Similar Investments | 0.00 |

"Other" Investments - Other than Publicly Traded Equity and Debt Investments

| | |
|---|----------------------|
| Real Estate (include direct ownership & investments in real estate limited partnerships, private REITs, or similar vehicles; include a portfolio of publicly traded REITs if managed as a separate asset allocation category rather than comprising part of a broadly diversified stock portfolio) | 11,960,000.00 |
| Other Real Asset Investments (e.g. investments in infrastructure funds) | |
| Private Equity | |
| Hedge Funds | |
| "Commonfund" Alternative Asset Commingled Funds (Real Estate, Private Equity, Hedge Funds, Commodities, etc.) | |
| Annuities | |
| Commodities | |
| Collectibles | |
| Other - list by type | |
| Total "Other" Investments - Other than Publicly Traded Equity & Debt Investments | 11,960,000.00 |

Publicly Traded Debt & Similar Investments >1 year maturity

| | |
|---|--------------|
| U.S. Government Securities ("Treasuries") | |
| U.S. Government Agency Securities ("Agencies") | |
| Mortgage Pass-Throughs - "Agency" | |
| Mortgage Pass-Throughs - "Private Label" | |
| Asset-Backed Securities (ABS) (other than mortgage-backed securities) | |
| Sovereign Debt (non-U.S.) | |
| Municipal Obligations | 1,008,110.00 |
| Collateralized Mortgage Obligations (CMOs) - list below by category | |
| Interest Only Strips (IOs) | |
| Principal Only Strips (POs) | |
| Inverse Floaters | |
| Stated Final Maturity longer than 10 years | |
| Other CMOs - "Agency" | |
| Other CMOs - "Private Label" | |
| Corporate Obligations (U.S. or foreign companies) - list below by rating | |
| Highly Rated (AAA/AA or equivalent) | |
| Other Investment Grade (A/BBB or equivalent) | |
| High Yield Bonds (<BBB or equivalent) | |
| Not Rated (NR) | |
| Fixed Income/Bond Mutual Funds (longer term; registered with the SEC) | |
| Balanced Mutual Funds (where target allocation is > 50% bonds or other debt securities) | |
| "Commonfund" Fixed Income/Bond Commingled Funds | |

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Other Fixed Income/Bond Commingled Funds (primarily invested in publicly traded debt securities; not registered with the SEC)

GICs (Guaranteed Investment Contracts)

Other - list by type

| | |
|--|---------------------|
| Total Publicly Traded Debt & Similar Investments >1 year | 1,008,110.00 |
|--|---------------------|

| |
|--|
| Short-Term Investments & Deposits |
|--|

| | |
|---|---------------|
| U.S. Government Securities ("Treasuries") | 4,183,977.00 |
| U.S. Government Agency Securities ("Agencies") | 12,618,205.00 |
| Bankers' Acceptances | |
| Commercial Paper - A1/P1 (or equivalent) | 3,929,158.00 |
| Other Commercial Paper - lower rated | |
| Repurchase Agreements (Repos) | |
| Money Market Mutual Funds (registered with the SEC) | 0.00 |
| Short-Term Mutual Funds Other than Money Market Mutual Funds (registered with the SEC) | |
| Public Funds Investment Pool Created to Function as a Money Market Mutual Fund (not registered w/ SEC but "2a7-like") | |
| TexPool (and TexPool Prime) | 2,826,775.00 |
| Other Public Funds Investment Pools Functioning as Money Market Mutual Funds | 10,167,359.00 |
| Other Investment Pools - Short-Term (not created to function as a money market mutual fund) | 0.00 |
| Certificates of Deposit (CD) - Nonnegotiable | 0.00 |
| Certificates of Deposit (CD) - Negotiable | |
| Bank Deposits | 1,490,556.83 |
| Cash Held at State Treasury | |
| Securities Lending Collateral Reinvestments (direct investments or share of pooled collateral) | |

Other - list by type

| | |
|--|----------------------|
| Total Short-Term Investments & Deposits | 35,216,030.83 |
| TOTAL INVESTMENTS and DEPOSITS | 48,184,140.83 |

Explanation of Investment and Deposit Types
(For use in preparing the State Auditor's Office's Annual Investment Report (Including Deposits))

| Investment or Deposit Type | Explanation |
|---|---|
| Annuity | A type of contract sold by insurance companies guaranteeing fixed or variable future payments. |
| Asset Backed Securities (ABS) | Securities backed by pools of assets such as credit card receivables, home equity loans, and auto loans, but typically excluding mortgages. |
| Balanced Mutual Funds | Mutual Funds that expect to invest in a mix of equity and debt investments. (Categorize in the "Publicly Traded Equity & Similar" category if the fund's target allocation is expected to be > 50% equities. Otherwise, categorize in the "Publicly Traded Debt & Similar" category.) (See also Mutual Funds.) |
| Bank Deposits | Amounts reported in this category should include balances held in a financial institution such as a bank, savings bank, or credit union as "demand deposits" (which the customer can withdraw at any time without penalty) or "time deposits" (which might be subject to restrictions on immediate withdrawal). However, do not include certificates of deposit. Although non-negotiable certificates of deposit are generally considered time deposits, these balances should be separately disclosed on the annual investment report. (See also Certificates of Deposit.) |
| Bankers' Acceptances | A time draft drawn on a bank by a bank's customer, ordering the bank to pay an amount at a future date, generally within a short time period. When accepted by the bank, it can be traded in secondary markets, usually as a money market instrument. |
| Cash Held at State Treasury | All deposit balances held by the State Comptroller in the State Treasury. Institutions should not include funds invested in TexPool or TexPool Prime. Amounts managed by the Texas State Treasury Safekeeping Trust Company should be reported in the appropriate investment categories, and any uninvested cash held by the Trust Company should be reported as bank deposits. |
| Certificates of Deposit (CD) | Time deposits with a financial institution that may not be withdrawn prior to maturity without a penalty. "Negotiable CDs" are issued in large dollar amounts and are traded in secondary markets. Although some entities might report nonnegotiable CD's in their financial statements under the "Investments" category, they are considered deposits, whereas negotiable CDs represent investment securities. CDs are insured by the Federal Deposit Insurance Company. (Categorize nonnegotiable CDs separately from negotiable CDs on the annual investment report.) |
| Collateralized Mortgage Obligations (CMOs) - Agency or Private Label | CMOs consist of pools of mortgage pass-through securities or mortgage loans in which the cash flows of principal and interest payments are directed in a prescribed manner to different underlying classes of the CMOs. The different classes are referred to as "tranches," with each tranche structured to have different expected risk, return, and maturity characteristics. "Agency" CMOs are those that are guaranteed, or issued and guaranteed, by U.S. government agencies. "Private Label" CMOs are issued by, and are the sole obligation of, the private issuers, which might be financial institutions, subsidiaries of investment banks, or home builders. Certain tranches are generally prohibited by the PFIA, including "Interest Only Strips (IOs)," "Principal Only Strips (POs)," and "Inverse Floaters." The PFIA also does not authorize most investing entities to acquire CMOs that have a final stated maturity exceeding 10 years. |
| Collectibles | Rare items collected by investors, such as art, stamps, coins, antiques, and memorabilia. |
| Commercial Paper - A1/P1 (or equivalent) | Commercial paper is a type of short-term, unsecured obligation issued by banks, corporations, or other borrowers, usually issued at a discount and with maturities of 270 days or less. A1 and P1 denote the highest short-term rating categories used by Standard & Poors and Moody's, respectively. (Lower rated commercial paper should be listed under "Other Commercial Paper - Lower Rated.") |
| Commingled Fund | An external manager pools and invests the funds of several institutional investors. Securities are owned by the overall fund, and each investor owns a pro rata share of the fund. The SEC does not oversee commingled funds. (Classification on the annual investment report should be based on the underlying assets in which the fund primarily invests, e.g. publicly traded equities, publicly traded debt, or "other" investments.) |
| Commodities | Includes investments in bulk goods such as grains, metals, foods, energy products such as crude oil, heating oil, gasoline, and natural gas. Commodities are often traded using futures contract, however investing can also involve spot market trades or taking physical possession of the commodities. |
| Commonfund | Also known as "The Common Fund for Nonprofit Organizations," this is a private, nonprofit organization that is exempt from taxation under Section 501(f), Internal Revenue Code of 1986 (26 U.S.C. Section 501(f)). Commonfund offers participating clients the ability to invest in a wide range of commingled investment funds, including fixed income, equity, and alternative assets. |

Explanation of Investment and Deposit Types

(For use in preparing the State Auditor's Office's Annual Investment Report (Including Deposits))

| Investment or Deposit Type | Explanation |
|---|---|
| Common Stock (publicly traded) | Also referred to as equities, or equity securities, common stock represents units of ownership in a publicly held corporation. Shareholders typically have rights to vote and to receive dividends. Claims of common stock holders are subordinate to claims of creditors, bond holders, and preferred stock holders. |
| Corporate Obligations (U.S. or foreign corporations) | Debt securities issued by U.S. or foreign corporations. Excludes debt issued by governmental entities (see Sovereign Debt). (Group by credit rating category, or, if applicable, as "not rated.") |
| Equity/Stock Mutual Funds | Mutual funds that invest primarily in stocks, although at times they might hold some fixed-income and money market securities. (See also Balanced Funds description.) |
| Equity Securities | Stock as opposed to bonds. The term is often used to refer to "common stock" (see Common Stock definition); however "preferred stock" is also considered an equity security (see Preferred Stock definition). |
| Fixed Income/Bond Mutual Funds | Mutual Funds that, by policy, invest in the fixed-income sector. (See also Mutual Funds.) |
| GICs (Guaranteed Investment Contracts) | GICs represent contracts issued by insurance companies that promise to pay a specified rate of interest on the invested capital over the life of the contract. GICs are sometimes referred to as "guaranteed insurance contracts." |
| Hedge Funds | Hedge funds may be broadly defined as pooled funds that are not registered with the SEC; are typically available only to institutional investors or individuals with a high net worth; and use advanced trading strategies such as leverage, derivatives, short selling, and arbitrage. |
| Highly Rated Corporate Obligations | Based on the description in the PFIA for "Authorized Investments: Institutions of Higher Education," this category is limited to corporate debt obligations rated by a nationally recognized investment rating agency in one of its two highest long-term rating categories, without regard to gradations (e.g. + or -) within those categories. The two highest rating categories for Standard and Poor's and Fitch Ratings are AAA and AA, while the two highest categories for Moody's are Aaa and Aa. |
| High Yield Bonds | Corporate obligations that are considered below "investment grade" and are also referred to as "junk bonds" or "speculative grade." Such corporate securities are rated BB or lower by Standard and Poor's or Fitch Ratings and Ba or lower by Moody's. |
| Market Value | In general, this equates to the "fair value" of an investment, as defined in Governmental Accounting Standards Board Statement No. 31 (GASB 31). Reporting entities that report certain short-term, highly liquid debt instruments, such as commercial paper, bankers' acceptances, and U.S. Treasury and agency obligations ("money market investments") on their balance sheet at "amortized cost" may report the same value on the Annual Investment Report in the "Market Value" column for consistency. |
| Money Market Mutual Fund (or Money Market Fund) | An open-end mutual fund (registered with the SEC) that must comply with the SEC's "Rule 2a-7," which imposes certain restrictions, such as a requirement that the fund's board must attempt to maintain a stable net asset value (NAV) per share or stable price per share, limits on the maximum maturity of any individual security in the fund's portfolio and on the maximum weighted average portfolio maturity and weighted average portfolio life. Money market funds typically attempt to maintain an NAV or a price of \$1.00 per share. (Institutions should report the "market value" of their money market fund investments based on the fund's share price.) |
| Mortgage Pass-Throughs - Agency | Mortgage pass-throughs are securities created by pooling mortgages, in which investors receive a pro-rata share of payments of principal and interest on the pool of mortgages. Agency mortgage pass-throughs are guaranteed by a U.S. government agency or government sponsored enterprise (GSE). |
| Mortgage Pass-Throughs - Private Label | Private label mortgage pass-throughs are issued by institutions such as subsidiaries of investment banks, financial institutions, and home builders. They are the obligation of the issuers and are not guaranteed by the U.S. government or any government sponsored enterprise. |
| Municipal Obligations | Debt, typically bonds, issued by states, cities, counties, or other government entities. Income on some municipal bonds is exempt from both federal and state income taxes, while, for other municipal bonds, the income is not exempt from federal taxation. |
| Mutual Funds | Similar to commingled funds, the funds of multiple investors are pooled by the external manager. The investors own shares of the fund but do not own the individual securities. The public, as well as institutional investors, can invest in mutual funds. In contrast with commingled funds, mutual funds are regulated by the SEC. (See also Money Market Funds, a subset of mutual funds that should be categorized separately.) |

Explanation of Investment and Deposit Types

(For use in preparing the State Auditor's Office's Annual Investment Report (Including Deposits))

| Investment or Deposit Type | Explanation |
|--|---|
| Not Rated (NR) Corporate Obligations | Issues that have not been rated by a major rating agency. Standard and Poor's uses NR to designate issues for which no rating was requested, there was insufficient information on which to assign a rating, or, by policy, it does not rate that particular obligation. |
| Other Commercial Paper - lower rated | Commercial paper rated below the highest short-term rating categories used by major rating agencies (i.e., below A-1, P-1, or equivalent ratings). |
| Other Investment Grade Corporate Obligations | Corporate debt obligations that are not categorized as "Highly Rated Corporate Obligations" but, nevertheless, receive an "investment grade" rating from a nationally recognized investment rating agency. Ratings of A or BBB by Standard and Poor's or Fitch Ratings and A or Baa by Moody's are considered "investment grade." |
| Other Real Asset Investments | Real assets typically exist in physical form and are generally considered to include "hard assets" that are used to produce goods or services, in contrast to "financial assets," such as stocks and bonds, which represent a claim on the income provided by real assets. Examples of real assets include real estate, timber, commodities like oil and gas, and infrastructure. (Institutions should categorize investments in real estate separately from their investments in "other real assets" if managed as distinct portfolios. See also Real Estate.) |
| Preferred Stock | A class of capital stock in a corporation distinct from common stock. Preferred stock generally carries no voting rights, pays a specified dividend, and it has preference over common stock in the payment of dividends or in the event that corporate assets are liquidated. Although preferred stock has some features similar to bonds, it is classified as an "equity" investment. |
| Private Equity | Private equity funds are privately managed investment pools, typically organized as limited partnerships. They are managed by the fund's general partners who typically make long-term investments in private companies and who may take a controlling interest with the aim of increasing the value of these companies, often by helping to manage the companies. Private equity fund strategies include venture capital investments and leveraged buyouts, among others. (Institutions that make direct investments in private companies, often as "co-investments" alongside a private equity fund in which they invest, also should categorize such investments as "Private Equity.") |
| Public Funds Investment Pool Created to Function as a Money Market Mutual Fund & Other Investment Pools | The PFIA describes the criteria for allowable investments in "investment pools," including those it describes as a "public funds investment pool created to function as a money market mutual fund." These types of pools are typically also referred to as "local government investment pools" or "LGIPs." They often function like money market mutual funds (see discussions at "TexPool" and "Money Market Funds") and might be referred to as "2a7-like" pools, but they are not required to register with the SEC. Other investment pools might choose not to function like money market funds, and therefore might permit a floating NAV, longer overall or individual investment maturity, and higher potential investment risk and return. (Institutions should separately categorize investments in (1) TexPool, (2) Other Public Funds Investment Pools Functioning as Money Market Mutual Funds, and (3) Other Investment Pools that do not operate as money market funds.) |
| Real Estate | Includes real estate held for investment directly or through investment vehicles such as private investment funds, which are limited partnerships that invest in real estate. Such investments are designed to produce high current income and/or capital gains through appreciation in the underlying real estate. (Does not include real estate not held for investment, such as campus buildings.) |
| REITs (Real Estate Investment Trusts) | REITs, or Real estate investment Trusts, are companies that invest in real estate by investing directly in portfolios of various types of real estate properties and/or by making loans to building developers. Although generally they are publicly traded on major exchanges and available to all investors, some REITs are established as private investments, which can reduce the liquidity of such investments. (Private REITs should be categorized on the annual investment report as Real Estate in "Other Investments.") |
| Repurchase Agreements (Repos) | Short-term investment agreements in which an investor buys securities, usually U.S. government securities, from a seller and the seller agrees to repurchase them at a later date for a slightly higher price that is negotiated between the parties. Such arrangements function as money market investments with either a fixed maturity date, often overnight, or an open term, in which they are callable at any time. |
| Securities Lending Collateral Reinvestments | Institutions that participate in securities lending programs often receive cash as collateral for their loaned investments. The cash is normally reinvested, typically by the entity's lending agent, in a separate account for the lender or as part of a collateral investment pool that commingles the cash collateral received by multiple lenders. The cash collateral is typically invested in investments having relatively low credit risk, and interest rate risk is reduced by maintaining a relatively short average portfolio maturity. (An institution involved with securities lending should report the value for its share of any reinvested cash collateral in the same amount on its annual investment report and on its financial statements.) |

Explanation of Investment and Deposit Types

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| Investment or Deposit Type | Explanation |
|--|---|
| Separately Managed Account | Securities in the external manager's portfolio are owned directly by the investing entity and are held by each investing entity's custodian bank. The investing entity can require the external manager to adhere to specific investment guidelines. |
| Short-Term Investments | Includes all debt investments maturing within one year of the purchase date. |
| Short-Term Mutual Funds (other than Money Market funds) | Mutual funds that specialize in short-term debt instruments, but which do not meet the strict criteria required to be called "money market" mutual funds. (If not reported as fixed income mutual funds in the section for Debt and Similar Investments > 1 Year Maturity, institutions should report non-money market, short-term fixed income mutual funds in the section for Short-Term Investments and Deposits.) |
| Sovereign Debt (non-U.S.) | Debt securities issued or guaranteed by foreign governments. |
| TexPool (and TexPool Prime) | TexPool and TexPool Prime are local government investment pools administered by the Texas Treasury Safekeeping Trust Company at the Office of the State Comptroller of Public Accounts. Both funds are operated according to the rules governing money market mutual funds (the SEC's "Rule 2a-7"), which require a policy to maintain a stable net asset value per share (both funds seek to maintain a \$1.00 NAV per share) and impose limitations on maximum maturities of the overall portfolio and any individual security. Unlike true mutual funds, local government investment pools (whether or not organized to operate as money market mutual funds) are not required to register with the SEC. |
| U.S. Government Agency Securities | Also called "Agency Securities" or "Agencies," these represent debt securities (1) issued or guaranteed by U.S. federal government agencies or (2) issued by government sponsored enterprises (GSEs). Debt securities issued or guaranteed by U.S. federal government agencies, like U.S. Treasury Securities, are backed by the full faith and credit of the U.S. government. However, debt securities issued by GSEs are not backed by similar U.S. government guarantees, and therefore they are considered to carry more credit risk than securities issued or guaranteed by federal government agencies. |
| U.S. Government Securities | Also called "U.S. Treasury Securities" or "Treasuries," U.S. Government securities are negotiable debt obligations, such as Treasury Bills, Treasury Notes, and Treasury Bonds, that are backed by the full faith and credit of the United States government. |