



Office of the President

3410 Taft Boulevard Wichita Falls, Texas 76308-2099
o 940.397.4211 f 940.397.4010

To: MSU Board of Regents
Mr. Shawn Hessing, Chair
Mr. Michael Bernhardt
Mr. J. Kenneth Bryant
Mrs. Tiffany Burks
Mr. R. Caven Crosnoe
Dr. Lynwood Givens
Mr. Jeff Gregg
Ms. Nancy Marks
Mr. Samuel M. Sanchez
Ms. Jesse Brown, Student Regent

From: Jesse W. Rogers
President

Date: July 28, 2014

Subject: Quarterly Investment Reports

Attached are the Quarterly Investment Reports for the third quarter ended May 31, 2014.
Please feel free to contact me if you have any questions.

enclosures
JWR/rr

C: Debbie Barrow



Business Affairs and Finance
3410 Taft Boulevard Wichita Falls, Texas 76308-2099
o 940.397.4117 f 940.397.4302

July 28, 2014

TO: The Board of Regents of Midwestern State University, and
Dr. Jesse Rogers, President

SUBJECT: Quarterly Investment Reports

Attached are the quarterly investment reports for the third quarter ended May 31, 2014, as required by the amended Public Funds Investment Act.

The investment portfolio is in compliance with Midwestern State University's investment policies. The portfolio is in compliance with the provisions of the Public Funds Investment Act as amended by the 75th Legislature. (HB 2799)

Chris Stovall
Controller

Dr. Marilyn Fowle'
Vice President, Business Affairs
and Finance

Unaudited

**Midwestern State University
Summary of Investments
(Pooled Investments)
At May 31, 2014**

	<u>Book Value</u>	<u>%</u>	<u>Market Value</u>	<u>%</u>
Long-term Securities:				
Equity Securities:				
U.S. Common Stock	<u>\$70,260</u>	<u>0.21%</u>	<u>\$201,063</u>	<u>0.59%</u>
Certificates of Deposit:				
GE Capital CD	245,000	0.74%	245,000	0.72%
Goldman Sachs Bank CD	<u>245,000</u>	<u>0.74%</u>	<u>245,000</u>	<u>0.72%</u>
	<u>490,000</u>	<u>1.48%</u>	<u>490,000</u>	<u>1.44%</u>
Debt Securities:				
U.S. Government Agencies (Non-Guaranteed):				
Mortgage-Backed	27,286	0.08%	28,343	0.08%
Other	<u>6,093,038</u>	<u>18.47%</u>	<u>5,891,976</u>	<u>17.41%</u>
Total U.S. Government Agencies	<u>6,120,324</u>	<u>18.55%</u>	<u>5,920,319</u>	<u>17.50%</u>
Total Long-term Securities	<u>6,680,584</u>	<u>20.25%</u>	<u>6,611,382</u>	<u>19.54%</u>
Short-term Securities:				
JPMorgan Chase MM Savings	10,662	0.03%	10,662	0.03%
TexPool	3,000,889	9.09%	3,000,889	8.87%
Logic	872	0.00%	872	0.00%
Texas A&M System Investment Pool	<u>21,426,384</u>	<u>64.94%</u>	<u>22,339,276</u>	<u>66.02%</u>
Total Short-term Securities	<u>24,438,806</u>	<u>74.07%</u>	<u>25,351,699</u>	<u>74.92%</u>
Total Investment Assets	<u>31,119,390</u>	<u>94.31%</u>	<u>31,963,081</u>	<u>94.46%</u>
Cash and Cash Equivalents:				
Cash Held at State Treasury	<u>1,875,955</u>	<u>5.69%</u>	<u>1,875,955</u>	<u>5.54%</u>
Total Cash and Cash Equivalents				
Total Cash and Investments	<u>\$32,995,345</u>	<u>100.00%</u>	<u>\$33,839,036</u>	<u>100.00%</u>
Total Rate of Return	1.84%			

Unaudited

**Midwestern State University
Summary of Investments
(MSU Endowments at American Natl. Bank Trust Dept.)
At May 31, 2014**

	<u>Book Value</u>	<u>%</u>	<u>Market Value</u>	<u>%</u>
Long-term Securities:				
Equity Securities:				
Common Stock and ETFs	\$4,364,473	62.19%	\$5,907,162	67.93%
Total Equity Securities	<u>4,364,473</u>	<u>62.19%</u>	<u>5,907,162</u>	<u>67.93%</u>
Other Securities:				
Municipal Bonds	300,000	4.27%	295,059	3.39%
U.S. Government Agencies	22,154	0.32%	23,525	0.27%
Corporate Bonds & Notes	2,025,250	28.86%	2,110,820	24.27%
Total Fixed Income Securities	<u>2,347,405</u>	<u>33.45%</u>	<u>2,429,403</u>	<u>27.93%</u>
Total Long-term Securities	<u>6,711,877</u>	<u>95.64%</u>	<u>8,336,566</u>	<u>95.86%</u>
Short-term Securities:				
U.S. Government Agencies		0.00%		0.00%
Total Short-term Securities	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>
Total Investment Assets	<u>6,711,877</u>	<u>95.64%</u>	<u>8,336,566</u>	<u>95.86%</u>
Cash and Cash Equivalents:				
U.S. Dollars	935		935	0.01%
Goldman Sachs - Cash Equivalent	56,670	0.81%	56,670	0.65%
Total Cash and Cash Equivalents	<u>57,605</u>	<u>0.82%</u>	<u>57,605</u>	<u>0.66%</u>
Miscellaneous Assets:				
Partnership - Devonshire	248,724	3.54%	302,083	3.47%
Total Miscellaneous Assets	<u>248,724</u>	<u>3.54%</u>	<u>302,083</u>	<u>3.47%</u>
Total Cash and Investments	<u>\$7,018,207</u>	<u>100.00%</u>	<u>\$8,696,254</u>	<u>100.00%</u>

Unaudited

Midwestern State University
Statement of Changes in Investment Assets
(MSU Endowments at American Natl. Bank Trust Dept.)
For the Third Quarter Ended May 31, 2014

	<u>Book</u> <u>Value</u>	<u>Market</u> <u>Value</u>
Investment Assets - 02-28-14	\$6,953,633	\$8,452,130
Principal Payments Received	(588,253)	(588,253)
Investment Income	45,320	45,320
Realized Gain (Loss)	46,666	46,666
Management Fees	(9,544)	(9,544)
Distributions and Other	(89,846)	(89,846)
Securities Purchased	660,231	660,231
Changes in Net Unrealized Appreciation/(Depreciation)	<u> </u>	<u>179,551</u>
Investment Assets - 05-31-14	<u><u>\$7,018,207</u></u>	<u><u>\$8,696,254</u></u>

Unaudited

Midwestern State University
Summary of Investments
(Redwine Endowment Managed by Luther King Capital Management)
At May 31, 2014

	<u>Book</u> <u>Value</u>	<u>%</u>	<u>Market</u> <u>Value</u>	<u>%</u>
Cash and Cash Equivalents:				
Cash and Cash Equivalents	<u>\$436,267</u>	<u>4.75%</u>	<u>\$436,267</u>	<u>3.75%</u>
Total Cash and Cash Equivalents	<u>436,267</u>	<u>4.75%</u>	<u>436,267</u>	<u>3.75%</u>
Fixed Income/Debt Securities:				
U.S. Fixed Income Funds	<u>3,035,000</u>	<u>33.05%</u>	<u>2,964,273</u>	<u>25.40%</u>
Total Fixed Income/Debt Securities	<u>3,035,000</u>	<u>33.05%</u>	<u>2,964,273</u>	<u>25.40%</u>
Equity Securities:				
U.S. Equities	<u>5,711,048</u>	<u>62.20%</u>	<u>8,268,907</u>	<u>70.86%</u>
Total Equity Securities	<u>5,711,048</u>	<u>62.20%</u>	<u>8,268,907</u>	<u>70.86%</u>
Total Investments	<u><u>\$9,182,315</u></u>	<u><u>100.00%</u></u>	<u><u>\$11,669,447</u></u>	<u><u>100.00%</u></u>

Unaudited

Midwestern State University
Statement of Changes in Investment Assets
(Redwine Endowment Managed by Luther King Capital Management)
For the Third Quarter Ended May 31, 2014

	<u>Book</u> <u>Value</u>	<u>Market</u> <u>Value</u>
Investment Assets - 02-28-14	\$9,123,259	\$11,541,855
Principal Payments Received	(424,150)	(424,150)
Investment Income	46,283	46,283
Realized Gain (Loss)	24,563	24,563
Management Fees	(11,790)	(11,790)
Distributions and Other	(70,846)	(70,846)
Securities Purchased and Funds Transferred	494,996	494,996
Changes in Net Unrealized Appreciation/(Depreciation)	<u> </u>	<u>68,536</u>
Investment Assets - 05-31-14	<u><u>\$9,182,315</u></u>	<u><u>\$11,669,447</u></u>

**INVESTMENT PORTFOLIO ACTIVITY
"POOLED" INVESTMENTS
FOR THE THIRD QUARTER ENDED MAY 31, 2014**

	<u>Coupon</u>	<u>Stated Maturity</u>	<u>Book Value 02-28-14</u>	<u>Market Value 02-28-14</u>	<u>Unrealized Gain (Loss)</u>	<u>Purchases</u>	<u>Principal Payments Received/ Maturals</u>	<u>Realized Gain (Loss)</u>	<u>Interest/ Dividends Earned For the Qtr.</u>	<u>Amortization/ Accretion of Prem./Disc.</u>	<u>Book Value 05-31-14</u>	<u>Market Value 05-31-14</u>	<u>Unrealized Gain (Loss)</u>
U.S. Government Agencies:													
FHLB Collateralized Mortgage	4.81	08-20-15	30,655.75	32,027.33	1,371.58		3,492.36		359.06	(19.07)	27,144.32	28,191.05	1,046.73
FHLMC Fixed Note - callable	1.40	05-08-19	500,000.00	483,171.72	(16,828.28)				1,750.00		500,000.00	490,542.17	(9,457.83)
FNMA Fixed Note - callable	1.50	11-27-19	499,774.35	477,418.80	(22,355.55)				1,875.00	12.50	499,786.85	486,096.01	(13,690.84)
FCCB Fixed Note-callable	1.74	05-21-20	500,000.00	482,006.32	(17,993.68)				2,175.00		500,000.00	488,826.24	(11,173.76)
FNMA Fixed Note - callable	1.50	11-27-20	594,456.17	553,823.96	(40,632.21)				2,250.00	198.95	594,655.12	568,295.84	(26,359.28)
FNMA Step Up	2.00	07-16-21	499,777.68	468,494.02	(31,283.66)				2,500.00	6.38	499,784.06	482,414.58	(17,369.48)
FHLB Step Up	1.00-5.25	01-17-23	500,000.00	489,812.44	(10,187.56)				1,562.50		500,000.00	497,529.98	(2,470.02)
FHLB	1.25-5.00	05-27-25	500,000.00	478,389.74	(21,610.26)				1,562.50		500,000.00	487,791.32	(12,208.68)
FNMA Step Up	2.125-6.5	05-24-27	500,000.00	473,711.76	(26,278.24)				2,656.25		500,000.00	487,728.97	(12,271.03)
FNMA	2.25-6.5	09-27-27	499,464.17	430,667.94	(68,796.23)				2,812.50	37.50	499,501.67	455,916.92	(43,584.75)
FHLMC	3.00	09-28-27	499,300.52	447,052.36	(52,248.16)				3,750.00	9.70	499,310.22	469,281.71	(30,028.51)
FHLB	1.25	09-28-27	500,000.00	491,066.94	(8,933.06)				1,562.50		500,000.00	497,857.33	(2,142.67)
FNMA Step Up	3.00	12-27-27	500,000.00	454,757.25	(45,242.75)				3,750.00		500,000.00	479,695.09	(20,304.91)
FNMA Step Up	3.00	02-28-28	500,000.00	482,554.09	(17,445.91)		500,000.00		3,625.00				
Total Agency Notes			6,623,428.64	6,244,964.17	(378,464.47)		503,492.36		31,190.31	245.96	6,120,182.24	5,920,167.21	(200,015.03)
U.S. Government Mortgage Backed Securities:													
FHLMC Pool #170177	9.500	07-01-16	55.26	59.57	4.31		12.96		1.21	5.95	48.25	51.68	3.43
FHLMC Pool #170177	9.500	07-01-16	107.24	115.29	8.05		25.11		2.34	11.49	93.62	100.02	6.40
Total Mortgage-Backed			162.50	174.86	12.36		38.07		3.55	17.44	141.87	151.70	9.83
U.S. Common Stock: [Donated]													
1,000 shares - Chesapeake Utilities (CPK)			18,200.00	59,240.00	41,040.00				385.00		18,200.00	65,410.00	47,210.00
10 shares - Citigroup (C) - reverse split			1,310.00	486.30	(823.70)						1,310.00	475.70	(834.30)
45 shares Calamos Conv. & High Inc. (CHY)			619.65	620.55	0.90				12.83		619.65	652.95	33.30
1,200 shares - CSX Corp. (CSX)			5,566.00	33,252.00	27,686.00				180.00		5,566.00	35,280.00	29,714.00
252 shares - Conoco Phillips - (COP)			4,957.82	16,758.00	11,800.18				173.88		4,957.82	20,144.88	15,187.06
126 shares - Phillips 66 (PSX)			2,479.68	9,432.36	6,952.68				49.14		2,479.68	10,683.54	8,203.86
125 shares Berkshire (BRK-B)			2,631.05	14,472.50	11,841.45						2,631.05	15,914.16	13,283.11
856 shares - Wells Fargo (WFC)			24,824.00	39,735.52	14,911.52				256.80		24,824.00	43,467.68	18,643.68
124 shares-Manulife (MFC)			4,216.36	2,353.52	(1,862.84)				10.80		4,216.36	2,270.44	(1,945.92)
60 shares - Natl. Oil Well (NOV)			4,342.80	4,622.40	279.60				15.60		4,342.80	4,912.20	569.40
70 shares - Southwest Airlines (LUV)			1,112.30	1,570.80	458.50				2.80		1,112.30	1,851.50	739.20
Total Common Stock			70,259.66	182,543.95	112,284.29				1,086.85		70,259.66	201,063.05	130,803.39
Sub-Total - Securities			6,693,850.80	6,427,682.98	(266,167.82)		503,530.43		31,260.71	263.40	6,190,583.77	6,121,381.96	(69,201.81)

INVESTMENT PORTFOLIO ACTIVITY
 "POOLED" INVESTMENTS
 FOR THE THIRD QUARTER ENDED MAY 31, 2014

	Coupon	Stated Maturity	Book Value 02-28-14	Market Value 02-28-14	Unrealized Gain (Loss)	Purchases	Principal Payments Received/ Matured	Realized Gain (Loss)	Interest/ Dividends Earned For the Qtr.	Amortization/ Accretion of Prem./Disc.	Book Value 05-31-14	Market Value 05-31-14	Unrealized Gain (Loss)
GE Capital CD	1.50	10-28-14	245,000.00	245,000.00					926.30		245,000.00	245,000.00	
Goldman Sachs Bank CD	1.50	11-03-14	245,000.00	245,000.00					926.30		245,000.00	245,000.00	
JPMorgan Chase MM Savings	0.05		10,660.61	10,660.61					1.02		10,661.62	10,661.62	
TEXPOOL Investment Pool (1)	0.03	* Daily	5,500,705.56	5,500,705.56			2,500,000.00		183.02		3,000,888.58	3,000,888.58	
LOGIC Investment Pool (1)	0.08	* Daily	872.15	872.15					0.13		872.28	872.28	
TX A&M System Pool	3.38	* Variable	25,300,169.11	26,104,836.91	804,667.80		4,000,000.00		126,214.45		21,426,383.56	22,339,276.43	912,892.87
Total Investment Pool Cash			31,302,487.43	32,107,075.23			6,500,000.00		128,251.21		24,978,806.04	25,841,698.91	862,892.87
Total Investments			537,996,258.23	538,534,758.21	(\$266,167.82)		57,003,530.43		161,531.92	5263.40	531,119,389.81	531,963,080.87	843,691.06

*As of May 31, 2014

(1) These investment pools are structured to maintain a constant dollar value

Comparison to U.S. and State Treasuries	Book Accounting Yield	Average Three-Month U.S. Treasury Bill	State Treasury Yield	Basis Point Spread to U.S. Treasury	Basis Point Spread to State Treasury
March, 2014	2.67	0.05	0.41	2.62	2.26
April, 2014	2.10	0.04	0.43	2.07	1.68
May, 2014	0.75	0.03	0.36	0.72	0.39

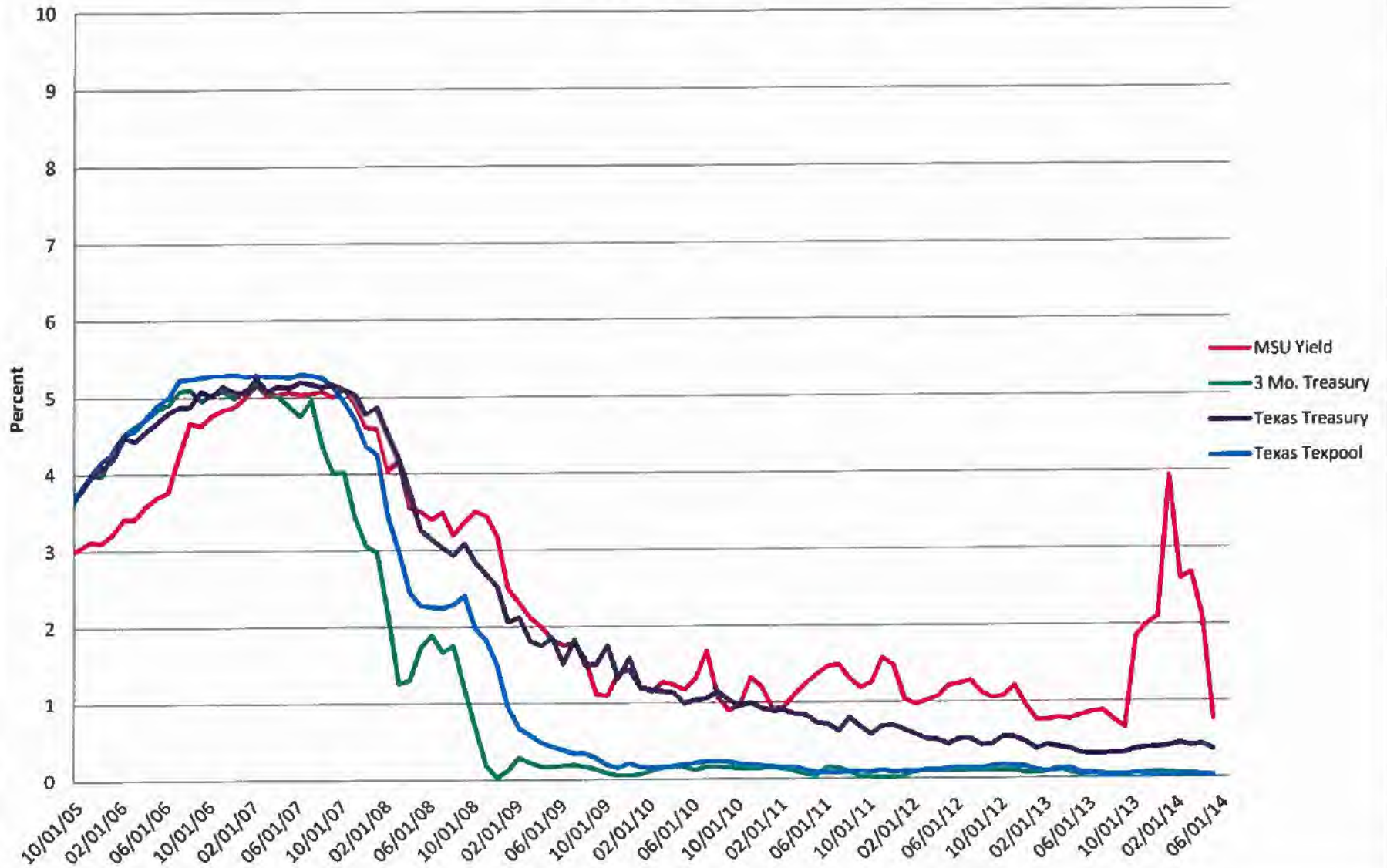
MIDWESTERN STATE UNIVERSITY
INVESTMENT PORTFOLIO ACTIVITY
MSU ENDOWMENT INVESTMENTS - AMERICAN NATL. BANK TRUST DEPT. MANAGERS
FOR THE THIRD QUARTER ENDED MAY 31, 2014

	Book Value 02-28-14	Market Value 02-28-14	Unrealized Gain (Loss)	Purchases	Principal Payments Received/ Matured	Realized Gain (Loss)	Interest/ Dividends Received (Fees Paid) In the Qtr.	Amortization/ Accretion of Prem./Disc.	Book Value 05-31-14	Market Value 05-31-14	Unrealized Gain (Loss)	Market Value Percentage Of Total
AMERICAN NATL. BANK TRUST DEPT.												
Cash and Cash Equivalents:												
Cash												
American Natl. Bank Fees							(\$9,543.76)					
U.S. Dollars								935.00		\$935.00		
Goldman Sachs	5550,300.61	5550,300.61			5493,630.54		8.45		556,670.07	556,670.07		0.65%
Total Cash and Cash Equivalents	550,300.61	550,300.61			493,630.54		(9,535.31)		557,605.07	57,605.07		0.66%
Purchased Interest Receivable												
Fixed Income:												
U.S. Government Agencies	24,560.77	26,334.69	\$1,773.92		2,397.23	(\$11.14)	291.69	(\$9.11)	22,154.43	23,524.71	\$1,370.28	0.27%
Municipal Bonds	300,000.00	292,527.00	(\$7,473.00)						300,000.00	295,059.00	(4,941.00)	3.39%
Corporate Bonds & Notes	2,033,580.11	2,109,953.60	576,373.49				19,723.75	(8,329.86)	2,025,250.25	2,110,819.60	85,569.35	24.27%
Total Fixed Income Securities	2,358,140.88	2,428,815.29	70,674.41		2,397.23	(11.16)	20,015.44	(8,338.97)	2,347,404.68	2,429,403.31	81,998.63	27.94%
Common Stock - Equities:												
U.S. Equities	3,184,712.17	4,392,061.53	1,207,349.36	410,230.86	45,885.43	46,676.68	25,296.17		3,549,057.60	4,888,528.32	1,339,570.72	56.22%
Foreign Equities	87,217.03	143,753.82	56,536.79		45,064.59				42,152.44	67,904.34	25,751.90	0.78%
Equity ETFs	773,262.77	937,198.56	163,935.79						773,262.77	950,629.68	177,366.91	10.93%
Total Equities	4,045,191.97	5,473,013.71	1,427,821.74	410,230.86	90,950.02	46,676.68	25,296.17		4,364,472.81	5,907,162.34	1,542,689.53	67.93%
Miscellaneous Assets:												
Partnership - Devonshire				250,000.00	1,275.51				248,724.49	302,083.28	53,358.79	3.47%
Total Miscellaneous Assets				250,000.00	1,275.51				248,724.49	302,083.28	53,358.79	3.47%
Total Endowment Investments at American National Bank Trust	56,953,633.46	58,452,129.61	\$1,498,496.15	5660,230.86	558,253.30	\$46,665.52	\$35,776.30	(\$8,338.97)	7,018,207.05	58,696,254.00	\$1,678,046.95	100.00%
Mar, Apr, and May activity							4.24%	74,102.85	Market Value gain =	1,678,046.95	23.91%	
							(Annualized)	6,985,920.26		7,018,207.05		

MIDWESTERN STATE UNIVERSITY
INVESTMENT PORTFOLIO ACTIVITY
REDWINE ENDOWMENT INVESTMENTS - LUTHER KING CAPITAL MANAGEMENT
FOR THE THIRD QUARTER ENDED MAY 31, 2014

	Book Value 02-28-14	Market Value 02-28-14	Unrealized Gain (Loss)	Purchases	Principal Payments Received/ Matured	Realized Gain (Loss)	Interest/ Dividends Received (Fees Paid) In the Qtr.	Amortization/ Accretion of Prem./Disc.	Book Value 05-31-14	Market Value 05-31-14	Unrealized Gain (Loss)	Market Value Percentage Of Total
LUTHER KING CAP MGMT. FEES												
Cash and cash equivalents:												
U.S. Dollars												
	267,053.25	267,053.25		5213,777.60	532,773.75		-		5436,267.10	5436,267.10		3.74%
Total Cash and cash equivalents	267,053.25	267,053.25		213,777.60	32,773.75		(11,790.00)		436,267.10	436,267.10		3.74%
Fixed Income:												
U.S. Fixed Income Funds	3,035,000.00	2,956,225.31	(\$78,774.69)				14,195.01		3,035,000.00	2,964,273.11	(70,726.89)	25.40%
Total Fixed Income	3,035,000.00	2,956,225.31	(78,774.69)				14,195.01		3,035,000.00	2,964,273.11	(70,726.89)	25.40%
Equities:												
Concentrated & Other Equity	5,821,205.46	8,318,576.84	2,497,371.38	281,218.60	\$391,376.52	\$24,562.81	32,088.11		5,711,047.54	8,268,907.19	2,557,859.65	70.86%
Total Equities	5,821,205.46	8,318,576.84	2,497,371.38	281,218.60	\$391,376.52	\$24,562.81	32,088.11		5,711,047.54	8,268,907.19	2,557,859.65	70.86%
Total Redwine Endowment Assets at Luther King Cap Mgmt	59,123,258.71	511,541,855.40	\$2,418,596.69	5494,996.20	5424,150.27	\$24,562.81	\$34,493.12		59,182,314.64	511,669,447.40	\$2,487,132.76	100.00%
Mar, Apr, and May activity							2.58%	59,055.93	Market Value gain =	2,487,132.76	27.09%	
							(Annualized)	9,152,786.68		9,182,314.64		

Midwestern State University Historical Yields



**Midwestern State University
Pooled Investments
Total Invested**

