

Amend **SB 1447** (committee printing) as follows:

(1) In SECTION 1 of the bill, strike the recital and amended Subsection (a) and proposed Subsection (a-1), Section 825.301, Government Code (page 1, lines 11 through 47), and substitute:

SECTION 1. Section 825.301, Government Code, is amended by adding Subsections (a-1), (a-2), (a-3), and (b-1) and amending Subsection (b) to read as follows:

(a-1) This subsection expires September 1, 2012, and applies to the investment and reinvestment of assets of the retirement system only if the investment or reinvestment is made before September 1, 2012. In addition to any investment or reinvestment authorized by Subsection (a), the board of trustees may buy and sell the following, only to efficiently manage and reduce the risk of the overall investment portfolio:

(1) futures contracts;

(2) options;

(3) options on futures contracts;

(4) forward contracts;

(5) swap contracts, including swap contracts with embedded options;

(6) any instrument or contract intended to manage transaction or currency exchange risk in purchasing, selling, or holding investments; and

(7) any other instrument commonly used by institutional investors to manage institutional investment portfolios.

(2) In SECTION 1 of the bill, in proposed Subsection (a-2), Section 825.301, Government Code, strike the first sentence of that subsection (page 1, lines 48 through 51) and substitute "The board of trustees may delegate investment authority and contract with one or more private professional investment managers for investment and management of not more than 30 percent of the total assets held in trust by the retirement system.".

(3) In SECTION 1 of the bill, in proposed Subsection (a-2), Section 825.301, Government Code, following the second sentence (page 1, line 55), insert "The board of trustees may not contract under this subsection for investment and management services to be

performed on or after September 1, 2012."

(4) In SECTION 1 of the bill, in proposed Subsection (a-3), Section 825.301, Government Code, following "(a-3)" (page 1, line 56), strike "The board of trustees" and substitute "For the purpose of carrying out policy decisions made by the board of trustees, the board".