

Contact: Andrea Anania

INVESTMENT AND CASH MANAGEMENT REPORT
FOR THE QUARTER ENDED JUNE 30, 2012

Recommended Action: Receive the report.

Executive Summary: The Regent institutions maintain the following investment portfolios:

UNIVERSITY OF IOWA	Market Value		Return		Current Yield
	Dollars (000)	%	Quarter	1 Year	
Cash and Daily Liquidity	\$155,909	13.5%	0.06%	0.22%	0.23%
<i>91-Day T-Bill</i>			0.03%	0.08%	
Internally Managed Short-Term Securities and Bank CDs	\$23,286	2.0%	0.24%	1.09%	0.82%
<i>Merrill Lynch 1-3 Treasury/Agency</i>			0.19%	0.84%	
Externally Managed Diversified Operating Pool	\$979,007	84.5%	0.93%	4.90%	
<i>Merrill Lynch 1-3 Government/Corporate</i>			0.24%	1.18%	
Total Operating	\$1,158,202	100.0%	0.82%	4.32%	
Restricted Bond Accounts	\$173,296		0.07%	0.48%	0.67%
<i>91-Day T-Bill</i>			0.03%	0.08%	
<i>Merrill Lynch 1-3 Treasury/Agency</i>			0.19%	0.84%	
Long-Term Endowment	\$296,135		-1.82%	0.96%	
<i>Blended Policy Index</i>			-2.14%	1.25%	
Intermediate Term Pool	\$175,959		0.37%	4.37%	
<i>Barclays Aggregate</i>			2.06%	7.48%	
<ul style="list-style-type: none"> ▸ SUI has additional bond trustee balances of \$67.8 million with Wells Fargo Corporate Trust. ▸ SUI has an additional investment account at Chicago Equity Partners with a balance of \$24.3 million for the Iowa Medical Mutual Insurance Company. 					
IOWA STATE UNIVERSITY	Market Value		Return		Current Yield
	Dollars (000)	%	Quarter	1 Year	
Cash and Daily Liquidity	\$100,035	24.9%	0.03%	0.08%	0.13%
<i>91-Day T-Bill</i>			0.03%	0.08%	
Internally Managed Short-Term Securities and Bank CDs	\$139,443	34.6%	0.44%	1.11%	0.87%
<i>Merrill Lynch 1-3 Treasury/Agency</i>			0.19%	0.84%	
Externally Managed Diversified Operating Pool	\$162,993	40.5%	0.85%	4.90%	
<i>Merrill Lynch 1-3 Government/Corporate</i>			0.24%	1.18%	
Total Operating	\$402,471	100.0%	0.52%	2.44%	
Restricted Bond Accounts	\$84,846		0.05%	0.31%	0.71%
<i>91-Day T-Bill</i>			0.03%	0.08%	
<i>Merrill Lynch 1-3 Treasury/Agency</i>			0.19%	0.84%	
Long-Term Endowment	\$140,637		-1.48%	1.73%	
<i>Blended Policy Index</i>			-2.14%	1.25%	
<ul style="list-style-type: none"> ▸ ISU has additional bond trustee balances of \$18.3 million with Wells Fargo Corporate Trust. 					
UNIVERSITY OF NORTHERN IOWA	Market Value		Return		Current Yield
	Dollars (000)	%	Quarter	1 Year	
Cash and Daily Liquidity	\$3,559	5.5%	0.01%	0.05%	0.02%
<i>91-Day T-Bill</i>			0.03%	0.08%	
Internally Managed Short-Term Securities and Bank CDs	\$21,143	32.6%	0.19%	0.65%	1.19%
<i>Merrill Lynch 1-3 Treasury/Agency</i>			0.19%	0.84%	
Externally Managed Diversified Operating Pool	\$40,104	61.9%	0.93%	4.90%	
<i>Merrill Lynch 1-3 Government/Corporate</i>			0.24%	1.18%	
Total Operating	\$64,806	100.0%	0.65%	2.72%	
Restricted Bond Accounts	\$41,309		0.25%	0.88%	1.05%
<i>91-Day T-Bill</i>			0.03%	0.08%	
<i>Merrill Lynch 1-3 Treasury/Agency</i>			0.19%	0.84%	
<ul style="list-style-type: none"> ▸ UNI invests in SUI's Externally Managed Diversified Operating Pool and Long-Term Endowment. 					
IOWA SCHOOL FOR THE DEAF	Market Value		Return		Current Yield
	Dollars (000)	%	Quarter	1 Year	
Cash and Daily Liquidity	\$1,651	100.0%	0.01%	0.05%	0.05%
IOWA BRAILLE AND SIGHT SAVING SCHOOL	Market Value		Return		Current Yield
	Dollars (000)	%	Quarter	1 Year	
Cash and Daily Liquidity	\$1,110	100.0%	0.00%	0.00%	0.00%
<ul style="list-style-type: none"> ▸ ISD and IBSSS invest in ISU's Long-Term Endowment. 					

Background:

Board of Regents investment policy: <http://www.regents.iowa.gov/Policies/Chapter%207/chapter7.04.htm>

The Board of Regents employs an investment advisor for periodic review and evaluation of investment policy, strategy, and performance. Wilshire Consulting has been the investment advisor to the Board and Regent institutions since May 1996. Wilshire assists with the evaluation of the Board's investment policies and provides quarterly portfolio summary reports on fund and investment manager performance.

The Regent institutions maintain the following investment portfolios:

OPERATING PORTFOLIOS

The primary goals for investment prudence of the operating portfolios include safety of principal, maintenance of liquidity to match expected liabilities, and a reasonable return. The operating portfolio is to be managed to ensure funds are available to support operational needs.

RESTRICTED BOND ACCOUNTS

Bonds accounts include proceeds from bond issues. Accounts include project construction funds, sinking funds, and reserves. Each individual bond has specific investment restrictions which may vary by type of account with reserve accounts being the most restrictive as to types of authorized investment.

INTERMEDIATE TERM PORTFOLIOS

Intermediate term pools provide added flexibility for long-duration asset investment including quasi endowments, which are longer-term in nature but have no externally-imposed restriction that the principal remain intact.

ENDOWMENT PORTFOLIOS

The Board's investment policy defines endowment funds as primarily donor gifts and other funds received for specific purposes. The purpose of endowment funds is to provide:

- ▶ Intergenerational equity of income in perpetuity; and
- ▶ A stable income sufficient to meet the reasonable spending needs of the component endowments by keeping pace with inflation and not degrading the real value of the corpus over time.

Below are the Board authorized fund managers:

<u>MANAGER</u>	<u>TYPE</u>	<u>AUTHORIZED</u>
Adams Street Partners 2010 Global Offering	Private Equity Fund Manager	March 2010
Adams Street Partners 2012 Global Offering	Private Equity Fund Manager	September 2011
Chicago Equity Partners	Fixed Income Fund Manager	December 2010
Commonfund Capital, Inc. Natural Resource Partners IX	Private Real Assets Fund Manager	April 2012
Commonfund Capital International Partners VI, L.P. (CF Int'l Partners VI)	International Private Equity Manager	March 2007
Commonfund Capital Private Equity Partners VII, L.P. (CF Private Equity VII)	Domestic Private Equity Manager	March 2007
Commonfund Capital Venture Partners VIII, L.P. (CF Venture Capital VIII)	Primarily Domestic Venture Capital Manager	March 2007
Commonfund Capital Natural Resources Partners VIII, L.P. (CF NR Partners VIII)	Private Real Assets Fund Manager	September 2008
Delaware Investments	Small Cap Core Domestic Fund Manager	December 2008
Dimensional Fund Advisors (DFA)	Short-Term Fixed Income Manager	February 2012
Dodge & Cox (Income Fund)	Fixed Income Fund Manager	February 2004
Grantham, Mayo, Van Otterloo & Co. (GMO Foreign Fund)	International Equity Fund Manager	February 2004
Neuberger Berman	High Yield Bond Fund Manager	August 2011
NB Alternative Advisors (NB Crossroads XVIII)	Private Equity Fund Manager	November 2005
Landmark Partners (Landmark Equity Partners XIV, L.P.)	Private Equity Fund Manager	March 2010
Metropolitan Real Estate Partners Global III Fund (MREP Global III)	Private Real Estate Fund Manager	September 2009
Metropolitan Real Estate Partners Global VI Fund (MREP Global VI)	Private Real Estate Fund Manager	April 2012
PIMCO	Short-Term Fixed Income Manager	February 2012
Principal Financial Group (Enhanced Property Fund)	Private Real Estate Fund Manager	November 2005
Reams Asset Management	Fixed Income Fund Manager Institutional Endowments SUI Intermediate Term Endowment	January 2002 July 2001
State Street Global Advisors (SSGA ACWI ex-U.S. Index)	Short-Term Fixed Income Manager Diversified Investment Options (Intermediate Portfolio) International Equity Index Fund Manager	February 2012 February 2011 April 2009
Vanguard Group (Institutional Index Fund)	Short-Term Fixed Income Manager Diversified Investment Options (Operating Portfolio) Large Cap S&P 500 Index Fund	February 2012 September 2008 February 2008

**Intermediate Term Portfolios
Asset Class Allocation Policy**
Approved at the February 2011 meeting

<u>Asset Class</u>	<u>Target</u>	<u>Allowable Range</u>
<u>Public Equity</u>	<u>20%</u>	14-26%
U.S. Equity	10%	7-13%
Non U.S. Equity	10%	7-13%
<u>Fixed Income</u>	<u>55%</u>	50-60%
Core Fixed Income	40%	35-45%
High Yield Fixed Income	5%	3-7%
TIPS	10%	7-13%
<u>Cash</u>	<u>15%</u>	12-18%
<u>REITs</u>	<u>10%</u>	7-13%

**Endowment Portfolios
Asset Class Allocation Policy**

Approved at the September 2008 meeting; revised at the December 2008 meeting

<u>Asset Class</u>	<u>Target</u>	<u>Allowable Range</u>
<u>Public Equity</u>	<u>50%</u>	45-55%
U.S. Equity	25%	20-30%
Non U.S. Equity	25%	20-30%
<u>Fixed Income</u>	<u>30%</u>	25-35%
Core Fixed Income	25%	20-30%
High Yield Fixed Income	5%	0-10%
<u>Real Assets</u>	<u>10%</u>	5-15%
Public	0%	N/A
Private	10%	5-15%
<u>Private Equity</u>	<u>10%</u>	0-15%



*Board of Regents – State of Iowa
Executive Summary of Investment Performance
Quarter Ending June 30, 2012*

Operating Portfolios

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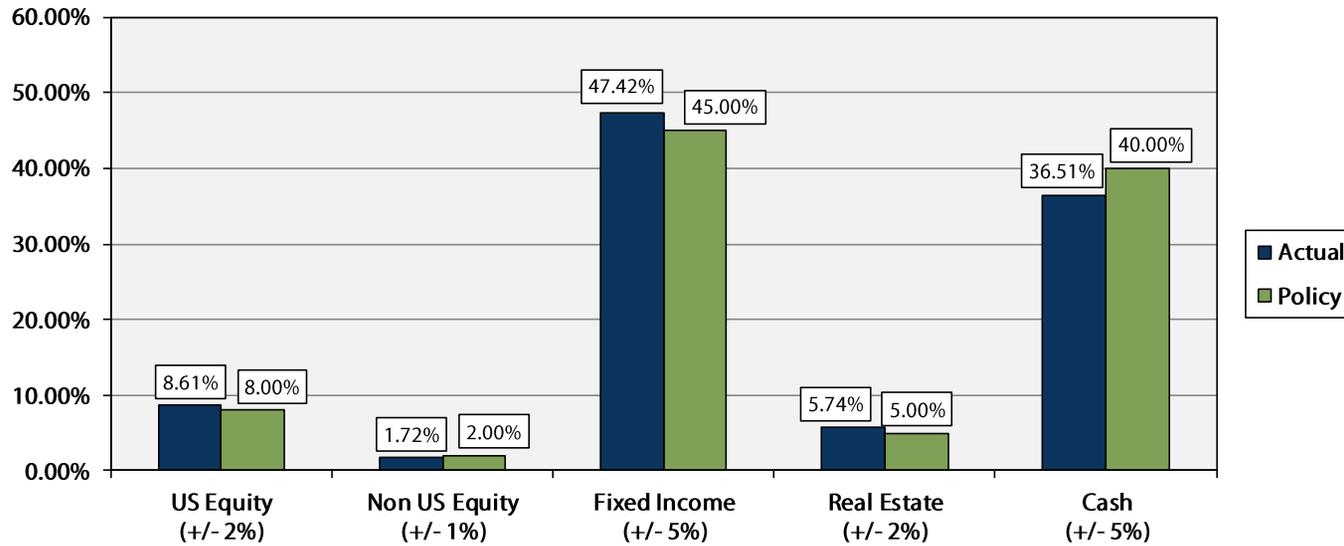
Section 1

Operating Portfolios

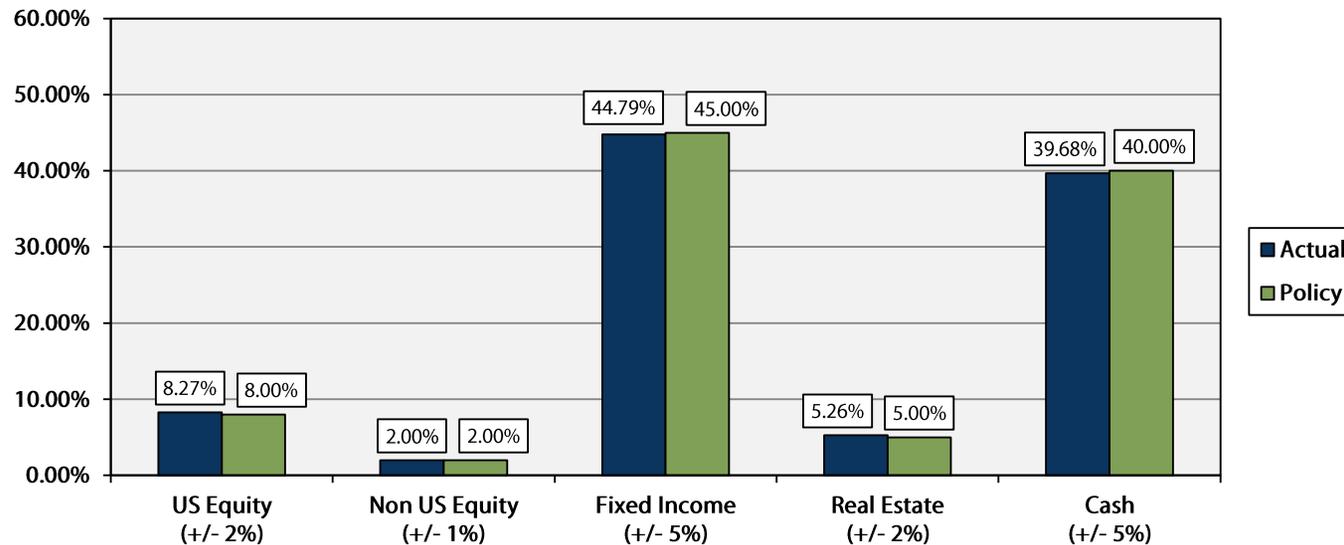
Asset Allocation

Quarter Ending June 30, 2012

University of Iowa Operating Portfolio



Iowa State University Operating Portfolio



Asset Allocation



Quarter Ending June 30, 2012

University of Iowa Operating Portfolio

Iowa State University Operating Portfolio

Manager / Asset Class	Market Value (000's)	Asset Allocation		
		Total Fund		Structure
		Actual	Policy	Actual
Vanguard Total Stock Market	\$87,717	8.61%		100.00%
TOTAL US EQUITY	\$87,717	8.61%	8.00%	100.00%
Vanguard AW Ex-US Index	\$17,513	1.72%		100.00%
TOTAL NON-US EQUITY	\$17,513	1.72%	2.00%	100.00%
Vanguard High Yield	\$53,511	5.25%	5.00%	11.07%
Vanguard Inflation Protected	\$112,284	11.02%	10.00%	23.24%
Vanguard Total Bond Market	\$317,435	31.15%	30.00%	65.69%
TOTAL FIXED INCOME	\$483,230	47.42%	45.00%	100.00%
Vanguard REIT	\$58,520	5.74%		100.00%
TOTAL REAL ESTATE	\$58,520	5.74%	5.00%	100.00%
TOTAL CASH¹	\$372,130	36.51%	40.00%	100.00%
TOTAL FUND	\$1,019,110	100.00%	100.00%	--

Manager / Asset Class	Market Value (000's)	Asset Allocation		
		Total Fund		Structure
		Actual	Policy	Actual
Vanguard Total Stock Market	\$13,475	8.27%		100.00%
TOTAL US EQUITY	\$13,475	8.27%	8.00%	100.00%
Vanguard AW Ex-US Index	\$3,257	2.00%		100.00%
TOTAL NON-US EQUITY	\$3,257	2.00%	2.00%	100.00%
Vanguard High Yield	\$8,256	5.06%	5.00%	11.31%
Vanguard Inflation Protected	\$16,068	9.86%	10.00%	22.01%
Vanguard Total Bond Market	\$48,683	29.87%	30.00%	66.68%
TOTAL FIXED INCOME	\$73,007	44.79%	45.00%	100.00%
Vanguard REIT	\$8,581	5.26%		100.00%
TOTAL REAL ESTATE	\$8,581	5.26%	5.00%	100.00%
TOTAL CASH²	\$64,671	39.68%	40.00%	100.00%
TOTAL FUND	\$162,991	100.00%	100.00%	--

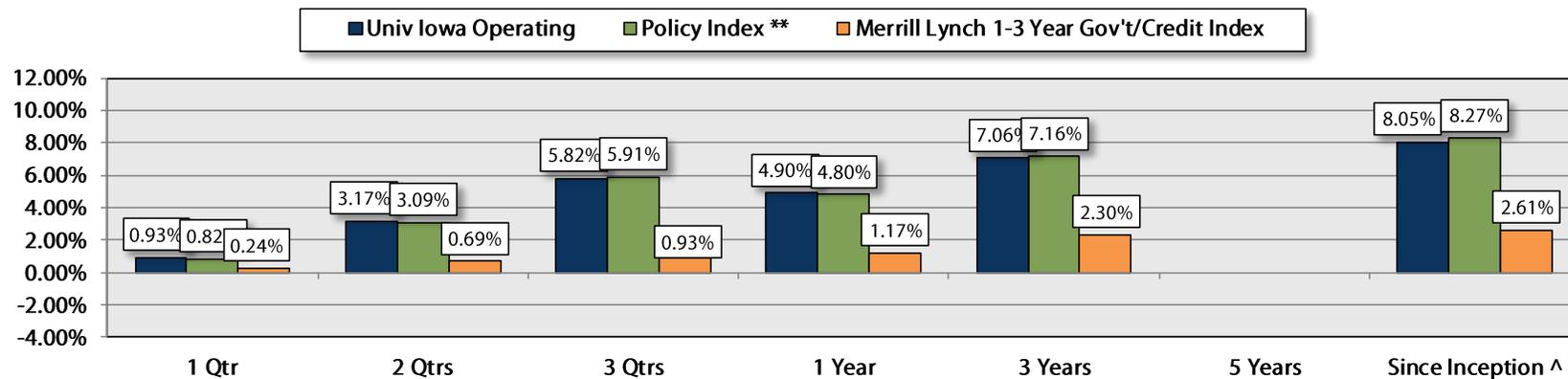
¹Total Cash is comprised of four cash accounts: Vanguard Prime Money Market, BlackRock Money Market, Federated Prime Value Obligations Money Market, and SSGA Liquid Reserves Money Market.

²Total Cash is comprised of two cash accounts: Vanguard Prime Money Market and Great Western Bank Money Market.

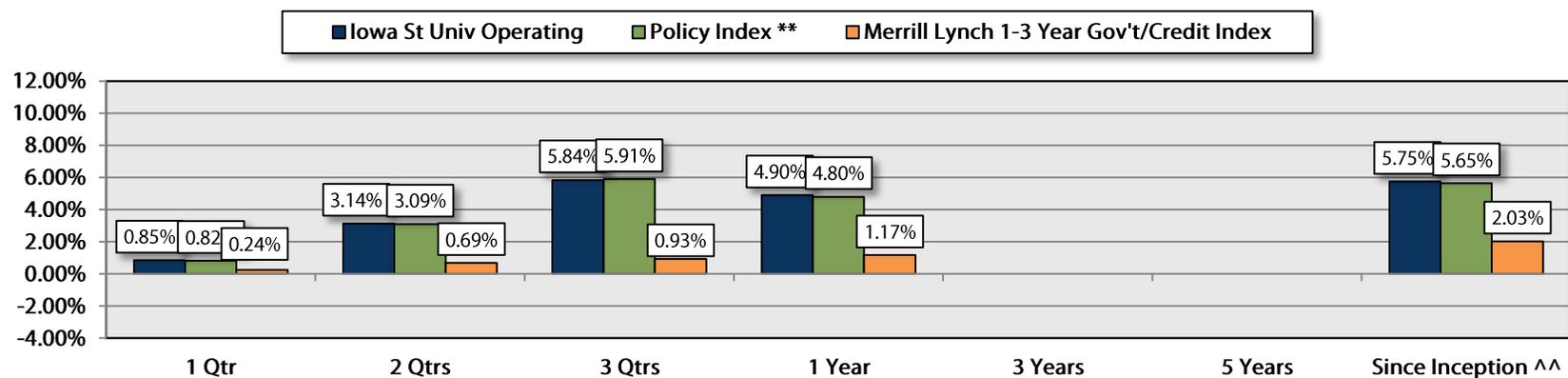
Investment Performance – Total Fund *

Quarter Ending June 30, 2012

University of Iowa Operating Portfolio



Iowa State University Operating Portfolio



* Net of Fees

** 8.0% MSCI US Broad Market, 2.0% FTSE All World Ex-US, 30.0% Barclays US Aggregate, 10.0% Barclays US TIPS, 5.0% Barclays High Yield, 5.0% MSCI US REIT, 40% 91-Day US Treasury Bill

^ University of Iowa Operating Inception 03/31/2009

^^ Iowa State Operating Inception 12/31/2009

Investment Performance – US Equity *



Quarter Ending June 30, 2012

Manager	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
UNIVERSITY OF IOWA OPERATING PORTFOLIO									
Vanguard Total Stock Market Fund	-3.18%	9.36%	22.59%	3.92%	16.92%			21.24%	03/31/09
MSCI US Broad Market Index	-3.16%	9.37%	22.63%	3.94%	16.94%			21.24%	
Value Added	-0.02%	-0.01%	-0.04%	-0.02%	-0.02%			+0.00%	
IOWA STATE UNIVERSITY OPERATING PORTFOLIO									
Vanguard Total Stock Market Fund	-3.18%	9.39%	22.59%	3.92%				10.92%	12/31/09
MSCI US Broad Market Index	-3.16%	9.37%	22.63%	3.94%				10.96%	
Value Added	-0.02%	+0.02%	-0.04%	-0.02%				-0.04%	

* Net of Fees

Investment Performance – Non-US Equity *



Quarter Ending June 30, 2012

Manager	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
UNIVERSITY OF IOWA OPERATING PORTFOLIO									
Vanguard AW Ex-US Index Fund	-7.41%	3.62%	8.33%	-14.64%	7.16%			15.04%	03/31/09
FTSE All World Ex-US Index	-7.51%	3.16%	6.96%	-14.45%	7.48%			15.47%	
Value Added	+0.10%	+0.46%	+1.37%	-0.19%	-0.32%			-0.43%	
IOWA STATE UNIVERSITY OPERATING PORTFOLIO									
Vanguard AW Ex-US Index Fund	-7.47%	3.53%	8.14%	-14.80%				-0.38%	12/31/09
FTSE All World Ex-US Index	-7.51%	3.16%	6.96%	-14.45%				-0.57%	
Value Added	+0.04%	+0.37%	+1.18%	-0.35%				+0.19%	

* Net of Fees

Investment Performance – Fixed Income *



Quarter Ending June 30, 2012

Manager	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
UNIVERSITY OF IOWA OPERATING PORTFOLIO									
Vanguard High Yield Fund	2.15%	6.60%	13.09%	8.97%	14.33%			17.96%	03/31/09
Barclays High Yield Index	1.83%	7.26%	14.19%	7.27%	16.28%			22.52%	
Value Added	+0.32%	-0.66%	-1.10%	+1.70%	-1.95%			-4.56%	
Vanguard Inflation Protected Sec Fund	3.24%	4.00%	6.74%	11.95%	9.61%			8.94%	03/31/09
Barclays US TIPS Index	3.12%	4.04%	6.84%	11.66%	9.63%			9.07%	
Value Added	+0.12%	-0.04%	-0.10%	+0.29%	-0.02%			-0.13%	
Vanguard Total Bond Market Fund	2.17%	2.46%	3.45%	7.62%	6.92%			6.93%	03/31/09
Barclays Aggregate Index	2.06%	2.37%	3.52%	7.48%	6.93%			6.97%	
Value Added	+0.11%	+0.09%	-0.07%	+0.14%	-0.01%			-0.04%	
IOWA STATE UNIVERSITY OPERATING PORTFOLIO									
Vanguard High Yield Fund	2.14%	6.58%	13.07%	8.96%				10.59%	12/31/09
Barclays High Yield Index	1.83%	7.26%	14.19%	7.27%				10.94%	
Value Added	+0.31%	-0.68%	-1.12%	+1.69%				-0.35%	
Vanguard Inflation Protected Sec Fund	3.24%	4.00%	6.74%	11.95%				9.47%	12/31/09
Barclays US TIPS Index	3.12%	4.04%	6.84%	11.66%				9.55%	
Value Added	+0.12%	-0.04%	-0.10%	+0.29%				-0.08%	
Vanguard Total Bond Market Fund	2.17%	2.45%	3.45%	7.60%				6.71%	12/31/09
Barclays Aggregate Index	2.06%	2.37%	3.52%	7.48%				6.71%	
Value Added	+0.11%	+0.08%	-0.07%	+0.12%				+0.00%	

* Net of Fees

Investment Performance – Real Estate *



Quarter Ending June 30, 2012

Manager	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
UNIVERSITY OF IOWA OPERATING PORTFOLIO									
Vanguard REIT Index Fund	3.79%	14.92%	32.44%	13.25%	33.10%			41.15%	03/31/09
MSCI US REIT Index	3.75%	14.88%	32.43%	13.18%	33.06%			41.17%	
Value Added	+0.04%	+0.04%	+0.01%	+0.07%	+0.04%			-0.02%	
IOWA STATE UNIVERSITY OPERATING PORTFOLIO									
Vanguard REIT Index Fund	3.79%	14.92%	32.44%	13.25%				20.83%	12/31/09
MSCI US REIT Index	3.75%	14.88%	32.43%	13.18%				20.81%	
Value Added	+0.04%	+0.04%	+0.01%	+0.07%				+0.02%	

* Net of Fees

Investment Performance – Cash *



Quarter Ending June 30, 2012

Manager	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
UNIVERSITY OF IOWA OPERATING PORTFOLIO									
Vanguard Prime Money Market Fund	0.03%	0.05%	0.08%	0.10%	0.18%			0.22%	03/31/09
91-Day Treasury Bill	0.03%	0.04%	0.04%	0.05%	0.12%			0.13%	
Value Added	+0.00%	+0.01%	+0.04%	+0.05%	+0.06%			+0.09%	
BlackRock Money Market	0.04%	0.08%	0.11%	0.13%				0.16%	03/31/10
91-Day Treasury Bill	0.03%	0.04%	0.04%	0.05%				0.11%	
Value Added	+0.01%	+0.04%	+0.07%	+0.08%				+0.05%	
Federated Prime Value Obligations	0.05%	0.11%	0.16%	0.19%				0.19%	03/31/10
91-Day Treasury Bill	0.03%	0.04%	0.04%	0.05%				0.11%	
Value Added	+0.02%	+0.07%	+0.12%	+0.14%				+0.08%	
SSGA Liquid Reserves	0.05%	0.10%	0.14%					0.14%	09/30/11
91-Day Treasury Bill	0.03%	0.04%	0.04%					0.04%	
Value Added	+0.02%	+0.06%	+0.10%					+0.10%	
IOWA STATE UNIVERSITY OPERATING PORTFOLIO									
Great Western Bank Money Market	0.10%	0.21%	0.29%	0.38%				0.40%	12/31/09
91-Day Treasury Bill	0.03%	0.04%	0.04%	0.05%				0.11%	
Value Added	+0.07%	+0.17%	+0.25%	+0.33%				+0.29%	
Vanguard Prime Money Market Fund	0.03%	0.05%	0.08%					0.08%	09/30/11
91-Day Treasury Bill	0.03%	0.04%	0.04%					0.04%	
Value Added	+0.00%	+0.01%	+0.04%					+0.04%	

* Net of Fees

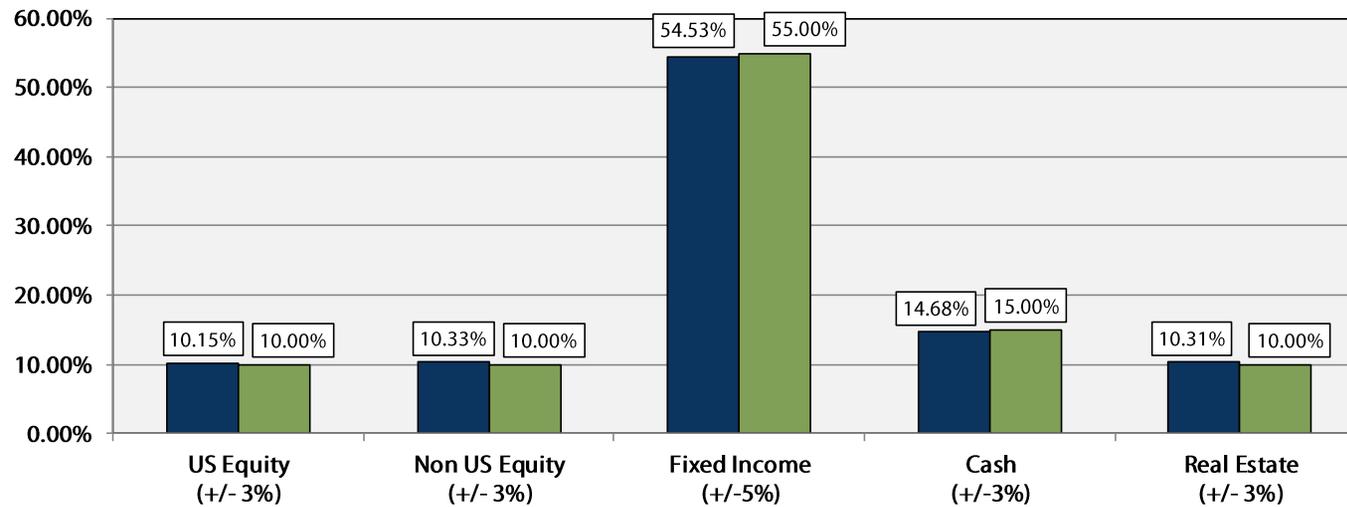
Section 2

Intermediate Term Portfolios

Asset Allocation

Quarter Ending June 30, 2012

University of Iowa Intermediate Term Portfolio



A new policy asset allocation was approved by the Board of Regents on 2/2/2011 reflecting the intermediate term investment horizon for the Quasi-Endowment portfolio. Upon implementation the asset allocation policy will be as followed commencing on June 30, 2011: 10% Dow Jones U.S. Total Stock Market Index, 10% MSCI ACWI ex-US Index, Dow Jones U.S. Select REIT Index, 40% Barclays U.S. Aggregate Bond Index, 5% Barclays U.S. High Yield Index, 10% Barclays U.S. TIPS Index, and 15% 91-Day T-Bill Index.

Asset Allocation



Quarter Ending June 30, 2012

University of Iowa Intermediate Term Portfolio

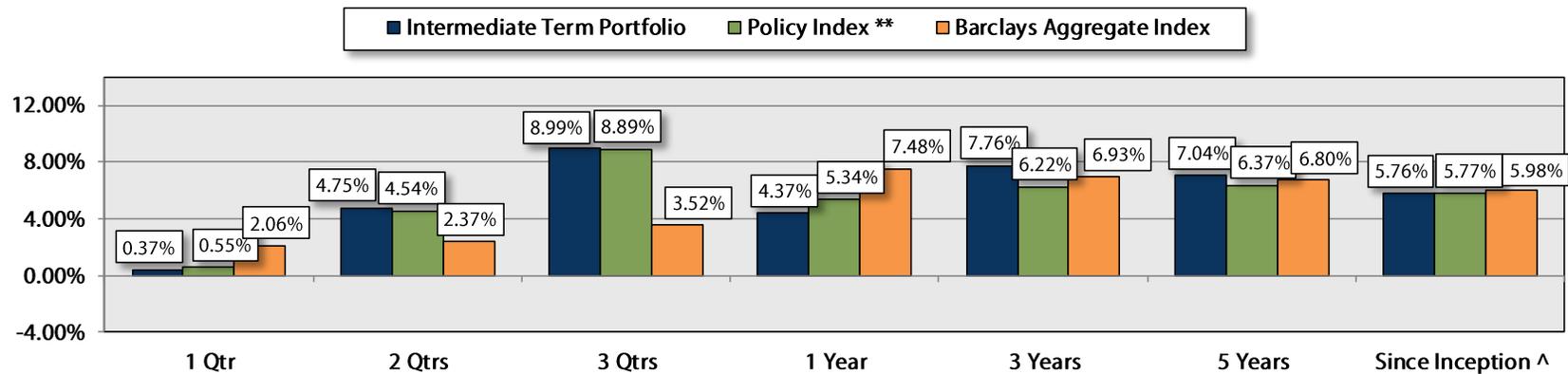
Manager / Asset Class	Market Value (000's)	Asset Allocation		
		Total Fund		Structure
		Actual	Policy	Actual
SSGA U.S. Total Market Index	\$17,867	10.15%		100.00%
TOTAL US EQUITY	\$17,867	10.15%	10.00%	100.00%
SSGA MSCI ACWI ex-U.S. Index	\$18,173	10.33%		100.00%
TOTAL NON-US EQUITY	\$18,173	10.33%	10.00%	100.00%
SSGA U.S. High Yield Bond Index	\$8,846	5.03%	5.00%	9.22%
SSGA U.S. TIPS Index	\$17,342	9.86%	10.00%	18.07%
SSGA U.S. Aggregate Bond Index	\$34,826	19.79%	20.00%	36.30%
Dodge & Cox Income	\$34,931	19.85%	20.00%	36.41%
TOTAL FIXED INCOME	\$95,945	54.53%	55.00%	100.00%
SSGA U.S. REIT Index	\$18,143	10.31%		100.00%
TOTAL REAL ESTATE	\$18,143	10.31%	10.00%	100.00%
TOTAL CASH	\$25,831	14.68%	15.00%	100.00%
TOTAL FUND	\$175,959	100.00%	100.00%	--

Investment Performance – Total Fund *



Quarter Ending June 30, 2012

University of Iowa Intermediate Term Portfolio



* Net of Fees

** 10% Dow Jones U.S. Total Stock Market Index, 10% MSCI ACWI ex-US Index, 10% Dow Jones U.S. Select REIT Index, 40% Barclays U.S. Aggregate Bond Index, 5% Barclays U.S. High Yield Index, 10% Barclays U.S. TIPS Index, and 15% 91-Day T-Bill Index from June 30, 2011 till Present; 100.0% Barclays Aggregate from June, 30. 2001 until March 31, 2011; 100% Barclays Gov't / Credit Index from Inception until June 30, 2001

^ Quasi / Intermediate Term Pool Inception 06/30/1998

Investment Performance – US Equity *



Quarter Ending June 30, 2012

Manager / Composite	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
Intermediate Term Portfolio									
SSGA U.S. Total Market Index	-3.15%	9.35%	22.56%	3.89%				3.89%	06/30/11
Wilshire 5000 Index	-3.13%	9.22%	22.36%	3.96%				3.96%	
Value Added	-0.02%	+0.13%	+0.20%	-0.07%				-0.07%	

* Net of Fees

Investment Performance – Non-US Equity *



Quarter Ending June 30, 2012

Manager / Composite	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
Intermediate Term Portfolio									
SSGA MSCI ACWI ex-U.S. Index	-7.64%	2.64%	6.45%	-14.67%				-14.67%	06/30/11
MSCI ACW Ex-US Index	-7.38%	3.13%	7.02%	-14.15%				-14.15%	
Value Added	-0.26%	-0.49%	-0.57%	-0.52%				-0.52%	

* Net of Fees

Investment Performance – Fixed Income *



Quarter Ending June 30, 2012

Manager / Composite	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
Intermediate Term Portfolio									
Dodge & Cox	1.19%	4.07%	5.37%	5.47%	7.69%	6.78%		5.33%	03/31/04
Barclays Aggregate Index	2.06%	2.37%	3.52%	7.48%	6.93%	6.80%		5.24%	
Value Added	-0.87%	+1.70%	+1.85%	-2.01%	+0.76%	-0.02%		+0.09%	
SSGA U.S. Aggregate Bond Index	2.05%	2.31%	3.45%	7.35%				7.35%	06/30/11
Barclays Aggregate Index	2.06%	2.37%	3.52%	7.48%				7.48%	
Value Added	-0.01%	-0.06%	-0.07%	-0.13%				-0.13%	
SSGA U.S. TIPS Index	3.14%	4.00%	6.78%	11.62%				11.62%	06/30/11
Barclays U.S. TIPS	3.15%	4.04%	6.84%	11.66%				11.66%	
Value Added	-0.01%	-0.04%	-0.06%	-0.04%				-0.04%	
SSGA U.S. High Yield Bond Index	1.79%	5.84%	12.03%	7.88%				7.88%	06/30/11
Barclays U.S. High Yield 2% Iss. Cap Index	1.95%	6.73%	13.17%	8.00%				8.00%	
Value Added	-0.16%	-0.89%	-1.14%	-0.12%				-0.12%	
Fixed Income Composite	1.90%	3.56%	5.51%	7.46%	8.45%	7.44%	6.09%	6.05%	03/31/01
Policy Index	2.25%	3.20%	5.23%	8.35%	7.27%	7.00%	5.73%	5.89%	
Value Added	-0.35%	+0.36%	+0.28%	-0.89%	+1.18%	+0.44%	+0.36%	+0.16%	

* Net of Fees

Investment Performance – Real Estate *



Quarter Ending June 30, 2012

Manager / Composite	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
<i>Intermediate Term Portfolio</i>									
SSGA U.S. REIT Index	3.69%	14.74%	32.26%	13.08%				13.08%	06/30/11
Wilshire REIT Index	3.71%	14.90%	32.62%	13.21%				13.21%	
Value Added	-0.02%	-0.16%	-0.36%	-0.13%				-0.13%	

* Net of Fees

Investment Performance – Cash *



Quarter Ending June 30, 2012

Manager / Composite	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
<i>Intermediate Term Portfolio</i>									
SSGA Liquid Reserves Fund	0.05%	0.08%	0.12%	0.16%				0.16%	06/30/11
91-Day Treasury Bill	0.03%	0.04%	0.04%	0.05%				0.05%	
Value Added	+0.02%	+0.04%	+0.08%	+0.11%				+0.11%	

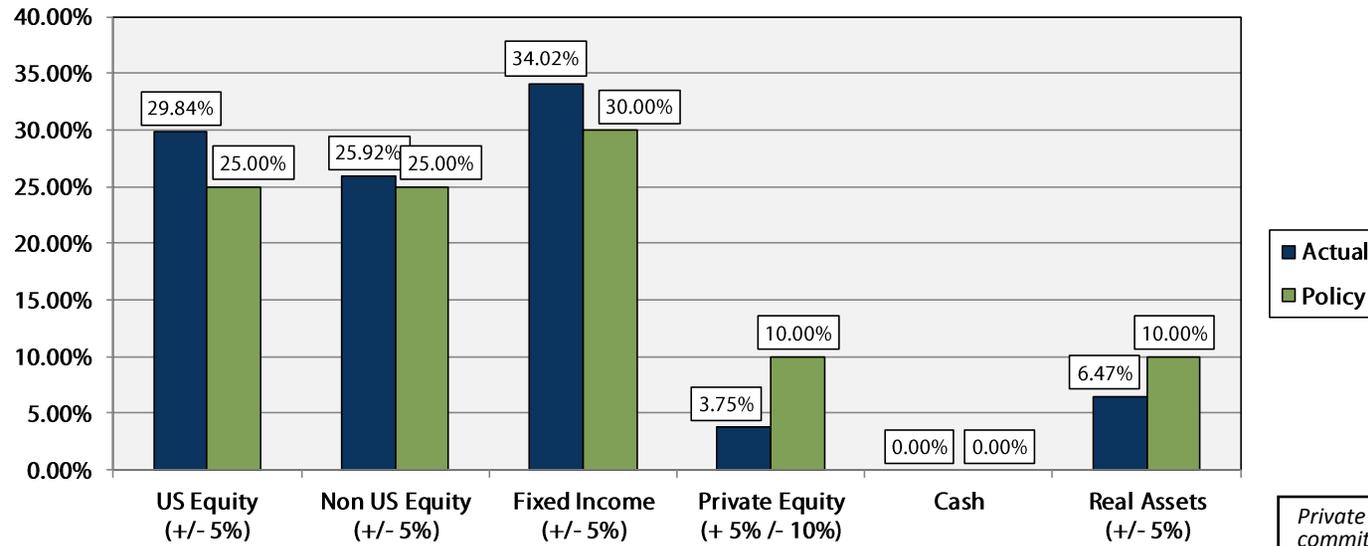
* Net of Fees

Section 3
Endowment Portfolios

Asset Allocation

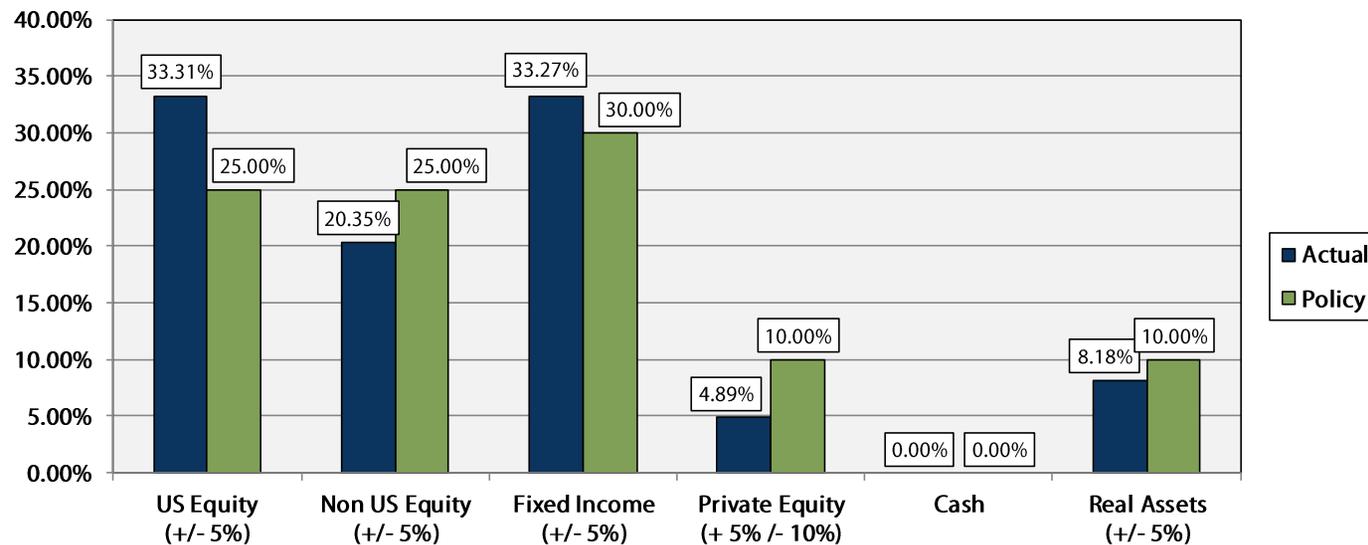
Quarter Ending June 30, 2012

University of Iowa Endowment



Private equity and real assets commitments are not fully called by investment managers; therefore, allocations to other asset classes may be temporarily outside policy ranges.

Iowa State University Endowment



Asset Allocation



Quarter Ending June 30, 2012

University of Iowa Endowment

Manager / Asset Class	Market Value (000's)	Asset Allocation		
		Total Fund		Structure
		Actual	Policy	Actual
Vanguard S&P 500	\$70,773	23.90%		80.10%
Delaware Investments	\$17,582	5.94%		19.90%
TOTAL US EQUITY	\$88,355	29.84%	25.00%	100.00%
GMO Foreign Fund	\$38,283	12.93%		49.89%
SSgA ACW Ex-US Index	\$38,459	12.99%		50.11%
TOTAL NON-US EQUITY	\$76,742	25.92%	25.00%	100.00%
Neuberger Berman High Yield	\$16,070	5.42%	5.00%	15.95%
Chicago Equity Partners	\$41,859	14.14%		41.54%
Reams Asset Management	\$42,829	14.46%		42.51%
TOTAL FIXED INCOME	\$100,758	34.02%	30.00%	100.00%
TOTAL PRIVATE EQUITY	\$11,109	3.75%	10.00%	100.00%
TOTAL REAL ASSETS	\$19,171	6.47%	10.00%	100.00%
TOTAL CASH	\$0	0.00%	0.00%	--
TOTAL FUND	\$296,135	100.00%	100.00%	--

Iowa State University Endowment

Manager / Asset Class	Market Value (000's)	Asset Allocation		
		Total Fund		Structure
		Actual	Policy	Actual
Vanguard S&P 500	\$38,708	27.52%		82.61%
Delaware Investments	\$8,146	5.79%		17.39%
TOTAL US EQUITY	\$46,854	33.31%	25.00%	100.00%
GMO Foreign Fund	\$14,724	10.47%		51.44%
SSgA ACW Ex-US Index	\$13,898	9.88%		48.56%
TOTAL NON-US EQUITY	\$28,622	20.35%	25.00%	100.00%
Neuberger Berman High Yield	\$9,927	7.06%	5.00%	21.22%
Chicago Equity Partners	\$18,352	13.05%		39.23%
Reams Asset Management	\$18,503	13.16%		39.55%
TOTAL FIXED INCOME	\$46,782	33.27%	30.00%	100.00%
TOTAL PRIVATE EQUITY	\$6,877	4.89%	10.00%	100.00%
TOTAL REAL ASSETS	\$11,502	8.18%	10.00%	100.00%
TOTAL CASH	\$0	0.00%	0.00%	--
TOTAL FUND	\$140,637	100.00%	100.00%	--

Liquidity Chart

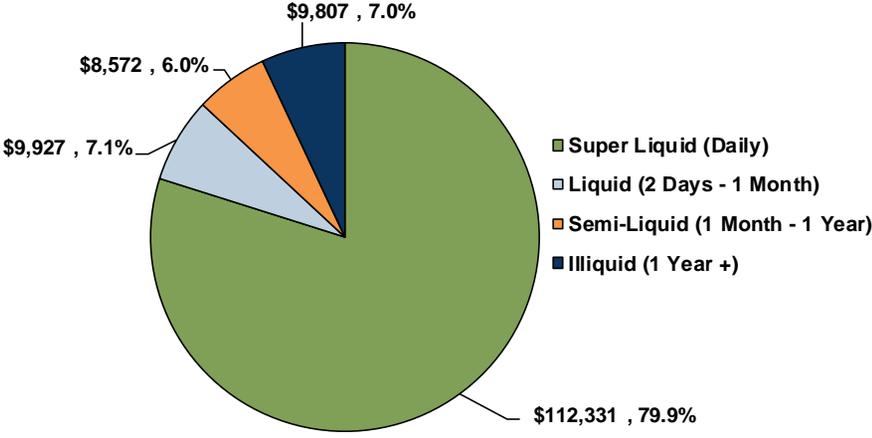
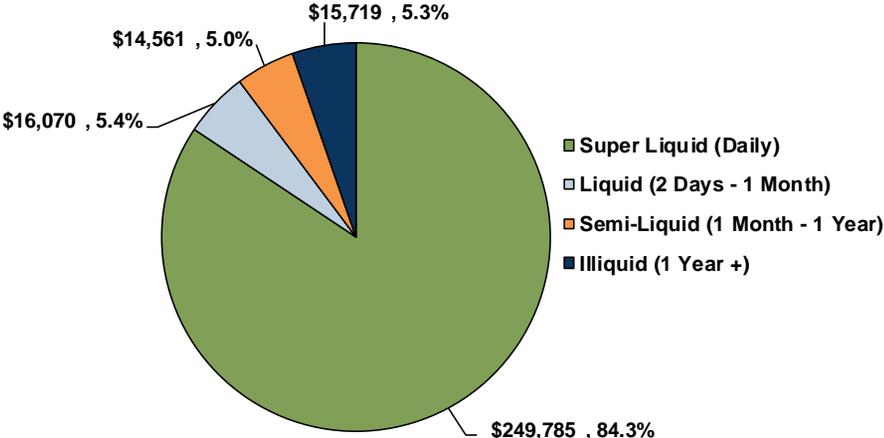
Quarter Ending June 30, 2012

University of Iowa Endowment

Iowa State University Endowment

Portfolio Liquidity Assessment (Under Normal Environments)

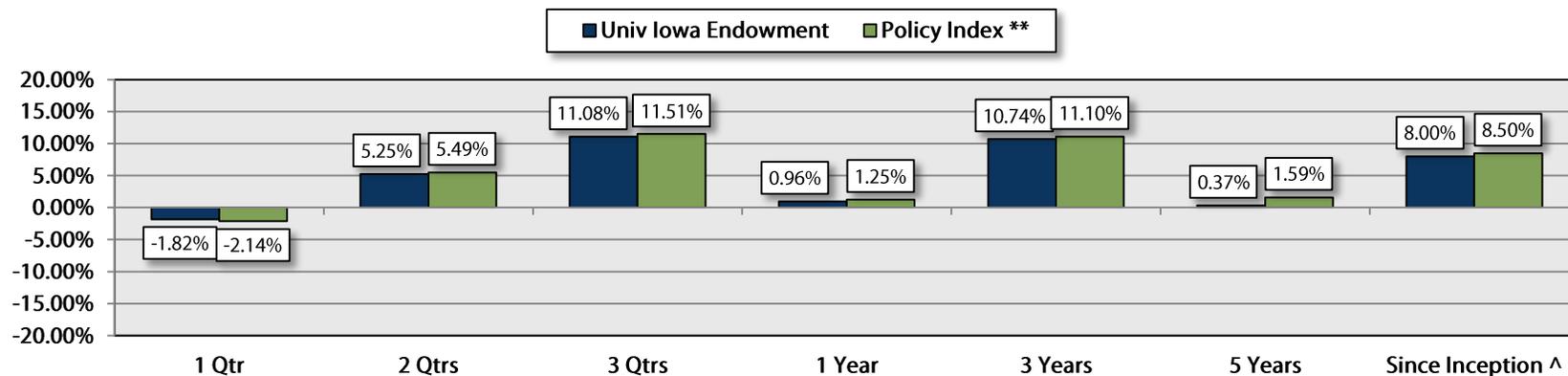
Portfolio Liquidity Assessment (Under Normal Environments)



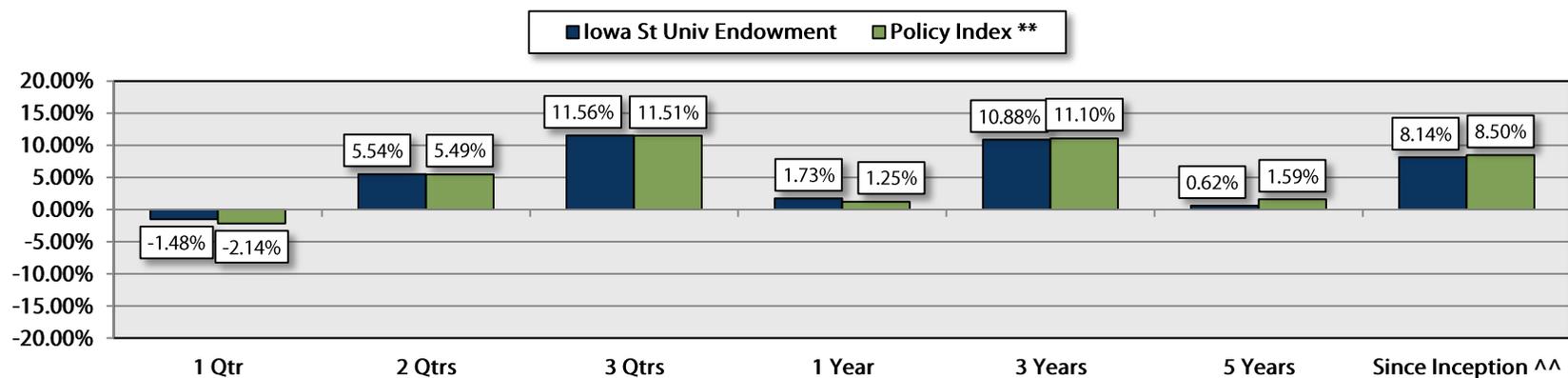
Investment Performance – Total Fund *

Quarter Ending June 30, 2012

University of Iowa Endowment



Iowa State University Endowment



* Net of Fees

** 25.0% Wilshire 5000, 25.0% MSCI EAFE (N), 25.0% Barclays Aggregate, 5.0% ML High Yield II Total Return, 10.0% CPI +5% (Annualized), 10% Private Equity Benchmark (Wilshire 5000 Index)

^ University of Iowa Endowment Inception 03/31/1989

^^ Iowa State Endowment Inception 03/31/1989

Investment Performance – US Equity *



Quarter Ending June 30, 2012

Manager / Composite	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
UNIVERSITY OF IOWA ENDOWMENT									
Vanguard S&P 500 Index Fund	-2.78%	9.46%	22.36%	5.36%	16.31%			2.95%	03/31/08
S&P 500 Index	-2.75%	9.48%	22.41%	5.44%	16.39%			2.95%	
Value Added	-0.03%	-0.02%	-0.05%	-0.08%	-0.08%			+0.00%	
Delaware Investments	-3.02%	9.53%	29.07%	1.22%	19.78%			25.13%	03/31/09
Russell 2000 Index	-3.47%	8.53%	25.34%	-2.06%	17.80%			23.25%	
Value Added	+0.45%	+1.00%	+3.73%	+3.28%	+1.98%			+1.88%	
US Equity Composite	-2.83%	9.47%	23.63%	4.47%	16.94%	-0.52%	4.71%	8.95%	03/31/89
Wilshire 5000 Index	-3.13%	9.22%	22.36%	3.96%	16.65%	0.43%	6.04%	9.14%	
Value Added	+0.30%	+0.25%	+1.27%	+0.51%	+0.29%	-0.95%	-1.33%	-0.19%	
IOWA STATE UNIVERSITY ENDOWMENT									
Vanguard S&P 500 Index Fund	-2.77%	9.44%	22.35%	5.35%	16.31%			2.94%	03/31/08
S&P 500 Index	-2.75%	9.48%	22.41%	5.44%	16.39%			2.95%	
Value Added	-0.02%	-0.04%	-0.06%	-0.09%	-0.08%			-0.01%	
Delaware Investments	-2.99%	9.46%	28.48%	1.15%	19.86%			25.20%	03/31/09
Russell 2000 Index	-3.47%	8.53%	25.34%	-2.06%	17.80%			23.25%	
Value Added	+0.48%	+0.93%	+3.14%	+3.21%	+2.06%			+1.95%	
US Equity Composite	-2.81%	9.45%	23.51%	4.44%	16.87%	-0.65%	4.55%	8.74%	03/31/89
Wilshire 5000 Index	-3.13%	9.22%	22.36%	3.96%	16.65%	0.43%	6.04%	9.14%	
Value Added	+0.32%	+0.23%	+1.15%	+0.48%	+0.22%	-1.08%	-1.49%	-0.40%	

* Net of Fees

Investment Performance – Non-US Equity *



Quarter Ending June 30, 2012

Manager / Composite	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
UNIVERSITY OF IOWA ENDOWMENT									
GMO Foreign Fund	-6.76%	3.04%	6.80%	-14.52%	4.30%	-7.17%		3.01%	03/31/04
MSCI EAFE Index (N)	-7.13%	2.96%	6.39%	-13.83%	5.96%	-6.10%		3.58%	
Value Added	+0.37%	+0.08%	+0.41%	-0.69%	-1.66%	-1.07%		-0.57%	
SSgA ACW Ex-US Index Fund	-7.63%	2.65%	6.45%	-14.70%	6.74%			6.74%	06/30/09
MSCI ACW Ex-US Index	-7.38%	3.13%	7.02%	-14.15%	7.43%			7.43%	
Value Added	-0.25%	-0.48%	-0.57%	-0.55%	-0.69%			-0.69%	
Non-US Equity Composite	-7.18%	2.87%	6.64%	-14.59%	5.54%	-6.50%	5.81%	4.51%	09/30/04
MSCI EAFE Index (N)	-7.13%	2.96%	6.39%	-13.83%	5.96%	-6.10%	5.14%	3.93%	
Value Added	-0.05%	-0.09%	+0.25%	-0.76%	-0.42%	-0.40%	+0.67%	+0.58%	
IOWA STATE UNIVERSITY ENDOWMENT									
GMO Foreign Fund	-6.75%	3.05%	6.82%	-14.47%	4.32%	-7.18%		3.00%	03/31/04
MSCI EAFE Index (N)	-7.13%	2.96%	6.39%	-13.83%	5.96%	-6.10%		3.58%	
Value Added	+0.38%	+0.09%	+0.43%	-0.64%	-1.64%	-1.08%		-0.58%	
SSgA ACW Ex-US Index Fund	-7.64%	2.65%	6.45%	-14.70%	6.74%			6.74%	06/30/09
MSCI ACW Ex-US Index	-7.38%	3.13%	7.02%	-14.15%	7.43%			7.43%	
Value Added	-0.26%	-0.48%	-0.57%	-0.55%	-0.69%			-0.69%	
Non-US Equity Composite	-7.18%	2.86%	6.64%	-14.58%	5.64%	-6.46%	5.56%	4.36%	09/30/04
MSCI EAFE Index (N)	-7.13%	2.96%	6.39%	-13.83%	5.96%	-6.10%	5.14%	3.93%	
Value Added	-0.05%	-0.10%	+0.25%	-0.75%	-0.32%	-0.36%	+0.42%	+0.43%	

* Net of Fees

Investment Performance – Fixed Income *



Quarter Ending June 30, 2012

Manager / Composite	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
UNIVERSITY OF IOWA ENDOWMENT									
Chicago Equity Partners	2.60%	1.92%	2.94%	8.21%				8.62%	03/31/11
Barclays Aggregate Index	2.06%	2.37%	3.52%	7.48%				7.87%	
Value Added	+0.54%	-0.45%	-0.58%	+0.73%				+0.75%	
Reams	1.84%	3.64%	5.60%	8.35%	8.70%	7.60%		5.72%	09/30/02
Barclays Aggregate Index	2.06%	2.37%	3.52%	7.48%	6.93%	6.80%		5.30%	
Value Added	-0.22%	+1.27%	+2.08%	+0.87%	+1.77%	+0.80%		+0.42%	
Neuberger Berman High Yield	1.89%	7.11%	14.73%					14.73%	09/30/11
ML High Yield II Total Return Index	1.83%	7.08%	13.69%					13.69%	
Value Added	+0.06%	+0.03%	+1.04%					+1.04%	
Fixed Income Composite	2.16%	3.43%	5.77%	8.82%	10.01%	7.74%	6.17%	7.45%	03/31/89
Policy Index	2.06%	2.37%	3.52%	7.48%	6.93%	6.80%	5.63%	7.30%	
Value Added	+0.10%	+1.06%	+2.25%	+1.34%	+3.08%	+0.94%	+0.54%	+0.15%	
IOWA STATE UNIVERSITY ENDOWMENT									
Chicago Equity Partners	2.60%	1.84%	2.90%	8.25%				8.60%	03/31/11
Barclays Aggregate Index	2.06%	2.37%	3.52%	7.48%				7.87%	
Value Added	+0.54%	-0.53%	-0.62%	+0.77%				+0.73%	
Reams	1.80%	3.70%	5.64%	8.39%	9.12%	8.01%		5.96%	09/30/02
Barclays Aggregate Index	2.06%	2.37%	3.52%	7.48%	6.93%	6.80%		5.30%	
Value Added	-0.26%	+1.33%	+2.12%	+0.91%	+2.19%	+1.21%		+0.66%	
Neuberger Berman High Yield	2.03%	7.11%	14.70%					14.70%	09/30/11
ML High Yield II Total Return Index	1.83%	7.08%	13.69%					13.69%	
Value Added	+0.20%	+0.03%	+1.01%					+1.01%	
Fixed Income Composite	2.16%	3.64%	6.23%	9.02%	10.41%	8.06%	6.34%	7.07%	03/31/89
Policy Index	2.06%	2.37%	3.52%	7.48%	6.93%	6.80%	5.63%	7.30%	
Value Added	+0.10%	+1.27%	+2.71%	+1.54%	+3.48%	+1.26%	+0.71%	-0.23%	

* Net of Fees

Private Market Allocation Summary



Quarter Ending June 30, 2012

	UNIVERSITY OF IOWA ENDOWMENT		IOWA STATE UNIVERSITY ENDOWMENT	
	Thousands (\$)	Allocation (%)	Thousands (\$)	Allocation (%)
Total Portfolio Assets	\$296,135	100.0%	\$140,637	100.0%
Private Equity Target Allocation	\$29,614	10.0%	\$14,064	10.0%
Private Equity Market Value	\$11,109	3.8%	\$6,877	4.9%
Unfunded Commitments	\$21,094	7.1%	\$10,745	7.6%
Market Value + Unfunded	\$32,203	10.9%	\$17,622	12.5%
Remaining Allocation	-\$2,590	-0.9%	-\$3,558	-2.5%
Private Real Assets Target Allocation	\$29,614	10.0%	\$14,064	10.0%
Private Real Assets Market Value	\$19,171	6.5%	\$11,502	8.2%
Unfunded Commitments	\$26,275	8.9%	\$12,006	8.5%
Market Value + Unfunded	\$45,446	15.3%	\$23,508	16.7%
Remaining Allocation	-\$15,832	-5.3%	-\$9,444	-6.7%

For reporting purposes, Private Equity and Private Real Asset manager valuations are displayed on a one quarter lag, but reflect current quarter cash flows.

Investment Performance – Private Equity*



Quarter Ending June 30, 2012

Manager / Composite	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
UNIVERSITY OF IOWA ENDOWMENT									
NB Crossroads XVIII	4.52%	7.62%	5.13%	10.72%	14.09%	3.51%		3.94%	12/31/06
CF Int'l Partners VI	6.44%	7.60%	-2.10%	2.08%	8.14%	-14.58%		-13.93%	03/31/07
CF Private Equity VII	4.77%	9.56%	8.20%	13.17%	5.37%	-38.69%		-37.24%	03/31/07
CF Venture Partners VIII	3.15%	3.67%	4.84%	14.24%	7.28%	-23.08%		-23.08%	06/30/07
Landmark Equity Partners XIV	-0.55%	0.88%	3.23%	14.01%				23.12%	03/31/10
Adams Street 2010 U.S. Fund	4.52%	9.03%	9.92%	10.65%				15.57%	06/30/10
Adams Street 2010 Non-U.S. Developed Fund	4.67%	11.08%	3.99%	7.97%				-15.39%	06/30/10
Adams Street 2010 Emerging Markets	-4.79%	-11.65%	-17.38%	-37.39%				-16.58%	03/31/11
Adams Street 2012 U.S. Fund	-20.24%							-20.24%	03/31/12
Adams Street 2012 Non-U.S. Developed Fund	-26.35%							-26.35%	03/31/12
Adams Street 2012 Emerging Markets									06/30/12
Private Equity Composite	3.33%	6.08%	4.40%	10.33%	12.91%	2.57%		3.09%	12/31/06
Wilshire 5000 Index	-3.13%	9.22%	22.36%	3.96%	16.65%	0.42%		1.73%	
Value Added	+6.46%	-3.14%	-17.96%	+6.37%	-3.74%	+2.15%		+1.36%	
IOWA STATE UNIVERSITY ENDOWMENT									
NB Crossroads XVIII	4.52%	7.62%	5.13%	10.72%	14.09%	3.51%		3.94%	12/31/06
CF Int'l Partners VI	6.44%	7.60%	-2.10%	2.07%	8.14%	-14.57%		-13.93%	03/31/07
CF Private Equity VII	4.77%	9.56%	8.20%	13.17%	5.37%	-38.68%		-37.24%	03/31/07
CF Venture Partners VIII	3.15%	3.67%	4.83%	14.24%	7.25%	-23.09%		-23.09%	06/30/07
Landmark Equity Partners XIV	-0.55%	0.88%	3.23%	14.01%				23.12%	03/31/10
Adams Street 2010 U.S. Fund	4.52%	9.03%	9.92%	10.65%				15.57%	06/30/10
Adams Street 2010 Non-U.S. Developed Fund	4.67%	11.08%	3.99%	7.97%				-15.39%	06/30/10
Adams Street 2010 Emerging Markets	-4.79%	-11.65%	-17.38%	-37.19%				-16.37%	03/31/11
Adams Street 2012 U.S. Fund	-20.24%							-20.24%	03/31/12
Adams Street 2012 Non-U.S. Developed Fund	-26.35%							-26.35%	03/31/12
Adams Street 2012 Emerging Markets									06/30/12
Private Equity Composite	3.47%	6.25%	4.48%	10.37%	12.84%	2.51%		3.03%	12/31/06
Wilshire 5000 Index	-3.13%	9.22%	22.36%	3.96%	16.65%	0.42%		1.73%	
Value Added	+6.60%	-2.97%	-17.88%	+6.41%	-3.81%	+2.09%		+1.30%	

* Net of Fees

Commitment Schedule – Private Equity *



Quarter Ending June 30, 2012

Manager / Composite	Inception Date	Current Market Value	Commitment Value	Capital Called	% Called	Distributed Capital ¹	TVPI (Total Value / Paid-In) ²	IRR Since Inception
UNIVERSITY OF IOWA ENDOWMENT								
NB Crossroads XVIII	11/15/2006	\$4,988,293	\$6,000,000	\$4,980,000	83%	\$938,290	1.19	4.8%
CF Int'l Partners VI	4/15/2007	\$764,192	\$1,200,000	\$750,000	63%	\$46,508	1.08	3.5%
CF Private Equity VII	4/15/2007	\$1,319,493	\$2,400,000	\$1,256,400	52%	\$100,231	1.13	6.1%
CF Venture Partners VIII	9/15/2007	\$853,209	\$1,000,000	\$715,000	72%	\$24,786	1.23	10.5%
Landmark Equity Partners XIV	4/15/2010	\$2,027,758	\$4,400,000	\$2,228,392	51%	\$616,072	1.19	23.2%
Adams Street 2010 U.S. Fund	6/15/2010	\$634,824	\$2,440,000	\$530,700	22%	\$0	1.20	15.2%
Adams Street 2010 Non-U.S. Developed Fund	6/15/2010	\$324,886	\$1,470,000	\$316,050	22%	\$0	1.03	3.5%
Adams Street 2010 Emerging Markets	6/15/2011	\$41,483	\$490,000	\$51,450	11%	\$0	0.81	-28.2%
Adams Street 2012 U.S. Fund	3/30/2012	\$92,763	\$7,050,000	\$105,750	2%	\$0	0.88	--
Adams Street 2012 Non-U.S. Developed Fund	2/6/2012	\$28,103	\$4,240,000	\$38,160	1%	\$0	0.74	--
Adams Street 2012 Emerging Markets	6/15/2012	\$33,840	\$1,410,000	\$33,840	2%	\$0	--	--
Private Equity Composite	11/15/2006	\$11,108,844	\$32,100,000	\$11,005,742	34%	\$1,725,887	1.17	6.3%
IOWA STATE UNIVERSITY ENDOWMENT								
NB Crossroads XVIII	11/15/2006	\$3,117,685	\$3,750,000	\$3,112,500	83%	\$586,431	1.19	4.8%
CF Int'l Partners VI	4/15/2007	\$509,465	\$800,000	\$500,000	63%	\$31,007	1.08	3.5%
CF Private Equity VII	4/15/2007	\$879,657	\$1,600,000	\$837,600	52%	\$66,822	1.13	6.1%
CF Venture Partners VIII	9/15/2007	\$511,925	\$600,000	\$429,000	72%	\$14,872	1.23	10.4%
Landmark Equity Partners XIV	4/15/2010	\$1,198,227	\$2,600,000	\$1,316,778	51%	\$364,044	1.19	23.2%
Adams Street 2010 U.S. Fund	6/15/2010	\$375,171	\$1,442,000	\$313,635	22%	\$0	1.20	15.2%
Adams Street 2010 Non-U.S. Developed Fund	6/15/2010	\$192,058	\$869,000	\$186,836	22%	\$0	1.03	3.5%
Adams Street 2010 Emerging Markets	6/15/2011	\$24,466	\$289,000	\$30,345	11%	\$0	0.81	-28.2%
Adams Street 2012 U.S. Fund	3/30/2012	\$40,790	\$3,110,000	\$46,500	1%	\$0	0.88	--
Adams Street 2012 Non-U.S. Developed Fund	2/6/2012	\$12,394	\$1,870,000	\$16,830	1%	\$0	0.74	--
Adams Street 2012 Emerging Markets	6/15/2012	\$15,120	\$620,000	\$15,120	2%	\$0	--	--
Private Equity Composite	11/15/2006	\$6,876,958	\$17,550,000	\$6,805,144	39%	\$1,063,176	1.17	6.2%

¹Distributions less expenses and investment fees

²Sum of current market value and distributed capital, divided by capital called

Investment Performance – Private Real Assets *



Quarter Ending June 30, 2012

Manager / Composite	1 Quarter	2 Quarters	3 Quarters	1 Year	3 Years	5 Years	10 Years	Since Inception	
								Return	Date
UNIVERSITY OF IOWA ENDOWMENT									
Principal Enhanced Property¹	3.31%	5.75%	11.06%	16.21%	-2.99%	-6.75%		-2.20%	03/31/06
NCREIF Property Index (Lagged)	2.59%	5.63%	9.11%	13.41%	5.96%	2.88%		5.44%	
Value Added	+0.72%	+0.12%	+1.95%	+2.80%	-8.95%	-9.63%		-7.64%	
CF Natural Resource Partners VIII	1.56%	6.09%	2.68%	2.77%	26.23%			13.31%	09/30/08
CPI +5%	1.26%	4.23%	4.95%	6.78%	7.27%			6.43%	
Value Added	+0.30%	+1.86%	-2.27%	-4.01%	+18.96%			+6.88%	
MREP Global III	-0.02%	1.99%	0.56%	-1.49%				-52.68%	03/31/10
NCREIF Property Index (Lagged)	2.59%	5.63%	9.11%	13.41%				13.36%	
Value Added	-2.61%	-3.64%	-8.55%	-14.90%				-66.04%	
CF Natural Resource Partners IX									
CPI +5%									
Value Added									
MREP Global VI									06/30/12
NCREIF Property Index (Lagged)									
Value Added									
Real Assets Composite	2.75%	5.41%	9.11%	13.11%	-3.11%	-6.79%		-2.24%	03/31/06
Policy Index	1.26%	4.23%	4.95%	6.78%	7.27%	3.65%		6.07%	
Value Added	+1.49%	+1.18%	+4.16%	+6.33%	-10.38%	-10.44%		-8.31%	
IOWA STATE UNIVERSITY ENDOWMENT									
Principal Enhanced Property¹	3.31%	5.76%	11.07%	16.22%	-3.02%	-6.77%		-2.22%	03/31/06
NCREIF Property Index (Lagged)	2.59%	5.63%	9.11%	13.41%	5.96%	2.88%		5.44%	
Value Added	+0.72%	+0.13%	+1.96%	+2.81%	-8.98%	-9.65%		-7.66%	
CF Natural Resource Partners VIII	1.56%	6.09%	2.68%	2.77%	26.24%			13.32%	09/30/08
CPI +5%	1.26%	4.23%	4.95%	6.78%	7.27%			6.43%	
Value Added	+0.30%	+1.86%	-2.27%	-4.01%	+18.97%			+6.89%	
MREP Global III	-0.02%	1.99%	0.56%	-1.49%				-52.68%	03/31/10
NCREIF Property Index (Lagged)	2.59%	5.63%	9.11%	13.41%				13.36%	
Value Added	-2.61%	-3.64%	-8.55%	-14.90%				-66.04%	
CF Natural Resource Partners IX									06/30/12
CPI +5%									
Value Added									
MREP Global VI									06/30/12
NCREIF Property Index (Lagged)									
Value Added									
Real Assets Composite	2.72%	5.42%	8.99%	12.92%	-3.08%	-6.77%		-2.22%	03/31/06
Policy Index	1.26%	4.23%	4.95%	6.78%	7.27%	3.65%		6.07%	
Value Added	+1.46%	+1.19%	+4.04%	+6.14%	-10.35%	-10.42%		-8.29%	

¹Principal Enhanced Property Fund's valuations and cash flows are lagged one quarter due to the availability of manager's data on a quarterly basis.

* Net of Fees

Commitment Schedule – Private Real Assets *



Quarter Ending June 30, 2012

Manager / Composite	Inception Date	Current Market Value	Commitment Value	Capital Called	% Called	Distributed Capital ¹	TVPI (Total Value / Paid-In) ²	IRR Since Inception
UNIVERSITY OF IOWA ENDOWMENT								
Principal Enhanced Property ^{3,4}	6/15/2006	\$14,561,040	--	--	--	--	--	--
CF NR Partners VIII	12/15/2008	\$2,709,065	\$6,000,000	\$2,640,000	44%	\$484,835	1.21	15.8%
Metropolitan Real Estate Partners Global III	3/15/2010	\$1,792,824	\$5,000,000	\$1,977,500	40%	\$80,000	0.95	-5.3%
CF NR Partners IX	--	--	\$11,000,000	--	--	--	--	--
Metropolitan Real Estate Partners Global VI	6/30/2012	\$108,000	\$9,000,000	\$108,000	1%	\$0	--	--
Private Real Assets Composite	6/15/2006	\$19,170,929	\$31,000,000	\$4,725,500	15%	\$564,835	1.10	-0.37%
IOWA STATE UNIVERSITY ENDOWMENT								
Principal Enhanced Property ^{3,4}	6/15/2006	\$8,571,869	--	--	--	--	--	--
CF NR Partners VIII	12/15/2008	\$1,806,043	\$4,000,000	\$1,760,000	44%	\$323,225	1.21	15.8%
Metropolitan Real Estate Partners Global III	3/15/2010	\$1,075,695	\$3,000,000	\$1,186,500	40%	\$48,000	0.95	-5.3%
CF NR Partners IX	--	--	\$4,000,000	--	--	--	--	--
Metropolitan Real Estate Partners Global VI	6/30/2012	\$48,000	\$4,000,000	\$48,000	1%	\$0	--	--
Private Real Assets Composite	6/15/2006	\$11,501,607	\$15,000,000	\$2,994,500	20%	\$371,225	1.10	-0.96%

¹Distributions less expenses and investment fees

²Sum of current market value and distributed capital, divided by capital called

³Certain statistics are not applicable because Principal Enhanced Property strategy is an open-ended fund.

⁴Principal Enhanced Property Fund's valuation is lagged one quarter.

Section 4
Capital Market Update

U.S. Equity

The U.S. stock market could not maintain its positive momentum from the first quarter, as investors sold equities in the face of weak economic data and deteriorating conditions in the European sovereign debt crisis. The market was down -3.1% in the second quarter, bringing its year-to-date total return to 9.2%. Total returns were comparable across size segments during the second quarter while growth stocks experienced larger losses than the value segment.

Telecom Services was the best performing sector during the second quarter, posting a total return of 13.0%. The general fall in rates helped the interest-rate-sensitive Utilities group deliver an impressive 5.8% return. Six of ten sectors were in the red with the Information Technology and Energy groups lagging farthest behind with returns of -7.0% and -6.9%, respectively.

After having accelerated through each of the past three quarters, U.S. economic growth slowed in the first quarter of 2012. Real GDP grew at 1.9%, showing signs that continued turmoil in Europe, a cooling Chinese economy and lackluster U.S. jobs growth were dampening economic activity.

Non-U.S. Equity

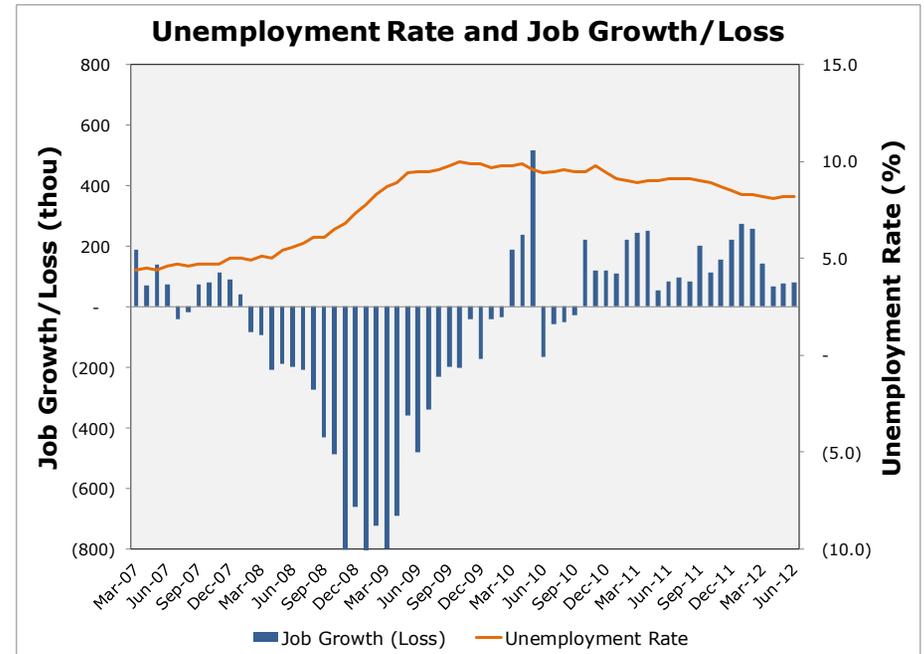
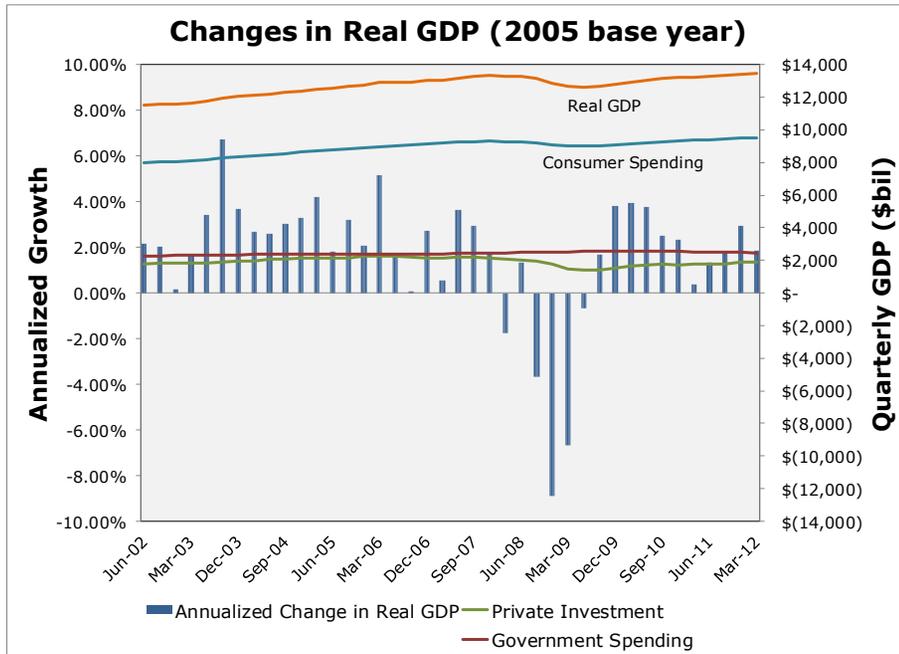
Global stock markets took multiple hits during the second quarter, with events in continental Europe again taking center stage. Spain's banking sector entered crisis mode and a €100 million bailout to stabilize the nation's banks failed to calm investors' nerves. However, promises of increased fiscal integration among Eurozone nations spurred a dramatic rally in European stocks at quarter-end. Malaise over the global economic slowdown hung over markets most of the quarter.

Fixed Income

Bond investors searching for yield found another challenging marketplace in the second quarter; the volatility of global stock markets yet again fueled safe-haven rotation into U.S. Treasuries, sending yields for this sector broadly lower. Spreads on non-Treasury issuance widened during the quarter, although stronger balance sheets and attractive lending rates buoyed performance of investment-grade corporate bonds. The fiscal turmoil in Europe and economic slowdowns in large emerging markets such as China continued to weigh on global bond markets.

June 30, 2012	Key Economic Indicators			
CPI (all items) Seasonally adjusted	Monthly Change		Cumulative Change	
	Jun-12	0.0	3-Month	-0.2
	May-12	-0.3	12-Month	1.7
	Apr-12	0.0	10-Yr Annual	2.4
Breakeven Inflation	10-Year	2.1		
Consumer Sentiment Unv. of Michigan Survey	Jun-12	73.2		
	May-12	79.3		
	1-Yr Ago	71.5	10-Yr Avg	79.4
Manufacturing Inst. for Supply Mgmt Purchasing Mngrs' Idx	Jun-12	49.7	Change in Manufacturing Sector	
	May-12	53.5	>50	Expansion
	1-Yr Avg	52.6	<50	Contraction

Note: Seasonally adjusted CPI data is utilized to better reflect short-term pricing activity.



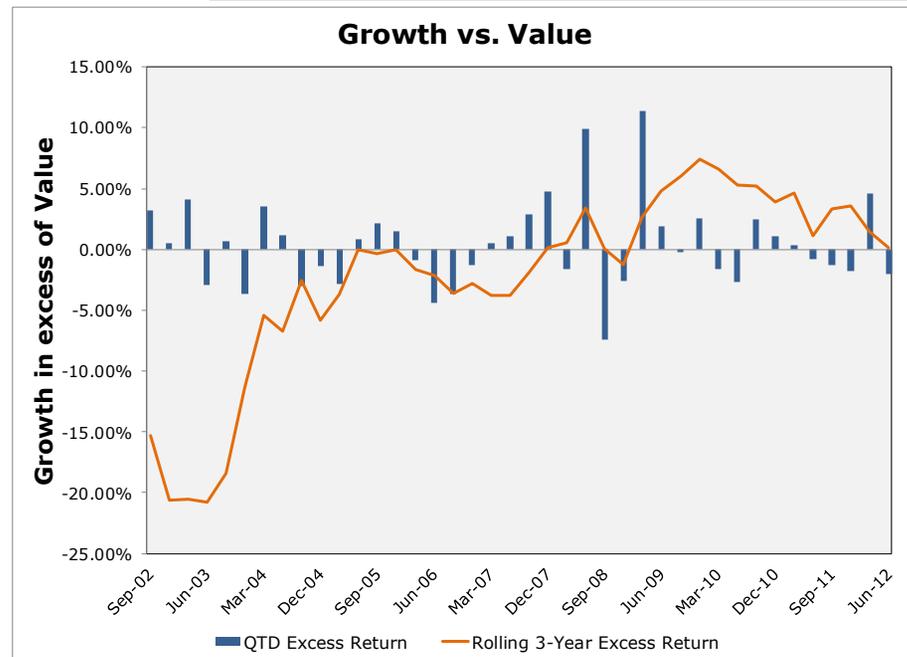
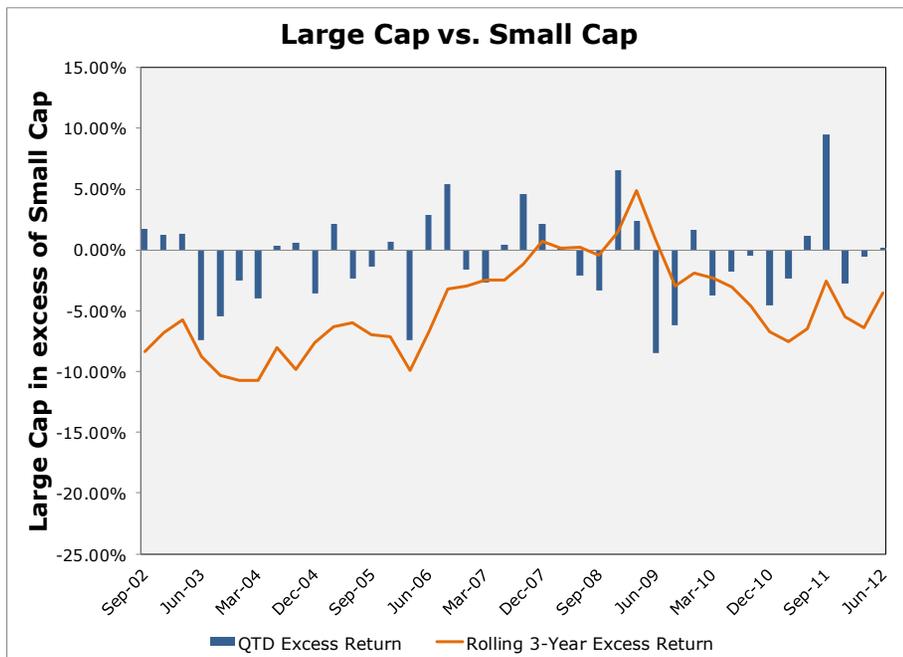
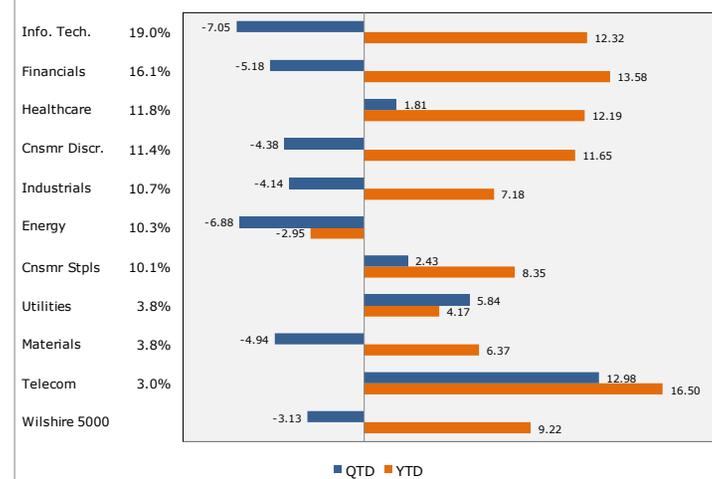
Data sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Bank of St. Louis, Barclays Capital

U.S. Capital Markets: Equity



June 30, 2012	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	-3.1	9.2	4.0	16.7	0.4	6.0
Wilshire U.S. Large Cap	-3.1	9.1	4.6	16.2	0.3	5.7
Wilshire U.S. Small Cap	-3.3	9.5	-1.4	20.5	2.3	9.2
Wilshire U.S. Large Growth	-4.2	10.8	4.4	16.3	2.2	6.1
Wilshire U.S. Large Value	-2.1	7.6	4.8	16.1	-1.7	5.2
Wilshire U.S. Small Growth	-4.2	8.0	-3.3	20.2	2.9	9.7
Wilshire U.S. Small Value	-2.5	10.9	0.3	20.6	1.6	8.5
Wilshire REIT Index	3.7	14.9	13.2	33.6	2.0	10.3
MSCI USA Minimum Volatility Index	2.5	8.8	12.4	18.1	3.2	5.6
FTSE RAFI U.S. 1000 Index	-3.2	7.7	2.0	18.5	1.0	n.a.

Wilshire 5000 Sector Weight & Return (%)

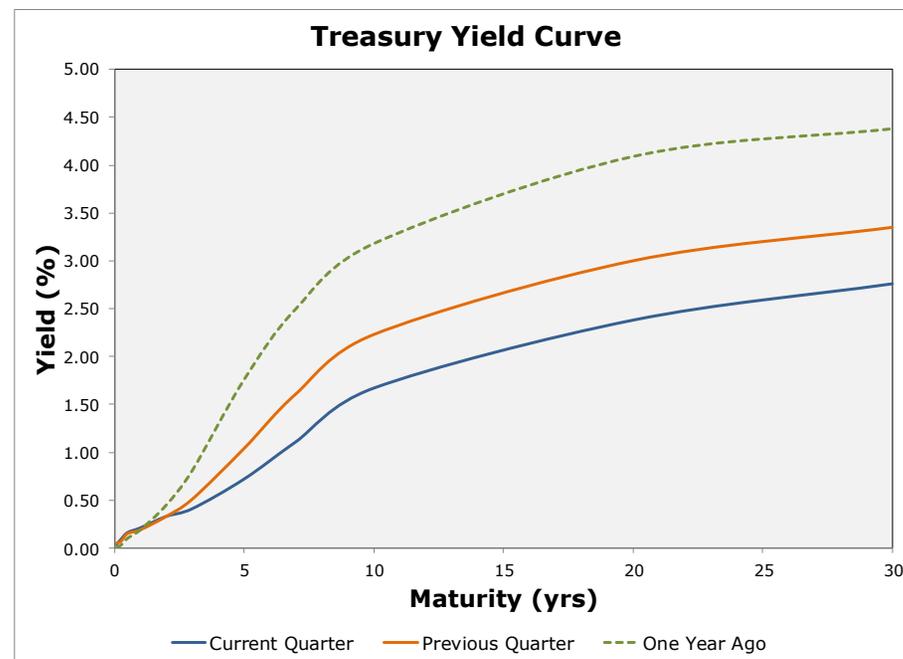
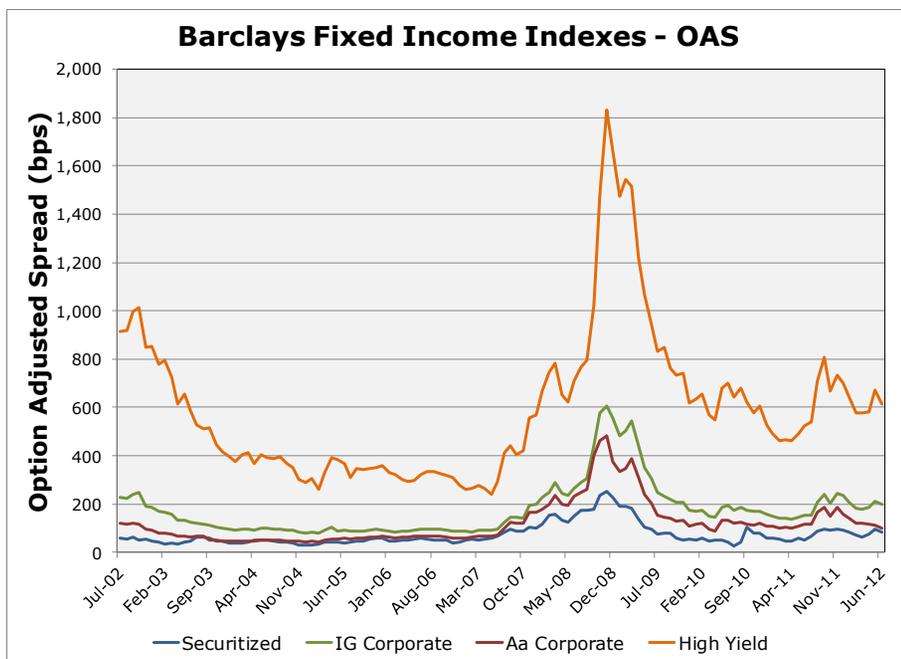


Data sources: Wilshire Compass, Wilshire Atlas

U.S. Capital Markets: Fixed Income



June 30, 2012	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays Aggregate Bond Index	2.1	2.4	7.5	6.9	6.8	5.6
Barclays Treasury Index	2.8	1.5	9.0	5.9	6.9	5.5
Barclays Govt-Related Index	1.8	2.7	6.5	5.6	6.4	5.4
Barclays Securitized Index	1.1	1.8	5.1	6.2	6.5	5.3
Barclays Corporate IG Index	2.5	4.7	9.7	10.6	7.6	6.6
Barclays LT Govt/Credit Index	7.3	5.0	24.6	14.4	11.0	8.7
Barclays Long-Term Treasury Index	10.6	4.2	32.3	13.6	12.1	8.9
Barclays U.S. TIPS Index	3.2	4.0	11.7	9.6	8.4	7.2
Barclays High Yield Index	1.8	7.3	7.3	16.3	8.4	10.2
Treasury Bills	0.0	0.0	0.1	0.1	1.0	1.9

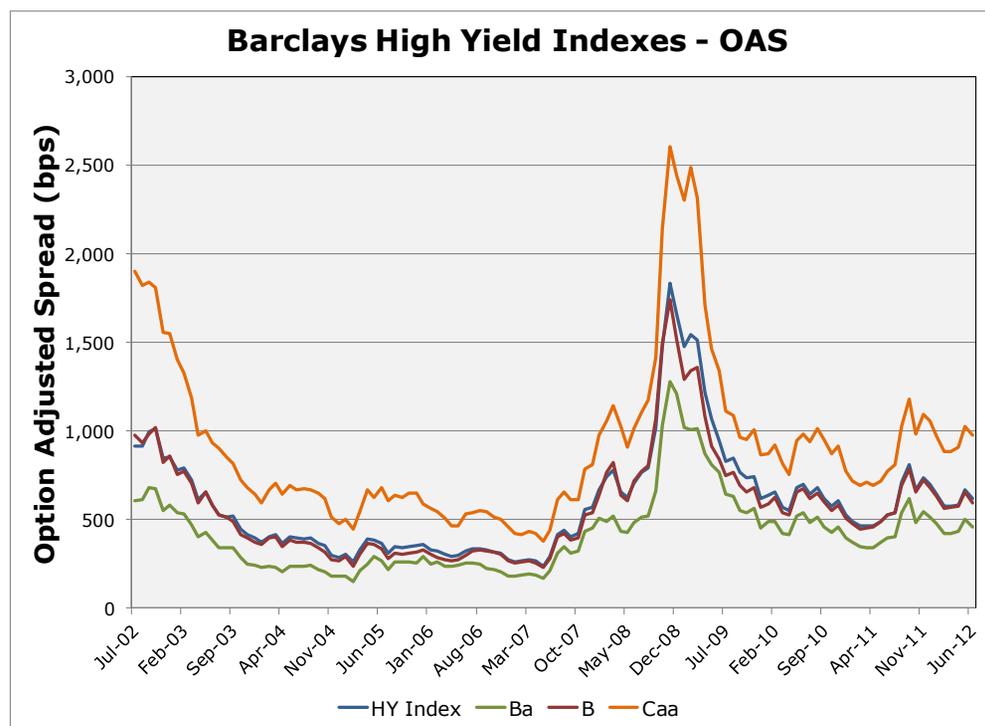


Data sources: Wilshire Compass, Barclays Capital, U.S. Treasury

High Yield by Quality



June 30, 2012	Weight	Qtr	Ytd	1 Yr	3 Yr
Barclays High Yield Index	100%	1.8	7.3	7.3	16.3
Quality Distribution					
Ba U.S. High Yield	40.3%	2.3	6.8	8.6	15.0
B U.S. High Yield	43.2%	1.8	6.8	7.7	14.0
Caa U.S. High Yield	15.1%	1.1	9.3	4.6	19.1
Ca to D U.S. High Yield	1.1%	-1.8	10.9	-8.1	25.5
Non-Rated U.S. High Yield	0.3%	1.2	10.8	14.1	16.6



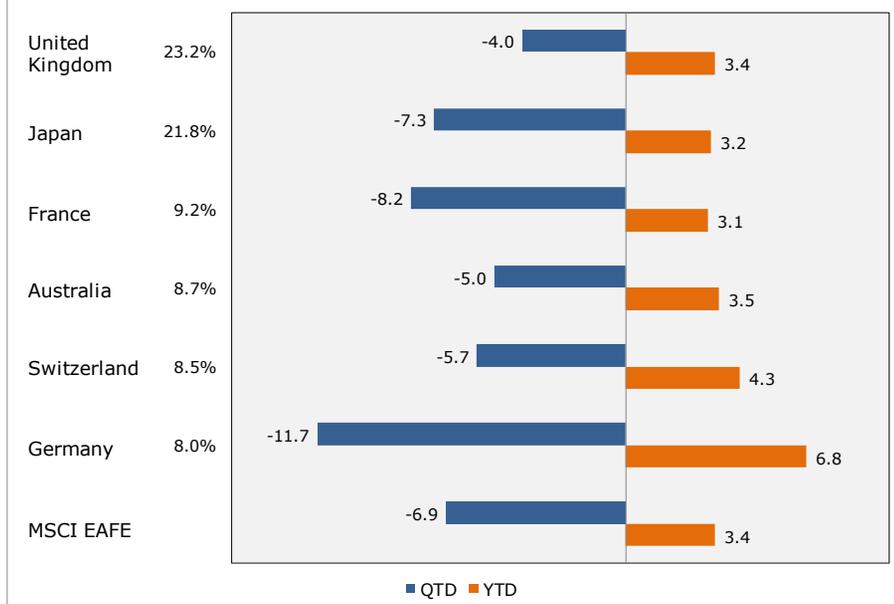
Data sources: Barclays Capital

Non-U.S. Capital Markets

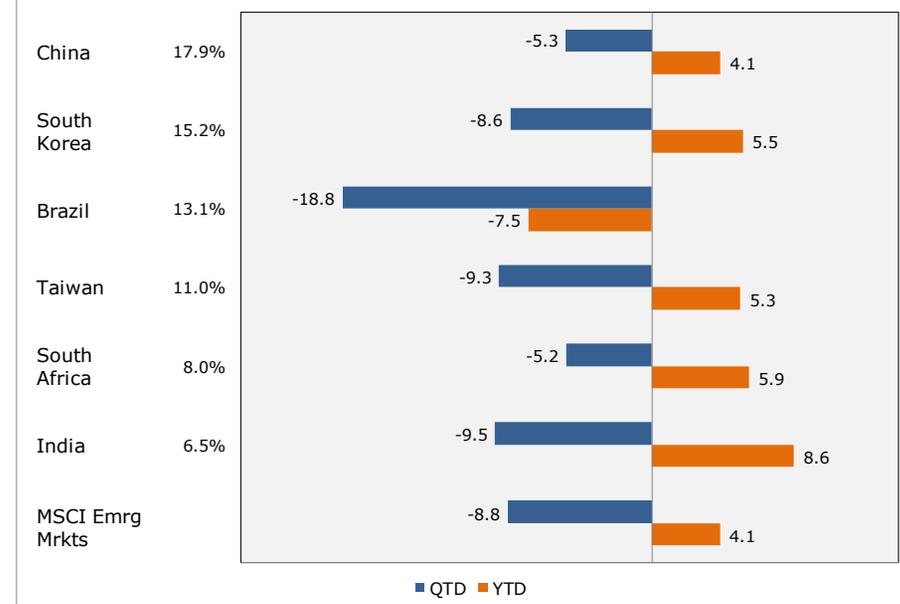


June 30, 2012	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US (\$g)	-7.4	3.1	-14.1	7.4	-4.2	7.2
MSCI EAFE (\$g)	-6.9	3.4	-13.4	6.5	-5.6	5.6
MSCI Emerging Markets (\$g)	-8.8	4.1	-15.7	10.1	0.2	14.4
MSCI Frontier Markets (\$g)	-6.6	-1.3	-14.9	1.1	-9.8	8.5
MSCI EAFE Minimum Volatility Idx	-1.6	4.1	-2.3	9.7	-0.1	9.4
FTSE RAFI Developed ex-US Index	-9.2	0.4	-19.0	4.9	-5.4	n.a.
JPM Non US Global Bond	0.5	-0.2	1.0	5.8	8.0	7.4
JPM Non US Global Bond Hedged	1.3	2.5	6.4	4.7	5.4	4.8
JPM EMBI Global	2.5	7.4	10.9	13.5	9.4	11.7
Euro vs. Dollar	-4.7	-2.2	-12.5	-3.4	-1.3	2.5
Yen vs. Dollar	3.2	-3.6	1.2	6.5	9.1	4.2
Pound vs. Dollar	-1.8	0.9	-2.3	-1.6	-4.8	0.3

MSCI EAFE: Largest Countries and Return



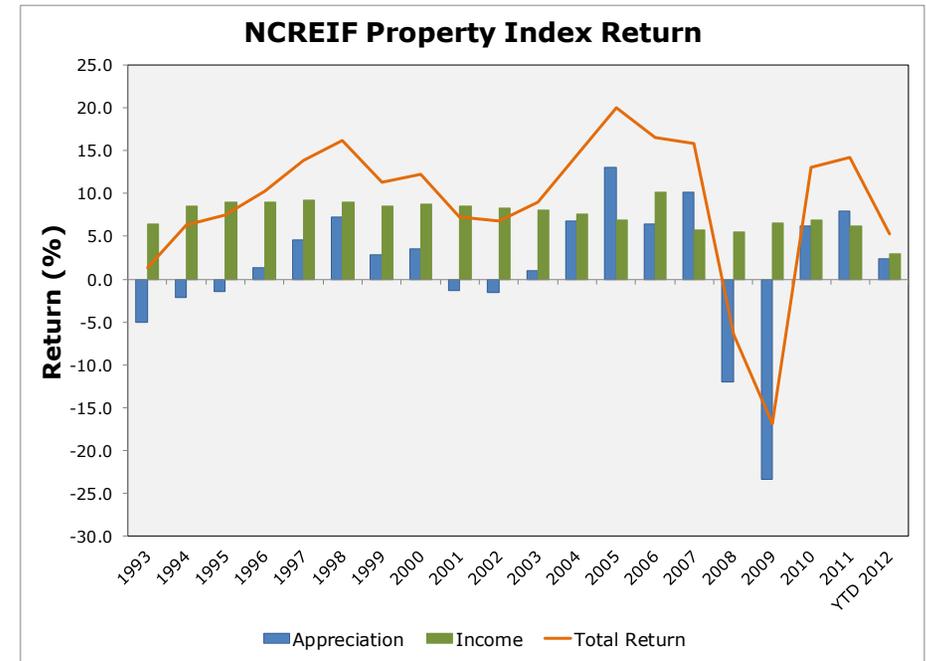
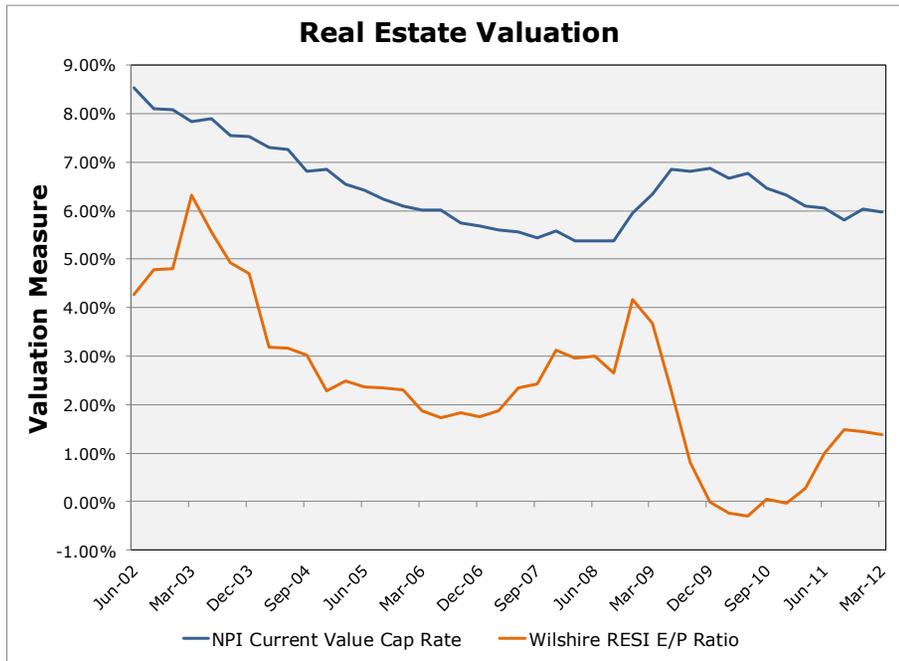
MSCI EM: Largest Countries and Return



Data sources: Wilshire Compass, MSCI Barra

June 30, 2012	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays U.S. TIPS Index	3.2	4.0	11.7	9.6	8.4	7.2
Dow Jones UBS Commodity Index	-4.5	-3.7	-14.3	3.5	-3.7	5.0
Global Public Real Estate*	3.2	15.0	7.2	27.9	-0.2	10.7
NCREIF Property Index	2.7	5.3	12.0	8.8	2.5	8.3
NCREIF Timberland Index	0.6	1.0	1.1	-0.7	4.0	7.6
Alerian MLP Index (Oil & Gas)	-2.3	-0.4	7.8	27.0	9.9	16.7

* Wilshire Global Real Estate Securities from June 2002 to December, 2004. Wilshire Global REITs from 2004 to present.



Data sources: Wilshire Compass, National Council of Real Estate Investment Fiduciaries

Asset Class Performance



Annual Asset Class Returns - Best to Worst

2007	2008	2009	2010	2011	YTD 2012
Emrg Mrkts 39.8%	Core Bond 5.2%	Emrg Mrkts 79.0%	REITs 28.6%	U.S. TIPS 13.6%	REITs 14.9%
Commodities 16.2%	T-Bills 2.0%	High Yield 58.2%	Emrg Mrkts 19.2%	REITs 9.2%	U.S. Equity 9.2%
U.S. TIPS 11.6%	U.S. TIPS -2.3%	Developed 32.5%	U.S. Equity 17.2%	Core Bond 7.8%	High Yield 7.3%
Developed 11.6%	High Yield -26.2%	REITs 28.6%	Commodities 16.8%	High Yield 5.0%	Emrg Mrkts 4.1%
Core Bond 7.0%	Commodities -35.6%	U.S. Equity 28.3%	High Yield 15.1%	U.S. Equity 1.0%	U.S. TIPS 4.0%
U.S. Equity 5.6%	U.S. Equity -37.2%	Commodities 18.9%	Developed 8.2%	T-Bills 0.1%	Developed 3.4%
T-Bills 5.0%	REITs -39.2%	U.S. TIPS 11.4%	Core Bond 6.5%	Developed -11.7%	Core Bond 2.4%
High Yield 1.9%	Developed -43.1%	Core Bond 5.9%	U.S. TIPS 6.3%	Commodities -13.3%	T-Bills 0.0%
REITs -17.5%	Emrg Mrkts -53.2%	T-Bills 0.2%	T-Bills 0.1%	Emrg Mrkts -18.2%	Commodities -3.7%

Annualized
5-Year

2007-2011
U.S. TIPS 8.0%
High Yield 7.5%
Core Bond 6.5%
Emrg Mrkts 2.7%
T-Bills 1.5%
U.S. Equity 0.1%
REITs -2.0%
Commodities -2.1%
Developed -4.3%

Data sources: Wilshire Compass

Note: Developed asset class is developed markets ex-U.S., ex-Canada.