

MEMORANDUM

To: Banking Committee
From: Board Office
Subject: Quarterly Investment and Cash Management Reports
Date: November 5, 2001

Recommended Actions: Receive the Investment and Cash Management Reports for the quarter ended September 30, 2001.

Executive Summary: The Regent institutions maintain two investment portfolios — operating and endowment/quasi-endowment. Both portfolios include restricted and unrestricted funds.

**Institutional Investment Portfolios
Market Value (Thousands of Dollars)
As of September 30, 2001**

	<u>Operating</u>	<u>Endowment/ Quasi-Endowment</u>
University of Iowa ¹	\$514,044	\$222,777 ²
Iowa State University	260,438	82,751 ³
University of Northern Iowa	57,999	-
Iowa School for the Deaf	2,225	-
Iowa Braille & Sight Saving School	<u>639</u>	<u>-</u>
Total	\$835,345	\$305,528

¹ Includes UIHC.

² Includes UNI.

³ Includes ISD and IBSSS.

As of September 30, 2001, total Regent combined operating and endowment portfolios exceeded \$1.1 billion.

The market value of the combined operating portfolios, as reported by the Regent institutions, totaled \$835.3 million. The university operating investment portfolios performed in line with comparable industry standards.

Wilshire Associates, the Board's investment advisor, prepares the summary report on the endowment portfolio, which totals \$305.5 million. The combined investment managers' returns for the University of Iowa (excluding the quasi-endowment) and Iowa State University endowment portfolios were -14.4% and -13.8%, respectively, for the quarter year. The blended asset allocation benchmark posted returns of -15.8% for the year. The quarterly returns were -10.7% and -10.0% respectively, with the benchmark for the quarter at -8.8%. Wilshire reported that the three endowment investment managers were close to their respective benchmarks.

University internal auditors verified that investment purchases and holdings of the institutional portfolios during the quarter ended September 30, 2001, were in compliance with respective Board and institutional investment policies.

The quarter ended September 30, 2001, was the first quarter for deposits to Reams Asset Management, the second fixed income manager utilized by the Board. The Board may want to consider establishing a manager allocation, between Invesco and Reams, for the University of Iowa's quasi-endowment portfolios similar to the other manager allocations.

Background and Analysis

The Board delegates the authority for monitoring institutional investment and treasury management practices and performance to the Banking Committee. The Board's policies identify broad investment strategy to be followed in the investment of the assets and any general limitations on the discretion given to the institutions' investment managers (both internal and external).

The policy of the Board of Regents is to maintain the financial health of the institutions it governs by ensuring compliance with investment practices that preserve principal, ensure liquidity sufficient for anticipated needs, and maintain purchasing power of investment assets.

The institutions maintain two types of investment portfolios – operating and endowment. Both portfolios include unrestricted assets as well as assets restricted by donors, bond covenants, or funding agencies.

At its May 2001 meeting, the Board changed the fixed income performance benchmark from the Lehman Government/Corporate Index to the Lehman Aggregate Index effective July 1, 2001. The new fixed income benchmarks will be reflected in the quarterly investment and cash report presented at the November Banking Committee meeting.

At its June 2001 meeting, the Board selected a second fixed income manager, Reams Asset Management, for the University of Iowa to use for new deposits into its quasi-endowment portfolios beginning July 1, 2001.

Wilshire Associates has been the investment advisor to the Board and Regent institutions since May 1996. Although the contract with Wilshire Associates is open ended, the annual contract service fee amount is subject to change December 31, 2001. At its July 2001 meeting, the Board authorized the issuance of a Request for Proposals (RFP) for the Board's investment advisor. A screening committee will review the proposals and make a recommendation to the Banking Committee at the November 2001 meeting. (B.C. 9 – Selection of Investment Advisor)

As required by Board policy, university internal auditors verified operating investment transactions and holdings for compliance at their respective universities. Iowa School for the Deaf investments were reviewed by the University of Iowa internal auditors, while the Iowa Braille and Sight Saving School investments were reviewed by the Iowa State University internal auditors. The University of Iowa internal auditors also verify the endowment investment transactions and holdings for the Regent institutions.

**OPERATING
PORTFOLIOS**

Board policies permit the institutions to invest operating funds in short-term, cash equivalent investments such as U.S. government bills, money market accounts, and secure commercial paper, as well as U.S. government notes, agency securities, and corporate notes with maturities not to exceed 63 months.

Since December 1996, the institutions have invested a portion of their unrestricted operating portfolios with BlackRock, an external fund manager. The institutions manage the remaining operating funds.

For the quarter ended September 30, 2001, the institutions reported the following:

**Operating Portfolios
Market Value (Thousands of Dollars)
As of September 30, 2001**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>BlackRock</u>	<u>Total</u>
SUI	\$342,580	\$76,417	\$95,047	\$514,044
ISU	160,582	65,570	34,286	260,438
UNI	30,789	16,802	10,408	57,999
ISD	2,004	3	218	2,225
IBSSS	639	N/I	N/I	639
Total	<u>\$536,594</u>	<u>\$158,792</u>	<u>\$139,959</u>	<u>\$835,345</u>

N/I No investments of this type.

Total rate of return measures all income and market valuation changes in the portfolios during the period. Rates of return for the quarter are provided in the following table; historical rates are presented in Table 1 on page 11.

**Operating Portfolios
Rates of Return
For the Quarter Ended September 30, 2001**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>BlackRock</u>
SUI	2.19%	1.80%	3.69%
ISU	2.64%	2.07%	3.62%
UNI	1.94%	2.55%	3.69%
ISD	1.51%	1.71%	3.62%
IBSSS	.86%	N/I	N/I

N/I No investments of this type.

The comparable industry standard rates of return for the quarter ended September 30, 2001, include the Merrill Lynch 1-3 year Government/Agency Index rate of 3.43% and the 91-day T-bill rate of 1.07%. Table 2 on page 13 contains current investment yields for the current quarter and for the four previous quarters.

**Operating Investment Portfolios Summary
Unrestricted, Restricted, and BlackRock
For the Quarter Ended September 30, 2001**

	<u>Market Value</u>	<u>Percent Market Value</u>
University of Iowa		
Money Market/Cash Equivalents	\$145,244,444	28.3%
U.S. Obligations	95,952,788	18.7%
Agency Securities	237,392,339	46.2%
Other - Mostly Corporate	10,792,411	2.1%
Mortgage-Backed	586,151	0.1%
Asset-Backed	<u>24,076,250</u>	<u>4.7%</u>
Total	\$514,044,383	100.0%
Iowa State University		
Money Market/Cash Equivalents	\$66,723,945	25.6%
U.S. Obligations	60,593,741	23.3%
Agency Securities	122,612,661	47.1%
Other – Mostly Corporate	<u>10,507,399</u>	<u>4.0%</u>
Total	\$260,437,746	100.0%
University of Northern Iowa		
Money Market/Cash Equivalents	\$20,598,145	35.5%
U.S. Obligations	17,797,656	30.7%
Agency Securities	15,808,343	27.3%
Other - Mostly Corporate	<u>3,794,971</u>	<u>6.5%</u>
Total	\$57,999,115	100.0%
Iowa School for the Deaf		
Money Market/Cash Equivalents	\$2,054,319	92.3%
U.S. Obligations	81,297	3.7%
Agency Securities	22,749	1.0%
Other - Mostly Corporate	<u>66,841</u>	<u>3.0%</u>
Total	\$2,225,206	100.0%
Iowa Braille & Sight Saving School		
Repurchase Agreements	\$617,686	96.7%
Money Market/Cash Equivalents	<u>20,938</u>	<u>3.3%</u>
Total	\$638,624	100.0%
Regent Composite		
Money Market/Cash Equivalents	\$234,641,801	28.1%
U.S. Obligations	174,425,482	20.9%
Agency Securities	375,836,092	45.0%
Other - Mostly Corporate	25,161,622	3.0%
Mortgage-Backed	586,151	0.1%
Asset-Backed	24,076,250	2.9%
Repurchase Agreements	<u>617,686</u>	<u>0.1%</u>
Total	\$835,345,074	100.0%

The top three investment categories for the combined Regent operating portfolios included Agency Securities, Money Markets, and U.S. Obligations.

**ENDOWMENT/QUASI-
ENDOWMENT
PORTFOLIOS**

Two primary endowment portfolios are maintained — the University of Iowa and Iowa State University. The University of Northern Iowa endowment portfolio is invested through the University of Iowa. The Iowa School for the Deaf and Iowa Braille and Sight Saving School endowment portfolios are invested through Iowa State University.

The University of Iowa also has two separately maintained quasi-endowment portfolios. Quasi I is a mix of equity and fixed income, while Quasi II is only fixed income.

Board policies permit endowment funds to be invested in investment grade, long-term fixed income securities and high quality equities that may produce both income and growth, with a targeted return to exceed inflation by 2% to 3% for bonds, by 4% to 6% for domestic stocks, and by 7% for foreign stocks (after exchange transactions and currency conversions).

The Board of Regents employs an investment advisor and money managers to guide its policy of active, diversified investment management. Wilshire Associates has been the investment advisor to the Board and Regent institutions since May 1996. Wilshire Associates assists with the evaluation of the Board's investment policies and provides quarterly endowment portfolio summary reports which review the allocation of endowment assets relative to the Board's policies, compare the returns of the portfolios to the established benchmarks, and evaluate individual fund manager performance.

The money managers for the Regent endowment portfolios include:

Invesco, which the Board has authorized to manage a balanced portfolio investing in U.S. equity and fixed income markets since April 1989;

Seneca Capital Management, which the Board has authorized to manage U.S. equity portfolios with a mid-capitalization growth orientation since May 1995; and

Alliance Bernstein, which the Board has authorized to manage its international equity portfolio since June 1999. Originally, the Board authorized Sanford C. Bernstein & Co., Inc. to manage its international equity portfolio. Alliance Capital Management acquired Sanford C. Bernstein & Co., Inc. in 2000.

Reams Asset Management, which is the second fixed income manager for the University of Iowa quasi-endowment portfolios, began handling SUI funds in July 2001.

**ALLOCATION OF
ENDOWMENT
ASSETS**

In May 1997, the Banking Committee adopted a process to manage the endowment asset allocation close to the established targets and agreed to review annually the investment structure. In FY 1997, a benchmark with the asset mix of 60% domestic equities, 30% bonds, and 10% international equities was used to reflect the Regent asset allocation policy. In April 1999, the Board modified the asset allocation policy beginning with the quarter ended September 30, 1999, as follows:

Asset Allocation Policy

	<u>Target Range</u>	<u>Range</u>
Domestic Stocks (US equities)	63%	+/-10%
Domestic Bonds (US fixed income)	30%	+/-10%
International Stocks (foreign equities)	7%	+/-3%

**Asset Allocation
Policy**

The Board's current target range for the asset allocation is plus or minus 10% of the established asset allocation policy for domestic equities and fixed income and plus or minus 3% for international equities. Institutional officials are authorized to maintain the appropriate portfolio asset allocations, and if, at the end of a quarter, rebalancing is required, the institutional officials are to rebalance the portfolio during the following quarter.

In April 1999, the Board also approved the designation of specific manager allocations and ranges to assist the institutional officials in maintaining the Board's asset allocation policy.

The asset allocations of the primary endowment portfolios were within the Board-established target ranges.

**Endowment Asset Allocations
Net of Fees
September 30, 2001**

	<u>University of Iowa</u>		<u>Iowa State University</u>		Target Range (percent)
	Value (thousands)	Value (percent)	Value (thousands)	Value (percent)	
Investments					
US Stocks	\$53,143	62.1%	\$49,271	59.5%	63%(+/-10%)
US Bonds	28,001	32.7%	27,624	33.4%	30%(+/-10%)
International Stocks	<u>4,470</u>	<u>5.2%</u>	<u>5,856</u>	<u>7.1%</u>	<u>7%(+/-3%)</u>
Total Fund	\$85,614	100.0%	\$82,751	100.0%	100%

Assets are shown as allocated.

The University of Iowa's Quasi I endowment portfolio allocation is to be half stocks and half bonds. The portfolio was within the Board-established asset target ranges.

**University of Iowa
Quasi I Investments
September 30, 2001**

	Value (thousands)	Value percent	Target Range (percent)
US Stocks	<u>\$23,341</u> \$22,224	<u>52.5%</u> 46.2%	50%(+/-10%)
US Bonds	<u>21,107</u> 114,939	<u>47.5%</u> 83.8%	50%(+/-10%)
Total Fund	<u>\$44,448</u> \$137,163	100.0%	100%

There is no Board-established fund manager allocations target ranges for the Quasi II endowment.

**University of Iowa
Quasi II Investments (100% Fixed Income)
September 30, 2001**

	Value (thousands)	Value (percent)
Invesco	<u>\$60,658</u> \$23,344	<u>65.4%</u> 52.5%
Reams	<u>32,057</u> 21,107	<u>34.6%</u> 47.5%
Total Fund	<u>\$92,715</u> \$44,448	<u>100.0%</u>

**Manager
Allocation Policy**

The manager allocations generate the target endowment asset allocation when all managers are at policy targets (rounded to the nearest percent). The specific manager targets are designed to maintain the allocations within domestic equities for large-cap/small-cap mix approximately equal to the broad market (70% large-cap and 30% small-cap).

The Board has authorized the establishment of two separately maintained quasi-endowments as investment options for the University of Iowa, Quasi I established in 1989 and Quasi II established in April 1998. Quasi I has an asset allocation mix of 50% equity and 50% fixed income investments, plus or minus 10%, approved by the Board in June 1999. Previously, the Quasi I asset mix portfolio had been 58% equity and 42% fixed income, plus or minus 10%, similar to the balanced endowment portfolio. Quasi II allows the University of Iowa to retain a quasi-endowment pool with 100% fixed income investments.

The asset allocations of primary endowment portfolios were within the Board-established target ranges.

Manager Allocation Policy

	<u>Target Range</u>	<u>Range</u>
Invesco	74%	+/- 7%
Domestic Stocks	58% of 74%	+5% to -10% around 58%
Domestic Bonds	42% of 74%	+10% to -5% around 42%
Seneca (US mid-cap equities)	19%	+/-4%
Alliance Bernstein (foreign equities)	7%	+/-3%

**Endowment Manager Allocations
Net of Fees
September 30, 2001**

Investment Managers	<u>University of Iowa</u>		<u>Iowa State University</u>		Target Range (percent)
	Value (thousands)	Value (percent)	Value (thousands)	Value (percent)	
Invesco					
US Stocks	\$41,039	61.6%	\$40,359	61.4%	58% (+5%/-10%)
US Bonds	<u>25,630</u>	38.4%	<u>25,412</u>	38.6%	42% (+10%/-5%)
Invesco Total	\$66,669	77.9%	\$65,771	79.5%	74%(+/-7%)
Seneca	14,475	16.9%	11,124	13.4%	19%(+/-4%)
Alliance Bernstein	<u>4,470</u>	<u>5.2%</u>	<u>5,856</u>	<u>7.1%</u>	<u>7% (+/-3%)</u>
Total	\$85,614	100.0%	\$82,751	100.0%	100%

Cash is considered fixed income for the purpose of asset allocation. Assets are shown as invested.

**ENDOWMENT
PERFORMANCE**

The following table compares the returns of the endowment portfolios for the quarter ended September 30, 2001, with the established benchmarks. The portfolios were slightly behind the benchmark for the quarter, but mostly ahead of the benchmarks for the year.

**Endowment Portfolios (Net of Fees)
As of September 30, 2001**

	<u>Assets</u> (thousands)	<u>Returns</u>	
		Quarter	One Year
SUI	\$85,614	-10.7%	-14.4%
ISU	82,751	-10.0%	-13.8%
Asset Allocation Benchmark *		-8.8%	-15.8%
SUI Quasi I	44,448	-4.9%	-2.7%
Balanced Benchmark **		-5.0%	-7.9%
SUI Quasi II	<u>92,715</u>	4.1%	
Fixed Income Benchmark		4.6%	
Total	\$305,528		

* From 7/1/99 → 63% S&P 500 Index + 30% Lehman Government/Corporate Bond Index + 7% MSCI EAFE Index to reflect the new Board asset allocation policy.

** From 7/1/99 → 50% S&P 500 Index + 50% Lehman Government/Corporate Bond Index.

At its May 2001 meeting, the Board changed the fixed income benchmark from the Lehman Government/Corporate Index to the Lehman Aggregate Index effective July 1, 2001. The Lehman Aggregate represents more of the total U.S. fixed income market and will allow the fixed income managers more opportunity to add value and reduce risk. The new fixed income benchmarks are reflected in the quarterly investment and cash report presented for the quarter ended September 2001.

*University of Iowa
Endowment*

The University of Iowa endowment assets (excluding quasi-endowment assets) totaled \$85.6 million as of September 30, 2001, a \$2.2 million dollar decrease from the previous quarter.

For the quarter ended September 30, 2001, investment losses totaled \$10.4 million, net contributions equaled \$9.6 million while net distributions and fees amounted to \$1.4 million.

The endowment assets held by the University of Iowa earned a return of -10.7% for the quarter, underperforming the benchmark by 1.9%. Returns for the endowment over the one-year period were -14.4%, which were better than the benchmark of -15.8%.

The University of Iowa quasi-endowments had a total market value of \$137.2 million as of September 30, 2001. Returns for the Quasi I endowment outperformed the benchmark for the quarter and the one-year period. The Quasi II underperformed the benchmark for the quarter.

*Iowa State
University
Endowment*

Iowa State University endowment assets totaled \$82.8 million as of September 30, 2001, a \$10.4 million decrease from the previous quarter. For the quarter, investment losses were \$9.3 million, while net distributions and fees were \$1.4 million. Net contributions totaled \$270,000.

The Iowa State University endowment assets earned a return of -10.0% for the quarter underperforming the policy benchmark return of -8.8% by 1.2%. The one-year return for ISU was -13.8%, which was better than the one-year benchmark of -15.8%.

**Investment
Managers**

**INVESCO
(Net of Fees)
September 30, 2001**

	<u>Assets</u>	<u>Returns</u>		
	(Thousands)	Quarter	One Year	Three Years
SUI	\$66,669	-6.4%	-4.7%	3.9%
ISU	53,290	-6.3%	-4.8%	3.9%
ISU 93 Trust	12,481	-6.3%	-4.3%	4.0%
Balanced Benchmark ¹		-6.5%	-4.7%	3.9%
SUI Quasi I	44,448	-4.9%	-2.7%	5.0%
Balanced Benchmark ²		-5.0%	-7.9%	5.6%
SUI Quasi II	<u>60,658</u>	4.2%	11.6%	4.8%
Balanced Benchmark ³		4.8%	13.2%	5.9%
Total	\$237,546			

¹ From 7/1/97 → 58% S&P index + 42% Lehman Government /Corporate Bond Index.

² From 7/1/99 → 50% S&P index + 50% Lehman Government/Corporate Bond Index

³ From 4/98 → 100% Lehman Government/Corporate Bond Index.

Invesco manages a balanced portfolio of U.S. equity and fixed income markets and applies a core value approach to equity investing, and a yield curve and sector selection approach to fixed income.

Invesco returned -6.4% for the SUI endowment, -6.3% for the ISU endowment, and -6.3% for the ISU 93 Trust during the quarter. These returns slightly outperformed the balanced benchmark of -6.5%.

Overperformance was primarily due to stock selection coupled with an underweight to the technology sector. The equity component of the balanced composite underperformed the benchmark. Stock selection within the financial sector added value to the portfolio.

For the one-year period, the SUI endowment, the ISU endowment, and the ISU 93 Trust earned -4.7%, -4.8%, and -4.3%, respectively. Returns for the year were consistent with the balanced benchmark of -4.7%.

**Reams Asset Management
(Net of Fees)
September 30, 2001**

	<u>Assets</u> (Thousands)
SUI – Quasi II	\$21,107

This was the first quarter for investments with Reams. There is no available return for the quarter.

**Seneca Capital Management
(Net of Fees)
September 30, 2001**

	Assets (Thousands)	Returns		
		Quarter	One Year	Three Years
SUI	\$14,475	-26.4%	-44.8%	13.6%
ISU	9,036	-26.9%	-46.3%	14.4%
ISU 93 Trust	<u>2,088</u>	-26.9%	-46.2%	13.7%
Total	\$25,599			
S&P 400 Mid Cap Index		-16.6%	-19.0%	13.4%
Wilshire Mid Cap Growth Index		-23.9%	-43.6%	6.7%

Seneca Capital Management manages U.S. equity portfolios with a mid-capitalization growth orientation.

Seneca Capital Management returned -26.4% for the SUI endowment and -26.9% for the ISU endowment during the quarter. These returns underperformed the Wilshire Mid Cap Growth Index return of -23.9% as well as the S&P 400 Mid Cap Index, which returned -16.6% for the quarter.

Sector weighting and stock selection contributed to Seneca's underperformance for the quarter, primarily underweightings to the materials and services and technology sectors. Poor stock selection within materials and services, technology, and consumer non-durable sectors significantly detracted from the portfolio's performance.

For the one-year period, Seneca Capital Management returned -44.8% for SUI and -46.3% for ISU, which significantly underperformed the S&P 400 Mid Cap Index as well slightly underperformed the Wilshire Mid Cap Growth Index; the three-year returns were almost equal to the S&P 400 Mid Cap Index and were more than double the Wilshire Mid Cap Growth Index.

**Alliance Bernstein
(Net of Fees)
September 30, 2001**

	Assets (Thousands)	Returns	
		Quarter	One Year
SUI	\$4,470	-11.7%	-13.1%
ISU	<u>5,856</u>	-11.7%	-13.4%
Total	\$10,326		
MSCI EAFE Index		-14.0%	-28.5%

Alliance Bernstein manages an international equity portfolio that utilizes a value philosophy and intensive research in constructing portfolios.

Returns for the quarter outperformed the -14.0% return of the MSCI EAFE benchmark. Three-year data are not available since managing the international equity component of the portfolio began in June 1999.

Overperformance during the quarter was mainly attributable to stock selections in Finland and Japan.

Table 1
Operating Portfolios
Quarterly Rates of Return

Unrestricted Funds

	<u>9/30/00</u>	<u>12/31/00</u>	<u>3/31/01</u>	<u>6/30/01</u>	<u>9/30/01</u>
University of Iowa	1.90%	2.40%	2.11%	1.22%	2.19%
Iowa State University	2.26%	2.84%	2.10%	1.14%	2.64%
University of Northern Iowa	1.78%	2.00%	1.78%	1.17%	1.94%
Iowa School for the Deaf	1.18%	1.38%	1.53%	1.50%	1.51%
Iowa Braille & Sight Saving School	1.58%	1.55%	1.30%	1.04%	0.86%

Restricted Funds

	<u>9/30/00</u>	<u>12/31/00</u>	<u>3/31/01</u>	<u>6/30/01</u>	<u>9/30/01</u>
University of Iowa	1.77%	1.90%	1.98%	1.17%	1.80%
Iowa State University	1.69%	2.00%	1.88%	1.09%	2.07%
University of Northern Iowa	1.83%	2.23%	2.04%	1.16%	2.55%
Iowa School for the Deaf	1.31%	1.53%	1.64%	1.49%	1.71%
Iowa Braille & Sight Saving School	N/I	N/I	N/I	N/I	N/I

N/I No investments of this type.

BlackRock

	<u>9/30/00</u>	<u>12/31/00</u>	<u>3/31/01</u>	<u>6/30/01</u>	<u>9/30/01</u>
University of Iowa	2.30%	2.70%	2.83%	1.05%	3.69%
Iowa State University	2.31%	2.73%	2.76%	1.11%	3.62%
University of Northern Iowa	2.32%	2.73%	2.86%	1.11%	3.69%
Iowa School for the Deaf	2.31%	2.73%	2.82%	1.16%	3.62%
Iowa Braille & Sight Saving School	N/I	N/I	N/I	N/I	N/I

N/I No investments of this type.

Table 2
Operating Portfolios
Quarterly Current Yield

Unrestricted Funds

	<u>9/30/00</u>	<u>12/31/00</u>	<u>3/31/01</u>	<u>6/30/01</u>	<u>9/30/01</u>
University of Iowa	6.11%	6.13%	5.87%	5.34%	4.92%
Iowa State University	6.34%	6.24%	5.87%	5.16%	4.75%
University of Northern Iowa	6.37%	6.39%	5.77%	5.65%	3.74%
Iowa School for the Deaf	4.55%	5.59%	5.83%	5.76%	5.60%
Iowa Braille & Sight Saving School	6.25%	6.29%	4.87%	3.92%	3.27%

Restricted Funds

	<u>9/30/00</u>	<u>12/31/00</u>	<u>3/31/01</u>	<u>6/30/01</u>	<u>9/30/01</u>
University of Iowa	6.08%	6.03%	5.82%	5.35%	5.17%
Iowa State University	5.85%	5.74%	5.19%	4.51%	4.89%
University of Northern Iowa	6.09%	6.03%	5.95%	5.79%	5.69%
Iowa School for the Deaf	5.13%	6.08%	6.67%	5.90%	6.78%
Iowa Braille & Sight Saving School	N/I	N/I	N/I	N/I	N/I

N/I No investments of this type.

BlackRock

	<u>9/30/00</u>	<u>12/31/00</u>	<u>3/31/01</u>	<u>6/30/01</u>	<u>9/30/01</u>
University of Iowa	6.23%	6.23%	5.73%	5.82%	5.53%
Iowa State University	6.25%	6.20%	5.93%	5.94%	5.55%
University of Northern Iowa	6.29%	6.25%	5.93%	5.91%	5.69%
Iowa School for the Deaf	6.25%	6.20%	5.93%	5.94%	5.55%
Iowa Braille & Sight Saving School	N/I	N/I	N/I	N/I	N/I

N/I No investments of this type.

Table 3
Endowment Market Value of Institutional Portfolios
Accrual Basis
(Thousands of Dollars)
September 30, 2001

	<u>Endowment Market Value</u>	<u>Quasi- Endowment Market Value</u>	<u>1993 Trust Market Value</u>	<u>Total Market Value</u>	<u>Percent of Total</u>
INVESCO					
SUI	\$66,669	\$105,106	-	\$171,775	
ISU	<u>53,290</u>	<u>-</u>	<u>\$12,481</u>	<u>65,771</u>	
Total	\$119,959	\$105,106	\$12,481	\$237,546	77.7%
Seneca Capital Management					
SUI	\$14,475	-	-	\$14,475	
ISU	<u>9,036</u>	<u>-</u>	<u>\$2,088</u>	<u>11,124</u>	
Total	\$23,511	-	\$2,088	\$25,599	8.4%
Alliance Bernstein					
SUI	\$4,470	-	-	\$4,470	
ISU	<u>5,856</u>	<u>-</u>	<u>-</u>	<u>5,856</u>	
Total	\$10,326	-	-	\$10,326	3.4%
Reams Asset Management					
SUI	-	\$32,057	-	\$32,057	10.5%
TOTAL					
SUI	\$85,614	\$137,163	-	\$222,777	
ISU	<u>68,182</u>	<u>-</u>	<u>14,569</u>	<u>82,751</u>	
Total	\$153,796	\$137,163	\$14,569	\$305,528	100.0%