



Board of Regents, State of Iowa

Executive Summary of Investment Performance
Quarter Ending June 30, 2006



Board of Regents, State of Iowa

Market Review

Market Observations

The Fed made two more ¼ - point hikes, bringing the Fed Funds rate to 5.25%. The Federal Reserve has raised the key Fed Funds rate 17 times since its bottom at 1% in 2004.

First Quarter GDP was finalized at 5.6%, which did little to alleviate market fears that the Federal Reserve will continue to raise interest rates to contain inflation. Oil prices rose almost 11% during the quarter (21% YTD) to finish around \$74.

The Consumer Price Index was up markedly in May, at more than 4% on an annual basis, with the volatile energy and transportation components contributing heavily to the increase.

Job creation slowed in May as the 75K jobs created came in under the consensus expectation of 170K. Consumer confidence was higher than expected according to the index released by the Conference Board, but still down to 105.7 in June from 107.2 in March.

The increase in the Fed Funds rate has pushed the average rate on a 30 year mortgage to 6.78%, while mortgage applications for purchases and refinancing were down 31% from one year ago.

US Stock Market

Equity markets around the world saw volatility increase dramatically, particularly in May, before dropping in June. Many markets gave back a large portion of their gains for the year, and a few like the NASDAQ, actually went negative YTD during the quarter before running up in the final few days of June. The Dow Jones Wilshire 5000 was down 1.96% to pare the gains for the year to 3.38%. The market has been vacillating between hopes for a pause in the Federal Reserve's rate-hiking cycle and fears of inflation. There is little consensus on how much higher interest rates are going to affect the economy and this dampened bullish sentiment markedly in the 2nd quarter.

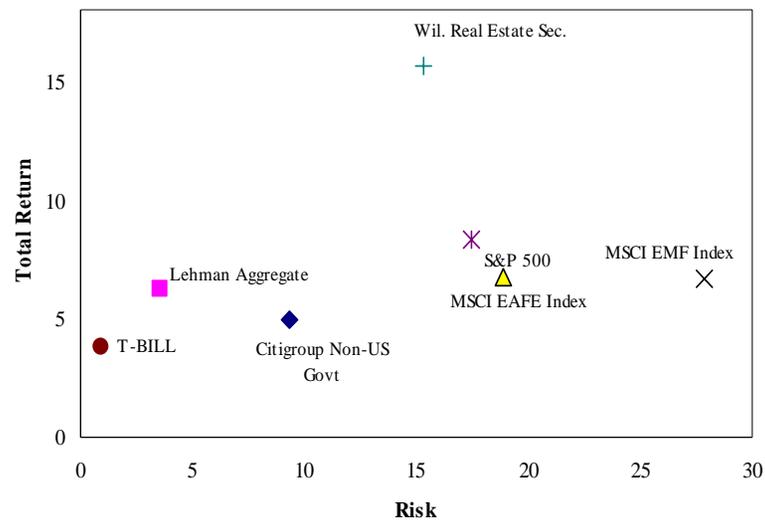
Investors rotated out of small capitalization stocks during the 2nd quarter (down 4.29%) to reduce their large gains for the year to 7.81%. Large cap stocks were also lower (down 1.53%), but not nearly as severely as small caps. Micro-cap stocks were hit the hardest of all (down 6.42%). Value outperformed growth across the capitalization spectrum as investors sought safe haven from the heavy selling in equity markets. Of note, large cap value was the only segment to post mildly positive returns during the period. Energy and Utilities were the best performing sectors during the quarter, returning 4.07% and 5.36%, respectively. Healthcare lagged the overall market, down 5.33%, while information technology stocks lost 9.40%.

Capital Markets Review

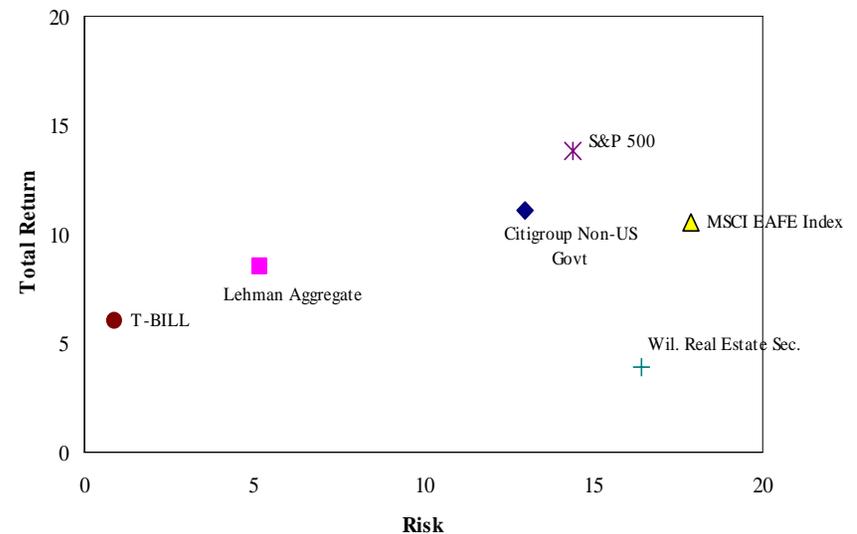
Major Asset Class Returns (%)

	QTR	YTD	1 yr	3 yr	5 yr	10yr
Equity						
Dow Jones - Wilshire 5000	-2.0	3.4	9.9	13.0	4.0	8.5
Standard and Poor's 500	-1.4	2.7	8.6	11.2	2.5	8.3
International Stock (MSCI EAFE)(USD)	0.7	10.2	26.5	23.9	10.0	6.4
Emerging Markets (MSCI EMF)(USD)	-4.3	7.3	35.9	34.8	21.5	6.7
Dow Jones - Wilshire Real Estate Securities	-1.0	14.2	21.9	28.4	19.9	15.6
Fixed Income						
Lehman Aggregate Bond	-0.1	-0.7	-0.8	2.1	5.0	6.2
First Boston High Yield	0.4	3.5	5.0	8.9	9.7	7.1
International Bonds (Citigroup Non-US)	4.0	3.9	0.0	5.0	9.6	4.9
Treasury Bills (91 Day)	1.2	2.2	4.0	2.3	2.2	3.8
Consumer Price Index						
	1.7	3.2	4.4	3.4	2.7	2.6

Risk versus Return (6/30/96 - 6/30/06)



Risk versus Return (6/30/86 - 6/30/96)

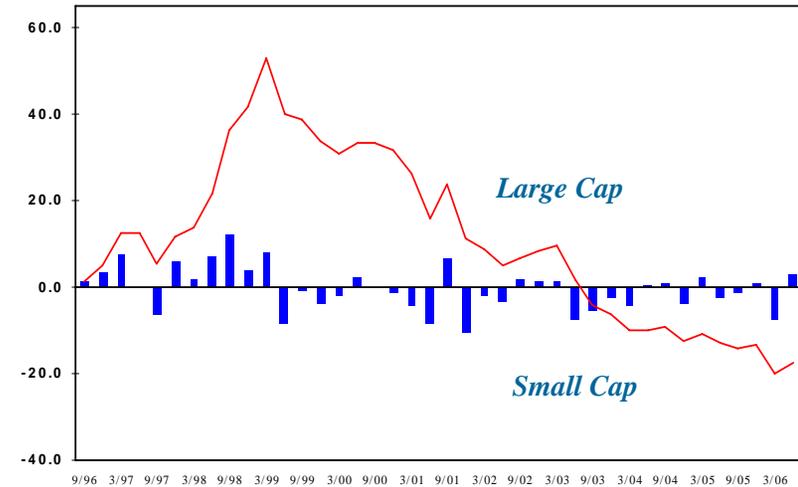


Domestic Equity Markets

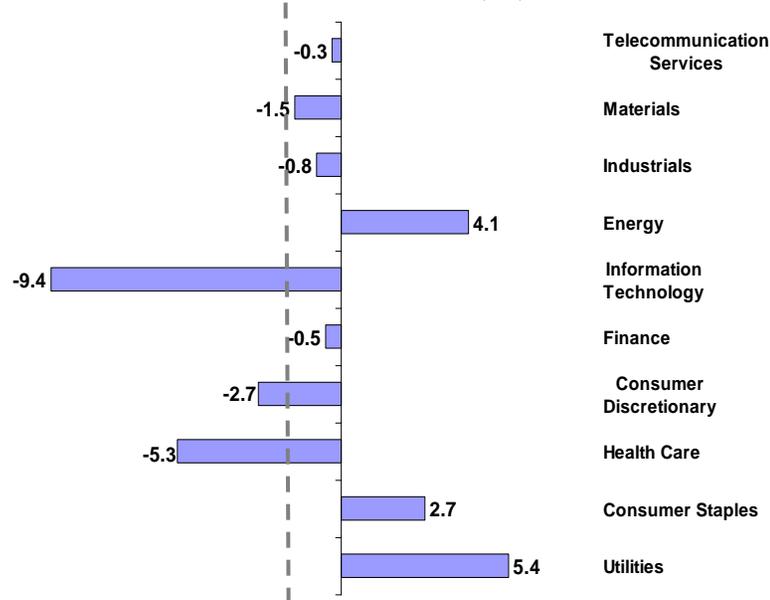
US Equity Returns (%)

	QTR	YTD	1 yr	3 yr	5 yr	10yr
DJ Wilshire 4500	-3.7	5.5	14.0	18.8	8.9	9.3
DJ Wilshire 5000	-2.0	3.4	9.9	13.0	4.0	8.5
DJ Wilshire Real Est. Secs	-1.0	14.2	21.9	28.4	19.9	15.6
DJ Wilshire Large Cap	-1.5	2.7	9.1	12.0	3.1	8.4
DJ Wilshire Mid Cap	-3.9	4.4	13.3	18.7	9.5	11.2
DJ Wilshire Small Cap	-4.3	7.8	15.3	20.0	10.4	10.5
DJ Wilshire Micro Cap	-6.4	6.6	15.1	20.5	16.9	13.3
DJ Wilshire Large Growth	-3.8	-0.4	7.9	9.9	-0.2	6.4
DJ Wilshire Large Value	0.6	5.6	10.2	14.1	6.6	10.0
DJ Wilshire Mid Growth	-5.3	3.7	15.9	20.3	7.9	7.6
DJ Wilshire Mid Value	-2.3	5.3	11.0	17.0	10.1	13.2
DJ Wilshire Small Growth	-6.6	6.5	15.7	19.8	6.9	6.8
DJ Wilshire Small Value	-2.1	9.1	15.0	20.1	13.6	13.5

Large Cap Vs. Small Cap

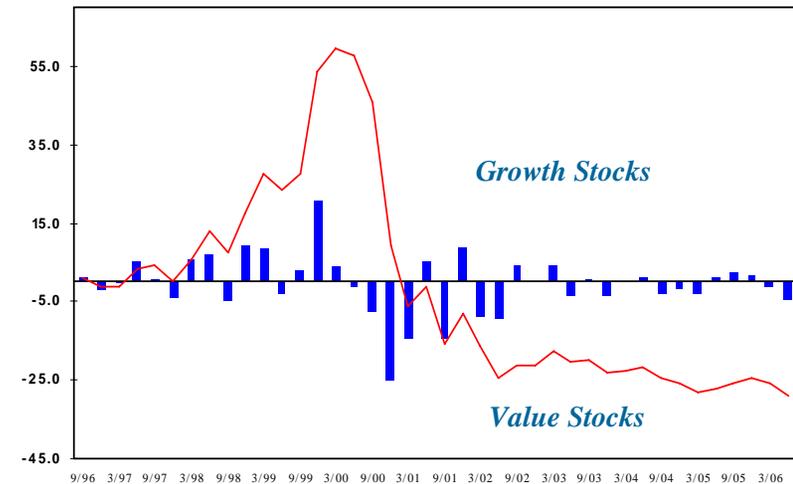


DJ Wilshire 5000 Sector Returns (%)



-- -- Represents DJ Wilshire 5000 Quarterly Return

Growth Stocks Vs. Value Stocks



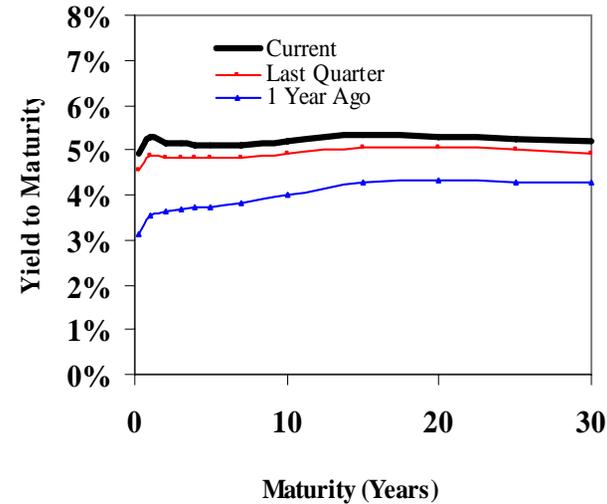
(Periods Ending June 30, 2006)

Domestic Fixed Income Markets

US Fixed Income Returns (%)

	QTR	YTD	1 yr	3 yr	5 yr	10yr
Lehman Aggregate	-0.1	-0.7	-0.8	2.1	5.0	6.2
Lehman ABS	0.4	0.7	1.2	2.1	4.7	6.0
Lehman Credit	-0.4	-1.6	-2.1	2.0	5.7	6.5
Lehman Gov't	0.0	-0.9	-1.2	1.3	4.7	6.0
Lehman Gov / Credit	-0.1	-1.2	-1.5	1.6	5.1	6.3
Lehman Long Treasury	-1.2	-4.8	-6.3	1.7	6.5	7.6
Lehman Mortgage	0.0	-0.1	0.4	2.9	4.7	6.1
Lehman Agency	0.2	0.0	0.1	1.6	4.8	6.1
First Boston High Yield	0.4	3.5	5.0	8.9	9.7	7.1
Salomon Bros World Gov't Bond	3.2	2.7	-0.4	4.3	8.5	5.4
Salomon Bros Non-US Bond	4.0	3.9	0.0	5.0	9.6	4.9
Lehman US TIPS	0.5	-1.8	-1.7	3.8	7.0	

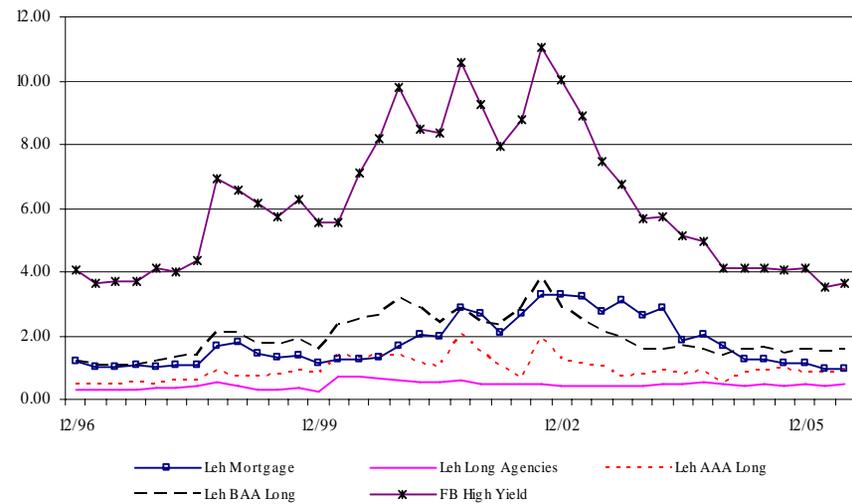
Treasury Yield Curve



Market Commentary

The Federal Reserve continued to dominate the headlines in the 2nd quarter and pushed the Federal Funds rate to 5.25% at the end of June. The long end of the yield curve, however, did not increase nearly as much as the short end and the yield curve remained extremely flat during the quarter. All segments of the capital market are currently looking at the Federal Reserve statements to glean some sense of where short term rates are headed. During the second quarter, long bonds continued to underperform as the Lehman Long Term Treasury index was down 1.19%, bringing the YTD performance to -4.76%. Overall, the credit markets were down slightly, even as high yield continued to hold up with a mildly positive return of 0.39%.

Historical Yield Spread Comparison to Treasuries



International Equity Markets

International Index Returns (%)

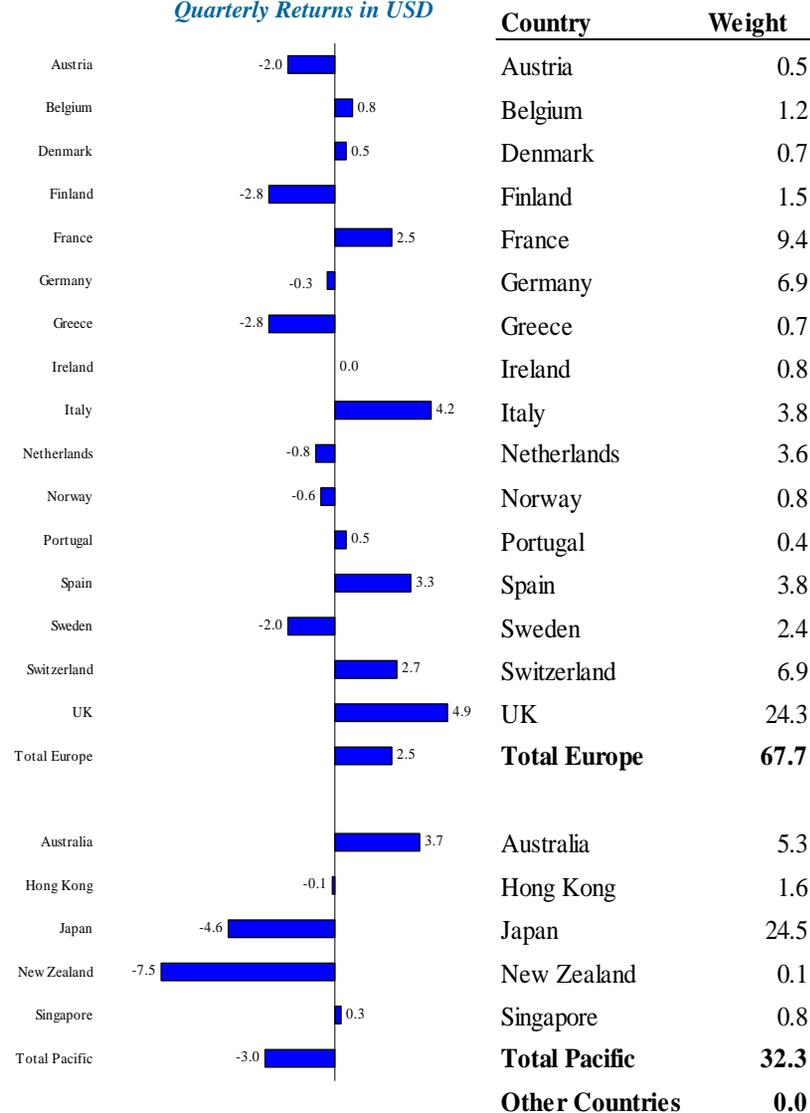
Equity (in U.S. \$)	QTR	YTD	1 yr	3 yr	5 yr	10yr
Non U.S. (ACWI X U.S)	0.2	10.0	28.4	25.8	11.9	7.2
Developed (EAFE)	0.7	10.2	26.5	23.9	10.0	6.4
Emerging (EMF)	-4.3	7.3	35.9	34.8	21.5	6.7
Europe	2.5	13.6	24.8	23.4	10.5	10.1
Pacific	-3.0	3.5	30.9	25.4	9.0	1.2
France	2.5	16.1	27.0	24.0	9.8	10.7
Germany	-0.3	13.4	30.0	25.3	7.7	7.8
Japan	-4.6	1.9	35.9	25.1	6.8	-0.1
United Kingdom	4.9	13.6	20.9	21.3	10.0	9.6
Currencies (% change)						
Euro vs Dollar	5.7	8.4	5.6	3.7	8.6	--
Yen vs Dollar	3.2	3.3	-3.1	1.7	1.8	-0.4
Pound vs Dollar	6.6	7.7	3.2	3.9	5.6	1.8

Market Commentary

Non-U.S. equity markets were not immune to the volatility experienced in the U.S. Similar to the U.S., many sectors of the non-U.S. equity markets gave back a substantial proportion of their gains for the year. Of particular note, emerging markets declined 2.95% in local terms (4.34% in USD) and gave back a substantial amount of the run-up seen in the 1st quarter as risk-averse investors fled the asset class in droves. Japan was down 7.53% for the quarter and 1.30% for the year locally after the large gains of 2005 as Japanese central bankers continued to drain liquidity from the system. Currency had a mixed impact on the markets; although, on the whole, the weakening of U.S. dollar helped as the MSCI AC World-ex U.S. index was flat in USD even while being down 4.06% in local terms.

MSCI EAFE Index

Quarterly Returns in USD

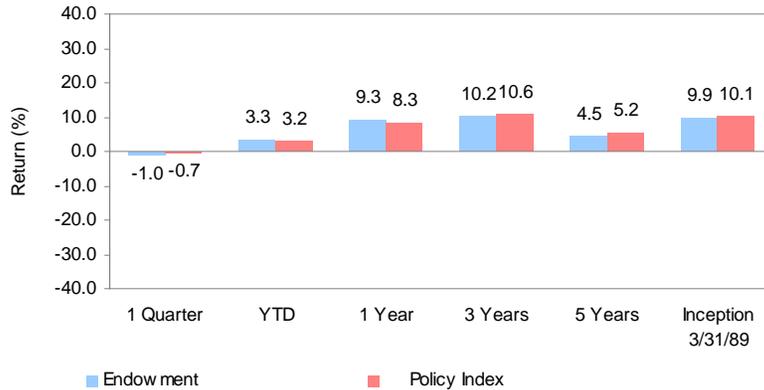


Total Fund Results

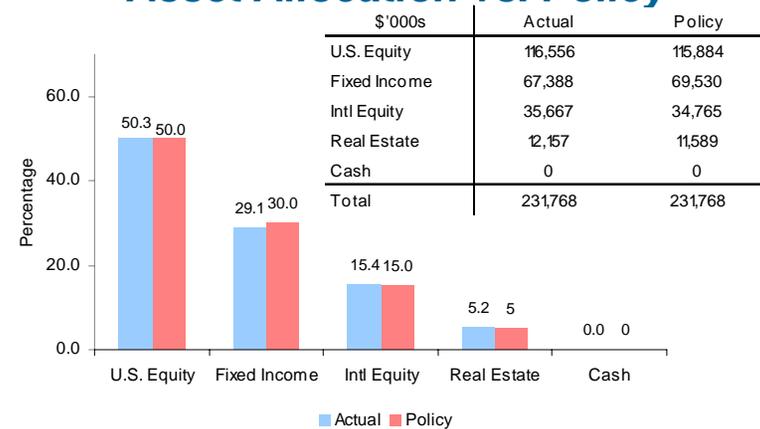
University of Iowa



Investment Performance



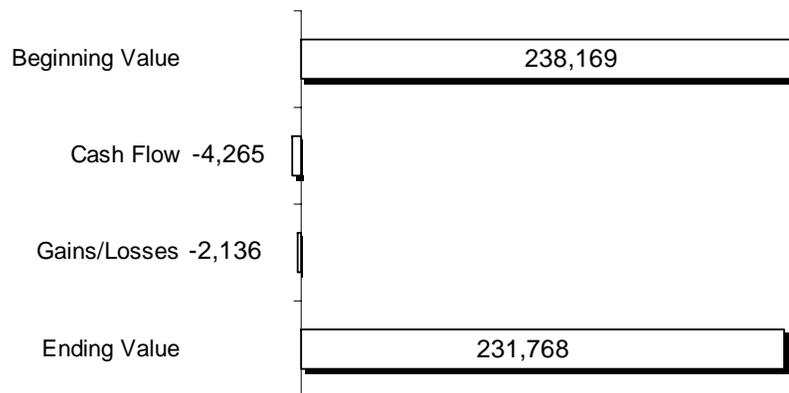
Asset Allocation vs. Policy



	\$'000s	Actual	Policy
U.S. Equity		116,556	115,884
Fixed Income		67,388	69,530
Intl Equity		35,667	34,765
Real Estate		12,157	11,589
Cash		0	0
Total		231,768	231,768

Quarter Results

(\$'000)



- The University of Iowa Endowment assets totaled \$231.8 million at the close of the second quarter
- During the quarter, investment losses totaled \$2.1 million
- There were no contributions
- Distributions and fees totaled \$4.3 million.
- The Endowment fund returned -.99% for the second quarter, underperforming the benchmark by 0.29%.

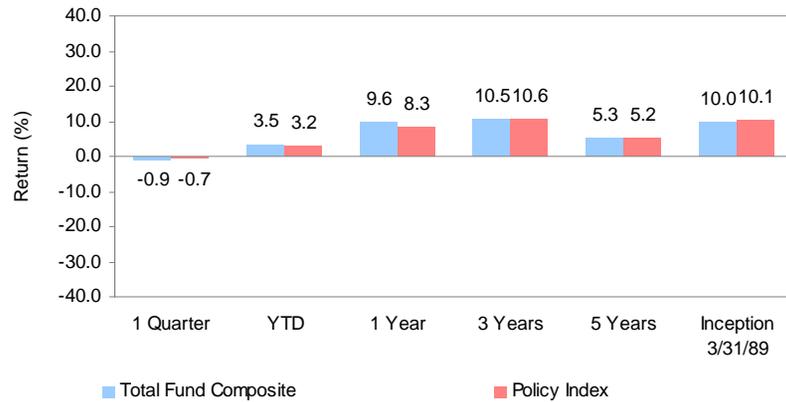
(Periods Ending June 30, 2006)

*At the direction of the Board of Regents, adjustments have been made to composite market values to account for rounding

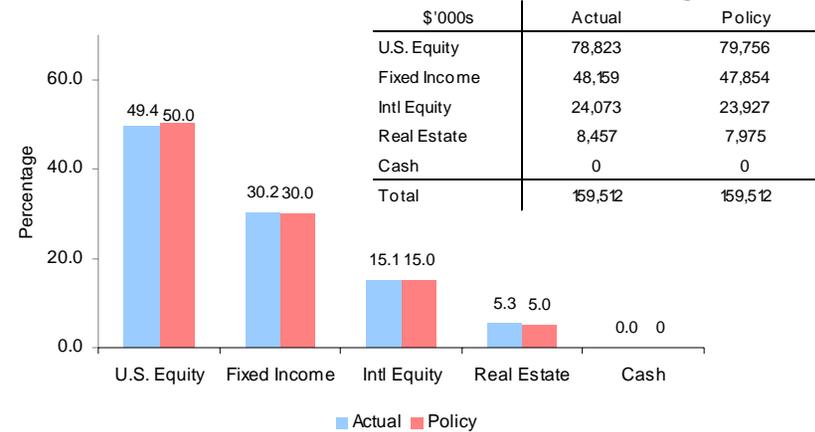
Total Fund Results

Iowa State University

Investment Performance



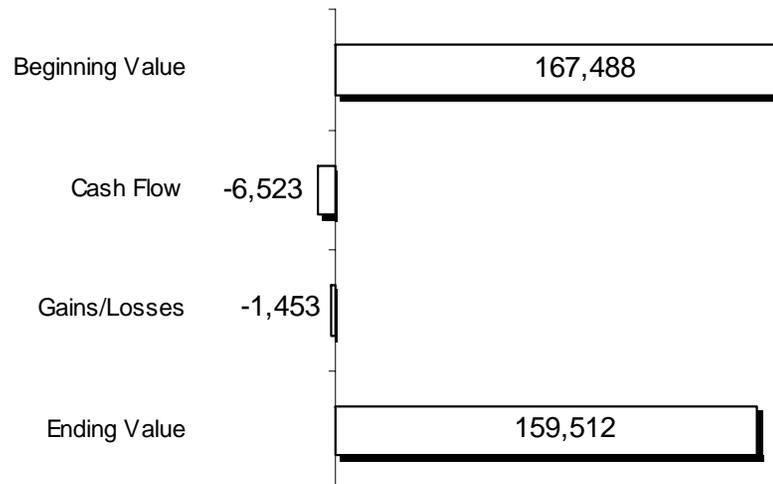
Asset Allocation vs. Policy



	\$'000s	Actual	Policy
U.S. Equity		78,823	79,756
Fixed Income		48,159	47,854
Intl Equity		24,073	23,927
Real Estate		8,457	7,975
Cash		0	0
Total		159,512	159,512

Quarter Results

(\$'000)



- The Iowa State Endowment assets totaled \$159.5 million at the close of the first quarter
- During the quarter, investment losses totaled \$1.5 million
- Total contributions were \$344,000.
- Total fees and distributions were \$6.9 million
- The Endowment fund returned -0.93% for the second quarter, underperforming the benchmark by 0.23%

(Periods Ending June 30, 2006)

*At the direction of the Board of Regents, adjustments have been made to composite market values to account for rounding

Total Fund Results

University of Iowa

	\$'000	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %
Domestic Equity Composite (3/31/89) <i>Wilshire 5000</i>	116,556	-2.6 -2.0	3.0 3.4	10.4 9.9	12.1 13.0	2.4 4.0	11.3 11.2
Fixed Income Composite (3/31/89) <i>Custom Policy*</i>	67,388	0.1 -0.1	-0.1 -0.7	0.3 -0.8	2.3 2.1	4.7 5.0	7.4 7.5
Int'l Equity Composite (9/30/94) <i>MSCI EAFE (N)</i>	35,667	0.0 0.7	10.0 10.2	27.7 26.6	23.8 23.9	13.5 10.0	7.7 6.7
Real Estate Composite (3/31/06) <i>NCREIF</i>	12,157	5.7 4.0	-- --	-- --	-- --	-- --	5.7 4.0
Total Endowment (3/31/89) <i>Policy Index**</i>	231,768	-1.0 -0.7	3.3 3.2	9.3 8.3	10.2 10.6	4.5 5.2	9.9 10.1

Iowa State

	\$'000	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %
Domestic Equity Composite (3/31/89) <i>Wilshire 5000</i>	78,823	-2.4 -2.0	3.0 3.4	10.4 9.9	12.2 13.0	2.2 4.0	11.1 11.2
Fixed Composite (3/31/89) <i>Custom Policy*</i>	48,159	0.0 -0.1	0.0 -0.7	0.3 -0.8	2.4 2.1	4.7 5.0	6.8 7.5
Int'l Equity Composite (9/30/94) <i>MSCI EAFE (N)</i>	24,073	0.0 0.7	10.0 10.2	27.7 26.6	23.3 23.9	13.0 10.0	7.5 6.7
Real Estate Composite (3/31/06) <i>NCREIF</i>	8,457	5.7 4.0	-- --	-- --	-- --	-- --	5.7 4.0
Total Endowment (3/31/89) <i>Policy Index**</i>	159,512	-0.9 -0.7	3.5 3.2	9.6 8.3	10.5 10.6	5.3 5.2	10.0 10.1

** 6/89 -- 6/99 60% S&P 500 30% Lehman Govt / Credit 10% MSCI EAFE (n)
 9/99 -- 6/01 63% S&P 500 30% Lehman Govt / Credit 7% MSCI EAFE (n)
 9/01 -- 3/02 63% S&P 500 30% Lehman Aggregate 7% MSCI EAFE (n)
 3/02 -- 3/06 63% Wilshire 5000 30% Lehman Aggregate 7% MSCI EAFE (n)
 6/06 -- Present 50% Wilshire 5000 30% Lehman Aggregate 15% MSCI EAFE (n) 5% NCREIF Property Inde
 * 9/98 -- 6/01 100% Lehman Govt / Credit
 9/01 -- Present 100% Lehman Aggregate

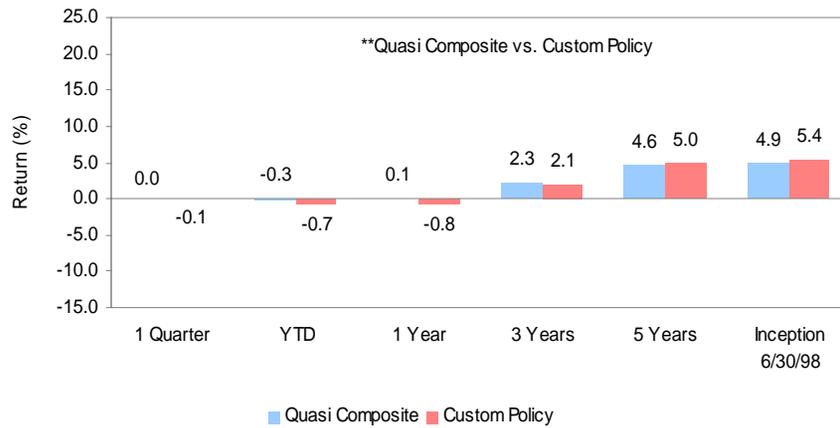
(Periods Ending June 30, 2006)

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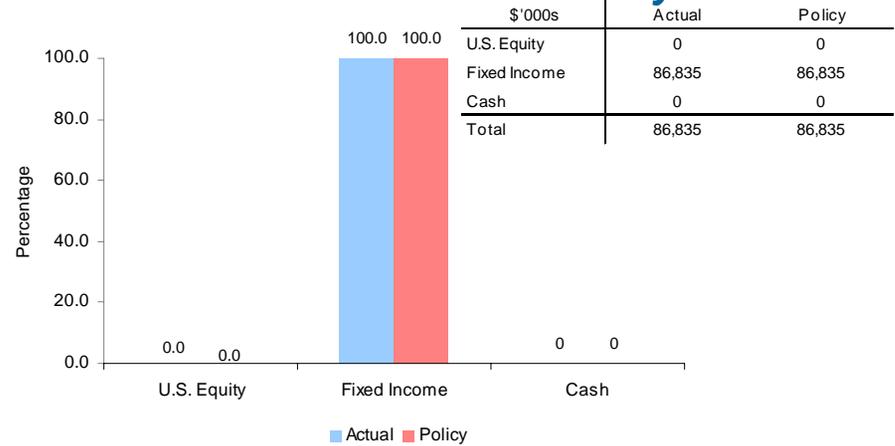
Total Fund Results

University of Iowa Quasi

Investment Performance

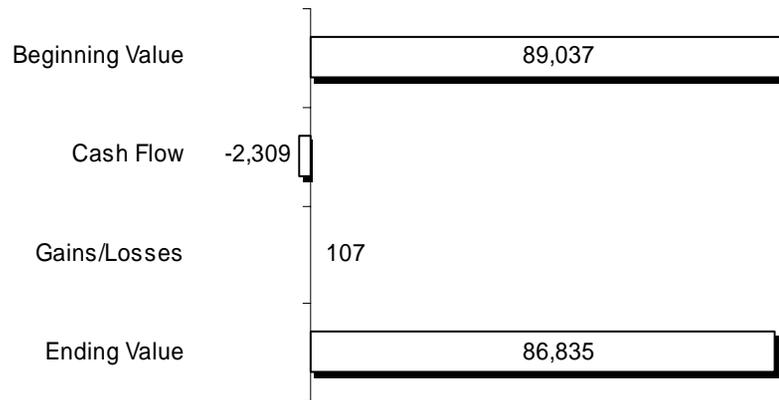


Asset Allocation vs. Policy



Quarter Results

(\$'000)



- The Quasi Endowment portfolio returned 0.03% during the second quarter, outperforming the benchmark by 0.11%
- The Quasi total fund has total assets of \$86.8 million
- There were no contributions during the quarter
- Total distributions and fees totaled \$2.3 million
- The Quasi fund had investment gain of \$107,000

(Periods Ending June 30, 2006)

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Quasi Endowment Review

	\$'000	Investment Fee \$'000	Comp %	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %
Dodge & Cox (3/31/04)	44,197	50	50.9%						
Gross of Fee Return				0.1	0.2	0.8	--	--	2.1
Net of Fee Return				0.0	0.0	0.3	--	--	1.7
<i>Lehman Aggregate</i>				-0.1	-0.7	-0.8	--	--	1.5
Reams Asset Management Quasi (9/30/01)	42,638	33	49.1%						
Gross of Fee Return				0.1	-0.5	0.1	2.9	--	4.1
Net of Fee Return				0.1	-0.6	-0.2	2.6	--	3.8
<i>Lehman Aggregate</i>				-0.1	-0.7	-0.8	2.1	--	4.3
Quasi Composite (6/30/98)	86,835	83	100%	0.0	-0.3	0.1	2.3	4.6	4.9
<i>Custom Policy**</i>				-0.1	-0.7	-0.8	2.1	5.0	5.4

** 9/98 -- 6/01 100% Lehman Govt / Credit
 9/01 -- Present 100% Lehman Aggregate

(Periods Ending June 30, 2006)

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Domestic Equity Composite Review

Manager Returns – University of Iowa

University of Iowa	\$'000	Investment Fee \$'000	Comp %	Qtr %	YTD %	1 Year %	3 Years %	5 Years %	Inception %
Goldman Sachs Large Cap (3/31/05)	46,743	89	40.1%						
Gross of Fee Return				-2.0	3.6	12.1	--	--	11.2
Net of Fee Return				-2.1	3.3	11.5	--	--	10.7
S&P 500				-1.4	2.7	8.6	--	--	8.0
Lotsoff Large Cap Equity (3/31/05)	46,471	44	39.9%						
Gross of Fee Return				-1.4	2.2	10.1	--	--	9.6
Net of Fee Return				-1.5	2.0	9.7	--	--	9.2
S&P 500				-1.4	2.7	8.6	--	--	8.0
LSV Asset Mgmt (6/30/02)	12,080	21	10.4%						
Gross of Fee Return				-1.3	6.0	11.3	19.1	--	13.0
Net of Fee Return				-1.5	5.6	10.5	18.3	--	12.3
Russell 2500 Value				-2.5	7.7	12.5	21.0	--	15.2
Artisan Small Cap Growth (3/31/05)	11,262	33	10%						
Gross of Fee Return				-9.0	3.0	9.8	--	--	13.0
Net of Fee Return				-9.2	2.5	8.8	--	--	11.9
Russell 2000 Growth				-7.3	6.1	14.6	--	--	14.6
Domestic Equity Composite (3/31/89)	116,556	187	100%	-2.6	3.0	10.4	12.1	2.4	11.3
Wilshire 5000				-2.0	3.4	9.9	13.0	4.0	11.2

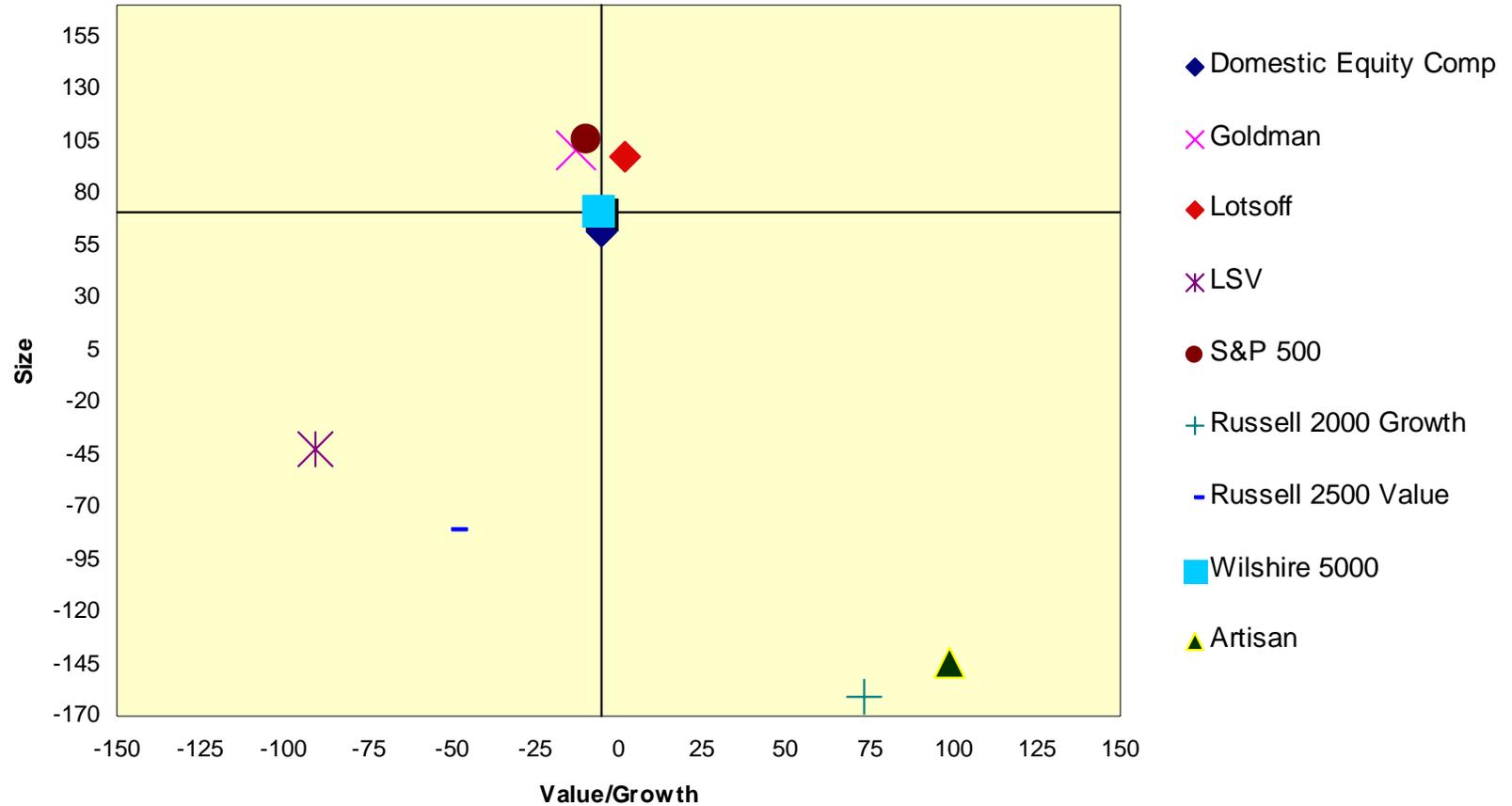
Manager Returns – Iowa State University

Iowa State University	\$'000	Investment Fee \$'000	Comp %	Qtr %	YTD %	1 Year %	3 Years %	5 Years %	Inception %
Goldman Sachs Large Cap (3/31/05)	30,719	32	39.0%						
Gross of Fee Return				-1.4	3.1	11.4	--	--	10.9
Net of Fee Return				-1.5	2.9	10.9	--	--	10.4
S&P 500				-1.4	2.7	8.6	--	--	8.0
Lotsoff Large Cap Equity (3/31/05)	30,464	27	38.6%						
Gross of Fee Return				-1.5	2.3	10.1	--	--	9.7
Net of Fee Return				-1.5	2.1	9.8	--	--	9.3
S&P 500				-1.4	2.7	8.6	--	--	8.0
LSV Asset Mgmt (6/30/02)	8,642	15	11.0%						
Gross of Fee Return				-0.9	6.7	12.0	19.7	--	13.6
Net of Fee Return				-1.1	6.3	11.2	18.9	--	12.8
Russell 2500 Value				-2.5	7.7	12.5	21.0	--	15.2
Artisan Small Cap Growth (3/31/05)	8,998	27	11%						
Gross of Fee Return				-9.0	3.1	10.0	--	--	12.8
Net of Fee Return				-9.3	2.5	8.9	--	--	11.8
Russell 2000 Growth				-7.3	6.1	14.6	--	--	14.6
Domestic Equity Composite (3/31/89)	78,823	101	100.0%	-2.4	3.0	10.4	12.2	2.2	11.1
Wilshire 5000				-2.0	3.4	9.9	13.0	4.0	11.2

(Periods Ending June 30, 2006)

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Domestic Equity Composite Review

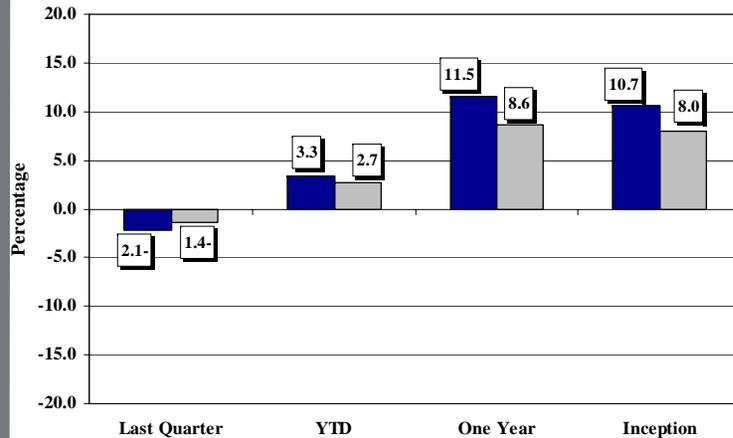


Domestic Equity Review – Goldman Sachs

University of Iowa -- Value Added

(Vs. S&P 500)

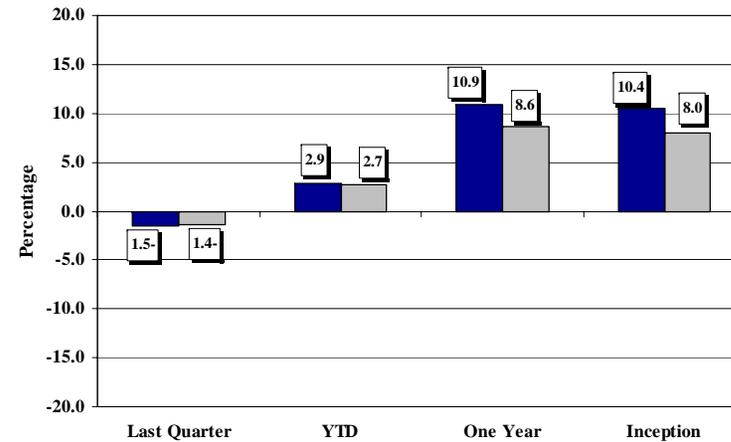
■ Goldman Sachs □ S&P 500



Iowa State University -- Value Added

(Vs. S&P 500)

■ Goldman Sachs □ S&P 500



Attribution

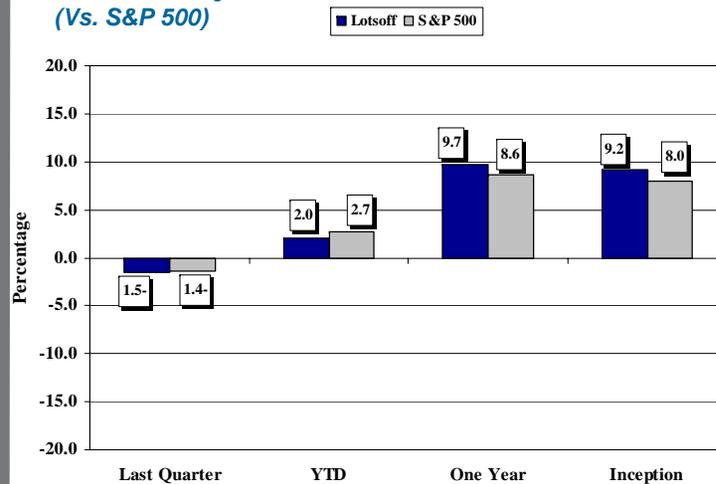
- Stock selection within the Financials, Energy, and Industrials sectors contributed to Goldman's underperformance for the quarter
- Stock selection within the Information Technology and Consumer Discretionary sectors had a positive impact on performance

Manager Overview

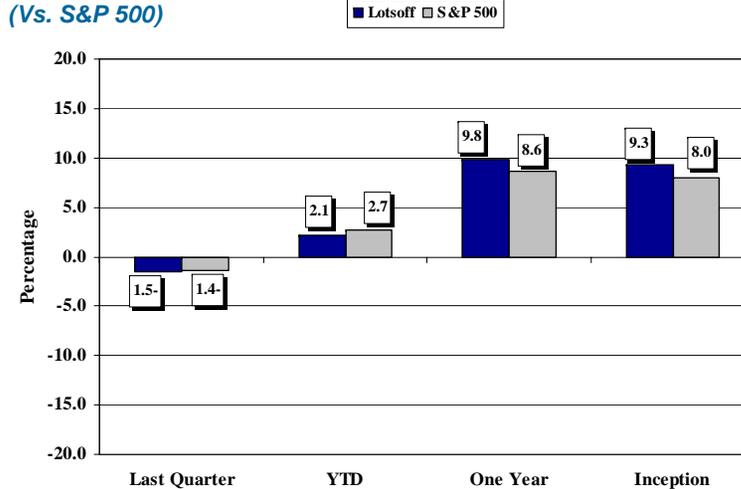
- **Style:** Large Capitalization Core Equity
- **Construction Process:** Optimization
- **Investment Philosophy:** Enhanced Index
- **Selection Method:** Quantitative valuation

Domestic Equity Review – Lotsoff

University of Iowa -- Value Added
(Vs. S&P 500)



Iowa State University -- Value Added
(Vs. S&P 500)



Attribution

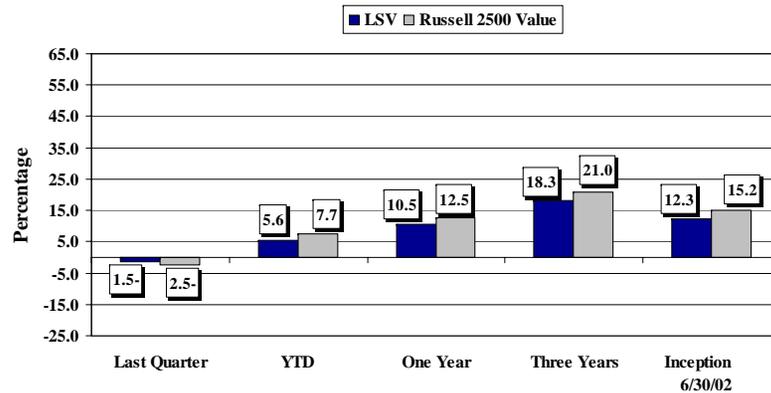
- Stock selection within the Consumer Discretionary sectors was the main detractor of Lotsoff’s performance for the quarter
- Both portfolios benefited from stock selection within the Materials and Utilities sectors this quarter
- An underweight to the Utilities sector detracted from performance for the quarter

Manager Overview

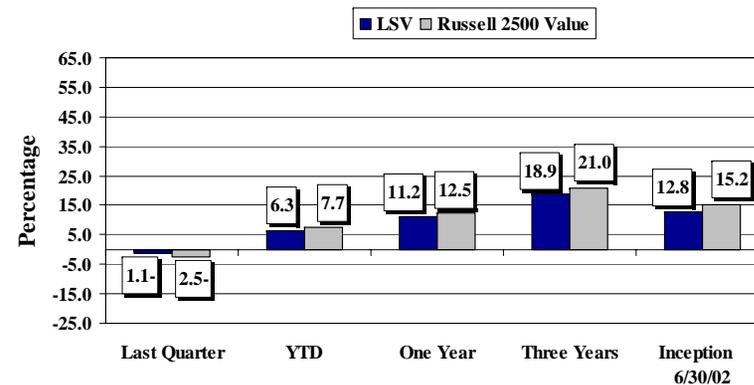
- **Style:** Large Capitalization Core Equity
- **Construction Process:** Optimization
- **Investment Philosophy:** Active Bottom Up
- **Selection Method:** Quantitative valuation

Domestic Equity Review – LSV Asset Mgmt.

University of Iowa -- Value Added
(Vs. Russell 2500 Value)



Iowa State University -- Value Added
(Vs. Russell 2500 Value)



Attribution

- Stock selection was the driver of LSV’s out-performance this quarter
- Stock selection within the Information Technology, Energy, and Financial sectors main contributors to LSV’s out-performance for the quarter
- Stock selection within the Consumer Discretionary sector detracted from performance

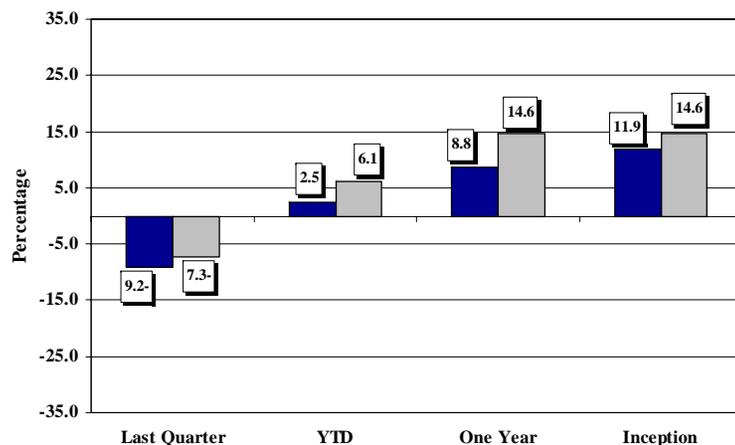
Manager Overview

- **Style:** Mid Capitalization Value Equity
- **Construction Process:** Optimization
- **Investment Philosophy:** Active - Bottom up
- **Selection Method:** Quantitative valuation

Domestic Equity Review – Artisan

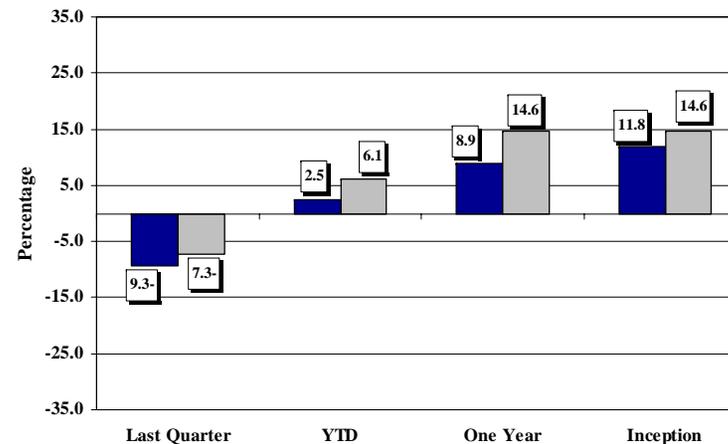
University of Iowa -- Value Added

(Vs. Russell 2000 Growth) ■ Artisan □ Russell 2000 Growth



Iowa State University -- Value Added

(Vs. Russell 2000 Growth) ■ Artisan □ Russell 2000 Growth



Attribution

- Stock selection within the Information Technology, Industrials, Health Care, and Consumer Staples sectors were the main contributors to Artisan’s underperformance for the quarter
- Stock selection within the Financial sector had a positive impact on performance

Manager Overview

- **Style:** Small Capitalization Growth Equity
- **Construction Process:** Optimization
- **Investment Philosophy:** Active - Bottom up
- **Selection Method:** Fundamental valuation

International Equity Composite Review

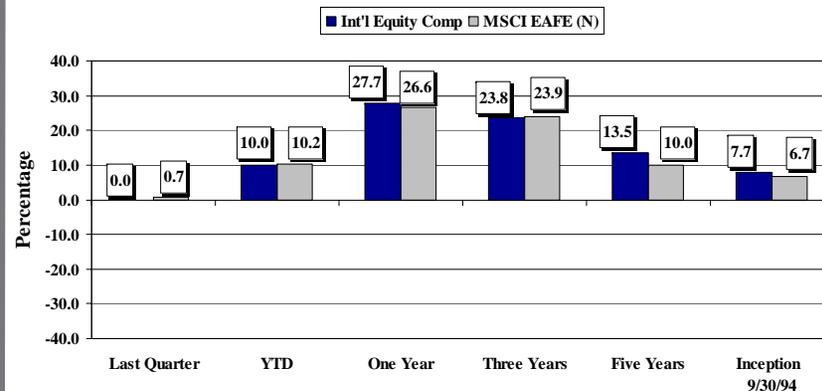
University of Iowa -- Manager Returns

University of Iowa	\$'000 Investment	Fee \$'000	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %
Grantham, Mayo, Van Otterloo Foreign Fund (3/31/04)	35,667	73	0.2	10.5	28.7	--	--	18.9
Gross of Fee Return			0.0	10.0	27.7	--	--	18.1
Net of Fee Return			0.7	10.2	26.6	--	--	17.6
MSCI EAFE Index (N)								
Int'l Equity Composite (9/30/94)	35,667	73	0.0	10.0	27.7	23.8	13.5	7.7
MSCI EAFE Index (N)			0.7	10.2	26.6	23.9	10.0	6.7

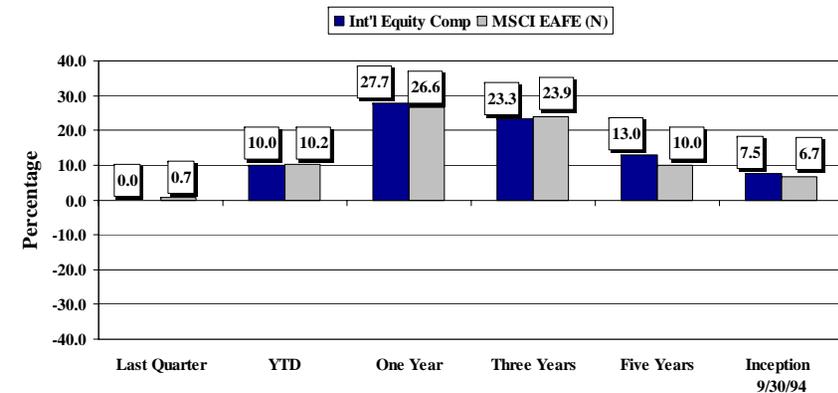
Iowa State University -- Manager Returns

Iowa State University	\$'000 Investment	Fee \$'000	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %
Grantham, Mayo, Van Otterloo Foreign Fund (3/31/04)	24,073	49	0.2	10.5	28.7	--	--	18.9
Gross of Fee Return			0.0	10.0	27.7	--	--	18.1
Net of Fee Return			0.7	10.2	26.6	--	--	17.6
MSCI EAFE Index (N)								
Int'l Equity Composite (9/30/94)	24,073	49	0.0	10.0	27.7	23.3	13.0	7.5
MSCI EAFE Index (N)			0.7	10.2	26.6	23.9	10.0	6.7

University of Iowa -- Value Added (Vs. MSCI EAFE (N))

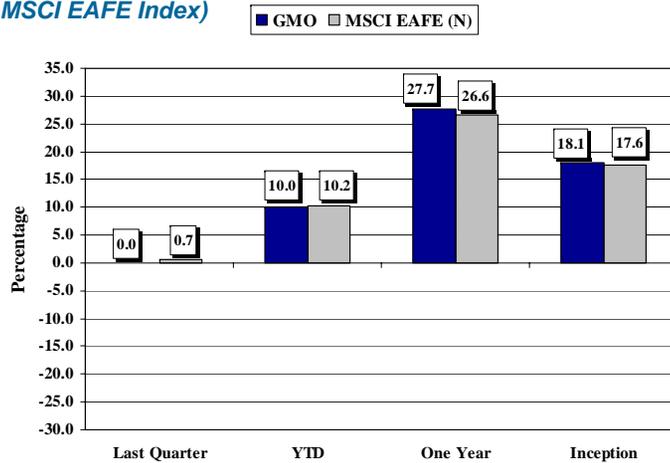


Iowa State University -- Value Added (Vs. MSCI EAFE (N))



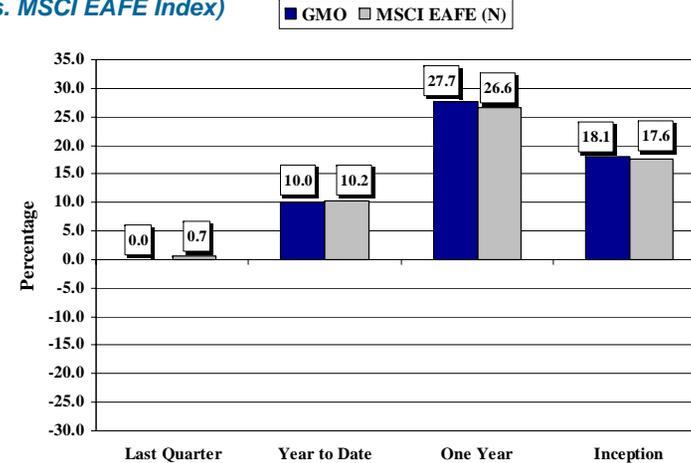
University of Iowa -- Value Added

(Vs. MSCI EAFE Index)



Iowa State University -- Value Added

(Vs. MSCI EAFE Index)



Attribution

- GMO underperformed the benchmark by 0.72% in the second quarter
- Sector weighting was the primary driver of underperformance for the quarter
 - Poor sector weighting within Germany was a primary detractor to GMO's performance
- Stock selection within Japan greatly mitigated underperformance

Manager Overview

- **Style:** International Value Equity
- **Construction Process:** Valuation measures
- **Investment Philosophy:** Active - Bottom up
- **Selection Method:** Fundamental Earnings Forecast

Fixed Income Composite Review

University of Iowa	\$'000	Investment Fee \$'000	Comp %	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %
Dodge & Cox Income Fund (3/31/04)	27,784	31	41.2%						
Gross of Fee Return				0.1	0.2	0.7	--	--	2.1
Net of Fee Return				0.0	-0.1	0.3	--	--	1.7
<i>Lehman Aggregate</i>				-0.1	-0.7	-0.8	--	--	1.5
Reams Asset Mgmt (6/30/02)	28,006	18	41.6%						
Gross of Fee Return				0.1	-0.5	0.1	2.9	--	3.5
Net of Fee Return				0.0	-0.6	-0.2	2.6	--	3.2
<i>Lehman Aggregate</i>				-0.1	-0.7	-0.8	2.1	--	3.1
Post Advisory (3/31/06)	11,598	6	17.2%						
Gross of Fee Return				0.5	--	--	--	--	0.5
Net of Fee Return				0.4	--	--	--	--	0.4
<i>Merrill Lynch High Yield Master II</i>				0.2	--	--	--	--	0.2
Fixed Income Composite (3/31/89)	67,388	55	100%	0.1	-0.1	0.3	2.3	4.7	7.4
<i>Custom Policy**</i>				-0.1	-0.7	-0.8	2.1	5.0	7.5

** 6/94 -- 6/01 100% Lehman Govt / Credit
9/01 -- Present 100% Lehman Aggregate

Iowa State University	\$'000	Investment Fee \$'000	Comp %	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %
Dodge & Cox Income Fund (3/31/04)	20,091	23	41.7%						
Gross of Fee Return				0.1	0.2	0.7	--	--	2.1
Net of Fee Return				0.0	0.0	0.3	--	--	1.7
<i>Lehman Aggregate</i>				-0.1	-0.7	-0.8	--	--	1.5
Reams Asset Mgmt (6/30/02)	19,748	15	41.0%						
Gross of Fee Return				0.0	-0.3	0.0	2.9	--	3.6
Net of Fee Return				-0.1	-0.4	-0.3	2.6	--	3.3
<i>Lehman Aggregate</i>				-0.1	-0.7	-0.8	2.1	--	3.1
Post Advisory (3/31/06)	8,320	4	17.3%						
Gross of Fee Return				0.5	--	--	--	--	0.5
Net of Fee Return				0.4	--	--	--	--	0.4
<i>Merrill Lynch High Yield Master II</i>				0.2	--	--	--	--	0.2
Fixed Income Composite (3/31/89)	48,159	42	100%	0.0	0.0	0.3	2.4	4.7	6.8
<i>Custom Policy**</i>				-0.1	-0.7	-0.8	2.1	5.0	7.5

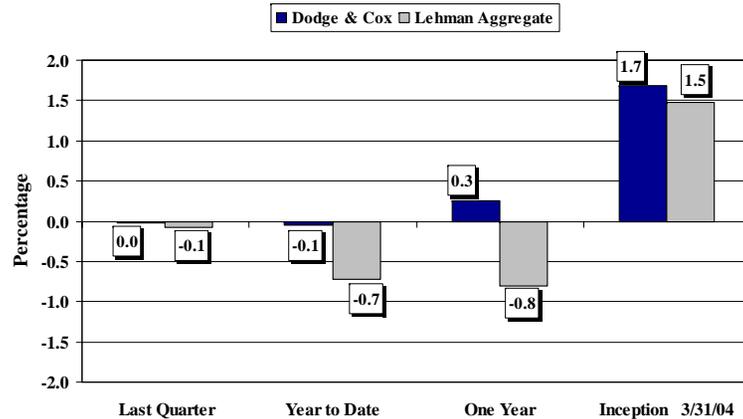
** 6/94 -- 6/01 100% Lehman Govt / Credit
9/01 -- Present 100% Lehman Aggregate

(Periods Ending June 30, 2006)

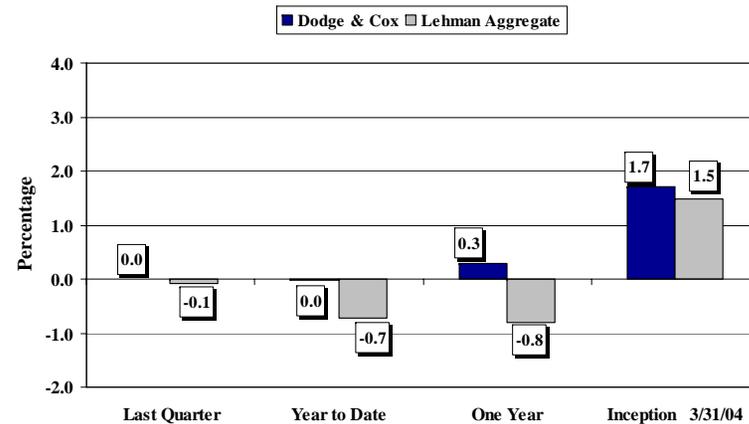
*At the direction of the Board of Regents, adjustments have been made to composite market values to account for rounding

Fixed Income Review – Dodge and Cox

University of Iowa -- Value Added
(Vs. Lehman Aggregate)



Iowa State University -- Value Added
(Vs. Lehman Aggregate)



Attribution

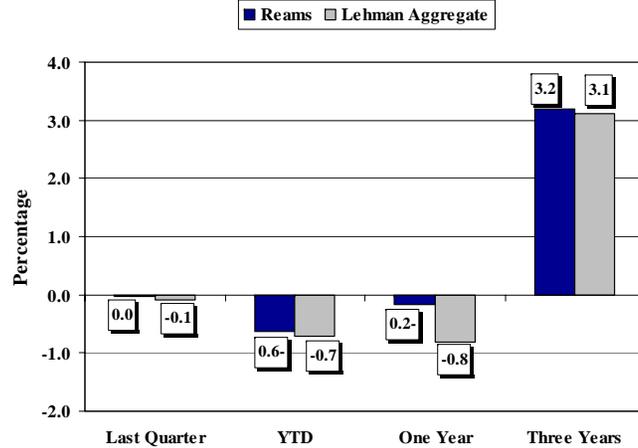
- Dodge & Cox outperformed the benchmark by 0.09% in the second quarter
- The quality of bonds within the portfolio is AA, matching the Lehman Aggregate’s average quality
- The portfolio has a duration of 4.3 years, versus the Lehman Aggregate’s duration of 4.8 years

Manager Overview

- **Style:** Market Core
- **Construction Process:** Build Portfolios with Higher Yield than Market Portfolio
- **Investment Philosophy:** Active - Bottom up
- **Selection Method:** Quantitative and Qualitative valuation

Fixed Income Review - Reams

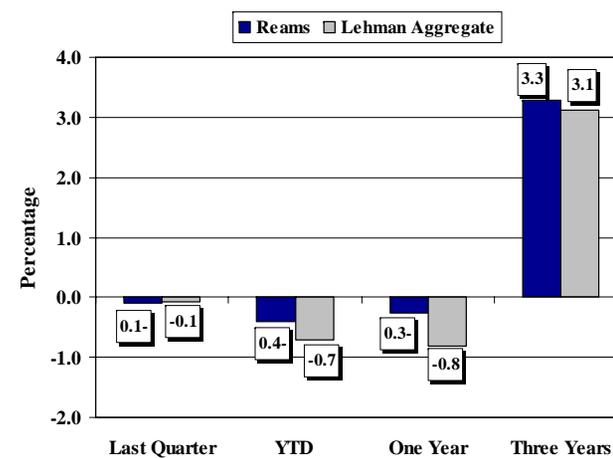
University of Iowa -- Value Added (Vs. Lehman Aggregate)



Attribution

- Reams' return was slightly lower than the benchmark by 0.01% in the second quarter.
- The average quality of bonds within the portfolio is AAA, compared to Lehman Aggregate's AA rating
- The portfolio has a duration of 4.92 years, versus the Lehman Aggregate's duration of 4.8 years.

Iowa State University -- Value Added (Vs. Lehman Aggregate)

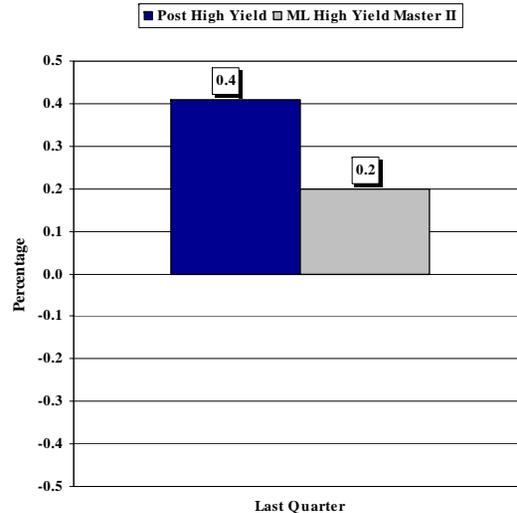


Manager Overview

- **Style:** Market Core
- **Construction Process:** Optimization
- **Investment Philosophy:** Active - Bottom up
- **Selection Method:** Quantitative and Qualitative valuation

Fixed Income Review – Post Advisory

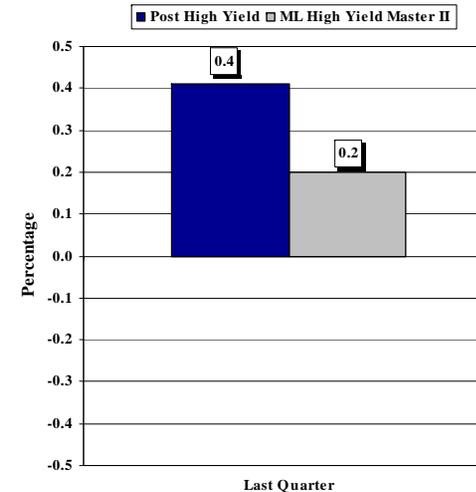
University of Iowa -- Value Added (Vs. ML High Yield Master II)



Attribution

- Post Advisory out performed its benchmark by 0.21% in the second quarter
- The average quality of bonds within the portfolio is B, a slightly lower rating than the Merrill Lynch High Yield Master II's rating of BB
- The portfolio has a duration of 4.03 years, versus the benchmark duration of 4.71 years.

Iowa State University -- Value Added (Vs. ML High Yield Master II)



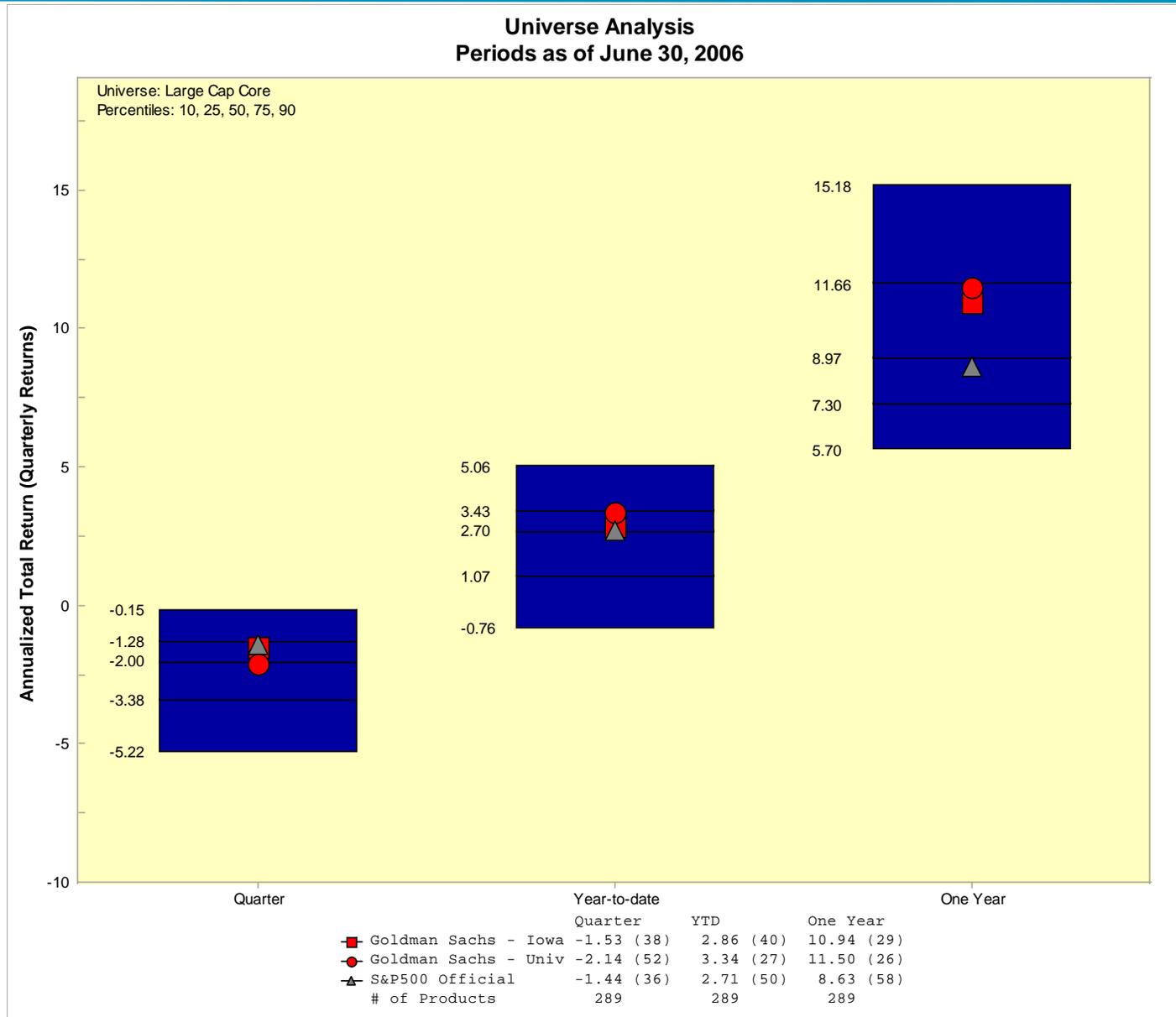
Manager Overview

- **Style:** High Yield
- **Construction Process:** Subjective
- **Investment Philosophy:** Active - Bottom up
- **Selection Method:** Scoring model based on quantitative and quantitative inputs



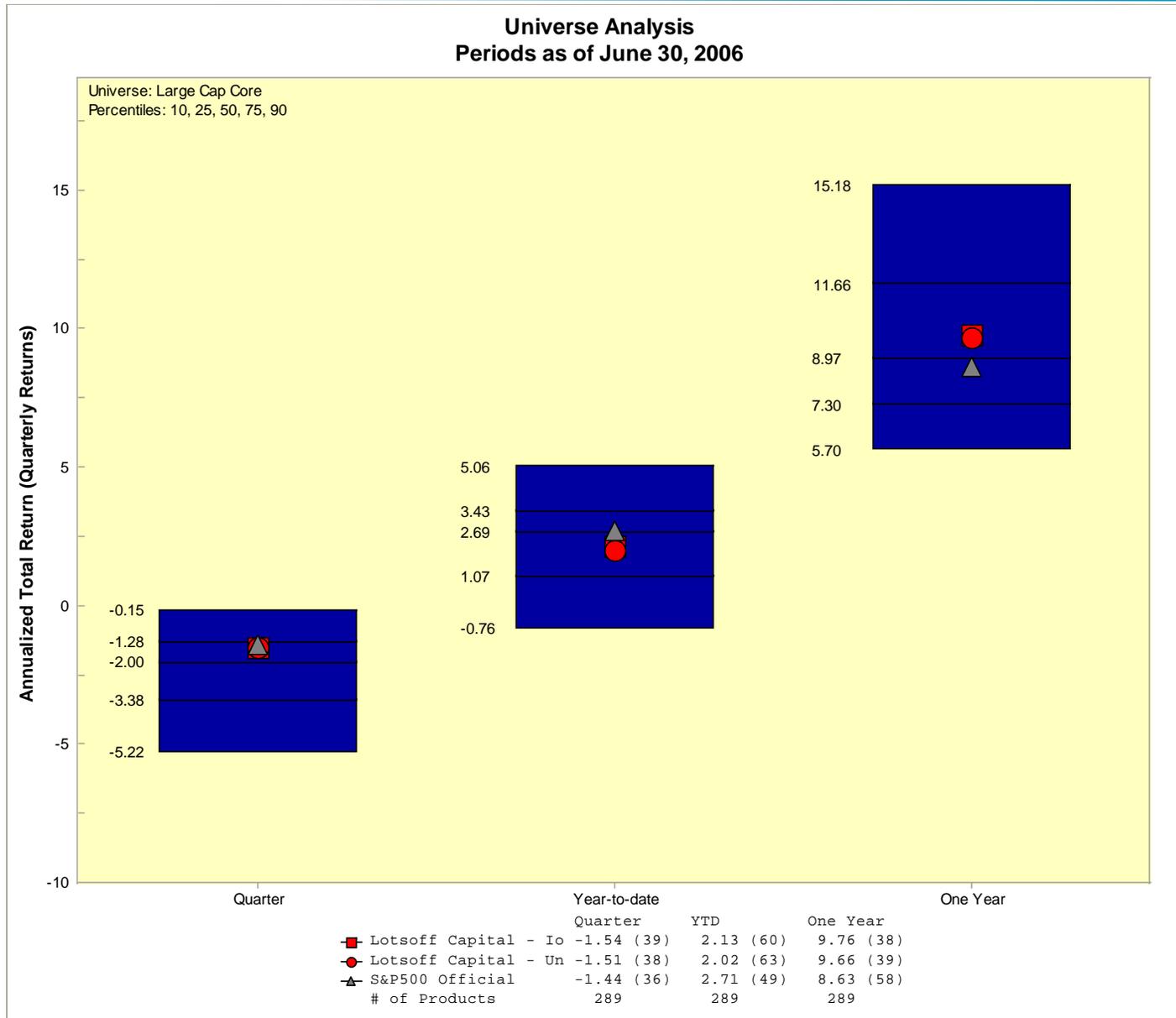
Appendix

Domestic Equity Manager Detail – Goldman Sachs



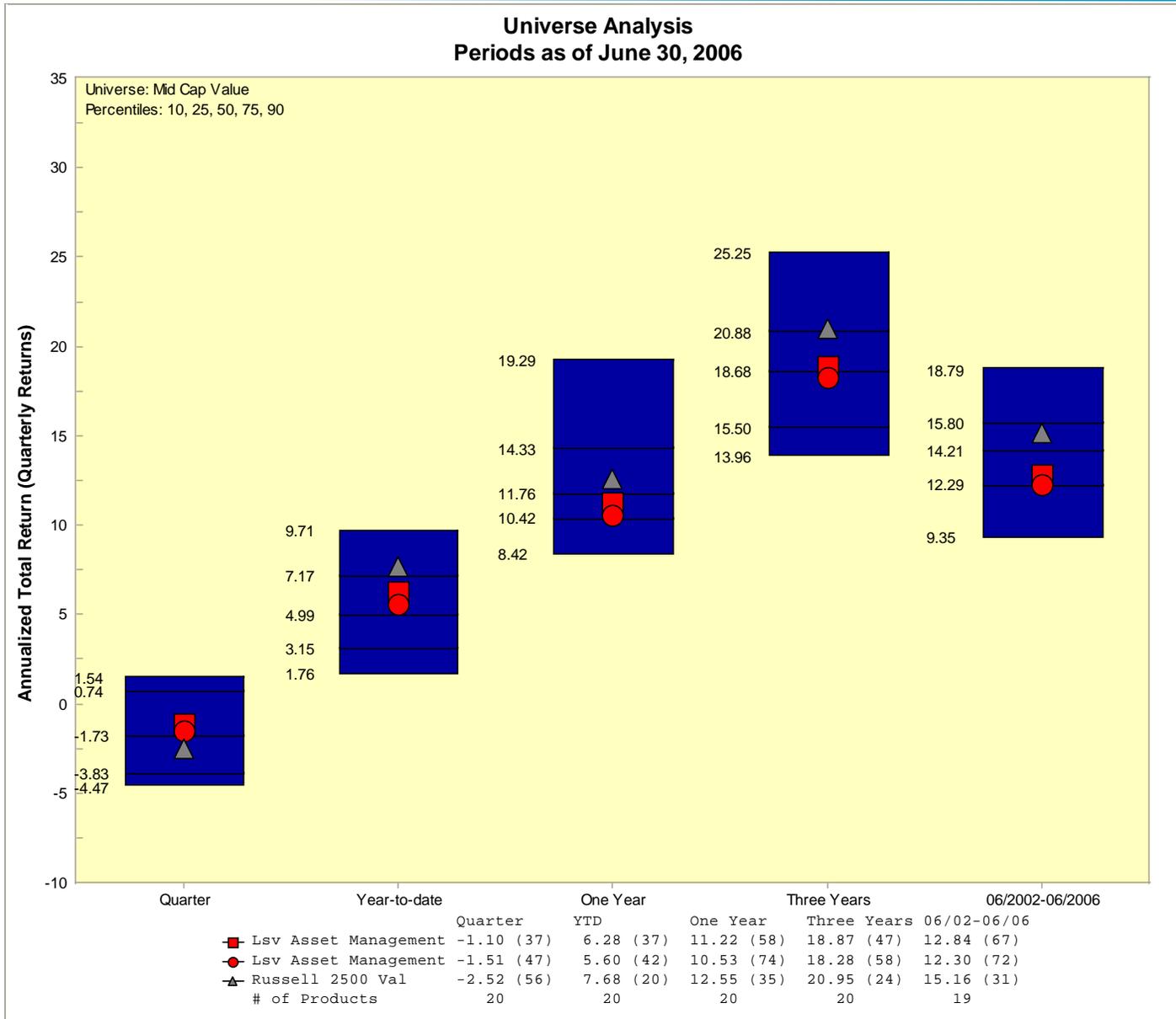
(Periods Ending June 30, 2006)

Domestic Equity Manager Detail – Lotsoff

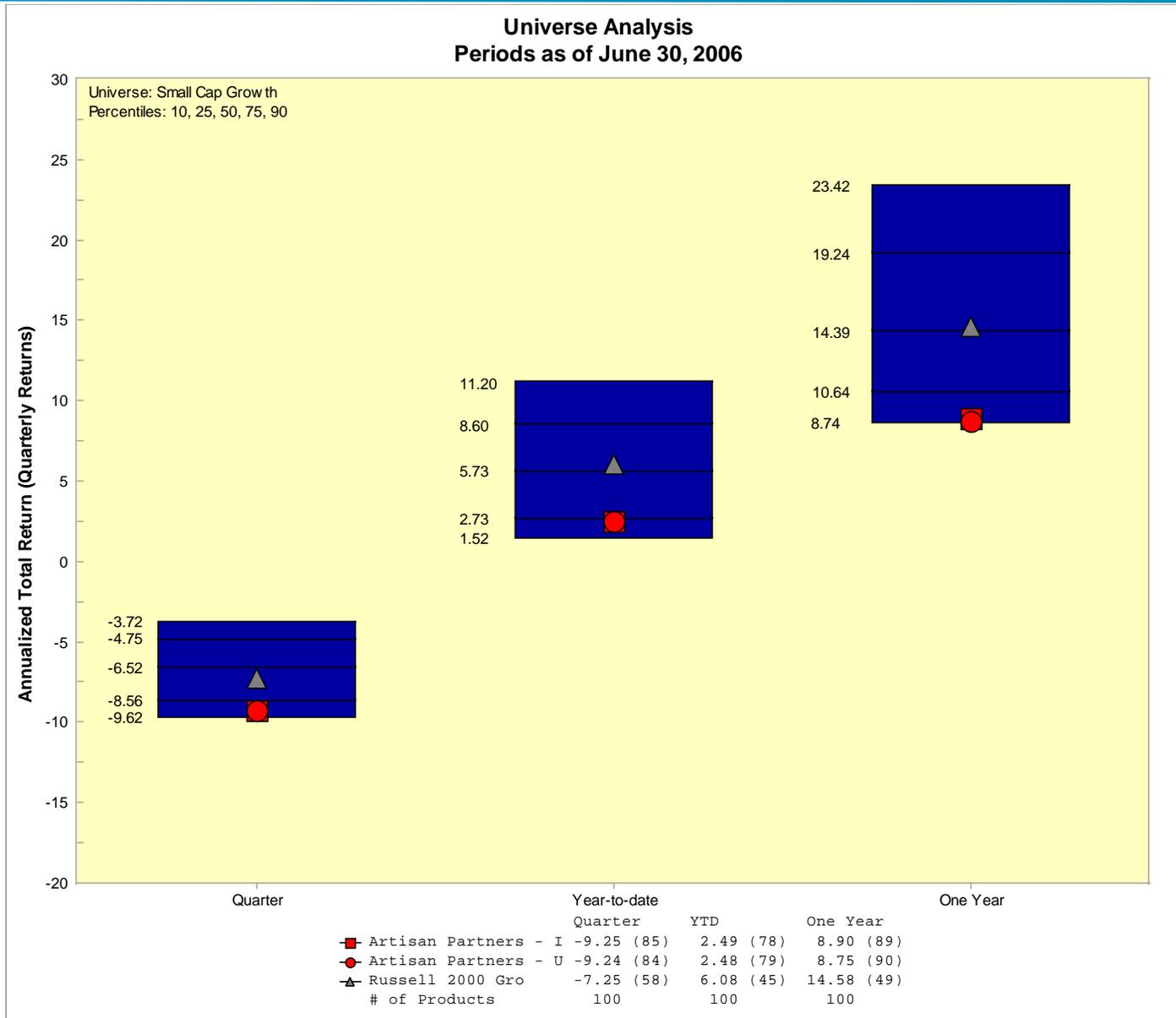


(Periods Ending June 30, 2006)

Domestic Equity Manager Detail – LSV

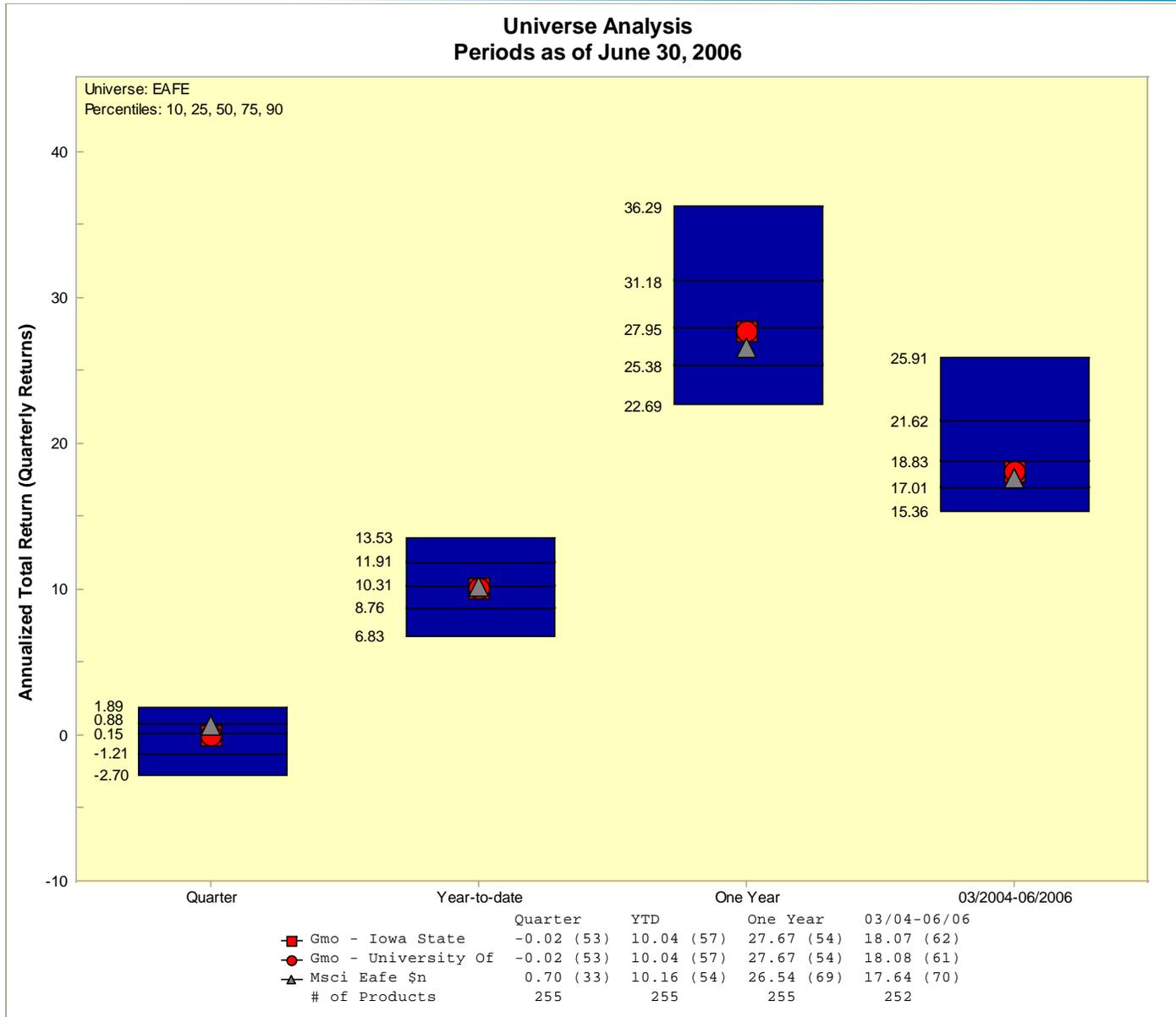


Domestic Equity Manager Detail – Artisan

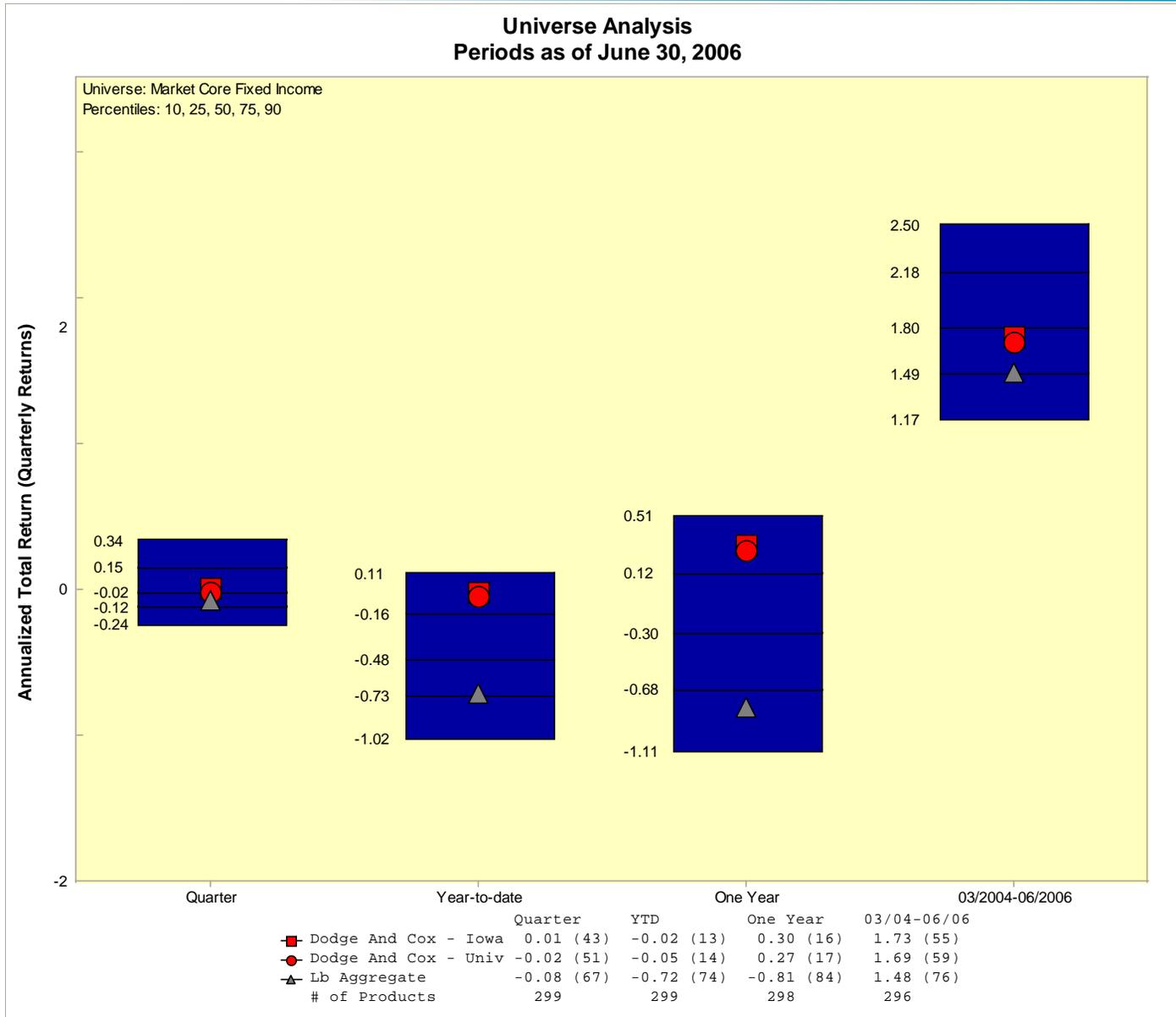


(Periods Ending June 30, 2006)

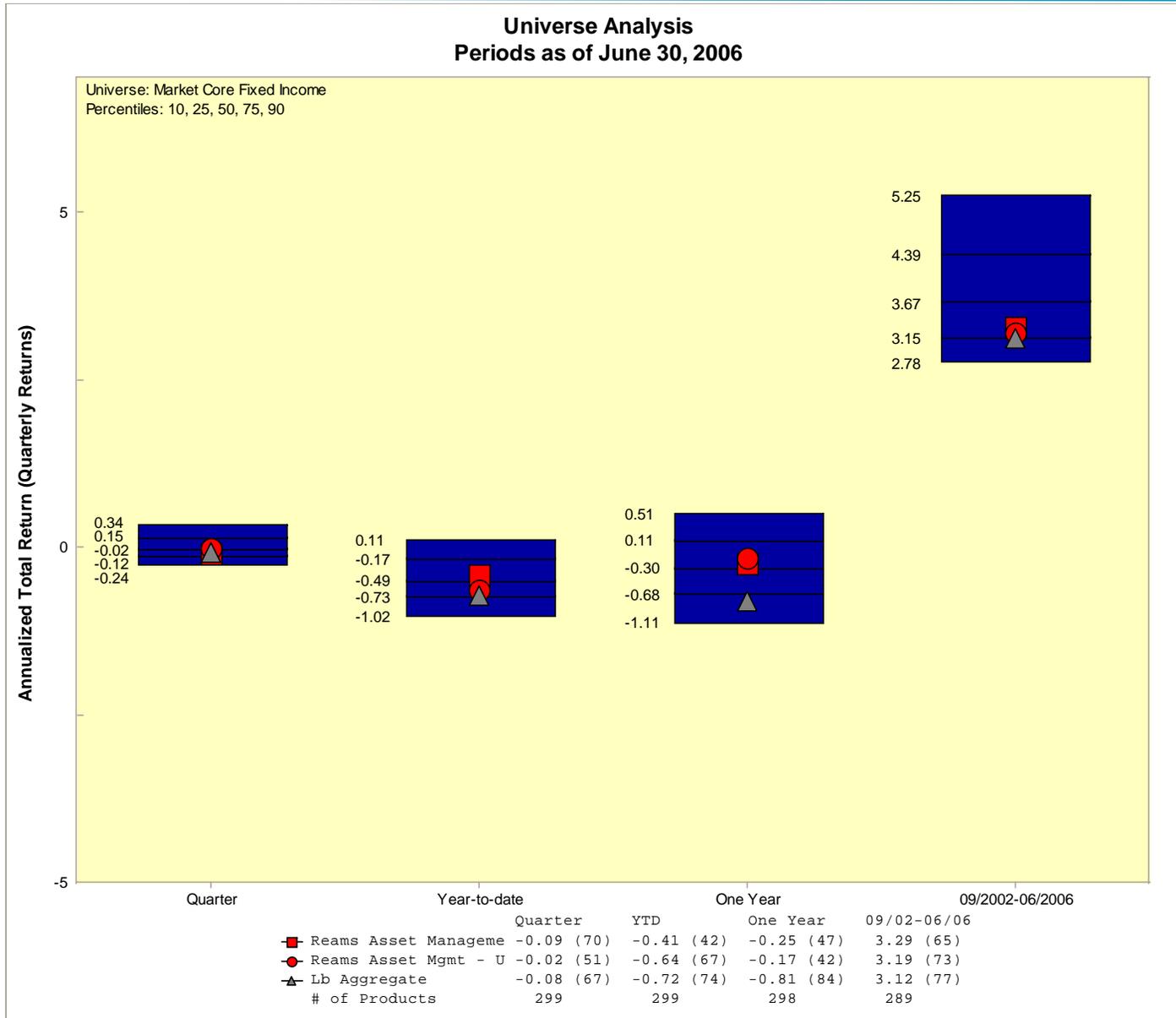
International Equity Manager Detail – Grantham, Mayo, Van Otterloo



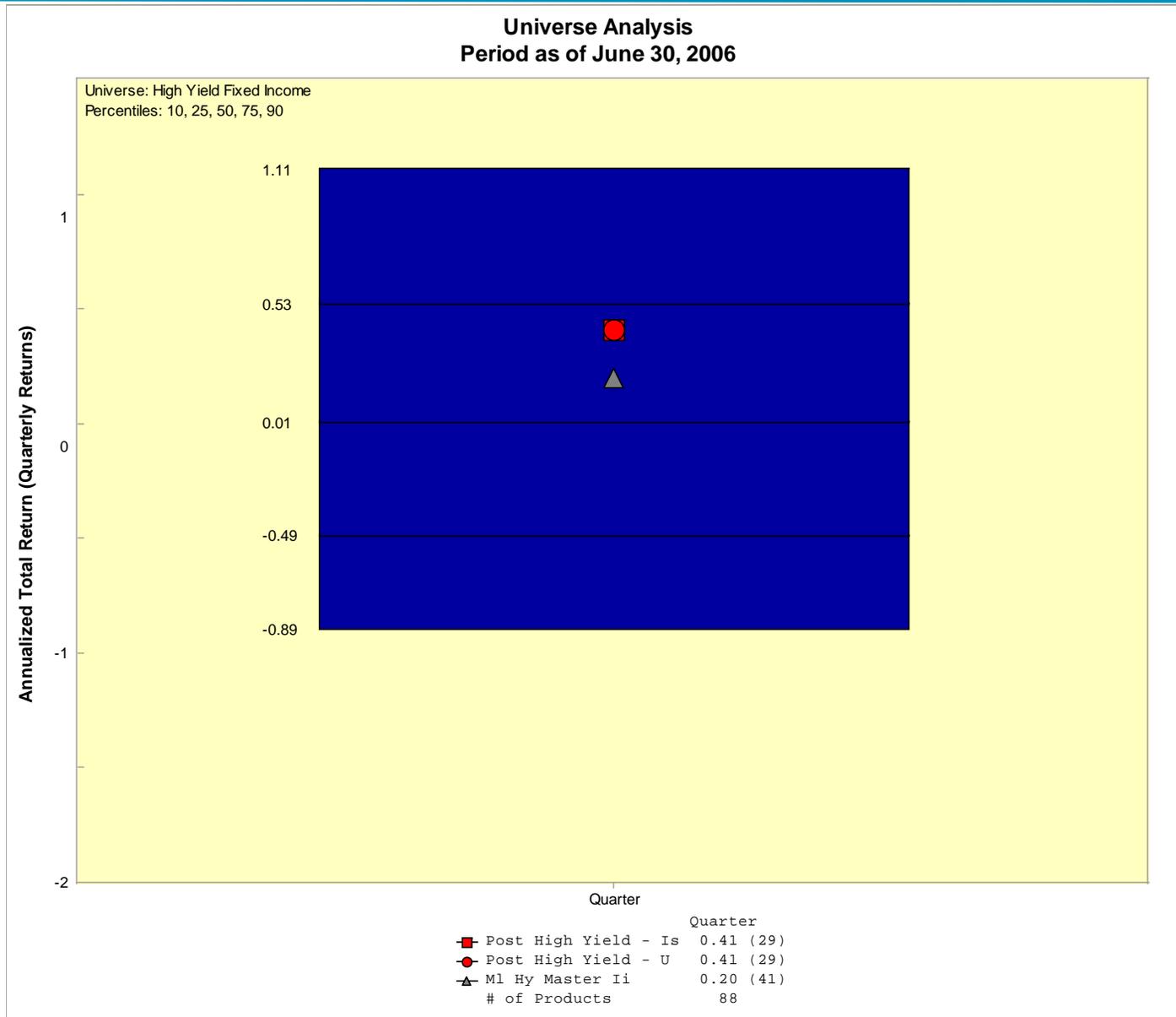
Fixed Income Manager Detail – Dodge & Cox



Fixed Income Manager Detail – Reams



Fixed Income Manager Detail – Post Advisory



(Periods Ending June 30, 2006)