

Contact: Andrea Anania

INVESTMENT AND CASH MANAGEMENT REPORT
FOR THE QUARTER ENDED JUNE 30, 2009

Recommended Action: Receive the Investment and Cash Management Report for the quarter ended June 30, 2009.

Executive Summary: The Regent institutions maintain two investment portfolios — operating and endowment/quasi-endowment.

Institutional Investment Portfolios
Market Value
(in thousands)
As of June 30, 2008, and June 30, 2009

	<u>Operating</u>		<u>Endowment/ Quasi-Endowment</u>	
	<u>Jun 2008</u>	<u>Jun 2009</u>	<u>Jun 2008</u>	<u>Jun 2009</u>
University of Iowa ¹	\$896,557	\$951,365	\$336,048 ²	\$276,083 ²
Iowa State University	367,860	388,440	156,991 ³	118,529 ³
University of Northern Iowa	97,877	128,597	-	-
Iowa School for the Deaf	1,977	2,372	-	-
Iowa Braille & Sight Saving School	1,361	1,538	-	-
Total	\$1,365,632	\$1,472,312	\$493,039	\$394,612

¹ Includes UIHC.

² Includes UNI.

³ Includes ISD and IBSSS.

As of June 30, 2009, the Regent combined operating and endowment portfolios totaled over \$1.8 billion.

OPERATING

The Merrill Lynch 1-3 year Government/Corporate Index rate for the quarter was 1.58%. BlackRock, Wellington, Vanguard, and Commonfund all outperformed the benchmark, while all internal returns underperformed the benchmark.

ENDOWMENT

The combined endowment managers' returns for the quarter ended June 30, 2009, were 13.3% for SUI and 13.1% for ISU; both outperformed the blended asset allocation benchmark of 12.4%. The SUI quasi-endowment returned 11.5% for the quarter, which significantly outperformed the benchmark of 1.8%. Endowment and quasi-endowment fund manager performance overviews can be found in the Wilshire Consulting Executive Summary of Investment Performance report.

Background and Analysis: The Board: (1) delegates authority for monitoring institutional investment activities and recommending investment policy to its Investment Committee; (2) delegates management and oversight authority for investment activities to the vice presidents for finance at each institution; and (3) appoints the treasurers for each institution, who are delegated authority by the vice presidents for finance, to manage investment and treasury activities within the policies defined by the Board of Regents and by the individual institutions.

The Board's objective is to preserve principal, ensure liquidity sufficient for anticipated needs, and maintain purchasing power of investable assets while obtaining a reasonable return for a prudent level of risk. The institutions, and any designated investment advisor or investment manager, shall exercise the judgment and care which persons of prudence, discretion and intelligence exercise in accordance with applicable state law.

The Board of Regents employs an investment advisor and money managers to guide its policy of active, diversified investment management. 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 endowment portfolio summary reports.

The Board authorized the following fund managers (See page 7 for values):

<u>MANAGER</u>	<u>TYPE</u>	<u>AUTHORIZED</u>
BlackRock	Short-Term Fixed Income Manager	February 1996
Commonfund	Short-Term Fixed Income Manager	September 2005
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)	Diversified Real Assets and Natural Resources Fund	September 2008
Delaware Investments	Small Cap Core Domestic Fund Manager	December 2008
Dodge & Cox	Fixed Income Fund Manager	February 2004
Grantham, Mayo, Van Otterloo & Co. (GMO Foreign Fund)	International Equity Fund Manager	February 2004
NB Crossroads XVIII*	Private Equity Fund Manager	November 2005
Lotsoff Capital Management	Large Cap Core Domestic Equity Fund	September 2004
Post Advisory (subsidiary of Iowa's Principal Financial Group)	High-Yield Bonds Fund Manager	November 2005
Principal Financial Group (based in Iowa)	Real Estate Fund Manager	November 2005
Reams Asset Management	Fixed Income Fund Manager SUI Quasi Endowment Institutional Endowments	July 2001 January 2002
State Street Global Advisors (State Street)	International Equity Index Fund Manager	April 2009
Vanguard Index Fund	Large Cap S&P 500 Index Fund	February 2008
Wellington Management Company	Short-Term Fixed Income Manager	March 2003

*Following an employee-led buyout in May 2009, Neuberger Berman (NB Crossroads XVIII is a product of Neuberger Berman) is majority-owned by employees with the previous owner, Lehman Brothers Holdings Inc., retaining the remainder.

OPERATING PORTFOLIOS

The primary goals for investment prudence of the operating portfolio 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.

**Market Value
(in thousands)
As of June 30, 2009**

	<u>Restricted</u>		<u>Unrestricted</u>				<u>Total</u> ²
	<u>Internal</u>	<u>Internal</u>	<u>BlackRock</u>	<u>Wellington</u>	<u>Vanguard</u> ¹	<u>Commonfund</u>	
SUI	\$175,038	\$410,020	\$93,024	\$88,489	\$169,223	\$15,571	\$951,365
ISU	107,480	238,004	N/I	N/I	N/I	42,956	388,440
UNI	44,179	75,990	N/I	N/I	N/I	8,428	128,597
ISD	13	2,359	N/I	N/I	N/I	N/I	2,372
IBSSS	N/I	1,538	N/I	N/I	N/I	N/I	1,538
Total	\$326,710	\$727,911	\$93,024	\$88,489	\$169,223	\$66,955	\$1,472,312

N/I = No investments of this type.

1. This is the first full quarter for investments in Vanguard, which began on March 1, 2009.

2. See operating investment summary on the following page.

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.

**Quarterly Rates of Return
For the Quarter Ended June 30, 2009**

	<u>Restricted</u>		<u>Unrestricted</u>				<u>Total</u>
	<u>Internal</u>	<u>Internal</u>	<u>BlackRock</u>	<u>Wellington</u>	<u>Vanguard</u>	<u>Commonfund</u>	
SUI	-0.03%	0.26%	3.15%	3.34%	4.81%	2.46%	1.97%
ISU	0.02%	0.41%	N/I	N/I	N/I	2.46%	0.72%
UNI	-0.03%	0.36%	N/I	N/I	N/I	2.46%	0.57%
ISD	0.10%	0.10%	N/I	N/I	N/I	N/I	0.10%
IBSSS	N/I	0.03%	N/I	N/I	N/I	N/I	0.03%

N/I = No investments of this type.

The comparable industry standard rate of return for the quarter ended June 30, 2009, includes the Merrill Lynch 1-3 year Government/Corporate Index rate of 1.58%. BlackRock, Wellington, Vanguard, and Commonfund all outperformed the benchmark, while all internal returns underperformed the benchmark.

Operating Investment Summary
Restricted and Unrestricted Internal, BlackRock, Wellington, Vanguard, and Commonfund
(in thousands)
As of June 30, 2009

	<u>Market Value</u>	<u>Percent Market Value</u>
University of Iowa		
Money Market / Cash Equivalents	\$529,077	55.6%
Agency Securities	73,004	7.7%
U.S. Obligations	67,916	7.1%
Commonfund	15,571	1.6%
Vanguard Diversified Pool	169,223	17.8%
Asset Backed	48,122	5.1%
Corporate Notes and Bonds	32,659	3.4%
Mortgage Backed	14,782	1.6%
Municipals	<u>1,011</u>	<u>0.1%</u>
Total	\$951,365	100.0%
Iowa State University		
Money Market / Cash Equivalents	\$189,532	48.8%
Agency Securities	85,572	22.0%
U.S. Obligations	70,380	18.1%
Commonfund	<u>42,956</u>	<u>11.1%</u>
Total	\$388,440	100.0%
University of Northern Iowa		
Money Market / Cash Equivalents	\$48,999	38.0%
Agency Securities	52,444	40.8%
U.S. Obligations	18,726	14.6%
Commonfund	<u>8,428</u>	<u>6.6%</u>
Total	\$128,597	100.0%
Iowa School for the Deaf		
Money Market / Cash Equivalents	\$2,372	100.0%
Iowa Braille & Sight Saving School		
Money Market / Cash Equivalents	\$28	1.8%
Repurchase Agreements	<u>1,510</u>	<u>98.2%</u>
Total	\$1,538	100.0%
Regent Composite		
Money Market / Cash Equivalents	\$770,008	52.3%
Agency Securities	211,020	14.3%
U.S. Obligations	157,022	10.7%
Commonfund	66,955	4.5%
Vanguard Diversified Pool	169,223	11.5%
Asset Backed	48,122	3.3%
Corporate Notes and Bonds	32,659	2.2%
Mortgage Backed	14,782	1.0%
Municipals	1,011	0.1%
Repurchase Agreements	<u>1,510</u>	<u>0.1%</u>
Total	\$1,472,312	100.0%

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 the Iowa Braille and Sight Saving School endowment portfolios are invested through Iowa State University.

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: (1) intergenerational equity of income in perpetuity; and (2) 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.

Endowment Asset Class Allocation Policy*
As of June 30, 2009

	<u>Target</u>	<u>Range</u>
Public Equity	50%	+/-5%
Fixed Income	30%	+/-5%
Real Assets	10%	+/-5%
Private Equity	<u>10%</u>	+5/-10%
	100%	

Endowment Manager Allocations*
As of June 30, 2009

<u>Asset Class</u>	<u>Target</u>	<u>Allowable Range</u>	<u>Benchmark</u>
<u>Public Equity</u>	<u>50%</u>	45-55%	<i>(Public equity is not measured on a combined basis)</i>
U.S. Equity	25%	20-30%	Wilshire 5000
Non U.S. Equity	25%	20-30%	MSCI EAFE (N)
<u>Fixed Income</u>	<u>30%</u>	25-35%	Barclays Aggregate <i>(formerly Lehman Aggregate)</i>
Core Fixed Income	25%	20-30%	Barclays Aggregate <i>(formerly Lehman Aggregate)</i>
High Yield Fixed Income	5%	0-10%	Merrill Lynch HY Master II
<u>Real Assets</u>	<u>10%</u>	5-15%	US CPI + 5% Annually
Public	0%	N/A	N/A
Private	10%	5-15%	NACREIF Property Index <i>(for private real estate)</i> US CPI + 5% Annually <i>(for other private real assets)</i>
<u>Private Equity</u>	<u>10%</u>	0-15%	Wilshire 5000

*Approved at the September 2008 meeting; revised at the December 2008 meeting. A transition period is expected as assets are reallocated to this new plan.

Endowment Allocations

Net of Fees

As of June 30, 2009

MANAGER	University of Iowa			Iowa State University		
	Value (thousands)	Value (percent)	Fees (thousands)	Value (thousands)	Value (percent)	Fees (thousands)
<u>Public Equity</u>						
<u>U.S. Equity</u>						
Delaware Investments	\$11,646	6.0%	\$10	\$7,012	5.9%	\$10
Lotsoff Capital	23,683	12.2%	24	13,886	11.7%	12
Vanguard	<u>24,051</u>	<u>12.4%</u>	<u>4</u>	<u>14,188</u>	<u>12.0%</u>	<u>2</u>
Subtotal	\$59,380	30.6%	\$38	\$35,086	29.6%	\$24
<u>Non U.S. Equity</u>						
GMO Foreign Fund	\$27,817	14.4%	\$52	\$17,886	15.1%	\$33
State Street	<u>30,198</u>	<u>15.5%</u>	<u>*</u>	<u>18,380</u>	<u>15.5%</u>	<u>*</u>
Subtotal	\$58,015	29.9%	\$52	\$36,266	30.6%	\$33
<u>Fixed Income</u>						
Dodge & Cox	\$24,698	12.7%	\$28	\$15,233	12.9%	\$17
Reams Asset Management	25,261	13.0%	17	15,506	13.1%	12
Post Advisory	<u>12,410</u>	<u>6.4%</u>	<u>19</u>	<u>6,616</u>	<u>5.6%</u>	<u>10</u>
Subtotal	\$62,369	32.1%	\$64	\$37,355	31.6%	\$39
<u>Real Assets</u>						
Principal Group	\$10,591	5.4%	\$38	\$7,367	6.2%	\$26
CF NR Partners VIII*	<u>187</u>	<u>0.1%</u>	<u>*</u>	<u>125</u>	<u>0.1%</u>	<u>*</u>
Subtotal	\$10,778	5.5%	\$38	\$7,492	6.3%	\$26
<u>Private Equity</u>						
NB Crossroads XVIII*	\$3,065	1.6%	\$14	\$1,915	1.6%	\$9
CF Int'l Partners VI*	200	0.1%	*	133	0.1%	*
CF Private Equity VII*	266	0.1%	*	177	0.1%	*
CF Venture Capital VIII*	<u>176</u>	<u>0.1%</u>	<u>*</u>	<u>105</u>	<u>0.1%</u>	<u>*</u>
Subtotal	\$3,707	1.9%	\$14	\$2,330	1.9%	\$9
Total Fund	\$194,249	100.0%	\$206	\$118,529	100.0%	\$131

* No fees were reported.

Endowment Performance

Net of Fees

As of June 30, 2009

	Assets (thousands)	Net Returns	
		Quarter	One Year
SUI	\$194,249	13.3%	-18.2%
ISU	118,529	13.1%	-17.5%
Asset Allocation Benchmark*		12.4%	-16.7%
SUI Quasi-Endowment	<u>81,834</u>	11.5%	5.9%
Fixed Income Benchmark **		1.8%	6.1%
Total	\$394,612		

* 50% Wilshire 5000; 30% Barclays Aggregate; 15% MSCI EAFE (N); 5% NCREIF Property Index Lagged.

** 100% Barclays Aggregate.

The quasi-endowment fund is 100% fixed income investments. There are no Board-established fund manager allocations target ranges for the quasi-endowment.

University of Iowa Quasi-Endowment (100% Fixed Income)

As of June 30, 2009

	Value (thousands)	Value (percent)	Fees (thousands)	Net Returns	
				Quarter	Year
Dodge & Cox	\$34,659	42.4%	\$39	7.5%	7.2%
Reams Asset Management	<u>47,175</u>	<u>57.6%</u>	<u>26</u>	15.3%	4.0%
Total Fund	\$81,834	100.0%	\$65		
Fixed Income Benchmark **				1.8%	6.1%

**100% Barclays Aggregate.

Endowment / Quasi-Endowment Portfolios
Market Value - Accrual Basis
(in thousands)
As of June 30, 2009

Portfolio Manager	Endowment Market Value	Quasi-Endowment Market Value	Total Market Value	Percent of Total
Reams Asset Management				
SUI	\$25,261	\$47,175	\$72,436	
ISU	<u>15,506</u>	-	<u>15,506</u>	
Total	\$40,767	\$47,175	\$87,942	22.3%
Dodge & Cox				
SUI	\$24,698	\$34,659	\$59,357	
ISU	<u>15,233</u>	-	<u>15,233</u>	
Total	\$39,931	\$34,659	\$74,590	18.9%
State Street				
SUI	\$30,198	-	\$30,198	
ISU	<u>18,380</u>	-	<u>18,380</u>	
Total	\$48,578	-	\$48,578	12.3%
GMO Foreign Fund				
SUI	\$27,817	-	\$27,817	
ISU	<u>17,886</u>	-	<u>17,886</u>	
Total	\$45,703	-	\$45,703	11.6%
Vanguard				
SUI	\$24,051	-	\$24,051	
ISU	<u>14,188</u>	-	<u>14,188</u>	
Total	\$38,239	-	\$38,239	9.7%
Lotsoff Capital				
SUI	\$23,683	-	\$23,683	
ISU	<u>13,886</u>	-	<u>13,886</u>	
Total	\$37,569	-	\$37,569	9.5%
Post Advisory				
SUI	\$12,410	-	\$12,410	
ISU	<u>6,616</u>	-	<u>6,616</u>	
Total	\$19,026	-	\$19,026	4.8%
Delaware Investments				
SUI	\$11,646	-	\$11,646	
ISU	<u>7,012</u>	-	<u>7,012</u>	
Total	\$18,658	-	\$18,658	4.7%
Principal Group				
SUI	\$10,591	-	\$10,591	
ISU	<u>7,367</u>	-	<u>7,367</u>	
Total	\$17,958	-	\$17,958	4.6%
NB Crossroads XVIII				
SUI	\$3,065	-	\$3,065	
ISU	<u>1,915</u>	-	<u>1,915</u>	
Total	\$4,980	-	\$4,980	1.2%
CF Private Equity VII				
SUI	\$266	-	\$266	
ISU	<u>177</u>	-	<u>177</u>	
Total	\$443	-	\$443	0.1%
CF Int'l Partners VI				
SUI	\$200	-	\$200	
ISU	<u>133</u>	-	<u>133</u>	
Total	\$333	-	\$333	0.1%
CF NR Partners VIII				
SUI	\$187	-	\$187	
ISU	<u>125</u>	-	<u>125</u>	
Total	\$312	-	\$312	0.1%
CF Venture Capital VIII				
SUI	\$176	-	\$176	
ISU	<u>105</u>	-	<u>105</u>	
Total	\$281	-	\$281	0.1%
TOTAL				
SUI	\$194,249	\$81,834	\$276,083	
ISU	<u>118,529</u>	-	<u>118,529</u>	
Total	\$312,778	\$81,834	\$394,612	100.0%

PRINCIPAL DEMUTUALIZATION FUNDS

In November 2001, the Board established an endowment with proceeds from the demutualization of Principal Mutual Holding Company for the benefit of employees and the institutions. The balances of the proceeds are reported on a quarterly basis.

**Market Value
(in thousands)
As of June 30, 2009**

University of Iowa	\$34,263
Iowa State University	19,638
University of Northern Iowa	5,649
Iowa School for the Deaf	245
Iowa Braille and Sight Saving School	132
Board Office	39
Total	\$59,966



Board of Regents, State of Iowa

Wilshire Consulting

***Board of Regents, State of Iowa
Executive Summary of Investment Performance
Quarter Ending June 30, 2009***



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Pittsburgh, PA 15222

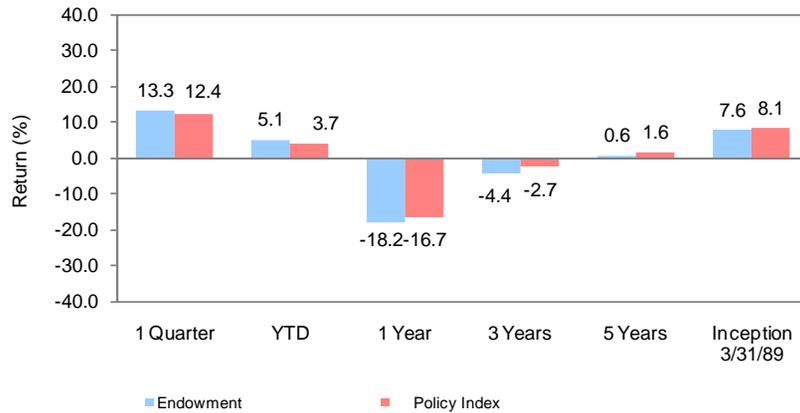
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Total Endowment Fund Results

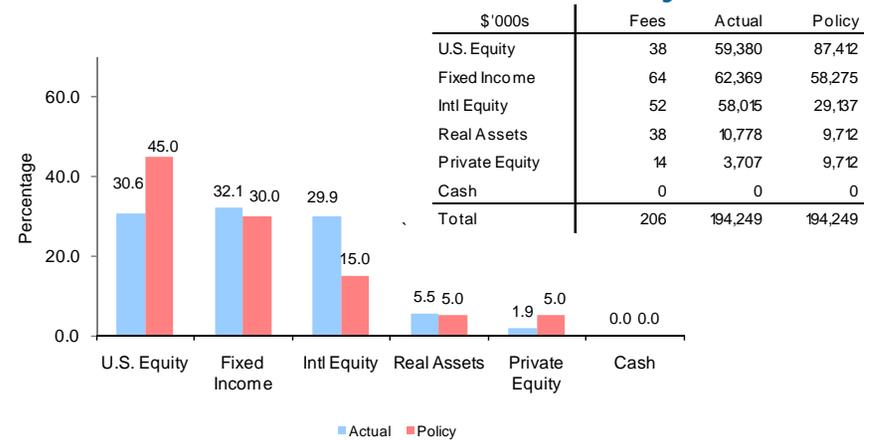
University of Iowa



Investment Performance

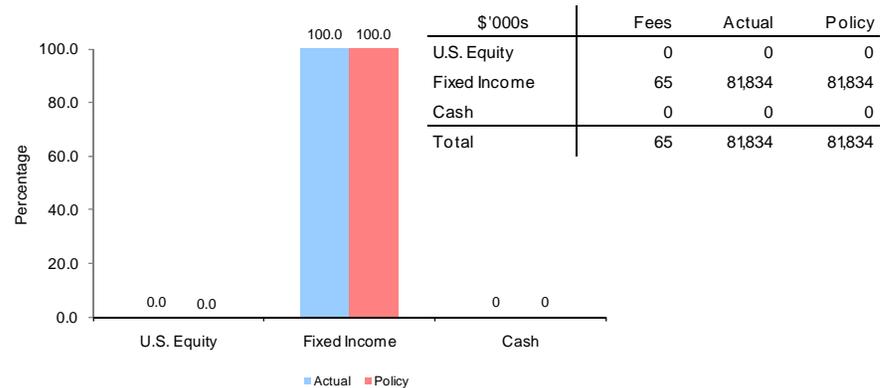
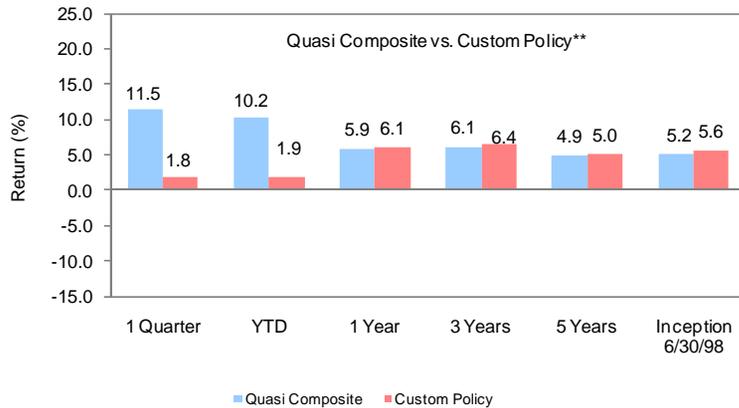


Asset Allocation vs. Policy



Total Quasi-Endowment Fund Results

University of Iowa

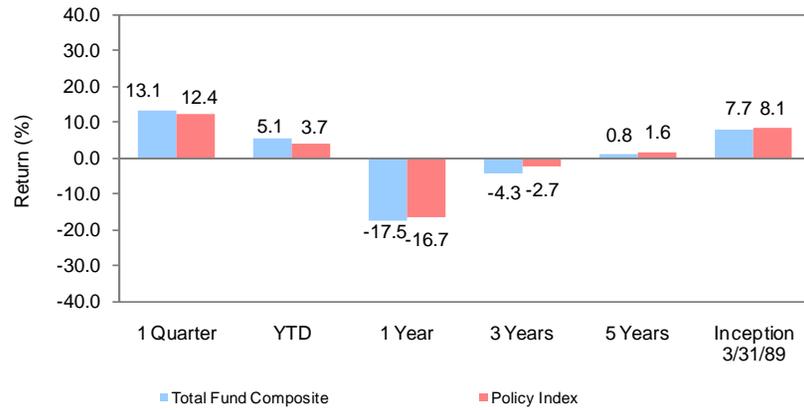


(Periods Ending June 30, 2009)

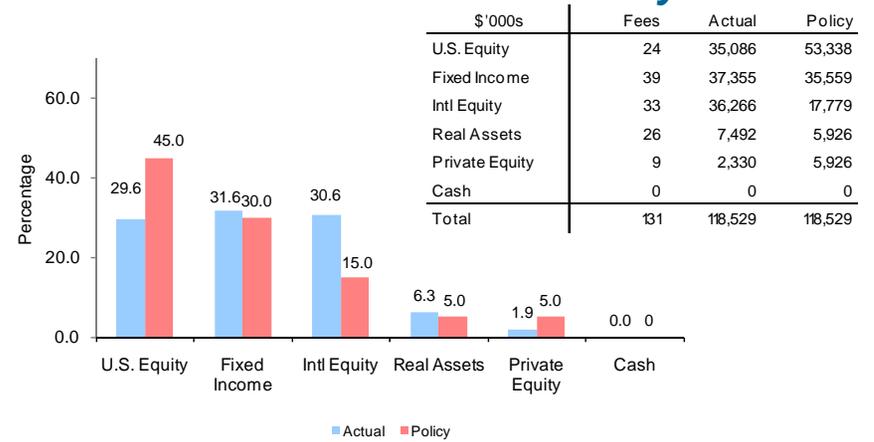
Note: At the direction of the Board of Regents, slight adjustments have been made to composite market values to account for rounding.

Total Endowment Fund Results

Investment Performance



Asset Allocation vs. Policy



(Periods Ending June 30, 2009)

Note: At the direction of the Board of Regents, slight adjustments have been made to composite market values to account for rounding.

Endowment Fund Manager Performance Overview



University of Iowa

Inception	Asset Class / Manager	Assets (thousands)	Net Return 1 Quarter	Benchmark 1 Quarter	Variance (bps) 1 Quarter	Net Return 1 Year	Benchmark 1 Year	Variance (bps) 1 Year	Net Return 5 Years	Benchmark 5 Years	Variance (bps) 5 Years
	Domestic Equity	\$59,380	17.3%	16.8%	46	-27.0%	-26.4%	-63	-2.9%	-1.6%	-130
3/31/2005	Lotsoff Capital	\$23,683	17.0%	15.9%	109	-29.6%	-26.2%	-335	--	--	--
3/31/2008	Vanguard	\$24,051	16.0%	15.9%	8	-26.1%	-26.2%	14	--	--	--
3/31/2009	Delaware Investments	\$11,646	20.6%	20.7%	-10	--	--	--	--	--	--
	International Equity	\$58,015	21.7%	25.4%	-369	-31.4%	-31.4%	0	2.3%	2.3%	-5
3/31/2004	GMO Foreign Fund	\$27,817	21.7%	25.4%	-373	-31.4%	-31.4%	-4	2.3%	2.3%	-6
6/30/2009	State Street	\$30,198	--	--	--	--	--	--	--	--	--
	Fixed Income	\$62,369	12.2%	1.8%	1,038	4.0%	6.1%	-207	4.5%	5.0%	-56
3/31/2004	Dodge & Cox	\$24,698	7.5%	1.8%	569	7.2%	6.1%	112	4.6%	5.0%	-38
9/30/2002	Reams Asset Management	\$25,261	15.2%	1.8%	1,343	3.7%	6.1%	-236	4.8%	5.0%	-18
3/31/2006	Post Advisory	\$12,410	15.3%	23.2%	-789	-4.1%	-3.5%	-59	--	--	--
	Real Assets	\$10,778	-16.1%	-7.3%	-878	-29.8%	-14.7%	-1,513	--	--	--
3/31/2006	Principal Group	\$10,591	-16.3%	-7.3%	-892	-29.9%	-14.7%	-1,524	--	--	--
9/30/2006	CF NR Partners VIII	\$187	-7.3%	-7.3%	3	--	--	--	--	--	--
	Private Equity	\$3,707	2.2%	16.8%	-1,455	-21.1%	-26.4%	529	--	--	--
12/31/2006	NB Crossroads XVIII	\$3,065	2.8%	16.8%	-1,400	-21.8%	-26.4%	456	--	--	--
3/31/2007	CF Int'l Partners VI	\$200	1.5%	16.8%	-1,528	-25.8%	-26.4%	57	--	--	--
3/31/2007	CF Private Equity VII	\$266	-1.0%	16.8%	-1,780	-12.4%	-26.4%	1,403	--	--	--
6/30/2007	CF Venture Capital VIII	\$176	-1.4%	16.8%	-1,822	-4.0%	-26.4%	2,237	--	--	--
	Total Endowment	\$194,249	13.3%	12.4%	94	-18.2%	-16.7%	-152	0.6%	1.6%	-97

Iowa State University

Inception	Asset Class / Manager	Assets (thousands)	Net Return 1 Quarter	Benchmark 1 Quarter	Variance (bps) 1 Quarter	Net Return 1 Year	Benchmark 1 Year	Variance (bps) 1 Year	Net Return 5 Years	Benchmark 5 Years	Variance (bps) 5 Years
	Domestic Equity	\$35,086	17.4%	16.8%	59	-26.8%	-26.4%	-38	-3.1%	-1.6%	-146
3/31/2005	Lotsoff Capital	\$13,886	17.0%	15.9%	109	-29.4%	-26.2%	-321	--	--	--
3/31/2008	Vanguard	\$14,188	16.0%	15.9%	9	-26.1%	-26.2%	15	--	--	--
3/31/2009	Delaware	\$7,012	20.6%	20.68%	-13	--	--	--	--	--	--
	International Equity	\$36,266	21.8%	25.4%	-368	-31.4%	-31.4%	-3	2.2%	2.3%	-8
3/31/2004	GMO Foreign Fund	\$17,886	21.7%	25.4%	-376	-31.4%	-31.4%	-8	2.2%	2.3%	-9
6/30/2009	State Street	\$18,380	--	--	--	--	--	--	--	--	--
	Fixed Income	\$37,355	12.7%	1.8%	1,095	4.3%	6.1%	-176	4.5%	5.0%	-52
3/31/2004	Dodge & Cox	\$15,233	7.5%	1.8%	569	7.2%	6.1%	112	4.6%	5.0%	-39
9/30/2002	Reams Asset Management	\$15,506	16.3%	1.8%	1,453	4.5%	6.1%	-161	5.0%	5.0%	-1
3/31/2006	Post Advisory	\$6,616	15.3%	23.2%	-789	-4.1%	-3.5%	-59	--	--	--
	Real Assets	\$7,492	-16.1%	-7.3%	-879	-29.8%	-14.7%	-1,513	--	--	--
3/31/2006	Principal Group	\$7,367	-16.3%	-7.3%	-892	-29.9%	-14.7%	-1,524	--	--	--
9/30/2006	CF NR Partners VIII	\$125	-7.3%	-7.3%	2	--	--	--	--	--	--
	Private Equity	\$2,330	2.2%	16.8%	-1,456	-21.1%	-26.4%	528	--	--	--
12/31/2006	NB Crossroads XVIII	\$1,915	2.8%	16.8%	-1,400	-21.8%	-26.4%	460	--	--	--
3/31/2007	CF Int'l Partners VI	\$133	1.5%	16.8%	-1,528	-25.8%	-26.4%	57	--	--	--
3/31/2007	CF Private Equity VII	\$177	-1.0%	16.8%	-1,780	-12.4%	-26.4%	1,403	--	--	--
6/30/2007	CF Venture Capital VIII	\$105	-1.4%	16.8%	-1,822	-4.0%	-26.4%	2,237	--	--	--
	Total Endowment	\$118,529	13.1%	12.4%	70	-17.5%	-16.7%	-82	0.8%	1.6%	-81

(Periods Ending June 30, 2009)

Note: At the direction of the Board of Regents, slight adjustments have been made to composite market values to account for rounding.

University of Iowa Operating Account



	Inception Date	Mkt. Value \$'000	Comp %	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %	Investment Fee \$'000
University of Iowa External Mg. Composite	(12/31/96)	197,084	53.9%	3.1	4.1	0.2	3.0	2.7	4.5	143
<i>Merrill Lynch 1-3 Yr. G/C</i>				<i>1.6</i>	<i>2.0</i>	<i>0.6</i>	<i>5.6</i>	<i>4.2</i>	<i>5.1</i>	
<i>Merrill Lynch 1-5 Yr. Govt/Corp</i>				<i>1.7</i>	<i>2.2</i>	<i>5.1</i>	<i>5.9</i>	<i>4.3</i>	<i>5.4</i>	
BlackRock Short Duration	(12/31/96)	93,024	25.4%	3.1	4.7	2.1	4.3	3.5	4.8	83
<i>Merrill Lynch 1-3 Yr. G/C</i>				<i>1.6</i>	<i>2.0</i>	<i>4.6</i>	<i>5.6</i>	<i>4.2</i>	<i>5.1</i>	
<i>Merrill Lynch 1-5 Yr. Govt/Corp</i>				<i>1.7</i>	<i>2.2</i>	<i>5.1</i>	<i>5.9</i>	<i>4.3</i>	<i>5.4</i>	
Wellington Short Bond	(3/31/03)	88,489	24.2%	3.3	3.7	0.3	2.8	2.6	2.4	60
<i>Merrill Lynch 1-3 Yr. G/C</i>				<i>1.6</i>	<i>2.0</i>	<i>4.6</i>	<i>5.6</i>	<i>4.2</i>	<i>5.1</i>	
<i>Merrill Lynch 1-5 Yr. Govt/Corp</i>				<i>1.7</i>	<i>2.2</i>	<i>5.1</i>	<i>5.9</i>	<i>4.3</i>	<i>5.4</i>	
CF Intermediate Term Fund	(12/31/06)	15,571	4.3%	2.5	2.9	-8.8	--	--	-2.6	0
<i>Merrill Lynch 1-3 Yr. Treasury</i>				<i>-0.1</i>	<i>0.0</i>	<i>4.4</i>	<i>--</i>	<i>--</i>	<i>5.5</i>	
University of Iowa Diversified Pool Composite	(3/31/09)	169,223	46.1%	4.8	--	--	--	--	4.8	40
<i>Policy Index</i>				<i>5.6</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>5.6</i>	
Vanguard Total Stock Market Index	(3/31/09)	14,401	3.9%	17.0	--	--	--	--	17.0	2
<i>MSCI US Broad Market Index</i>				<i>17.0</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>17.0</i>	
Vanguard FTSE All World Ex US Index	(3/31/09)	3,783	1.0%	28.1	--	--	--	--	28.1	1
<i>FTSE All World Ex US Index</i>				<i>28.3</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>28.3</i>	
Vanguard REIT Index Fund Inst.	(3/31/09)	9,177	2.5%	30.0	--	--	--	--	30.0	2
<i>MSCI U.S. REIT Index</i>				<i>30.2</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>30.2</i>	
Vanguard Total Bond Market Index	(3/31/09)	50,138	13.7%	1.7	--	--	--	--	1.7	6
<i>Barclays Aggregate Index</i>				<i>1.8</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>1.8</i>	
Vanguard High Yield Corp Fund Adm.	(3/31/09)	8,843	2.4%	14.5	--	--	--	--	14.5	4
<i>Barclays High Yield Index</i>				<i>23.1</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>23.1</i>	
Vanguard Infla-Protected Sec Inst.	(3/31/09)	16,814	4.6%	0.3	--	--	--	--	0.3	4
<i>Barclays U.S. TIPS Index</i>				<i>0.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>0.7</i>	
Vanguard Prime Money Market Fund Inst.	(3/31/09)	66,067	18.0%	0.2	--	--	--	--	0.2	21
<i>T-Bill</i>				<i>0.1</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>0.1</i>	

(Periods Ending June 30, 2009)

Note: At the direction of the Board of Regents, slight adjustments have been made to composite market values to account for rounding.

*Please see page 11 for policy specifications.

UNI/ISU Operating Accounts



	Inception Date	Mkt. Value \$'000	Comp %	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %	Investment Fee \$'000
Iowa State University External Mgr. Composite	(6/30/05)	42,956	100%	2.5	2.9	-8.9	-1.1	--	-0.2	0
<i>Operating Benchmark</i>				<i>-0.1</i>	<i>0.0</i>	<i>4.4</i>	<i>5.6</i>	<i>--</i>	<i>4.8</i>	
CF Intermediate Term Fund	(9/30/05)	42,956	100.0%	2.5	2.9	-8.9	-1.1	--	-0.2	0
<i>Merrill Lynch 1-3 Yr. Treasury</i>				<i>-0.1</i>	<i>0.0</i>	<i>4.4</i>	<i>5.6</i>	<i>--</i>	<i>4.8</i>	

	Inception Date	Mkt. Value \$'000	Comp %	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %	Investment Fee \$'000
University of Northern Iowa External Mgr. Composite	(12/31/04)	8,428	100%	2.5	2.9	-8.8	-1.1	--	0.1	0
<i>Operating Benchmark</i>				<i>-0.1</i>	<i>0.0</i>	<i>4.4</i>	<i>5.6</i>	<i>--</i>	<i>4.2</i>	
CF Intermediate Term Fund	(12/31/05)	8,428	100.0%	2.5	2.9	-8.8	-1.1	--	-0.6	0
<i>Merrill Lynch 1-3 Yr. Treasury</i>				<i>-0.1</i>	<i>0.0</i>	<i>4.4</i>	<i>5.6</i>	<i>--</i>	<i>4.9</i>	

(Periods Ending June 30, 2009)

Note: At the direction of the Board of Regents, slight adjustments have been made to composite market values to account for rounding.

*Please see page 11 for policy specifications.

Total Endowment Fund Results

	Inception Date	Mkt. Value \$'000	Comp %	QTR %	YTD %	1 Year %	3 Years %	5 Years %	Inception %	Qtr. Inv. Fee \$'000
University of Iowa Total Endowment	(3/31/89)	194,249	100.0%	13.3	5.1	-18.2	-4.4	0.6	7.6	206
Iowa State University Total Endowment	(3/31/89)	118,529	100.0%	13.1	5.1	-17.5	-4.3	0.8	7.7	131
<i>Policy Index</i>				<i>12.4</i>	<i>3.7</i>	<i>-16.7</i>	<i>-2.7</i>	<i>1.6</i>	<i>8.1</i>	
University of Iowa Domestic Equity Composite	(3/31/89)	59,380	30.6%	17.3	5.3	-27.0	-10.3	-2.9	7.8	38
Iowa State University Domestic Equity Composite	(3/31/89)	35,086	29.6%	17.4	5.3	-26.8	-10.6	-3.1	7.6	24
<i>Wilshire 5000</i>				<i>16.8</i>	<i>4.5</i>	<i>-26.4</i>	<i>-8.1</i>	<i>-1.6</i>	<i>8.1</i>	
University of Iowa: Vanguard	(3/31/08)	24,051	12.4%	16.0	3.3	-26.1	--	--	-23.2	4
Iowa State University: Vanguard	(3/31/08)	14,188	12.0%	16.0	3.3	-26.1	--	--	-23.2	2
<i>S&P 500</i>				<i>15.9</i>	<i>3.2</i>	<i>-26.2</i>	<i>--</i>	<i>--</i>	<i>-23.3</i>	
University of Iowa: Lotsoff Capital	(3/31/05)	23,683	12.2%	17.0	7.0	-29.6	-9.8	--	-4.6	24
Iowa State University: Lotsoff Capital	(3/31/05)	13,886	11.7%	17.0	7.1	-29.4	-9.7	--	-4.5	12
<i>S&P 500</i>				<i>15.9</i>	<i>3.2</i>	<i>-26.2</i>	<i>-8.2</i>	<i>--</i>	<i>-3.7</i>	
University of Iowa: Delaware Investments	(3/31/09)	11,646	6.0%	20.6	--	--	--	--	20.6	10
Iowa State University: Delaware Investments	(3/31/09)	7,012	5.9%	20.6	--	--	--	--	20.6	10
<i>Russell 2000</i>				<i>20.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>20.7</i>	
University of Iowa International Equity Composite	(9/30/94)	58,015	29.9%	21.7	1.2	-31.4	-8.1	2.3	4.3	52
Iowa State University International Equity Composite	(9/30/94)	36,266	30.6%	21.8	1.2	-31.4	-8.2	2.2	4.1	33
<i>MSCI EAFE (N) Index</i>				<i>25.4</i>	<i>8.0</i>	<i>-31.4</i>	<i>-8.0</i>	<i>2.3</i>	<i>3.5</i>	
University of Iowa: GMO Foreign Fund	(3/31/04)	27,817	14.4%	21.7	1.1	-31.4	-8.2	2.3	2.3	52
Iowa State University: GMO Foreign Fund	(3/31/04)	17,886	15.1%	21.7	1.1	-31.4	-8.2	2.2	2.3	33
<i>MSCI EAFE (N) Index</i>				<i>25.4</i>	<i>8.0</i>	<i>-31.4</i>	<i>-8.0</i>	<i>2.3</i>	<i>2.2</i>	
University of Iowa: State Street	(6/30/09)	30,198	15.5%	--	--	--	--	--	--	--
Iowa State University: State Street	(6/30/09)	18,380	15.5%	--	--	--	--	--	--	--
<i>MSCI ACWI Ex. U.S. Index</i>				<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	
University of Iowa Fixed Income Composite	(3/31/89)	62,369	32.1%	12.2	12.6	4.0	5.3	4.5	7.1	64
Iowa State University Fixed Income Composite	(3/31/89)	37,355	31.6%	12.7	13.1	4.3	5.4	4.5	6.6	39
<i>Custom Policy</i>				<i>1.8</i>	<i>1.9</i>	<i>6.1</i>	<i>6.4</i>	<i>5.0</i>	<i>7.4</i>	
University of Iowa: Dodge & Cox	(3/31/04)	24,698	12.7%	7.5	7.8	7.2	5.8	4.6	4.0	28
Iowa State University: Dodge & Cox	(3/31/04)	15,233	12.9%	7.5	7.8	7.2	5.7	4.6	4.0	17
<i>Barclays Aggregate</i>				<i>1.8</i>	<i>1.9</i>	<i>6.1</i>	<i>6.4</i>	<i>5.0</i>	<i>4.3</i>	
University of Iowa: Reams Asset Management	(9/30/02)	25,261	13.0%	15.2	12.2	3.7	6.0	4.8	4.4	17
Iowa State University: Reams Asset Management	(9/30/02)	15,506	13.1%	16.3	13.3	4.5	6.2	5.0	4.6	12
<i>Barclays Aggregate</i>				<i>1.8</i>	<i>1.9</i>	<i>6.1</i>	<i>6.4</i>	<i>5.0</i>	<i>4.6</i>	
University of Iowa: Post Advisory	(3/31/06)	12,410	6.4%	15.3	25.2	-4.1	2.1	--	2.1	19
Iowa State University: Post Advisory	(3/31/06)	6,616	5.6%	15.3	25.2	-4.1	2.1	--	2.1	10
<i>Merrill Lynch High Yield Master II</i>				<i>23.2</i>	<i>29.4</i>	<i>-3.5</i>	<i>1.8</i>	<i>--</i>	<i>1.7</i>	

(Periods Ending June 30, 2009)

Note: At the direction of the Board of Regents, slight adjustments have been made to composite market values to account for rounding.

*Please see page 11 for policy specifications.

Total Endowment Fund Results



	Inception Date	Mkt. Value \$'000	Comp %	QTR %	YTD %	1 Year %	3 Years %	5 Years %	Inception %	Qtr. Inv. Fee \$'000
University of Iowa Real Assets Composite	(3/31/06)	10,778	5.5%	-16.1	-25.8	-29.8	-3.7	--	-1.4	38
Iowa State University Real Assets Composite	(3/31/06)	7,492	6.3%	-16.1	-25.8	-29.8	-3.7	--	-1.4	26
<i>NCREIF Property Index Lagged</i>				-7.3	-15.0	-14.7	4.2	--	5.0	
University of Iowa: Principal Group ¹	(3/31/06)	10,591	5.4%	-16.3	-25.9	-29.9	-3.8	--	-1.5	38
Iowa State University: Principal Group ¹	(3/31/06)	7,367	6.2%	-16.3	-25.9	-29.9	-3.8	--	-1.5	26
<i>NCREIF Property Index Lagged</i>				-7.3	-15.0	-14.7	4.2	--	5.0	
University of Iowa: CF NR Partners VIII	(9/30/2008)	187	0.1%	-7.3	-20.6	--	--	--	-20.6	--
Iowa State University: CF NR Partners VIII	(9/30/2008)	125	0.1%	-7.3	-20.6	--	--	--	-20.6	--
<i>NCREIF Property Index Lagged</i>				-7.3	-15.0	--	--	--	-15.2	
University of Iowa Private Equity Composite	(12/31/06)	3,707	1.9%	2.2	-2.2	-21.1	--	--	-7.6	14
Iowa State University Private Equity Composite	(12/31/06)	2,330	1.9%	2.2	-2.3	-21.1	--	--	-7.6	9
<i>Wilshire 5000</i>				16.8	4.5	-26.4	--	--	-13.7	
University of Iowa: NB Crossroads XVIII	(12/31/06)	3,065	1.6%	2.8	-1.3	-21.8	--	--	-7.1	14
Iowa State University: NB Crossroads XVIII	(12/31/06)	1,915	1.6%	2.8	-1.3	-21.8	--	--	-7.1	9
<i>Wilshire 5000</i>				16.8	4.5	-26.4	--	--	-13.7	
University of Iowa: CF Int'l Partners VI	(3/31/07)	200	0.1%	1.5	-9.5	-25.8	--	--	-36.5	--
Iowa State University: CF Int'l Partners VI	(3/31/07)	133	0.1%	1.5	-9.5	-25.8	--	--	-36.5	--
<i>Wilshire 5000</i>				16.8	4.5	-26.4	--	--	-15.6	
University of Iowa: CF Private Equity VII	(3/31/07)	266	0.1%	-1.0	-4.5	-12.4	--	--	-68.6	--
Iowa State University: CF Private Equity VII	(3/31/07)	177	0.1%	-1.0	-4.5	-12.4	--	--	-68.6	--
<i>Wilshire 5000</i>				16.8	4.5	-26.4	--	--	-15.6	
University of Iowa: CF Venture Capital VIII	(6/30/07)	176	0.1%	-1.4	-7.7	-4.0	--	--	-53.3	--
Iowa State University: CF Venture Capital VIII	(6/30/07)	105	0.1%	-1.4	-7.7	-4.0	--	--	-53.3	--
<i>Wilshire 5000</i>				16.8	4.5	-26.4	--	--	-19.8	

¹Principal Enhanced Property Fund & NCREIF Property Index is lagged one quarter

Total Quasi-Endowment Fund Results

	Inception Date	Mkt. Value \$'000	Comp %	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %	Qtr. Inv. Fee \$'000
University of Iowa Quasi Composite	(6/30/98)	81,834	100%	11.5	10.2	5.9	6.1	4.9	5.2	65
<i>Custom Policy</i>				1.8	1.9	6.1	6.4	5.0	5.6	
Dodge & Cox Income Fund Quasi	(3/31/04)	34,659	42.4%	7.5	7.8	7.2	5.8	4.7	4.0	39
<i>Barclays Aggregate</i>				1.8	1.9	6.1	6.4	5.0	4.3	
Reams Asset Management Core Quasi	(9/30/01)	47,175	57.6%	15.3	12.2	4.0	6.2	5.0	4.7	26
<i>Barclays Aggregate</i>				1.8	1.9	6.1	6.4	5.0	5.1	

(Periods Ending June 30, 2009)

Note: At the direction of the Board of Regents, slight adjustments have been made to composite market values to account for rounding.

*Please see page 11 for policy specifications.

Manager Overview

Vanguard

- **Style:** Large Capitalization U.S. Core Equity
- **Construction Process:** Replication
- **Investment Philosophy:** Passive Index
- **Selection Method:** Quantitative Valuation

Lotsoff Capital

- **Style:** Large Capitalization U.S. Core Equity
- **Construction Process:** Optimization
- **Investment Philosophy:** Active-Bottom Up
- **Selection Method:** Quantitative Valuation

Delaware Investments

- **Style:** Small Capitalization U.S. Core Equity
- **Construction Process:** Optimization
- **Investment Philosophy:** Active- Bottom Up
- **Selection Method:** Quantitative Valuation

Dodge & Cox

- **Style:** Market Core Fixed Income
- **Construction Process:** Fundamental, Favors Securities with Yield Greater than the Market
- **Investment Philosophy:** Active-Bottom Up
- **Selection Method:** Quantitative & Qualitative Valuation

Reams Asset Management

- **Style:** Market Core Fixed Income
- **Construction Process:** Optimization
- **Investment Philosophy:** Active-Bottom Up
- **Selection Method:** Quantitative & Qualitative Valuation

Post Advisory

- **Style:** High Yield Fixed Income
- **Construction Process:** Fundamental Evaluation / Selection
- **Investment Philosophy:** Active-Bottom Up
- **Selection Method:** Scoring Model Based on Quantitative & Qualitative Inputs

GMO Foreign Fund

- **Style:** International Value Non-U.S. Equity
- **Construction Process:** Valuation Measures
- **Investment Philosophy:** Active-Bottom Up
- **Selection Method:** Fundamental Earnings Forecast

State Street

- **Style:** International Core Non-U.S. Equity
- **Construction Process:** Replication
- **Investment Philosophy:** Passive Index
- **Selection Method:** Quantitative Valuation

Manager Overview

Principal Group

- **Style:** Value-Added Private Real Estate Fund
- **Selection Method:** Quantitative Valuation
- **Fund Size:** \$1.0 Billion

CF NR Partners VIII

- **Style:** Real Asset Fund of Funds
- **Asset Allocation %:** 40% Oil & Gas PE, 19% Oilfield Serv., 14% Oil Infrastructure, 10% Oil & Gas Acquisition., 10% Clean energy, 7% Other
- **Fund Size:** \$0.8 Billion

NB Crossroads XVIII

- **Style:** Private Equity Fund of Funds
- **Asset Allocation %:** 20-30% Venture Capital, 45-65% Buyouts, 15-25% Distressed Securities, <20% Secondary & Direct Co-Investments
- **Fund Size:** \$1.0 Billion +

CF Int'l Partners VI

- **Style:** Private Equity Fund of Funds
- **Asset Allocation %:** 100% Int'l Buyout
- **Fund Size:** \$0.5 Billion - \$0.75 Billion

CF Private Equity VII

- **Style:** Private Equity Fund of Funds
- **Asset Allocation %:** 100% U.S. Buyout
- **Fund Size:** \$0.75 Billion - \$1 Billion

CF Venture Capital VIII

- **Style:** Private Equity Fund of Funds
- **Asset Allocation %:** 100% Venture Capital
- **Fund Size:** \$0.5 Billion – \$0.65 Billion

Quarterly Manager Attribution

Lotsoff Capital

- Lotsoff Capital Management posted a 17.02% return for the 2nd quarter, outperforming the S&P 500 by ~109 bps.
- Remaining significantly underweight to large oil companies, while overweighting the smaller specialized E&P's contributed positively to relative performance.
- Strong stock selection in the materials and industrials sectors also contributed to relative performance.
- Poor stock selection in financials, healthcare and consumer staples detracted from relative performance.

Delaware Investments

- Delaware Small Core posted a 20.58% return for the 2nd quarter, underperforming the Russell 2000 by ~10 bps.
- Poor stock selection in the health care, consumer staples, and capital goods sectors detracted from relative performance.
- An underweight to credit cyclicals also subtracted from relative returns.
- Strong stock selection in the energy, business services, and technology sectors contributed positively to performance.

GMO Foreign Fund

- GMO Foreign Fund posted at 21.67% return for the 2nd quarter underperforming the MSCI EAFE Index by ~376 bps.
- Poor stock selection (most notably in Japan, U.K., France, Italy and Switzerland) was the main detractor from relative performance.
- Underweight positions in Sweden, Spain and Australia also subtracted from returns.
- On the positive side, an underweight in Switzerland helped performance.

Dodge & Cox

- Dodge & Cox Income Fund posted a 7.48% return for the 2nd quarter, outperforming the Barclays Aggregate by ~569 bps
- The fund's overweighting of the corporate sector significantly added to returns.
- The fund's GSE-guaranteed MBS holdings posted strong returns during the quarter.
- A substantial nominal yield advantage enhanced returns as well as its underweight to U.S. Treasuries.
- The fund holds no CMBS which performed very well during the quarter.

Reams Asset Management

- Reams Core Fixed Income posted a 15.22% return for the 2nd quarter outperforming the Barclays Aggregate by ~1,343 bps.
- A continuous overweight to CMBS in the mortgage market contributed heavily to outperformance in the second quarter.
- Credit exposure remains heavily overweighted with an emphasis on investment grade financial issuers which also contributed to performance.
- The strategy continues to be underweight to Treasuries, but some proceeds from CMBS sales have been re-invested in this sector.

Post Advisory

- Post Advisory high Yield posted a 15.30% return for the second quarter, underperforming the ML High Yield Master II Index by ~789 bps.
- Lack of exposure to both the CCC and CaD markets subtracted from returns.
- Heavy underweights to the automotive and financial sector also detracted from performance.
- Strong credit selection and participation in a strong new issuance market helped the portfolio during the quarter.

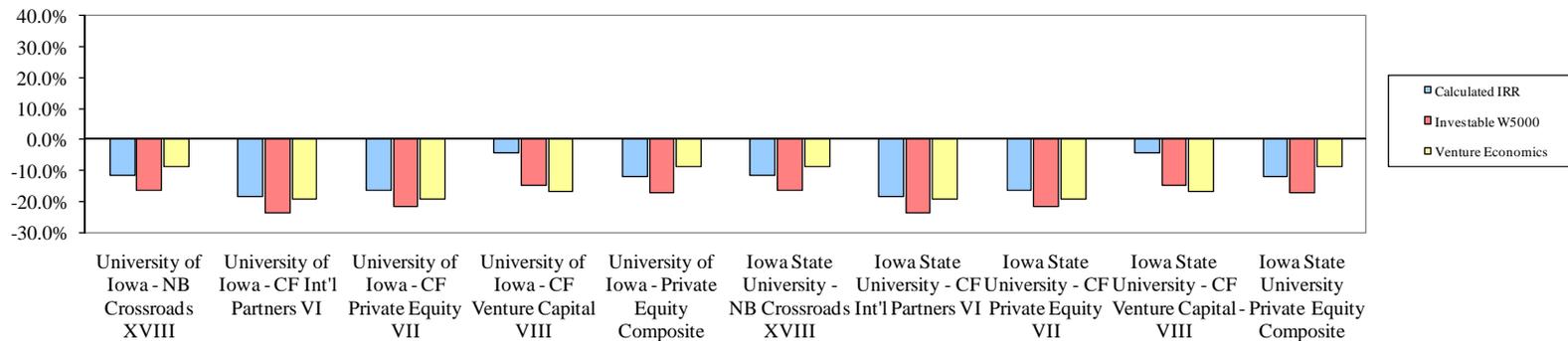
Private Equity Analysis

Fund	Inception	Total Commitment	Capital Called	Distributions*	Investment Gain/Loss	Market Value	Calculated IRR	Investable W5000	Venture Economics		
University of Iowa - NB Crossroads XVIII	4q2006	6,000,000	3,900,000	65%	291,460	-543,892	3,064,648	-11.7%	-16.6%	-8.9%	1
University of Iowa - CF Int'l Partners VI	2q2007	1,200,000	252,000	21%	220	-51,625	200,155	-18.5%	-23.6%	-19.1%	2
University of Iowa - CF Private Equity VII	2q2007	2,400,000	314,400	13%	159	-48,093	266,148	-16.3%	-21.9%	-19.1%	3
University of Iowa - CF Venture Capital VIII	3q2007	1,000,000	182,500	18%	0	-6,747	175,753	-4.5%	-14.9%	-16.8%	4
University of Iowa - Private Equity Composite	4q2006	10,600,000	4,648,900	44%	291,839	-650,357	3,706,704	-12.0%	-17.1%	-8.9%	5
University of Iowa - CF NR Partners VIII	4q2008	6,000,000	225,000	4%	0	-38,187	186,813	--	--	--	

Fund	Inception	Total Commitment	Capital Called	Distributions*	Investment Gain/Loss	Market Value	Calculated IRR	Investable W5000	Venture Economics		
Iowa State University - NB Crossroads XVIII	4q2006	3,750,000	2,437,500	65%	182,000	-340,097	1,915,403	-11.7%	-16.6%	-8.9%	1
Iowa State University - CF Int'l Partners VI	2q2007	800,000	168,000	21%	148	-34,413	133,439	-18.5%	-23.6%	-19.1%	2
Iowa State University - CF Private Equity VII	2q2007	1,600,000	209,600	13%	107	-32,062	177,431	-16.3%	-21.9%	-19.1%	3
Iowa State University - CF Venture Capital VIII	3q2007	600,000	109,500	18%	0	-4,047	105,453	-4.5%	-14.9%	-16.8%	4
Iowa State University - Private Equity Composite	4q2006	6,750,000	2,924,600	43%	182,255	-410,619	2,331,726	-12.1%	-17.1%	-8.9%	5
University of Iowa - CF NR Partners VIII	4q2008	4,000,000	150,000	4%	0	-25,457	124,543	--	--	--	

*Sum of distributions, expenses, and investment fees

- (1) Venture Economics – Median return of all private equity funds with vintage year 2006
- (2) Venture Economics – Median return of all buyout funds with vintage year 2007
- (3) Venture Economics – Median return of all buyout funds with vintage year 2007
- (4) Venture Economics – Median return of all venture capital funds with vintage year 2007
- (5) Venture Economics – Median return of all private equity funds with vintage year 2006



(Periods Ending June 30, 2009)

Endowment Policy Index

	<u>%</u>	<u>Description</u>
6/89 -6/99	60.00	S&P 500
	30.00	Lehman Gov't/Credit
	10.00	MSCI EAFE Index (N)
9/99 -6/01	63.00	S&P 500
	30.00	Lehman Gov't/Credit
	7.00	MSCI EAFE Index (N)
9/01 -3/02	63.00	S&P 500
	30.00	Lehman Aggregate
	7.00	MSCI EAFE Index (N)
6/02 -3/06	63.00	Wilshire 5000
	30.00	Lehman Aggregate
	7.00	MSCI EAFE Index (N)
6/06 - 06/09	50.00	Wilshire 5000
	30.00	Barclays Aggregate
	15.00	MSCI EAFE (N)
	5.00	NCREIF Property Index Lagged

Fixed Income/ Quasi Policy

	<u>%</u>	<u>Description</u>
9/98 -6/01	100.00	Lehman Gov't/Credit
9/01 - Present	100.00	Barclays Aggregate

Diversified Pool Policy Index

	<u>%</u>	<u>Description</u>
3/09-Present	40.00	91 Day Tbill
	30.00	Barclays Aggregate
	10.00	Barclays U.S. TIPS
	8.00	MSCI U.S. Broad Market Index
	5.00	Barclays High Yield
	5.00	MSCI REIT Index
	2.00	FTSE AW EX-U.S. Index



Appendix

U.S. Equity

The U.S. stock market added to its late-March rally to advance 16.8% in the second quarter of 2009, representing the first quarterly gain for the Wilshire 5000SM Index since the third quarter of 2007. Further, stocks have risen 38.3% since their recent low on March 9th. Each individual month within the quarter enjoyed a positive return, as June's narrow gain represented the market's fourth consecutive up month.

Small cap stocks took a leadership role during the quarter, reversing a trend of recent underperformance relative to larger stocks. The Wilshire Small Cap Index rose 26.3% versus a 15.6% advance for the Wilshire Large Cap Index. Small cap stocks surged nearly 20% in April alone, the best single-month return in the index's 31 year history. Growth stocks continued to outpace value during the quarter, particularly in small caps.

Financial stocks led all other sectors higher with a 26.8% quarterly advance, adding to an impressive rebound that began in March. The market's upward climb was broad-based as all sectors delivered positive results for the quarter. Even Telecoms, which lagged all other sectors, posted a respectable 4.3% return.

From an economic standpoint, the employment picture has continued to worsen since accelerating downward in September 2008. However, the magnitude of job losses has narrowed since shedding nearly three-quarters of a million jobs in January 2009. A sustained extension of

this recent trend into the second half of the year may serve as an early signal that the worst of the economic recession is behind us.

Non-U.S. Equity

Broad, international markets rallied out of the first quarter with strong gains in April and May and, despite mild pullbacks in June, set their largest quarterly gains in more than 20 years. The MSCI Pacific and Japan Indexes on the other hand displayed more consistent but smaller monthly gains during the quarter. The U.S. dollar depreciated against most major currencies quarter to date, with the British Pound gaining 14.9%, the Euro gaining 5.7% and the Brazilian Real gaining 17.5% helping to push USD returns above LC returns.

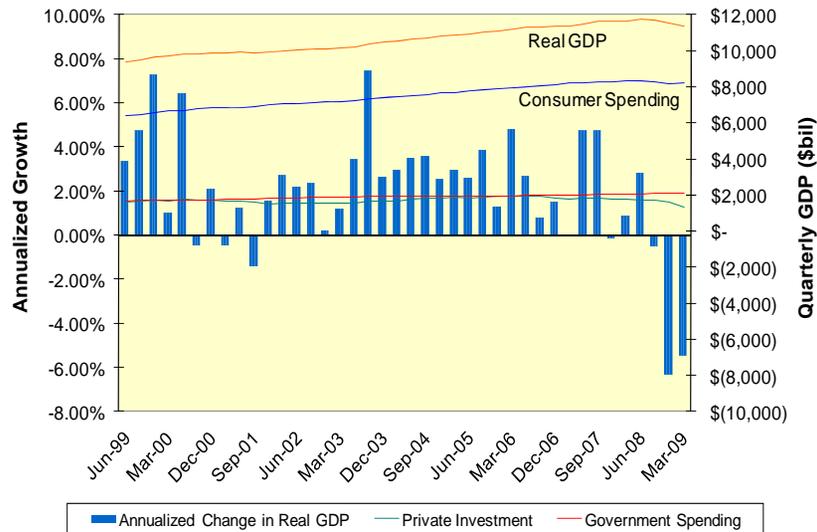
Fixed Income

After a short period of forecasted deflation at the turn of the year – and despite the rising level of unemployment in the U.S. – the TIPS breakeven spread for short term horizons less than 5 years have returned to forecasting inflation. Following increased inflation forecasts, longer maturity Treasury yields rose, applying downward pressure on high grade fixed income securities. Long term Treasuries fell -7.2%, while TIPS returned 0.7%. During the quarter, investment grade corporate bonds rallied to post a return of 10.4% with high yield returning a hefty 23.1%. Global bonds reflected the general U.S. dollar depreciation providing a return premium to un-hedged global indexes over the hedged series.

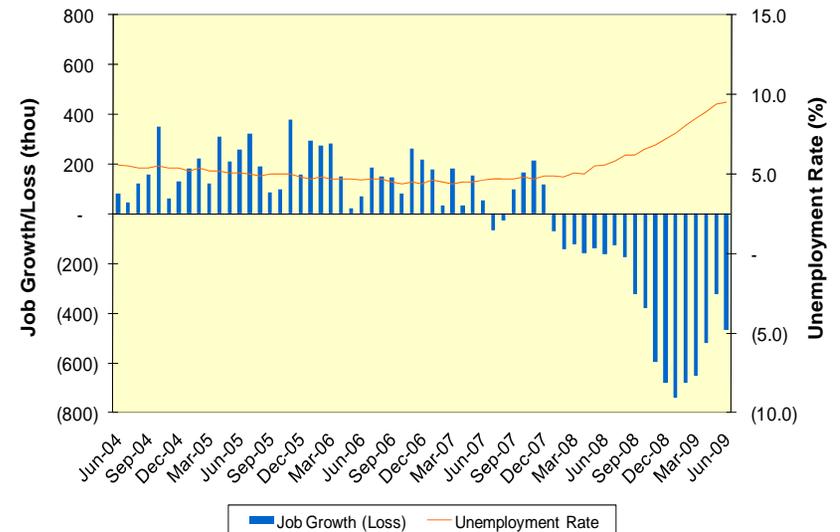
Economic Review

June 30, 2009		Key Economic Indicators			
CPI (all items) Seasonally adjusted	Monthly Change	Cumulative Change			
	Jun-09	0.7	3-Month	0.8	
	May-09	0.1	12-Month	-1.2	
	Apr-09	0.0	10-Yr Annual	2.6	
Consumer Sentiment Unv. of Michigan Survey	Jun-09	70.8			
	May-09	68.7			
	1-Yr Ago	56.4	10-Yr Avg	87.9	
Manufacturing Inst. for Supply Mgmt Purchasing Mngrs' Idx	Jun-09	44.8	Change in Manufacturing Sector		
	May-09	42.8	>50	Expansion	
	1-Yr Avg	40.5	<50	Contraction	

Changes in Real GDP (2000 base year)



Unemployment Rate and Job Growth/Loss

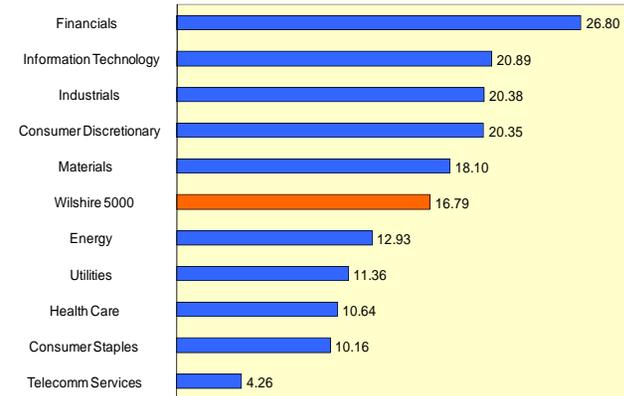


Data sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Bank of St. Louis

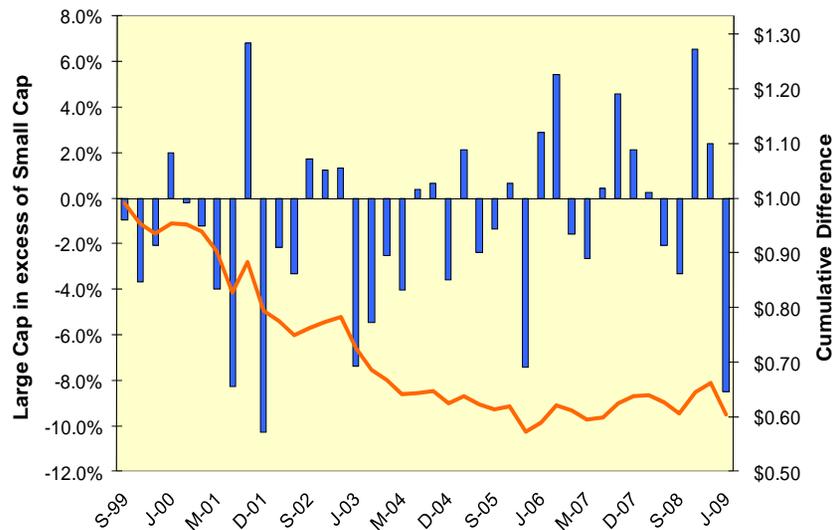
Domestic Capital Markets: Equity

June 30, 2009	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	16.8	4.5	-26.4	-8.1	-1.6	-1.3
Wilshire U.S. Large Cap	15.6	3.6	-26.7	-7.9	-1.7	-1.9
Wilshire U.S. Small Cap	26.3	10.6	-24.0	-8.7	-0.4	3.2
Wilshire U.S. Large Growth	16.5	10.2	-25.5	-5.7	-1.3	-4.0
Wilshire U.S. Large Value	14.8	-2.8	-27.6	-10.2	-2.3	0.0
Wilshire U.S. Small Growth	28.9	17.5	-25.3	-7.3	0.5	0.5
Wilshire U.S. Small Value	23.6	4.2	-22.5	-10.1	-1.4	5.2
Wilshire REIT Index	31.7	-13.0	-45.2	-19.7	-3.2	5.5
Dow Jones AIG Commodity Index	11.7	4.6	-47.1	-8.3	-0.2	7.2

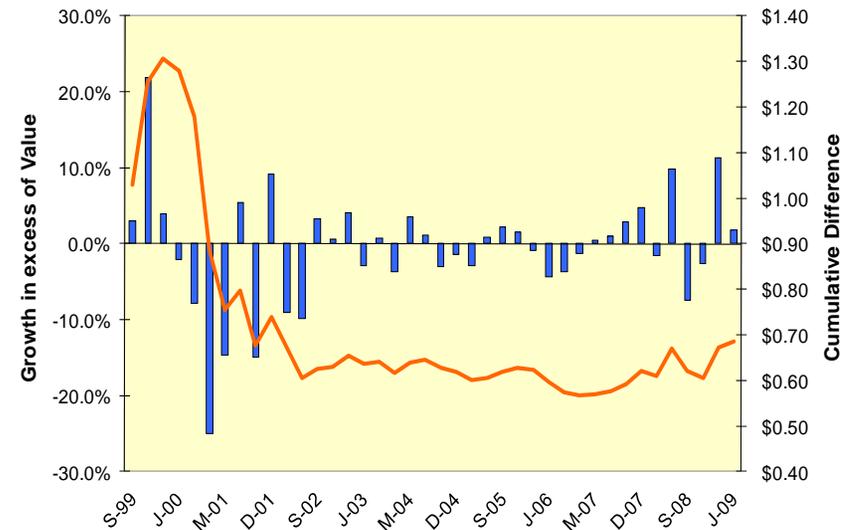
Wilshire 5000 Quarterly Sector Returns (%)



Large Cap vs. Small Cap: 10 Years of Quarterly Observations



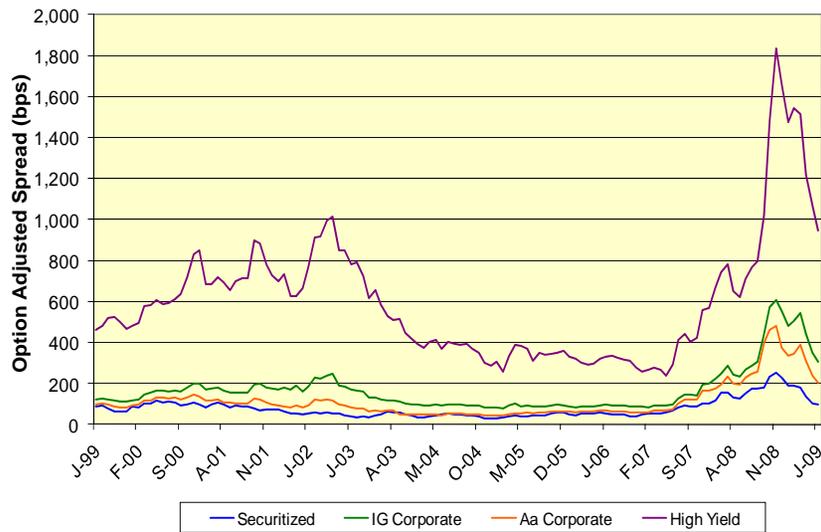
Growth vs. Value: 10 Years of Quarterly Observations



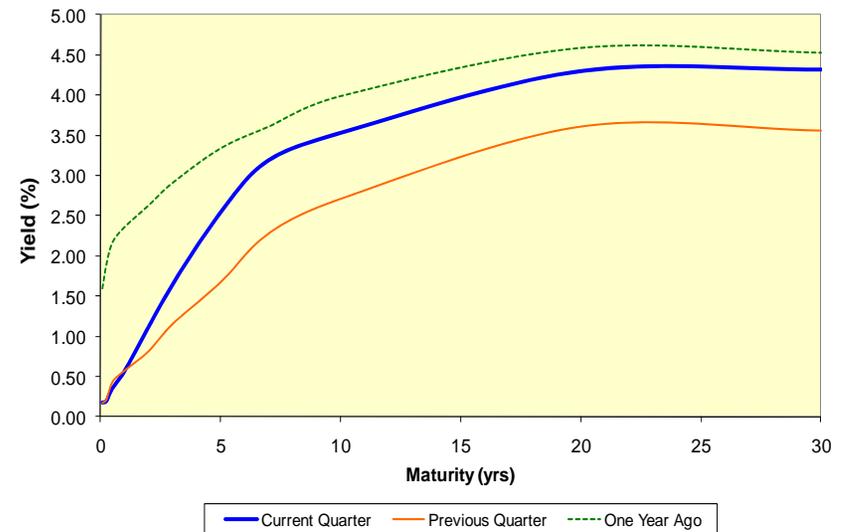
Domestic Capital Markets: Fixed Income

June 30, 2009	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays Aggregate Bond Index	1.8	1.9	6.1	6.4	5.0	6.0
Barclays Treasury Index	-3.0	-4.3	6.5	7.4	5.5	6.1
Barclays Govt-Related Index	0.4	0.0	6.8	7.0	5.4	6.3
Barclays Securitized Index	1.7	3.6	7.1	6.8	5.3	6.0
Barclays Corporate IG Index	10.4	8.3	3.8	4.5	3.8	5.6
Barclays Long-Term Treasury Index	-7.2	-12.0	7.4	8.6	7.0	7.5
Barclays U.S. TIPS Index	0.7	6.2	-1.1	5.8	4.9	7.2
Barclays High Yield Index	23.1	30.4	-2.4	2.1	4.3	4.7
Treasury Bills	0.1	0.1	0.9	3.2	3.2	3.2

Barclays Fixed Income Indexes - OAS



Treasury Yield Curve

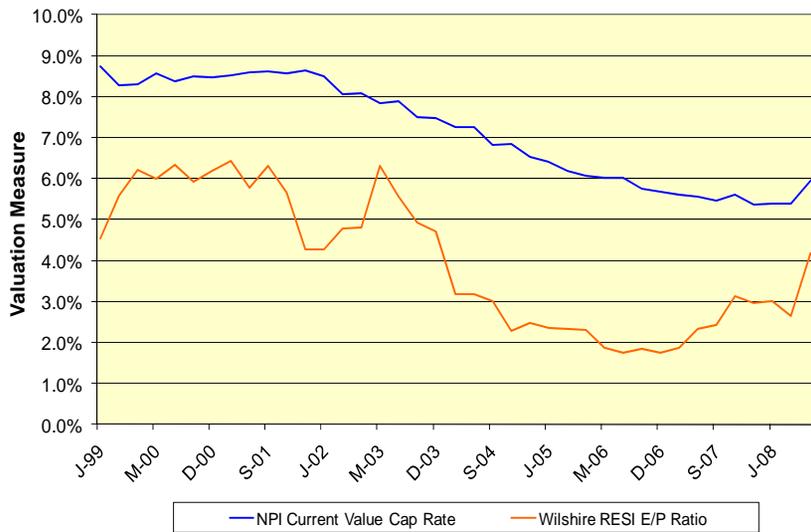


Real Assets

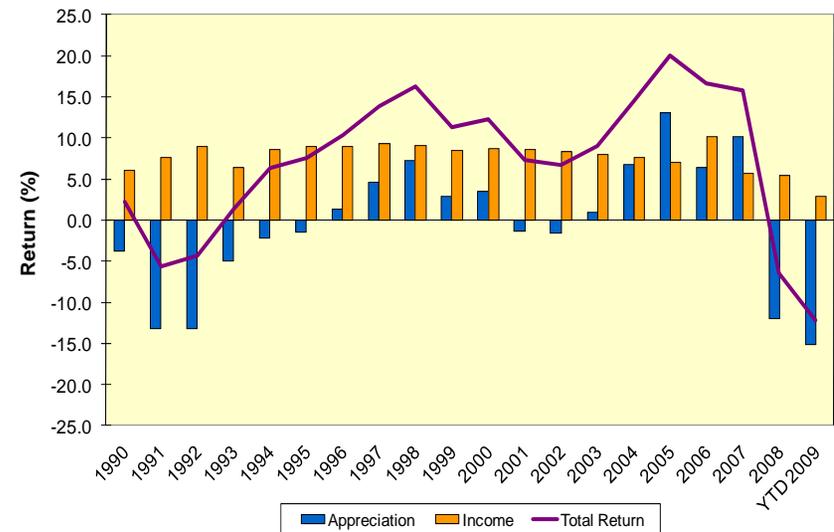
June 30, 2009	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays U.S. TIPS Index	0.7	6.2	-1.1	5.8	4.9	7.2
Dow Jones UBS Commodity Index	11.7	4.6	-47.1	-8.3	-0.2	7.2
Global Public Real Estate	29.1	-5.0	-42.1	-16.8	-1.4	5.3
NCREIF Property Index	-5.2	-12.1	-19.6	1.0	7.6	8.5
NCREIF Timberland Index	-1.2	-0.5	3.3	11.5	13.6	8.7
S&P MLP Index (Oil & Gas)	20.6	35.0	-12.9	1.6	6.7	n.a.

* Wilshire Global Real Estate Securities from June, 1999 to December, 2004. Wilshire Global REITs from 2004 to present.

Real Estate Valuation



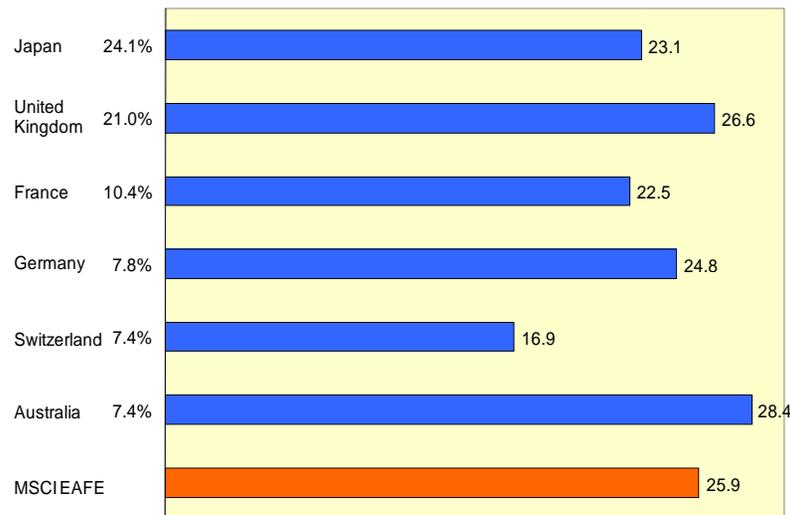
NCREIF Property Index Returns



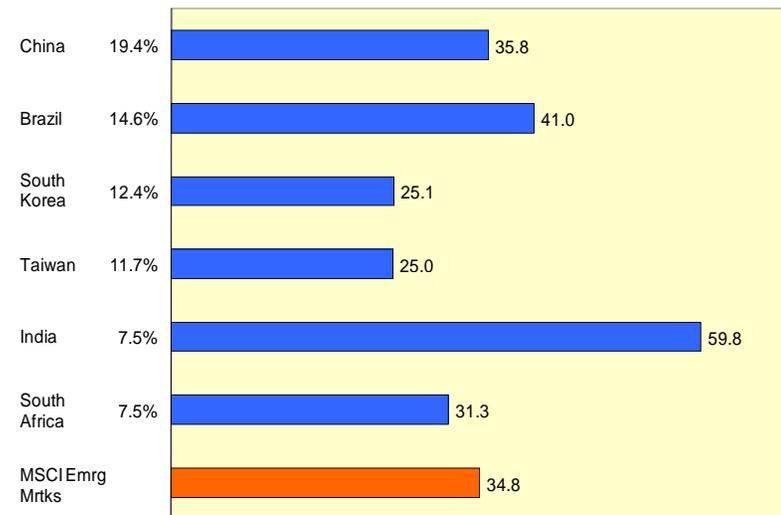
International Capital Markets

June 30, 2009	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US (\$g)	27.9	14.4	-30.5	-5.4	4.9	2.9
MSCI EAFE (\$g)	25.9	8.4	-31.0	-7.5	2.8	1.6
MSCI Emerging Markets (\$g)	34.8	36.2	-27.8	3.3	15.1	9.0
MSCI Frontier Markets (\$g)	35.1	11.5	-49.0	-6.7	6.4	n.a.
JPM Non US Global Bond	5.1	-5.2	0.2	7.1	5.7	6.2
JPM Non US Global Bond Hedged	0.0	-0.5	7.7	5.5	5.2	5.2
JPM EMBI Global	10.8	14.6	2.3	6.3	8.6	10.6
Euro vs. Dollar	5.7	0.9	-11.0	3.1	2.8	3.1
Yen vs. Dollar	2.4	-6.1	9.9	5.8	2.5	2.4
Pound vs. Dollar	14.9	14.5	-17.3	-3.9	-1.9	0.4

MSCIEAFE's Largest Countries: Market Weights and Quarterly Returns (%)



MSCIEM's Largest Countries: Market Weights and Quarterly Returns (%)



Asset Class Performance

Annual Asset Class Returns - Best to Worst

2004	2005	2006	2007	2008	YTD 2009
REITs 33.2%	Emrg Mrkts 34.5%	REITs 36.0%	Emrg Mrkts 39.8%	Core Bond 5.2%	Emrg Mrkts 36.2%
Emrg Mrkts 25.9%	Commodities 21.4%	Emrg Mrkts 32.6%	Commodities 16.2%	T-Bills 2.0%	High Yield 30.4%
Developed 20.7%	Developed 14.0%	Developed 26.9%	U.S. TIPS 11.6%	U.S. TIPS -2.3%	Developed 8.4%
U.S. Equity 12.5%	REITs 13.8%	U.S. Equity 15.8%	Developed 11.6%	High Yield -26.2%	U.S. TIPS 6.2%
High Yield 11.2%	U.S. Equity 6.4%	High Yield 11.9%	Core Bond 7.0%	Commodities -35.6%	Commodities 4.6%
Commodities 9.2%	T-Bills 3.1%	T-Bills 4.8%	U.S. Equity 5.6%	U.S. Equity -37.2%	U.S. Equity 4.5%
U.S. TIPS 8.5%	U.S. TIPS 2.8%	Core Bond 4.3%	T-Bills 5.0%	REITs -39.2%	Core Bond 1.9%
Core Bond 4.3%	High Yield 2.7%	Commodities 2.1%	High Yield 1.9%	Developed -43.1%	T-Bills 0.1%
T-Bills 1.3%	Core Bond 2.4%	U.S. TIPS 0.4%	REITs -17.5%	Emrg Mrkts -53.2%	REITs -13.0%

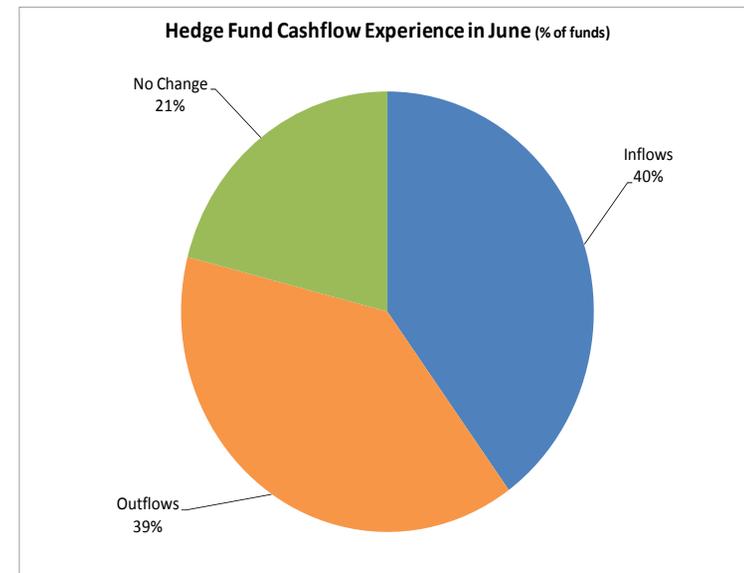
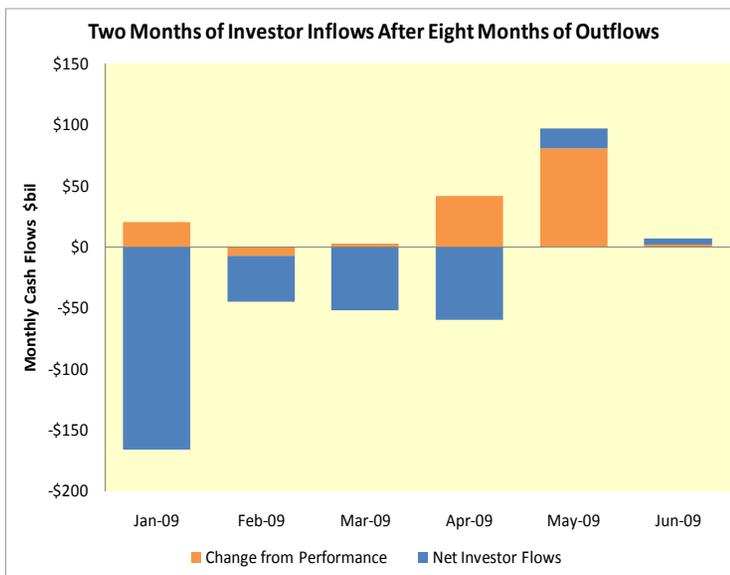
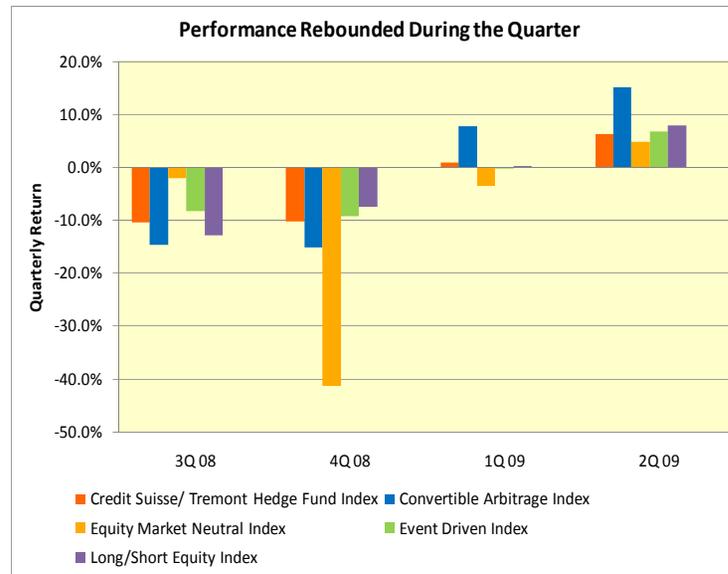
Annualized
5-Year

2004-2008
Emrg Mrkts 8.0%
Core Bond 4.7%
U.S. TIPS 4.1%
T-Bills 3.2%
Developed 2.1%
REITs 0.7%
Commodities 0.2%
High Yield -0.8%
U.S. Equity -1.7%



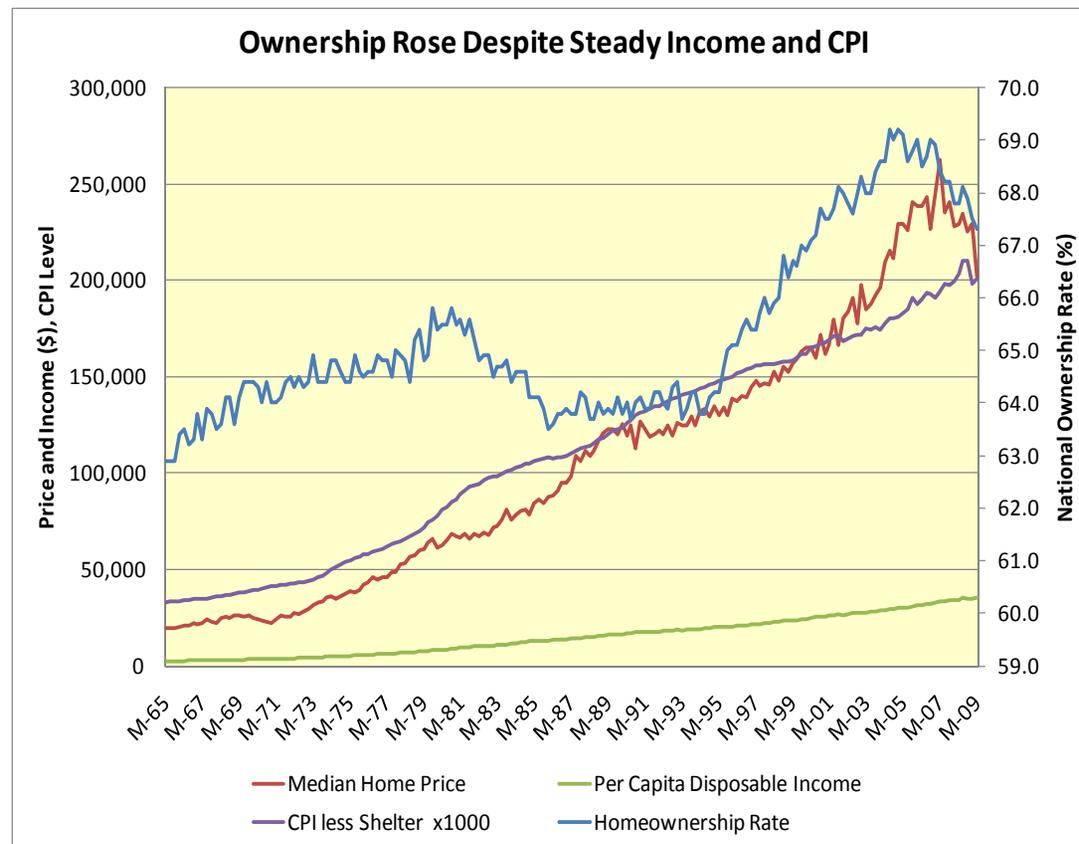
Second Quarter Focus

Hedge Fund Activity



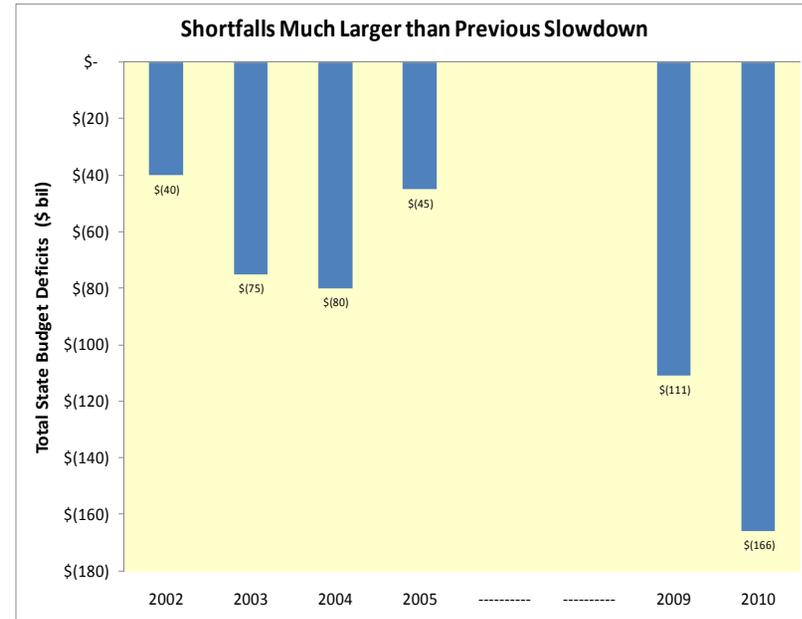
Growth in Housing

- Without a noticeable jump in personal income, and with a typical rise in living expenses, the proportion of homeowners grew rapidly from the mid-90's.
- Falling mortgage rates, zero-down and interest only loans, and of course subprime lending fueled what proved to be an unsustainable rate.



State Budget Deficits

- Decline in tax receipts has exacerbated state budget problems.
- Nearly every state (48) faces a budget shortfall for FY2010.
- Early data shows a majority of states expect a FY2011 deficit.
- High unemployment and decreased consumer spending is draining state revenue.
- Increasing taxes or decreasing spending could further dampen economic growth.
- Likely outcomes include cuts in services and an increase in national debt through federal assistance.



Largest Projected FY2010 Deficits

	Total Budget Gap	
	FY2010 (\$ bil)	% of Budget
Arizona	\$4.0	41.1%
California	\$53.7	58.2%
Connecticut	\$4.1	23.2%
Florida	\$5.9	22.8%
Illinois	\$9.2	33.0%
New Jersey	\$8.8	29.9%
New York	\$17.9	32.3%
North Carolina	\$4.6	21.9%
Pennsylvania	\$4.8	18.0%
Washington	\$3.6	23.3%