

Contact: Andrea Anania

**INVESTMENT AND CASH MANAGEMENT REPORT**  
**FOR THE QUARTER ENDED DECEMBER 31, 2010**

**Recommended Action:** Receive the report.

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

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**Institutional Investment Portfolios**  
**Market Value**  
**(in thousands)**  
**As of December 31, 2009, and December 31, 2010**

	<u>Operating</u>		<u>Endowment/ Quasi-Endowment</u>	
	<u>Dec 2009</u>	<u>Dec 2010</u>	<u>Dec 2009</u>	<u>Dec 2010</u>
University of Iowa <sup>1</sup>	\$1,070,816	\$1,234,062	\$296,448 <sup>2</sup>	\$346,238 <sup>2</sup>
Iowa State University	474,370	527,103	131,127 <sup>3</sup>	136,394 <sup>3</sup>
University of Northern Iowa	147,933	135,527	-	-
Iowa School for the Deaf	2,090	2,018	-	-
Iowa Braille & Sight Saving School	829	1,960	-	-
<b>Total</b>	<b>\$1,696,038</b>	<b>\$1,900,670</b>	<b>\$427,575</b>	<b>\$482,632</b>

<sup>1</sup> Includes UIHC.

<sup>2</sup> Includes UNI.

<sup>3</sup> Includes ISD and IBSSS.

As of December 31, 2010, the Regents combined operating and endowment portfolios totaled over \$2.3 billion.

**OPERATING**

The Merrill Lynch 1-3 year Government/Corporate Index rate for the quarter was -0.06%. BlackRock's return, ISU's unrestricted internal return, and UNI's restricted and unrestricted internal returns underperformed the benchmark; all others outperformed the benchmark.

**ENDOWMENT**

The combined endowment managers' returns for the quarter ended December 31, 2010, were 5.6% for SUI and 5.8% for ISU; the blended asset allocation benchmark was 5.7%. The SUI quasi-endowment returned -0.5% for the quarter; the benchmark was -1.3%.

Endowment and quasi-endowment fund manager performance overviews can be found in *Wilshire Consulting's Executive Summary of Investment Performance*.

**Background and Analysis:**

The Board:

- ◆ Delegates authority for monitoring institutional investment activities and recommending investment policy to its Investment Committee;
- ◆ Delegates management and oversight authority for investment activities to the vice presidents for finance at each institution; and
- ◆ 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.

Below are the Board authorized fund managers (See pages 8-9 for values):

<u>MANAGER</u>	<u>TYPE</u>	<u>AUTHORIZED</u>
Adams Street Partners - 2010 Global Offering (Adams Street Partners )	Private Equity Fund Manager	March 2010
BlackRock Short Duration	Short-Term Fixed Income Manager	February 1996
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 (Income Fund)	Fixed Income Fund Manager	February 2004
Grantham, Mayo, Van Otterloo & Co. (GMO Foreign Fund)	International Equity Fund Manager	February 2004
NB Alternative Advisors (NB Crossroads XVIII)	Private Equity Fund Manager	November 2005
Landmark Partners (Landmark Equity Partners XIV, L.P.)	Private Equity Fund Manager	March 2010
Lotsoff Capital Management	Large Cap Core Domestic Equity Fund	September 2004
Metropolitan Real Estate Partners Global III Fund (MREP Global III)	Real Estate Fund Manager	September 2009
Post Advisory High Yield (subsidiary of Iowa's Principal Financial Group)	High-Yield Bonds Fund Manager	November 2005
Principal Financial Group (Enhanced Property Fund)	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 (SSGA ACWI ex-U.S. Index)	International Equity Index Fund Manager	April 2009
Vanguard Group (Institutional Index Fund)	Large Cap S&P 500 Index Fund	February 2008

**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 December 31, 2010**

	<u>Restricted</u> <u>Internal</u> <sup>1, 2</sup>	<u>Internal</u>	<u>Unrestricted</u> <u>BlackRock</u> <sup>3</sup>	<u>Diversified Pool</u>	<u>Total</u> <sup>5</sup>
SUI	\$186,579	\$215,834	\$83,629	\$748,020	\$1,234,062
ISU	118,561	338,428	N/I	70,114	527,103
UNI <sup>4</sup>	46,326	64,066	N/I	25,135	135,527
ISD	13	2,005	N/I	N/I	2,018
IBSSS	N/I	1,960	N/I	N/I	1,960
Total	\$351,479	\$622,293	\$83,629	\$843,269	\$1,900,670

N/I = No investments of this type.

1. SUI has additional bond trustee balances of \$86 million with Wells Fargo, Des Moines.
2. ISU has additional bond trustee balances of \$6.8 million with Wells Fargo, Des Moines.
3. SUI has an additional Blackrock investment account with a balance of \$23.0 million for the Iowa Medical Mutual Insurance Company.
4. UNI invests in the SUI Diversified Pool.
5. 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 December 31, 2010**

	<u>Restricted</u> <u>Internal</u>	<u>Internal</u>	<u>Unrestricted</u> <u>BlackRock</u>	<u>Diversified Pool</u>	<u>Combined</u>
SUI	-0.03%	0.15%	-0.09%	0.98%	0.75%
ISU	-0.01%	-0.30%	N/I	1.30%	-0.03%
UNI	-0.22%	-0.25%	N/I	0.98%	0.10%
ISD	0.11%	0.11%	N/I	N/I	0.11%
IBSSS	N/I	0.10%	N/I	N/I	0.10%

N/I = No investments of this type.

The comparable industry standard rate of return for the quarter ended December 31, 2010, includes the Merrill Lynch 1-3 year Government/Corporate Index rate of -0.06%. BlackRock's return, ISU's unrestricted internal return, and UNI's restricted and unrestricted internal returns underperformed the benchmark; all others outperformed the benchmark.

**Operating Investment Summary**  
**Restricted and Unrestricted Internal, BlackRock, and Diversified Pool**  
**(in thousands)**  
**As of December 31, 2010**

	<u>Market Value</u>	<u>Percent Market Value</u>
<b>University of Iowa</b>		
Money Market / Cash Equivalents	\$334,961	27.1%
Diversified Pool	748,020	60.6%
Agency Securities	27,847	2.3%
U.S. Obligations	73,085	5.9%
Corporate Notes and Bonds	30,975	2.5%
Asset Backed	17,260	1.4%
Mortgage Backed	<u>1,914</u>	<u>0.2%</u>
Total	<u>\$1,234,062</u>	100.0%
<b>Iowa State University</b>		
Money Market / Cash Equivalents	\$156,680	29.7%
Diversified Pool	70,114	13.3%
Agency Securities	216,408	41.0%
U.S. Obligations	<u>83,901</u>	<u>16.0%</u>
Total	<u>\$527,103</u>	100.0%
<b>University of Northern Iowa</b>		
Money Market / Cash Equivalents	\$8,908	6.5%
Diversified Pool	25,135	18.6%
Agency Securities	70,712	52.2%
U.S. Obligations	<u>30,772</u>	<u>22.7%</u>
Total	<u>\$135,527</u>	100.0%
<b>Iowa School for the Deaf</b>		
Money Market / Cash Equivalents	\$2,018	100.0%
<b>Iowa Braille &amp; Sight Saving School</b>		
Money Market / Cash Equivalents	\$1,960	100.0%
<b>Regent Composite</b>		
Money Market / Cash Equivalents	\$504,527	26.5%
Diversified Pool	843,269	44.4%
Agency Securities	314,967	16.6%
U.S. Obligations	187,758	9.9%
Corporate Notes and Bonds	30,975	1.6%
Asset Backed	17,260	0.9%
Mortgage Backed	<u>1,914</u>	<u>0.1%</u>
Total	<u>\$1,900,670</u>	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 December 31, 2010**

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

**Endowment Manager Allocations\***  
**As of December 31, 2010**

<u>Asset Class</u>	<u>Target</u>	<u>Allowable Range</u>	<u>Benchmark</u>
<u>Public Equity</u>	50%	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>	30%	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>	10%	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>	10%	0-15%	Wilshire 5000

\*Approved at the September 2008 meeting; revised at the December 2008 meeting.

**Endowment Allocations  
Net of Fees  
As of December 31, 2010**

MANAGER	University of Iowa			Iowa State University		
	Value (thousands)	Value (percent)	Fees (thousands)	Value (thousands)	Value (percent)	Fees (thousands)
<u>Public Equity</u>						
U.S. Equity						
Delaware Investments	\$16,546	6.2%	\$20	\$9,171	6.7%	\$13
Lotsoff Capital	25	0.0%	48	14	0.0%	15
Vanguard	<u>65,452</u>	<u>24.7%</u>	<u>11</u>	<u>36,102</u>	<u>26.6%</u>	<u>6</u>
Subtotal	\$82,023	30.9%	\$79	\$45,287	33.3%	\$34
Non U.S. Equity						
GMO Foreign Fund	\$36,159	13.6%	\$68	\$17,882	13.1%	\$33
SSGA ACWI	<u>41,393</u>	<u>15.6%</u>	<u>16</u>	<u>20,362</u>	<u>15.0%</u>	<u>8</u>
Subtotal	\$77,552	29.2%	\$84	\$38,244	28.1%	\$41
<u>Fixed Income</u>						
Dodge & Cox	\$36,286	13.7%	\$41	\$15,056	11.1%	\$17
Reams Asset Management	37,368	14.1%	23	17,040	12.5%	13
Post Advisory	<u>14,331</u>	<u>5.4%</u>	<u>21</u>	<u>8,853</u>	<u>6.5%</u>	<u>13</u>
Subtotal	\$87,985	33.2%	\$85	\$40,949	30.1%	\$43
<u>Real Assets</u>						
Principal Group	\$9,894	3.7%	\$26	\$7,002	5.2%	\$20
CF NR Partners VIII	1,293	0.5%	*	862	0.6%	*
MREP Global III	<u>266</u>	<u>0.1%</u>	<u>*</u>	<u>159</u>	<u>0.1%</u>	<u>*</u>
Subtotal	\$11,453	4.3%	\$26	\$8,023	5.9%	\$20
<u>Private Equity</u>						
NB Crossroads XVIII	\$4,090	1.6%	\$14	\$2,556	1.8%	\$9
CF Int'l Partners VI	427	0.2%	*	285	0.2%	*
CF Private Equity VII	621	0.2%	*	414	0.3%	*
CF Venture Capital VIII	360	0.1%	*	216	0.2%	*
Landmark Equity Partners XIV	382	0.2%	*	226	0.2%	*
Adams Street – US Fund	275	0.1%	*	163	0.1%	*
Adams Street – Non US Fund	<u>52</u>	<u>0.0%</u>	<u>*</u>	<u>31</u>	<u>0.0%</u>	<u>*</u>
Subtotal	\$6,207	2.4%	\$14	\$3,891	2.8%	\$9
Total Fund	\$265,220	100.0%	\$288	\$136,394	100.0%	\$147

\* No fees reported.

**Endowment Performance  
Net of Fees  
As of December 31, 2010**

	Assets (thousands)	Net Returns	
		Quarter	One Year
SUI	\$265,220	5.6%	10.6%
ISU	136,394	5.8%	10.6%
Asset Allocation Benchmark*		5.7%	11.6%
SUI Quasi-Endowment	<u>81,018</u>	-0.5%	7.2%
Fixed Income Benchmark **		-1.3%	6.5%
Total	\$482,632		

\* 35% Wilshire 5000; 25% MSCI EAFE (N); 25% Barclays Aggregate; 10% U.S. CPI + 5% Annually; 5% ML HY Master II.

\*\* 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 December 31, 2010**

	Value (thousands)	Value (percent)	Fees (thousands)	Net Returns Quarter	Net Returns Year
Dodge & Cox	\$28,661	35.4%	\$32	0.1%	6.7%
Reams Asset Management	<u>52,357</u>	<u>64.6%</u>	<u>33</u>	-0.8%	7.4%
Total Fund	\$81,018	100.0%	\$65		
Fixed Income Benchmark **				-1.3%	6.5%

\*\*100% Barclays Aggregate.

**Endowment / Quasi-Endowment Portfolios  
Market Value - Accrual Basis  
(in thousands)  
As of December 31, 2010**

Portfolio Manager	Endowment Market Value	Quasi-Endowment Market Value	Total Market Value	Percent of Total
Reams Asset Management				
SUI	\$37,368	\$52,357	\$89,725	
ISU	<u>17,040</u>	<u>-</u>	<u>17,040</u>	
Total	\$54,408	\$52,357	\$106,765	22.1%
Vanguard				
SUI	\$65,452	-	\$65,452	
ISU	<u>36,102</u>	<u>-</u>	<u>36,102</u>	
Total	\$101,554	-	\$101,554	21.1%
Dodge & Cox				
SUI	\$36,286	\$28,661	\$64,947	
ISU	<u>15,056</u>	<u>-</u>	<u>15,056</u>	
Total	\$51,342	\$28,661	\$80,003	16.6%
SSGA ACWI				
SUI	\$41,393	-	\$41,393	
ISU	<u>20,362</u>	<u>-</u>	<u>20,362</u>	
Total	\$61,755	-	\$61,755	12.8%
GMO Foreign Fund				
SUI	\$36,159	-	\$36,159	
ISU	<u>17,882</u>	<u>-</u>	<u>17,882</u>	
Total	\$54,041	-	\$54,041	11.2%
Delaware Investments				
SUI	\$16,546	-	\$16,546	
ISU	<u>9,171</u>	<u>-</u>	<u>9,171</u>	
Total	\$25,717	-	\$25,717	5.3%
Post Advisory				
SUI	\$14,331	-	\$14,331	
ISU	<u>8,853</u>	<u>-</u>	<u>8,853</u>	
Total	\$23,184	-	\$23,184	4.8%
Principal Group				
SUI	\$9,894	-	\$9,894	
ISU	<u>7,002</u>	<u>-</u>	<u>7,002</u>	
Total	\$16,896	-	\$16,896	3.5%
NB Crossroads XVIII				
SUI	\$4,090	-	\$4,090	
ISU	<u>2,556</u>	<u>-</u>	<u>2,556</u>	
Total	\$6,646	-	\$6,646	1.4%

CF NR Partners VIII				
SUI	\$1,293	-	\$1,293	
ISU	<u>862</u>	-	<u>862</u>	
Total	\$2,155	-	\$2,155	0.5%
CF Private Equity VII				
SUI	\$621	-	\$621	
ISU	<u>414</u>	-	<u>414</u>	
Total	\$1,035	-	\$1,035	0.2%
CF Int'l Partners VI				
SUI	\$427	-	\$427	
ISU	<u>285</u>	-	<u>285</u>	
Total	\$712	-	\$712	0.2%
Landmark Equity Partners XIV				
SUI	\$382	-	\$382	
ISU	<u>226</u>	-	<u>226</u>	
Total	\$608	-	\$608	0.1%
CF Venture Capital VIII				
SUI	\$360	-	\$360	
ISU	<u>216</u>	-	<u>216</u>	
Total	\$576	-	\$576	0.1%
Adams Street – U.S. Fund				
SUI	\$275	-	\$275	
ISU	<u>163</u>	-	<u>163</u>	
Total	\$438	-	\$438	0.1%
MREP Global III				
SUI	\$266	-	\$266	
ISU	<u>159</u>	-	<u>159</u>	
Total	\$425	-	\$425	0.1%
Adams Street – Non-U.S. Fund				
SUI	\$52	-	\$52	
ISU	<u>31</u>	-	<u>31</u>	
Total	\$83	-	\$83	0.0%
Lotsoff Capital				
SUI	\$25	-	\$25	
ISU	<u>14</u>	-	<u>14</u>	
Total	\$39	-	\$39	0.0%
TOTAL				
SUI	\$265,220	\$81,018	\$346,238	
ISU	<u>136,394</u>	-	<u>136,394</u>	
Total	\$401,614	\$81,018	\$482,632	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 December 31, 2010**

University of Iowa	\$40,651
Iowa State University	22,988
University of Northern Iowa	6,568
Iowa School for the Deaf	283
Iowa Braille and Sight Saving School	166
Board Office	<u>45</u>
Total	\$70,701



**Board of Regents, State of Iowa**

# Wilshire Consulting

***Board of Regents, State of Iowa  
Executive Summary of Investment Performance  
Quarter Ending December 31, 2010***



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Pittsburgh, PA 15222

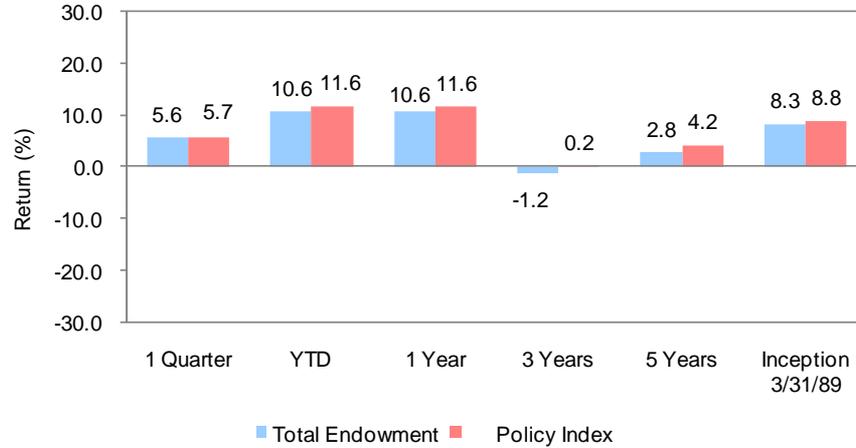
T: 412-434-1580 F: 412-434-1584

# Total Endowment Fund Results

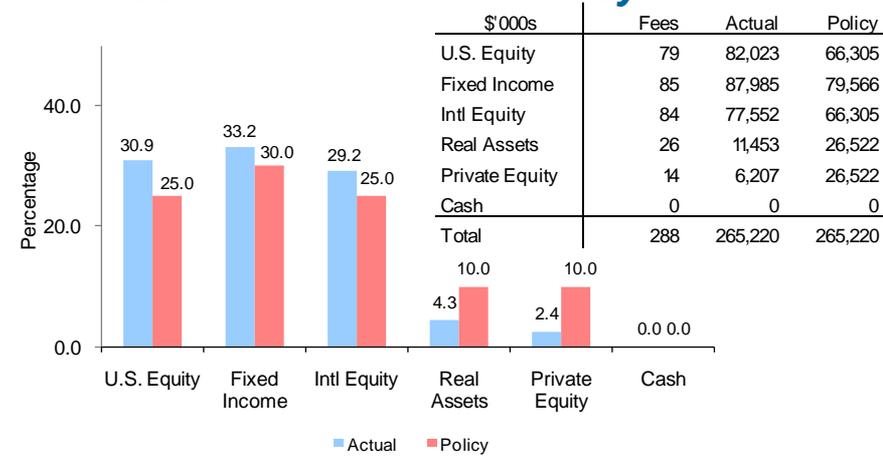
University of Iowa



## Investment Performance



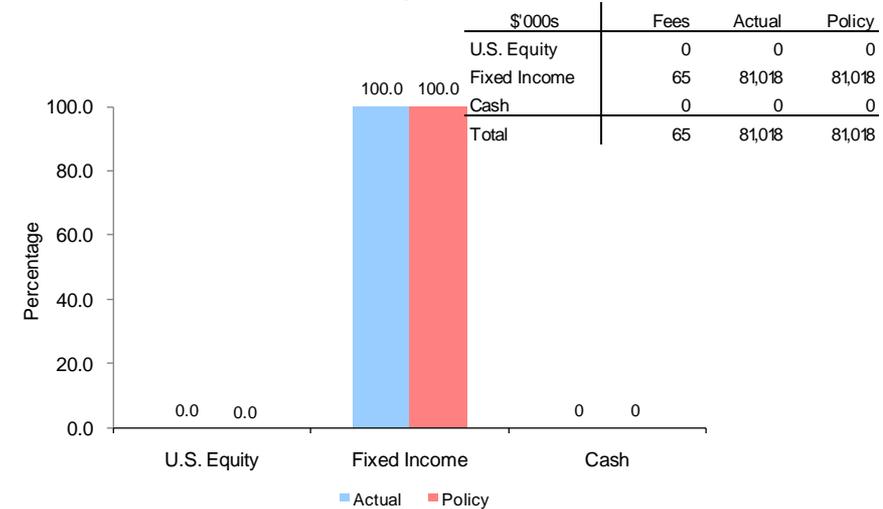
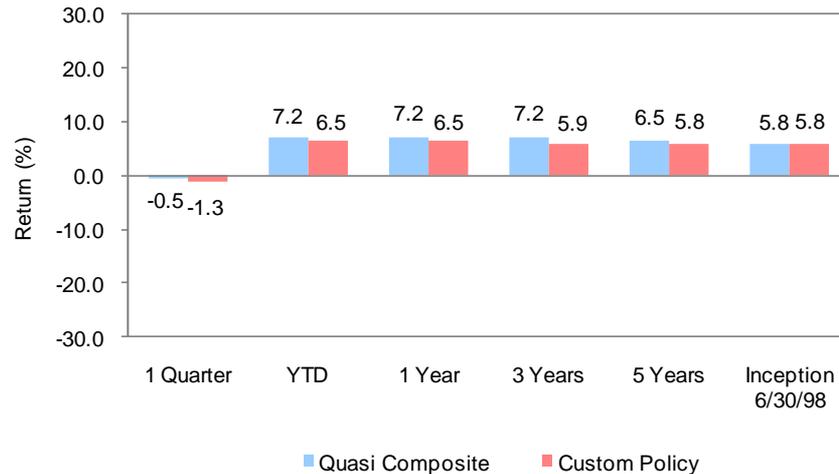
## Asset Allocation vs. Policy



	\$'000s	Fees	Actual	Policy
U.S. Equity	79	82,023	66,305	
Fixed Income	85	87,985	79,566	
Intl Equity	84	77,552	66,305	
Real Assets	26	11,453	26,522	
Private Equity	14	6,207	26,522	
Cash	0	0	0	
<b>Total</b>		<b>288</b>	<b>265,220</b>	<b>265,220</b>

# Total Quasi-Endowment Fund Results

University of Iowa



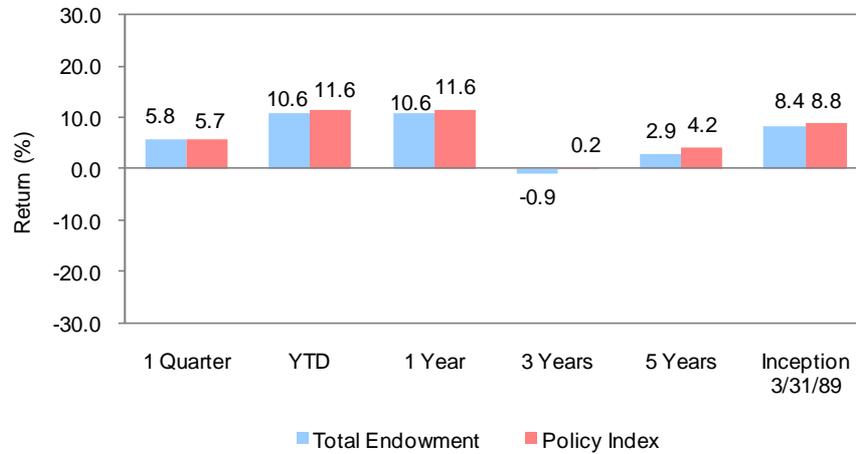
	\$'000s	Fees	Actual	Policy
U.S. Equity	0	0	0	0
Fixed Income	65	81,018	81,018	
Cash	0	0	0	
<b>Total</b>		<b>65</b>	<b>81,018</b>	<b>81,018</b>

(Periods Ending December 31, 2010)

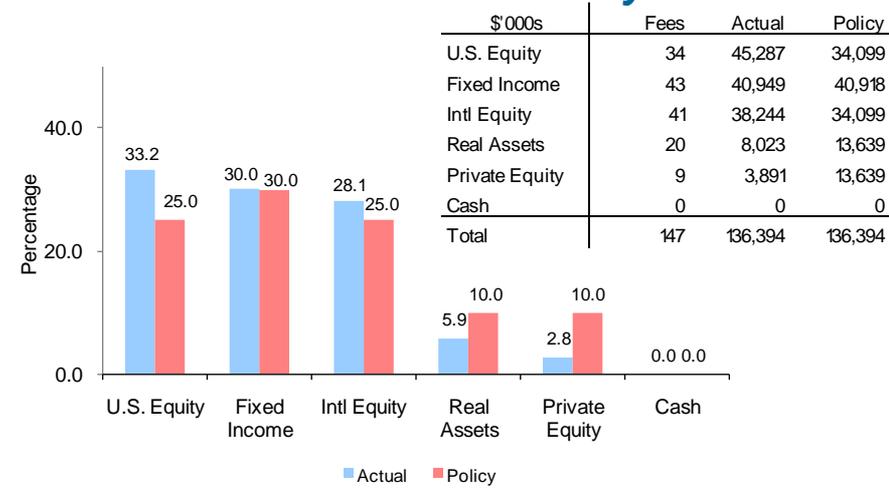
Note: At the direction of the Board of Regents, slight adjustments have been made to composite market values to account for rounding.

# Total Endowment Fund Results

## Investment Performance



## Asset Allocation vs. Policy



	\$'000s	Fees	Actual	Policy
U.S. Equity		34	45,287	34,099
Fixed Income		43	40,949	40,918
Intl Equity		41	38,244	34,099
Real Assets		20	8,023	13,639
Private Equity		9	3,891	13,639
Cash		0	0	0
<b>Total</b>		<b>147</b>	<b>136,394</b>	<b>136,394</b>

(Periods Ending December 31, 2010)

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
	<b>Domestic Equity</b>	<b>\$82,023</b>	<b>12.0%</b>	<b>11.6%</b>	<b>36</b>	<b>17.3%</b>	<b>17.2%</b>	<b>17</b>	<b>1.3%</b>	<b>2.9%</b>	<b>-158</b>
3/31/2005	Lotsoff Capital	\$25	10.6%	10.8%	-16	14.1%	15.1%	-94	0.9%	2.3%	-136
3/31/2008	Vanguard	\$65,452	10.7%	10.8%	-6	14.9%	15.1%	-12	--	--	--
3/31/2009	Delaware Investments	\$16,546	17.2%	16.3%	95	28.9%	26.9%	200	--	--	--
	<b>International Equity</b>	<b>\$77,552</b>	<b>6.2%</b>	<b>6.6%</b>	<b>-45</b>	<b>7.4%</b>	<b>7.8%</b>	<b>-35</b>	<b>2.4%</b>	<b>2.5%</b>	<b>-10</b>
3/31/2004	GMO Foreign Fund	\$36,159	5.0%	6.6%	-158	4.0%	7.8%	-377	1.4%	2.5%	-103
6/30/2009	State Street	\$41,393	7.2%	7.3%	-7	10.8%	11.6%	-76	--	--	--
	<b>Fixed Income</b>	<b>\$87,985</b>	<b>0.3%</b>	<b>-1.3%</b>	<b>155</b>	<b>8.0%</b>	<b>6.5%</b>	<b>147</b>	<b>6.6%</b>	<b>5.8%</b>	<b>81</b>
3/31/2004	Dodge & Cox	\$36,286	0.1%	-1.3%	138	6.7%	6.5%	14	6.3%	5.8%	52
9/30/2002	Reams Asset Management	\$37,368	-0.8%	-1.3%	46	7.2%	6.5%	66	6.4%	5.8%	61
3/31/2006	Post Advisory	\$14,331	3.7%	3.1%	60	13.8%	15.2%	-141	--	--	--
	<b>Real Assets</b>	<b>\$11,453</b>	<b>6.1%</b>	<b>1.6%</b>	<b>455</b>	<b>3.5%</b>	<b>6.7%</b>	<b>-319</b>	<b>--</b>	<b>--</b>	<b>--</b>
3/31/2006	Principal Group	\$9,894	5.2%	3.9%	134	2.1%	5.8%	-374	--	--	--
9/30/2006	CF NR Partners VIII	\$1,293	14.2%	1.6%	1,259	32.4%	6.7%	2,566	--	--	--
3/31/2010	MREP Global III	\$266	1.1%	3.9%	-279	--	--	--	--	--	--
	<b>Private Equity</b>	<b>\$6,207</b>	<b>-3.6%</b>	<b>11.6%</b>	<b>-1,521</b>	<b>10.8%</b>	<b>17.2%</b>	<b>-640</b>	<b>--</b>	<b>--</b>	<b>--</b>
12/31/2006	NB Crossroads XVIII	\$4,090	4.2%	11.6%	-744	22.1%	17.2%	498	--	--	--
3/31/2007	CF Int'l Partners VI	\$427	-3.1%	11.6%	-1,472	-11.7%	17.2%	-2,890	--	--	--
3/31/2007	CF Private Equity VII	\$621	-19.9%	11.6%	-3,153	-13.7%	17.2%	-3,081	--	--	--
6/30/2007	CF Venture Capital VIII	\$360	-16.3%	11.6%	-2,793	-8.6%	17.2%	-2,576	--	--	--
3/31/2010	Landmark Equity Partners XIV	\$382	-31.7%	11.6%	-4,330	--	--	--	--	--	--
6/30/2010	Adams Street 2010 U.S. Fund	\$275	3.8%	11.6%	-784	--	--	--	--	--	--
6/30/2010	Adams Street 2010 Non-U.S. Developed Fund	\$52	-0.8%	11.6%	-1,241	--	--	--	--	--	--
	<b>Total Endowment</b>	<b>\$265,220</b>	<b>5.6%</b>	<b>5.7%</b>	<b>-12</b>	<b>10.6%</b>	<b>11.6%</b>	<b>-98</b>	<b>2.8%</b>	<b>4.2%</b>	<b>-142</b>

## 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
	<b>Domestic Equity</b>	<b>\$45,287</b>	<b>12.0%</b>	<b>11.6%</b>	<b>37</b>	<b>17.2%</b>	<b>17.2%</b>	<b>0</b>	<b>1.0%</b>	<b>2.9%</b>	<b>-186</b>
3/31/2005	Lotsoff Capital	\$14	10.8%	10.8%	-1	13.8%	15.1%	-127	1.0%	2.3%	-129
3/31/2008	Vanguard	\$36,102	10.7%	10.8%	-8	14.9%	15.1%	-13	--	--	--
3/31/2009	Delaware Investments	\$9,171	17.2%	16.25%	95	28.9%	26.9%	202	--	--	--
	<b>International Equity</b>	<b>\$38,244</b>	<b>6.1%</b>	<b>6.6%</b>	<b>-49</b>	<b>7.7%</b>	<b>7.8%</b>	<b>-10</b>	<b>2.4%</b>	<b>2.5%</b>	<b>-8</b>
3/31/2004	GMO Foreign Fund	\$17,882	5.0%	6.6%	-157	4.0%	7.8%	-377	1.4%	2.5%	-106
6/30/2009	State Street	\$20,362	7.2%	7.3%	-7	10.9%	11.6%	-75	--	--	--
	<b>Fixed Income</b>	<b>\$40,949</b>	<b>0.4%</b>	<b>-1.3%</b>	<b>174</b>	<b>8.6%</b>	<b>6.5%</b>	<b>202</b>	<b>6.9%</b>	<b>5.8%</b>	<b>107</b>
3/31/2004	Dodge & Cox	\$15,056	0.1%	-1.3%	138	6.7%	6.5%	14	6.3%	5.8%	50
9/30/2002	Reams Asset Management	\$17,040	-0.8%	-1.3%	50	7.9%	6.5%	-133	6.9%	5.8%	105
3/31/2006	Post Advisory	\$8,853	3.7%	3.1%	60	13.8%	15.2%	-141	--	--	--
	<b>Real Assets</b>	<b>\$8,023</b>	<b>6.1%</b>	<b>1.6%</b>	<b>448</b>	<b>3.5%</b>	<b>6.7%</b>	<b>-319</b>	<b>--</b>	<b>--</b>	<b>--</b>
3/31/2006	Principal Group	\$7,002	5.2%	3.9%	132	2.0%	5.8%	-384	--	--	--
9/30/2006	CF NR Partners VIII	\$862	14.2%	1.6%	1,259	32.4%	6.7%	2,566	--	--	--
3/31/2010	MREP Global III	\$159	1.1%	3.9%	-279	--	--	--	--	--	--
	<b>Private Equity</b>	<b>\$3,891</b>	<b>-3.6%</b>	<b>11.6%</b>	<b>-1,519</b>	<b>10.6%</b>	<b>17.2%</b>	<b>-655</b>	<b>--</b>	<b>--</b>	<b>--</b>
12/31/2006	NB Crossroads XVIII	\$2,556	4.2%	11.6%	-744	22.1%	17.2%	498	--	--	--
3/31/2007	CF Int'l Partners VI	\$285	-3.1%	11.6%	-1,472	-11.8%	17.2%	-2,891	--	--	--
3/31/2007	CF Private Equity VII	\$414	-19.9%	11.6%	-3,152	-13.7%	17.2%	-3,083	--	--	--
6/30/2007	CF Venture Capital VIII	\$216	-16.3%	11.6%	-2,793	-8.7%	17.2%	-2,584	--	--	--
3/31/2010	Landmark Equity Partners XIV	\$226	-31.7%	11.6%	-4,330	--	--	--	--	--	--
6/30/2010	Adams Street 2010 U.S. Fund	\$163	3.7%	11.6%	-785	--	--	--	--	--	--
6/30/2010	Adams Street 2010 Non-U.S. Developed Fund	\$31	-0.8%	11.6%	-1,242	--	--	--	--	--	--
	<b>Total Endowment</b>	<b>\$136,394</b>	<b>5.8%</b>	<b>5.7%</b>	<b>12</b>	<b>10.6%</b>	<b>11.6%</b>	<b>-92</b>	<b>2.9%</b>	<b>4.2%</b>	<b>-134</b>

(Periods Ending December 31, 2010)

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 %	Qtr. Inv. Fee \$'000
<b>University of Iowa Quasi Composite</b>	<b>(6/30/98)</b>	<b>81,018</b>	<b>100.0%</b>	<b>-0.5</b>	<b>7.2</b>	<b>7.2</b>	<b>7.2</b>	<b>6.5</b>	<b>5.8</b>	<b>65</b>
<i>Custom Policy</i>				<i>-1.3</i>	<i>6.5</i>	<i>6.5</i>	<i>5.9</i>	<i>5.8</i>	<i>5.8</i>	
Dodge & Cox Income Fund Quasi	(3/31/04)	28,661	35.4%	0.1	6.7	6.7	7.3	6.3	5.3	32
<i>Barclays U.S. Aggregate Bond Index</i>				<i>-1.3</i>	<i>6.5</i>	<i>6.5</i>	<i>5.9</i>	<i>5.8</i>	<i>4.9</i>	
Reams Asset Management Core Quasi	(9/30/01)	52,357	64.6%	-0.8	7.4	7.4	6.8	6.6	5.6	33
<i>Barclays U.S. Aggregate Bond Index</i>				<i>-1.3</i>	<i>6.5</i>	<i>6.5</i>	<i>5.9</i>	<i>5.8</i>	<i>5.4</i>	

	Inception Date	Mkt. Value \$'000	Comp %	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %	Investment Fee \$'000
<b>University of Iowa External Mg. Composite</b>	<b>(12/31/96)</b>	<b>83,629</b>	<b>9.8%</b>	<b>-0.1</b>	<b>3.4</b>	<b>3.4</b>	<b>2.8</b>	<b>3.6</b>	<b>4.5</b>	<b>47</b>
<i>Merrill Lynch 1-3 Yr. G/C</i>				<i>-0.1</i>	<i>2.8</i>	<i>2.8</i>	<i>3.8</i>	<i>4.5</i>	<i>4.8</i>	
<i>Merrill Lynch 1-5 Yr. Govt/Corp</i>				<i>-0.6</i>	<i>4.2</i>	<i>4.2</i>	<i>4.6</i>	<i>5.0</i>	<i>5.3</i>	
BlackRock Short Duration	(12/31/96)	83,629	9.8%	-0.1	3.4	3.4	3.6	4.2	4.7	47
<i>Merrill Lynch 1-3 Yr. G/C</i>				<i>-0.1</i>	<i>2.8</i>	<i>2.8</i>	<i>3.8</i>	<i>4.5</i>	<i>4.8</i>	
<i>Merrill Lynch 1-5 Yr. Govt/Corp</i>				<i>-0.6</i>	<i>4.2</i>	<i>4.2</i>	<i>4.6</i>	<i>5.0</i>	<i>5.3</i>	
<b>University of Iowa Diversified Pool Composite<sup>1</sup></b>	<b>(3/31/09)</b>	<b>773,155</b>	<b>90.2%</b>	<b>1.0</b>	<b>6.1</b>	<b>6.1</b>	<b>--</b>	<b>--</b>	<b>10.6</b>	<b>112</b>
<i>Policy Index</i>				<i>1.2</i>	<i>6.5</i>	<i>6.5</i>	<i>--</i>	<i>--</i>	<i>11.1</i>	
Blackrock Money Market	(3/31/10)	118,373	13.8%	0.1	0.2	0.2	--	--	0.2	0
<i>91 Day T-Bill</i>				<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>--</i>	<i>--</i>	<i>0.1</i>	
Diversified Pool Money Market	(3/31/10)	122,854	14.3%	0.1	0.2	0.2	--	--	0.2	0
<i>91 Day T-Bill</i>				<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>--</i>	<i>--</i>	<i>0.1</i>	
Vanguard Prime Money Market Fund Inst.	(3/31/09)	66,409	7.8%	0.1	0.2	0.2	--	--	0.3	22
<i>91 Day T-Bill</i>				<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>--</i>	<i>--</i>	<i>0.2</i>	
<b>University of Iowa Diversified Pool Composite Ex Cash<sup>2</sup></b>	<b>(3/31/09)</b>	<b>465,519</b>	<b>54.3%</b>	<b>1.7</b>	<b>10.4</b>	<b>10.4</b>	<b>--</b>	<b>--</b>	<b>17.8</b>	<b>90</b>
<i>Policy Index</i>				<i>1.9</i>	<i>10.9</i>	<i>10.9</i>	<i>--</i>	<i>--</i>	<i>18.8</i>	
Vanguard Total Stock Market Index	(3/31/09)	66,893	7.8%	11.7	17.2	17.2	--	--	35.0	10
<i>MSCI US Broad Market Index</i>				<i>11.7</i>	<i>17.3</i>	<i>17.3</i>	<i>--</i>	<i>--</i>	<i>35.0</i>	
Vanguard FTSE All World Ex US Index	(3/31/09)	14,968	1.7%	7.3	11.9	11.9	--	--	38.7	6
<i>FTSE All World Ex US Index</i>				<i>7.2</i>	<i>11.7</i>	<i>11.7</i>	<i>--</i>	<i>--</i>	<i>39.2</i>	
Vanguard REIT Index Fund Inst.	(3/31/09)	39,980	4.7%	7.5	28.6	28.6	--	--	67.0	10
<i>MSCI U.S. REIT Index</i>				<i>7.4</i>	<i>28.5</i>	<i>28.5</i>	<i>--</i>	<i>--</i>	<i>67.1</i>	
Vanguard Total Bond Market Index	(3/31/09)	229,013	26.7%	-1.3	6.6	6.6	--	--	7.0	29
<i>Barclays U.S. Aggregate Bond Index</i>				<i>-1.3</i>	<i>6.5</i>	<i>6.5</i>	<i>--</i>	<i>--</i>	<i>7.1</i>	
Vanguard High Yield Corp Fund Adm.	(3/31/09)	39,005	4.6%	1.8	12.5	12.5	--	--	25.9	18
<i>Barclays High Yield Index</i>				<i>3.2</i>	<i>15.1</i>	<i>15.1</i>	<i>--</i>	<i>--</i>	<i>36.3</i>	
Vanguard Inflation-Protected Sec Inst.	(3/31/09)	75,660	8.8%	-0.7	6.3	6.3	--	--	6.7	17
<i>Barclays U.S. TIPS Index</i>				<i>-0.7</i>	<i>6.3</i>	<i>6.3</i>	<i>--</i>	<i>--</i>	<i>6.8</i>	

<sup>1</sup>UNI invests in the SUI diversified pool.

<sup>2</sup>University of Iowa Diversified Pool Composite Ex Cash excludes the three following cash accounts: BlackRock Money Market, Diversified Pool Money Market, & Vanguard Prime Money Market Fund Inst.

(Periods Ending December 31, 2010)

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 13 for policy specifications.

# Iowa State University Operating Account

	Inception Date	Mkt. Value \$'000	Comp %	Qtr %	YTD %	1 Yr %	3 Yrs %	5 Yrs %	Inception %	Investment Fee \$'000
<b>Iowa State University Diversified Pool Composite</b>	<b>(12/31/09)</b>	<b>70,114</b>	<b>100.0%</b>	<b>1.2</b>	<b>6.5</b>	<b>6.5</b>	<b>--</b>	<b>--</b>	<b>6.5</b>	<b>11</b>
<i>Policy Index</i>				<i>1.2</i>	<i>6.5</i>	<i>6.5</i>	<i>--</i>	<i>--</i>	<i>6.5</i>	
Diversified Cash	(12/31/09)	26,098	37.2%	0.1	0.4	0.4	--	--	0.5	0
<i>T-Bill</i>				<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>--</i>	<i>--</i>	<i>0.1</i>	
<b>Iowa State University Diversified Pool Composite Ex Cash<sup>1</sup></b>	<b>(12/31/09)</b>	<b>44,016</b>	<b>62.8%</b>	<b>1.8</b>	<b>10.6</b>	<b>10.6</b>	<b>--</b>	<b>--</b>	<b>10.6</b>	<b>11</b>
<i>Policy Index</i>				<i>1.9</i>	<i>10.9</i>	<i>10.9</i>	<i>--</i>	<i>--</i>	<i>10.9</i>	
Vanguard Total Stock Market Index	(12/31/09)	6,149	8.8%	11.7	17.2	17.2	--	--	17.2	1
<i>MSCI US Broad Market Index</i>				<i>11.7</i>	<i>17.3</i>	<i>17.3</i>	<i>--</i>	<i>--</i>	<i>17.3</i>	
Vanguard FTSE All World Ex US Index	(12/31/09)	1,452	2.1%	7.3	11.8	11.8	--	--	11.8	1
<i>FTSE All World Ex US Index</i>				<i>7.2</i>	<i>11.7</i>	<i>11.7</i>	<i>--</i>	<i>--</i>	<i>11.7</i>	
Vanguard REIT Index Fund Inst.	(12/31/09)	4,305	6.1%	7.5	28.5	28.5	--	--	28.5	2
<i>MSCI U.S. REIT Index</i>				<i>7.4</i>	<i>28.5</i>	<i>28.5</i>	<i>--</i>	<i>--</i>	<i>28.5</i>	
Vanguard Total Bond Market Index	(12/31/09)	21,286	30.4%	-1.3	6.6	6.6	--	--	6.6	4
<i>Barclays Aggregate Index</i>				<i>-1.3</i>	<i>6.5</i>	<i>6.5</i>	<i>--</i>	<i>--</i>	<i>6.5</i>	
Vanguard High Yield Corp Fund Adm.	(12/31/09)	3,742	5.3%	1.9	12.5	12.5	--	--	12.5	1
<i>Barclays High Yield Index</i>				<i>3.2</i>	<i>15.1</i>	<i>15.1</i>	<i>--</i>	<i>--</i>	<i>15.1</i>	
Vanguard Infla-Protected Sec Inst.	(12/31/09)	7,082	10.1%	-0.7	6.3	6.3	--	--	6.3	2
<i>Barclays U.S. TIPS Index</i>				<i>-0.7</i>	<i>6.3</i>	<i>6.3</i>	<i>--</i>	<i>--</i>	<i>6.3</i>	

<sup>1</sup>Iowa State University Diversified Pool Composite Ex Cash excludes the following cash account: Diversified Cash

(Periods Ending December 31, 2010)

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 13 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
<b>University of Iowa Total Endowment</b>	<b>(3/31/89)</b>	<b>265,220</b>	<b>100.0%</b>	<b>5.6</b>	<b>10.6</b>	<b>10.6</b>	<b>-1.2</b>	<b>2.8</b>	<b>8.3</b>	<b>288</b>
<b>Iowa State University Total Endowment</b>	<b>(3/31/89)</b>	<b>136,394</b>	<b>100.0%</b>	<b>5.8</b>	<b>10.6</b>	<b>10.6</b>	<b>-0.9</b>	<b>2.9</b>	<b>8.4</b>	<b>147</b>
<i>Policy Index</i>				<i>5.7</i>	<i>11.6</i>	<i>11.6</i>	<i>0.2</i>	<i>4.2</i>	<i>8.8</i>	
<b>University of Iowa Domestic Equity Composite</b>	<b>(3/31/89)</b>	<b>82,023</b>	<b>30.9%</b>	<b>12.0</b>	<b>17.3</b>	<b>17.3</b>	<b>-2.8</b>	<b>1.3</b>	<b>9.1</b>	<b>79</b>
<b>Iowa State University Domestic Equity Composite</b>	<b>(3/31/89)</b>	<b>45,287</b>	<b>33.2%</b>	<b>12.0</b>	<b>17.2</b>	<b>17.2</b>	<b>-2.8</b>	<b>1.0</b>	<b>8.8</b>	<b>34</b>
<i>Wilshire 5000</i>				<i>11.6</i>	<i>17.2</i>	<i>17.2</i>	<i>-1.9</i>	<i>2.9</i>	<i>9.3</i>	
University of Iowa: Vanguard Group (Institutional Index Fund)	(3/31/08)	65,452	24.7%	10.7	14.9	14.9	--	--	0.5	11
Iowa State University: Vanguard Group (Institutional Index Fund)	(3/31/08)	36,102	26.5%	10.7	14.9	14.9	--	--	0.5	6
<i>S&amp;P 500 Index</i>				<i>10.8</i>	<i>15.1</i>	<i>15.1</i>	<i>--</i>	<i>--</i>	<i>0.4</i>	
University of Iowa: Lotsoff Capital Management	(3/31/05)	25	0.0%	10.6	14.1	14.1	-4.4	0.9	2.4	48
Iowa State University: Lotsoff Capital Management	(3/31/05)	14	0.0%	10.8	13.8	13.8	-4.3	1.0	2.5	15
<i>S&amp;P 500 Index</i>				<i>10.8</i>	<i>15.1</i>	<i>15.1</i>	<i>-2.9</i>	<i>2.3</i>	<i>3.2</i>	
University of Iowa: Delaware Investments	(3/31/09)	16,546	6.2%	17.2	28.9	28.9	--	--	42.7	20
Iowa State University: Delaware Investments	(3/31/09)	9,171	6.7%	17.2	28.9	28.9	--	--	42.8	13
<i>Russell 2000 Index</i>				<i>16.3</i>	<i>26.9</i>	<i>26.9</i>	<i>--</i>	<i>--</i>	<i>44.2</i>	
<b>University of Iowa International Equity Composite</b>	<b>(9/30/94)</b>	<b>77,552</b>	<b>29.2%</b>	<b>6.2</b>	<b>7.4</b>	<b>7.4</b>	<b>-7.1</b>	<b>2.4</b>	<b>5.7</b>	<b>84</b>
<b>Iowa State University International Equity Composite</b>	<b>(9/30/94)</b>	<b>38,244</b>	<b>28.1%</b>	<b>6.1</b>	<b>7.7</b>	<b>7.7</b>	<b>-7.0</b>	<b>2.4</b>	<b>5.5</b>	<b>41</b>
<i>MSCI EAFE (N) Index</i>				<i>6.6</i>	<i>7.8</i>	<i>7.8</i>	<i>-7.0</i>	<i>2.5</i>	<i>5.0</i>	
University of Iowa: GMO Foreign Fund	(3/31/04)	36,159	13.6%	5.0	4.0	4.0	-8.5	1.4	5.3	68
Iowa State University: GMO Foreign Fund	(3/31/04)	17,882	13.2%	5.0	4.0	4.0	-8.5	1.4	5.3	33
<i>MSCI EAFE (N) Index</i>				<i>6.6</i>	<i>7.8</i>	<i>7.8</i>	<i>-7.0</i>	<i>2.5</i>	<i>6.0</i>	
University of Iowa: SSGA ACWI ex-U.S. Index	(6/30/09)	41,393	15.6%	7.2	10.8	10.8	--	--	23.7	16
Iowa State University: SSGA ACWI ex-U.S. Index	(6/30/09)	20,362	14.9%	7.2	10.9	10.9	--	--	23.7	8
<i>MSCI ACWI Ex. U.S. (G) Index</i>				<i>7.3</i>	<i>11.6</i>	<i>11.6</i>	<i>--</i>	<i>--</i>	<i>24.4</i>	
<b>University of Iowa Fixed Income Composite</b>	<b>(3/31/89)</b>	<b>87,985</b>	<b>33.2%</b>	<b>0.3</b>	<b>8.0</b>	<b>8.0</b>	<b>7.3</b>	<b>6.6</b>	<b>7.4</b>	<b>85</b>
<b>Iowa State University Fixed Income Composite</b>	<b>(3/31/89)</b>	<b>40,949</b>	<b>30.0%</b>	<b>0.4</b>	<b>8.6</b>	<b>8.6</b>	<b>7.7</b>	<b>6.9</b>	<b>7.0</b>	<b>43</b>
<i>Custom Policy</i>				<i>-1.3</i>	<i>6.5</i>	<i>6.5</i>	<i>5.9</i>	<i>5.8</i>	<i>7.3</i>	
University of Iowa: Dodge & Cox (Income Fund)	(3/31/04)	36,286	13.7%	0.1	6.7	6.7	7.3	6.3	5.2	41
Iowa State University: Dodge & Cox (Income Fund)	(3/31/04)	15,056	11.0%	0.1	6.7	6.7	7.3	6.3	5.2	17
<i>Barclays U.S. Aggregate Bond Index</i>				<i>-1.3</i>	<i>6.5</i>	<i>6.5</i>	<i>5.9</i>	<i>5.8</i>	<i>4.9</i>	
University of Iowa: Reams Asset Management	(9/30/02)	37,368	14.1%	-0.8	7.2	7.2	6.6	6.4	5.4	23
Iowa State University: Reams Asset Management	(9/30/02)	17,040	12.5%	-0.8	7.9	7.9	7.4	6.9	5.7	13
<i>Barclays U.S. Aggregate Bond Index</i>				<i>-1.3</i>	<i>6.5</i>	<i>6.5</i>	<i>5.9</i>	<i>5.8</i>	<i>5.0</i>	
University of Iowa: Post Advisory High Yield	(3/31/06)	14,331	5.4%	3.7	13.8	13.8	8.5	--	7.7	21
Iowa State University: Post Advisory High Yield	(3/31/06)	8,853	6.5%	3.7	13.8	13.8	8.5	--	7.7	13
<i>Merrill Lynch High Yield Master II Index</i>				<i>3.1</i>	<i>15.2</i>	<i>15.2</i>	<i>10.1</i>	<i>--</i>	<i>8.7</i>	

(Periods Ending December 31, 2010)

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 13 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
<b>University of Iowa Real Assets Composite</b>	<b>(3/31/06)</b>	<b>11,453</b>	<b>4.3%</b>	<b>6.1</b>	<b>3.5</b>	<b>3.5</b>	<b>-18.1</b>	<b>--</b>	<b>-6.6</b>	<b>26</b>
<b>Iowa State University Real Assets Composite</b>	<b>(3/31/06)</b>	<b>8,023</b>	<b>5.9%</b>	<b>6.1</b>	<b>3.5</b>	<b>3.5</b>	<b>-18.1</b>	<b>--</b>	<b>-6.6</b>	<b>20</b>
<i>Policy Index</i>				<i>1.6</i>	<i>6.7</i>	<i>6.7</i>	<i>-0.7</i>	<i>--</i>	<i>5.4</i>	
University of Iowa: Principal Group <sup>1</sup> (Enhanced Property Fund)	(3/31/06)	9,894	3.7%	5.2	2.1	2.1	-19.0	--	-7.2	26
Iowa State University: Principal Group <sup>1</sup> (Enhanced Property Fund)	(3/31/06)	7,002	5.2%	5.2	2.0	2.0	-19.0	--	-7.2	20
<i>NCREIF Property Index Lagged</i>				<i>3.9</i>	<i>5.8</i>	<i>5.8</i>	<i>-4.6</i>	<i>--</i>	<i>2.7</i>	
University of Iowa: CF NR Partners VIII <sup>2</sup>	(9/30/08)	1,293	0.5%	14.2	32.4	32.4	--	--	16.6	--
Iowa State University: CF NR Partners VIII <sup>2</sup>	(9/30/08)	862	0.6%	14.2	32.4	32.4	--	--	16.6	--
<i>U.S. CPI +5%</i>				<i>1.6</i>	<i>6.7</i>	<i>6.7</i>	<i>--</i>	<i>--</i>	<i>5.2</i>	
University of Iowa: MREP Global III	(3/31/10)	266	0.1%	1.1	--	--	--	--	-35.6	--
Iowa State University: MREP Global III	(3/31/10)	159	0.1%	1.1	--	--	--	--	-35.6	--
<i>NCREIF Property Index Lagged</i>				<i>3.9</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>12.3</i>	<i>--</i>
<b>University of Iowa Private Equity Composite <sup>2</sup></b>	<b>(12/31/06)</b>	<b>6,207</b>	<b>2.4%</b>	<b>-3.6</b>	<b>10.8</b>	<b>10.8</b>	<b>-4.6</b>	<b>--</b>	<b>-3.0</b>	<b>14</b>
<b>Iowa State University Private Equity Composite <sup>2</sup></b>	<b>(12/31/06)</b>	<b>3,891</b>	<b>2.8%</b>	<b>-3.6</b>	<b>10.6</b>	<b>10.6</b>	<b>-4.6</b>	<b>--</b>	<b>-3.0</b>	<b>9</b>
<i>Wilshire 5000</i>				<i>11.6</i>	<i>17.2</i>	<i>17.2</i>	<i>-1.9</i>	<i>--</i>	<i>-0.1</i>	
University of Iowa: NB Crossroads XVIII <sup>2</sup>	(12/31/06)	4,090	1.6%	4.2	22.1	22.1	-2.4	--	-0.3	14
Iowa State University: NB Crossroads XVIII <sup>2</sup>	(12/31/06)	2,556	1.8%	4.2	22.1	22.1	-2.4	--	-0.3	9
<i>Wilshire 5000</i>				<i>11.6</i>	<i>17.2</i>	<i>17.2</i>	<i>-1.9</i>	<i>--</i>	<i>-0.1</i>	
University of Iowa: CF Int'l Partners VI <sup>2</sup>	(3/31/07)	427	0.2%	-3.1	-11.7	-11.7	1.8	--	-23.3	--
Iowa State University: CF Int'l Partners VI <sup>2</sup>	(3/31/07)	285	0.2%	-3.1	-11.8	-11.8	1.8	--	-23.3	--
<i>Wilshire 5000</i>				<i>11.6</i>	<i>17.2</i>	<i>17.2</i>	<i>-1.9</i>	<i>--</i>	<i>-0.5</i>	
University of Iowa: CF Private Equity VII <sup>2</sup>	(3/31/07)	621	0.2%	-19.9	-13.7	-13.7	-15.3	--	-53.0	--
Iowa State University: CF Private Equity VII <sup>2</sup>	(3/31/07)	414	0.3%	-19.9	-13.7	-13.7	-15.3	--	-53.0	--
<i>Wilshire 5000</i>				<i>11.6</i>	<i>17.2</i>	<i>17.2</i>	<i>-1.9</i>	<i>--</i>	<i>-0.5</i>	
University of Iowa: CF Venture Capital VIII <sup>2</sup>	(6/30/07)	360	0.1%	-16.3	-8.6	-8.6	1.5	--	-38.8	--
Iowa State University: CF Venture Capital VIII <sup>2</sup>	(6/30/07)	216	0.2%	-16.3	-8.7	-8.7	1.5	--	-38.8	--
<i>Wilshire 5000</i>				<i>11.6</i>	<i>17.2</i>	<i>17.2</i>	<i>-1.9</i>	<i>--</i>	<i>-2.2</i>	
University of Iowa: Landmark Equity Partners XIV	(3/31/10)	382	0.2%	-31.7	--	--	--	--	-24.7	--
Iowa State University: Landmark Equity Partners XIV	(3/31/10)	226	0.2%	-31.7	--	--	--	--	-24.7	--
<i>Wilshire 5000</i>				<i>3.9</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>12.3</i>	<i>--</i>
University of Iowa: Adams Street 2010 U.S. Fund <sup>2</sup>	(6/30/10)	275	0.1%	3.8	--	--	--	--	10.0	--
Iowa State University: Adams Street 2010 U.S. Fund <sup>2</sup>	(6/30/10)	163	0.1%	3.7	--	--	--	--	9.9	--
<i>Wilshire 5000</i>				<i>11.6</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>24.4</i>	
University of Iowa: Adams Street 2010 Non-U.S. Developed Fund. <sup>2</sup>	(6/30/10)	52	0.0%	-0.8	--	--	--	--	-28.9	--
Iowa State University: Adams Street 2010 Non-U.S. Developed Fund. <sup>2</sup>	(6/30/10)	31	0.0%	-0.8	--	--	--	--	-28.9	--
<i>Wilshire 5000</i>				<i>11.6</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>24.4</i>	

<sup>1</sup>Principal Enhanced Property Fund & NCREIF Property Index is lagged one quarter

<sup>2</sup>For reporting purposes, valuations of investments are shown on a quarter lag, but include current quarter cash flows

(Periods Ending December 31, 2010)

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 13 for policy specifications.

## Vanguard Group (Institutional Index Fund)

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

## Lotsoff Capital Management

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

## Delaware Investments

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

## Dodge & Cox (Income Fund)

- **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, Relative value analysis

## Reams Asset Management

- **Style:** Market Core Fixed Income
- **Construction Process:** Conviction Weighted based upon fundamental analysis
- **Investment Philosophy:** Active-Bottom Up
- **Selection Method:** Relative value analysis on credit and mortgage securities

## Post Advisory High Yield

- **Style:** High Yield Fixed Income
- **Construction Process:** Conviction Weighted based upon fundamental credit analysis
- **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 with optimization focus
- **Investment Philosophy:** Active-Bottom Up
- **Selection Method:** Fundamental Earnings Forecast, Proprietary Dividend Discount Model

## SSGA ACWI ex-U.S. Index Fund

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

## Principal Group (Enhanced Property Fund)

- **Style:** Open-End Private Real Estate Fund
- **Investment Philosophy:** Primarily Core Real Estate but strategically utilizes value-added real estate, development projects, and forward commitments.
- **Selection Method:** Quantitative & Qualitative Valuation
- **Fund Size:** \$1.5 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

## MREP Global III

- **Style:** Real Estate Fund of Funds
- **Selection Method:** Value-Added and Opportunistic Strategies
- **Fund Size:** \$0.2 Billion

## Landmark Equity Partners XIV

- **Style:** Private Equity Secondary Investments
- **Selection Method:** Top-Down & Bottom-Up Valuation
- **Fund Size:** \$2.0 billion.

## Adams Street 2010 U.S. Fund & Non-U.S. Developed Fund

- **Style:** Private Equity Fund of Funds
- **Asset Allocation %:** Broadly Diversified Venture Capital & Buyouts
- **Geographic Diversification %:** 50-55% U.S., 30-35% Non-U.S. Developed Markets, 10-15% Non-U.S. Emerging Markets
- **Fund Size:** \$5.0 billion.

# Quarterly Active Manager Attribution

## Lotsoff Capital

- Lotsoff Capital Management posted a +10.60% return for the quarter, underperforming the S&P 500 index by ~-0.16%.
- Poor stock selection within the consumer discretionary sector was the main driver of underperformance, as this sector detracted ~49 bps during the quarter
- Strong stock selection within the industrials and information technology sectors added ~24 bps and ~22 bps respectively during the fourth quarter. This was largely driven by rising international demand for energy and other resources.

## Delaware Investments

- Delaware Small Core posted a +17.20% return for the quarter, outperforming the Russell 2000 Index by ~-0.95%.
- Strong stock selection within the capital goods and energy sectors were the main drivers of outperformance during the 4<sup>th</sup> quarter.
- Poor stock selection within the consumer discretionary and healthcare sectors detracted value.

## GMO Foreign Fund

- The GMO Foreign fund posted a +5.03% return for the quarter, underperforming the MSCI EAFE Index by ~-1.58%.
- An overweight position in the Italian markets detracted ~40 bps during the fourth quarter, as the sovereign debt crisis in Europe has caused increased volatility.
- Underweight positions relative to the MSCI EAFE Index within Australia and Japan also detracted ~20 bps each.
- The largest positive contributor to relative performance was an underweight exposure to Spain, adding ~20 bps.

## Dodge & Cox

- The Dodge & Cox Income fund posted a +0.08% return for the quarter, outperforming the Barclays Aggregate by ~-1.38%.
- A 28% overweight to corporate bonds added significant value to the portfolio during the 4<sup>th</sup> quarter.
- The portfolio's exposure to Agency MBS, consisting mostly of premium coupon, seasoned MBS, performed quite well.
- Several lower-rated holdings, specifically in the financial sector (Barclays, HSBC, & Bank of America) detracted value to the portfolio.

## Reams Asset Management

- Reams Core Fixed Income posted a -0.84% return for the quarter, outperforming the Barclays Aggregate by ~-0.46%.
- Strong security selection within the corporate sector added significant value to the portfolio during the quarter.
- An overweight position to cash (7.0%) detracted value from the portfolio during the quarter.

## Post Advisory

- The Post High Yield Fund posted a +3.67%, outperforming the Merrill Lynch High Yield II Total Return by ~-0.60%.
- Security selection within the financial and healthcare sectors added value to the portfolio as two names specifically, Sqauretwo Financial & U.S. Oncology, increased 14.0% and 18.3% respectively.
- Poor security selection in the industrial sector detracted value from the portfolio during the quarter, as Travelport was one notable name that declined during the quarter.

# Private Equity Analysis

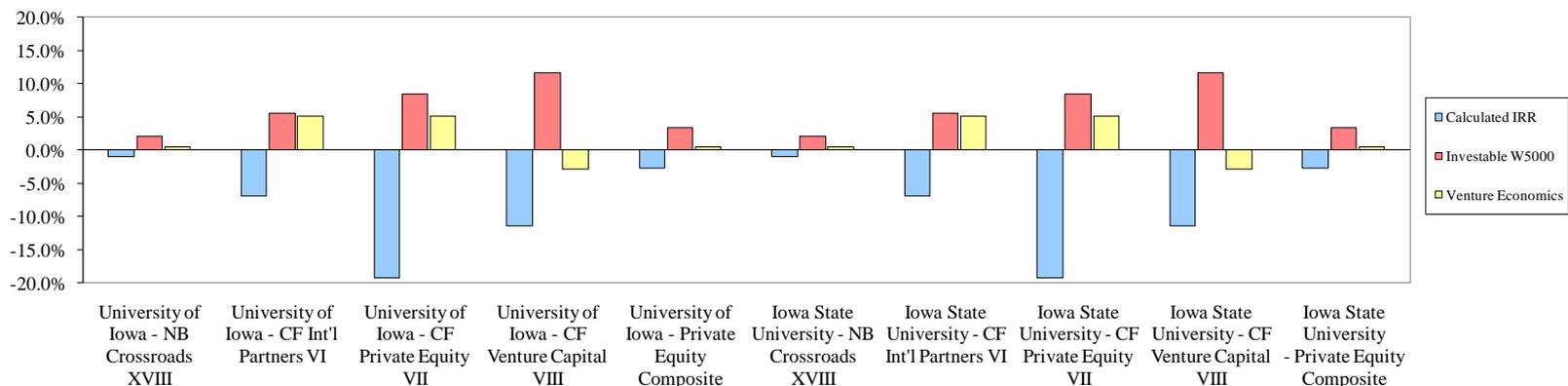
Fund	Inception	Total Commitment	Capital Called		Distributions*	Investment Gain/Loss	Market Value	Performance			
								Calculated IRR	Investable W5000	Venture Economics	
University of Iowa - NB Crossroads XVIII	4q2006	6,000,000	4,500,000	75%	236,985	-172,945	4,090,070	-0.9%	2.1%	0.5%	1
University of Iowa - CF Int'l Partners VI	2q2007	1,200,000	480,000	40%	220	-52,871	426,909	-6.9%	5.5%	5.2%	2
University of Iowa - CF Private Equity VII	2q2007	2,400,000	800,400	33%	159	-179,079	621,162	-19.3%	8.5%	5.2%	3
University of Iowa - CF Venture Capital VIII	3q2007	1,000,000	422,500	42%	0	-62,150	360,350	-11.4%	11.7%	-2.9%	4
University of Iowa - Landmark Equity Partners XIV	2q2010	4,400,000	577,637	13%	66,349	-129,501	381,787	--	--	--	
University of Iowa - Adams Street 2010 U.S. Fund	3q2010	2,440,000	258,640	11%	0	16,714	275,354	--	--	--	
University of Iowa - Adams Street 2010 Non-U.S. Developed Fund	3q2010	1,470,000	58,800	4%	0	-6,960	51,840	--	--	--	
University of Iowa - Adams Street 2010 Non-U.S. Emerging Markets Fund	1q2011	490,000	--	--	--	--	--	--	--	--	
<b>University of Iowa - Private Equity Composite</b>	<b>4q2006</b>	<b>19,400,000</b>	<b>7,097,977</b>	<b>37%</b>	<b>303,713</b>	<b>-586,792</b>	<b>6,207,472</b>	<b>-3.6%</b>	<b>3.8%</b>	<b>0.5%</b>	<b>5</b>

Fund	Inception	Total Commitment	Capital Called		Distributions*	Investment Gain/Loss	Market Value	Performance			
								Calculated IRR	Investable W5000	Venture Economics	
Iowa State University - NB Crossroads XVIII	4q2006	3,750,000	2,812,500	75%	148,116	-108,090	2,556,294	-0.9%	2.1%	0.5%	1
Iowa State University - CF Int'l Partners VI	2q2007	800,000	320,000	40%	148	-35,243	284,609	-6.9%	5.5%	5.2%	2
Iowa State University - CF Private Equity VII	2q2007	1,600,000	533,600	33%	107	-119,478	414,015	-19.3%	8.5%	5.2%	3
Iowa State University - CF Venture Capital VIII	3q2007	600,000	253,500	42%	0	-37,290	216,210	-11.4%	11.7%	-2.9%	4
Iowa State University - Landmark Equity Partners XIV	2q2010	2,600,000	341,332	13%	39,206	-76,524	225,602	--	--	--	
Iowa State University - Adams Street 2010 U.S. Fund	3q2010	1,442,000	152,852	11%	0	9,869	162,721	--	--	--	
Iowa State University - Adams Street 2010 Non-U.S. Developed Fund	3q2010	869,000	34,760	4%	0	-4,115	30,645	--	--	--	
Iowa State University - Adams Street 2010 Non-U.S. Emerging Markets Fund	1q2011	289,000	--	--	--	--	--	--	--	--	
<b>Iowa State University - Private Equity Composite</b>	<b>4q2006</b>	<b>11,950,000</b>	<b>4,448,544</b>	<b>37%</b>	<b>187,577</b>	<b>-370,871</b>	<b>3,890,096</b>	<b>-3.6%</b>	<b>3.8%</b>	<b>0.5%</b>	<b>5</b>

\*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 December 31, 2010)

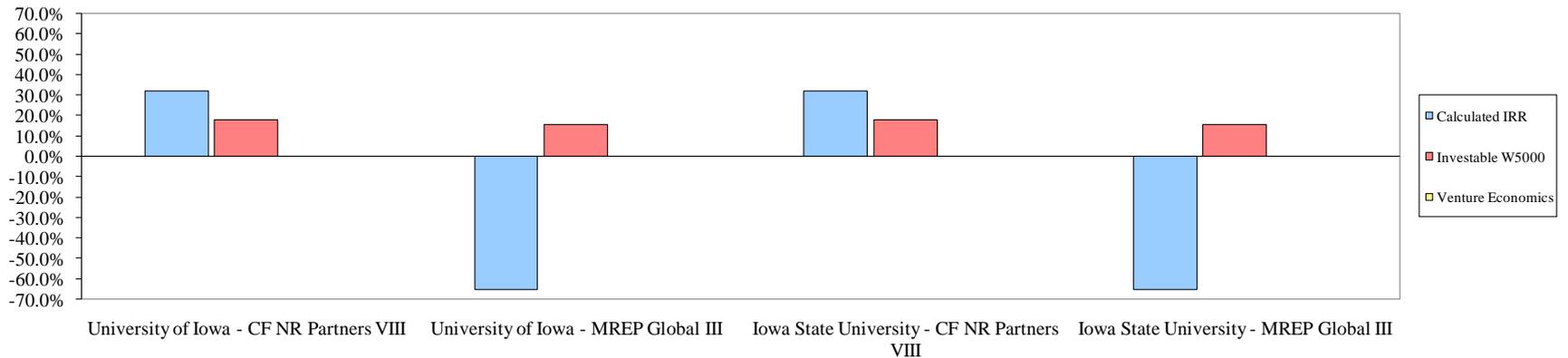
# Private Real Assets Analysis

Fund	Inception	Total Commitment	Capital Called		Distributions*	Investment Gain/Loss	Market Value	Performance		
								Calculated IRR	Investable W5000	Venture Economics
University of Iowa - CF NR Partners VIII	4q2008	6,000,000	1,005,000	17%	55,907	343,650	1,292,743	31.9%	17.9%	--
University of Iowa - Metropolitan Real Estate Partners Globall III	1q2010	5,000,000	375,000	8%	0	-109,373	265,627	-65.2%	15.3%	--

Fund	Inception	Total Commitment	Capital Called		Distributions*	Investment Gain/Loss	Market Value	Performance		
								Calculated IRR	Investable W5000	Venture Economics
Iowa State University - CF NR Partners VIII	4q2008	4,000,000	670,000	17%	37,273	229,103	861,830	31.9%	17.9%	--
Iowa State University - Metropolitan Real Estate Partners Globall III	1q2010	3,000,000	225,000	8%	0	-65,624	159,376	-65.2%	15.3%	--

\*Sum of distributions, expenses, and investment fees



**Endowment Policy Index**

<u>Quarter Start - Quarter End</u>	<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 - 09/09	50.00	Wilshire 5000
	30.00	Barclays Aggregate
	15.00	MSCI EAFE (N)
	5.00	NCREIF Property Index Lagged
09/09-Present	35.00	Wilshire 5000
	25.00	MSCI EAFE (N)
	25.00	Barclays Aggregate
	10.00	U.S. CPI +5% Annually
	5.00	ML HY Master II

**Fixed Income/ Quasi Policy**

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

**Real Assets Policy Index**

<u>Quarter Start - Quarter End</u>	<u>%</u>	<u>Description</u>
03/06-06/09	100.00	NCREIF Property Index Lagged
09/09 - Present	100.00	U.S. CPI +5% Annually

**Diversified Pool Policy Index**

<u>Quarter Start - Quarter End</u>	<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

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## U.S. Equity

The U.S. stock market finished the year strong with a total return of 11.6% for the fourth quarter, as represented by the Wilshire 5000 Index<sup>SM</sup>. Stock returns broke across three distinct intervals during 2010; an 8.3% increase from January through April, a -11.3% decline from May through August and a 22.0% rally from September through December. Small cap stocks outperformed large caps during the fourth quarter and have returned nearly twice as much as large caps for 2010. Growth stocks generally outpaced value shares for the quarter but, within large caps, value led for the year. Small cap growth, however, held a sizeable advantage versus small value in 2010.

Energy and Materials sectors led all economic groups higher for the quarter. Though all sectors posted positive Q4 results, Utilities were the laggards with a 2.3% return. For the year, Consumer Discretionary stocks posted the best returns while the Health Care sector trailed as these stocks were unable to overcome concerns over the looming impact of federal healthcare reform.

October marked the first year-over-year drop in the S&P Case-Schiller 20-city Home Price Index since January, 2010. The rate of decline has accelerated and signifies that the expiration of the home-buyer tax credit may be exacerbating the short-term trend. The general level of home prices will be important to watch going forward, as a more severe retrenchment will pressure future foreclosures and weaken consumer confidence return.

## Non-U.S. Equity

Global stock markets ended 2010 on a generally positive note, despite economic and socio-political turmoil in several European countries, currency-tightening policies in China and a near-constant undercurrent of worries over the potential for a double-dip recession in the United States. Developed markets overall posted solid gains although the Pacific region stock market performance was held back for the year in local currency terms by Japan's relatively lackluster returns for the year. Emerging market stocks returned strong performance for 2010, besting developed market equities.

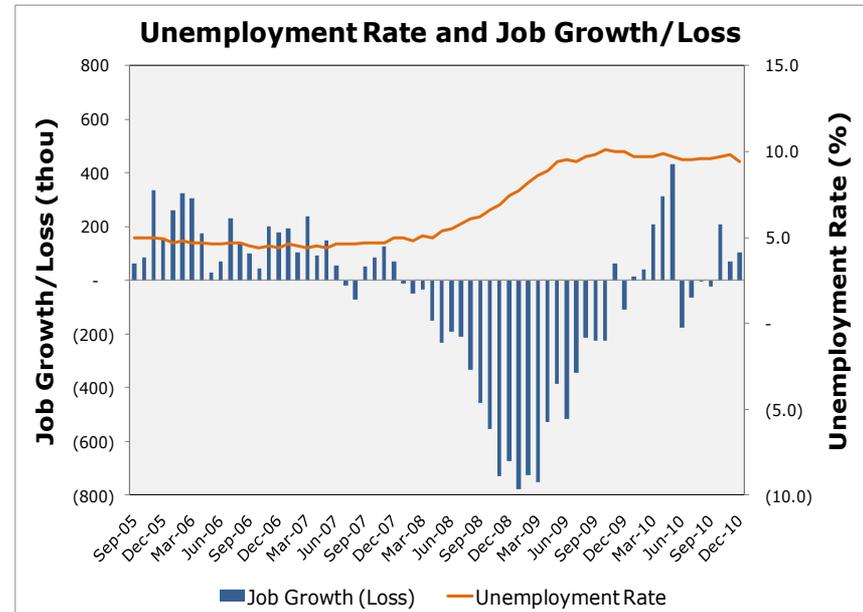
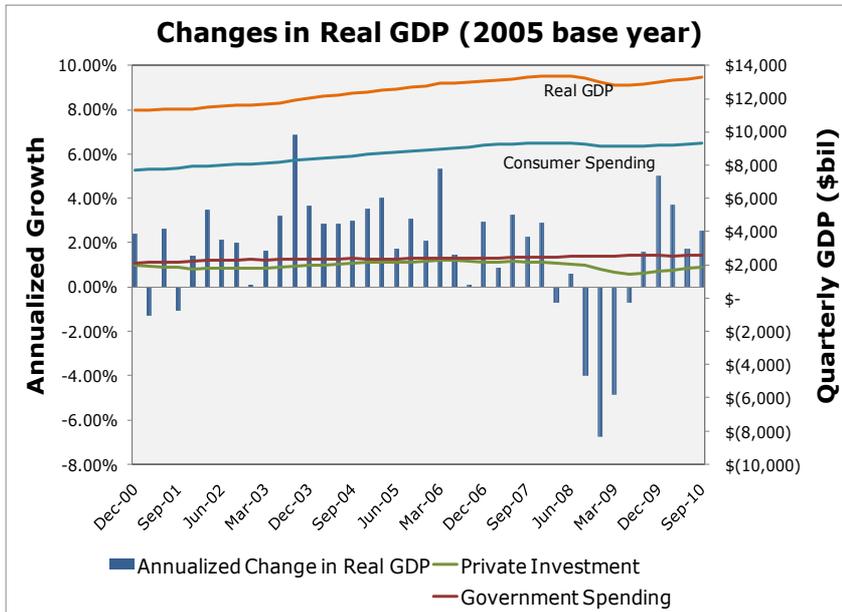
## Fixed Income

U.S. Treasury yields rose somewhat during the fourth quarter of 2010, but actually ended the year slightly lower than their year-end 2009 levels. Year-end profit-taking, as well as the Federal Reserve's QE2 Treasury buyback program, nudged yields upward through year-end. Credits continued their most-favored status with investors hungry for yield, driving spreads lower against Treasuries. High yield corporates enjoyed particularly strong performance for the quarter and year.

# Economic Review

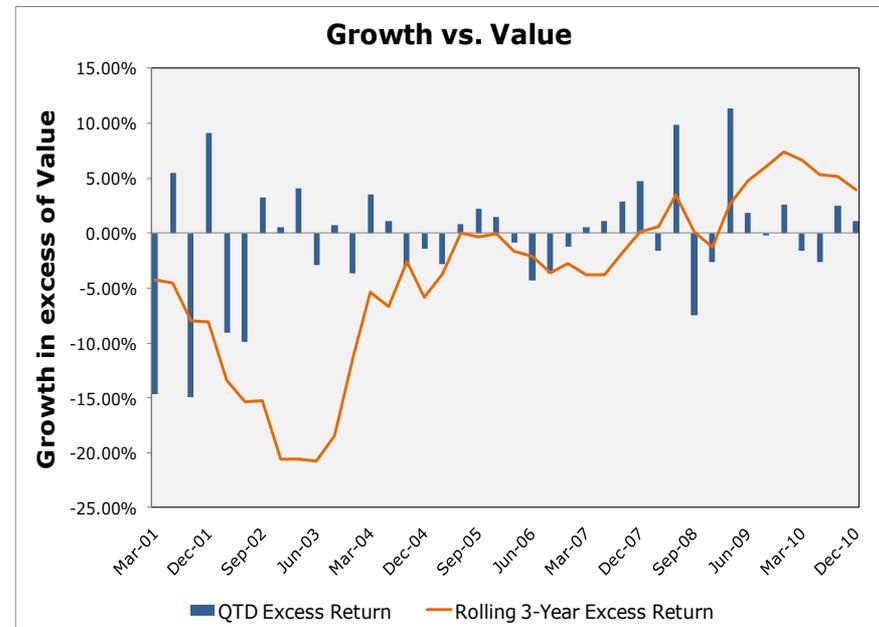
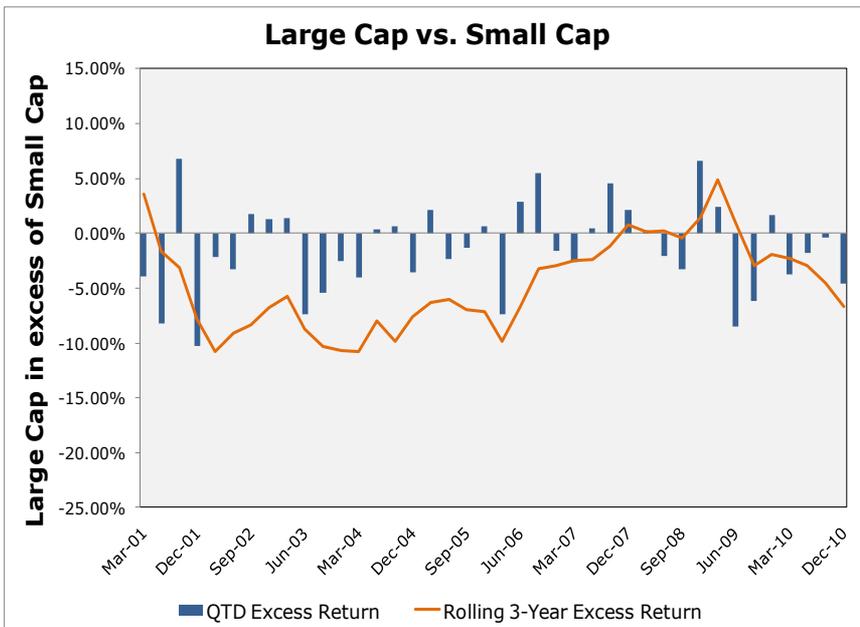
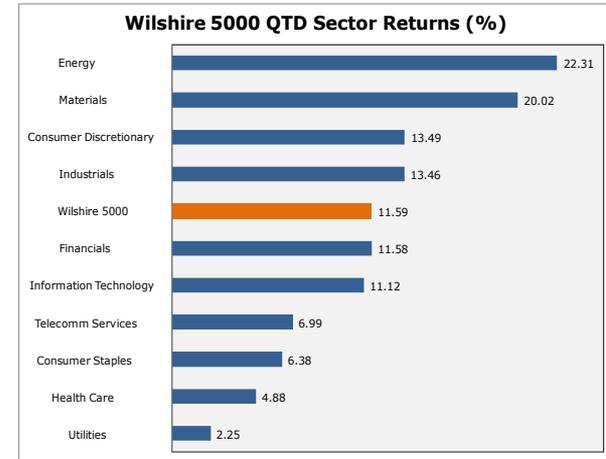
December 31, 2010		Key Economic Indicators			
<b>CPI (all items)</b> Seasonally adjusted	Monthly Change		Cumulative Change		
	Dec-10	0.5	3-Month	0.9	
	Nov-10	0.1	12-Month	1.4	
	Oct-10	0.2	10-Yr Annual	2.3	
Breakeven Inflation	10-Year	2.3			
<b>Consumer Sentiment</b> Unv. of Michigan Survey	Dec-10	74.5			
	Nov-10	71.6			
	1-Yr Ago	72.5	10-Yr Avg	82.5	
<b>Manufacturing</b> Inst. for Supply Mgmt Purchasing Mngrs' Idx	Dec-10	57.0	Change in Manufacturing Sector		
	Nov-10	56.6	>50	Expansion	
	1-Yr Avg	57.3	<50	Contraction	

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

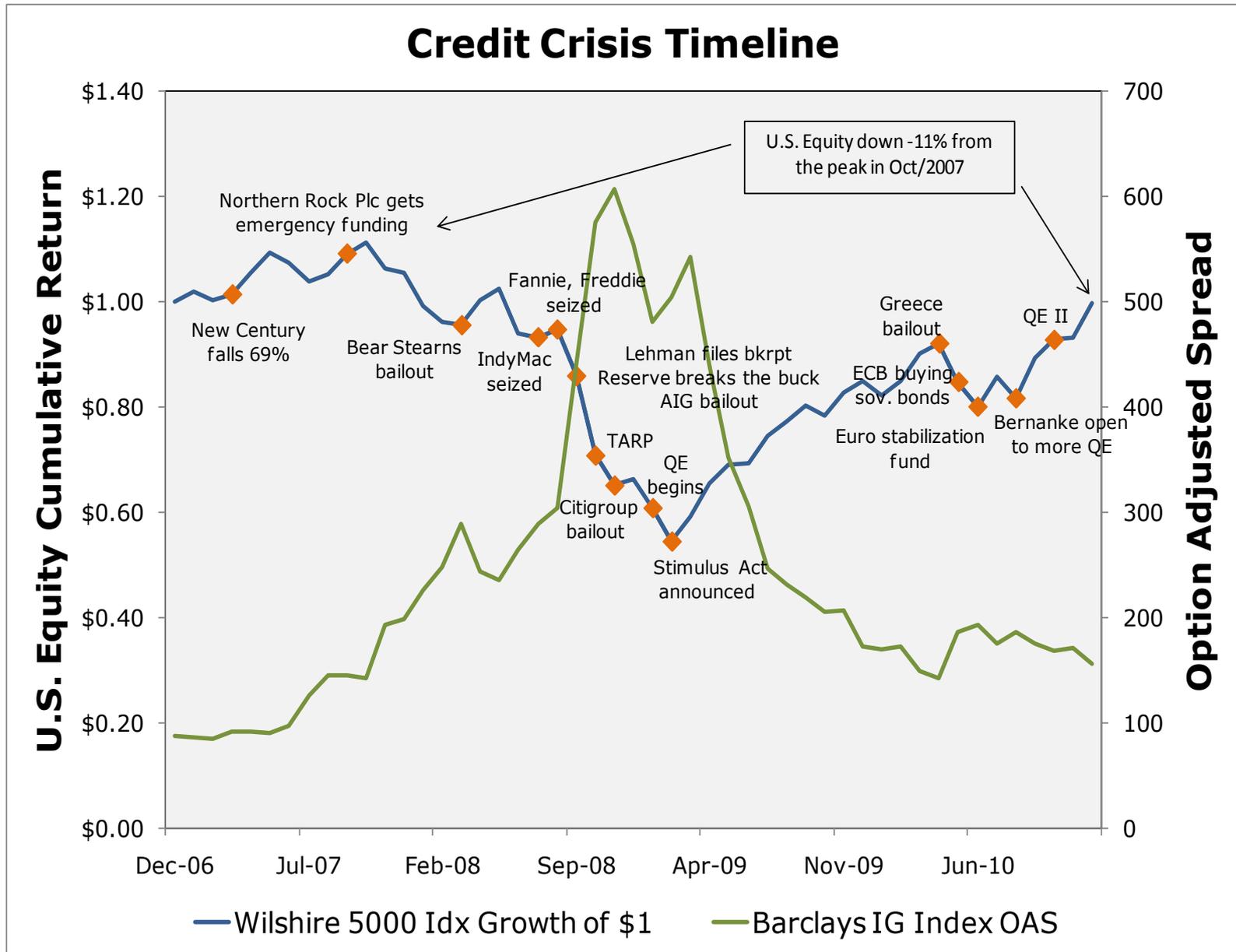


# U.S. Capital Markets: Equity

December 31, 2010	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	11.6	17.2	17.2	-1.9	2.9	2.5
Wilshire U.S. Large Cap	11.0	15.8	15.8	-2.6	2.6	1.8
Wilshire U.S. Small Cap	16.3	28.9	28.9	4.4	6.3	8.0
Wilshire U.S. Large Growth	11.6	15.0	15.0	-0.5	3.6	0.4
Wilshire U.S. Large Value	10.4	16.6	16.6	-4.8	1.4	3.1
Wilshire U.S. Small Growth	16.7	31.1	31.1	4.1	6.7	6.0
Wilshire U.S. Small Value	16.0	26.8	26.8	4.8	5.8	9.7
Wilshire REIT Index	7.9	28.6	28.6	0.2	2.4	10.5
Dow Jones UBS Commodity Index	15.8	16.8	16.8	-3.7	1.2	5.8

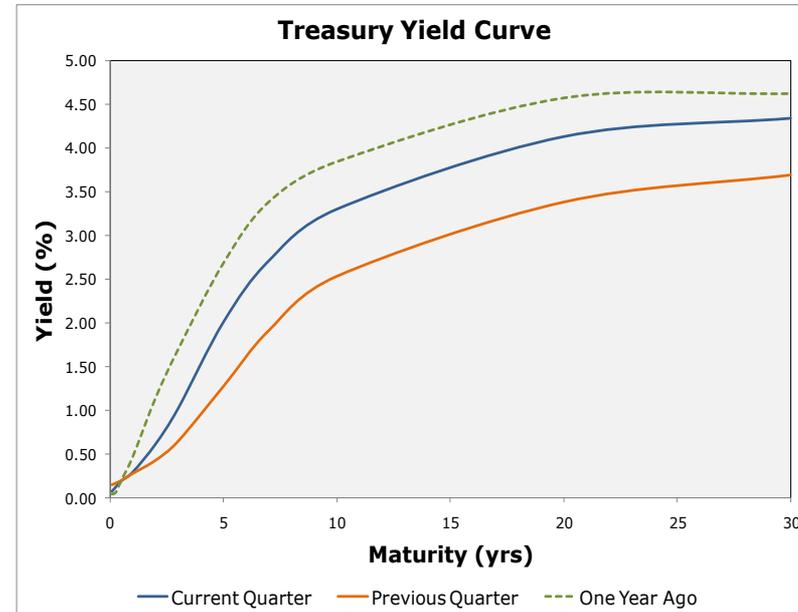
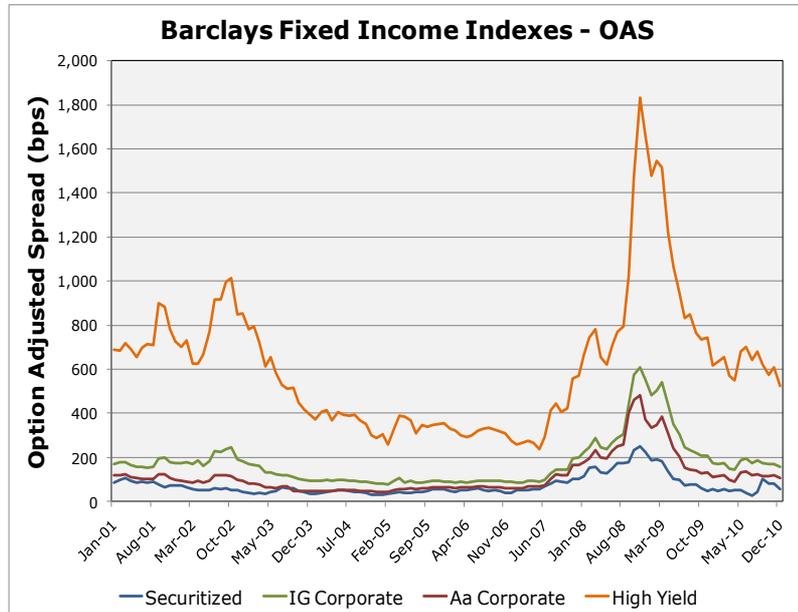


# History of the Credit Crisis



# U.S. Capital Markets: Fixed Income

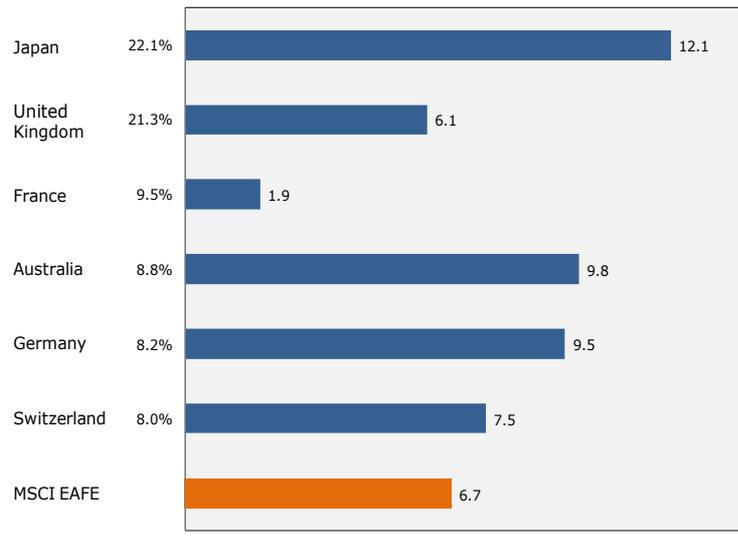
December 31, 2010	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays Aggregate Bond Index	-1.3	6.5	6.5	5.9	5.8	5.8
Barclays Treasury Index	-2.6	5.9	5.9	5.1	5.5	5.4
Barclays Govt-Related Index	-1.7	5.0	5.0	5.3	5.6	5.8
Barclays Securitized Index	0.3	6.5	6.5	6.3	6.1	5.8
Barclays Corporate IG Index	-1.6	9.0	9.0	7.1	6.1	6.6
Barclays LT Govt/Credit Index	-5.6	10.2	10.2	6.8	5.9	7.1
Barclays Long-Term Treasury Index	-8.2	9.4	9.4	5.7	5.7	6.6
Barclays U.S. TIPS Index	-0.6	6.3	6.3	5.0	5.3	7.0
Barclays High Yield Index	3.2	15.1	15.1	10.4	8.9	8.9
Treasury Bills	0.0	0.1	0.1	0.8	2.4	2.4



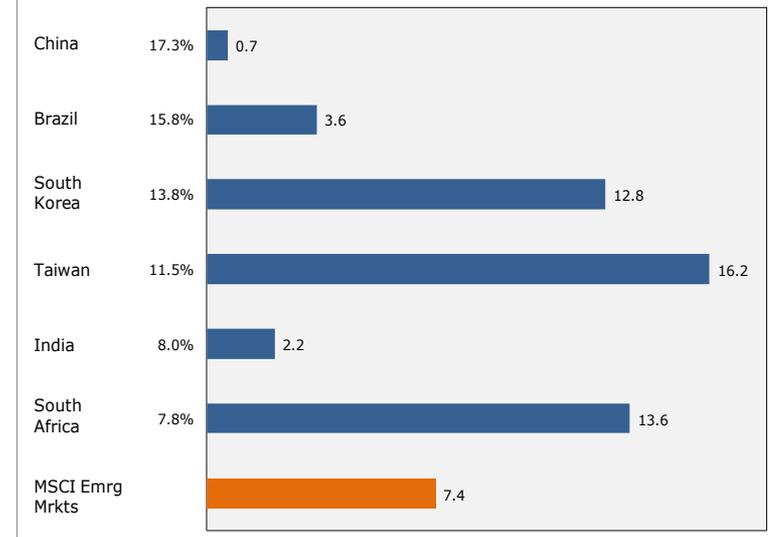
# Non-U.S. Capital Markets

<i>December 31, 2010</i>	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US (\$g)	7.2	11.6	11.6	-4.6	5.3	6.0
MSCI EAFE (\$g)	6.7	8.2	8.2	-6.5	2.9	3.9
MSCI Emerging Markets (\$g)	7.4	19.2	19.2	0.0	13.1	16.2
MSCI Frontier Markets (\$g)	8.0	24.2	24.2	-13.1	-3.2	n.a.
JPM Non US Global Bond	-1.4	6.8	6.8	7.3	8.0	7.6
JPM Non US Global Bond Hedged	-2.0	3.4	3.4	4.5	4.3	4.8
JPM EMBI Global	-1.8	12.1	12.1	8.6	8.4	10.3
Euro vs. Dollar	-1.7	-6.5	-6.5	-2.9	2.6	3.6
Yen vs. Dollar	3.0	14.8	14.8	11.3	7.8	3.5
Pound vs. Dollar	-0.6	-3.0	-3.0	-7.7	-1.9	0.5

**MSCI EAFE: Largest Countries and Return**



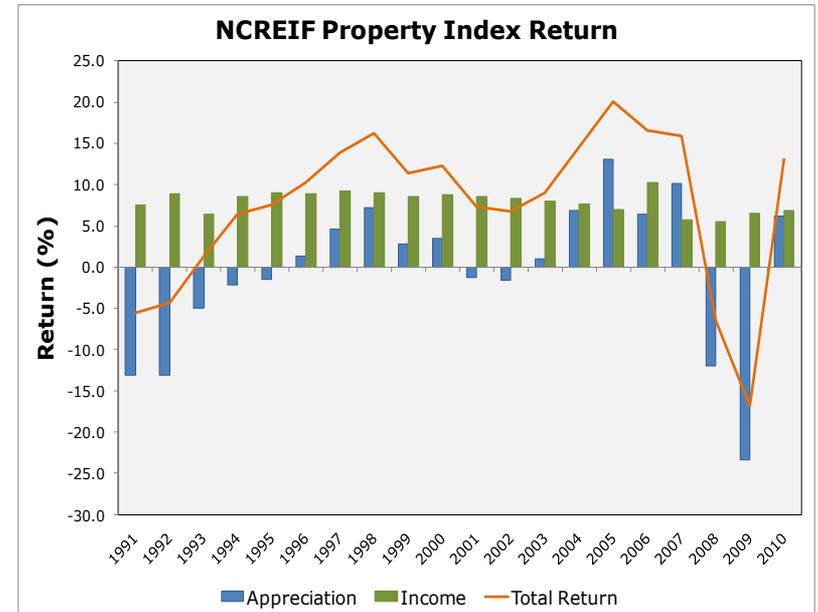
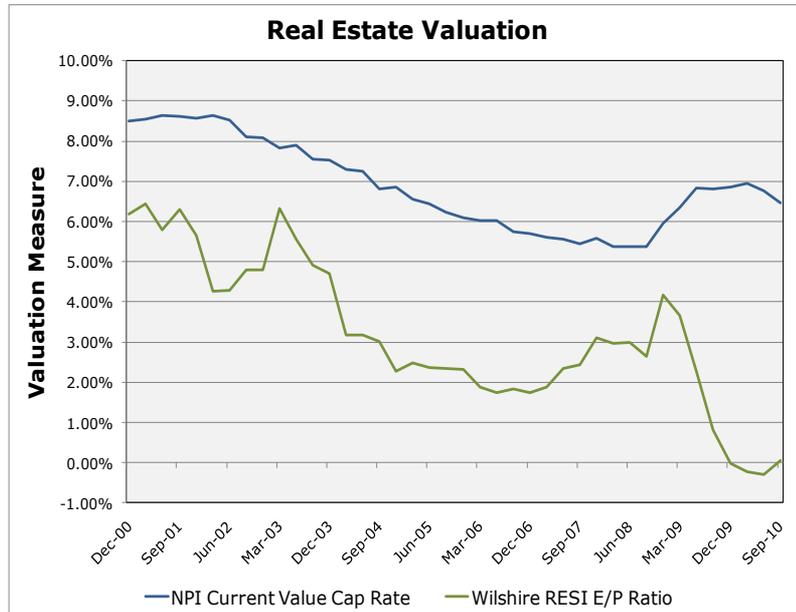
**MSCI EM: Largest Countries and Return**



# Real Assets

December 31, 2010	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays U.S. TIPS Index	-0.6	6.3	6.3	5.0	5.3	7.0
Dow Jones UBS Commodity Index	15.8	16.8	16.8	-3.7	1.2	5.8
Global Public Real Estate*	7.6	25.0	25.0	-2.0	2.8	10.5
NCREIF Property Index	4.6	13.1	13.1	-4.2	3.5	7.4
NCREIF Timberland Index	-0.8	-0.2	-0.2	1.4	7.0	6.8
S&P MLP Index (Oil & Gas)	8.8	35.2	35.2	13.5	15.1	n.a.

\* Wilshire Global Real Estate Securities from June, 2000 to December, 2004. Wilshire Global REITs from 2004 to present.



# Asset Class Performance

## Annual Asset Class Returns - Best to Worst

2006	2007	2008	2009	2010
REITs 36.0%	Emrg Mrkts 39.8%	Core Bond 5.2%	Emrg Mrkts 79.0%	REITs 28.6%
Emrg Mrkts 32.6%	Commodities 16.2%	T-Bills 2.0%	High Yield 58.2%	Emrg Mrkts 19.2%
Developed 26.9%	U.S. TIPS 11.6%	U.S. TIPS -2.3%	Developed 32.5%	U.S. Equity 17.2%
U.S. Equity 15.8%	Developed 11.6%	High Yield -26.2%	REITs 28.6%	Commodities 16.8%
High Yield 11.9%	Core Bond 7.0%	Commodities -35.6%	U.S. Equity 28.3%	High Yield 15.1%
T-Bills 4.8%	U.S. Equity 5.6%	U.S. Equity -37.2%	Commodities 18.9%	Developed 8.2%
Core Bond 4.3%	T-Bills 5.0%	REITs -39.2%	U.S. TIPS 11.4%	Core Bond 6.5%
Commodities 2.1%	High Yield 1.9%	Developed -43.1%	Core Bond 5.9%	U.S. TIPS 6.3%
U.S. TIPS 0.4%	REITs -17.5%	Emrg Mrkts -53.2%	T-Bills 0.2%	T-Bills 0.1%

## Annualized 5-Year

2006-2010
Emrg Mrkts 13.1%
High Yield 8.9%
Core Bond 5.8%
U.S. TIPS 5.3%
Developed 2.9%
U.S. Equity 2.9%
REITs 2.4%
T-Bills 2.4%
Commodities 1.2%