

**USF INVESTMENT REPORT**  
As of March 31, 2007

(In Thousands)

**TOTAL PORTFOLIO**

**INVESTMENT PORTFOLIO BALANCES**

ASSET CLASS	Operating Funds							UNIVERSITY	FINANCING	FOUNDATION	UMSA	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL
	Consolidated	Endowment	FOUNDATION	UNIVERSITY	FINANCING	FOUNDATION	UMSA								
<b>SHORT TERM</b>															
Cash Equivalent (< 180 days)	\$72,816			\$40,249	\$22,587	\$704	\$11,277	\$11						\$435	
Fixed Income - Domestic (+ 180 days)	\$373,560			\$30,000											
<b>SHORT TERM SUBTOTAL</b>	<b>\$446,376</b>	<b>\$0</b>		<b>\$70,249</b>	<b>\$22,587</b>	<b>\$704</b>	<b>\$11,277</b>	<b>\$11</b>	<b>\$0</b>					<b>\$435</b>	
<b>LONG TERM</b>															
Fixed Income - Domestic	\$146,915	\$92,546		\$35,110	\$19,259	\$1,599	\$735								
Fixed Income - Foreign															
Equity - Domestic	\$181,307	\$167,386			\$13,921	\$2,890	\$1,329								
Equity - Foreign	\$89,754	\$87,277			\$2,477	\$1,507	\$693								
Real Assets	\$14,566	\$14,566				\$249	\$114								
Alternative Investments	\$17,983	\$17,983				\$308	\$142								
<b>LONG TERM SUBTOTAL</b>	<b>\$450,525</b>	<b>\$379,758</b>		<b>\$0</b>	<b>\$35,110</b>	<b>\$35,657</b>	<b>\$6,553</b>	<b>\$3,013</b>	<b>\$0</b>					<b>\$0</b>	
<b>TOTAL PORTFOLIO</b>	<b>\$896,901</b>	<b>\$379,758</b>		<b>\$70,249</b>	<b>\$57,697<sup>1</sup></b>	<b>\$36,361</b>	<b>\$17,830<sup>2</sup></b>	<b>\$3,024<sup>3</sup></b>	<b>\$0</b>					<b>\$435</b>	

<sup>1</sup> FOUNDATION Operating Funds totaling \$9,198,000 invested in the ENDOWMENT Fund are not included in the FOUNDATION Operating Fund Portfolio.

<sup>2</sup> RESEARCH FOUNDATION Operating Funds totaling \$2,436,000 invested in the FOUNDATION Operating Fund are eliminated in the Consolidated Investment balances.

<sup>3</sup> RESEARCH FOUNDATION Operating Funds totaling \$6,553,000 invested in the ENDOWMENT Fund are eliminated in the Consolidated Investment balances.

<sup>4</sup> ALUMNI ASSOCIATION Operating Funds totaling \$1,000 invested in the FOUNDATION Operating Fund are eliminated in the Consolidated Investment balances.

<sup>5</sup> ALUMNI ASSOCIATION Operating Funds totaling \$3,013,000 invested in the ENDOWMENT Fund are eliminated in the Consolidated Investment balances.

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**PORTFOLIO ASSET ALLOCATION**

ASSET CLASS	Policy		Operating Funds								
	Minimum	Maximum	UNIVERSITY	FINANCING	FOUNDATION	UMSA	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL	
<b>SHORT TERM</b>											
Cash Equivalent (< 180 days)	0%	100%		57%	100%	100%	100%	100%			100%
Fixed Income - Domestic (180 days +)	0%	90%	100%	43%							
<b>SHORT TERM TOTAL</b>			100%	100%	100%	100%	100%	100%	0%		100%
<b>LONG TERM</b>											
Fixed Income - Domestic	20%	75%			100% <sup>1</sup>	54%	24%	24%			
Fixed Income - Foreign	0%	20%			0% <sup>1</sup>	39%	44%	44%			
Equity - Domestic	25%	75%				7%	23%	23%			
Equity - Foreign	0%	25%					4%	4%			
Real Assets	0%	20%					5%	5%			
Alternative Investments	0%	20%									
<b>LONG TERM TOTAL</b>			0%	0%	100%	100%	100%	100%	0%		0%

Endowment
FOUNDATION
0%
24%
44%
23%
4%
5%
100%

<sup>1</sup> FOUNDATION exception to Investment Policy Asset Allocation Guidelines granted on December 7, 2006.

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TOTAL PORTFOLIO

PRIMARY PERFORMANCE OBJECTIVE - 3 YEAR ANNUAL AVERAGE

ASSET CLASS	Operating Funds									
	UNIVERSITY	FINANCING	FOUNDATION	UMSA	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL		
<b>SHORT TERM</b>										
Cash Equivalent (< 180 days)	3.79%	NA <sup>3</sup>	3.60%	2.87%	3.60% <sup>3</sup>	3.60%		NA <sup>3</sup>		
Fixed Income - Domestic (180 days +)										
<b>LONG TERM</b>										
Fixed Income - Domestic			3.70%	2.73%	4.65%	4.65%				
Fixed Income - Foreign				8.35%	11.20%	11.20%				
Equity - Domestic				19.83%	21.80%	21.80%				
Equity - Foreign					21.70%	21.70%				
Real Assets					NA <sup>1</sup>	NA <sup>1</sup>				
Alternative Investments										
<b>WEIGHTED PORTFOLIO RETURN</b>	3.79%	NA <sup>3</sup>	4.50% <sup>2</sup>	5.02%	10.53%	13.07%		NA <sup>3</sup>		
<b>WEIGHTED INDEX RETURN</b>	3.40%	NA	4.00%	6.89%	9.52%	11.77%		NA		
<b>RELATIVE PORTFOLIO RETURN</b>	0.39%	NA	0.50%	(1.87)%	1.01%	1.30%		NA		

<sup>1</sup> The Endowment Private Equity and Venture Capital Investments do not lend themselves well to interim return calculations.

<sup>2</sup> FOUNDATION Endowment and Operating Fund Performance and Weighted Index Returns are based on 3-year average daily balances, not period-end balances.

<sup>3</sup> FINANCING, \$8,842,000 of RESEARCH, and CHARTER SCHOOL short-term portfolios have not been in existence for 3 years. These entities' short-term portfolios, or portion thereof, have exceeded their index returns.

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**LONG TERM PORTFOLIO**

**SECONDARY PERFORMANCE OBJECTIVE - 5 YEAR ANNUAL AVERAGE**

ASSET CLASS	Operating Funds															
	UNIVERSITY	FINANCING	FOUNDATION	UMSA	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL	UNIVERSITY	FINANCING	FOUNDATION	UMSA	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL
<b>SHORT TERM</b>																
Cash Equivalent (< 180 days)	4.03%	NA <sup>3</sup>	2.80%	2.84%	2.80% <sup>3</sup>	2.80%							2.80%	2.80%		NA <sup>3</sup>
Fixed Income - Domestic (180 days +)																
<b>LONG TERM</b>																
Fixed Income - Domestic	6.32%		5.80%	4.21%	6.32%	6.32%							6.32%	6.32%		
Fixed Income - Foreign																
Equity - Domestic	9.40%			4.91%	9.40%	9.40%							9.40%	9.40%		
Equity - Foreign	17.50%			15.96%	17.50%	17.50%							17.50%	17.50%		
Real Assets	21.20%				21.20%	21.20%							21.20%	21.20%		
Alternative Investments	NA <sup>1</sup>				NA <sup>1</sup>	NA <sup>1</sup>							NA <sup>1</sup>	NA <sup>1</sup>		
<b>WEIGHTED PORTFOLIO RETURN</b>	11.50% <sup>2</sup>	NA <sup>3</sup>	4.80%	4.70%	9.14%	11.47%							11.47%	11.47%		NA <sup>3</sup>
<b>INFLATION BENCHMARK - CPI INDEX</b>	2.81%		2.81%	2.81%	2.81%	2.81%							2.81%	2.81%		
<b>RETURN OBJECTIVE - LONG-TERM<sup>4</sup></b>	4.51%		1.64%	3.84%	3.29%	4.50%							3.29%	4.50%		
<b>RETURN OBJECTIVE - ACTIVELY MANAGED<sup>5</sup></b>	0.41%		0.27%	0.49%	0.30%	0.41%							0.30%	0.41%		
<b>RELATIVE PORTFOLIO RETURN<sup>6</sup></b>	3.77%	NA <sup>3</sup>	0.08%	(2.44)%	2.74%	3.75%							2.74%	3.75%		NA <sup>3</sup>

<sup>1</sup> The Endowment Private Equity and Venture Capital Investments do not lend themselves well to interim return calculations.  
<sup>2</sup> FOUNDATION Endowment and Operating Fund Performance is based on 5-year average daily balances, not period-end balances.  
<sup>3</sup> FINANCING, \$8,842,000 of RESEARCH, and CHARTER SCHOOL short-term portfolios have not been in existence for 3 years. These entities' short-term portfolios, or portion thereof, have exceeded their index returns.  
<sup>4</sup> Only Long-Term Funds are subject to the Policy Return Objective of 3.0% for fixed income and 5.0% for all other asset classes. The Return Objective is calculated based on period-end balances, not 5-year daily average balances. Thus, the Relative Portfolio Return may be affected by changes in asset classes over this period.  
<sup>5</sup> Only Long-Term Funds are subject to the Policy Return Objectives for Actively Managed Portfolios of 0.5%. The Return Objective is weighted between the Short Term Portfolio and the Long Term Portfolio based on period-end balances.  
<sup>6</sup> The Return Objective is calculated based on period-end balances, not 5-year daily average balances. Thus, the Relative Portfolio Return may be affected by changes in asset classes over this period. The Return Objective is weighted between the Short Term Portfolio and the Long Term Portfolio based on period-end balances.  
<sup>6</sup> All entities employ 5-year index benchmarks to assess investment performance in addition to the Policy's real return Secondary Performance benchmark.