

USF INVESTMENT REPORT
As of March 31, 2008

(In Thousands)

TOTAL PORTFOLIO

INVESTMENT PORTFOLIO BALANCES and 12,36&60-month RETURNS

ASSET CLASS	Consolidated	Endowment	Operating Funds									
	USF TOTAL INVESTMENTS	FOUNDATION	UNIVERSITY	FINANCING	FOUNDATION	UMSA	MSSC	HPCC	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL
SHORT TERM												
Cash Equivalent (< 180 days)	\$377,115		\$222,975	\$109,311	\$30,198	\$1,023			\$13,608			\$0
Fixed Income - Domestic (+ 180 days)	\$201,833		\$201,833									
SHORT TERM SUBTOTAL	\$578,948	\$0	\$424,808	\$109,311	\$30,198	\$1,023	\$0³	\$0³	\$13,608	\$0	\$0³	\$0⁵
LONG TERM												
Fixed Income - Domestic	\$144,104	\$98,268			\$38,147	\$12,438			\$2,234	\$770		
Fixed Income - Foreign												
Equity - Domestic	\$178,453	\$169,119			\$4,098	\$13,432			\$3,854	\$1,328		
Equity - Foreign	\$92,626	\$90,915			\$2,198	\$3,909			\$2,067	\$712		
Real Assets	\$2,225	\$2,225			\$56	\$56			\$53	\$18		
Alternative Investments	\$24,050	\$24,050			\$587	\$587			\$552	\$190		
LONG TERM SUBTOTAL	\$441,458	\$384,577	\$0	\$0	\$45,086	\$30,422	\$0	\$0	\$8,760	\$3,018	\$0	\$0
TOTAL PORTFOLIO	\$1,020,406	\$384,577	\$424,808	\$109,311	\$75,285¹	\$31,445²	\$0	\$0	\$22,368⁴	\$3,018⁵	\$0	\$0⁶

WEIGHTED 12-MONTH RETURNS 3.04%

WEIGHTED 36-MONTH RETURNS 6.74%

WEIGHTED 60-MONTH RETURNS 8.42%

¹ FOUNDATION Operating Funds totaling \$9,313,000 invested in the ENDOWMENT Fund are eliminated in the Consolidated Investment balances.

² UMSA Operating Funds totaling \$9,314,000 invested in the ENDOWMENT Fund are eliminated in the Consolidated Investment balances.

³ MSSC, HPCC and SUNDOME report cash and cash equivalents held largely in bank money market funds.

⁴ RESEARCH FOUNDATION Operating Funds totaling \$8,760,000 invested in the ENDOWMENT Fund are eliminated in the Consolidated Investment balances.

⁵ ALUMNI ASSOCIATION Operating Funds totaling \$3,018,000 invested in the ENDOWMENT Fund are eliminated in the Consolidated Investment balances.

⁶ CHARTER SCHOOL reports cash and cash equivalents balance of \$502,000, held largely in a State Government Pool.

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TOTAL PORTFOLIO

PORTFOLIO ASSET ALLOCATION

ASSET CLASS	Policy		Endowment	Operating Funds									
	Minimum	Maximum	FOUNDATION	UNIVERSITY	FINANCING	FOUNDATION	UMSA	MSSC	HPCC	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL
SHORT TERM													
Cash Equivalent (< 180 days)	0%	100%		52%	100%	100%	100%	0% ²	0% ²	100%	0%	0% ²	0% ³
Fixed Income - Domestic (180 days +)	0%	90%		48%									
SHORT TERM TOTAL			0%	100%	100%	100%	100%	0%	0%	100%	0%	0%	0%
LONG TERM													
Fixed Income - Domestic	20%	75%	25%			84% ¹	41%			25%	25%		
Fixed Income - Foreign	0%	20%											
Equity - Domestic	25%	75%	44%			9% ¹	44%			44%	44%		
Equity - Foreign	0%	25%	24%			5%	13%			24%	24%		
Real Assets	0%	20%	1%			1%	1%			1%	1%		
Alternative Investments	0%	20%	6%			1%	1%			6%	6%		
LONG TERM TOTAL			100%	0%	0%	100%	100%	0%	0%	100%	100%	0%	0%

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

² MSSC, HPCC and SUNDOME report cash and cash equivalents held largely in bank money market funds.

³ CHARTER SCHOOL reports cash and cash equivalents balance of \$502,000, held largely in a State Government Pool.

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TOTAL PORTFOLIO

PERFORMANCE OBJECTIVE - 1 YEAR ANNUAL AVERAGE

ASSET CLASS	Endowment	Operating Funds									
	FOUNDATION	UNIVERSITY	FINANCING	FOUNDATION	UMSA	MSSC	HPCC	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL
SHORT TERM											
Cash Equivalent (< 180 days)		NA ³	3.94%	4.40%	0.00%	NA ⁵	NA ⁵	NA ³		NA ⁵	NA ⁶
Fixed Income - Domestic (180 days +)		6.34% ⁴									
LONG TERM											
Fixed Income - Domestic	5.75%			5.75%	8.42%			5.75%	5.75%		
Fixed Income - Foreign											
Equity - Domestic	(8.20)%			(8.20)%	(6.41)%			(8.20)%	(8.20)%		
Equity - Foreign	4.20%			4.20%	0.54%			4.20%	4.20%		
Real Assets	(13.00)%			(13.00)%	(13.00)%			(13.00)%	(13.00)%		
Alternative Investments	NA ¹			NA ¹	NA ¹			NA ¹	NA ¹		
WEIGHTED PORTFOLIO RETURN	(0.80)% ²	6.34%	3.94%	4.35% ²	0.45%	NA	NA	(0.80)% ²	(0.80)% ²	NA	NA
WEIGHTED INDEX RETURN	(1.30)% ²	8.70%	3.67%	4.79% ²	0.83%	NA	NA	(1.30)% ²	(1.30)% ²	NA	NA
RELATIVE PORTFOLIO RETURN	0.50%	(2.36)%	0.27%	(0.45)%	(0.38)%	NA	NA	0.50%	0.50%	NA	NA

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

² FOUNDATION Endowment and Operating Fund Performance and Weighted Index Returns are based on 1-year average daily balances, not period-end balances.

³ UNIVERSITY cash equivalent portion of its short-term portfolio and RESEARCH FOUNDATION short-term portfolio have not been in existence for one full year.

⁴ UNIVERSITY fixed income portion of its short-term portfolio is based on a weighted average of SPIA's returns (period prior to January 2008) and Vanguard's Bond Index Fund's returns (beginning January 2008).

⁵ MSSC, HPCC and SUNDOME report cash and cash equivalents held largely in bank money market funds.

⁶ CHARTER SCHOOL reports cash and cash equivalents balance of \$502,000, held largely in a State Government Pool.

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PRIMARY PERFORMANCE OBJECTIVE - 3 YEAR ANNUAL AVERAGE

ASSET CLASS	Endowment	Operating Funds									
	FOUNDATION	UNIVERSITY	FINANCING	FOUNDATION	UMSA	MSSC	HPCC	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL
SHORT TERM											
Cash Equivalent (< 180 days)		NA ³	3.99%	4.50%	0.00%	NA ⁵	NA ⁵	NA ³		NA ⁵	NA ⁶
Fixed Income - Domestic (180 days +)		5.02% ⁴									
LONG TERM											
Fixed Income - Domestic	5.66%			5.42%	5.71%			5.66%	5.66%		
Fixed Income - Foreign											
Equity - Domestic	5.50 %			5.50 %	5.72 %			5.50 %	5.50 %		
Equity - Foreign	18.40%			18.40%	15.66%			18.40%	18.40%		
Real Assets	13.00 %			13.00 %	13.00 %			13.00 %	13.00 %		
Alternative Investments	NA ¹			NA ¹	NA ¹			NA ¹	NA ¹		
WEIGHTED PORTFOLIO RETURN	9.90% ²	5.02%	3.99%	5.40% ²	6.27%	NA	NA	9.90% ²	9.90% ²	NA	NA
WEIGHTED INDEX RETURN	8.60% ²	5.51%	3.79%	5.39% ²	6.34%	NA	NA	8.60% ²	8.60% ²	NA	NA
RELATIVE PORTFOLIO RETURN	1.30%	(0.49)%	0.20%	0.01%	(0.07)%	NA	NA	1.30%	1.30%	NA	NA

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

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

³ UNIVERSITY cash equivalent portion of its short-term portfolio and RESEARCH FOUNDATION short-term portfolio have not been in existence for one full year.

⁴ UNIVERSITY fixed income portion of its short-term portfolio is based on a weighted average of SPIA's returns (period prior to January 2008) and Vanguard's Bond Index Fund's returns (beginning January 2008).

⁵ MSSC, HPCC and SUNDOME report cash and cash equivalents held largely in bank money market funds.

⁶ CHARTER SCHOOL reports cash and cash equivalents balance of \$502,000, held largely in a State Government Pool.

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LONG TERM PORTFOLIO

SECONDARY PERFORMANCE OBJECTIVE - 5 YEAR ANNUAL AVERAGE

ASSET CLASS	Endowment	Operating Funds									
	FOUNDATION	UNIVERSITY	FINANCING	FOUNDATION	UMSA	MSSC	HPCC	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL
SHORT TERM											
Cash Equivalent (< 180 days)		NA ³	2.77%	3.30%	0.00%	NA ⁵	NA ⁵	NA ³		NA ⁵	NA ⁶
Fixed Income - Domestic (180 days +)		4.57% ⁴									
LONG TERM											
Fixed Income - Domestic	5.52%			5.04%	4.53%			5.52%	5.52%		
Fixed Income - Foreign											
Equity - Domestic	13.10%			13.10%	12.37%			13.10%	13.10%		
Equity - Foreign	24.30%			24.30%	22.34%			24.30%	24.30%		
Real Assets	18.60%			18.60%	18.60%			18.60%	18.60%		
Alternative Investments	NA ¹			NA ¹	NA ¹			NA ¹	NA ¹		
WEIGHTED PORTFOLIO RETURN	14.60% ²	4.57%	2.77%	5.23%	8.33%	NA	NA	14.60%	14.60%	NA	NA
INFLATION BENCHMARK - CPI INDEX	3.00%	3.00%	3.00%	3.00%	3.00%	NA	NA	3.00%	3.00%	NA	NA
RETURN OBJECTIVE - LONG-TERM ⁷	4.49%	0.00%	0.00%	1.92%	4.18%	NA	NA	4.49%	4.49%	NA	NA
RETURN OBJECTIVE - ACTIVELY MANAGED ⁸	0.38%	0.00%	0.00%	0.28%	0.46%	NA	NA	0.38%	0.38%	NA	NA
RELATIVE PORTFOLIO RETURN ⁹	6.73%	1.57%	(0.23)%	0.04%	0.68%	NA	NA	6.73%	6.73%	NA	NA

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

² FOUNDATION Endowment and Operating Fund Performance is based on 5-year average daily balances, not period-end balances.

³ UNIVERSITY cash equivalent portion of its short-term portfolio and RESEARCH FOUNDATION short-term portfolio have not been in existence for five years.

⁴ UNIVERSITY fixed income portion of its short-term portfolio is based on a weighted average of SPIA's return (period prior to January 2008) and Vanguard's Bond Index Fund's returns (beginning January 2008)

⁵ MSSC, HPCC and SUNDOME report cash and cash equivalents held largely in bank money market funds.

⁶ CHARTER SCHOOL reports cash and cash equivalents balance of \$502,000, held largely in a State Government Pool.

⁷ 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.

The Return Objective is weighted between the Short Term Portfolio and the Long Term Portfolio based on period-end balances.

⁸ Only Long-Term Funds are subject to the Policy Return Objectives for Actively Managed Portfolios of 0.5%.

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.

⁹ All entities employ 5-year index benchmarks to assess investment performance in addition to the Policy's real return Secondary Performance benchmark.