

USF INVESTMENT REPORT

As of September 30, 2007

(In Thousands)

TOTAL PORTFOLIO

INVESTMENT PORTFOLIO BALANCES

ASSET CLASS	Consolidated	Endowment	Operating Funds							
	USF TOTAL INVESTMENTS	FOUNDATION	UNIVERSITY	FINANCING	FOUNDATION	UMSA	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL
SHORT TERM										
Cash Equivalent (< 180 days)	\$125,436			\$94,157	\$16,870	\$701	\$13,708			\$0
Fixed Income - Domestic (+ 180 days)	\$430,486		\$410,093	\$20,393						
SHORT TERM SUBTOTAL	\$555,922	\$0	\$410,093	\$114,550	\$16,870	\$701	\$13,708	\$0	\$0	\$0⁵
LONG TERM										
Fixed Income - Domestic	\$146,894	\$96,958			\$35,474	\$16,853	\$2,250	\$737		
Fixed Income - Foreign										
Equity - Domestic	\$201,131	\$190,147				\$15,674	\$4,413	\$1,445		
Equity - Foreign	\$102,800	\$100,836				\$4,456	\$2,345	\$768		
Real Assets	\$0									
Alternative Investments	\$22,787	\$22,787				\$557	\$524	\$172		
LONG TERM SUBTOTAL	\$473,612	\$410,728	\$0	\$0	\$35,474	\$37,540	\$9,532	\$3,122	\$0	\$0
TOTAL PORTFOLIO	\$1,029,534	\$410,728	\$410,093	\$114,550	\$52,344¹	\$38,241²	\$23,240³	\$3,122⁴	\$0	\$0⁵

¹ FOUNDATION Operating Funds totaling \$9,632,000 invested in the ENDOWMENT Fund are not included in the FOUNDATION Operating Fund Portfolio.

² UMSA Operating Funds totaling \$10,130,000 invested in the FOUNDATION Operating Fund are eliminated in the Consolidated Investment balances.

³ RESEARCH FOUNDATION Operating Funds totaling \$9,532,000 invested in the ENDOWMENT Fund are eliminated in the Consolidated Investment balances.

⁴ ALUMNI ASSOCIATION Operating Funds totaling \$3,122,000 invested in the ENDOWMENT Fund are eliminated in the Consolidated Investment balances.

⁵ CHARTER SCHOOL reports cash and cash equivalents balance of \$452,000, held largely in a State Government Pool.

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PORTFOLIO ASSET ALLOCATION

ASSET CLASS	Policy		Endowment	Operating Funds							
	Minimum	Maximum	FOUNDATION	UNIVERSITY	FINANCING	FOUNDATION	UMSA	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL
SHORT TERM											
Cash Equivalent (< 180 days)	0%	100%			82%	100%	100%	100%			100%
Fixed Income - Domestic (180 days +)	0%	90%		100%	18%						
SHORT TERM TOTAL			0%	100%	100%	100%	100%	100%	0%	0%	100%
LONG TERM											
Fixed Income - Domestic	20%	75%	24%			100% ¹	45%	24%	24%		
Fixed Income - Foreign	0%	20%									
Equity - Domestic	25%	75%	46%			0% ¹	42%	46%	46%		
Equity - Foreign	0%	25%	25%				12%	25%	25%		
Real Assets	0%	20%									
Alternative Investments	0%	20%	5%				1%	5%	5%		
LONG TERM TOTAL			100%	0%	0%	100%	100%	100%	100%	0%	0%

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

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PRIMARY PERFORMANCE OBJECTIVE - 3 YEAR ANNUAL AVERAGE

ASSET CLASS	Endowment	Operating Funds							
	FOUNDATION	UNIVERSITY	FINANCING	FOUNDATION	UMSA	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL
SHORT TERM									
Cash Equivalent (< 180 days)			3.75%	4.30%	0.00%	5.03%			NA ³
Fixed Income - Domestic (180 days +)		4.17%	4.17%						
LONG TERM									
Fixed Income - Domestic	4.96%			4.20%	3.98%	4.96%	4.96%		
Fixed Income - Foreign									
Equity - Domestic	14.00%				14.09%	14.00%	14.00%		
Equity - Foreign	28.70%				25.95%	28.70%	28.70%		
Real Assets									
Alternative Investments	NA ¹				NA ¹	NA ¹	NA ¹		
WEIGHTED PORTFOLIO RETURN	16.00% ²	4.17%	3.83%	5.30% ²	9.52%	9.53%	16.00%		NA ³
WEIGHTED INDEX RETURN	14.20% ²	3.48%	3.46%	4.80% ²	9.24%	8.24%	14.20%		NA
RELATIVE PORTFOLIO RETURN	1.80%	0.69%	0.37%	0.50%	0.28%	1.29%	1.80%		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 CHARTER SCHOOL reports cash and cash equivalents balance of \$452,000, 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	RESEARCH	ALUMNI	SUNDOME	CHARTER SCHOOL
SHORT TERM									
Cash Equivalent (< 180 days)			2.56%	3.10%	0.00%	5.03%			NA ³
Fixed Income - Domestic (180 days +)		4.09%	4.09%						
LONG TERM									
Fixed Income - Domestic	5.75%			4.80%	3.81%	5.75%	5.75%		
Fixed Income - Foreign									
Equity - Domestic	17.60%				16.52%	17.60%	17.60%		
Equity - Foreign	27.00%				24.95%	27.00%	27.00%		
Real Assets									
Alternative Investments	NA ¹				NA ¹	NA ¹	NA ¹		
WEIGHTED PORTFOLIO RETURN	17.20% ²	4.09%	2.83%	4.80%	9.83%	10.02%	17.20%		NA ³
INFLATION BENCHMARK - CPI INDEX	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%		
RETURN OBJECTIVE - LONG-TERM ⁴	4.53%	0.00%	0.00%	1.86%	4.10%	1.86%	4.53%		
RETURN OBJECTIVE - ACTIVELY MANAGED ⁵	0.38%	0.00%	0.00%	0.31%	0.47%	0.15%	0.38%		
RELATIVE PORTFOLIO RETURN ⁶	9.43%	1.22%	(0.04)%	(0.25)%	2.39%	5.14%	9.43%		NA ³

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 CHARTER SCHOOL reports cash and cash equivalents balance of \$452,000, held largely in a State Government Pool.

⁴ 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.

⁵ 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.

⁶ All entities employ 5-year index benchmarks to assess investment performance in addition to the Policy's real return Secondary Performance benchmark.