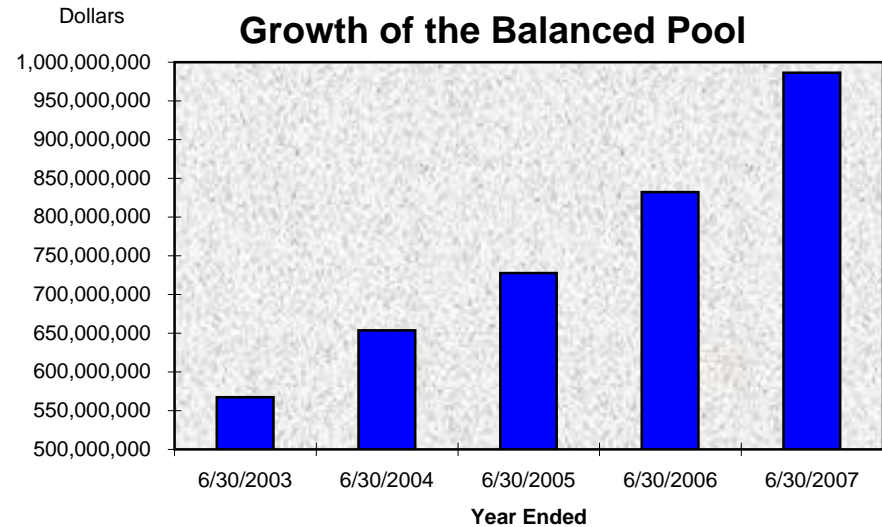
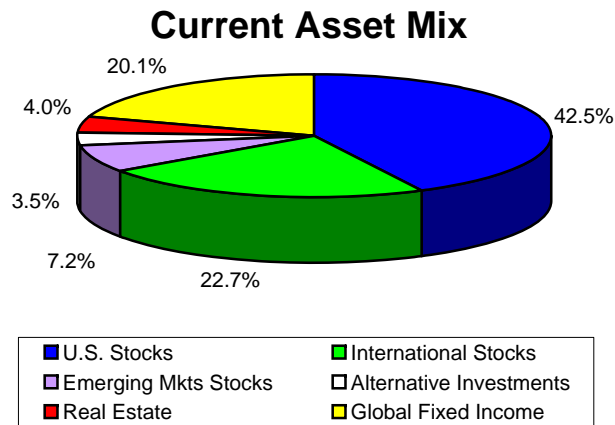


UNIVERSITY OF MISSOURI BALANCED POOL

As of June 30, 2007, the market value of the University of Missouri Balanced Pool was \$986 million. The objective of the pool is to provide income for expenditure while preserving the purchasing power of the endowment principal. In order to meet this objective, the fund distributes 5 percent annually of a trailing 12-quarter average of the endowment's market value. The actual amount available to distribute in any given year will not exceed 106% of the prior year's distribution, or be less than 96% of the prior year's distribution.

The fund is invested for long-term growth, with diversified investments to reduce risk. The fund employs a total return approach, with a strong emphasis on equities. The pool has twenty-five investment managers: a large capitalization growth equity manager, two large capitalization value equity managers, a large capitalization core equity manager, a small-mid capitalization value equity manager, a small capitalization growth equity manager, two international equity managers, two emerging equity markets managers, eleven alternative investment managers, two real estate managers, and two global fixed income managers. The current asset mix of the pool is shown below.



Historical Total Returns Periods Ended 06/30/07 (Annualized)

	Univ of Mo Total Return	Univ of Mo Benchmark	S&P 500	Lehman Govt/Cred	CPI
One year	18.0%	18.7%	20.6%	6.0%	2.7%
Three years	13.5	14.1	11.7	3.8	3.2
Five years	12.3	12.6	10.7	4.7	3.0
Ten years	8.9	8.0	7.1	6.1	2.7