

State University of Iowa Foundation
Summary of Investment Performance
 Report for Periods Ending September 30, 2006

| | Quarter | 1 Year | 3 Year | 5 Year | 10 Year |
|--|----------------|---------------|---------------|---------------|----------------|
| LONG-TERM INVESTMENT POOL | 2.8% | 7.6% | 10.6% | 8.1% | 7.9% |
| INTERMEDIATE-TERM INVESTMENT POOL | 3.9% | 3.5% | 4.1% | 5.4% | 6.5% |
| SHORT-MATURITY INVESTMENT POOL | 2.4% | 3.5% | 2.4% | 3.5% | - |

Notes:

These returns are net of investment fees, but shown prior to other administrative expenses. The amount of your spendable earnings for the Long-Term Pool has been calculated by taking one quarter of 5% times the moving market value average of the last 12 quarters. For the Intermediate and Short-Maturity Pools, you have received the actual interest income generated.

Although U.S. economic growth began to slow, U.S. stocks rose sharply in part to declining interest rates and lower energy prices. Large cap stocks outperformed small cap stocks by 4.7% points, as investors favored higher quality companies. The Federal Open Market Committee left the Fed Funds rate unchanged at 5.25% at both of its meetings during the quarter; however, the yield on the 10-year Treasury fell to 4.6%. Falling yields caused longer duration bonds to outperform shorter duration bonds, as the Lehman Brothers Aggregate Bond Index outperformed 3-month Treasury Bills.