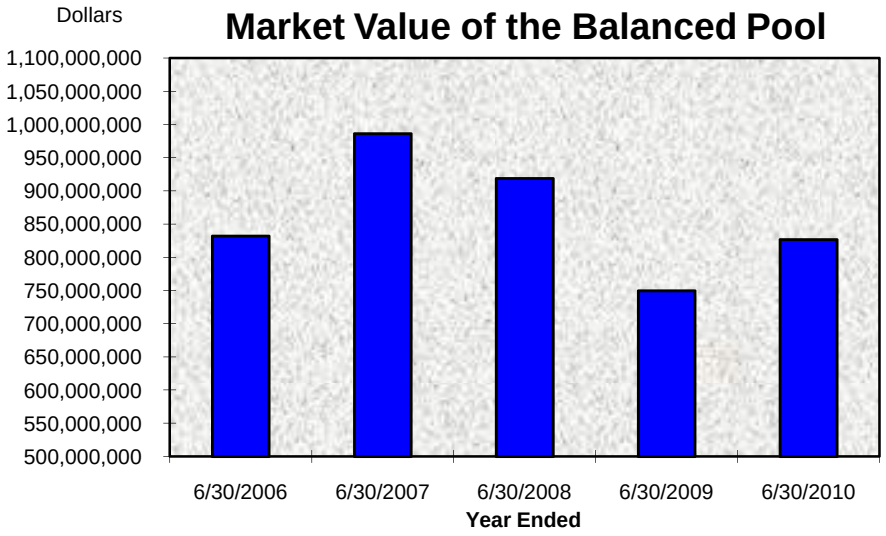
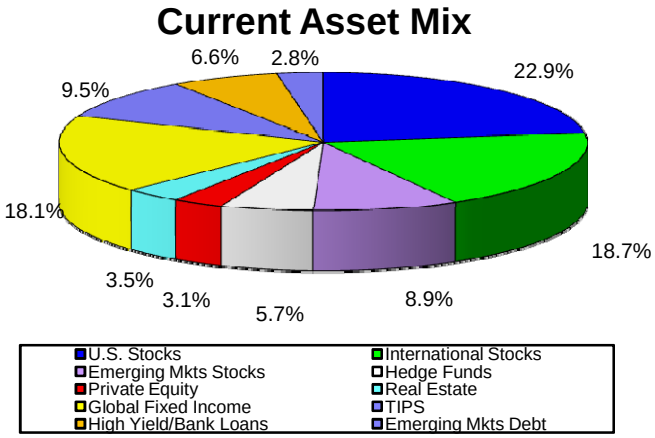
UNIVERSITY OF MISSOURI BALANCED POOL

As of June 30, 2010 the market value of endowments in the Balanced Pool was $826 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 about 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 broadly diversified investments to reduce risk. The fund employs a total return approach, with an emphasis on equities. The pool is invested in U.S. and international equities, as well as emerging markets equities. The pool has investments in fixed income, both U.S. and international, including a dedicated allocation to TIPS (Treasury Inflation-Protected Securities). In addition to the above, the pool also has small allocations to hedge funds, real estate, and private equity investments to further diversify the investment portfolio. The current asset mix of the pool is shown below.





Historical Total Returns (Annualized)

For Periods Ended June 30, 2010

(Returns are shown net of investment managers' fees)

	Univ of Mo Total Return	Univ of Mo Benchmark	S&P 500	Barclays Global (Bonds)	CPI
One year	11.4%	11.1%	14.4%	5.0%	1.1%
Three years	(4.4)	(4.5)	(9.8)	6.8	1.5
Five years	3.0	3.1	(0.8)	5.0	2.3
Ten years	2.8	2.7	(1.6)	6.4	2.4