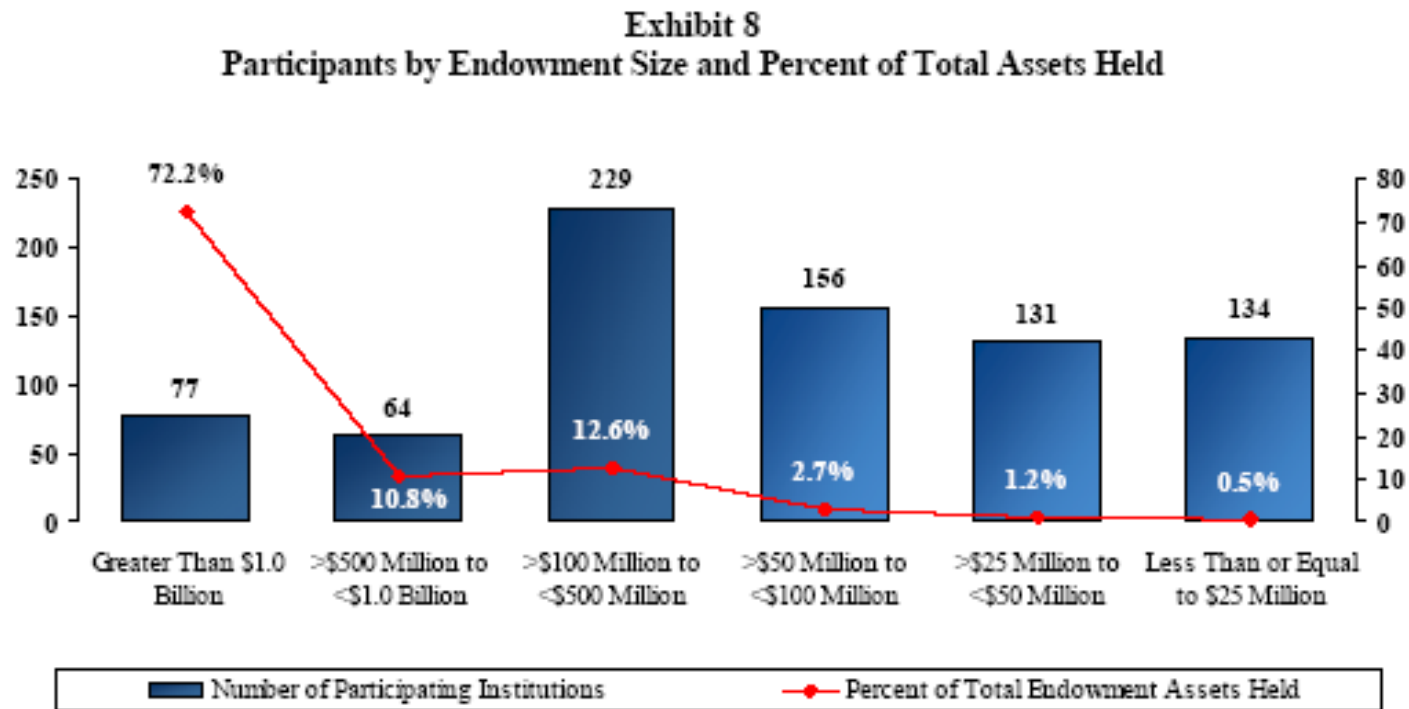


Initial Response to Committee Questions

Michael O'Leary CFA
Executive Vice President
Callan Associates Inc.

2/10/09

Callan Presentation, Slide #26 (Sen. Hoffman) Please provide more detail on the institutions within the “Greater Than \$1 Billion” category. How many of the 774 surveyed are in that group?



All data is taken from the 2008 NACUBO Study

The NACBUO Study Discloses Participating Institutions But Protects Some Information Such the Individual Asset Allocation Policies of Individual Institutions

The listing details the largest institutions participating in the study. In a separate document we have provided a listing of actual & target asset allocation by unidentified institution. That listing is not segmented by fund size.

All Institutions Listed by Fiscal Year 2008 Market Value of Endowment Assets with Percentage Change Between 2007 and 2008 Endowment Assets

Rank	Institution	State	2008 Endowment Funds (\$000)	2007 Endowment Funds (\$000)	*Percentage Change in Endowment (2008 - 2007)
1	Harvard University	MA	36,556,284	34,634,906	5.5%
2	Yale University	CT	22,869,700	22,530,200	1.5%
3	Stanford University	CA	17,200,000	17,164,836	0.2%
4	Princeton University	NJ	16,349,329	15,787,200	3.6%
5	University of Texas System	TX	16,111,184	15,613,672	3.2%
6	Massachusetts Institute of Technology	MA	10,068,800	9,980,410	0.9%
7	University of Michigan	MI	7,571,904	7,089,830	6.8%
8	Northwestern University	IL	7,243,948	6,503,292	11.4%
9	Columbia University	NY	7,146,806	7,149,803	0.0%
10	The Texas A&M University System and Foundations	TX	6,659,352	6,590,300	1.0%
11	University of Chicago	IL	6,632,311	6,204,189	6.9%
12	University of Pennsylvania	PA	6,233,281	6,635,187	-6.1%
13	University of Notre Dame	IN	6,225,688	5,976,973	4.2%
14	University of California	CA	6,217,340	6,439,436	-3.4%
15	Duke University	NC	6,123,743	5,910,280	3.6%
16	Emory University	GA	5,472,528	5,561,743	-1.6%
17	Cornell University	NY	5,385,482	5,247,097	2.6%
18	Washington University	MO	5,350,470	5,567,843	-3.9%
19	Rice University	TX	4,610,164	4,669,544	-1.3%
20	University of Virginia	VA	4,572,613	4,370,209	4.6%
21	Dartmouth College	NH	3,660,159	3,760,234	-2.7%
22	University of Southern California	CA	3,589,225	3,715,272	-3.4%
23	Vanderbilt University	TN	3,524,338	3,519,753	0.1%
24	University of Minnesota	MN	2,750,770	2,804,466	-1.9%
25	Brown University	RI	2,746,832	2,633,924	4.3%
26	Johns Hopkins University	MD	2,524,575	2,800,377	-9.8%
27	New York University	NY	2,475,200	2,161,800	14.5%
28	University of North Carolina at Chapel Hill and Foundations	NC	2,358,676	2,164,444	9.0%
29	University of Pittsburgh	PA	2,333,602	2,254,379	3.5%
30	University of Washington	WA	2,262,149	2,184,374	3.6%
31	Ohio State University and Foundation	OH	2,075,853	2,338,103	-11.2%
32	The Rockefeller University	NY	2,020,647	2,144,271	-5.8%
33	California Institute of Technology	CA	1,891,523	1,860,052	1.7%
34	Williams College	MA	1,808,280	1,892,055	-4.4%
35	Pomona College	CA	1,794,453	1,760,902	1.9%
36	Case Western Reserve University	OH	1,766,478	1,841,234	-4.1%
37	Purdue University	IN	1,735,660	1,786,592	-2.9%
38	University of Wisconsin Foundation	WI	1,735,456	1,645,250	5.5%
39	University of Rochester	NY	1,730,772	1,726,318	0.3%
40	Amherst College	MA	1,705,917	1,662,377	2.6%
41	University of Richmond	VA	1,704,350	1,654,988	3.0%
42	University of Toronto	ON	1,702,481	1,763,764	-3.5%
43	Boston College	MA	1,630,626	1,670,092	-2.4%

Only 20 funds had assets of more than \$4 Bill



ARMB & APFC Policies Through Recent Years

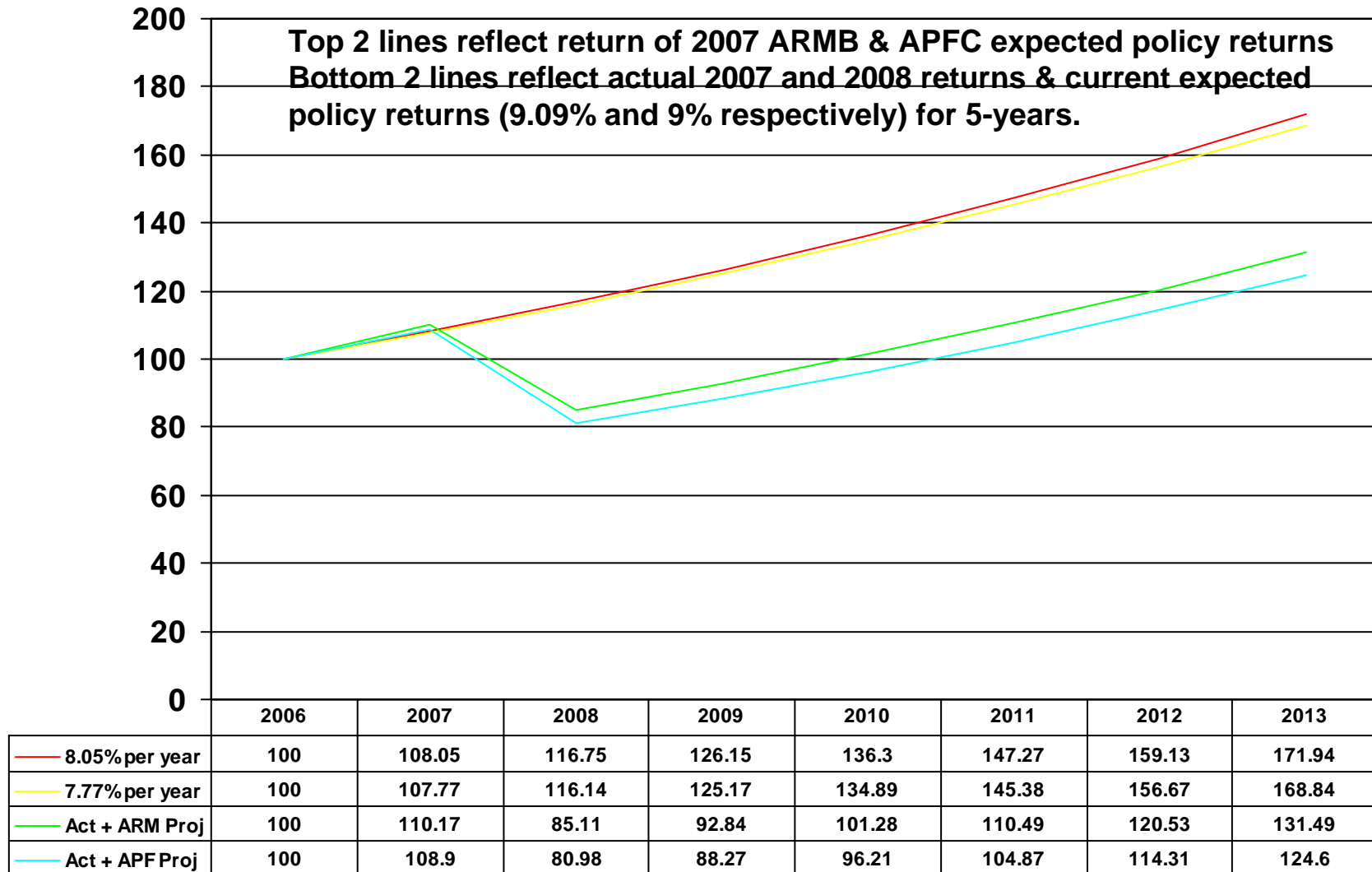
Policy is adopted each fiscal year

<i>Asset Class</i>	<i>ARMB 06-07</i>	<i>APFC 06-7</i>	<i>ARMB 07-08</i>	<i>APFC 07-08</i>	<i>ARMB 08-09</i>	<i>APFC 08-09</i>	<i>ARMB 09-10</i>	<i>APFC 09-10</i>
Broad Domestic Equity	36	34	37	34	34	33	34	33
International Equity	16	19	16	20	20	20	20	20
Private Equity	7	4	7	4	7	6	7	6
Fixed Income	24	29	23	26	18	22	18	22
Real Estate	10	10	10	10	10	10	10	10
Absolute Return	4	4	4	4	6	6	6	6
Other-real	3	0	3	2	5	3	5	3
5-Year Expected Return	8.05	7.77	8.12	7.89	8.15	8.05	9.09	9.00
Volatility	12.27	11.62	12.52	11.54	12.85	12.30	13.23	12.82

Important notes

1. Composition of “other” category varies by fund
ARMB – farmland, energy, timber & TIPS
APFC - Infrastructure
2. Both funds include sub-sectors within fixed income
3. APFC actual allocation to Private Equity is much more recent and therefore underfunded relative to ARMB
4. Implementation (structure) approaches to public equity allocation vary by fund. Big difference is the use of “global” equity managers by APFC. We have apportioned global to domestic & international to help ease of comparison.
5. Neither Board has yet adopted a policy for the 2009-10 fiscal period. We simply applied new projections to the current policies.

Cumulative Wealth



Note that 2008 ARMB return does not fully reflect q4 real estate returns. Such returns will not be provided to Callan until next week (for preliminary real estate returns from real estate consultant).