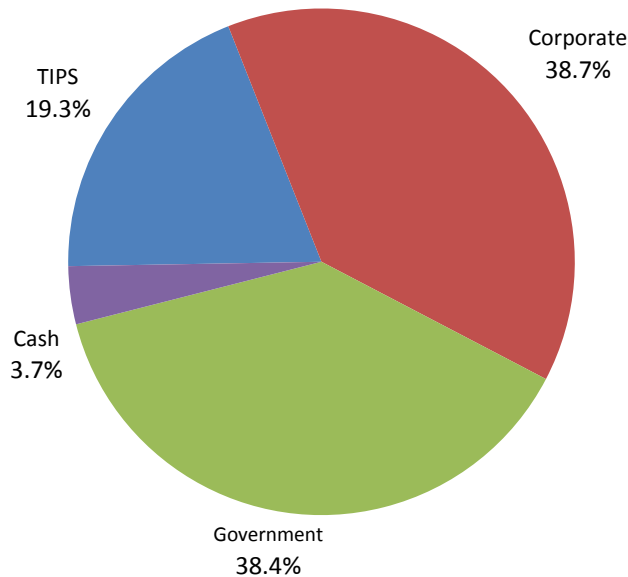


Preliminary Results for the Quarter Ended March 31, 2010

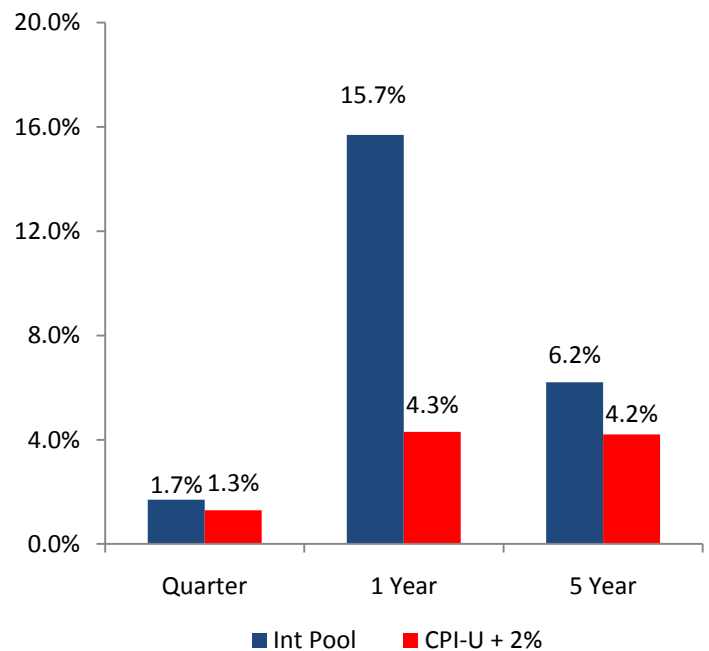
Intermediate Pool (non-endowed)

The University of Arkansas Foundation also supports the University of Arkansas system by administering and investing non-endowed private gifts benefiting the campuses and units of the University of Arkansas system. The Foundation invests private non-endowed gifts with a 3 to 5 year investment horizon in a single investment pool (the Intermediate Pool). The Intermediate Pool's primary objective is to preserve capital and maintain liquidity for our campus constituents while maximizing earnings within acceptable levels of risk. The market value of the Intermediate Pool at March 31, 2010, was approximately \$285.1 million.

Asset Allocation



Performance



Commentary

The Intermediate Pool returned +1.7% for the first quarter, reflecting a strong quarter for bonds in response to an improving U.S. economy. Within the bond market, intermediate-term corporate bonds rose 2.4% as the expected default rate decreased, while government bonds rose 1.1%. The fiscal year-to-date return is +8.7%, an excellent return for bonds and well ahead of the 2.4% benchmark return. The one-year return is +15.7%. This is well above expectations and results from a significant leap in confidence in corporate bonds as the worst-case scenarios envisioned a year ago did not materialize and the economy improved near the high end of expectations.

The portfolio was restructured in early 2010 to provide a more stable return stream, and is now comprised entirely of inflation-protected Treasury securities and intermediate-term government and corporate bonds. This restructuring, combined with a substantial drop in bond yields over the last year suggest future returns will generally be closer to the return objective than in past years. The primary risks to the portfolio are interest rate risk for the government bonds and default risk for the corporate bonds.