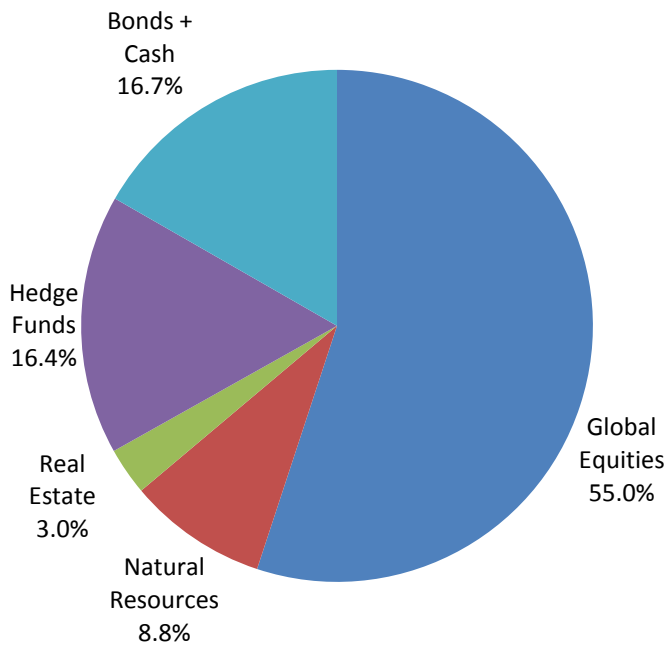


Preliminary Results for the Quarter Ended March 31, 2010

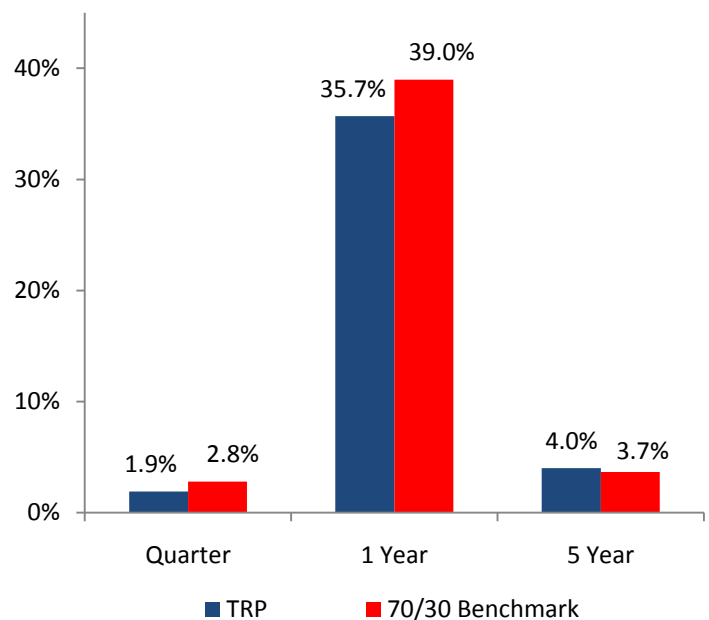
Total Return Pool (Endowment)

The University of Arkansas Foundation supports the University of Arkansas system by administering and investing private gifts benefiting the campuses and units of the University of Arkansas system. The Foundation invests private endowed gifts in a single highly diversified investment pool (the total return pool) pursuant to an investment policy designed to maintain over the long-term a target return of 8-9% per annum. The market value of the total return pool as of March 31, 2010, was approximately \$947.3 million.

Asset Allocation



Performance



Commentary

The first quarter was generally a good quarter for global equities as economic news was mostly positive and expectations for future growth rose. For the quarter, US equities returned 6%, Japanese equities rose 8% and emerging markets rose 3%. The exception was European equities, which fell 2% due to concerns over Greece's fiscal woes. The Total Return Pool benefited from its equity positions and returned 2% in the first quarter, raising the fiscal year-to-date return to 19%, matching its benchmark return. This assumes a 0% return to the non-marketable portfolio for the prior six months as these investments are reported with a lag.

For the quarter, the Pool benefited from a 5% return to emerging markets, a 4% return to hedge funds and a 9% return to its small REIT position. The fiscal year-to-date return was driven by a 28% return to U.S. equities, which comprise the largest piece of the portfolio, and a 40% return to emerging markets. The hedge fund portfolio returned 18% during this period. While the private equity returns are not yet finalized, we expect good performance from the managers focused on distressed investments, while the small private real estate portfolio will hurt performance at the margin.

The overall portfolio is positioned close to its target allocations, but tilted defensively within most asset classes, and the bond portfolio is entirely investment-grade. Should market volatility jump, this positioning will allow the portfolio to capture much of the market return in a strong bull market while providing a partial hedge should the economy slip back into a recession.