

VII. STANDING COMMITTEE

B. Finance, Audit and Facilities Committee

UWINCO Update

See Attached.

Consolidated Endowment Fund (CEF) Update

as of November 30, 2007

Asset Allocation—\$2.2 Billion*



Performance (%)

	2007 Calendar Year-to-Date	5-Year	10-Year
Total CEF Return	17.5	16.3	11.5
Policy Benchmark	13.8	14.1	10.2
Equity Fund	19.3	17.6	11.8
Policy Benchmark	15.2	16.0	10.7
Real Assets Fund	13.7	15.2	7.3
Policy Benchmark	9.7	14.5	12.0
Fixed Income Fund	8.5	5.6	6.5
Policy Benchmark	8.4	4.6	6.0

Market Perspective

Global equity markets, fueled by the worsening stress in the credit markets, corrected sharply in November 2007. International developed markets outperformed U.S. markets due to the continuing weakness of the U.S. dollar. Emerging markets were hardest hit in November yet remain the strongest performing region year-to-date.

The CEF fell 3.1% during the month, -90 basis points below the policy benchmark. This underperformance reflects an overweight to “value” and smaller companies. Fiscal year-to-date performance of 4.9% is on par with benchmark while

year-to-date performance of 17.5% exceeds the policy benchmark by +370 basis points.

Our posture remains defensive in the US. We have lowered our domestic equity exposure to 14%, down from the 18% policy target. Recent areas of research include credit distressed markets and international real estate. We are believers in long term emerging markets growth but expect markets to be increasingly volatile in the near term. We expect challenging markets and lower returns in 2008.

* Asset allocation percentages may not add to 100% due to rounding.