

TREASURER'S REPORT

1. **Division and Department:** Finance and Administration, Budget and Financial Planning, Treasury Management, and Facilities Management
2. **General Fund Budget Performance:** The General Fund Budget Performance Summary, June 30, 2009 and 2008 (Attachment A) reflects that Oakland University (University) completed the year with a balanced General Fund budget. Graduate enrollment was below projected levels, yet was offset by higher than anticipated undergraduate enrollment. Overall the University's enrollment remained strong, with total enrollment showing a FYES increase of 203 over the FY2008 total. Total General Fund expenditures were within budget with no major variances or deficits in any division or unit. A monthly budget monitoring process managed by the Budget and Financial Planning Office helps ensure budget management accountability. All funds were spent within Board of Trustees authorization.

The State of Michigan's FY2010 budget remains unresolved. Limited budget discussions have taken place this summer with continued uncertainty regarding the outcome of the State's final budget balancing strategies. The Governor has indicated that a balanced budget is anticipated by the October 1 start of the fiscal year. The University's FY2010 appropriation budget assumes a base appropriation reduction of \$1.2 million, per the Governor's budget recommendation, with \$1 million of this assumed to be restored via federal stimulus funding on a one-time basis.

3. **Investment Performance:** A summary of the results of the University's pooled cash and endowment investment activities through June 30, 2009 and 2008 (Attachment B), and July 31, 2009 and 2008 (Attachment C) are presented in the *Cash and Investments Reports*.

Fiscal year returns at June 30, 2009 were reflective of the investment markets' problems for the year in all strategic segments with pooled cash investments returning a -1.47% for the year and endowment investments returning a -22.64% for the year.

Aggregate benchmarks as reported for the year were not met in some cases as the benchmarks reflect a different mix of investments than those in the pools during the year. For example, the Barclays Aggregate Bond Index was heavily weighted into treasuries during the year (Commonfund and UBS Intermediate-Fixed) while our bond funds were more heavily invested in high quality corporate debt instruments. The S & P 500 (equities index) is a mix of domestic equities while our equity portfolios include investments in foreign equities and domestic equities. One manager, the large cap value manager in the endowment portfolio, was determined by UBS to be unsuitable to continue and has been replaced. All other investment managers for pooled cash and endowment have been retained.

The University's strategic asset allocation began to excel in recent months as can be seen in Attachment C. In July 2009; the endowment market value improved by \$3.3 million; the

**Treasurer's Report
Oakland University
Finance, Audit and Investment Committee
September 16, 2009
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Commonfund High Quality Bond Fund market value improved by \$1.7 million; and the JPMorgan Equities market value improved by \$1.2 million.

Investment Advisors from JPMorgan Asset Management, Commonfund Securities and UBS Financial Services will present reports (Attachments D, E and F) summarizing the funds under their management.

The liquidity of both pooled cash and endowment investments remains strong.

4. Debt Management: The *Capital Debt Report, August 31, 2009* (Attachment G) shows the University's outstanding principal, rate of interest, weighted cost of capital, type of debt, annual debt service, maturity and purpose of each debt issuance. The University's debt is being managed according to the Board of Trustees' policies and approvals.

5. Construction Projects Progress Report: The *Construction Projects Progress Report, August 31, 2009* (Attachment H) includes budget information, source of funding, forecasted final costs and comments for all ongoing capital projects above \$500,000 or previously approved by the Board of Trustees. All projects have been properly approved and are within budget.

6. University Reviews/Approvals: The reports were prepared by the Budget and Financial Planning, Treasury Management and Facilities Management Departments, and reviewed by the Vice President for Finance and Administration and Treasurer to the Board of Trustees and President.

7. Attachments:

- A. General Fund Budget Performance Summary, June 30, 2009 and 2008
- B. Cash and Investments Report, June 30, 2009 and 2008
- C. Cash and Investments Report, July 31, 2009 and 2008
- D. JPMorgan Investment Advisors Inc.
- E. Commonfund Securities Inc.
- F. UBS Financial Services, Inc.
- G. Capital Debt Report, August 31, 2009
- H. Construction Projects Progress Report, April 30, 2009

**Submitted to Vice President for Finance and Administration
and Treasurer John W. Beaghan:**



(Please Initial)

Reviewed by Secretary Victor A. Zambardi:



(Please Initial)

Reviewed by President Gary D. Russi:



(Please Initial)

**Oakland University
General Fund Budget Performance Summary
June 30, 2009 and 2008**

	FY 2009			FY 2008		
	Budget	YTD Actual	% of Budget	Budget	YTD Actual	% of Budget
Revenue:						
State Appropriations	\$ 51,932,900	\$ 52,452,200	101.0%	\$ 46,613,614	\$ 56,697,300	121.6%
Tuition and Financial Aid	120,905,169	121,292,152	100.3%	115,624,526	113,809,206	98.4%
Other	5,403,303	5,186,623	96.0%	7,179,897	6,070,780	84.6%
Total Revenue	\$ 178,241,372	\$ 178,930,975	100.4%	\$ 169,418,037	\$ 176,577,286	104.2%
Expenses *	\$ 178,241,372	\$ 173,690,298	97.4%	\$ 169,418,037	\$ 165,205,038	97.5%
Board Approved Projects (Delayed Approp.)					4,764,454	
Board Approved Projects (Excess Approp.)					3,410,000	
Total Expenses	\$ 178,241,372	\$ 173,690,298	97.4%	\$ 169,418,037	\$ 173,379,492	102.3%
Carryforward/Encumbrances	\$ -	\$ 5,240,677		\$ -	\$ 3,197,794	

* No major variances or deficits in any division or unit

Oakland University
Cash and Investments Report
June 30, 2009 and 2008

	Fair Market Value June 30, 2008	Fair Market Value June 30, 2009	Total Return Month Ending June 30, 2009	Benchmark Month Ending June 30, 2009	Total Return Qtr. Ending June 30, 2009	Benchmark Qtr. Ending June 30, 2009	Total Return FYTD Ending June 30, 2009	Benchmark FYTD Ending June 30, 2009
<u>Pooled Cash</u>								
JP Morgan Equity Funds	\$ 17,886,355	\$ 12,863,077	-0.14%	-0.43%	18.56%	17.94%	-28.06%	-28.59%
Commonfund High Quality Bonds	60,683,713	63,459,297	2.07%	0.57%	7.32%	1.78%	4.51%	6.05%
Overnight Sweep - Money Market	34,301,513	35,916,070	0.02%	0.02%	0.06%	0.08%	1.24%	1.30%
Pooled Cash Summary	\$ 112,871,581	\$ 112,238,444	1.16%	0.28%	6.28%	3.09%	-1.47%	0.22%
<u>Endowment</u>								
UBS:								
Equity Funds	\$ 28,993,849	\$ 23,633,291			15.71%	15.93%	-32.00%	-26.21%
Fixed Income Funds	12,687,173	15,285,677			5.22%	1.78%	5.28%	6.05%
REIT	2,135,563	1,548,074			26.30%	28.85%	-40.07%	-43.29%
Cash	6,568,149	84			0.02%			
Endowment Pool Summary	\$ 50,384,734	\$ 40,467,126			11.86%	11.60%	-22.64	-17.06

Comments:

The Pooled cash and the endowment pool balances are lower than the prior year due to investment losses.

However, pooled cash and endowment liquidity remains excellent and sufficient for future operations.

Benchmarks for Investments are:

For Equities: Russell 1000 Value Index, Russell 1000 Growth, MSCI - EAFE International (Relative Weighted)

For Commonfund High Quality Bonds: Barclays Capital U.S. Aggregate Bond Index

For Overnight Sweep - Money Market Fund: Lipper Institutional Money Market Fund Index

For Endowment Equities: Russell 2000, Russell Mid Cap Growth & Value, Russell 1000 Growth & Value, MSCI EAFE International (Relative Weighted), and S&P 500 Index

For Endowment Fixed Income: Barclays Government Corporate Index, Barclays Capital U.S. Aggregate Bond Index, Merrill Lynch High Yield, Citigroup World Government Bond (Relative Weighted), and Barclay's Aggregate

For Endowment REIT & Cash: NAREIT, City Group T-Bill (90 Day)

Benchmark Performance Comments:

Pooled cash and endowment investment funds are all managed funds (not index funds) and are expected to exceed their benchmarks over time.

They will not necessarily meet or exceed the benchmarks each month or each quarter.

Pooled cash equity funds outperformed the benchmarks for the month, quarter and fiscal year.

The Commonfund High Quality Bond Fund outperformed the benchmark for the month and for the quarter but fell short of the benchmark for the fiscal year.

Pooled cash money market investments matched the benchmarks for the month, quarter and fiscal year.

The endowment equity funds underperformed the S&P 500 Index benchmark for the quarter and fiscal year.

The endowment fixed income funds outperformed the Barclay's Aggregate benchmark for the quarter but underperformed for the fiscal year.

The endowment real estate investment fund underperformed the benchmark for the quarter but outperformed for the fiscal year.

Oakland University
Cash and Investments Report
July 31, 2009 and 2008

	<u>Fair Market Value</u> <u>July 31, 2008</u>	<u>Fair Market Value</u> <u>July 31, 2009</u>	<u>Total Return</u> <u>Month Ending</u> <u>July 31, 2009</u>	<u>Benchmark</u> <u>Month Ending</u> <u>July 31, 2009</u>	<u>Total Return</u> <u>Qtr. Ending</u> <u>June 30, 2009</u>	<u>Benchmark</u> <u>Qtr. Ending</u> <u>June 30, 2009</u>
<u>Pooled Cash</u>						
JP Morgan Equity Funds	\$ 17,693,903	\$ 14,048,041	8.88%	8.16%	18.56%	17.94%
Commonfund High Quality Bonds	60,188,825	65,151,819	2.67%	1.61%	7.32%	1.78%
Overnight Sweep - Money Market	21,534,967	28,718,709	0.01%	0.01%	0.06%	0.08%
Pooled Cash Summary	\$ 99,417,695	\$ 107,918,569	2.77%	2.04%	6.28%	3.09%
<u>Endowment</u>						
UBS:						
Equity Funds	\$ 32,133,242	\$ 26,334,974			15.71%	15.93%
Fixed Income Funds	14,651,807	15,655,712			5.22%	1.78%
REIT	2,554,584	1,764,422			26.30%	28.85%
Cash	2,798,782	1			0.02%	
Endowment Pool Summary	\$ 52,138,415	\$ 43,755,109			11.86%	11.60%

Comments:

The Pooled cash balance increased from year to year due to unrealized investments gains of \$2.8 million, Medical School revenue of \$2 million, increased Federal Direct Loan payments of \$2.3 million, and timing of the July payroll tax payment which was made in August.

Endowment balances decreased during the year primarily due to decreases in market values during the previous fiscal year (FY 09).

Benchmarks for Investments are:

For Equities: Russell 1000 Value Index, Russell 1000 Growth, MSCI - EAFE International (Relative Weighted)

For Commonfund High Quality Bonds: Barclays Capital U.S. Aggregate Bond Index

For Overnight Sweep - Money Market Fund: Lipper Institutional Money Market Fund Index

For Endowment Equities: Russell 2000, Russell Mid Cap Growth & Value, Russell 1000 Growth & Value, MSCI EAFE International (Relative Weighted)

For Endowment Fixed Income: Barclays Government Corporate Index, Barclays Capital U.S. Aggregate Bond Index, Merrill Lynch High Yield, Citigroup World Government Bond (Relative Weighted)

For Endowment REIT & Cash : NAREIT, City Group T-Bill (90 Day)

Benchmark Performance Comments:

Pooled cash and endowment investment funds are all managed funds (not index funds) and are expected to exceed their benchmarks over time.

They will not necessarily meet or exceed the benchmarks each month or each quarter.

Pooled cash equity funds outperformed the benchmarks for the month and quarter

The Commonfund High Quality Bond Fund outperformed the benchmark for the month and quarter.

Pooled cash money market investments matched the benchmarks for the month and quarter.

The endowment equity funds underperformed their benchmarks for the quarter.

The endowment fixed income funds outperformed the benchmarks for the quarter.

The endowment real estate investment fund underperformed the benchmark for the quarter.

J.P. Morgan Asset Management Overview

OAKLAND UNIVERSITY

Michael M. Barry, Client Advisor, Vice President
313-225-1249, michael.m.barry@jpmorgan.com

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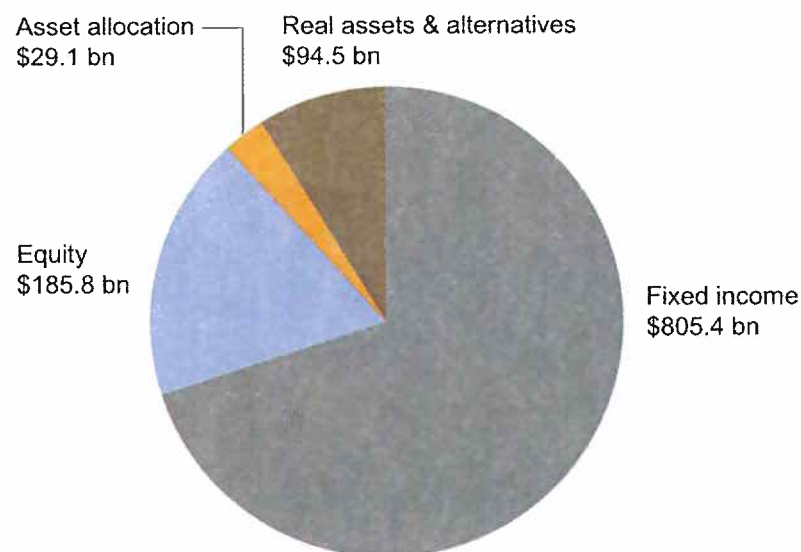


The partnership advantage: Investment leadership

Investment experience and insight

- The stability and perspective consistent with a well-managed financial institution investing portfolios across the entire asset continuum, from public markets to private markets
- Ability to offer a broad range of core and alternative strategies
- Investment professionals operating in every major world market
- Clients may benefit from having their business managed by one institution who can take a more holistic view of their investment structure
- Has sought to provide leadership during economic and financial system crisis; decisive risk management in an effort to deliver positive results

\$1.1tn in AUM for J.P. Morgan Asset Management as of March 31, 2009



Portfolio Status

Oakland University
as of June 30, 2009

	<u>Amount</u>	<u>Percent of Total</u>	<u>Target Allocation</u>
JPMorgan Intrepid Growth Fund	\$ 1,919,330	14.9%	15%
JPMorgan Intrepid Value Fund	8,884,354	68.8%	70%
JPMorgan International Opportunities Fund	<u>2,098,530</u>	<u>16.3%</u>	<u>15%</u>
Total Funds	\$ 12,902,214	100.0%	100.0%
Invested Cash (pending trade)	\$ <u>-39,137</u>		
Total Assets	\$ 12,863,077		

Investment Performance (Net of Fees)

As of June 30, 2009

	<u>June 2009</u>	<u>Three Months</u>	<u>1 Year</u>
OAKLAND UNIVERSITY TOTAL ACCOUNT	-0.14 %	18.56 %	-28.06 %
Oakland University Custom Benchmark	-0.43	17.94	-28.59
JPM Intrepid Value	-0.22	18.20	-28.07
Russell 1000 Value	-0.74	16.70	-29.03
JPM Intrepid Growth	1.02	14.99	-27.72
Russell 1000 Growth	1.12	16.32	-24.50
JPM International Opportunities	-0.84	23.61	-28.90
MSCI EAFE (USD) NET – EAFE	-0.57	25.43	-31.35

Historical Fund Returns

Compound Annual Rates of Return

	<u>Three Months</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>eASE Universe Five Year Percentile Rank*</u>
JPM Intrepid Value Fund	18.20	-28.07	-10.55	-0.63	16
Russell 1000 Value	16.70	-29.03	-11.11	-2.13	
JPM Intrepid Growth Fund	14.99	-27.72	-7.81	-1.66	40
Russell 1000 Growth	16.32	-24.50	-5.45	-1.83	
JPM International Opportunities Fund	23.69	-29.03	-7.00	2.98	27
MSCI EAFE	25.43	-31.35	-7.98	2.31	

* Lower numbers are better

The investment performance listed above represents total return, calculated monthly on a time-weighted basis.

J.P. Morgan Asset Management

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All case studies are shown for illustrative purposes only and should not be relied upon as advice or interpreted as a recommendation. They are based on current market conditions that constitute our judgment and are subject to change. Results shown are not meant to be representative of actual investment results. Past performance is not necessarily indicative of the likely future performance of an investment.

Any securities mentioned throughout the presentation are shown for illustrative purposes only and should not be interpreted as recommendations to buy or sell. A full list of firm recommendations for the past year is available upon request.

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Presented to

Oakland University

Presented on September 16, 2009

Mario Virtudes, Managing Director

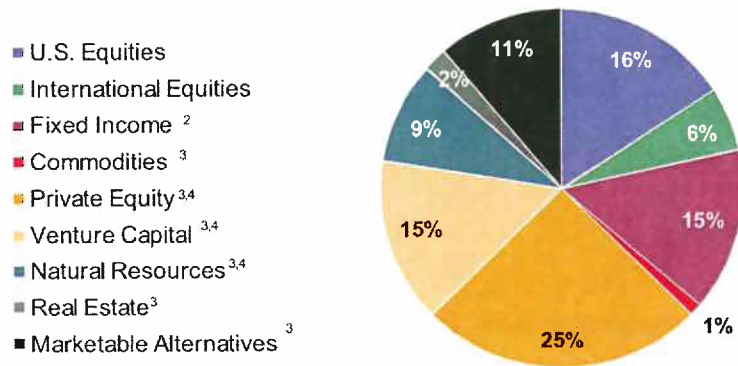
Commonfund Profile

As of June 30, 2009

Solely Focused On Investment Needs of Nonprofit Institutions

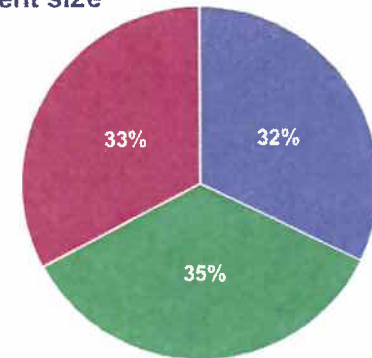
- Nonprofit membership organization founded in 1971
- 1,593 clients with \$25.0 billion¹ in assets under management
- Serving the investment management needs of endowments, foundations, healthcare organizations and other nonprofits

Distribution of assets by asset category ⁵



Distribution of assets by client size

- <\$100MM
- \$100-500MM
- \$501MM+



¹ Combined assets of The Common Fund for Nonprofit Organizations ("Commonfund") and other investment programs managed by Commonfund's subsidiaries Commonfund Asset Management Company, Inc., Commonfund Capital, Inc. and Commonfund Realty, Inc.

² Includes Distressed Debt assets under management.

³ Programs available through private placement only to eligible investors.

⁴ Real Estate assets under management as of 3/31/2009.

⁵ Percentages based on Non-Cash AUM as of 6/30/2009.

Marketable Investments Account Summary

For selected accounts Aggregated by Fund

For Date Range 09/01/07 - 06/30/09

Investment Fund	09/01/07 Beginning Market Value	Net* Transactions	Participant fees Withdrawn	Unrealized ** Appreciation	06/30/09 Ending Market Value
OPERATING FUND					
High Quality Bond Fund	\$0.00	\$66,540,387.15	(\$90,820.55)	(\$2,990,269.38)	\$63,459,297.22
Total Fixed Income	\$0.00	\$66,540,387.15	(\$90,820.55)	(\$2,990,269.38)	\$63,459,297.22
TOTAL OPERATING FUND	\$0.00	\$66,540,387.15	(\$90,820.55)	(\$2,990,269.38)	\$63,459,297.22

Purchase Detail

High Quality Bond Fund

For Date Range 09/01/07 - 06/30/08

Date	Amount
09/28/07	\$8,000,000
10/31/07	\$8,000,000
11/30/07	\$8,000,000
12/19/07	\$10,000,000
12/31/07	\$8,000,000
01/31/08	\$8,000,000
02/29/08	\$10,000,000

Investment Performance Report

For selected funds

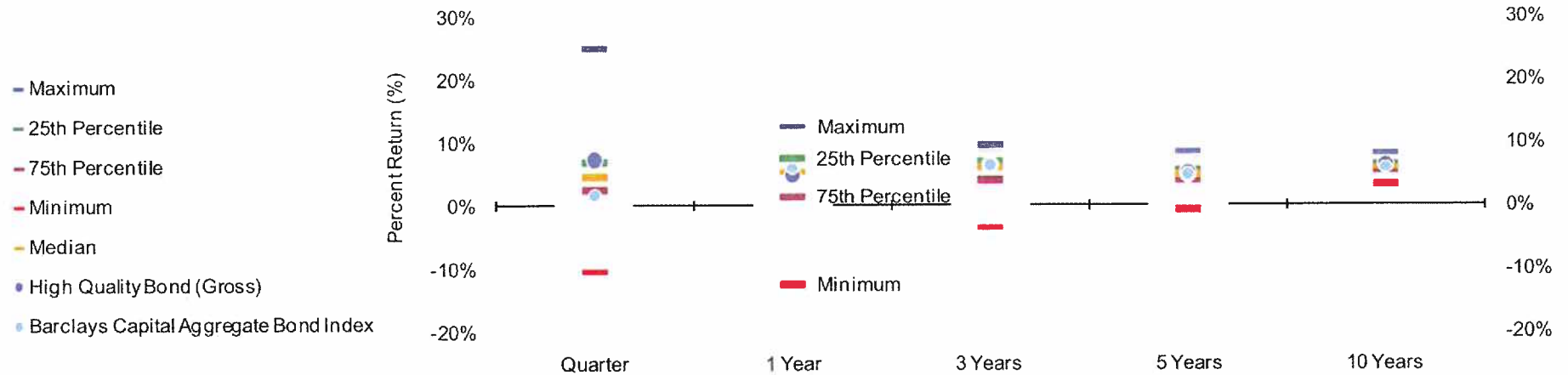
As of 06/30/09

Time Weighted Returns After Fees

	CUR MONTH	CUR OTD	CALENDAR YTD	SINCE INCEPTION	PERF. INCEPTION
<i>Pooled Cash Intermediate Fund</i>					
High Quality Bond Fund	2.07	7.32	8.09	4.78	09/30/07
Barclays Capital U.S. Aggregate Bond Index	0.57	1.78	1.90	5.85	

High Quality Bond | Active Core Fixed Income Universe | Quartile Ranking

Period Ending June 30, 2009



Performance and Percentile Ranking

of Portfolios in Universe

- High Quality Bond (Gross)
- Barclays Capital Aggregate Bond Index
- High Quality Bond Fund (Net)

	Quarter	Percentile	1 Year	Percentile	3 Years	Percentile	5 Years	Percentile	10 Years	Percentile
High Quality Bond (Gross)	7.4%	21	5.0%	56	6.4%	44	5.2%	43	6.4%	24
Barclays Capital Aggregate Bond Index	1.8%	89	6.1%	48	6.4%	43	5.0%	51	6.0%	56
High Quality Bond Fund (Net)	7.3%		4.5%		5.9%		4.8%		6.0%	

Universe Performance

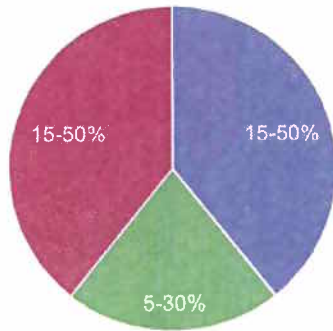
	Quarter	1 Year	3 Years	5 Years	10 Years
Maximum	24.9%	12.6%	9.7%	8.6%	8.3%
25th Percentile	7.1%	7.5%	7.2%	5.6%	6.4%
Median	4.7%	5.4%	6.1%	5.0%	6.0%
75th Percentile	2.8%	1.6%	4.2%	4.0%	5.6%
Minimum	-10.3%	-12.4%	-3.4%	-0.7%	3.2%

Universe Source: (c) Russell/Mellon Analytical Services
Past performance does not assure future results.

High Quality Bond Fund | Objective and Strategy

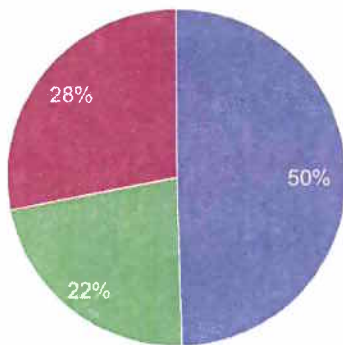
As of June 30, 2009

Strategy Ranges



- Income Research & Management
- Trust Company of the West (TCW)
- Western Asset Management Company (WAMCO)

Actual Weights



- Income Research & Management
- Trust Company of the West (TCW)
- Western Asset Management Company (WAMCO)

Objective Outperform its benchmark, the Barclays Capital U.S. Aggregate Bond Index, over a full market cycle while reducing risk through diversification of manager allocations.

Benchmark Barclays Capital U.S. Aggregate Bond Index

Inception May 1992

Assets Managed \$440 Million

Investment Vehicle Commingled Fund

Eligible Investors Educational Institutions

Minimum Investment \$50,000

Past performance is no guarantee of future results. Present and prospective investors are strongly encouraged to review with care more detailed information about Commonfund and its investment funds provided in its publication "Information for Members." Copies of "Information for Members" are available upon request to your Commonfund Securities Relationship Officer.

Net total rates of return reported in this presentation for funds maintained by Commonfund reflect total returns, net of all fees and expenses either charged to the fund or paid directly by clients. The returns actually earned by your institution will vary from the net total rates of return reported in this presentation. This presentation may also report gross total rates of return for funds maintained by Commonfund (in each case, for periods for which a net total rate of return has also been reported). Gross total rates of return reflect total returns before deducting Commonfund management fees that are paid by clients. Commonfund management fees encompass the investment, manager and operational oversight provided by Commonfund. In other words, although gross total rates of return are reported net of direct fund expenses, including investment manager fees (see below), they are reported gross of Commonfund's management fees. With respect to any reported gross total rate of return, your institution's actual return will be the reported return less the Commonfund management fees it actually pays.

Please note that all investment manager fees paid to Commonfund managers (including any applicable performance-based fees), custody, audit, brokerage and third-party accounting and record keeping expenses are paid directly by the funds; the investment results shown in this report for all periods beginning on or after July 1, 1998 reflect these expenses. (In prior periods, funds paid only applicable performance-based fees of investment managers, brokerage fees and certain other minor items; Commonfund paid base manager fees and custodial and other administrative expenses on behalf of the funds. Accordingly, gross total rates of return for periods prior to July 1, 1998 reflect payment only of these more limited expenses; however, net total rates of return for all periods are net of all fees and expenses). For a complete discussion of fund expenses and a schedule of Commonfund management fees, see "Information for Members."

Important Information About Procedures for Opening a New Account:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each customer who opens an account.

What this means for you: When you open an account, we may ask for documents or information related to: your principal place of business, local office or other physical location; taxpayer identification number; and other documents demonstrating your lawful existence such as certified articles of incorporation, a government-issued business license, a partnership agreement, or a trust instrument, and other identifying documents.



Oakland University Investment Review Fiscal Year End June 2009

The fiscal year ended June 2009 was one of the most volatile on record, with the overall market suffering one of its worst declines in history but ending June with one of the best quarters in several years. For the quarter, prominent equity indexes were up anywhere from +12% to +20%, easing a portion of the year's earlier losses. Credit markets also rallied, as investment-grade spreads narrowed to levels not seen since late in the summer of 2008. Analysts attributed the improved markets to declining fears of a total collapse of the financial system, evidence that economic activity - while not improving dramatically - is not getting increasingly worse, and a rise in commodity prices suggesting that the risk of deflation has moderated.

Still, with June market performance coming in moderately flat (except for pockets of good performance in the technology heavy NASDAQ market and high yield bonds) many investors remained concerned that the recent rally may be overly dependent on the massive monetary and fiscal policy responses from countries around the world. Consumer confidence remained low throughout the year due to continued weakness in the labor market and housing sector.

Overseas, recovery in the European economy appears to be lagging that of the United States. Emerging markets, particularly China, are holding up much better in the global recession. The dollar continues to be weak against other major currencies, largely due to apprehension about mounting U.S. debt.

Going forward at UBS, we believe that the global economy is in the process of finding a bottom and is headed for a cyclical recovery for the remainder of calendar 2009. The U.S. and Asia appear to be taking the lead in this process. At this stage of the economic recovery, we believe that fears of inflation are premature and that the slack in the economy should prevent meaningful inflationary pressures for the next 12 to 18 months.

We continue to believe that long-term investors should tilt their portfolios toward riskier asset classes, regions, and sectors. We have a preference for equities and commodities over fixed income and cash, a preference for cyclical over defensive sectors, and a preference for corporate bonds over other fixed income investments.

We remain concerned about the U.S. dollar. While massive stimulus is key to stabilizing the U.S. economy in the near term, it is also furthering fiscal imbalances. We are concerned that this will depress the national savings rate and widen the current account deficit. We, therefore, expect the dollar to encounter structural depreciation pressures this year and beyond.



**Oakland University Endowment
Asset Allocation
June 2009**

The Oakland University Endowment Asset Allocation meets the current guidelines of the Endowment's Investment Policy Statement.

Investment managers may occasionally hold cash equivalents of up to 5% within the accounts they manage. As the managers may access and use these funds at any time, this cash is included in the manager investment category and is not shown as a cash equivalent.

The asset allocation as of June 30, 2009 was as follows:

Cash Equivalents	0%	0%
Fixed Income		
Investment Grade	26%	
High Yield	6%	
Global/International	6%	38%
Equities		
Large Cap Value	13%	
Large Cap Growth	11%	
Mid Cap Value	8%	
Mid Cap Growth	5%	
Small Cap Core	5%	
International	16%	
Emerging Markets	1%	
REITs	<u>3%</u>	<u>62%</u>
Total	<u>100%</u>	<u>100%</u>



**Oakland University Endowment
Asset Allocation
June 2009 (continued)**

Consolidated Time Weighted Return (net of fees) since inception 1/31/2008

Oakland University Portfolio -15.46%

Consolidated Time Weighted Return (net of fees) for Fiscal year ended June 30, 2009

Oakland University Portfolio -22.64%
S&P 500 70%/BC Agg 30% -17.06%

Consolidated Time Weighted Return (net of fees) YTD for Calendar period ending June 30, 2009

Oakland University Portfolio 4.21%
S&P 500 70%/BC Agg 30% 3.14%

A benchmark of S&P500 70%/BC Agg 30% is used as that is the Policy to which we manage. Our original allocation was 70 Equities /30 Fixed Income. During the market downturn we moved to a higher fixed income allocation, but as markets normalize, we anticipate resuming the 70/30 weighting.

Of the 12 managers utilized by the Oakland University Endowment, 8 out-performed their index for the fiscal year ended June 30, 2009. Under-performance by Investment Manager Wells Fargo, Large Cap Growth, resulted in replacement of that manager with Neuberger Berman for the same category.

Respectfully submitted,

Mark Anderson
Senior Vice President- Investments

Rebecca S. Sorensen, CFP, CIMA
Senior Vice President - Investments

The above information is based on sources we rely upon, but we do not guarantee it.

**Oakland University
Capital Debt Report
August 31, 2009**

	<u>Principal Remaining</u>	<u>Rate of Interest</u>	<u>Interest Type</u>	<u>FY 10 Debt Service</u>	<u>Expires</u>	<u>Purpose</u>
Bonded Indebtedness:						
General Revenue Bonds, Series 1997	\$ 2,355,000	4.850%	Fixed	\$ 1,298,925	2011	Elliott Hall, Admin Comp System, Parking
Variable Rate Demand Bonds, Series 1998	4,600,000	0.600%	Variable	39,100	2023	Sharf Golf Course
General Revenue Refunding Bonds, Series 2004	28,010,000	5.100%	Fixed	2,492,738	2026	Sports, Recreation and Athletics Center
General Revenue Refunding Bonds, Series 2008	53,280,000	3.373%	Variable/Hedged	1,797,134	2031	USA, Pawley Hall, OC Expan, Elec Upgrade
Other Capital Debt:						
2005 ESA II Loan	17,203,000	3.785%	Fixed	1,302,687	2027	Energy Services Agreement II
2006 Capital Lease	38,786	3.890%	Fixed	29,027	2010	Golf Mowers
	<u>\$ 105,486,786</u>	<u>3.811%</u>	Weighted Avg	<u>\$ 6,959,611</u>		

Debt covenant compliance:

The University has a general revenue covenant in many of its borrowing agreements including bonded debt and other capital debt. This covenant is consistent in all University debt agreements and commits the University to maintain "General Revenues" to exceed the sum of twice debt service on bonded debt and one times debt service on other debt each fiscal year. At June 30, 2009, the University recorded \$162,937,000 in qualified General Revenues while the calculated debt service covenant requirement amounted to \$13,851,000. The University exceeds its debt covenant requirement by a multiple of 11.8.

Oakland University
CONSTRUCTION PROJECTS PROGRESS REPORT
August 31, 2009

Item	Projects in Progress - over \$500,000	JCOS Approval Required		Original Budget	Revised Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding
1	HTHW Trench & Piping Project Fund Number: 70624 Status: Construction is completed; negotiating final invoices to close project Board of Trustees Approved: October 2005 Projected Completion Date: February 2008	Yes	12/1/2005	\$5,800,000	\$5,800,000	\$5,473,810	\$5,800,000	Existing debt service and projected energy savings
2	Human Health Building Fund Number 70786 Status: Design Development Phase Board of Trustees Approved: February 4, 2009 Project Completion Date: December 2012	Notification will occur when submitting Phase I after Sept 2009		\$2,989,150	\$2,989,150	\$277,500	\$2,989,150	Capital Outlay and Bond Proceeds
3	Academic Lab Renovation Fund Number 70729 Status: Construction completed, waiting on completion of punch list and final invoices to close project Board of Trustees Approved: April 15, 2008 Project Completion Date: September 2009 Comment: Original budget was preliminary engineering only	Notification required and completed	10/1/2008	\$83,000	\$2,734,994	\$2,549,898	\$2,734,994	\$ 83,000 - #14488 Project Support - \$4.8 M Fund \$1,917,000 - #14488 Project Support - \$4.8 M Fund \$ 734,994 - #24810 Plant Renewal Supplement
4	ODH 2nd Floor SOM Renovation Fund Number 70779 Status: Construction completed in ODH, waiting on completion of punch list and final invoices to close project; Construction 15% in KL Board of Trustees Approved: October 2008 Projected Completion Date: November 2009	Notification required and completed	12/1/2008	\$1,800,000	\$1,800,000	\$1,091,198	\$1,800,000	#30203 OUWBSM Gift Fund
5	KL Technology Center Fund Number: 70752 Status: Construction completed, waiting on completion of punch list and final invoices to close project Board of Trustees Approved: May 2008 Projected Completion Date: August 2009 Comment: Decrease funds because of reduction of scope	Notification required and completed	10/1/2008	\$1,274,057	\$1,189,057	\$995,811	\$1,189,057	\$1,274,057 - #14488 Project Support (\$ 85,000) - #14488 Project Support
6	Katke-Cousins Irrigation Fund Number: 70817 Status: Design Engineering Phase Board of Trustees Approved: October 2008 Projected Completion Date: August 2010	Notification required-to occur in Oct 2009		\$1,031,020	\$1,031,020	\$0	\$1,031,020	#44256 Katke Cousins G.C. Maintenance Fund

Oakland University
CONSTRUCTION PROJECTS PROGRESS REPORT
August 31, 2009

Item	Projects in Progress - over \$500,000	JCOS Approval Required	Original Budget	Revised Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding
7	NFH & ANI Renovation for Career Services Fund Number: 70740 Status: Construction completed for Anibal, on-hold with NFH until other departments move in 2010 Board of Trustees Approved: May 2008 Projected Completion Date: August 2010	No	\$800,000	\$800,000	\$525,850	\$800,000	#14488 Project Support
8	DHE Data Center UPS Fund Number: 70754 Status: Construction completed, waiting on completion of punch list and final invoices to close project Board of Trustees Approved: June 2008 Projected Completion Date: July 2009 Comment: Budget increase due to scope change per UTS	No	\$575,000	\$595,000	\$306,153	\$595,000	\$575,000 - #14488 Project Support \$ 20,000 - #19542 UTS Operations
9	Culvert Rpl - Meadow Brook Road Fund Number 70702 Status: Construction completed, waiting on completion of punch list and final invoices to close project Board of Trustees Approved: June 2007 Projected Completion Date: September 2008 Comment: Increase \$210,000 as a result of contractors bids	No	\$360,000	\$570,000	\$422,037	\$570,000	\$360,000 - #24350 Capital Project Supplement Fund \$210,000 - #24350 Capital Project Supplement Fund
TOTAL PROJECTS IN PROGRESS			\$14,712,227	\$17,509,221	\$11,642,257	\$17,509,221	

Notes:

1. Revised Project Budget equals the Original Budget plus all approved changes to the budget.
2. Projects are added to the report when a funding source has been identified and a plant fund is authorized for the project.
3. The project status will be reported as "Completed" when the "actual expenditures to date" equals the "forecast", TMA work order system ties to Banner, and no additional expenditures or work is anticipated on the project.
4. A project whose status has been reported as complete to the Board, will be removed from the report for the next Board meeting