

Missouri Investment Trust
Minutes from the Meeting of the Board of Trustees

Held March 29, 2006

9:30 a.m.

Item I: Call to Order

Treasurer Steelman called the meeting to order at 9:35 a.m. on March 29, 2006.

Item II: Roll Call

Roll was taken to determine the presence of a quorum. Board Members attending via conference call were Treasurer Steelman, Assistant Commissioner of Administration Rich AuBuchon (proxy for Mike Keathley), Ms. Kathy Conley Jones, Sen. Gary Nodler and Ms. Anita Yeckel. Mark Mathers from the State Treasurer's Office also participated.

Item III: Approval of Minutes

A quorum having been established, Ms. Yeckel moved the minutes from the September 20, 2005 and December 29, 2005 meetings be approved. Mr. AuBuchon seconded the motion, and the motion passed.

Item IV: Old Business

Mr. Mathers reviewed the investment results for the 4th quarter 2005 with the Board. Mr. Mathers noted that the return for large cap domestic stocks exceeded the return for small caps for the first time since the late 1990's. International stocks, which returned 13.49% for the year, continued to outperform domestic stocks. The total return for the fund for the calendar year was 6.69%.

Mr. Mathers then presented a review of the proposals received in response to the Board's Request for Proposal for an international fund screened for companies engaged in terrorism or with governments of U.S. sanctioned countries. These proposals were:

- State Street International Alpha Select
- State Street EAFE Index Strategy
- Van Kampen EAFE Select 20
- NWQ International Value Fund
- UMB International (Scout) Fund

The presentation included a review of each funds' investment philosophy and overall strategy, historical total returns and the degree of funds' exposure to emerging markets and other non-EAFE stocks (if any). Mr. Mathers then explained the back-testing process used to screen

three short-listed funds: State Street International Alpha Select, NWQ International Value Fund and the UMB International (Scout) Fund. The preliminary results of this back-testing process showed that between 9% to 25% of the market value of the funds' holdings would be screened out. Mr. Mathers then reviewed the total returns for the screened portfolios of each fund assuming no rebalancing of these funds. As of the meeting date, only one firm, State Street, had been able to rebalance their portfolio.

Ms. Steelman recommended that Treasurer staff be directed to request the other two funds to rebalance their portfolios via an increase to the weightings of unscreened stocks consistent with the funds' original country/industry/sector weightings rather than rebalance portfolios by choosing replacement stocks. Mr. Mathers estimated this would take firms approximately two weeks to complete, with staff needing an additional week to review the results. Ms. Steelman indicated that she would then like to set an MIT Board meeting later in April once this is completed to review all of the results.

Item V: Adjournment

Ms. Jones moved the current meeting be adjourned with staff directed to request information on the rebalanced NWQ and UMB funds. Ms. Yeckel seconded, and the motion passed. The meeting adjourned at 10:20 a.m.