

Patrick Handout
6/14/90

**Performance PUF
Fiscal 1982¹ - 1989**

<u>Total Return</u>		<u>Inflation Adjusted Total Return</u>	
	Compound Avg. Annual		Compound Avg. Annual
1 Year	8 Years	1 Year	8 Years
<u>FY 89</u>	<u>82-89</u>	<u>FY 89</u>	<u>82-89</u>
21.9%	16.7%	17.2%	12.9%

1) Fiscal 1982 is the first year that performance records were established.

CHANGING RELATIONSHIPS FOR PUF

<u>FY</u>	<u>Funds from West Texas</u>	<u>PUF FYE Market Value</u>	<u>Inflow to PUF M. V.</u>
80	\$122.6 Mil.	\$1.15 Bil.	10.7%
81	261.9	1.29	20.3
82	201.6	1.62	12.4
83	157.9	2.01	7.9
84	155.6	2.15	7.2
85	138.0	2.56	5.4
86	117.3	3.11	3.8
87	81.3	3.40	2.4
88	80.3	3.23	2.5
89	71.8	3.74	1.9%

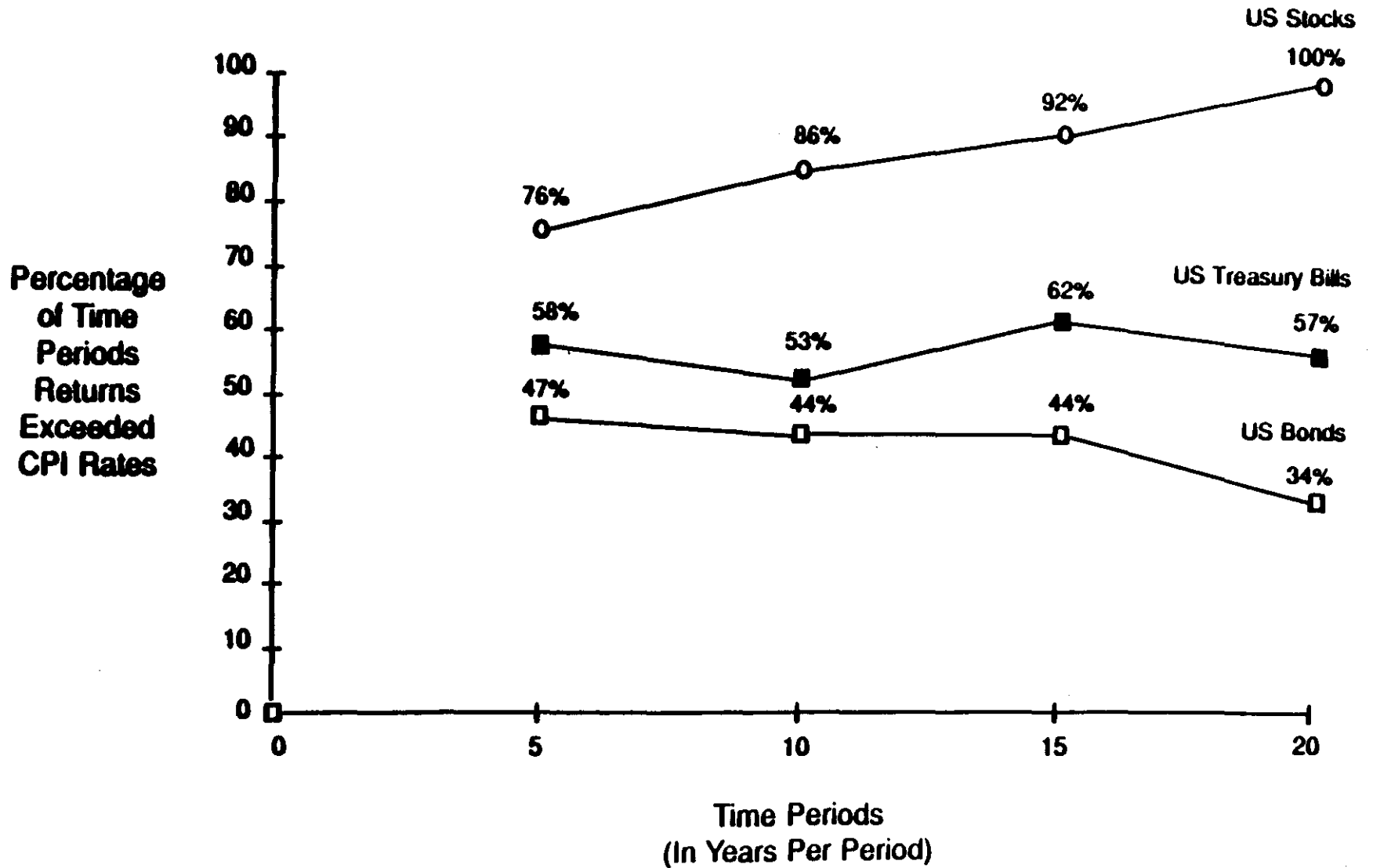
Inflation Problem

Value of \$1 Million

Actual 1979-1988

<u>Year</u>	<u>CPI</u>	<u>Value</u>	<u>4% Value</u>	<u>6% Value</u>	<u>10% Value</u>
1979	13.3%	\$867	\$960m	\$940m	\$900m
1980	12.4				
1981	8.9				
1982	3.9				
1983	3.8	640	815	734	590
1984	4.0				
1985	3.8				
1986	1.1				
1987	4.4				
1988	4.4	545	665	539	349
Avg. (10 yrs.)	5.9%				

US Stock, Bond and Treasury Bill Returns Versus Inflation (CPI) 1920-1985



Historical Appreciation S&P 500 1926-1989

<u>MAJOR PERIODS</u>	<u>Compound Appreciation</u>
1926-1950 (25 years)	1.89%
1951-1960 (10 years)	11.03%
1961-1974 (14 years)	1.19%
1975-1989 (15 years)	11.39%
1926-1989 (64 years)	5.59%
<u>DECADES</u>	
1926-1940 (15 years)	0.99%
1941-1950 (10 years)	6.79%
1951-1960 (10 years)	11.03%
1961-1970 (10 years)	4.72%
1971-1980 (10 years)	3.95%
1981-1989 (9 years)	11.22%

Endowment Asset Data

From Cambridge Associates

° Investment Pool Asset Allocation 6-30-90

<u>Responding Institutions</u>	<u>Equity Real Estate</u>	<u>Venture Capital</u>	<u>Leveraged Buyouts</u>	<u>Oil and Gas</u>	<u>Other</u>	<u>Total</u>
By Investment Pool Size						
\$25 million and under	2.6%	0.1%	0.0%	0.0%	1.2%	3.9%
Over \$25 million to \$100 million	1.6%	0.6%	0.2%	0.4%	0.5%	3.3%
Over \$100 million to \$400 million	2.8%	1.1%	0.4%	0.1%	0.5%	4.9%
Over \$400 million	4.2%	4.0%	1.4%	1.2%	1.2%	12.0%

PERMANENT UNIVERSITY FUND

@ 5-1-90

FUND INVESTMENT	<u>Commitment</u>	<u>Funded</u>
°Whitney 1990 Equity Fund, LP	\$8.8	- 0 -
°Electra Private Equity Partners	14.0	.7
DIRECT INVESTMENT		
°630 Investors LP	4.0	4.0

WHITNEY 1990 EQUITY FUND, LP

SPONSOR J. H. Whitney & Company

AUDITOR Arthur Andersen & Company

SIZE \$120 million

PUF COMMITMENT \$8.75 million (Unfunded to date)

DESCRIPTION Venture capital & business development

MAJOR INVESTORS Metropolitan Life
Morgan Capital Corporation
A.V.A. Partners (American Express)
S.P.C. Inc. (Schlumberger, Ltd.)
Crescent Diversified Ltd.
J. H. Whitney Estate

PRINCIPALS Benno C. Schmidt
Don E. Ackerman
Michael C. Brooks
Peter M. Castleman
William J. Harding
Harry A. Marshall
Russell E. Planitzer
Paul Kelly
Edward V. Ryan

INVESTMENTS

Historical
Minute Maid
Memorex
Qume
Applicon Inc.
Spencer Chemical
San Jacinto Petroleum
General Signal

1980's
Compaq Computer
Cypress Semiconductor
Sequoia Systems
Metromail
Filene's Basement
Concurrent Computer
Decision Data

630 INVESTORS LP

SPONSOR J. H. Whitney
AUDITOR Arthur Andersen & Company
SIZE \$105 million
PUF COMMITMENT \$4.0 million (100% funded)
DESCRIPTION Special purpose partnership to provide capital for leveraged buy-out of Prime Computer, Inc.
MAJOR INVESTORS J. H. Whitney
Morgan Capital
A.V.A. Partners (American Express)
McArthur Foundation
Howard Hughes Medical Institute
PRINCIPALS Russell E. Planitzer Chairman
James F. McDonald (49) CEO
John J. Shields (51) COO
Harvey A. Wagner (48) CFO

FINANCIAL HISTORY

(\$ Millions)	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1989</u>	
					<u>3rd</u>	<u>4th</u>
					<u>Qtr.</u>	<u>Qtr.</u>
Revenue	\$860.2	960.9	1,594.6	1,517.9	357.9	391.1
EBDIT	125.6	162.9	209.2	174.5*	33.5*	48.3

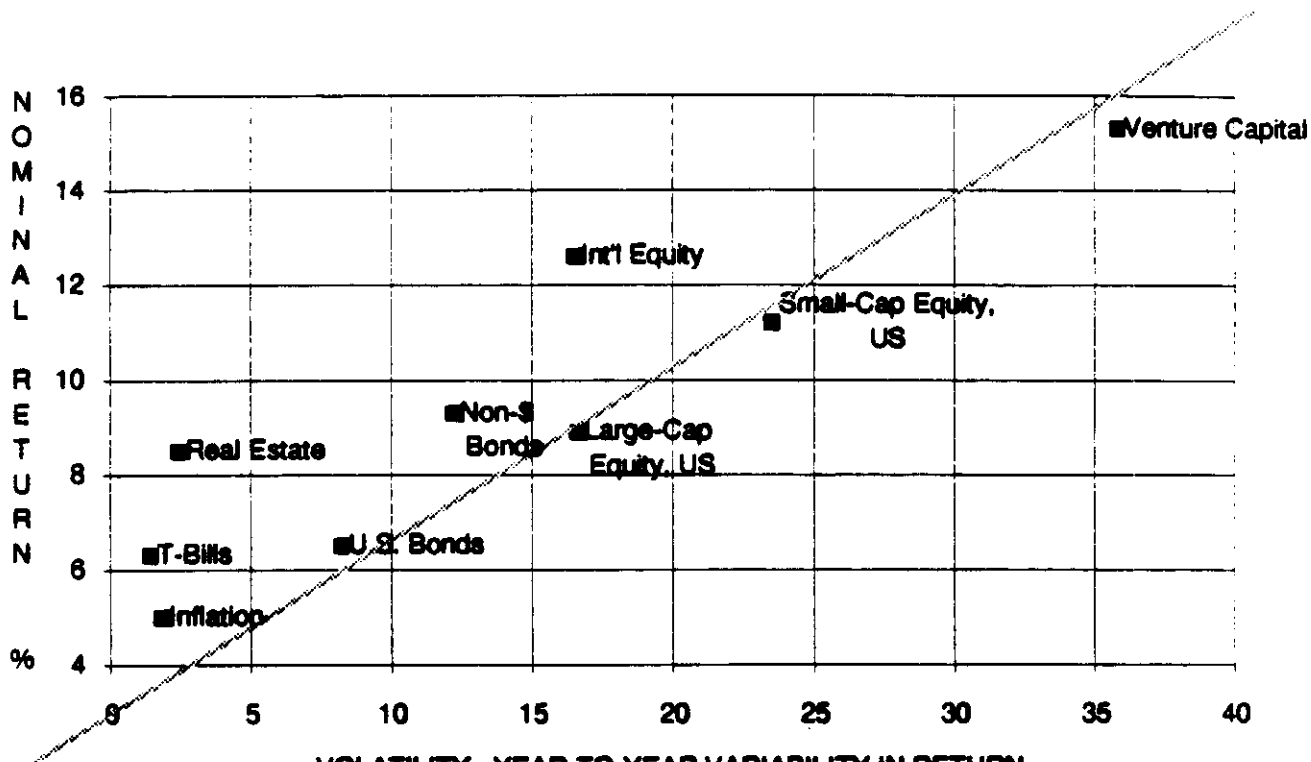
*Adjusted for non-recurring charges.

ELECTRA PRIVATE EQUITY PARTNERS

SPONSOR	Electra Kingsway Managers Electra Investment Trust P.L.C.
AUDITORS	Deloitte Haskins & Sells
SIZE	\$900 million
PUF COMMITMENT	\$14.025 million (\$2.136 million funded to date)
DESCRIPTION	Buyouts, expansion capital & start-ups of private companies
MAJOR INVESTORS	Electra Investment Trust P.L.C. Credit Commercial de France Domain Investment Pte. Ltd. (Singapore) General Electric Pension Trust Globe Investment Trust P.L.C. The Industrial Bank of Japan, Ltd. The Howard Hughes Medical Institute U.S. Steel & Carnegie Pension Plan
PRINCIPALS	Michael Stoddart (57) Chairman Michael Bentley (56) Deputy Chairman Hugh Mumford (44) Vice Chairman Glyn Morris (42) Vice Chairman David Osborne (52) Director Clive Clague (61) Director
DIRECTORS	Brian Peppiatt S.G. Warburg Group Lord Vinson Barclays Financial Services Colin Black Scottish Widow's Fund Globe Investment Trust Kleinwart Benson Group Sir Christopher Wates Wates Group Equitable Life Leon Levy Odyssey Partners Bryan Jenks Former Chairman Michael Pickard Sears P.L.C.

DEGREE OF SECURITIZATION OF NATIONS				
	1990 Mkt .Cap	GDP 1990	"S" INDEX	# of Issues
MEXICO	2	186	1	8
FINLAND	2	123	2	11
NORWAY	2	107	2	14
AUSTRIA	8	146	5	18
ITALY	60	991	6	69
LUXEMBOURG	2	20	10	6
SPAIN	47	409	11	49
DENMARK	14	121	12	28
WEST GERMANY	175	1396	13	75
SWEDEN	28	212	13	30
FRANCE	154	1074	14	160
BELGIUM	25	173	14	25
CANADA	128	683	19	125
IRELAND	7	37	19	11
NEW ZEALAND	8	41	20	15
AUSTRALIA	67	281	24	65
SWITZERLAND	52	210	25	37
MALAYSIA	11	42	26	33
NETHERLANDS	72	242	30	34
SINGAPORE	11	30	37	36
USA	2655	5553	48	953
HONGKONG	33	64	52	40
UNITED KINGDOM	504	935	54	285
JAPAN	2152	3220	67	455
TOTAL	6145	14743	42	2462
DEFINITIONS:				
1. 1990 Market Cap=Total valuation of publicly traded securities comparable to SP1000 expressed in terms of \$US billions, as calculated by Salomon Bros. 1/1/90				
2. GDP 1990=ECONOMIST MAGAZINE GDP ESTIMATE FOR 1990, \$US BILLIONS				
3. "S" INDEX = RELATIVE DEGREE OF SECURITIZATION,				
WHERE 39 = WEIGHTED AVERAGE OF COUNTRIES LISTED ABOVE				

RETURN & VOLATILITY BY INVESTMENT TYPE 1960-1987



VOLATILITY= YEAR-TO-YEAR VARIABILITY IN RETURN,
WITHIN ONE STANDARD DEVIATION
Source: Ibbotson & Sinquefeld, 1989