

# PERFORMANCE REPORT

Independent  
advice for  
the institutional  
investor

The University of  
Texas System

Quarter Ending  
February 29, 2004

# ENNISKNUPP

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*All data found in this report has been provided by UTIMCO and Russell Mellon, except for the BGI index fund data shown for the Operating Funds, which has been provided by BGI. All rates of return contained in this report are net-of-fees and annualized for time periods greater than one year.*

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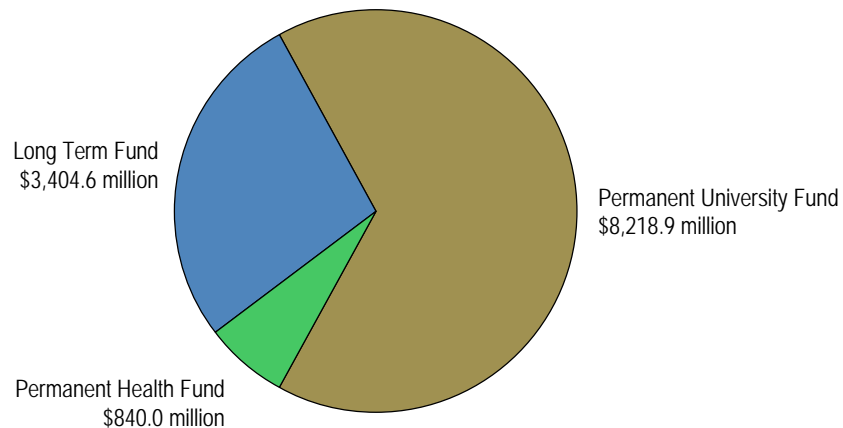
## EXECUTIVE SUMMARY

# EXECUTIVE SUMMARY

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As of February 29, 2004

## ENDOWMENT FUNDS AS OF 2/29/04\*



Permanent University Fund: State endowment fund contributing to the support of 18 institutions and 6 agencies of the U.T. System and the Texas A&M University System

Permanent Health Fund: An internal U.T. System mutual fund for the pooled investment of state endowment funds for health-related institutions of higher education. The Fund currently purchases units in the General Endowment Fund in exchange for its contribution of investment assets.

Long Term Fund: An internal U.T. System mutual fund for the pooled investment of over 5,000 privately raised endowments and other long-term funds of the 15 component institutions of the U.T. System. The Fund currently purchases units in the General Endowment Fund in exchange for its contribution of investment assets.

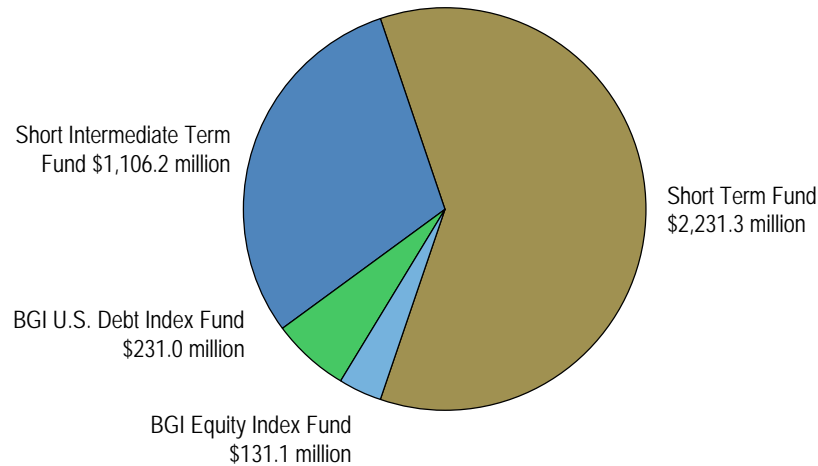
General Endowment Fund: Comprised wholly of the Permanent Health Fund and the Long Term Fund. Both the PHF and LTF purchase units in the General Endowment Fund in exchange for the contribution of investment assets.

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\*Information regarding the U.T. System's Separately Invested Funds is not provided in this report.

As of February 29, 2004

## OPERATING FUNDS AS OF 2/29/04



Short Term Fund (Dreyfus Fund): A money market mutual fund consisting of the working capital and other operating fund balances held by U.T. System institutions with an investment horizon of less than one year.

Short Intermediate Term Fund: An internal U.T. System mutual fund for the pooled investment of the operating funds held by U.T. System institutions with an investment horizon greater than one year and less than five years.

Institutional Index Funds: Consist of index funds for the investment of U.T. System institutions' permanent working capital and long-term capital reserves.

# EXECUTIVE SUMMARY

As of February 29, 2004

## SUMMARY OF CHANGES

The U.T. System Board of Regents adopted new investment policies for the PUF and GEF on December 19, 2003. As a result, beginning January 1, 2004, the asset allocations and investment performance of the PUF and GEF will be compared to these new policies, including changes to the Endowment Performance Benchmark.

The changes that have been made to the Endowment Performance Benchmark as of January 1, 2004, are summarized in the table at the bottom of the page. A comprehensive comparison of the PUF and GEF asset allocations to the new Policy Targets can be found on pages 11 and 47, respectively. Changes to the classifications of assets include:

- A new classification of Equity Hedge Funds was created to represent the hedge and structured funds formerly part of the domestic and international public equity asset classes
- Global ex-U.S. Equities includes all international public equity investment accounts, both developed market and emerging market managers
- Asset classifications for Venture Capital and Private Equity were created to distinguish between the investment types included in the Private Capital asset class; however, performance was provided by UTIMCO at the Total Private Capital asset class level.
- A new classification, Commodities, was created
- The Inflation Hedging asset classification was eliminated
- REIT investment strategies were moved to the U.S. Equities category
- The table below highlights the asset class benchmark changes that took place during the quarter.

## ENDOWMENT PERFORMANCE BENCHMARK CHANGES

	Current Policy Target	Former Policy Target	Current Benchmark; (Former Benchmark)
U.S. Equities	25.0 %	31.0 %	Russell 3000; (Wilshire 5000)
Global ex-U.S. Equities	17.0	19.0	MSCI All Country World ex-U.S.; (No Change)
Equity Hedge Funds	10.0	0.0	90 Day T-Bills + 4%; (N/A - New Component)
Absolute Return Hedge Funds	15.0	10.0	90 Day T-Bills + 3%; (90 Day T-Bills + 4%)
Private Capital	15.0	15.0	Venture Economics Private Capital; (Wilshire 5000 + 4%)
Commodities	3.0	--	GSCI minus 1%; (N/A - New Component)
Fixed Income	15.0	15.0	Lehman Brothers Aggregate Bond Index; (No change)
Inflation Hedging	--	10.0	N/A - Component Eliminated; (Inflation Hedging Benchmark)
Performance Benchmark	100.0%	100.0%	Changes take place as of January 1, 2004

As of February 29, 2004

**ENDOWMENT FUNDS RETURN SUMMARY  
ENDING 2/29/04**

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04
<b>Permanent University Fund</b>	<b>8.3%</b>	<b>31.7%</b>	<b>5.3%</b>	<b>6.1%</b>
Endowment Performance Benchmark**	6.6	31.3	4.9	5.8
<b>Long Term Fund</b>	<b>8.1</b>	<b>32.4</b>	<b>5.8</b>	<b>7.6</b>
Endowment Performance Benchmark**	6.6	31.3	4.9	5.8
<b>Permanent Health Fund</b>	<b>8.1</b>	<b>32.3</b>	<b>5.7</b>	<b>--</b>
Endowment Performance Benchmark**	6.6	31.3	4.9	--

**OPERATING FUNDS RETURN SUMMARY  
ENDING 2/29/04**

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04
<b>Short Term Fund</b>	<b>0.2%</b>	<b>1.1%</b>	<b>2.1%</b>	<b>3.6%</b>
ML 90-day T-Bill	0.3	1.1	2.2	3.6
<b>Short Intermediate Term Fund</b>	<b>1.2</b>	<b>2.4</b>	<b>3.5</b>	<b>4.7</b>
Composite Index	1.3	2.3	4.9	5.6
<b>BGI U.S. Debt Index Fund</b>	<b>2.9</b>	<b>4.7</b>	<b>7.4</b>	<b>--</b>
LB Aggregate Bond Index	2.9	4.5	7.4	--
<b>BGI Equity Index Fund</b>	<b>8.7</b>	<b>38.6</b>	<b>-1.0</b>	<b>--</b>
S&P 500 Index	8.7	38.5	-1.0	--

**ENDOWMENT FUNDS PERFORMANCE BENCHMARK**

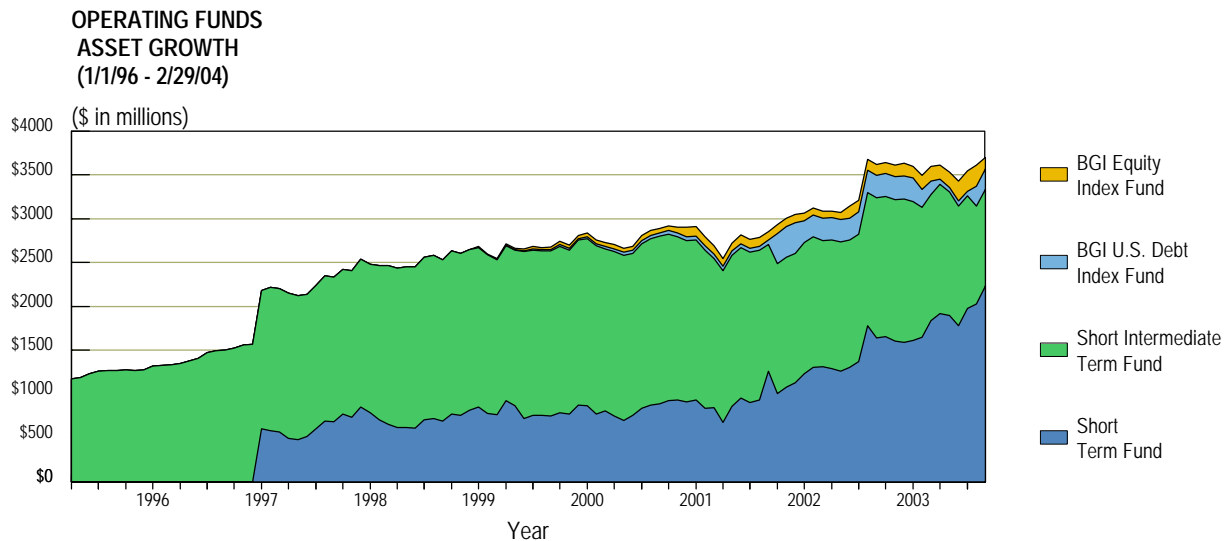
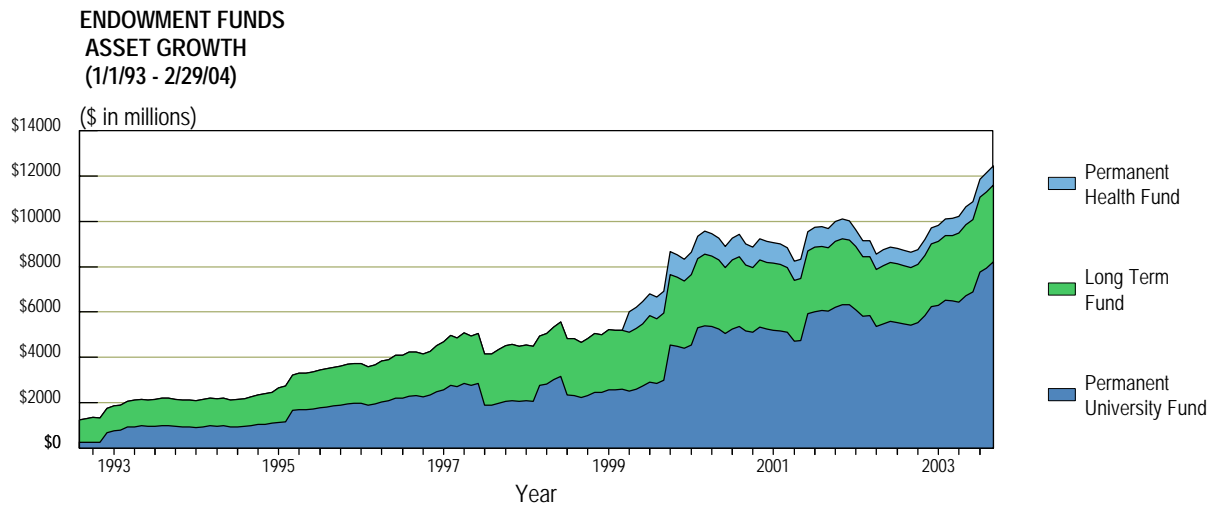
The Endowment Policy Portfolio reflects the U.T. System Board of Regents approved asset allocation policy targets and benchmarks beginning January 1, 2004. The return is the weighted sum of the benchmark returns for each asset category as described in the Investment Policy Statements approved by the Board of Regents on December 19, 2003. Performance prior to January 1, 2004, represents historical policy portfolio data provided by UTIMCO. Detailed information on the current and historical composition of the Policy Portfolio can be found in Appendix II.

\* Time-period represents the total return for the fiscal quarter ending 2/29/04.

\*\* Reflects the U.T. System Board of Regents approved asset allocation policy targets and benchmarks beginning January 1, 2004. Performance prior to January 1, 2004, represents historical policy portfolio data provided by UTIMCO.

# EXECUTIVE SUMMARY

As of February 29, 2004



- The allocation growth charts above depict the growth of assets experienced by the endowment and operating funds since data was available.

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As of February 29, 2004

**MAJOR MARKETS' RATES OF RETURN  
ENDING 2/29/04**

	Since 11/30/03*	1 Year Ending 2/29/04
<b>Russell 3000 Stock Index</b>	8.2%	41.3%
<b>MSCI All-Country World Ex-U.S. Free</b>	12.1	55.9
<b>LB Aggregate Bond Index</b>	2.9	4.5

- The U.S. equity market advanced in the fiscal second quarter by a measure of 8.2%. All major capitalization, style, and sector indices posted positive returns as a multitude of economic indicators signaled improving economic characteristics during most of the quarter. Reports early in the quarter indicated declining unemployment rates, the ISM manufacturing index reached its highest level since 1983 in January, construction activity advanced, and consumer confidence levels continued to improve. The outlook began to pale slightly in February, however, when it was reported that the trade gap widened more than expected, retail sales began to dip, new jobless claims crept up, and consumer confidence began to fall. For the three-month period ending February 29, 2004, value stocks outperformed their growth counterparts and the general market. On a sector basis, energy, telecom, and financial stocks led the market outperformers, and technology, consumer discretionary, and industrial stocks led the laggards.
- Non-U.S. stocks performed better than their U.S. counterparts, advancing 12.1%. Emerging markets (+15.6%) outpaced developed markets (+11.9%), as the major European markets (United Kingdom, France, and Germany) underperformed. South Korea, Mexico, and Russia earned strong returns among the emerging markets.
- The domestic bond market made consistent advances through February as the Aggregate Bond Index ended the quarter up 2.9%. Corporate bonds outperformed government and mortgage-backed bonds. Within the corporate bond market, lower grade credits marginally outperformed investment grade bonds despite a weak February which saw negative returns in the high yield market. The Federal Reserve's overnight lending rate remained unchanged during the period at 1.00%.

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\*Time-period represents the total return for the fiscal quarter ending 2/29/04.

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PERMANENT UNIVERSITY FUND

# PERMANENT UNIVERSITY FUND

\$8,219 Million

As of February 29, 2004

## RETURN SUMMARY ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>Permanent University Fund</b>	<b>8.3%</b>	<b>31.7%</b>	<b>5.3%</b>	<b>6.1%</b>	<b>9.8%</b>	<b>8/31/91</b>
Endowment Performance Benchmark**	6.6	31.3	4.9	5.8	11.2	
<b>U.S. Equities</b>	<b>7.7</b>	<b>40.0</b>	<b>2.8</b>	<b>4.2</b>	<b>11.1</b>	<b>8/31/91</b>
U.S. Equity Performance Benchmark	8.1	42.1	0.7	1.1	11.0	
<b>Global Ex US Equities</b>	<b>13.8</b>	<b>59.1</b>	<b>4.2</b>	<b>1.5</b>	<b>6.7</b>	<b>3/31/93</b>
MSCI AC World Ex- U.S. Free Index	12.1	55.9	2.7	2.9	6.5	
<b>Equity Hedge Funds</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>4.3</b>	<b>12/31/03</b>
90-Day T-Bill + 4%	--	--	--	--	0.8	
<b>Absolute Return Hedge Funds</b>	<b>5.1</b>	<b>25.1</b>	<b>11.2</b>	<b>--</b>	<b>13.3</b>	<b>2/29/00</b>
Absolute Return Benchmark	1.1	5.1	6.3	--	7.3	
<b>Private Capital***</b>	<b>7.3</b>	<b>8.9</b>	<b>-7.7</b>	<b>4.6</b>	<b>9.8</b>	<b>1/31/89</b>
Private Capital Benchmark	6.5	44.1	3.9	4.7	15.9	
<b>Commodities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>8.2</b>	<b>12/31/03</b>
Goldman Sachs Commodity Index - 1%	--	--	--	--	7.7	
<b>Total Fixed Income</b>	<b>3.9</b>	<b>9.1</b>	<b>8.6</b>	<b>7.1</b>	<b>9.2</b>	<b>8/31/85</b>
LB Aggregate Bond Index	2.9	4.5	7.4	7.2	8.7	

- The Permanent University Fund outperformed the Endowment Performance Benchmark by 1.7 percentage points in the fiscal quarter ending February 29, 2004. Each asset class except U.S. equities outperformed its benchmark and contributed to the result.
- One-year performance also exceeded the benchmark despite the significant underperformance produced by the Private Capital component. This underperformance was offset by the positive effects produced by the global ex-U.S. equity, equity and absolute return hedge funds, fixed income, and inflation hedging segments.

\* Time-period represents the total return for the fiscal quarter ending 2/29/04.

\*\* Reflects the U.T. System Board of Regents approved asset allocation policy targets and benchmarks beginning January 1, 2004. Performance prior to January 1, 2004, represents historical policy portfolio data provided by UTIMCO.

\*\*\* Actual returns for the private capital component are presented on a time-weighted basis. The Private Capital benchmark represents the Venture Economics Private Capital Benchmark beginning January 1, 2004; returns through December 31, 2003 represent the Wilshire 5000 +4%.

As of February 29, 2004

POLICY COMPLIANCE  
ASSET ALLOCATION AS OF 2/29/04  
(\$ in millions)

	Total	Percent of Total	Policy	Policy Ranges	In Compliance?
U.S. Equities	\$ 2,823	34.3 %	25.0 %	15 - 45%	Yes
Non-U.S. Developed Equity	\$ 1,074	13.1 %	10.0 %	5 - 15%	Yes
Emerging Markets Equity	716	8.7	7.0	0 - 10	Yes
<b>Global ex U.S. Equities</b>	<b>\$ 1,791</b>	<b>21.8 %</b>	<b>17.0 %</b>	<b>5 - 25%</b>	<b>Yes</b>
<b>Total Traditional Equity</b>	<b>\$ 4,614</b>	<b>56.1 %</b>	<b>42.0 %</b>	<b>20 - 60%</b>	<b>Yes</b>
Equity Hedge Funds	\$ 781	9.5 %	10.0 %	5 - 15%	Yes
Absolute Return Hedge Funds	792	9.6	15.0	10 - 20	No
<b>Total Hedge Funds</b>	<b>\$ 1,573</b>	<b>19.1 %</b>	<b>25.0 %</b>	<b>15 - 25%</b>	<b>Yes</b>
Private Equity	\$ 768	9.3 %	9.0 %	0 - 10%	Yes
Venture Capital	109	1.3	6.0	5 - 15	No
<b>Total Private Capital</b>	<b>\$ 878</b>	<b>10.6 %</b>	<b>15.0 %</b>	<b>5 - 15%</b>	<b>Yes</b>
Commodities	\$ 251	3.1 %	3.0 %	0 - 5 %	Yes
Fixed Income	902	11.0	15.0	10 - 30	Yes
Cash	--	--	--	0 - 5	Yes
<b>Total Permanent University Fund</b>	<b>\$ 8,219</b>	<b>100.0 %</b>	<b>100.0 %</b>		

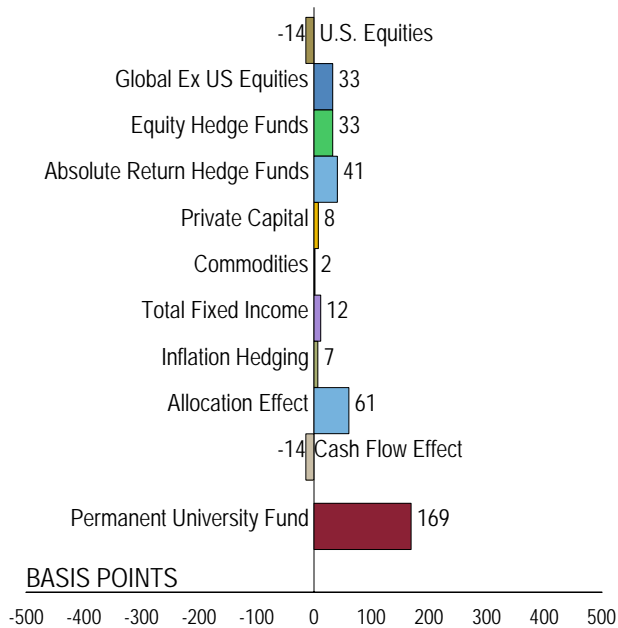
- The table above summarizes and compares the actual asset allocation of the Permanent University Fund to the U.T. System Policy Targets adopted December 19, 2003. As of the end of the fiscal quarter, the actual allocation to the absolute return hedge funds category (9.6%) was below the allowable minimum of 10.0%, and the allocation to venture capital (1.3%) was below the allowable minimum of 5.0%.
- The largest deviation from Policy was the Fund's overweight of U.S. equities. This, combined with the overweight allocations to non-U.S. developed and emerging market equities, resulted in a 14.1 percentage point greater allocation to traditional equity than the Policy's 42.0%. Additionally, the PUF held an underweight allocation in both the Total Hedge Funds and Total Private Capital segments, and a 4.0 percentage point underweight of fixed income securities.
- The PUF grew by over \$570 million in the fiscal second quarter. Besides the classification changes that took place during the quarter and are summarized on page 4, the PUF's allocation to fixed income continued to decline. The component's allocation began the fiscal year at 14.3% as of August 31, and ended the second quarter at 11.0%.

# PERMANENT UNIVERSITY FUND

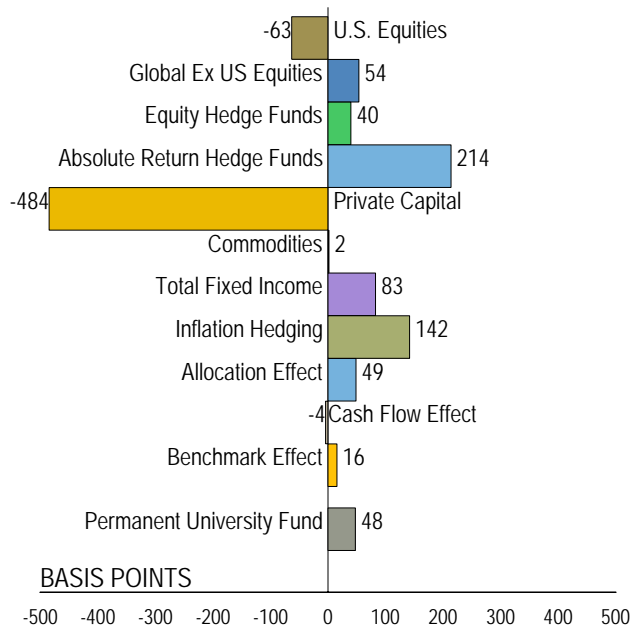
\$8,219 Million

As of February 29, 2004

**TOTAL FUND ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 2/29/04**



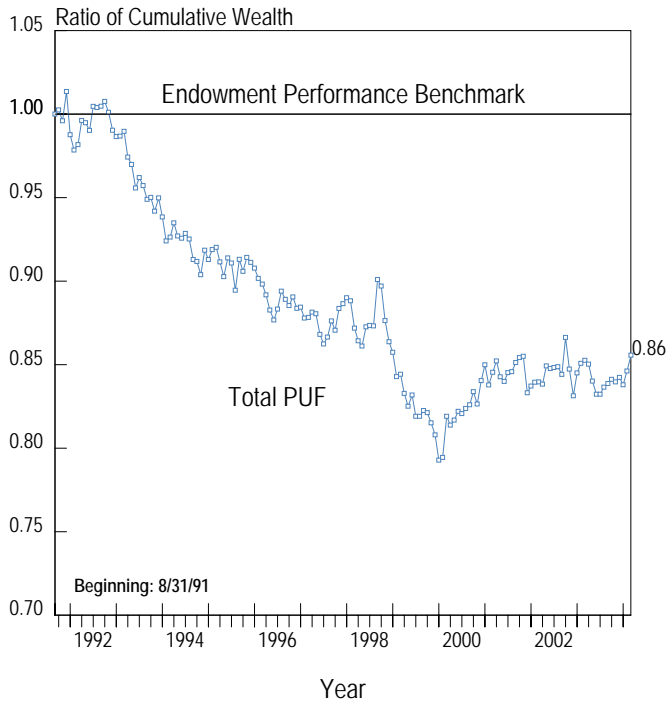
**TOTAL FUND ATTRIBUTION ANALYSIS  
1 YEAR ENDING 2/29/04**



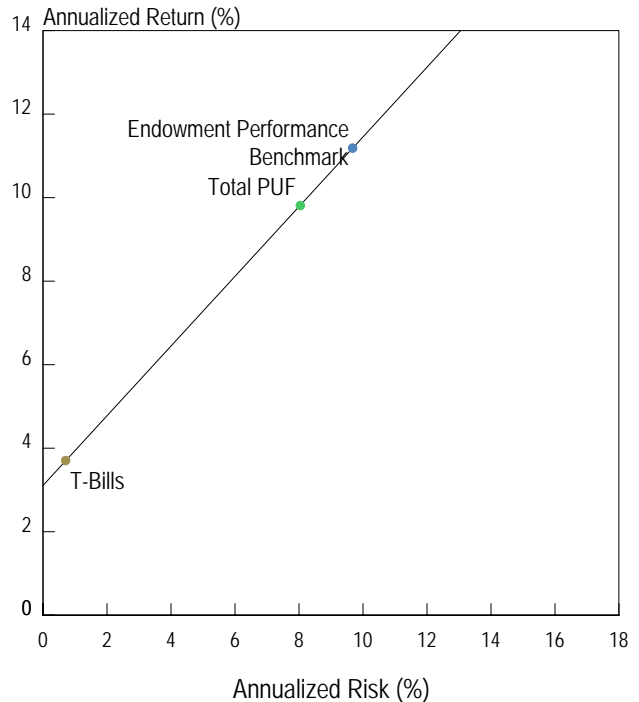
- The Performance Attribution exhibits shown above measure the source of the deviation of a fund's performance from that of its benchmark. Each bar on the graph represents the contribution made by the component to the total difference in performance (shown at the bottom of the exhibit). A positive value for a component indicates a positive contribution to the aggregate relative performance. A negative value indicates a detrimental impact. The asset class bar amounts are determined by multiplying the relative return of that asset class (actual return - policy benchmark return) by its policy weight. "Allocation Effect" details the degree to which the Fund's asset allocation differed from that of its policy, and what impact this had on performance. "Cash Flow Effect" details what impact any movement in Fund assets had on performance. "Benchmark Effect" details the impact of differences between the composition of the Total Fund benchmark and the benchmarks of the individual asset classes.
- As shown in the three-month exhibit, the favorable performance earned by most of the asset classes benefited performance, collectively offsetting the negative impact produced by the U.S. Equity component's trailing results. The Permanent University Fund also benefited from the overweight allocations to the traditional equity asset classes and the underweight of fixed income securities.
- The one-year attribution analysis shows a similar asset-class relative return story; however, the Private Capital component significantly underperformed its benchmark and offset much of the value-added produced by components such as Absolute Return Hedge Funds, Inflation Hedging, and Fixed Income.

As of February 29, 2004

RATIO OF CUMULATIVE WEALTH  
12 YEARS 6 MONTHS ENDING 2/29/04



ANNUALIZED RISK/RETURN  
12 YEARS 6 MONTHS ENDING 2/29/04



- The Ratio of Cumulative Wealth graph above illustrates the Total Permanent University Fund's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the Fund underperformed its benchmark since inception. A period of underperformance from 1993-1999 led to the result, but the effect has been tempered by recent improved performance.
- The Risk Return graph above exhibits the risk return characteristics of the Total Permanent University Fund, relative to that of the Performance Benchmark. As shown, the Fund has underperformed its benchmark at a comparatively lower level of risk.

# PERMANENT UNIVERSITY FUND

\$8,219 Million

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

	Permanent University Fund	Endowment Performance Benchmark**	Return Difference
	Return	Return	
1991 (4 months)	6.4%	7.8%	-1.4
1992	7.2	7.4	-0.2
1993	10.8	16.5	-5.7
1994	-0.4	2.4	-2.8
1995	26.3	27.0	-0.7
1996	12.7	15.7	-3.0
1997	21.0	20.2	0.8
1998	13.4	17.7	-4.3
1999	9.8	18.7	-8.9
2000	5.5	-1.6	7.1
2001	-6.1	-4.7	-1.4
2002	-7.6	-8.4	0.8
2003	24.5	25.6	-1.1
2004 (2 months)	4.7	2.5	2.2
Trailing 1-Year	31.7%	31.3%	0.4
Trailing 3-Year	5.3	4.9	0.4
Trailing 5-Year	6.1	5.8	0.3
Trailing 10-Year	9.7	10.6	-0.9
Since Inception (8/31/91)	9.8	11.2	-1.4

- The table above compares the annual return history of the Permanent University Fund to that of its performance benchmark.

\* The annual returns in this exhibit represent calendar-year periods.

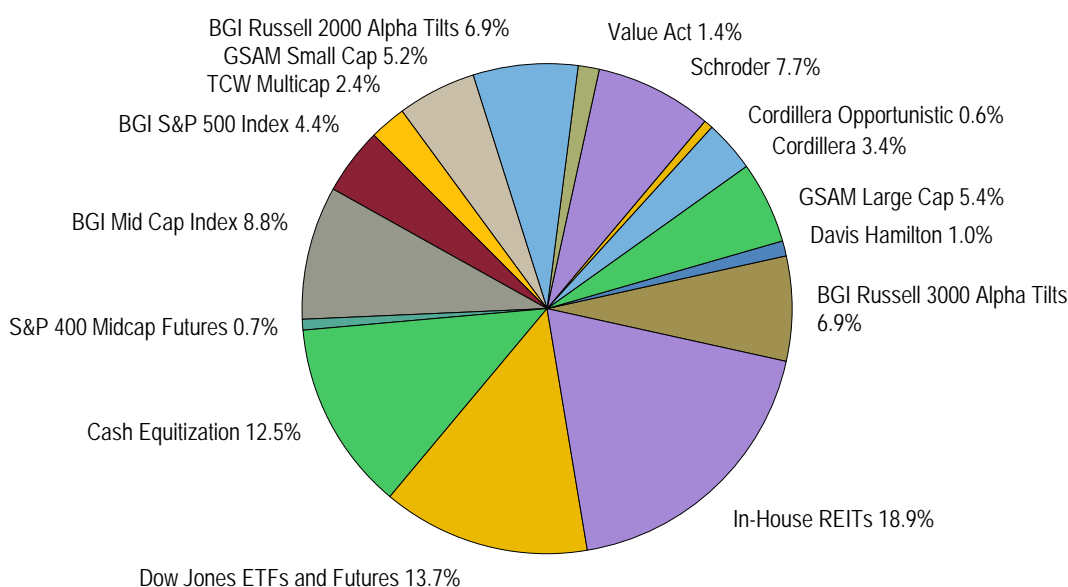
\*\* Reflects the U.T. System Board of Regents approved asset allocation policy targets and benchmarks beginning January 1, 2004. Performance prior to January 1, 2004, represents historical policy portfolio data provided by UTIMCO.

As of February 29, 2004

**RETURN SUMMARY  
ENDING 2/29/04**

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>U.S. Equities</b>	7.7%	40.0%	2.8%	4.2%	11.1%	8/31/91
U.S. Equity Performance Benchmark**	8.1	42.1	0.7	1.1	11.0	

**MANAGER ALLOCATION AS OF 2/29/04**



- The table above details the trailing-period performance of the total domestic equity component relative to the Performance Benchmark.
- The graph above details the allocation to each manager of the U.S. equity component as of quarter-end. Beginning January 1, 2004, REIT investments are included in the U.S. equity component's allocation and performance calculation. In conjunction with this classification change, hedge and structured active domestic equity managers have been moved to a new Equity Hedge Funds asset class.
- The TCW Multicap investment was funded during the quarter.

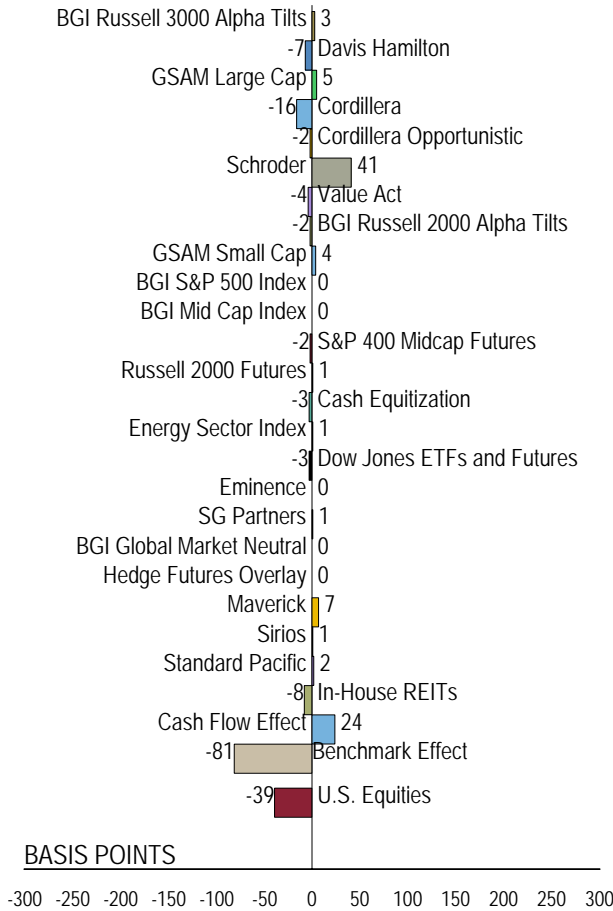
\* Time period represents the total return for the fiscal quarter ending 2/29/04.

\*\* The U.S. Equity Performance Benchmark represents the return of the Russell 3000 Index beginning January 1, 2004. Returns through December 31, 2003, represent the Wilshire 5000 Index.

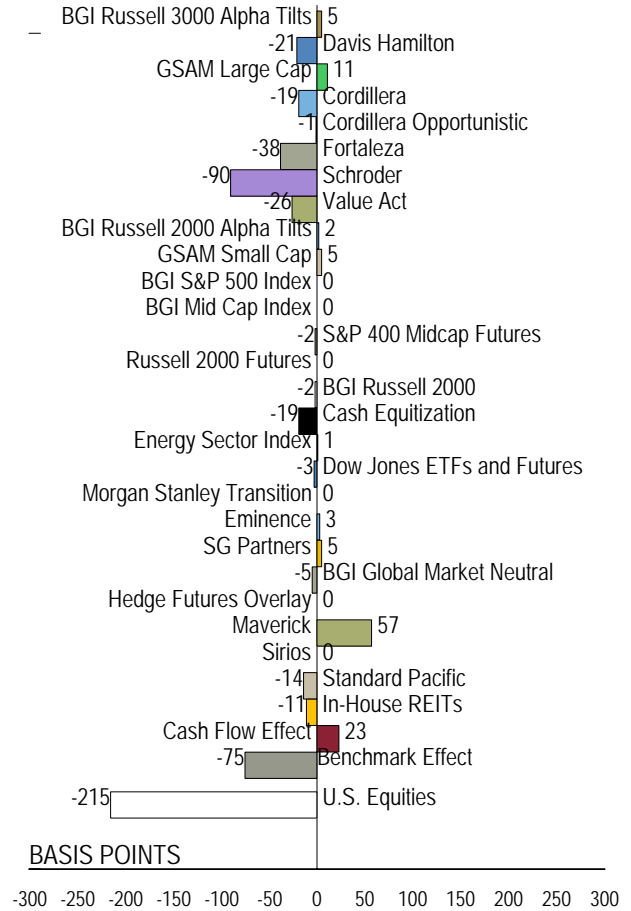
\$2,823 Million

As of February 29, 2004

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 2/29/04

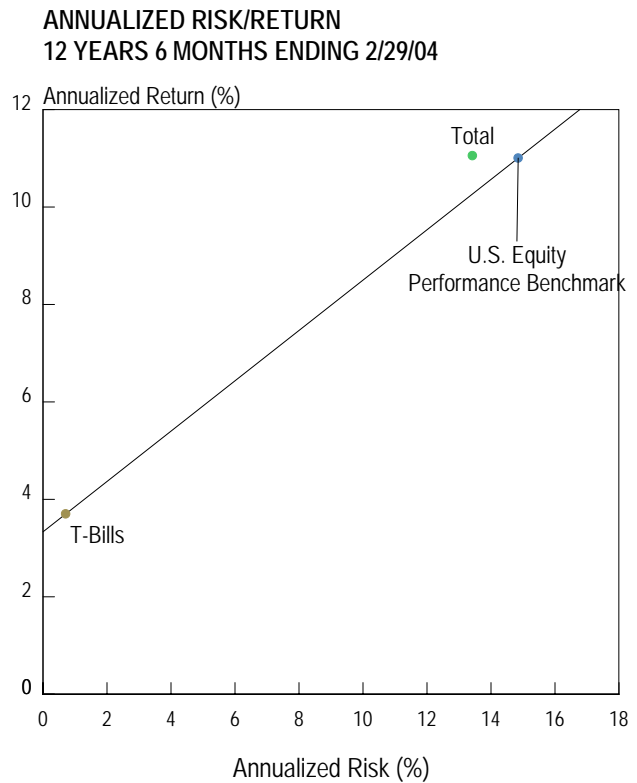
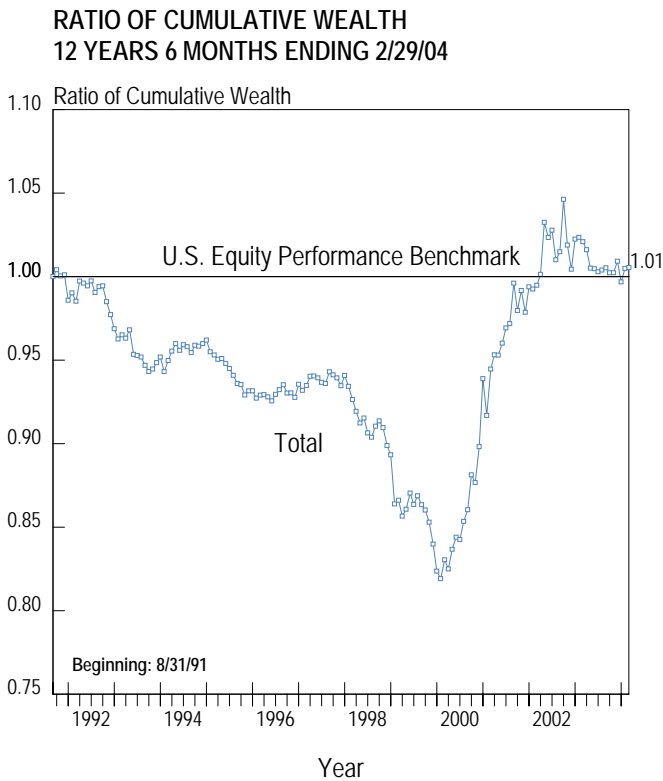


MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 2/29/04



- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "U.S. Equities" represents the component's performance relative to the U.S. Equities Performance Benchmark in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the U.S. equity benchmark.
- As shown in the three-month exhibit, relative performance was mixed across investment styles. The greatest contributor was the Schroder small cap portfolio which earned a return that exceeded the benchmark by over five percentage points. The Cordillera small cap portfolio, on the other hand, was the largest single detractor. The benchmark effect is a result of the market-trailing returns earned by mid-cap stocks and the hedge fund benchmarks of T-bills + 4%.

As of February 29, 2004



- The Ratio of Cumulative Wealth graph above illustrates the domestic equity component's cumulative performance relative to that of the U.S. Equity Performance Benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, significant relative-performance gains made since the beginning of 2000 have led to the component's outperformance.
- The Risk Return graph above exhibits the risk return characteristics of the total domestic equity component, relative to that of the U.S. Equity Performance Benchmark. As shown, the component slightly outperformed its benchmark while incurring a lower level of risk.

\$2,823 Million

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

	U.S. Equities	U.S. Equity Performance Benchmark	Return Difference
	Return	Return	
1991 (4 months)	5.9%	7.5%	-1.6
1992	7.1	9.0	-1.9
1993	9.3	11.3	-2.0
1994	1.0	-0.1	1.1
1995	32.1	36.4	-4.3
1996	21.7	21.2	0.5
1997	32.0	31.3	0.7
1998	17.2	23.4	-6.2
1999	13.9	23.6	-9.7
2000	1.6	-10.9	12.5
2001	-5.7	-11.0	5.3
2002	-18.6	-20.9	2.3
2003	28.4	31.7	-3.3
2004 (2 months)	4.4	3.5	0.9
Trailing 1-Year	40.0%	42.1%	-2.1
Trailing 3-Year	2.8	0.7	2.1
Trailing 5-Year	4.2	1.1	3.1
Trailing 10-Year	11.5	10.9	0.6
Since Inception (8/31/91)	11.1	11.0	0.1

- The table above compares the annual return history of the total U.S. equity component to that of the U.S. Equity Performance Benchmark.

\* The annual returns in this exhibit represent calendar-year periods.

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>BGI Russell 3000 Alpha Tilts</b>	8.6%	--%	--%	--%	15.6%	8/31/03
Russell 3000 Index	8.2	--	--	--	15.1	
<b>Davis Hamilton</b>	4.2	27.3	-3.4	-0.6	9.8	12/31/93
S&P 500 Index	8.7	38.5	-1.0	-0.1	11.2	
<b>GSAM Large Cap</b>	9.5	41.2	0.2	--	-2.1	2/29/00
S&P 500 Index	8.7	38.5	-1.0	--	-2.9	
<b>Cordillera</b>	2.0	61.7	-3.4	9.3	10.4	12/31/93
Russell 2000 Growth Index	5.6	64.9	1.9	2.9	5.9	
<b>Cordillera Opportunistic</b>	4.5	--	--	--	20.6	9/30/03
Russell 2000 Index	7.4	--	--	--	20.6	
<b>Schroder</b>	12.9	52.2	7.7	14.2	12.4	12/31/93
Russell 2000 Index	7.4	64.4	8.7	9.8	9.9	
<b>Value Act</b>	4.7	--	--	--	8.1	7/31/03
Russell 2000 Index	7.4	--	--	--	23.8	
<b>BGI Russell 2000 Alpha Tilts</b>	7.1	63.2	--	--	11.9	12/31/01
Russell 2000 Index	7.4	64.4	--	--	10.1	
<b>GSAM Small Cap</b>	8.5	65.8	12.2	--	6.7	2/29/00
Russell 2000 Index	7.4	64.4	8.7	--	1.7	
<b>TCW Multicap</b>	--	--	--	--	1.2	1/31/04
Russell 3000 Index	--	--	--	--	1.4	
<b>BGI S&amp;P 500 Index</b>	8.7	38.6	-1.0	-0.1	11.5	10/31/92
S&P 500 Index	8.7	38.5	-1.0	-0.1	11.4	
<b>BGI Mid Cap Index</b>	6.4	49.7	7.8	12.3	14.9	11/30/92
S&P 400 Mid Cap Index	6.4	49.7	7.7	12.3	14.4	
<b>S&amp;P 400 Midcap Futures</b>	5.9	--	--	--	17.8	9/30/03
S&P 400 Mid Cap Index	6.4	--	--	--	18.4	
<b>Cash Equitization</b>	8.3	37.1	-1.4	--	-1.4	2/28/01
S&P 500 Index	8.7	38.5	-1.0	--	-1.0	
<b>Energy Sector Index</b>	16.9	--	--	--	19.5	8/31/03
ML 90-day T-Bill	0.3	--	--	--	0.5	
<b>Dow Jones ETFs and Futures</b>	8.3	--	--	--	7.8	10/31/03
Dow Jones Industrial Average	8.7	--	--	--	8.8	
<b>In-House REITs</b>	8.7	48.6	20.9	--	22.0	11/30/99
Wilshire Real Estate Securities Index	9.2	47.2	18.5	--	20.8	

\* Time period represents the total return for the fiscal quarter ending 2/29/04.

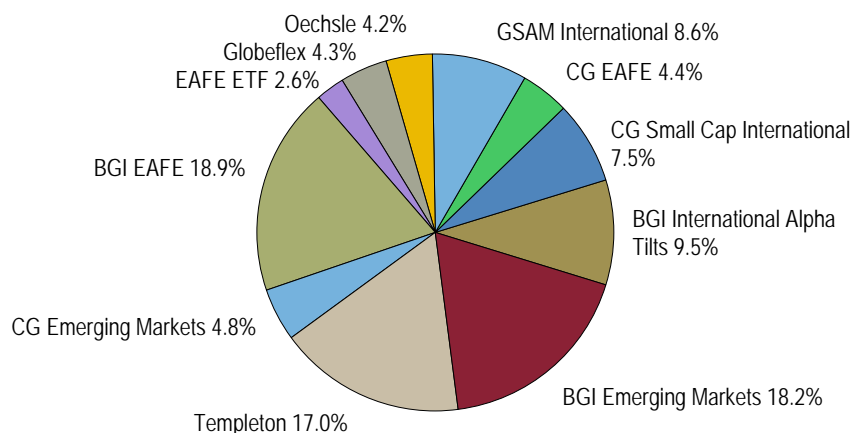
\$1,790 Million

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>Global Ex US Equities</b>	<b>13.8%</b>	<b>59.1%</b>	<b>4.2%</b>	<b>1.5%</b>	<b>6.7%</b>	<b>3/31/93</b>
MSCI AC World Ex-U.S. Free Index	12.1	55.9	2.7	2.9	6.5	

MANAGER ALLOCATION AS OF 2/29/04

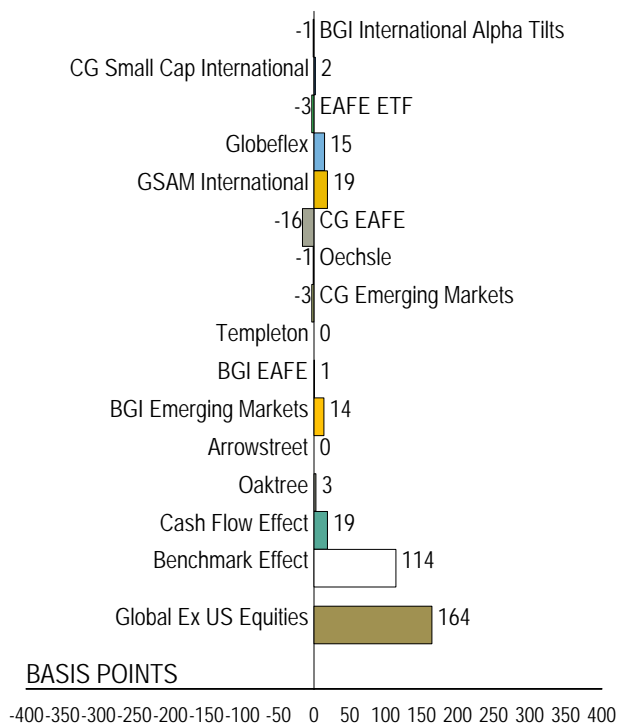


- The table above details the trailing-period performance of the global ex-U.S. equities component relative to the MSCI All-Country World ex-U.S. Index. The current quarter's outperformance was aided by the above-market returns earned by the Capital Guardian Small Cap, Globeflex, and Goldman Sachs portfolios, and positive tracking from the BGI Emerging Markets portfolio. The component has outperformed its benchmark over the one-year and three-year periods.
- The graph above details the allocation to each manager of the global ex-U.S. equities component as of quarter-end. Beginning January 1, 2004, hedge and structured active international equity managers have been classified within a new Equity Hedge Funds asset class.
- The EAFE ETF investment was funded during the quarter.

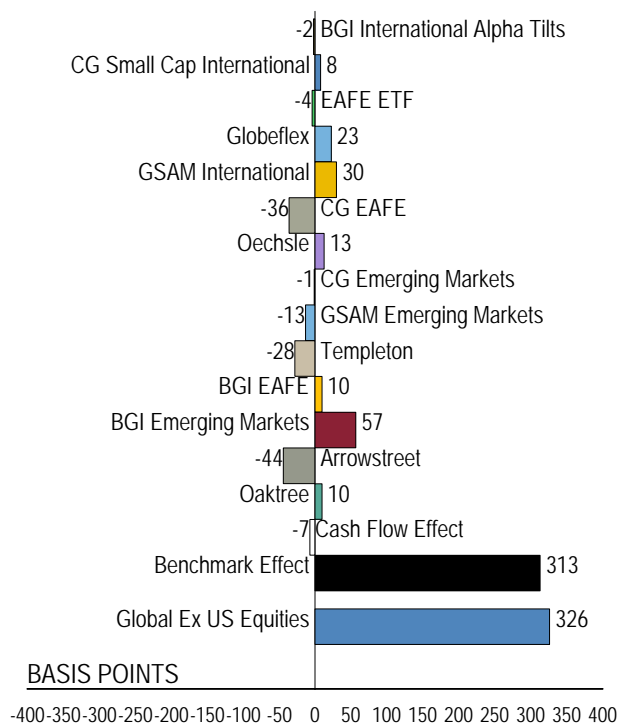
\* Time period represents the total return for the fiscal quarter ending 2/29/04.

As of February 29, 2004

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 2/29/04



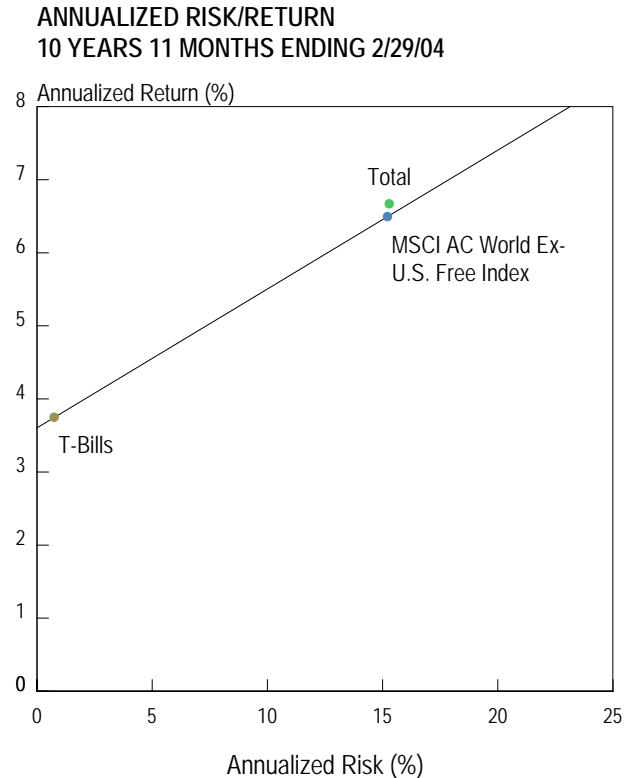
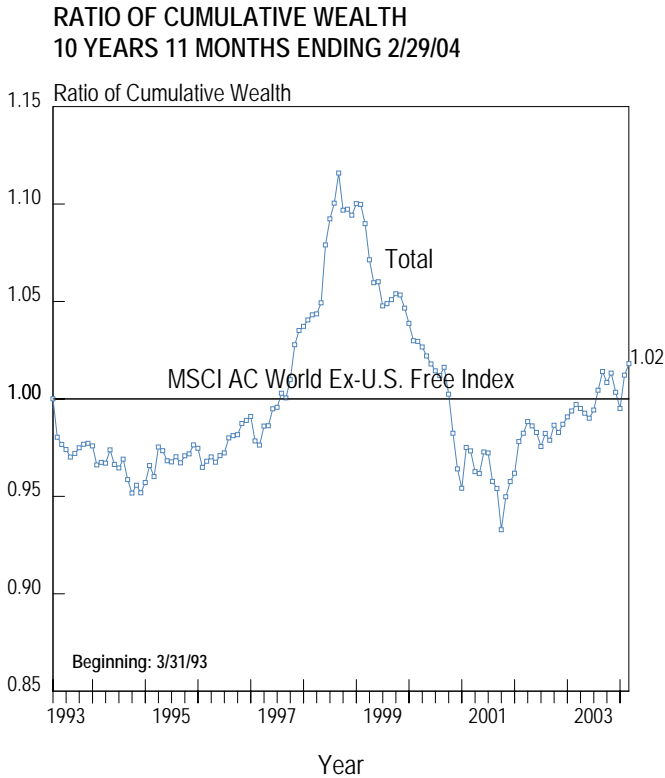
MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 2/29/04



- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Global ex-U.S. Equities" represents the component's relative performance to the MSCI All-Country World ex-U.S. Index in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the global ex-U.S. equities benchmark.
- As shown in both exhibits, manager results have been mixed. The Capital Guardian Small Cap, Globeflex, and Goldman Sachs portfolios outperformed their benchmarks over both the quarter and one-year period and made significant contributions to the component's above-benchmark result. The positive benchmark effect during both periods is significantly impacted by the large positive returns earned in the emerging markets.

\$1,790 Million

As of February 29, 2004



- The Ratio of Cumulative Wealth graph above illustrates the global ex-U.S. equities component's cumulative performance relative to that of MSCI All-Country World ex-U.S. Index. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the component has matched its benchmark after a period of significant underperformance from 1998-2000.
- The Risk Return graph above exhibits the risk return characteristics of the total global ex-U.S. equities component, relative to that of the MSCI All-Country World ex-U.S. Index. As shown, the component has earned a benchmark-like return while incurring a similar level of risk.

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

	Global Ex US Equities	MSCI AC World Ex-U.S. Free Index	Return Difference
	Return	Return	
1993 (9 months)	18.0%	21.0%	-3.0
1994	4.6	6.6	-2.0
1995	12.0	9.9	2.1
1996	8.5	6.7	1.8
1997	6.8	2.0	4.8
1998	21.4	14.5	6.9
1999	23.6	30.9	-7.3
2000	-22.0	-15.1	-6.9
2001	-18.8	-19.5	0.7
2002	-12.1	-14.7	2.6
2003	42.0	41.4	0.6
2004 (2 months)	6.6	4.2	2.4
Trailing 1-Year	59.1%	55.9%	3.2
Trailing 3-Year	4.2	2.7	1.5
Trailing 5-Year	1.5	2.9	-1.4
Trailing 10-Year	4.9	4.3	0.6
Since Inception (3/31/93)	6.7	6.5	0.2

- The table above compares the annual return history of the global ex-U.S. equities component to that of the MSCI All-Country World ex-U.S. Index.

\* The annual returns in this exhibit represent calendar-year periods.

\$1,790 Million

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>BGI EAFE</b>	<b>11.9%</b>	<b>53.9%</b>	<b>1.4%</b>	<b>1.2%</b>	<b>6.5%</b>	<b>3/31/93</b>
MSCI EAFE Index	11.9	53.6	0.9	1.2	6.1	
<b>BGI Emerging Markets</b>	<b>16.5</b>	<b>75.1</b>	<b>--</b>	<b>--</b>	<b>22.7</b>	<b>1/31/02</b>
MSCI Emerging Markets Free Index	15.6	69.8	--	--	19.8	
<b>BGI International Alpha Tilts</b>	<b>11.7</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>25.0</b>	<b>8/31/03</b>
MSCI EAFE Index	11.9	--	--	--	25.2	
<b>CG Small Cap International</b>	<b>13.4</b>	<b>71.7</b>	<b>3.8</b>	<b>--</b>	<b>-6.3</b>	<b>2/29/00</b>
Citigroup Extended Market World Ex-US	13.2	70.6	9.7	--	3.1	
<b>EAFE ETF</b>	<b>10.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>10.5</b>	<b>11/30/03</b>
MSCI EAFE Index	11.9	--	--	--	11.9	
<b>Globeflex</b>	<b>17.2</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>19.7</b>	<b>10/31/03</b>
Citigroup Extended Market World Ex-US	13.2	--	--	--	15.1	
<b>GSAM International</b>	<b>14.8</b>	<b>59.1</b>	<b>1.3</b>	<b>--</b>	<b>-4.5</b>	<b>2/29/00</b>
MSCI EAFE Index	11.9	53.6	0.9	--	-4.1	
<b>CG EAFE</b>	<b>9.3</b>	<b>48.8</b>	<b>1.5</b>	<b>--</b>	<b>-3.8</b>	<b>7/31/00</b>
MSCI EAFE Index	11.9	53.6	0.9	--	-3.3	
<b>Oechsle</b>	<b>11.8</b>	<b>56.7</b>	<b>-2.4</b>	<b>--</b>	<b>-6.3</b>	<b>7/31/00</b>
MSCI EAFE Index	11.9	53.6	0.9	--	-3.3	
<b>CG Emerging Markets</b>	<b>15.2</b>	<b>69.2</b>	<b>11.2</b>	<b>--</b>	<b>2.2</b>	<b>7/31/00</b>
MSCI Emerging Markets Free Index	15.6	69.8	11.0	--	3.5	
<b>Templeton</b>	<b>15.7</b>	<b>66.6</b>	<b>15.8</b>	<b>--</b>	<b>8.4</b>	<b>7/31/00</b>
MSCI Emerging Markets Free Index	15.6	69.8	11.0	--	3.5	

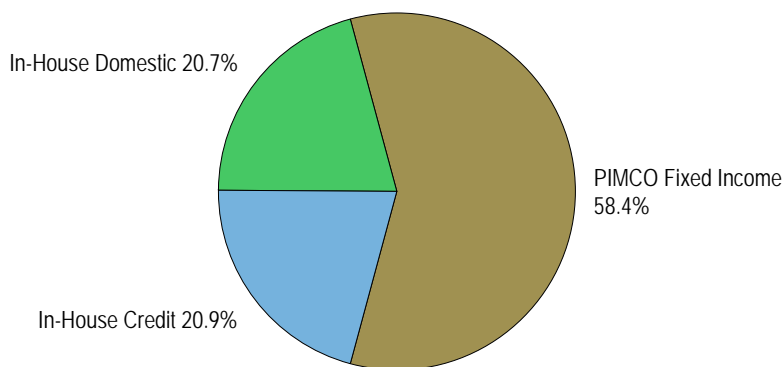
\* Time period represents the total return for the fiscal quarter ending 2/29/04.

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>Total Fixed Income</b>	<b>3.9%</b>	<b>9.1%</b>	<b>8.6%</b>	<b>7.1%</b>	<b>9.2%</b>	<b>8/31/85</b>
LB Aggregate Bond Index	2.9	4.5	7.4	7.2	8.7	

MANAGER ALLOCATION AS OF 2/29/04



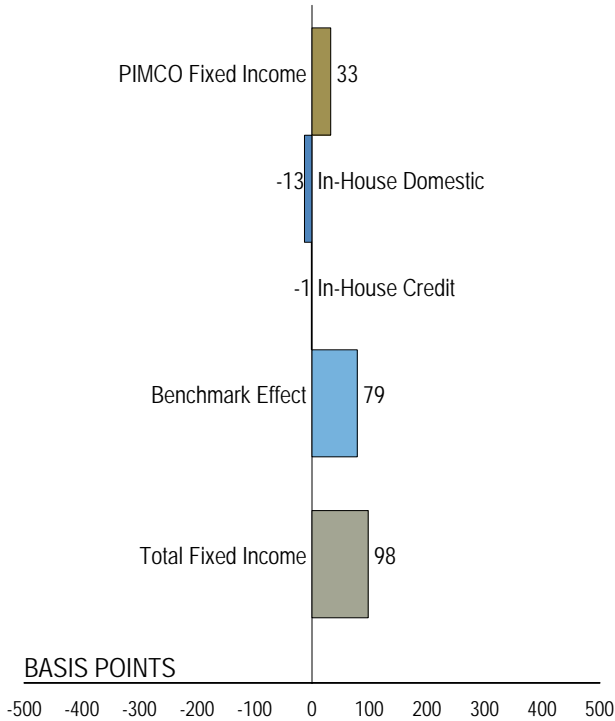
- The table above details the trailing-period performance of the total fixed income component relative to the Lehman Brothers Aggregate Bond Index. The component has outperformed its benchmark over the quarter, one-year, three-year, and since-inception periods. Outperformance has been driven by the relative performance earned by PIMCO. The manager's international exposure has significantly contributed to the above-benchmark result as these markets have outperformed the domestic market.
- The graph above details the allocation to each manager of the fixed income component as of quarter-end. As shown, PIMCO manages more than half of the PUF's fixed income assets.

\* Time period represents the total return for the fiscal quarter ending 2/29/04.

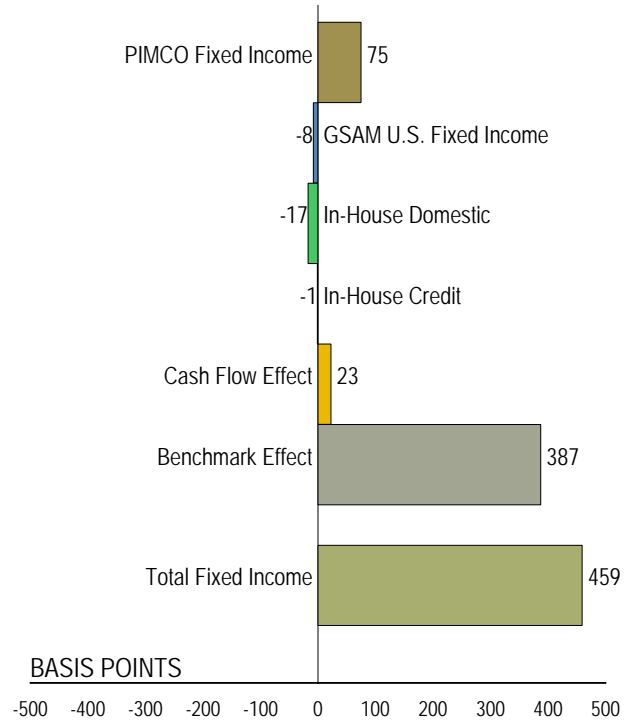
\$902 Million

As of February 29, 2004

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 2/29/04

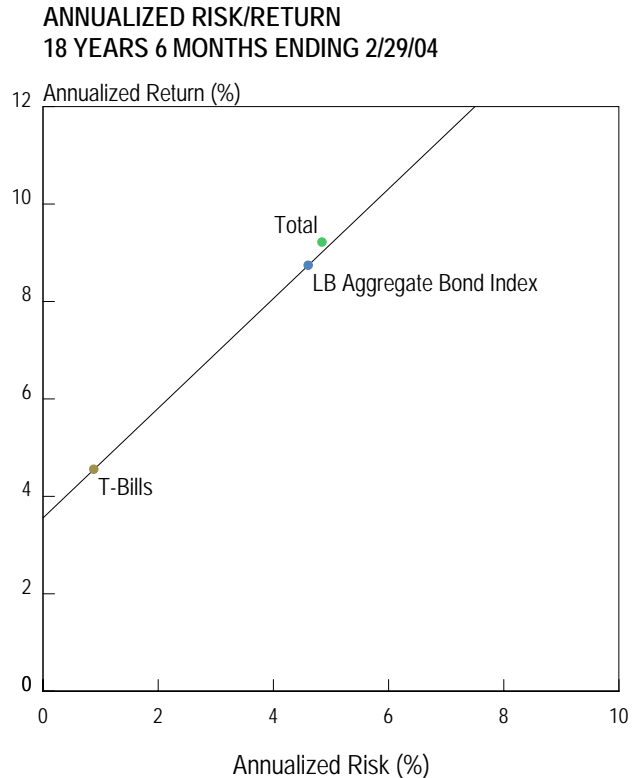
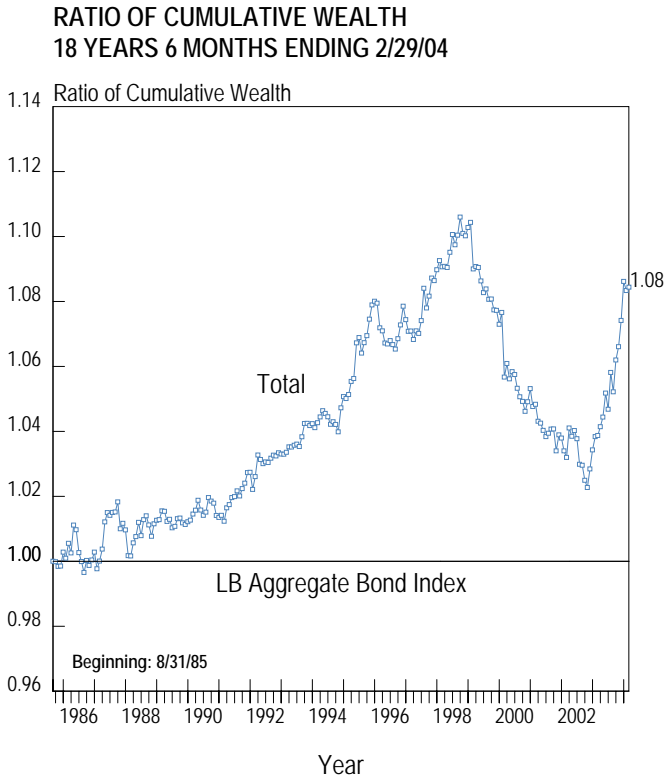


MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 2/29/04



- The Performance Attribution graphs shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Total Fixed Income" represents the component's relative performance to the Lehman Aggregate Bond Index in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the fixed income benchmark.

As of February 29, 2004



- The Ratio of Cumulative Wealth graph above illustrates the fixed income component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the fixed income component's return exceeded that of the benchmark until 1999, then experienced a period of underperformance until the end of 2002. Recent outperformance has resulted in increased value-added relative to the Lehman Aggregate Bond Index since inception.
- The Risk Return graph above exhibits the risk return characteristics of the total fixed income component, relative to those of the performance benchmark. As shown, the component has generated a slightly higher rate of return than the Index while incurring a slightly higher level of risk.

\$902 Million

As of February 29, 2004

**HISTORICAL RETURNS\***

(BY YEAR)

	Total Fixed Income	LB Aggregate Bond Index	Return Difference
	Return	Return	
1985 (4 months)	8.7%	8.4%	0.3
1986	15.3	15.3	0.0
1987	3.5	2.8	0.7
1988	8.2	7.9	0.3
1989	14.5	14.5	0.0
1990	9.1	9.0	0.1
1991	17.6	16.0	1.6
1992	8.0	7.4	0.6
1993	10.7	9.7	1.0
1994	-2.1	-2.9	0.8
1995	21.8	18.5	3.3
1996	3.1	3.6	-0.5
1997	11.2	9.7	1.5
1998	10.0	8.7	1.3
1999	-3.5	-0.8	-2.7
2000	9.6	11.6	-2.0
2001	6.9	8.4	-1.5
2002	9.9	10.3	-0.4
2003	9.3	4.1	5.2
2004 (2 months)	1.7	1.9	-0.2
Trailing 1-Year	9.1%	4.5%	4.6
Trailing 3-Year	8.6	7.4	1.2
Trailing 5-Year	7.1	7.2	-0.1
Trailing 10-Year	7.6	7.2	0.4
Since Inception (8/31/85)	9.2	8.7	0.5

- The table above compares the annual return history of the total fixed income component to that of the Lehman Aggregate Bond Index.

\* The annual returns in this exhibit represent calendar-year periods.

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	Since Inception	Inception Date
<b>PIMCO Fixed Income</b>	<b>4.8%</b>	<b>12.3%</b>	<b>11.0%</b>	<b>10.9%</b>	<b>1/31/00</b>
LB Global Aggregate Bond Index	4.2	10.8	10.1	8.8	
<b>In-House Domestic</b>	<b>2.3</b>	<b>3.9</b>	<b>5.1</b>	<b>7.4</b>	<b>1/31/00</b>
LB Aggregate Bond Index	2.9	4.5	7.4	9.0	
<b>In-House Credit</b>	<b>3.3</b>	<b>7.3</b>	<b>7.5</b>	<b>7.7</b>	<b>1/31/01</b>
Credit Related Composite Index**	3.3	7.3	9.0	9.0	

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\* Time period represents the total return for the fiscal quarter ending 2/29/04.

\*\* The description of the composite benchmark can be found in the appendix of this report.

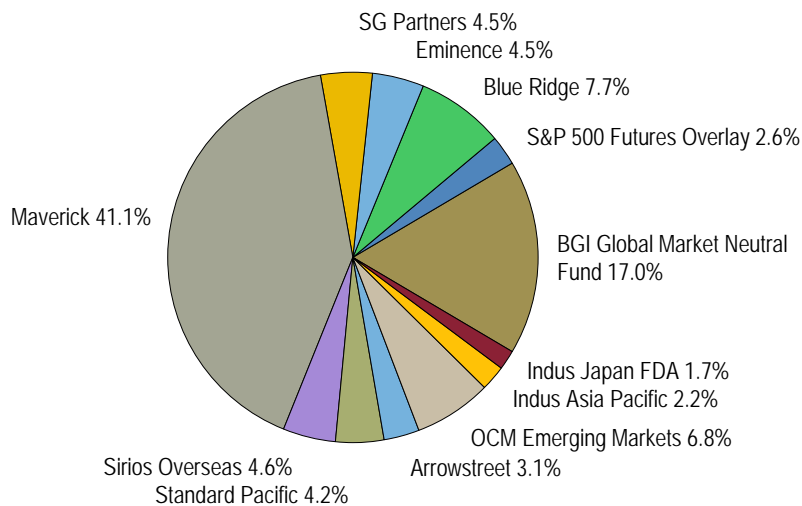
\$781 Million

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since Inception	Inception Date
<b>Equity Hedge Funds</b>	<b>4.3%</b>	<b>12/31/03</b>
90-Day T-Bill + 4%	0.8	

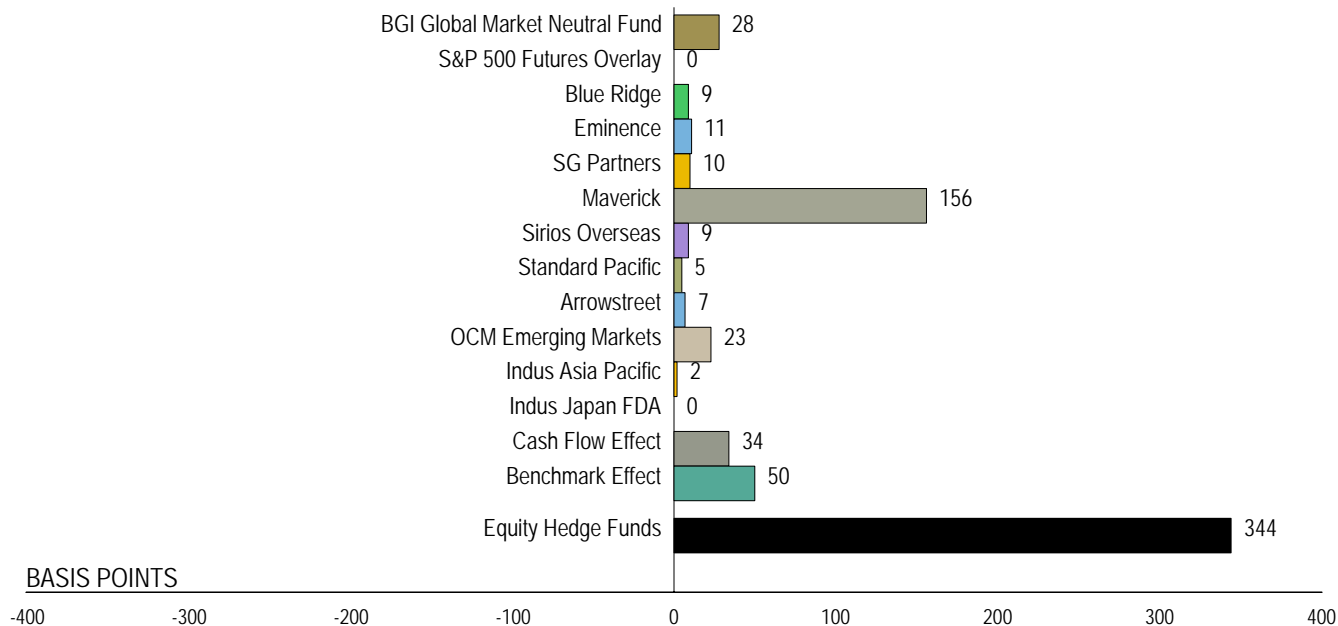
MANAGER ALLOCATION AS OF 2/29/04



- The Equity Hedge Fund component outperformed its benchmark over the two months since its inception as an official asset category. The Maverick portfolio was the greatest contributor to results and represents the largest portion of the component (41.1% as of quarter-end).
- The Blue Ridge, Indus Japan, and Indus Asia Pacific investments were all funded during the quarter.

As of February 29, 2004

MANAGER ATTRIBUTION ANALYSIS  
2 MONTHS ENDING 2/29/04



- The Performance Attribution exhibit shown above measures the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Equity Hedge Funds" represents the component's relative performance to the performance benchmark in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the equity hedge fund benchmark.
- As shown, each manager either made a positive contribution or had negligible impact on relative performance; the Maverick portfolio had the largest positive impact on component performance.

\$781 Million

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	Since Inception	Inception Date
<b>BGI Global Market Neutral Fund</b>	<b>10.3%</b>	<b>39.5%</b>	<b>--%</b>	<b>26.3%</b>	<b>12/31/02</b>
S&P 500 Index	8.7	38.5	--	27.6	
<b>S&amp;P 500 Futures Overlay</b>	<b>8.4</b>	<b>--</b>	<b>--</b>	<b>9.2</b>	<b>10/31/03</b>
S&P 500 Index	8.7	--	--	9.6	
<b>Blue Ridge</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0.7</b>	<b>12/31/03</b>
90-Day T-Bill + 4%	--	--	--	0.8	
<b>Eminence</b>	<b>4.7</b>	<b>--</b>	<b>--</b>	<b>8.4</b>	<b>6/30/03</b>
90-Day T-Bill + 4%	1.3	--	--	3.4	
<b>SG Partners</b>	<b>4.3</b>	<b>--</b>	<b>--</b>	<b>7.1</b>	<b>8/31/03</b>
90-Day T-Bill + 4%	1.3	--	--	2.5	
<b>Maverick</b>	<b>5.5</b>	<b>12.2</b>	<b>6.5</b>	<b>12.0</b>	<b>2/29/00</b>
90-Day T-Bill + 4%	1.3	5.2	6.3	7.4	
<b>Sirios Overseas</b>	<b>3.9</b>	<b>--</b>	<b>--</b>	<b>8.5</b>	<b>4/30/03</b>
90-Day T-Bill + 4%	1.3	--	--	4.3	
<b>Standard Pacific</b>	<b>4.2</b>	<b>-0.4</b>	<b>--</b>	<b>-0.7</b>	<b>1/31/03</b>
90-Day T-Bill + 4%	1.3	5.2	--	5.2	
<b>Arrowstreet</b>	<b>3.4</b>	<b>--</b>	<b>--</b>	<b>-9.0</b>	<b>5/31/03</b>
90-Day T-Bill + 4%	1.3	--	--	3.9	
<b>OCM Emerging Markets</b>	<b>5.6</b>	<b>11.4</b>	<b>--</b>	<b>10.4</b>	<b>12/31/01</b>
90-Day T-Bill + 4%	1.3	5.2	--	5.6	
<b>Indus Asia Pacific</b>	<b>5.9</b>	<b>--</b>	<b>--</b>	<b>5.9</b>	<b>11/30/03</b>
90-Day T-Bill + 4%	1.3	--	--	1.3	
<b>Indus Japan FDA</b>	<b>2.5</b>	<b>--</b>	<b>--</b>	<b>2.5</b>	<b>11/30/03</b>
90-Day T-Bill + 4%	1.3	--	--	1.3	

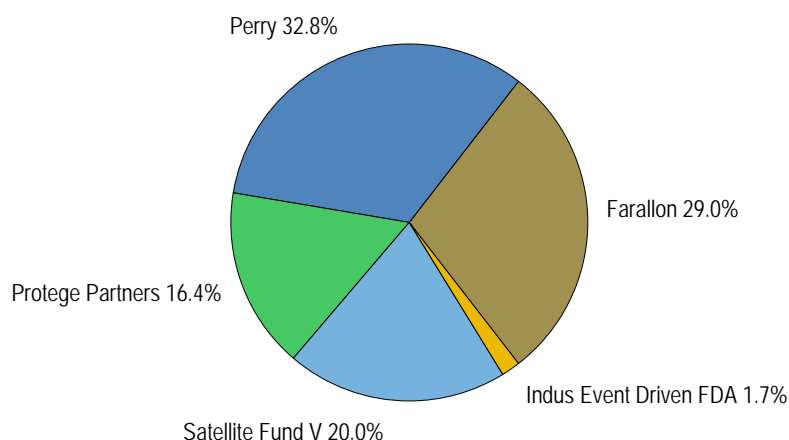
\* Time period represents the total return for the fiscal quarter ending 2/29/04.

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	Since Inception	Inception Date
Absolute Return Hedge Funds	5.1%	25.1%	11.2%	13.3%	2/29/00
Absolute Return Benchmark**	1.1	5.1	6.3	7.3	

MANAGER ALLOCATION AS OF 2/29/04



- The total absolute return component outperformed in the recent fiscal quarter as each of the managers earned a return exceeding that of the benchmark during the period. Longer-term performance shown above is also favorable as the component outperformed its benchmark by six percentage points since inception.
- The graph above details the allocation to each manager of the absolute return component as of quarter-end.
- The Indus Event Driven investment was funded during the quarter.

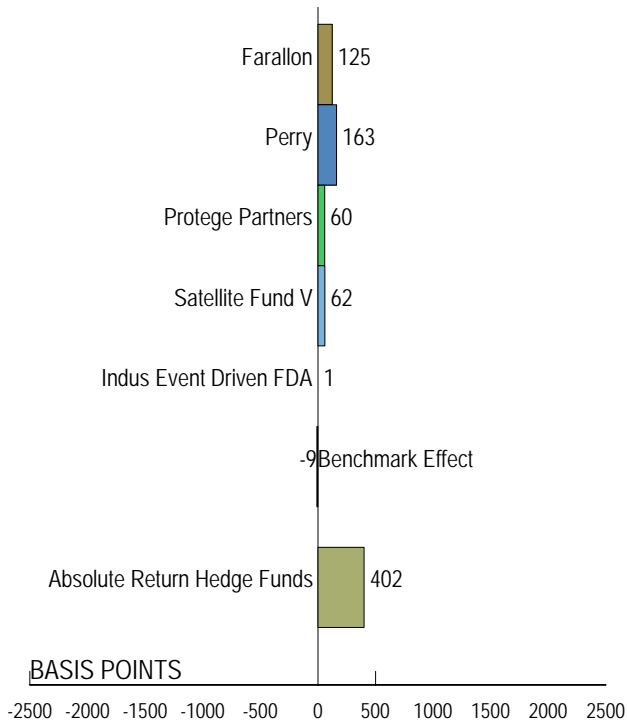
\* Time period represents the total return for the fiscal quarter ending 2/29/04.

\*\* The Absolute Return Benchmark consists of the returns of 90 Day T-Bills + 3% beginning January 1, 2004. Returns through December 31, 2003, represent 90 Day T-Bills + 4%.

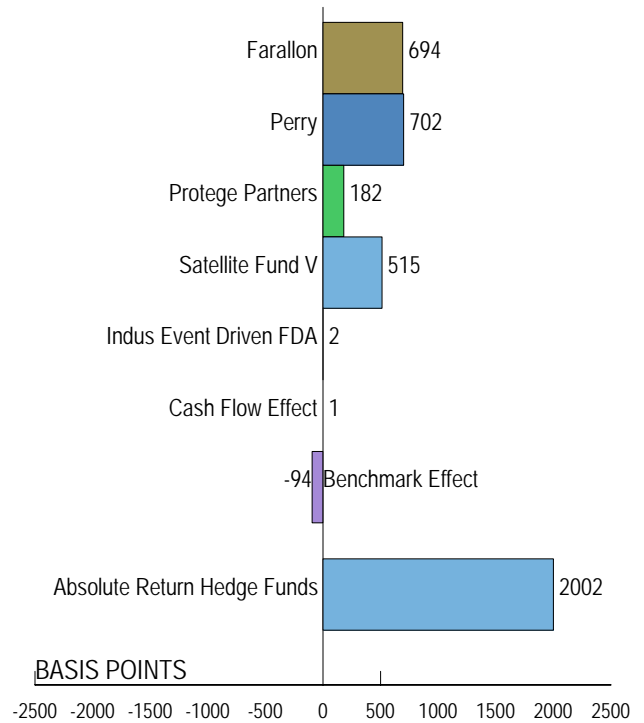
\$792 Million

As of February 29, 2004

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 2/29/04



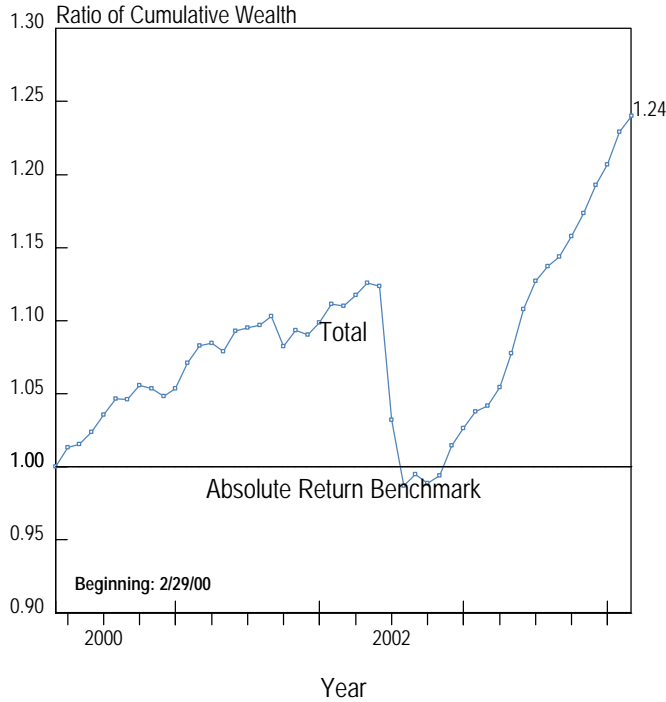
MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 2/29/04



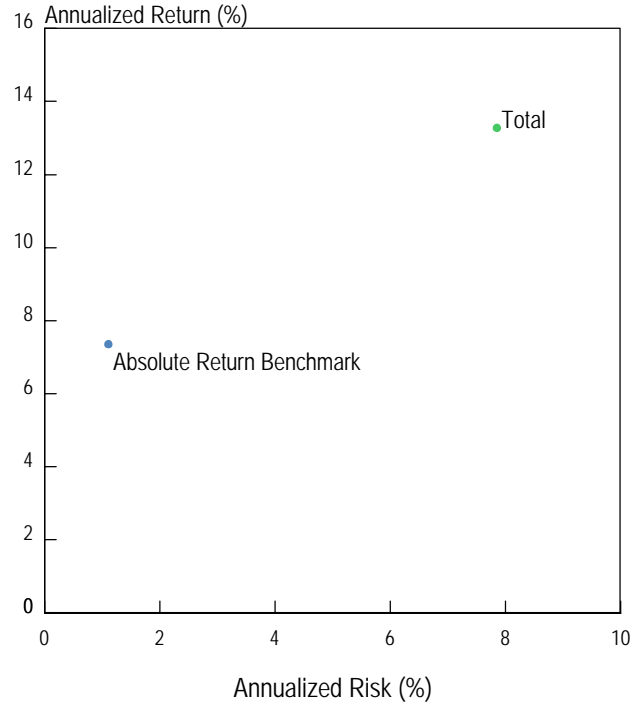
- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Absolute Return Hedge Funds" represents the component's relative performance to the performance benchmark in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual manager and the absolute return hedge fund benchmark.

As of February 29, 2004

**RATIO OF CUMULATIVE WEALTH  
4 YEARS ENDING 2/29/04**



**ANNUALIZED RISK/RETURN  
4 YEARS ENDING 2/29/04**



- The Ratio of Cumulative Wealth graph above illustrates the absolute return component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the component has experienced a significant relative-performance gain since mid-2002 and leads its benchmark since inception.
- The Risk Return graph above exhibits the risk and return characteristics of the total absolute return component, relative to that of its performance benchmark. As shown, the component has outperformed its benchmark since inception, while incurring a significantly greater level of risk.

\$792 Million

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

	Absolute Return Hedge Funds	Absolute Return Benchmark	Return Difference
	Return	Return	
2000 (10 months)	14.6%	8.8%	5.8
2001	13.3	8.7	4.6
2002	-1.0	6.0	-7.0
2003	23.8	5.3	18.5
2004 (2 months)	3.4	0.7	2.7
Trailing 1-Year	25.1%	5.1%	20.0
Trailing 3-Year	11.2	6.3	4.9
Since Inception (2/29/00)	13.3	7.3	6.0

- The table above compares the annual return history of the total absolute return component to that of the performance benchmark.

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\* The annual returns in this exhibit represent calendar-year periods.

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	Since Inception	Inception Date
<b>Farallon</b>	5.3%	27.0%	14.2%	14.1%	2/29/00
90 Day T-Bills + 3%	1.0	4.2	5.3	6.3	
<b>Perry</b>	6.0	24.3	13.4	15.9	2/29/00
90 Day T-Bills + 3%	1.0	4.2	5.3	6.3	
<b>Protege Partners</b>	4.6	16.6	--	16.6	2/28/03
90 Day T-Bills + 3%	1.0	4.2	--	4.2	
<b>Satellite Fund V</b>	4.0	28.7	5.4	7.5	8/31/00
90 Day T-Bills + 3%	1.0	4.2	5.3	5.9	
<b>Indus Event Driven FDA</b>	2.0	--	--	2.0	11/30/03
90 Day T-Bills + 3%	1.0	--	--	1.0	

\* Time period represents the total return for the fiscal quarter ending 2/29/04.

\$878 Million

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>Private Capital</b>	<b>7.3%</b>	<b>8.9%</b>	<b>-7.7%</b>	<b>4.6%</b>	<b>9.8%</b>	<b>1/31/89</b>
Private Capital Benchmark**	6.5	44.1	3.9	4.7	15.9	

- As shown in the table above, Private Capital outperformed its benchmark for the quarter, and trailed the benchmark over all longer periods shown.
- The returns shown in the table above are reported on a time-weighted basis, consistent with the methodology used for returns throughout this report. Time-weighted returns are calculated using monthly asset values and daily cash flows. Time-weighted rates of return are the industry standard for reporting the performance of traditional, marketable investments. For investments such as private equity, the time-weighted return calculation methodology suffers from a number of flaws, including the attribution of control over cash flows to the investor rather than the investment manager. In these cases, the industry standard is to use the internal rate of return (IRR), which is the annualized rate of return implied by a series of cash flows and a beginning and ending market value.

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\* Time period represents the total return for the fiscal quarter ending 2/29/04.

\*\* The Private Capital Benchmark represents the Venture Economics Private Capital Benchmark beginning January 1, 2004. Returns through December 31, 2003, represent the Wilshire 5000 + 4%.

As of February 29, 2004

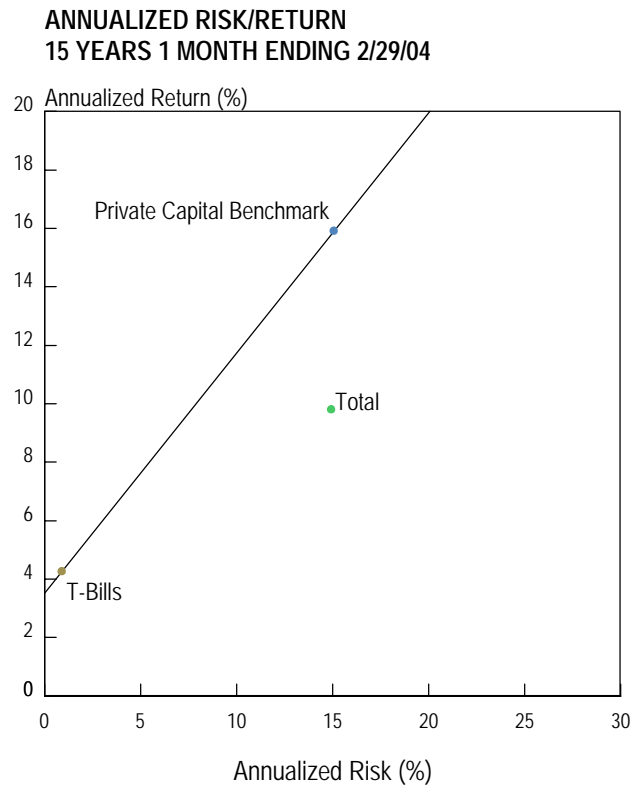
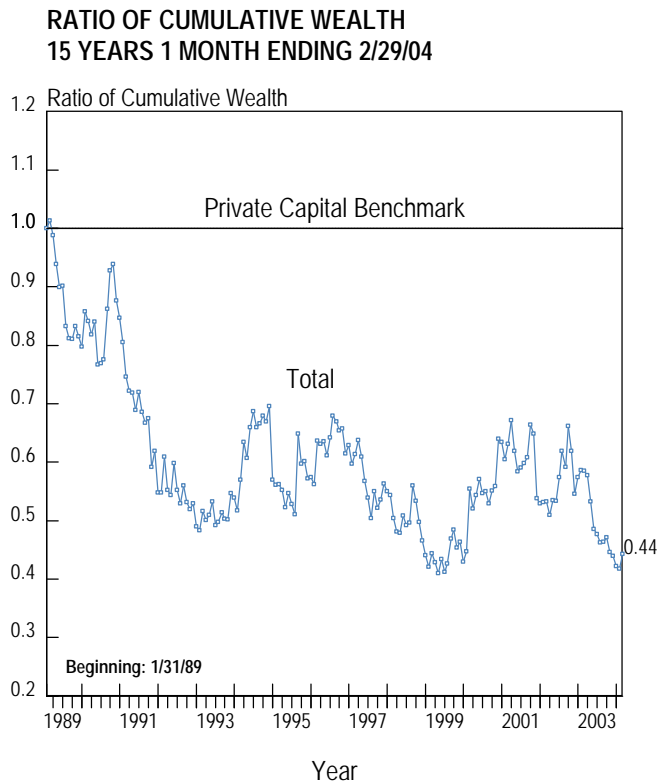
HISTORICAL RETURNS  
PUF SINCE INCEPTION IRR

Period Ending	Private Capital	Wilshire 5000 Index + 4%	Return Difference
8/31/1989	22.2 %	46.2 %	-24.0 %
8/31/1990	-5.1	-3.8	-1.3
8/31/1991	6.6	17.0	-10.4
8/31/1992	-3.9	13.3	-17.4
8/31/1993	2.3	15.4	-13.1
8/31/1994	12.9	12.7	0.2
8/31/1995	18.2	14.5	3.7
8/31/1996	20.5	15.1	5.4
8/31/1997	20.1	18.0	2.1
8/31/1998	18.5	15.6	2.9
8/31/1999	19.0	18.7	0.3
8/31/2000	22.3	19.2	3.1
8/31/2001	17.8	12.2	5.6
8/31/2002	13.0	8.0	5.0
8/31/2003	10.5	9.3	1.2
2/29/2004	10.9	10.6	0.3

- The IRRs shown in the table were provided by UTIMCO, as with all other data shown in this report.

\$878 Million

As of February 29, 2004



- The data shown in the exhibits above reflect time-weighted returns.
- The Ratio of Cumulative Wealth graph above illustrates the private capital securities component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the component has significantly underperformed since inception. A sizeable portion of the underperformance is a result of below-benchmark returns earned early in the component's life (namely 1990-1991).
- The Risk Return graph above exhibits the risk return characteristics of the private capital component, relative to that of its benchmark. As shown, the component has underperformed the benchmark while incurring a similar level of risk.

As of February 29, 2004

**HISTORICAL RETURNS\***

(BY YEAR)

	Private Capital	Private Capital Benchmark	Return Difference
	Return	Return	
1989 (11 months)	0.0%	25.4%	-25.4
1990	3.6	-2.3	5.9
1991	-9.7	39.5	-49.2
1992	1.4	13.4	-12.0
1993	27.4	15.8	11.6
1994	9.9	4.0	5.9
1995	43.0	41.9	1.1
1996	37.9	26.1	11.8
1997	19.4	36.5	-17.1
1998	2.8	28.4	-25.6
1999	25.6	28.5	-2.9
2000	36.8	-7.2	44.0
2001	-22.6	-7.3	-15.3
2002	-10.6	-17.6	7.0
2003	0.6	36.9	-36.3
2004 (2 months)	6.4	1.6	4.8
Trailing 1-Year	8.9%	44.1%	-35.2
Trailing 3-Year	-7.7	3.9	-11.6
Trailing 5-Year	4.6	4.7	-0.1
Trailing 10-Year	12.2	15.1	-2.9

- The returns shown in the table above reflect time-weighted returns.
- The table above compares the annual return history of the private capital component relative to its performance benchmark.

\* The annual returns in this exhibit represent calendar-year periods.

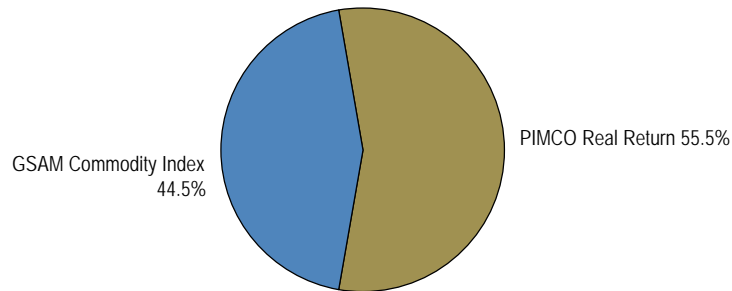
\$251 Million

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since Inception	Inception Date
<b>Commodities</b>	<b>8.2%</b>	<b>12/31/03</b>
Goldman Sachs Commodity Index - 1%	7.7	

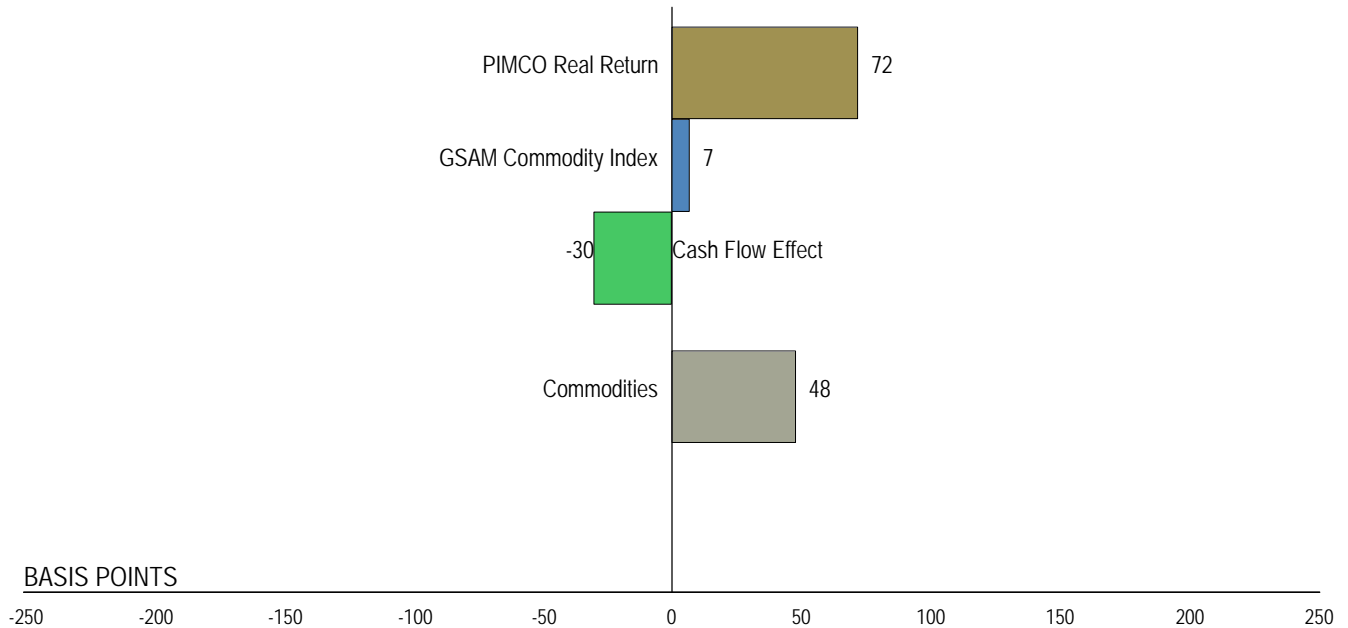
MANAGER ALLOCATION AS OF 2/29/04



- The commodities component outperformed the benchmark over the two months since inception.
- The graph above details the manager allocations of the commodities asset class as of quarter-end. The assets are roughly split between Goldman Sachs and the newly funded PIMCO Real Return investment.
- The PIMCO Real Return investment was funded during the quarter.

As of February 29, 2004

MANAGER ATTRIBUTION ANALYSIS  
2 MONTHS ENDING 2/29/04



- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Commodities" represents the component's relative performance to the performance benchmark in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component.

\$251 Million

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	Since Inception	Inception Date
<b>PIMCO Real Return</b>	--	--	<b>8.4%</b>	<b>12/31/03</b>
Goldman Sachs Commodity Index - 1%	--	--	7.7	
<b>GSAM Commodity Index</b>	<b>15.1</b>	<b>7.4</b>	<b>28.8</b>	<b>3/31/02</b>
Goldman Sachs Commodity Index - 1%	14.6	5.5	22.3	

\* Time period represents the total return for the fiscal quarter ending 2/29/04.

GENERAL ENDOWMENT FUND

# GENERAL ENDOWMENT FUND

\$4,245 Million

As of February 29, 2004

## RETURN SUMMARY ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>General Endowment Fund</b>	8.2%	32.6%	5.9%	7.6%	10.5%	8/31/91
Endowment Performance Benchmark**	6.6	31.3	4.9	5.8	11.2	
<b>U.S. Equities</b>	7.7	40.1	3.0	4.8	11.1	8/31/91
U.S. Equity Performance Benchmark	8.1	42.1	0.7	1.1	11.0	
<b>Global Ex US Equities</b>	13.9	59.5	4.3	3.4	6.0	3/31/93
MSCI AC World Ex- U.S. Free Index	12.1	55.9	2.7	2.9	6.5	
<b>Equity Hedge Funds</b>	--	--	--	--	4.3	12/31/03
90-Day T-Bill + 4%	--	--	--	--	0.8	
<b>Absolute Return Hedge Funds</b>	5.1	25.0	11.1	13.7	11.4	7/31/98
Absolute Return Benchmark	1.1	5.1	6.3	7.7	7.9	
<b>Private Capital***</b>	5.8	6.9	-8.0	3.8	9.7	11/30/86
Private Capital Benchmark	6.5	44.1	3.9	4.7	15.9	
<b>Commodities</b>	--	--	--	--	8.1	12/31/03
Goldman Sachs Commodity Index - 1%	--	--	--	--	7.7	
<b>Total Fixed Income</b>	3.9	9.4	8.7	7.6	11.3	8/31/81
LB Aggregate Bond Index	2.9	4.5	7.4	7.2	10.6	

- The General Endowment Fund outperformed the Endowment Performance Benchmark by 1.6 percentage points in the fiscal quarter ending February 29, 2004. Global ex-U.S. equities, absolute return hedge funds, equity hedge funds, commodities, and fixed income outperformed their benchmarks and contributed to the result.
- One-year performance exceeded the benchmark also despite the significant underperformance produced by the Private Capital component. This underperformance was offset by the positive effects produced by the global ex-U.S. equity, equity and absolute return hedge funds, fixed income, and inflation hedging segments.

\* Time-period represents the total return for the fiscal quarter ending 2/29/04.

\*\* Reflects the U.T. System Board of Regents approved asset allocation policy targets and benchmarks beginning January 1, 2004. Performance prior to January 1, 2004, represents historical policy portfolio data provided by UTIMCO.

\*\*\* Actual returns for the private capital component are presented on a time-weighted basis. The Private Capital benchmark represents the Venture Economics Private Capital Benchmark beginning January 1, 2004; returns through December 31, 2003 represent the Wilshire 5000 + 4%.

As of February 29, 2004

UTIMCO POLICY COMPLIANCE  
ASSET ALLOCATION AS OF 2/29/04  
(\$ in millions)

	Total	Percent of Total	Policy	Policy Ranges	In Compliance?
U.S. Equities	\$ 1,414	33.3 %	25.0 %	15 - 45%	Yes
Non-U.S. Developed Equity	\$ 555	13.1 %	10.0 %	5 - 15%	Yes
Emerging Markets Equity	388	9.1	7.0	0 - 10	Yes
<b>Global ex U.S. Equities</b>	<b>\$ 943</b>	<b>22.2 %</b>	<b>17.0 %</b>	<b>5 - 25%</b>	<b>Yes</b>
<b>Total Traditional Equity</b>	<b>\$ 2,357</b>	<b>55.5 %</b>	<b>42.0 %</b>	<b>20 - 60%</b>	<b>Yes</b>
Equity Hedge Funds	\$ 418	9.8 %	10.0 %	5 - 15%	Yes
Absolute Return Hedge Funds	434	10.2	15.0	10 - 20	Yes
<b>Total Hedge Funds</b>	<b>\$ 852</b>	<b>20.0 %</b>	<b>25.0 %</b>	<b>15 - 25%</b>	<b>Yes</b>
Private Equity	\$ 364	8.6 %	9.0 %	0 - 10%	Yes
Venture Capital	63	1.5	6.0	5 - 15	No
<b>Total Private Capital</b>	<b>\$ 427</b>	<b>10.1 %</b>	<b>15.0 %</b>	<b>5 - 15%</b>	<b>Yes</b>
Commodities	\$ 134	3.1 %	3.0 %	0 - 15%	Yes
Fixed Income	483	11.3	15.0	10 - 30	Yes
Cash	-8	-0.1	--	0 - 5	No
<b>Total General Endowment Fund</b>	<b>\$ 4,245</b>	<b>100.0 %</b>	<b>100.0 %</b>		

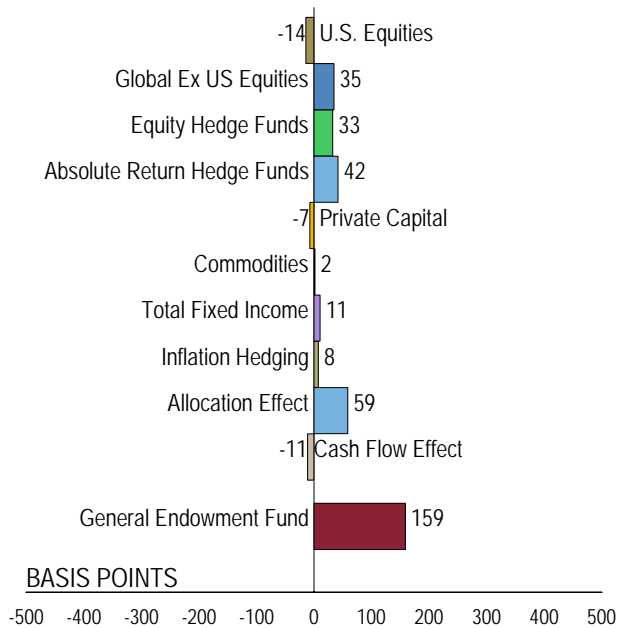
- The table above summarizes and compares the actual asset allocation of the General Endowment Fund to the U.T. System Policy Targets adopted December 19, 2003. As of the end of the fiscal quarter, the actual allocation to the venture capital category (1.5%) was below the allowable minimum of 5.0%.
- The largest deviation from Policy was the Fund's overweight of U.S. equities. This, combined with the overweight allocations to non-U.S. developed and emerging market equities, resulted in a 13.5 percentage point greater allocation to traditional equity than the Policy's 42.0%. Additionally, the GEF held an underweight allocation in both the Total Hedge Funds and Total Private Capital segments, and a 3.7 percentage point underweight of fixed income securities.
- The GEF grew by over \$300 million in the fiscal second quarter. Besides the classification changes that took place during the quarter and are summarized on page 4, the GEF's allocation to fixed income continued to decline. The component's allocation began the fiscal year at 13.8% as of August 31, and ended the fiscal second quarter at 11.3%.
- As of February 29, 19.8% of the General Endowment Fund was representative of the Permanent Health Fund and the remaining 80.2% was of the Long Term Fund.
- The negative \$8 million cash position represents liabilities accrued at quarter-end and paid shortly following the close of the quarter.

# GENERAL ENDOWMENT FUND

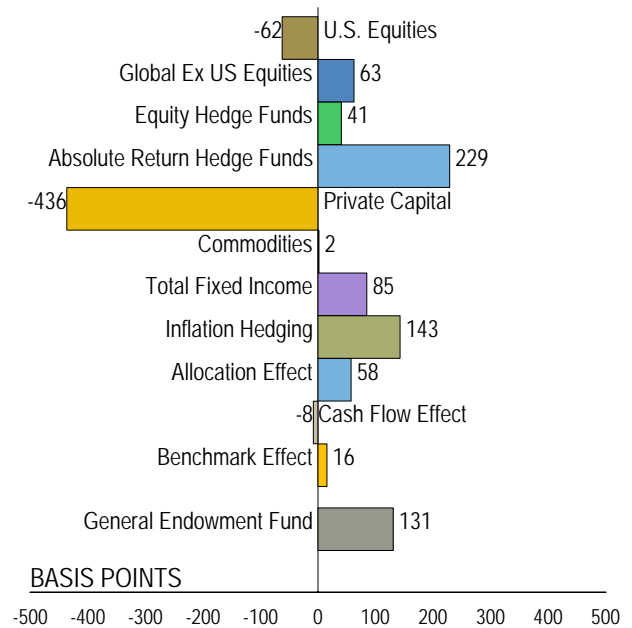
\$4,245 Million

As of February 29, 2004

**TOTAL FUND ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 2/29/04**



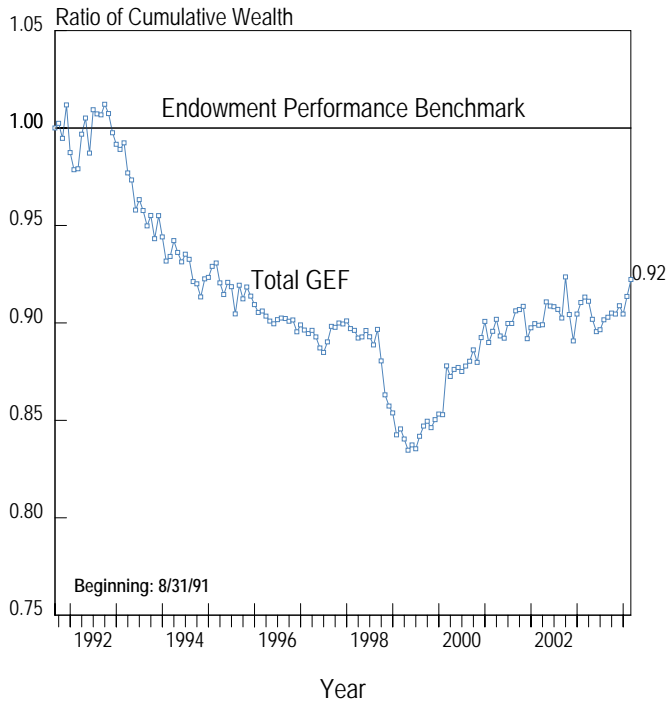
**TOTAL FUND ATTRIBUTION ANALYSIS  
1 YEAR ENDING 2/29/04**



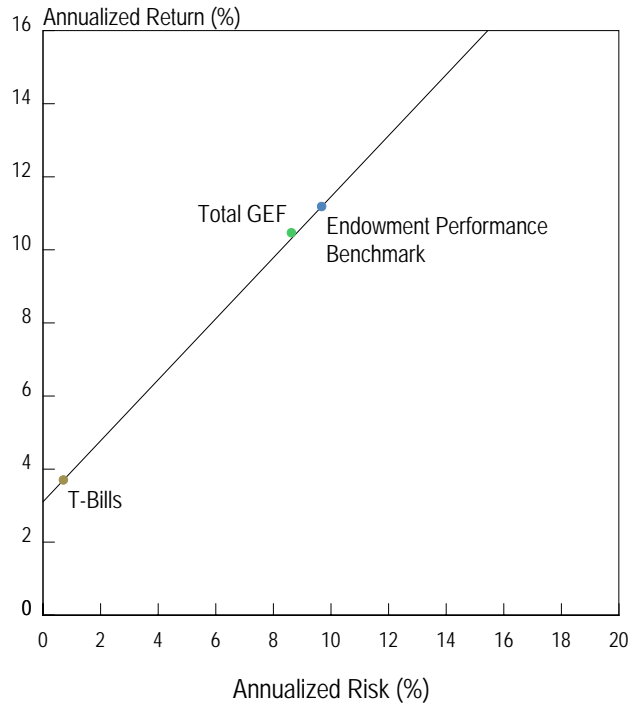
- The Performance Attribution exhibits shown above measure the source of the deviation of a fund's performance from that of its benchmark. Each bar on the graph represents the contribution made by the component to the total difference in performance (shown at the bottom of the exhibit). A positive value for a component indicates a positive contribution to the aggregate relative performance. A negative value indicates a detrimental impact. The asset class bar amounts are determined by multiplying the relative return of that asset class (actual return - policy benchmark return) by its policy weight. "Allocation Effect" details the degree to which the Fund's asset allocation differed from that of its policy, and what impact this had on performance. "Cash Flow Effect" details what impact any movement in Fund assets had on performance. "Benchmark Effect" details the impact of differences between the composition of the Total Fund benchmark and the benchmarks of the individual asset classes.
- As shown in the three-month exhibit, the favorable performance earned by most of the asset classes benefited performance, collectively offsetting the negative impact produced by the U.S. Equities, and Private Capital components' trailing results. The General Endowment Fund also benefited from the overweight allocations to the traditional equity asset classes and the underweight of fixed income securities.
- The one-year attribution analysis shows a similar asset-class relative return story; however, the Private Capital component significantly underperformed its benchmark and offset much of the value-added produced by components such as Absolute Return Hedge Funds, Inflation Hedging, and Fixed Income.

As of February 29, 2004

RATIO OF CUMULATIVE WEALTH  
12 YEARS 6 MONTHS ENDING 2/29/04



ANNUALIZED RISK/RETURN  
12 YEARS 6 MONTHS ENDING 2/29/04



- The Ratio of Cumulative Wealth graph above illustrates the Total General Endowment Fund's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, between 1993 and 1999 the Fund's performance trailed that of the benchmark. Since 1999, the Fund has exceeded the performance of its benchmark.
- The Risk Return graph above exhibits the risk and return characteristics of the Total General Endowment Fund, relative to that of the Performance Benchmark. As shown, the Fund earned a slightly lower return at a comparatively lower level of volatility.

# GENERAL ENDOWMENT FUND

\$4,245 Million

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

	General Endowment Fund	Endowment Performance Benchmark**	Return Difference
	Return	Return	
1991 (4 months)	6.4%	7.8%	-1.4
1992	7.8	7.4	0.4
1993	10.9	16.5	-5.6
1994	0.2	2.4	-2.2
1995	25.1	27.0	-1.9
1996	14.3	15.7	-1.4
1997	20.5	20.2	0.3
1998	11.6	17.7	-6.1
1999	18.6	18.7	-0.1
2000	3.9	-1.6	5.5
2001	-5.0	-4.7	-0.3
2002	-7.7	-8.4	0.7
2003	25.5	25.6	-0.1
2004 (2 months)	4.5	2.5	2.0
Trailing 1-Year	32.6%	31.3%	1.3
Trailing 3-Year	5.9	4.9	1.0
Trailing 5-Year	7.6	5.8	1.8
Trailing 10-Year	10.5	10.6	-0.1
Since Inception (8/31/91)	10.5	11.2	-0.7

- The table above compares the annual return history of the General Endowment Fund to that of its performance benchmark.

\* The annual returns in this exhibit represent calendar-year periods.

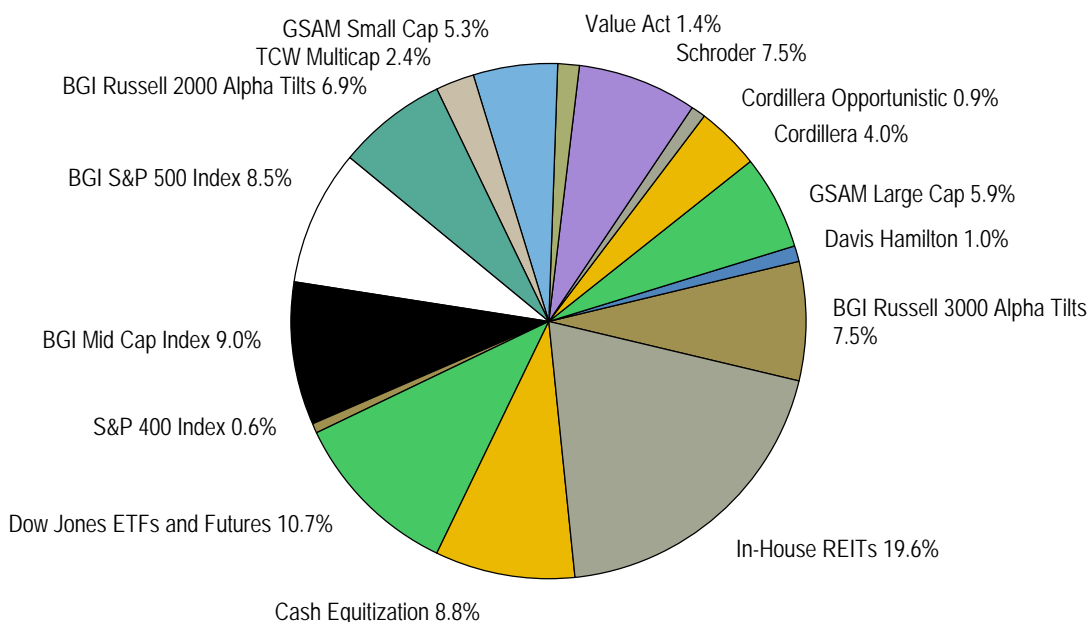
\*\* Reflects the U.T. System Board of Regents approved asset allocation policy targets and benchmarks beginning January 1, 2004. Performance prior to January 1, 2004, represents historical policy portfolio data provided by UTIMCO.

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>U.S. Equities</b>	7.7%	40.1%	3.0%	4.8%	11.1%	8/31/91
U.S. Equity Performance Benchmark	8.1	42.1	0.7	1.1	11.0	

MANAGER ALLOCATION AS OF 2/29/04



- The table above details the trailing-period performance of the total domestic equity component relative to the Performance Benchmark.
- The graph above details the allocation to each manager of the U.S. equity component as of quarter-end. Beginning January 1, 2004, REIT investments are included in the U.S. equity component's allocation and performance calculation. In conjunction with this classification change, hedge and structured active domestic equity managers have been moved to a new Equity Hedge Funds asset class.
- The TCW Multicap investment was funded during the quarter.

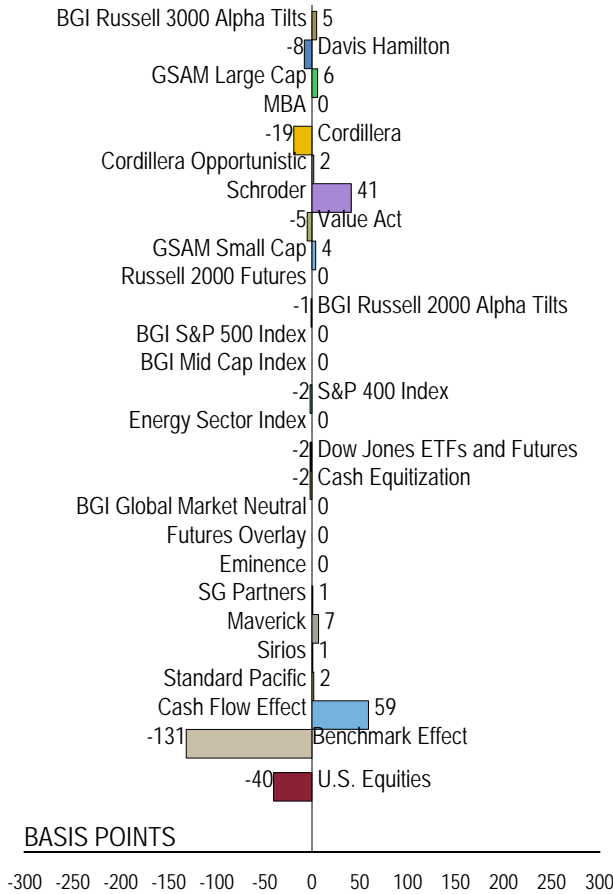
\* Time period represents the total return for the fiscal quarter ending 2/29/04.

\*\* The U.S. Equity Performance Benchmark represents the return of the Russell 3000 Index beginning January 1, 2004. Returns through December 31, 2003, represent the Wilshire 5000 Index.

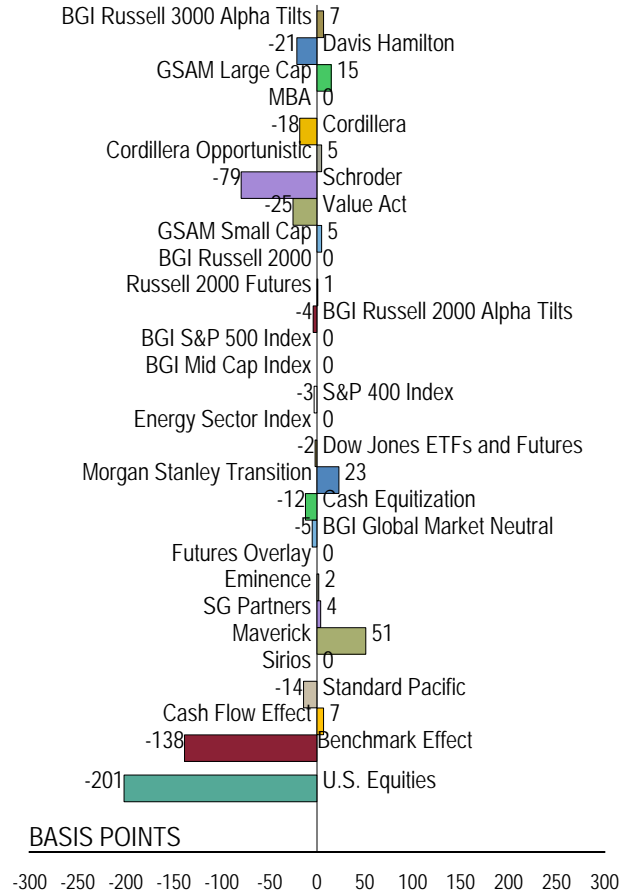
\$1,414 Million

As of February 29, 2004

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 2/29/04

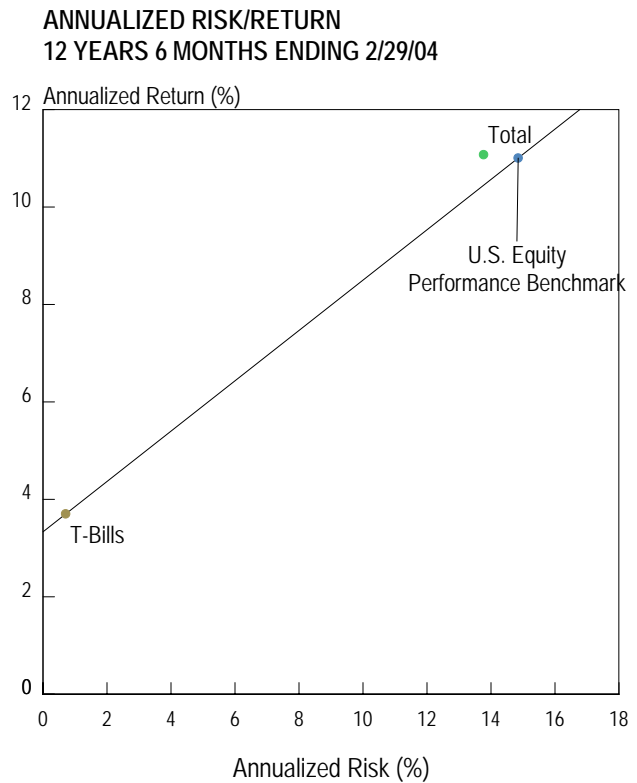
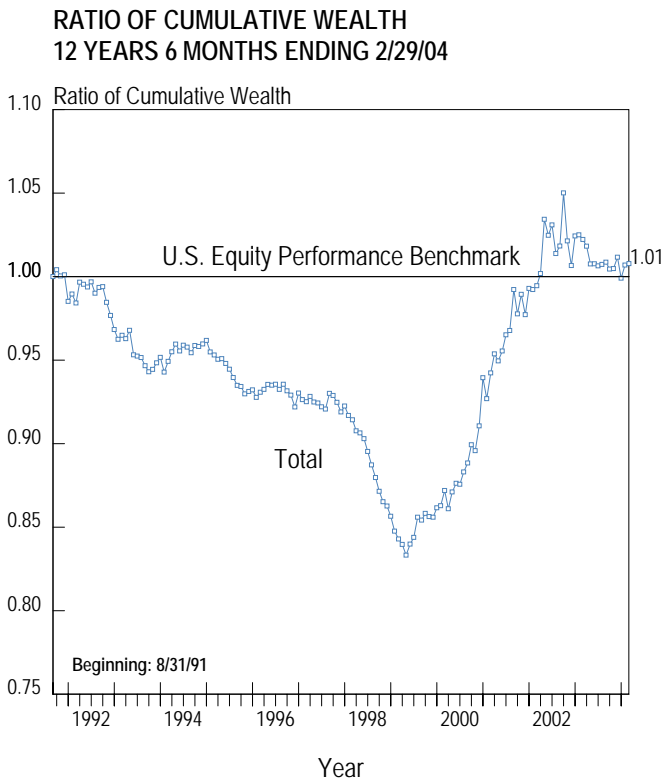


MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 2/29/04



- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "U.S. Equities" represents the component's performance relative to the U.S. Equities Performance Benchmark in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the U.S. equity benchmark.
- As shown in the three-month exhibit, relative performance was mixed across investment styles. The greatest contributor was the Schroder small cap portfolio which earned a return that exceeded the benchmark by over five percentage points. The Cordillera small cap portfolio, on the other hand, was the largest single detractor. The benchmark effect is a result of the market-trailing returns earned by mid-cap stocks and the hedge fund benchmarks of T-bills + 4%. This effect is muted in the one-year exhibit as small-cap stocks outperformed the rest of the market during the period.

As of February 29, 2004



- The Ratio of Cumulative Wealth graph above illustrates the domestic equity component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, performance trailed the Index prior to 1999, though it has exceeded that of the Index since 1999.
- The Risk Return graph above exhibits the risk return characteristics of the total domestic equity component, relative to that of the Performance Benchmark. As shown, the asset class has achieved a return similar to that of the Index at a slightly lower level of volatility.

\$1,414 Million

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

	U.S. Equities	U.S. Equity Performance Benchmark	Return Difference
	Return	Return	
1991 (4 months)	5.9%	7.5%	-1.6
1992	7.1	9.0	-1.9
1993	9.4	11.3	-1.9
1994	1.0	-0.1	1.1
1995	32.3	36.4	-4.1
1996	21.0	21.2	-0.2
1997	30.2	31.3	-1.1
1998	14.6	23.4	-8.8
1999	24.3	23.6	0.7
2000	-2.8	-10.9	8.1
2001	-5.9	-11.0	5.1
2002	-18.4	-20.9	2.5
2003	28.4	31.7	-3.3
2004 (2 months)	4.4	3.5	0.9
Trailing 1-Year	40.1%	42.1%	-2.0
Trailing 3-Year	3.0	0.7	2.3
Trailing 5-Year	4.8	1.1	3.7
Trailing 10-Year	11.5	10.9	0.6
Since Inception (8/31/91)	11.1	11.0	0.1

- The table above compares the annual return history of the total domestic equity component to that of the U.S. Equity Performance Benchmark.

\* The annual returns in this exhibit represent calendar-year periods.

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>BGI Russell 3000 Alpha Tilts</b>	8.6%	--%	--%	--%	15.6%	8/31/03
Russell 3000 Index	8.2	--	--	--	15.1	
<b>Davis Hamilton</b>	4.1	26.9	-3.6	-0.7	9.8	12/31/93
S&P 500 Index	8.7	38.5	-1.0	-0.1	11.2	
<b>GSAM Large Cap</b>	9.5	41.2	0.3	0.7	2.1	3/31/98
S&P 500 Index	8.7	38.5	-1.0	-0.1	2.1	
<b>MBA</b>	5.0	34.1	-3.9	-5.7	3.1	10/31/95
S&P 500 Index	8.7	38.5	-1.0	-0.1	10.2	
<b>Cordillera</b>	1.9	61.3	-3.8	9.0	10.3	12/31/93
Russell 2000 Growth Index	5.6	64.9	1.9	2.9	5.9	
<b>Cordillera Opportunistic</b>	9.8	--	--	--	15.1	10/31/03
Russell 2000 Index	7.4	--	--	--	11.2	
<b>Schroder</b>	12.7	51.5	7.3	14.1	11.9	12/31/93
Russell 2000 Index	7.4	64.4	8.7	9.8	9.9	
<b>Value Act</b>	4.8	--	--	--	8.1	7/31/03
Russell 2000 Index	7.4	--	--	--	23.8	
<b>GSAM Small Cap</b>	8.5	65.7	12.1	12.3	6.7	3/31/98
Russell 2000 Index	7.4	64.4	8.7	9.8	4.7	
<b>TCW Multicap</b>	--	--	--	--	1.2	1/31/04
Russell 3000 Index	--	--	--	--	1.4	
<b>BGI Russell 2000 Alpha Tilts</b>	7.1	63.1	--	--	11.9	12/31/01
Russell 2000 Index	7.4	64.4	--	--	10.1	
<b>BGI S&amp;P 500 Index</b>	8.7	38.6	-1.0	-0.1	12.0	1/31/93
S&P 500 Index	8.7	38.5	-1.0	-0.1	11.1	
<b>BGI Mid Cap Index</b>	6.4	49.7	7.8	12.3	14.9	11/30/92
S&P 400 Mid Cap Index	6.4	49.7	7.7	12.3	14.4	
<b>S&amp;P 400 Index</b>	5.8	--	--	--	9.5	10/31/03
S&P 400 Mid Cap Index	6.4	--	--	--	10.1	
<b>Energy Sector Index</b>	14.7	--	--	--	18.5	9/30/03
ML 90-day T-Bill	0.3	--	--	--	0.4	
<b>Dow Jones ETFs and Futures</b>	8.4	--	--	--	7.8	10/31/03
Dow Jones Industrial Average	8.7	--	--	--	8.8	
<b>Cash Equitization</b>	8.2	37.2	-1.8	--	-1.8	2/28/01
S&P 500 Index	8.7	38.5	-1.0	--	-1.0	
<b>In-House REITs</b>	8.7	48.6	21.0	17.5	14.3	3/31/93
Wilshire Real Estate Securities Index	9.2	47.2	18.5	16.5	11.0	

\* Time period represents the total return for the fiscal quarter ending 2/29/04.

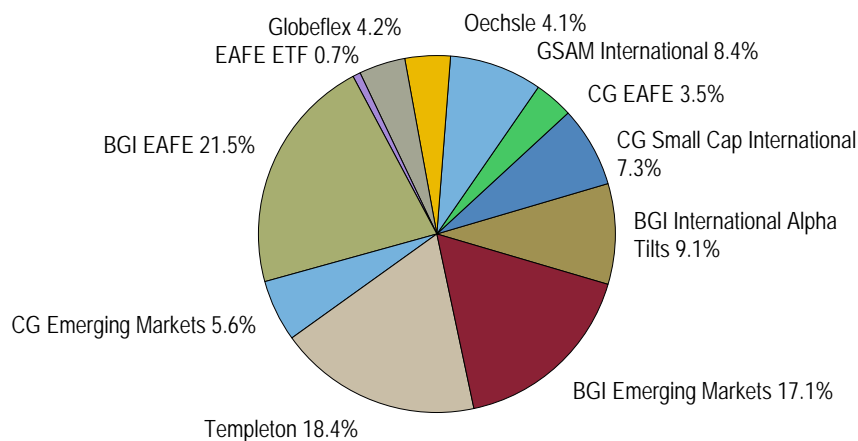
\$943 Million

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>Global Ex US Equities</b>	<b>13.9%</b>	<b>59.5%</b>	<b>4.3%</b>	<b>3.4%</b>	<b>6.0%</b>	<b>3/31/93</b>
MSCI AC World Ex-U.S. Free Index	12.1	55.9	2.7	2.9	6.5	

MANAGER ALLOCATION AS OF 2/29/04

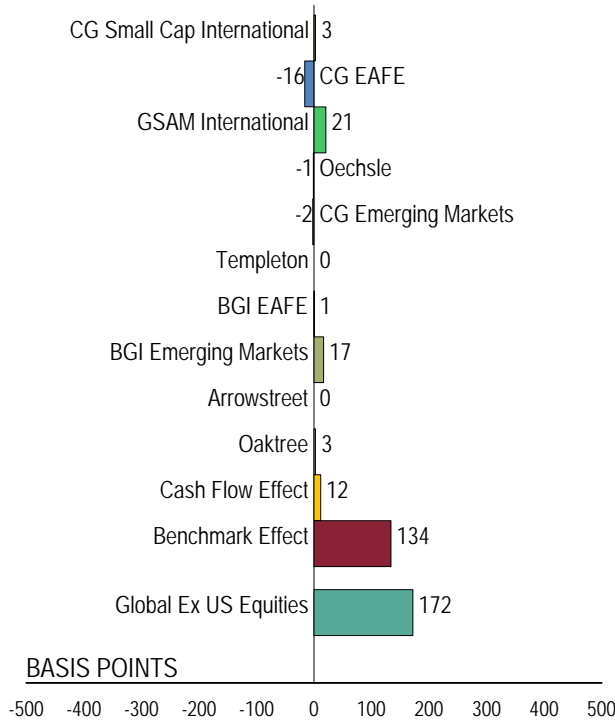


- The table above details the trailing-period performance of the total international equity component relative to the MSCI All-Country World ex-U.S. Index. The current quarter's outperformance was aided by the above-market returns earned by the Capital Guardian Small Cap and Goldman Sachs portfolios and positive tracking error from the BGI Emerging Markets portfolio. The component has outperformed its benchmark over the one-year, three-year, and five-year periods.
- The graph above details the allocation to each manager of the international equity component as of quarter-end. Beginning January 1, 2004, hedge and structured active international equity managers have been classified within a new Equity Hedge Funds asset class.
- The EAFE ETF investment was funded during the quarter.

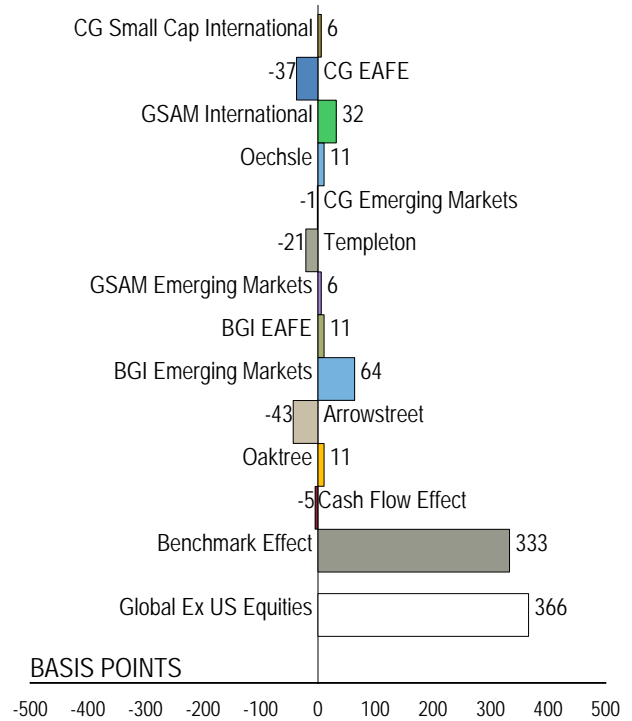
\* Time period represents the total return for the fiscal quarter ending 2/29/04.

As of February 29, 2004

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 2/29/04



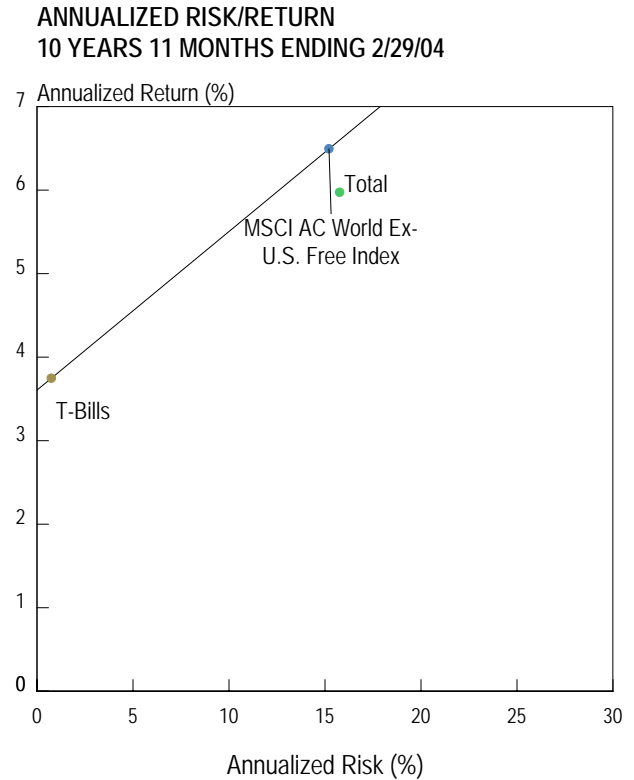
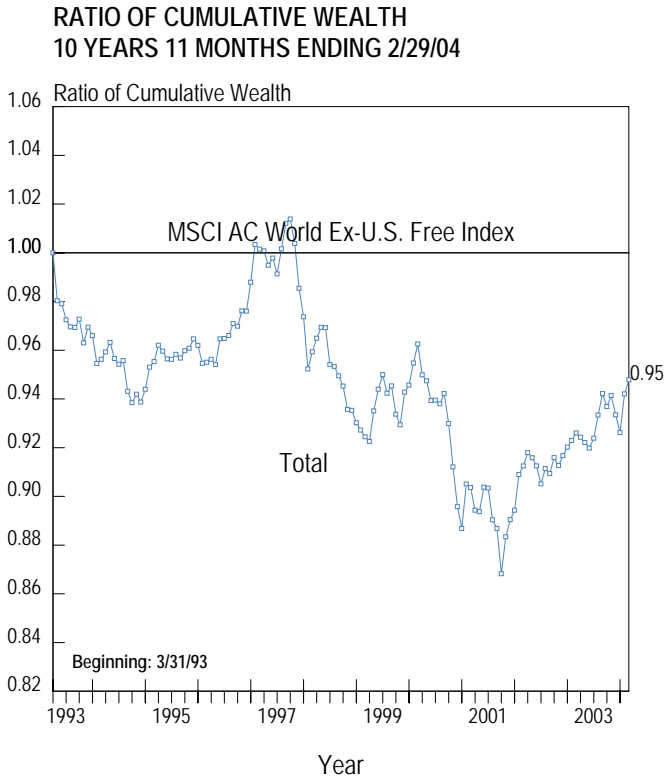
MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 2/29/04



- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Global ex-U.S. Equities" represents the component's relative performance to the MSCI All Country World ex-U.S. Free Index in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the global ex-U.S. equity benchmark.
- As shown in both exhibits, manager results have been mixed. The Capital Guardian Small Cap and Goldman Sachs portfolios have outperformed their benchmarks over both the quarter and one-year period and contributed the most to the component's above-benchmark result. The positive benchmark effect during both periods is significantly impacted by the large positive returns earned in the emerging markets.

\$943 Million

As of February 29, 2004



- The Ratio of Cumulative Wealth graph above illustrates the international equity component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, performance exceeded that of the Index from 1994 to 1997, trailed it from 1997 to 2001 and has exceeded it since 2001.
- The Risk Return graph above exhibits the risk and return characteristics of the total international equity component, relative to that of the Performance Benchmark. As shown, the asset class has earned a lower return than the Index at a similar level of volatility.

As of February 29, 2004

**HISTORICAL RETURNS\***

(BY YEAR)

	Global Ex US Equities	MSCI AC World Ex-U.S. Free Index	Return Difference
	Return	Return	
1993 (9 months)	16.8%	21.0%	-4.2
1994	4.2	6.6	-2.4
1995	12.0	9.9	2.1
1996	9.6	6.7	2.9
1997	0.6	2.0	-1.4
1998	9.3	14.5	-5.2
1999	33.1	30.9	2.2
2000	-20.4	-15.1	-5.3
2001	-18.8	-19.5	0.7
2002	-12.2	-14.7	2.5
2003	42.3	41.4	0.9
2004 (2 months)	6.6	4.2	2.4
Trailing 1-Year	59.5%	55.9%	3.6
Trailing 3-Year	4.3	2.7	1.6
Trailing 5-Year	3.4	2.9	0.5
Trailing 10-Year	4.3	4.3	0.0
Since Inception (3/31/93)	6.0	6.5	-0.5

- The table above compares the annual return history of the global ex-U.S. equities component to that of the MSCI All-Country World ex-U.S. Index.

\* The annual returns in this exhibit represent calendar-year periods.

\$943 Million

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>BGI EAFE</b>	<b>11.9%</b>	<b>53.9%</b>	<b>1.4%</b>	<b>1.3%</b>	<b>6.6%</b>	<b>3/31/93</b>
MSCI EAFE Index	11.9	53.6	0.9	1.2	6.1	
<b>BGI Emerging Markets</b>	<b>16.5</b>	<b>75.2</b>	<b>--</b>	<b>--</b>	<b>22.7</b>	<b>1/31/02</b>
MSCI Emerging Markets Free Index	15.6	69.8	--	--	19.8	
<b>BGI International Alpha Tilts</b>	<b>11.7</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>25.0</b>	<b>8/31/03</b>
MSCI EAFE Index	11.9	--	--	--	25.2	
<b>CG Small Cap International</b>	<b>13.4</b>	<b>71.7</b>	<b>3.9</b>	<b>6.0</b>	<b>2.1</b>	<b>11/30/96</b>
Citigroup Extended Market World Ex-US	13.2	70.6	9.7	7.8	4.9	
<b>CG EAFE</b>	<b>9.3</b>	<b>48.5</b>	<b>1.5</b>	<b>--</b>	<b>-3.9</b>	<b>7/31/00</b>
MSCI EAFE Index	11.9	53.6	0.9	--	-3.3	
<b>EAFE ETF</b>	<b>10.7</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>10.7</b>	<b>11/30/03</b>
MSCI EAFE Index	11.9	--	--	--	11.9	
<b>Globeflex</b>	<b>17.2</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>19.7</b>	<b>10/31/03</b>
Citigroup Extended Market World Ex-US	13.2	--	--	--	15.1	
<b>GSAM International</b>	<b>14.8</b>	<b>58.9</b>	<b>1.4</b>	<b>1.4</b>	<b>1.7</b>	<b>3/31/98</b>
MSCI EAFE Index	11.9	53.6	0.9	1.2	1.3	
<b>Oechsle</b>	<b>11.8</b>	<b>56.7</b>	<b>-2.2</b>	<b>--</b>	<b>-6.1</b>	<b>7/31/00</b>
MSCI EAFE Index	11.9	53.6	0.9	--	-3.3	
<b>CG Emerging Markets</b>	<b>15.2</b>	<b>69.2</b>	<b>11.2</b>	<b>--</b>	<b>2.2</b>	<b>7/31/00</b>
MSCI Emerging Markets Free Index	15.6	69.8	11.0	--	3.5	
<b>Templeton</b>	<b>15.7</b>	<b>66.7</b>	<b>15.9</b>	<b>12.3</b>	<b>3.8</b>	<b>12/31/95</b>
MSCI Emerging Markets Free Index	15.6	69.8	11.0	10.0	0.5	

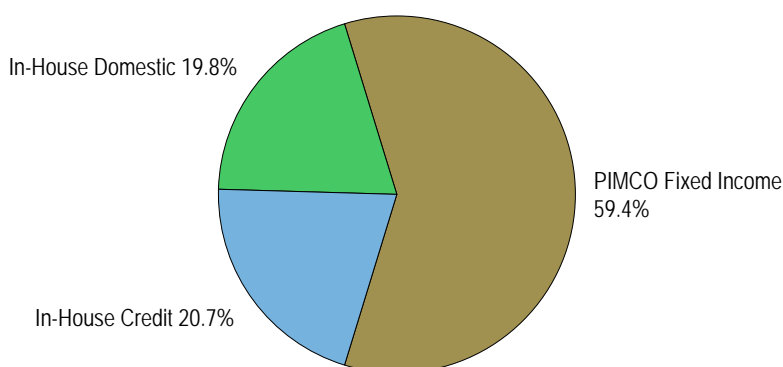
\* Time period represents the total return for the fiscal quarter ending 2/29/04.

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>Total Fixed Income</b>	<b>3.9%</b>	<b>9.4%</b>	<b>8.7%</b>	<b>7.6%</b>	<b>11.3%</b>	<b>8/31/81</b>
LB Aggregate Bond Index	2.9	4.5	7.4	7.2	10.6	

MANAGER ALLOCATION AS OF 2/29/04



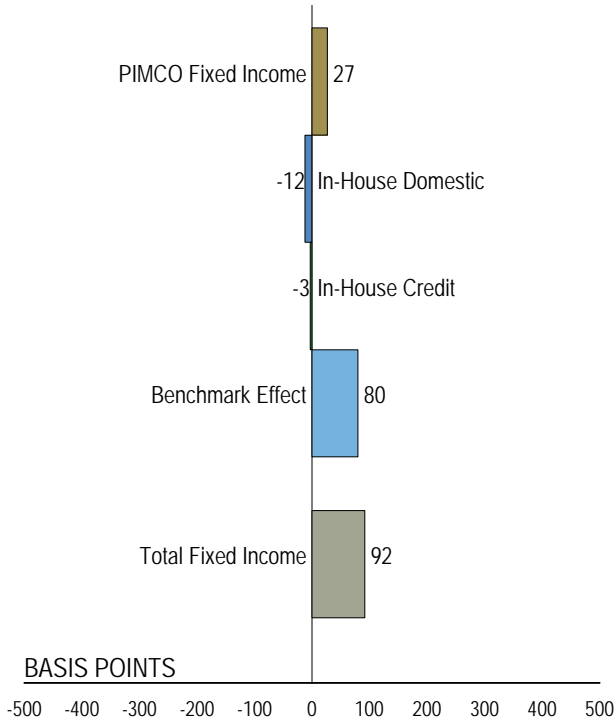
- The table above details the trailing-period performance of the total fixed income component relative to the Lehman Brothers Aggregate Bond Index. The component has outperformed its benchmark over all periods shown above. Outperformance has been driven by the relative performance earned by PIMCO. The manager's international exposure has significantly contributed to the above-benchmark result as these markets have outperformed the domestic market.
- The graph above details the allocation to each manager of the fixed income component as of quarter-end. As shown, PIMCO manages more than half of the GEF's fixed income assets.

\* Time period represents the total return for the fiscal quarter ending 2/29/04.

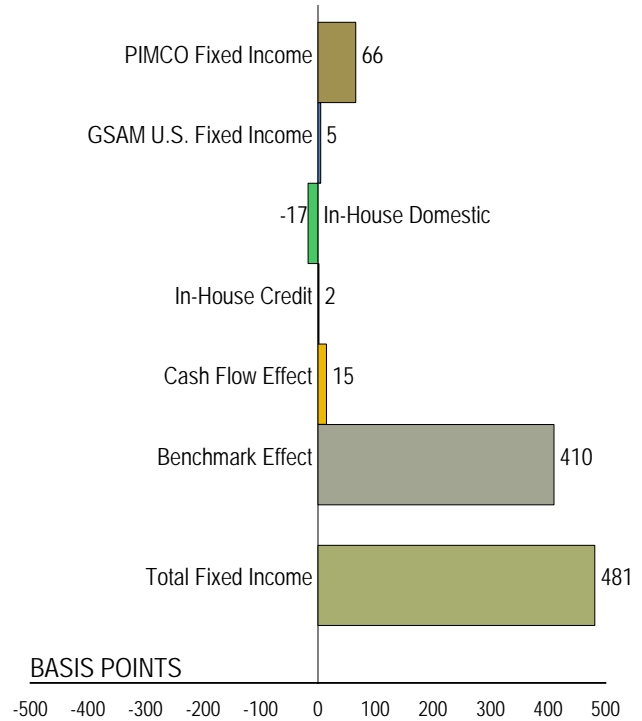
\$483 Million

As of February 29, 2004

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 2/29/04



MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 2/29/04

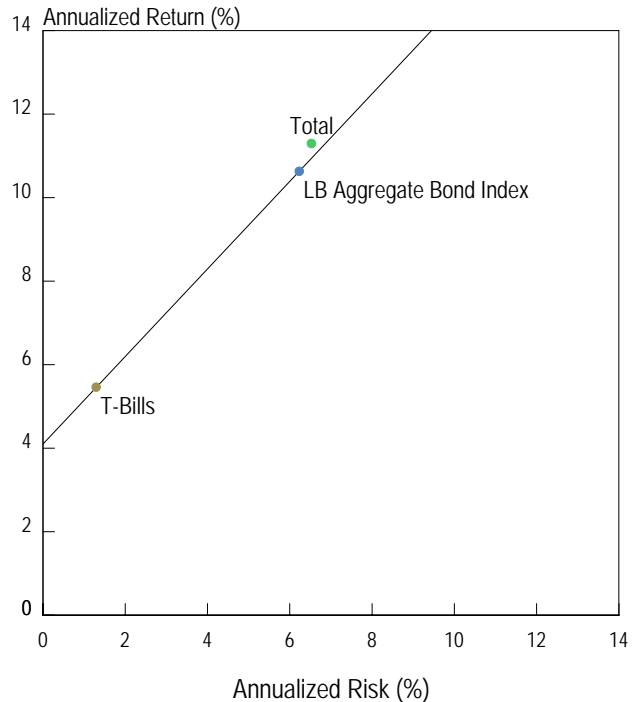
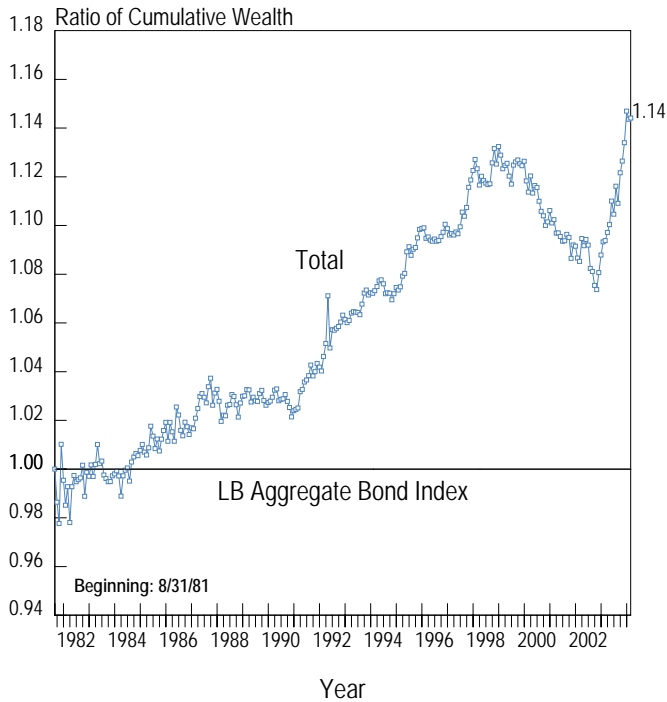


- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Total Fixed Income" represents the component's relative performance to the Lehman Aggregate Bond Index in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual manager and the fixed income benchmark.

As of February 29, 2004

RATIO OF CUMULATIVE WEALTH  
22 YEARS 6 MONTHS ENDING 2/29/04

ANNUALIZED RISK/RETURN  
22 YEARS 6 MONTHS ENDING 2/29/04



- The Ratio of Cumulative Wealth graph above illustrates the fixed income component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, performance has generally been favorable relative to the Index, despite a period of underperformance in 2000 and 2001. Recent outperformance has resulted in increased value-added relative to the Lehman Aggregate Bond Index since inception.
- The Risk Return graph above exhibits the risk and return characteristics of the total fixed income asset class, relative to that of the Aggregate Bond Index. As shown, the asset class has earned a slightly greater return than the Index at a slightly greater level of volatility.

\$483 Million

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

	Total Fixed Income	LB Aggregate Bond Index	Return Difference
	Return	Return	
1981 (4 months)	10.0%	10.5%	-0.5
1982	32.8	32.6	0.2
1983	8.5	8.4	0.1
1984	16.3	15.1	1.2
1985	23.5	22.1	1.4
1986	15.0	15.3	-0.3
1987	4.3	2.8	1.5
1988	7.6	7.9	-0.3
1989	14.2	14.5	-0.3
1990	8.6	9.0	-0.4
1991	18.0	16.0	2.0
1992	9.4	7.4	2.0
1993	10.9	9.7	1.2
1994	-2.7	-2.9	0.2
1995	21.1	18.5	2.6
1996	3.6	3.6	0.0
1997	12.0	9.7	2.3
1998	9.6	8.7	0.9
1999	-1.3	-0.8	-0.5
2000	9.6	11.6	-2.0
2001	7.0	8.4	-1.4
2002	9.9	10.3	-0.4
2003	9.8	4.1	5.7
2004 (2 months)	1.6	1.9	-0.3
Trailing 1-Year	9.4%	4.5%	4.9
Trailing 3-Year	8.7	7.4	1.3
Trailing 5-Year	7.6	7.2	0.4
Trailing 10-Year	7.9	7.2	0.7
Since Inception (8/31/81)	11.3	10.6	0.7

- The table above compares the annual return history of the total fixed income component to that of the Lehman Aggregate Bond Index.

\* The annual returns in this exhibit represent calendar-year periods.

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>PIMCO Fixed Income</b>	4.6%	12.0%	11.0%	8.5%	8.2%	2/28/98
LB Global Aggregate Bond Index	4.2	10.8	10.1	6.3	6.7	
<b>In-House Domestic</b>	2.3	4.0	5.2	--	7.5	1/31/00
LB Aggregate Bond Index	2.9	4.5	7.4	--	9.0	
<b>In-House Credit</b>	3.2	7.4	7.5	--	7.7	1/31/01
Credit Related Composite Index**	3.3	7.3	9.0	--	9.0	

\* Time period represents the total return for the fiscal quarter ending 2/29/04.

\*\* The description of the composite benchmark can be found in the appendix of this report.

Ennis Knupp + Associates

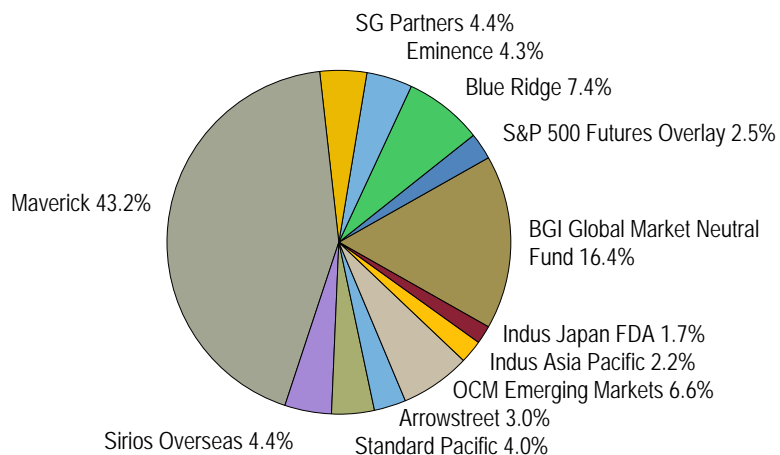
\$418 Million

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since Inception	Inception Date
<b>Equity Hedge Funds</b>	<b>4.3%</b>	<b>12/31/03</b>
90-Day T-Bill + 4%	0.8	

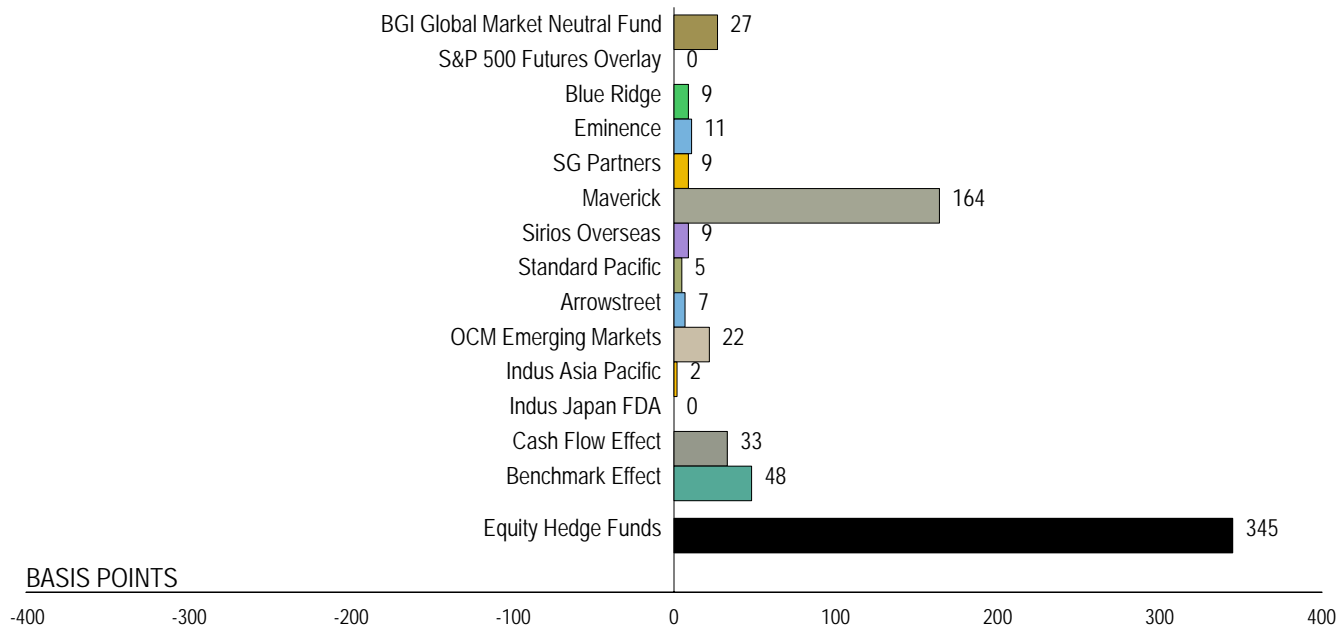
MANAGER ALLOCATION AS OF 2/29/04



- The Equity Hedge Fund component outperformed its benchmark over the two months since its inception as an official asset category. The Maverick portfolio was the greatest contributor to results and represents the largest portion of the component (43.2% as of quarter-end).
- The Blue Ridge, Indus Japan, and Indus Asia Pacific investments were funded during the quarter.

As of February 29, 2004

MANAGER ATTRIBUTION ANALYSIS  
2 MONTHS ENDING 2/29/04



- The Performance Attribution exhibit shown above measures the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Equity Hedge Funds" represents the component's relative performance to the performance benchmark in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual managers and the equity hedge fund benchmark.
- As shown, each manager either made a positive contribution or had negligible impact on relative performance; the Maverick portfolio had the largest positive impact on component performance.

# EQUITY HEDGE FUND SUMMARY

# GENERAL ENDOWMENT FUND

\$418 Million

As of February 29, 2004

## RETURN SUMMARY ENDING 2/29/04

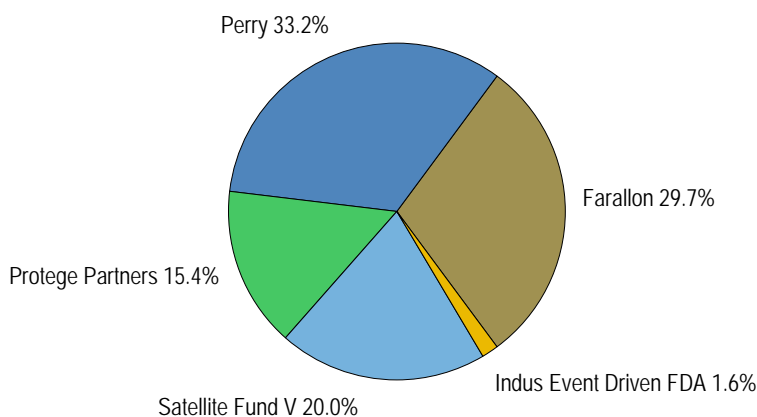
	Since 11/30/03	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>BGI Global Market Neutral Fund</b>	<b>10.3%</b>	<b>39.5%</b>	<b>--%</b>	<b>--%</b>	<b>26.3%</b>	<b>12/31/02</b>
S&P 500 Index	8.7	38.5	--	--	27.6	
<b>S&amp;P 500 Futures Overlay</b>	<b>8.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>9.2</b>	<b>10/31/03</b>
S&P 500 Index	8.7	--	--	--	9.6	
<b>Blue Ridge</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0.7</b>	<b>12/31/03</b>
90-Day T- Bill + 4%	--	--	--	--	0.8	
<b>Eminence</b>	<b>4.7</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>8.4</b>	<b>6/30/03</b>
90-Day T- Bill + 4%	1.3	--	--	--	3.4	
<b>SG Partners</b>	<b>4.3</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>7.1</b>	<b>8/31/03</b>
90-Day T- Bill + 4%	1.3	--	--	--	2.5	
<b>Maverick</b>	<b>5.5</b>	<b>12.2</b>	<b>6.5</b>	<b>14.1</b>	<b>12.0</b>	<b>7/31/98</b>
90-Day T- Bill + 4%	1.3	5.2	6.3	7.8	7.9	
<b>Sirios Overseas</b>	<b>3.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>8.5</b>	<b>4/30/03</b>
90-Day T- Bill + 4%	1.3	--	--	--	4.3	
<b>Standard Pacific</b>	<b>4.2</b>	<b>-0.4</b>	<b>--</b>	<b>--</b>	<b>-0.4</b>	<b>2/28/03</b>
90-Day T- Bill + 4%	1.3	5.2	--	--	5.2	
<b>Arrowstreet</b>	<b>3.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-9.0</b>	<b>5/31/03</b>
90-Day T- Bill + 4%	1.3	--	--	--	3.9	
<b>OCM Emerging Markets</b>	<b>5.6</b>	<b>11.4</b>	<b>--</b>	<b>--</b>	<b>10.4</b>	<b>12/31/01</b>
90-Day T- Bill + 4%	1.3	5.2	--	--	5.6	
<b>Indus Asia Pacific</b>	<b>5.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>5.9</b>	<b>11/30/03</b>
90-Day T- Bill + 4%	1.3	--	--	--	1.3	
<b>Indus Japan FDA</b>	<b>2.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2.5</b>	<b>11/30/03</b>
90-Day T- Bill + 4%	1.3	--	--	--	1.3	

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
Absolute Return Hedge Funds	5.1%	25.0%	11.1%	13.7%	11.4%	7/31/98
Absolute Return Benchmark	1.1	5.1	6.3	7.7	7.9	

MANAGER ALLOCATION AS OF 2/29/04



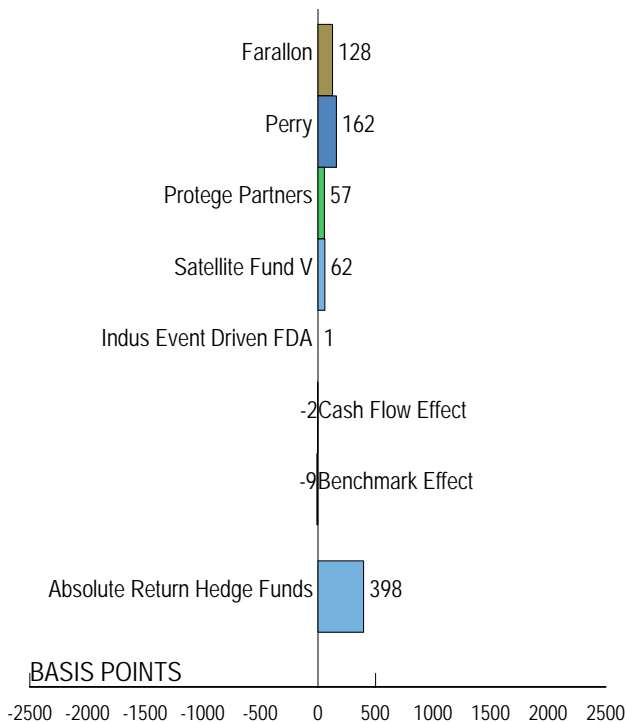
- The total absolute return component outperformed in the recent fiscal quarter as each of the managers earned a return exceeding that of the benchmark during the period. Longer-term performance shown above is also favorable as the component outperformed its benchmark by over three percentage points since inception.
- The graph above details the allocation to each manager of the absolute return component as of quarter-end.
- The Indus Event Driven investment was funded during the quarter.

\* Time period represents the total return for the fiscal quarter ending 2/29/04.

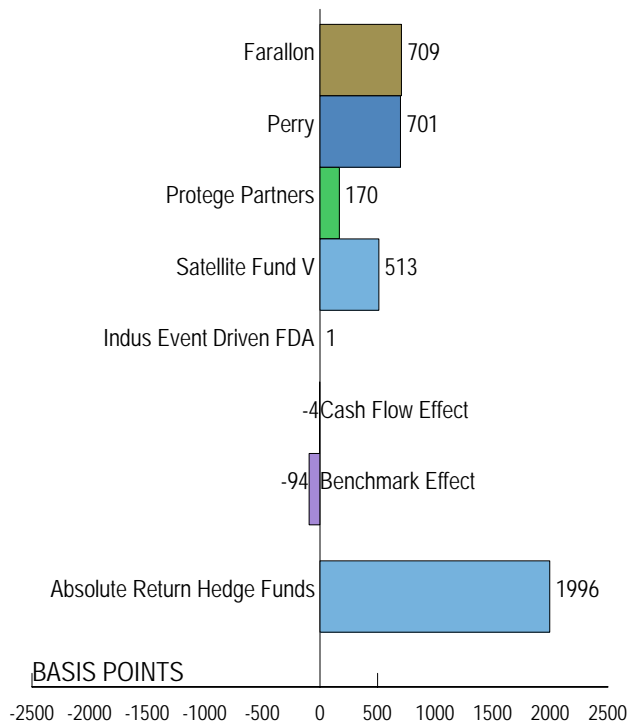
\$434 Million

As of February 29, 2004

MANAGER ATTRIBUTION ANALYSIS  
3 MONTHS ENDING 2/29/04



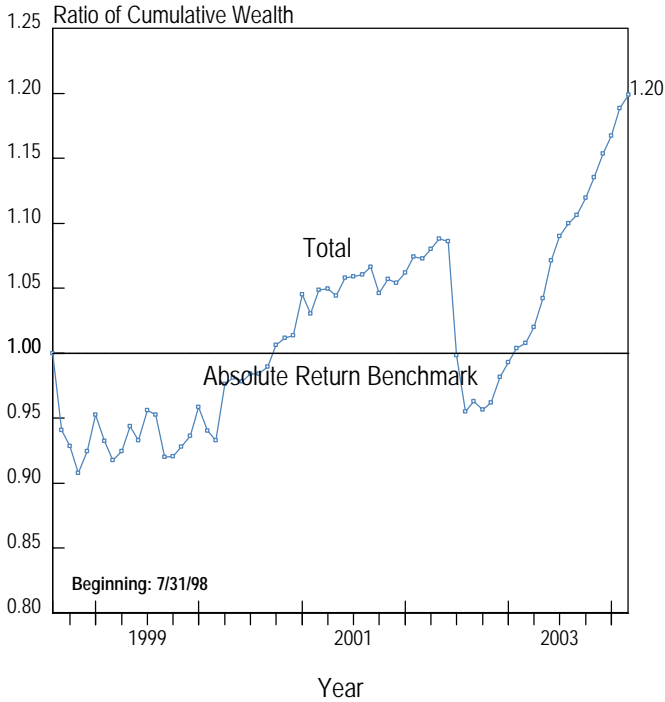
MANAGER ATTRIBUTION ANALYSIS  
1 YEAR ENDING 2/29/04



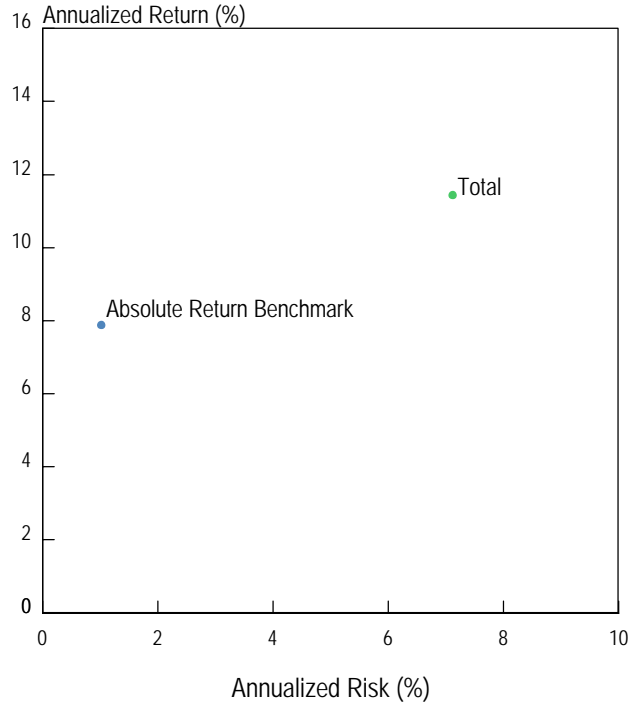
- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Absolute Return Hedge Funds" represents the component's relative performance to the performance benchmark in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component. The bar labeled "Benchmark Effect" represents the difference between the benchmarks of the individual manager and the absolute return hedge fund benchmark.

As of February 29, 2004

**RATIO OF CUMULATIVE WEALTH  
5 YEARS 7 MONTHS ENDING 2/29/04**



**ANNUALIZED RISK/RETURN  
5 YEARS 7 MONTHS ENDING 2/29/04**



- The Ratio of Cumulative Wealth graph above illustrates the absolute return component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, performance has generally been favorable relative to the benchmark, despite a period of underperformance in 2002.
- The Risk Return graph above exhibits the risk and return characteristics of the absolute return asset class, relative to that of the benchmark. As shown, the asset class has earned a greater return than the benchmark at a greater level of volatility.

\$434 Million

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

	Absolute Return Hedge Funds	Absolute Return Benchmark	Return Difference
	Return	Return	
1998 (5 months)	-1.1%	3.8%	-4.9
1999	9.8	9.1	0.7
2000	20.5	10.5	10.0
2001	10.4	8.7	1.7
2002	-1.0	6.0	-7.0
2003	23.8	5.3	18.5
2004 (2 months)	3.4	0.7	2.7
Trailing 1-Year	25.0%	5.1%	19.9
Trailing 3-Year	11.1	6.3	4.8
Trailing 5-Year	13.7	7.7	6.0

- The table above compares the annual return history of the total absolute return component to that of the performance benchmark.

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\* The annual returns in this exhibit represent calendar-year periods.

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>Farallon</b>	5.3%	27.0%	14.2%	15.9%	14.2%	7/31/98
90 Day T- Bills + 3%	1.0	4.2	5.3	6.7	6.8	
<b>Perry</b>	5.9	24.1	13.2	16.3	14.2	7/31/98
90 Day T- Bills + 3%	1.0	4.2	5.3	6.7	6.8	
<b>Protege Partners</b>	4.6	16.6	--	--	16.6	2/28/03
90 Day T- Bills + 3%	1.0	4.2	--	--	4.2	
<b>Satellite Fund V</b>	4.0	28.7	5.4	--	7.5	8/31/00
90 Day T- Bills + 3%	1.0	4.2	5.3	--	5.9	
<b>Indus Event Driven FDA</b>	2.0	--	--	--	2.0	11/30/03
90 Day T- Bills + 3%	1.0	--	--	--	1.0	

\* Time period represents the total return for the fiscal quarter ending 2/29/04.

\$427 Million

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>Private Capital</b>	<b>5.8%</b>	<b>6.9%</b>	<b>-8.0%</b>	<b>3.8%</b>	<b>9.7%</b>	<b>11/30/86</b>
Private Capital Benchmark**	6.5	44.1	3.9	4.7	15.9	

- As shown in the table above, Private Capital has underperformed its performance benchmark over all periods shown.
- The returns shown in the table above are reported on a time-weighted basis, consistent with the methodology used for returns throughout this report. Time-weighted returns are calculated using monthly asset values and daily cash flows. Time-weighted rates of return are the industry standard for reporting the performance of traditional, marketable investments. For investments such as private equity, the time-weighted return calculation methodology suffers from a number of flaws, including the attribution of control over cash flows to the investor rather than the investment manager. In these cases, the industry standard is to use the internal rate of return (IRR), which is the annualized rate of return implied by a series of cash and a beginning and ending market value.

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\* Time period represents the total return for the fiscal quarter ending 2/29/04.

\*\* The Private Capital Benchmark represents the Venture Economics Private Capital Benchmark beginning January 1, 2004. Returns through December 31, 2003, represent the Wilshire 5000 + 4%.

As of February 29, 2004

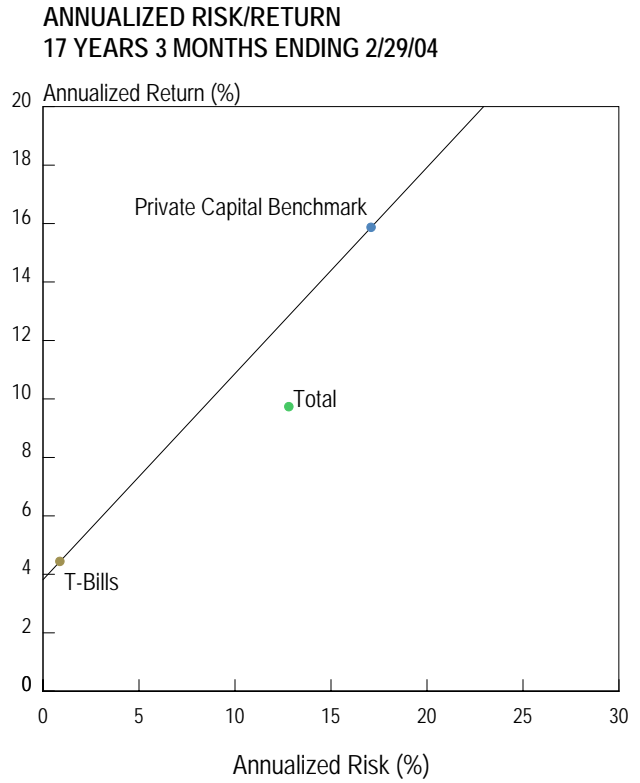
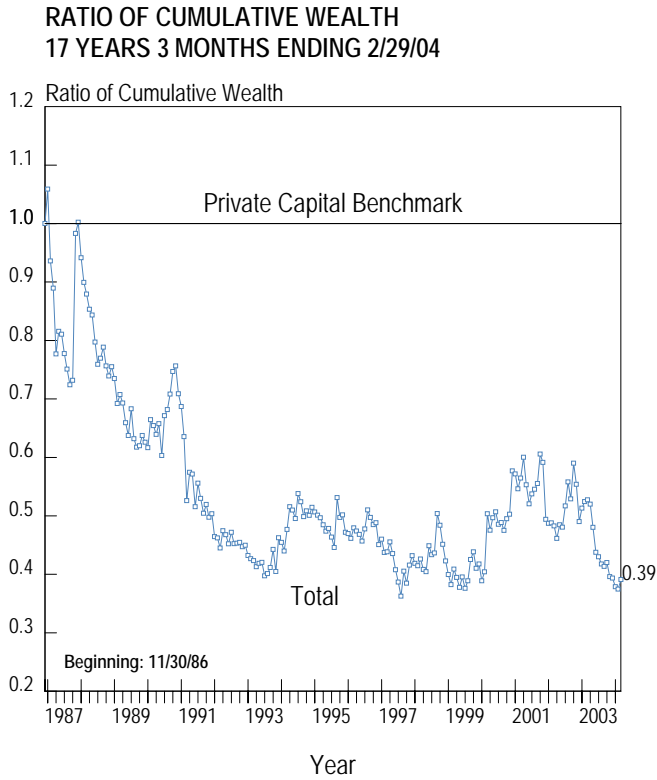
HISTORICAL RETURNS  
GEF SINCE INCEPTION IRR

Period Ending	Private Capital	Wilshire 5000 Index + 4%	Return Difference
8/31/1987	31.6 %	31.0 %	0.6 %
8/31/1988	8.1	0.0	8.1
8/31/1989	3.1	20.3	-17.2
8/31/1990	9.5	8.2	1.3
8/31/1991	5.6	14.0	-8.4
8/31/1992	4.4	12.8	-8.4
8/31/1993	6.1	14.1	-8.0
8/31/1994	10.7	12.8	-2.1
8/31/1995	13.0	13.8	-0.8
8/31/1996	13.6	14.2	-0.4
8/31/1997	13.9	16.2	-2.3
8/31/1998	15.5	15.1	0.4
8/31/1999	16.1	17.0	-0.9
8/31/2000	18.5	17.5	1.0
8/31/2001	15.4	12.1	3.3
8/31/2002	11.1	8.1	3.0
8/31/2003	8.6	9.6	-1.0
2/29/2004	9.1	11.1	-2.0

- The IRRs shown in the table above were provided by UTIMCO, as with all other data shown in this report.

\$427 Million

As of February 29, 2004



- The data shown in the exhibits above reflect time-weighted returns.
- The Ratio of Cumulative Wealth graph above illustrates the private capital component's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, performance has generally trailed the benchmark.
- The Risk Return graph above exhibits the risk return characteristics of the private capital asset class, relative to that of the benchmark. As shown, the asset class has earned a lower return than the benchmark at a slightly lower level of volatility.

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

	Private Capital	Private Capital Benchmark	Return Difference
	Return	Return	
1986 (1 month)	3.6%	-2.1%	5.7
1987	-5.4	6.5	-11.9
1988	-4.3	22.7	-27.0
1989	12.7	34.3	-21.6
1990	8.8	-2.3	11.1
1991	-5.7	39.5	-45.2
1992	5.5	13.4	-7.9
1993	21.8	15.8	6.0
1994	15.9	4.0	11.9
1995	31.5	41.9	-10.4
1996	23.5	26.1	-2.6
1997	24.3	36.5	-12.2
1998	22.4	28.4	-6.0
1999	25.1	28.5	-3.4
2000	36.4	-7.2	43.6
2001	-21.0	-7.3	-13.7
2002	-13.1	-17.6	4.5
2003	1.0	36.9	-35.9
2004 (2 months)	4.9	1.6	3.3
Trailing 1-Year	6.9%	44.1%	-37.2
Trailing 3-Year	-8.0	3.9	-11.9
Trailing 5-Year	3.8	4.7	-0.9
Trailing 10-Year	12.8	15.1	-2.3

- The returns shown in the table above reflect time-weighted returns.
- The table above compares the annual return history of private capital to that of its performance benchmark.

\* The annual returns in this exhibit represent calendar-year periods.

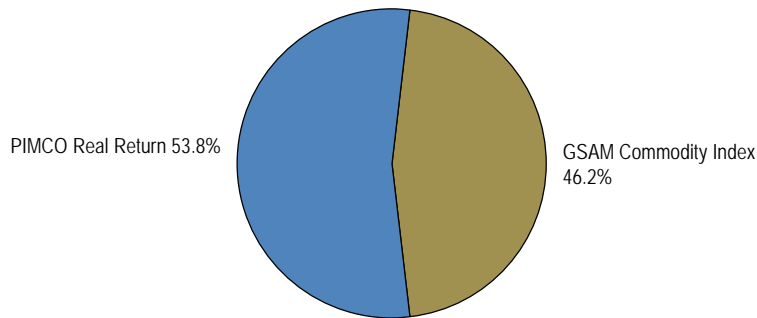
\$134 Million

As of February 29, 2004

RETURN SUMMARY  
ENDING 2/29/04

	Since Inception	Inception Date
<b>Commodities</b>	<b>8.1%</b>	<b>12/31/03</b>
Goldman Sachs Commodity Index - 1%	7.7	

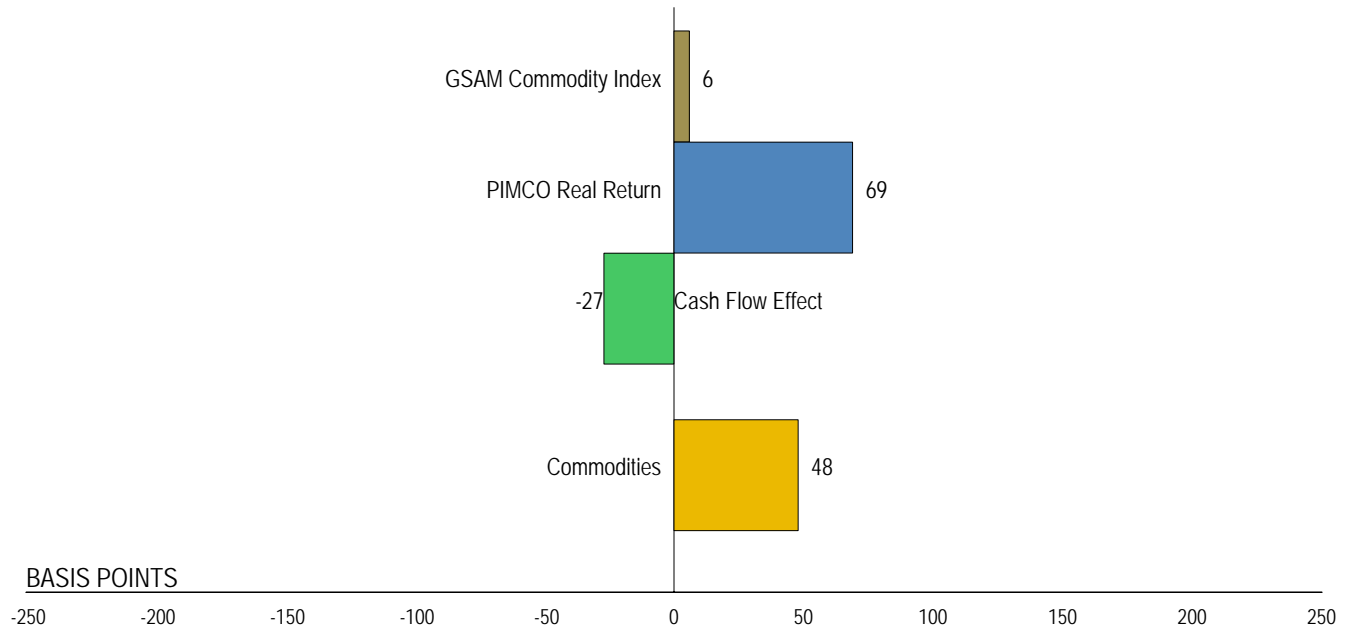
MANAGER ALLOCATION AS OF 2/29/04



- The commodities component outperformed the benchmark over the two months since inception as an asset category.
- The graph above details the manager allocations of the commodities asset class as of quarter-end. The assets are roughly split between Goldman Sachs and the newly funded PIMCO Real Return investment.
- The PIMCO Real Return investment was funded during the quarter.

As of February 29, 2004

MANAGER ATTRIBUTION ANALYSIS  
2 MONTHS ENDING 2/29/04



- The Performance Attribution exhibits shown above measure the source of the deviation of the asset class performance from that of its benchmark. The bar labeled "Commodities" represents the component's relative performance to the performance benchmark in basis points. The value of the manager bars are derived by taking the relative performance of each manager, versus its style specific benchmark, and multiplying this by the manager's asset weight in the component.

\$134 Million

As of February 29, 2004

**RETURN SUMMARY**  
**ENDING 2/29/04**

	Since 11/30/03*	1 Year Ending 2/29/04	Since Inception	Inception Date
<b>GSAM Commodity Index</b>	<b>15.1%</b>	<b>7.4%</b>	<b>28.9%</b>	<b>3/31/02</b>
Goldman Sachs Commodity Index - 1%	14.6	5.5	22.3	
<b>PIMCO Real Return</b>	--	--	<b>8.4</b>	<b>12/31/03</b>
Goldman Sachs Commodity Index - 1%	--	--	7.7	

\* Time period represents the total return for the fiscal quarter ending 2/29/04.

OPERATING FUNDS

# OPERATING FUNDS

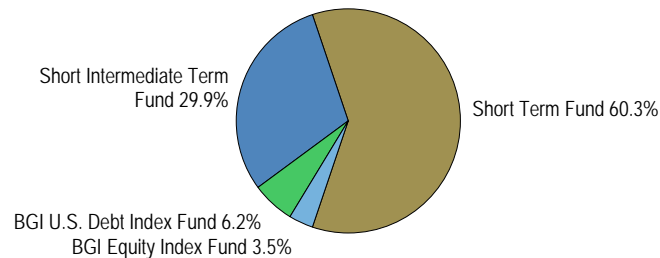
\$3,670 Million

As of February 29, 2004

## RETURN SUMMARY ENDING 2/29/04

	Since 11/30/03*	1 Year Ending 2/29/04	3 Years Ending 2/29/04	5 Years Ending 2/29/04	Since Inception	Inception Date
<b>Short Term Fund</b>	0.2%	1.1%	2.1%	3.6%	4.4%	8/31/92
ML 90-day T-Bill	0.3	1.1	2.2	3.6	4.3	
<b>Short Intermediate Term Fund</b>	1.2	2.4	3.5	4.7	5.3	2/28/93
Composite Index	1.3	2.3	4.9	5.6	5.6	
<b>BGI U.S. Debt Index Fund</b>	2.9	4.7	7.4	--	7.7	5/31/99
LB Aggregate Bond Index	2.9	4.5	7.4	--	7.6	
<b>BGI Equity Index Fund</b>	8.7	38.6	-1.0	--	-1.2	5/31/99
S&P 500 Index	8.7	38.5	-1.0	--	-1.2	

## ASSET ALLOCATION AS OF 2/29/04

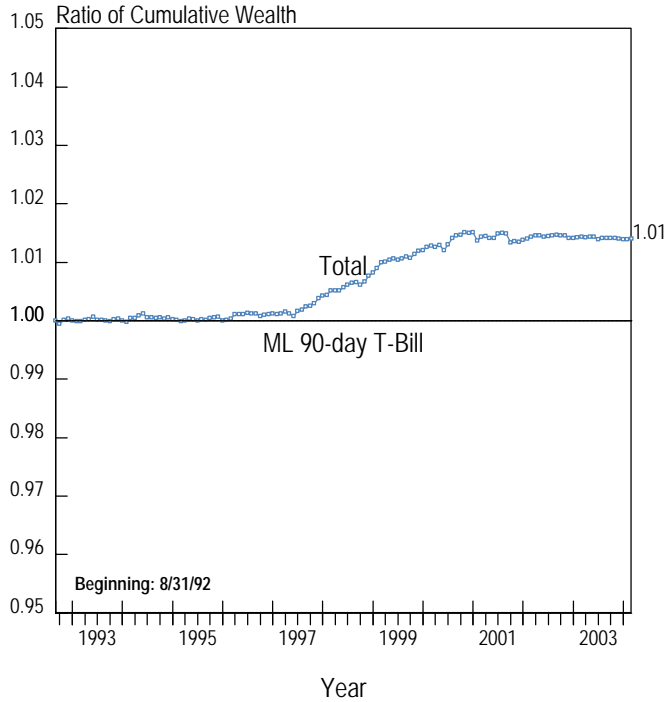


- The Short Term Fund has approximated the performance of the benchmark during the periods shown above.
- The Short Intermediate Fund underperformed the Index during the fiscal quarter by 0.1 percentage points, yet outperformed over the trailing one-year period. Longer term performance is below-benchmark.
- The BGI Index funds have approximated the performance of their respective indices during all periods shown above.
- The graph above details the individual Fund allocations of the Operating Funds as of quarter-end.

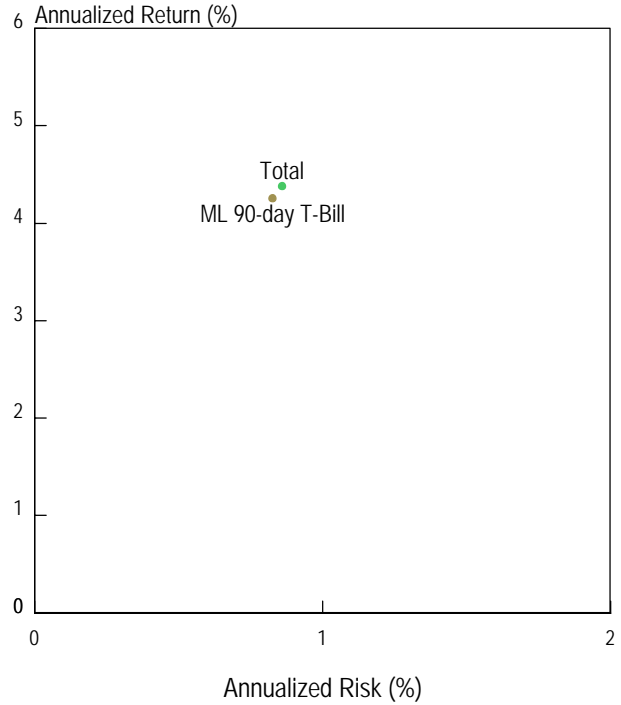
\* Time period represents the total return for the fiscal quarter ending 2/29/04.

As of February 29, 2004

**RATIO OF CUMULATIVE WEALTH  
11 YEARS 6 MONTHS ENDING 2/29/04**



**ANNUALIZED RISK/RETURN  
11 YEARS 6 MONTHS ENDING 2/29/04**



- The Ratio of Cumulative Wealth graph above illustrates the Short Term Fund's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the Fund has exceeded the performance of the benchmark.
- The Risk Return graph above exhibits the risk and return characteristics of the Short Term Fixed Income Fund, relative to that of the Performance Benchmark. As shown, the Fund has marginally exceeded the performance of the benchmark at a marginally greater level of volatility.

\$2,231 Million

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

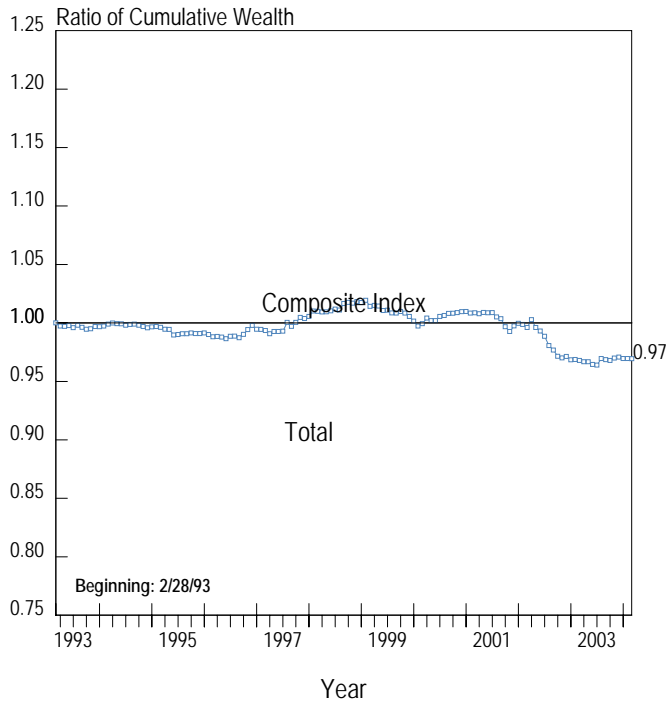
	Short Term Fund	ML 90-day T-Bill	Return Difference
	Return	Return	
1992 (4 months)	1.1%	1.1%	0.0
1993	3.2	3.2	0.0
1994	4.3	4.3	0.0
1995	6.0	6.0	0.0
1996	5.4	5.3	0.1
1997	5.7	5.3	0.4
1998	5.6	5.2	0.4
1999	5.2	4.8	0.4
2000	6.5	6.2	0.3
2001	4.3	4.4	-0.1
2002	1.9	1.8	0.1
2003	1.1	1.2	-0.1
2004 (2 months)	0.2	0.2	0.0
Trailing 1-Year	1.1%	1.1%	0.0
Trailing 3-Year	2.1	2.2	-0.1
Trailing 5-Year	3.6	3.6	0.0
Trailing 10-Year	4.6	4.4	0.2

- The table above compares the annual return history of the Short-Term Fixed Income Fund to that of the performance benchmark.

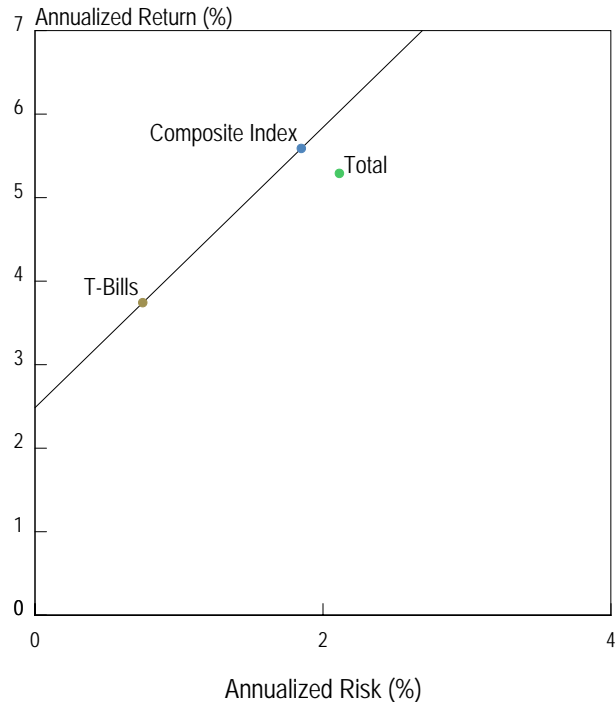
\* The annual returns in this exhibit represent calendar-year periods.

As of February 29, 2004

RATIO OF CUMULATIVE WEALTH  
11 YEARS ENDING 2/29/04



ANNUALIZED RISK/RETURN  
11 YEARS ENDING 2/29/04



- The Ratio of Cumulative Wealth graph above illustrates the Short Intermediate Term Fund's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the Fund has trailed the performance of the benchmark.
- The Risk Return graph above exhibits the risk and return characteristics of the Short Term Fixed Income Fund, relative to that of the Performance Benchmark. As shown, the Fund has earned a lower return than the benchmark at a higher level of volatility.

\$1,106 Million

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

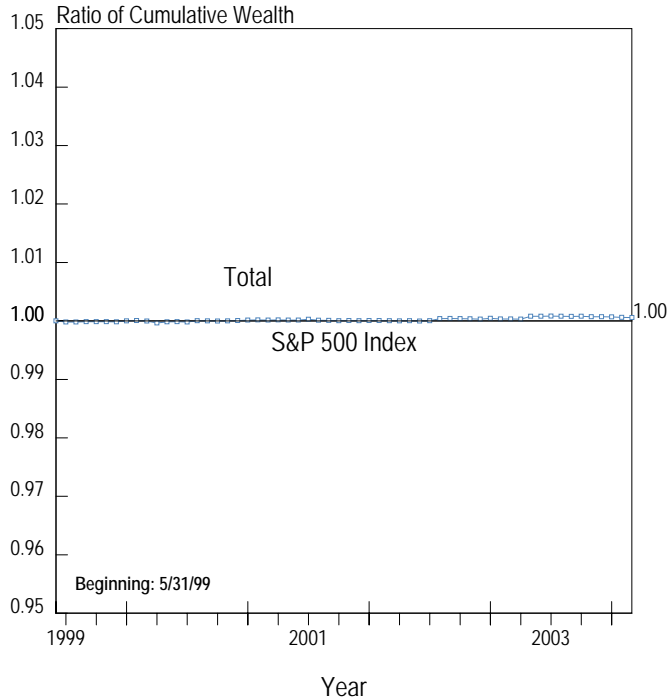
	Short Intermediate Term Fund	Composite Index	Return Difference
	Return	Return	
1993 (10 months)	3.4%	3.7%	-0.3
1994	0.6	0.7	-0.1
1995	10.3	10.8	-0.5
1996	5.3	5.0	0.3
1997	7.8	6.6	1.2
1998	8.2	6.9	1.3
1999	1.5	3.1	-1.6
2000	9.2	8.3	0.9
2001	6.8	7.8	-1.0
2002	2.8	6.1	-3.3
2003	2.1	2.0	0.1
2004 (2 months)	0.8	0.8	0.0
Trailing 1-Year	2.4%	2.3%	0.1
Trailing 3-Year	3.5	4.9	-1.4
Trailing 5-Year	4.7	5.6	-0.9
Trailing 10-Year	5.5	5.8	-0.3

- The table above compares the annual return history of the Short-Intermediate Fund to that of the performance benchmark.

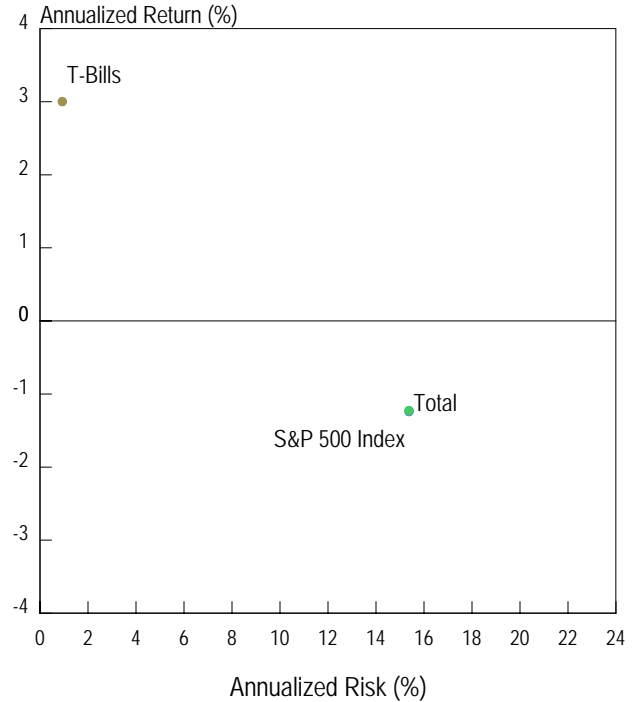
\* The annual returns in this exhibit represent calendar-year periods.

As of February 29, 2004

RATIO OF CUMULATIVE WEALTH  
4 YEARS 9 MONTHS ENDING 2/29/04



ANNUALIZED RISK/RETURN  
4 YEARS 9 MONTHS ENDING 2/29/04



- The Ratio of Cumulative Wealth graph above illustrates the BGI Equity Index Fund's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the Fund approximated the performance of the benchmark.
- The Risk Return graph above exhibits the risk and return characteristics of the BGI Equity Index Fund, relative to that of the benchmark. As shown, the Fund has approximated the return and volatility of the benchmark.

\$131 Million

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

	BGI Equity Index Fund	S&P 500 Index	Return Difference
	Return	Return	
1999 (7 months)	13.7%	13.7%	0.0
2000	-9.1	-9.1	0.0
2001	-11.9	-11.9	0.0
2002	-22.1	-22.1	0.0
2003	28.7	28.7	0.0
2004 (2 months)	3.2	3.3	-0.1
Trailing 1-Year	38.6%	38.5%	0.1
Trailing 3-Year	-1.0	-1.0	0.0

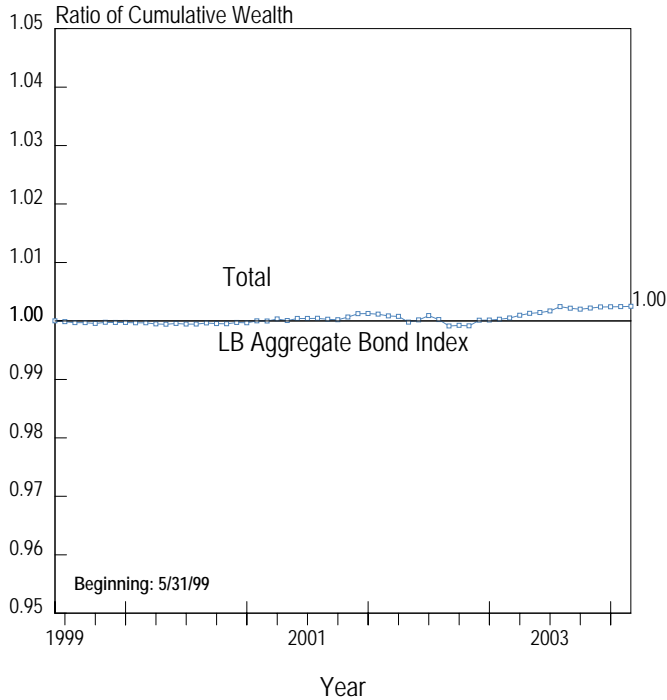
- The table above compares the annual return history of the BGI Equity Index Fund to that of the performance benchmark.

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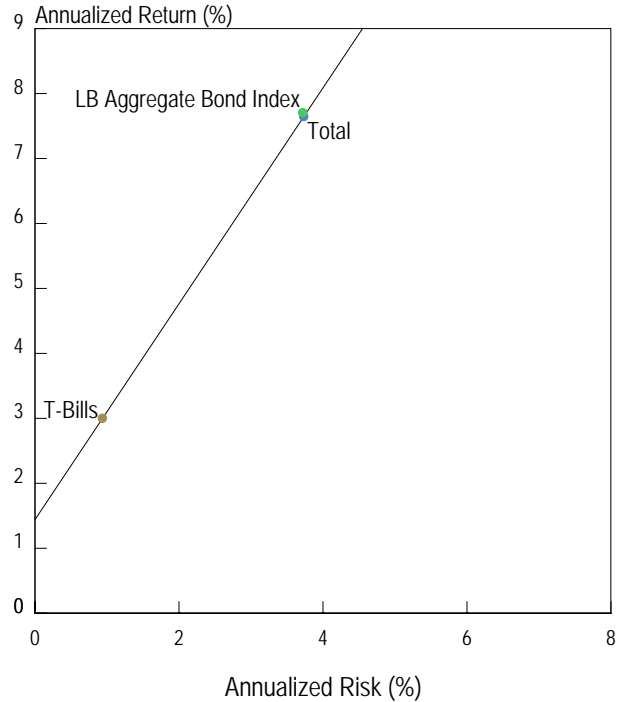
\* The annual returns in this exhibit represent calendar-year periods.

As of February 29, 2004

RATIO OF CUMULATIVE WEALTH  
4 YEARS 9 MONTHS ENDING 2/29/04



ANNUALIZED RISK/RETURN  
4 YEARS 9 MONTHS ENDING 2/29/04



- The Ratio of Cumulative Wealth graph above illustrates the BGI U.S. Debt Index Fund's cumulative performance relative to that of its benchmark. An upward sloping line between two points indicates that the component's return exceeded that of the benchmark, while a downward sloping line indicates a lesser return. As seen in the graph, the Fund approximated the performance of the benchmark.
- The Risk Return graph above exhibits the risk and return characteristics of the BGI U.S. Debt Index Fund, relative to that of the benchmark. As shown, the Fund has approximated the return and volatility of the benchmark.

\$231 Million

As of February 29, 2004

## HISTORICAL RETURNS\*

(BY YEAR)

	BGI U.S. Debt Index Fund	LB Aggregate Bond Index	Return Difference
	Return	Return	
1999 (7 months)	0.2%	0.2%	0.0
2000	11.6	11.6	0.0
2001	8.6	8.4	0.2
2002	10.1	10.3	-0.2
2003	4.3	4.1	0.2
2004 (2 months)	1.9	1.9	0.0
Trailing 1-Year	4.7%	4.5%	0.2
Trailing 3-Year	7.4	7.4	0.0

- The table above compares the annual return history of the BGI U.S. Debt Index Fund to that of the Lehman Aggregate Bond Index.

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\* The annual returns in this exhibit represent calendar-year periods.

## RETURNS OF THE MAJOR CAPITAL MARKETS

## RETURNS OF THE MAJOR CAPITAL MARKETS

	Fiscal Quarter	Annualized Periods Ending 2/29/04			
		1-Year	3-Year	5-Year	10-Year
<b>Stock Indices:</b>					
Wilshire 5000 Index	8.4%	42.5%	0.8%	1.2%	10.9%
S&P 500 Index	8.7	38.5	-1.0	-0.1	11.4
Russell 3000 Index	8.2	41.3	0.1	1.1	11.1
Russell 1000 Value Index	10.3	42.3	3.4	4.5	12.3
Russell 1000 Growth Index	6.2	37.2	-4.8	-4.8	9.5
Russell MidCap Value Index	9.7	51.9	10.6	10.8	13.5
Russell MidCap Growth Index	6.2	52.7	-0.2	3.4	9.8
Russell 2000 Value Index	9.3	64.0	14.9	15.6	12.9
Russell 2000 Growth Index	5.6	64.9	1.9	2.9	5.7
<b>Bond Indices:</b>					
Lehman Brothers Aggregate	2.9%	4.5%	7.4%	7.2%	7.2%
Lehman Brothers Gov't/Credit	3.2	5.0	7.8	7.5	7.3
Lehman Brothers Long-Term Gov't/Credit	5.1	6.6	9.5	8.4	8.6
Lehman Brothers Intermed. Gov't/Credit	2.6	4.6	7.4	7.2	6.8
Lehman Brothers Mortgage-Backed	2.6	3.6	6.4	6.8	7.0
Lehman Brothers 1-3 Yr Gov't	1.4	2.3	5.1	5.7	5.8
Lehman Brothers Universal	3.0	6.0	7.6	7.5	7.3
<b>Real Estate Indices:</b>					
Wilshire Real Estate Securities Index	9.2%	47.2%	18.5%	16.5%	11.7%
<b>Foreign Indices:</b>					
MSCI All Country World ex-U.S. Index	12.1%	55.2%	2.3%	2.6%	4.0%
MSCI EAFE Free	11.9	53.6	0.9	1.2	4.0
MSCI Emerging Markets Free Net	16.1	74.4	13.7	12.3	0.7
MSCI Hedged EAFE Foreign Stock Index	7.6	33.8	-7.5	-0.8	4.4
SSB Non-U.S. World Gov't Bond	4.8	14.9	12.1	6.3	6.6
Citigroup Non-US World Gov't Bond Hedged	2.3	1.8	4.7	5.6	7.9
<b>Cash Equivalents:</b>					
Treasury Bills (30-Day)	0.2%	0.9%	1.8%	3.1%	3.8%
EnnisKnupp STIF Index	0.3	1.2	2.4	3.8	4.6
<b>Inflation Index</b>					
Consumer Price Index	0.9%	1.7%	1.9%	2.5%	2.4%

## APPENDIX II

### GLOSSARY OF TERMS

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#### DESCRIPTION OF INDICES

**Endowment Performance Benchmark**- Beginning January 1, 2004, represents the policy targets as set forth in the Investment Policy Statements approved by the Board of Regents on December 19, 2003. This benchmark is comprised of 25% Russell 3000 Index, 17% MSCI All Country World ex-U.S. Index, 10% 90 Day T-Bills + 4%, 15% 90 Day T-Bills + 3%, 15% Venture Economics Private Capital Benchmark, 3% GSCI minus 1%, and 15% Lehman Brothers Aggregate Bond Index.

Returns through December 31, 2003, represent the returns of the UTIMCO Board of Directors approved Endowment Policy Portfolio. The return history of this benchmark has been supplied by UTIMCO, and the composition of the benchmark is understood as follows:

Returns prior to December 1, 1999, were comprised of 30% S&P 500 Index, 10% Russell 2000 Index, 12% FT World ex-U.S. Index, 3% MSCI Emerging Markets Free Index, 7% Merrill Lynch T-Bill Index + 7%, 18% Wilshire 5000 Index + 4%, 15% Lehman Brothers Aggregate Bond Index and 5% Citigroup World Government Bond Index ex-U.S.

Effective December 1, 1999, returns were comprised of 25% S&P 500 Index, 7.5% Russell 2000 Index, 12% FT World ex-U.S. Index, 3% MSCI Emerging Markets Free Index, 10% Merrill Lynch T-Bill Index + 7%, 15% Wilshire 5000 Index + 4%, 2.5% Goldman Sachs Commodity Index, 5% NCREIF Index, 15% Lehman Brothers Aggregate Bond Index and 5% Citigroup World Government Bond Index ex-U.S.

Effective October 1, 2000, returns were comprised of 25% S&P 500 Index, 7.5% Russell 2000 Index, 12% MSCI EAFE Index, 3% MSCI Emerging Markets Free Index, 10% Merrill Lynch T-Bill Index + 7%, 15% Wilshire 5000 Index + 4%, 2.5% Goldman Sachs Commodity Index, 5% NCREIF Index, 15% Lehman Brothers Aggregate Bond Index and 5% Citigroup World Government Bond Index ex-U.S.

Effective September 1, 2002, returns are comprised of 31% Wilshire 5000 Index, 19% MSCI All Country World Free ex-U.S. Index, 15% Wilshire 5000 Index + 4%, 10% Merrill Lynch T-Bill Index + 4%, 2.5% Goldman Sachs Commodity Index, 2.5% Lehman Brothers TIPS Index, 2.5% NCREIF Index, 2.5% Wilshire Real Estate Securities Index, 5% Lehman Brothers Aggregate Bond ex-Government Index and 10% Lehman Brothers Government Bond Index.

DESCRIPTION OF INDICES CONTINUED

**U.S. Equity Performance Benchmark-** Beginning January 1, 2004, returns are of the Russell 3000 Index. Returns through December 31, 2003, are those of the Wilshire 5000 Index.

**Absolute Return Benchmark-** Beginning January 1, 2004, returns are 90 Day T-Bills + 3%. Returns through December 31, 2003, are of 90 Day T-Bills + 4%.

**Private Capital Benchmark -** Beginning January 1, 2004, returns are the Venture Economics Private Capital Benchmark, which represents a mixture of venture capital and private equity investments, and is calculated on a quarterly periodic IRR basis. Periodic IRRs are calculated between two points in time; in this case, IRRs are calculated on a quarterly basis, and the resulting returns are linked to present performance over longer periods (similar to the time-weighted rates of returns shown for all other asset categories). Returns through December 31, 2003 are of the Wilshire 5000 +4%.

**UTIMCO Credit Composite Benchmark-** Returns for this benchmark have been supplied by UTIMCO. The composition of the benchmark is understood as including the asset-backed, collateralized mortgage-backed, and U.S. credit components of the Lehman Aggregate Bond Index in a weighted average composite.

**UTIMCO Short-Intermediate Term Fund Composite Benchmark-** Returns for this benchmark have been supplied by UTIMCO. The composition of the benchmark is understood as including six government bond components obtained from Bloomberg in a weighted average composite.

**UTIMCO Inflation Hedging Benchmark-** Returns for this benchmark have been supplied by UTIMCO. The composition of the benchmark is understood as 25% of the Goldman Sachs Commodity Index -100 basis points, 25% of the Lehman Brothers TIPS Index, 25% of the NCREIF Index, and 25% of the Wilshire Real Estate Securities Index.

## APPENDIX II

### GLOSSARY OF TERMS

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#### DESCRIPTION OF INDICES CONTINUED

**Wilshire 5000 Stock Index** - A capitalization-weighted stock index representing all domestic common stocks traded regularly on the organized exchanges. The Index is the broadest measure of the aggregate domestic stock market.

**S&P 500 Stock Index** - A capitalization-weighted stock index representing 500 large capitalization stocks in the U.S. equity market.

**Russell 2000 Stock Index** - A capitalization-weighted index of the 2000 smallest stocks in the Russell 3000 Index. This index excludes the largest and smallest capitalization issues in the domestic stock market.

**MSCI All-Country World Ex-U.S. Index** - A capitalization-weighted index of stocks representing a broad range of developed and emerging country markets, excluding the U.S. market.

**MSCI Europe, Australasia, Far East (EAFE) Index** - A capitalization-weighted index of stocks representing 21 developed markets in Europe, Australia, Asia and the Far East.

**MSCI Emerging Markets Free Index** - A capitalization-weighted index of stocks representing 26 emerging markets.

**Lehman Brothers Aggregate Bond Index** - A market value-weighted index consisting of the Lehman Brothers Corporate, Government, and Mortgage-Backed Securities Indices. The index also includes asset-backed securities, and is the broadest measure of the aggregate U.S. fixed-income market.

**Lehman Brothers Government Bond Index** - A market value-weighted index consisting of all public obligations of the U.S. Treasury, excluding flower bonds, foreign targeted issues, debt of U.S. Government Agencies and corporate debt guaranteed by the U.S. Government.

**Lehman Brothers Aggregate Bond ex-Government Index** - A market value-weighted index consisting of the Lehman Brothers Corporate and Mortgage-backed Securities Indices and includes asset-backed securities.

## DESCRIPTION OF TERMS

**Performance Comparison- Ratio of Cumulative Wealth:** An illustration of a portfolio's cumulative, unannualized performance relative to that of its benchmark. An upward sloping line indicates fund outperformance. Conversely, a downward sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

**Performance Comparison- Risk-Return:** The horizontal axis, annualized standard deviation, is a statistical measure of risk, or the volatility of returns. The vertical axis is the annualized rate of return. As most investors generally prefer less risk to more risk and always prefer greater returns, the upper left corner of the graph is the most attractive place to be. The line on this exhibit represents the risk and return tradeoffs associated with market portfolios, or index funds.

**Performance Attribution** A measure of the source of the deviation of a fund's performance from that of its benchmark. Each bar on the graph represents the contribution made by the manager to the total difference in performance (shown at the bottom of the exhibit). A positive value for a component indicates a positive contribution to the aggregate relative performance. A negative value indicates a detrimental impact. The magnitude of each component's contribution is a function of (1) the performance of the component relative to its benchmark, and (2) the weight of the component in the aggregate.

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