

THE UNIVERSITY OF TEXAS SYSTEM
REPORTING PACKAGE FOR THE BOARD OF REGENTS

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III. INVESTMENTS

THE UNIVERSITY OF TEXAS SYSTEM

**THE PERMANENT UNIVERSITY FUND
ANALYSIS OF GROWTH IN THE VALUE OF THE PUF
FOR THE YEARS 1994 - 1998
(Dollars in Millions)**

BOOK VALUE

	Years Ending August 31				
	1994	1995	1996	1997	1998
Book Value	\$4,213	\$4,376	\$4,638	\$4,975	\$5,522
Change in Book from Previous Year	\$169	\$163	\$262	\$337	\$547
Components of Change in Book Value: ¹					
Mineral, Royalties, and Rentals	32.38%	32.34%	22.16%	21.23%	12.27%
Bonus on Mineral Leases	2.89%	2.65%	2.79%	4.10%	2.27%
Miscellaneous Land Receipts	0.03%	0.12%	0.07%	0.01%	0.00%
Realized Gains on Sales of Securities	64.70%	64.89%	74.98%	74.66%	85.46%
University of Texas System Constitutional Debt Limit	\$842	\$875	\$928	\$995	\$1,104
University of Texas System Debt Outstanding	\$615	\$586	\$608	\$669	\$661

MARKET VALUE

	Years Ending August 31				
	1994	1995	1996	1997	1998
Market Value	\$4,428	\$4,958	\$5,292	\$6,368	\$6,517
Change in Market from Previous Year	(\$41)	\$530	\$334	\$1,076	\$149
Components of Change in Market Value: ¹					
Mineral, Royalties, and Rentals	134.13%	9.91%	17.44%	6.63%	45.09%
Bonus on Mineral Leases	11.97%	0.81%	2.19%	1.28%	8.34%
Miscellaneous Land Receipts	0.11%	0.04%	0.05%	0.01%	0.02%
Realized Gains on Sales of Securities	268.05%	19.89%	59.01%	23.32%	314.20%
Unrealized Gains on Securities Held	(514.26%)	69.35%	21.31%	68.76%	(267.65%)

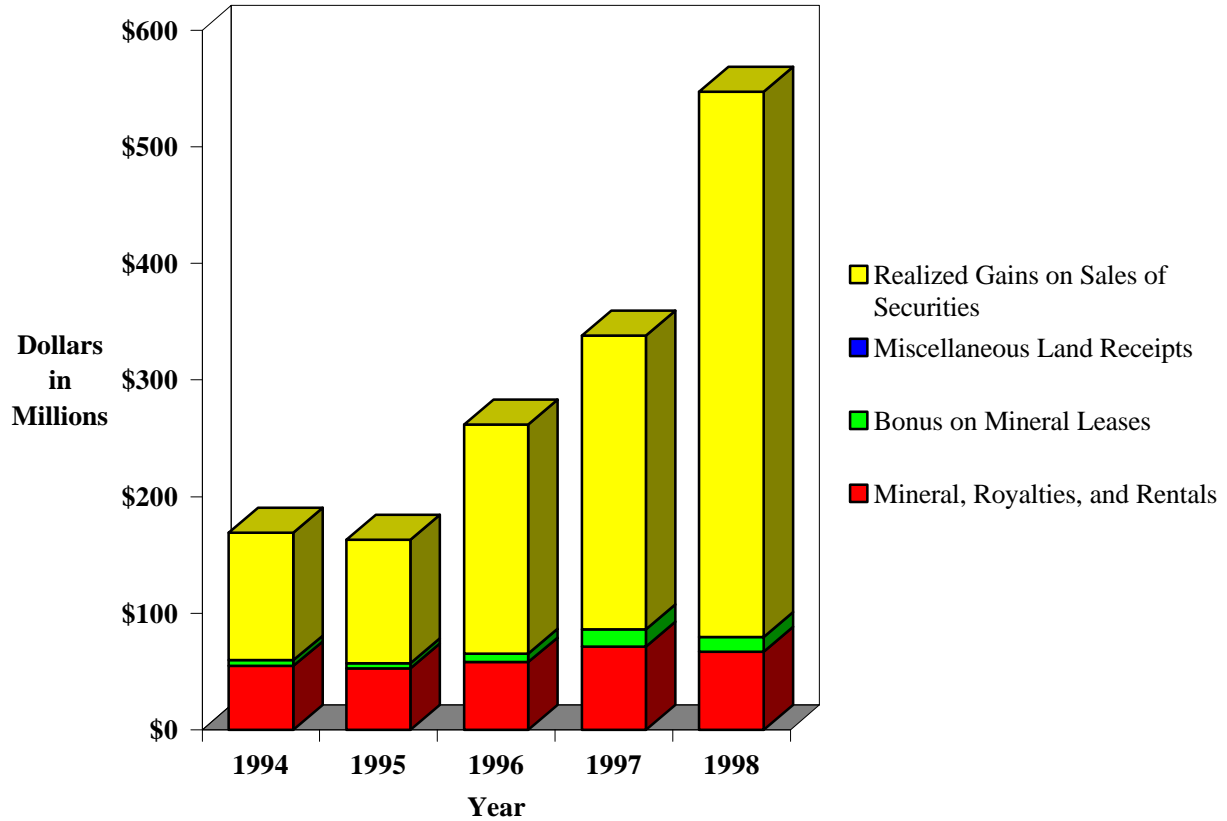
Source of data: The University of Texas Investment Management Company (UTIMCO)

Notes: ¹ The dollar amount of each component of change is shown as a percentage of the total change in the book or market value from the previous year.

THE UNIVERSITY OF TEXAS SYSTEM
THE PERMANENT UNIVERSITY FUND
ANALYSIS OF GROWTH IN THE VALUE OF THE PUF

FOR THE YEARS ENDING AUGUST 31, FOR THE YEARS 1994 - 1998

**COMPONENTS OF GROWTH
IN BOOK VALUE**



Source of data: The University of Texas Investment Management Company (UTIMCO)

THE UNIVERSITY OF TEXAS SYSTEM

TREND ANALYSIS OF TOTAL RETURN

**PERMANENT UNIVERSITY FUND, LONG TERM FUND
AND SHORT/INTERMEDIATE TERM FUND**

FOR THE YEARS 1994 - 1998

**PERMANENT UNIVERSITY FUND, LONG TERM FUND
AND SHORT / INTERMEDIATE TERM FUND**

<u>Fund</u>	<u>Years Ending August 31</u>					<u>Five Years</u>
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994 - 98</u>
PUF	3.3%	16.1%	10.7%	23.8%	5.0%	11.5%
LTF	4.2%	15.8%	11.6%	25.1%	2.0%	11.4%
Short/Intermediate Term Fund (SITF)	2.0%	6.7%	4.8%	8.1%	9.4%	6.2%

OTHER ACCOUNTS

<u>Other Accounts</u>	<u>Years Ending August 31</u>					<u>Five Years</u>
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994 - 98</u>
Medical Liability Self-Insurance Fund ¹	1.6%	13.0%	11.6%	21.8%	3.7%	10.1%

Source of data: The University of Texas Investment Management Company (UTIMCO)

Notes: Total return includes dividends on equities, bond income, other interest income, and both realized and unrealized capital appreciation of equities and bonds.

¹ The Medical Liability Self-Insurance Fund was invested in the S/ITF and the LTF during the Fiscal year 1995, and therefore is no longer a separate investment fund.

THE UNIVERSITY OF TEXAS SYSTEM

TREND ANALYSIS OF TOTAL RETURN

**PERMANENT UNIVERSITY FUND, LONG TERM FUND
AND SHORT/INTERMEDIATE TERM FUND**

FOR THE YEARS 1994 - 1998

**PERMANENT UNIVERSITY FUND, LONG TERM FUND
AND SHORT / INTERMEDIATE TERM FUND**

<u>Fund</u>	<u>Years Ending August 31</u>					<u>Five Years</u>
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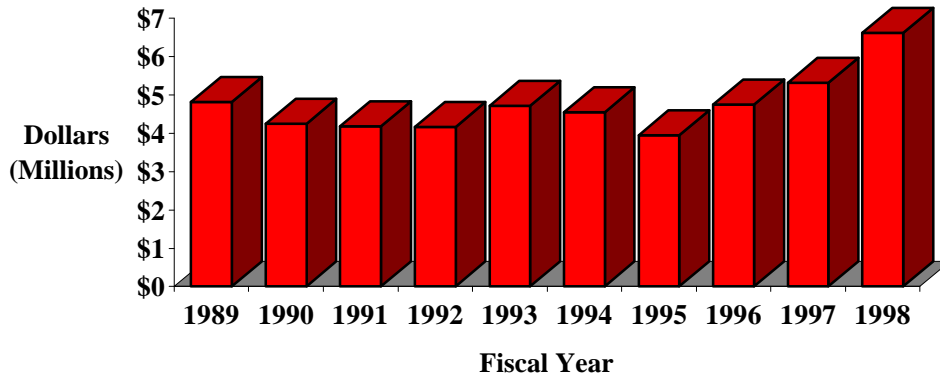
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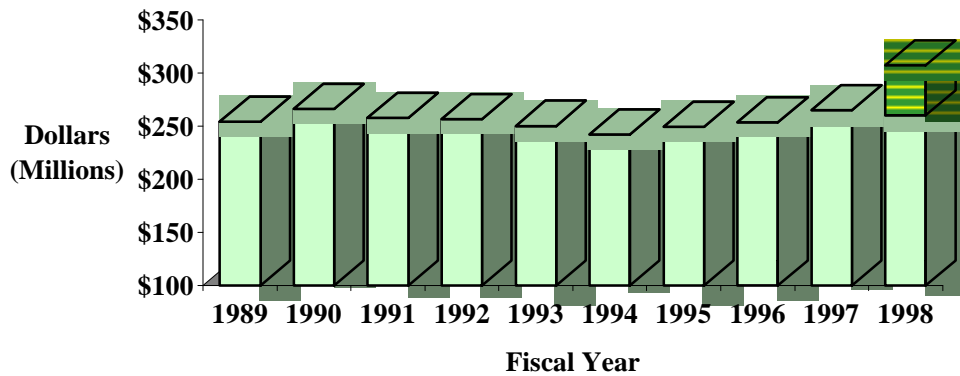
¹ The Medical Liability Self-Insurance Fund was invested in the S/ITF and the LTF during the Fiscal year 1995, and therefore is no longer a separate investment fund.

**THE UNIVERSITY OF TEXAS SYSTEM
AVAILABLE UNIVERSITY FUND TREND ANALYSIS
FOR FISCAL YEARS 1989 - 1998
(In Millions)**

SURFACE INCOME



INVESTMENT INCOME



Source of Income	Years Ending August 31 (In Millions of Dollars)									
	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Surface ¹	\$ 4.80	\$ 4.24	\$ 4.18	\$ 4.16	\$ 4.71	\$ 4.54	\$ 3.94	\$ 4.74	\$ 5.31	\$ 6.61
Investment	254.33	266.12	257.66	256.55	250.25	242.30	249.53	253.63	265.19	259.98
One-time Adjustment ²	-	-	-	-	-	-	-	-	-	47.29
Total Income	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####

Source of data: The University of Texas, University Lands Accounting Office
The University of Texas Investment Management Company (UTIMCO)

Notes: ¹ This represents only surface income deposited in the AUF.

² Effective September 1, 1997 a statutory amendment changed the distribution of income from cash to an accrual basis of accounting. This change resulted in a one time distribution adjustment to the AUF of \$47.29 million.