

University of Houston System

Investment Report

Second Quarter Report

FY 2000

December, 1999 – February, 2000

University of Houston System

Investment Report

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**University of Houston System Endowment Fund
Statement of Changes in Investment Assets
Quarter Ended February 29, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 1999	\$ 232,536,570	\$ 409,131,516
Receipts/Contributions	10,247,686	10,247,686
Investment Income	3,368,262	3,368,262
Distributions	(8,060,626)	(8,060,626)
Net Realized Gains (Losses)	7,823,955	7,823,955
Changes in Net Unrealized Appreciation (Depreciation)	<u> </u>	<u>(24,905,945)</u>
Ending Investment Assets - February 29, 2000	<u><u>\$ 245,915,847</u></u>	<u><u>\$ 397,604,848</u></u>

University of Houston System Endowment Fund
Summary of Investments
At February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	\$ 7,319,675	\$ 7,146,697
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	7,319,675	7,146,697
US Government Agencies (Non- Gtd.)		
Mortgage Backed	5,664,610	5,303,675
Other	15,172,913	14,825,268
Total US Gov't Agencies (Non- Gtd.)	20,837,523	20,128,943
Foreign Government Obligations	0	0
Dollar Denominated	0	0
Municipal and County Bonds	0	0
Corporate Bonds	38,799,045	36,662,672
Other	0	0
Total Debt Securities	66,956,243	63,938,312
Equity Securities		
Common Stock and Other Equities	138,029,349	272,804,471
Preferred Stock	16	16
Index Funds	0	0
Mutual Funds	14,953,289	34,048,841
Other - Partnerships	7,279,361	6,571,441
Total Equity Securities	160,262,015	313,424,769
Short Term Securities		
US Government (Direct & Guaranteed)	2,174,213	2,151,677
US Government Agencies (Non-Gtd.)	0	0
Corporate Bonds	3,739,778	3,583,455
TexPool	0	0
Other - Municipal Bonds	0	0
Total Short Term Securities	5,913,991	5,735,132
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	11,467,598	11,467,598
Commercial Paper	0	0
Total Cash and Cash Equivalents	11,467,598	11,467,598
Land	1,316,000	1,293,600
Accrued Income	0	1,745,437
Total Investments	\$ 245,915,847	\$ 397,604,848

Total Rate of Return (quarter ending 2/29/00)

-4.2%

**University of Houston System
Consolidated Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended February 29, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 1999	\$ 88,036,167	\$ 86,591,113
Receipts/Contributions		
Investment Income	937,402	937,402
Distributions		
Net Realized Gains (Losses)	(426,588)	(426,588)
Changes in Net Unrealized Appreciation (Depreciation)	<u> </u>	<u>(268,434)</u>
Ending Investment Assets - February 29, 2000	<u><u>\$ 88,546,981</u></u>	<u><u>\$ 86,833,493</u></u>

**University of Houston System
Consolidated Non-Endowed Pooled Funds
Summary of Investments
At February 29, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	\$ 18,035,650	\$ 17,802,689
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	18,035,650	17,802,689
US Government Agencies (Non- Gtd.)		
Mortgage Backed	4,259,177	3,886,578
Other	21,621,709	21,177,520
Total US Gov't Agencies (Non- Gtd.)	25,880,886	25,064,098
Foreign Government Obligations	0	0
Municipal and County Bonds	19,205,010	18,914,515
Corporate Bonds	21,254,904	20,938,832
Other	0	0
Total Debt Securities	84,376,450	82,720,134
Equity Securities		
Common Stock and Other Equities	0	0
Index Funds	0	0
Mutual Funds	0	0
Other - Partnerships	0	0
Total Equity Securities	0	0
Short Term Securities		
US Government (Direct & Guaranteed)	0	0
US Government Agencies (Non-Gtd.)	860,818	803,646
Corporate Bonds	0	0
TexPool	0	0
Other - Municipal and County Bonds	0	0
Total Short Term Securities	860,818	803,646
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	3,309,713	3,309,713
Commercial Paper	0	0
Total Cash and Cash Equivalents	3,309,713	3,309,713
Total Investments	\$ 88,546,981	\$ 86,833,493

Total Rate of Return (quarter ending 2/29/00)

0.7%

University of Houston System
Consolidated Revenue Bonds, Series 1999 Project Fund
Statement of Changes in Investment Assets
Quarter Ended February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 1999	\$ 22,742,015	\$ 22,742,015
Receipts/Contributions		
Investment Income		
Distributions	(1,514,208)	(1,514,208)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - February 29, 2000	<u>\$ 21,227,807</u>	<u>\$ 21,227,807</u>

**University of Houston System
Consolidated Revenue Bonds, Series 1999 Project Fund
Summary of Investments
At February 29, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	0	0
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	0	0
US Government Agencies (Non- Gtd.)		
Mortgage Backed	0	0
Other	0	0
Total US Gov't Agencies (Non- Gtd.)	0	0
Foreign Government Obligations	0	0
Municipal and County Bonds	0	0
Corporate Bonds	0	0
Other- Fixed Rate Repurchase Agreement	21,227,807	21,227,807
Total Debt Securities	21,227,807	21,227,807
Equity Securities		
Common Stock and Other Equities	0	0
Index Funds	0	0
Mutual Funds	0	0
Other - Partnerships	0	0
Total Equity Securities	0	0
Short Term Securities		
US Government (Direct & Guaranteed)	0	0
US Government Agencies (Non-Gtd.)	0	0
Corporate Bonds	0	0
TexPool	0	0
Other	0	0
Total Short Term Securities	0	0
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	0	0
Commercial Paper	0	0
Total Cash and Cash Equivalents	0	0
Total Investments	\$ 21,227,807	\$ 21,227,807

Total Rate of Return (quarter ending 2/29/00)

1.2%

University of Houston System Administration
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 1999	\$ 17,358,330	\$ 17,358,330
Receipts/Contributions	26,100,000	26,100,000
Investment Income	245,643	245,643
Distributions	(26,302,006)	(26,302,006)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - February 29, 2000	<u>\$ 17,401,967</u>	<u>\$ 17,401,967</u>

**University of Houston System Administration
Non-Endowed Pooled Funds
Summary of Investments
At February 29, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries		
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	0	0
US Government Agencies (Non- Gtd.)		
Mortgage Backed		
Other		
Total US Gov't Agencies (Non- Gtd.)	0	0
Foreign Government Obligations	0	0
Municipal and County Bonds		
Corporate Bonds		
Other	0	0
Total Debt Securities	0	0
Equity Securities		
Common Stock and Other Equities	0	0
Index Funds	0	0
Mutual Funds	0	0
Other - Partnerships	0	0
Total Equity Securities	0	0
Short Term Securities		
US Government (Direct & Guaranteed)	0	0
US Government Agencies (Non-Gtd.)	0	0
Corporate Bonds	0	0
TexPool	0	0
Other - Municipal and County Bonds		
Total Short Term Securities	0	0
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	17,401,967	17,401,967
Commercial Paper	0	0
Total Cash and Cash Equivalents	17,401,967	17,401,967
Total Investments	\$ 17,401,967	\$ 17,401,967

Total Rate of Return (quarter ending 2/29/00)

1.4%

University of Houston
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 1999	\$ 28,135,794	\$ 28,135,794
Receipts/Contributions	43,850,000	43,850,000
Investment Income	404,485	404,485
Distributions	(46,678,131)	(46,678,131)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - February 29, 2000	<u><u>\$ 25,712,148</u></u>	<u><u>\$ 25,712,148</u></u>

**University of Houston
Non-Endowed Pooled Funds
Summary of Investments
At February 29, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries		
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	0	0
US Government Agencies (Non- Gtd.)		
Mortgage Backed		
Other		
Total US Gov't Agencies (Non- Gtd.)	0	0
Foreign Government Obligations	0	0
Municipal and County Bonds		
Corporate Bonds		
Other	0	0
Total Debt Securities	0	0
Equity Securities		
Common Stock and Other Equities	0	0
Index Funds	0	0
Mutual Funds	0	0
Other - Partnerships	0	0
Total Equity Securities	0	0
Short Term Securities		
US Government (Direct & Guaranteed)		
US Government Agencies (Non-Gtd.)		
Corporate Bonds	0	0
TexPool	0	0
Other - Municipal and County Bonds		
Total Short Term Securities	0	0
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	25,712,148	25,712,148
Commercial Paper	0	0
Total Cash and Cash Equivalents	25,712,148	25,712,148
Total Investments	\$ 25,712,148	\$ 25,712,148

Total Rate of Return (quarter ending 2/29/00)

1.4%

University of Houston
Consolidated Revenue Bonds, Series 1998 Project Fund
Statement of Changes in Investment Assets
Quarter Ended February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 1999	\$ 294,945	\$ 294,945
Receipts/Contributions		
Investment Income	4,087	4,087
Distributions	(64,490)	(64,490)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - February 29, 2000	<u>\$ 234,542</u>	<u>\$ 234,542</u>

University of Houston
Consolidated Revenue Bonds, Series 1998 Project Fund
Summary of Investments
At February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	0	0
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	0	0
US Government Agencies (Non- Gtd.)		
Mortgage Backed	0	0
Other	0	0
Total US Gov't Agencies (Non- Gtd.)	0	0
Foreign Government Obligations	0	0
Municipal and County Bonds	0	0
Corporate Bonds	0	0
Other- Fixed Rate Repurchase Agreement	0	0
Total Debt Securities	0	0
Equity Securities		
Common Stock and Other Equities	0	0
Index Funds	0	0
Mutual Funds	0	0
Other - Partnerships	0	0
Total Equity Securities	0	0
Short Term Securities		
US Government (Direct & Guaranteed)	0	0
US Government Agencies (Non-Gtd.)	0	0
Corporate Bonds	0	0
TexPool	0	0
Other	0	0
Total Short Term Securities	0	0
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	234,542	234,542
Commercial Paper	0	0
Total Cash and Cash Equivalents	234,542	234,542
Total Investments	\$ 234,542	\$ 234,542

Total Rate of Return (quarter ending 2/29/00)

1.4%

University of Houston Clear Lake
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 1999	\$ 8,774,806	\$ 8,774,806
Receipts/Contributions	4,600,000	4,600,000
Investment Income	115,182	115,182
Distributions	(5,103,176)	(5,103,176)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - February 29, 2000	<u><u>\$ 8,386,812</u></u>	<u><u>\$ 8,386,812</u></u>

**University of Houston Clear Lake
Non-Endowed Pooled Funds
Summary of Investments
At February 29, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries		
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	0	0
US Government Agencies (Non- Gtd.)		
Mortgage Backed	0	0
Other	0	0
Total US Gov't Agencies (Non- Gtd.)	0	0
Foreign Government Obligations	0	0
Municipal and County Bonds		
Corporate Bonds		
Other	0	0
Total Debt Securities	0	0
Equity Securities		
Common Stock and Other Equities	0	0
Index Funds	0	0
Mutual Funds	0	0
Other - Partnerships	0	0
Total Equity Securities	0	0
Short Term Securities		
US Government (Direct & Guaranteed)		
US Government Agencies (Non-Gtd.)	0	0
Corporate Bonds	0	0
TexPool	0	0
Other - Municipal and County Bonds		
Total Short Term Securities	0	0
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	8,386,812	8,386,812
Commercial Paper	0	0
Total Cash and Cash Equivalents	0	0
Total Investments	\$ 8,386,812	\$ 8,386,812

Total Rate of Return (quarter ending 2/29/00)

1.4%

University of Houston Clear Lake
Consolidated Revenue Refunding Bonds, Series 1998 Projects Fund
Statement of Changes in Investment Assets
Quarter Ended February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 1999	\$ 473,982	\$ 472,341
Receipts/Contributions		
Investment Income	14,976	14,976
Distributions	(53,481)	(53,481)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		(3,878)
	_____	_____
Ending Investment Assets - February 29, 2000	<u>\$ 435,477</u>	<u>\$ 429,958</u>

University of Houston Clear Lake
Consolidated Revenue Refunding Bonds, Series 1998 Projects Fund
Summary of Investments
At February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	\$ 377,477	\$ 371,958
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	377,477	371,958
US Government Agencies (Non- Gtd.)		
Mortgage Backed	0	0
Other	0	0
Total US Gov't Agencies (Non- Gtd.)	0	0
Foreign Government Obligations	0	0
Municipal and County Bonds	0	0
Corporate Bonds	0	0
Other	0	0
Total Debt Securities	377,477	371,958
Equity Securities		
Common Stock and Other Equities	0	0
Index Funds	0	0
Mutual Funds	0	0
Other - Partnerships	0	0
Total Equity Securities	0	0
Short Term Securities		
US Government (Direct & Guaranteed)		
US Government Agencies (Non-Gtd.)	0	0
Corporate Bonds	0	0
TexPool	0	0
Other	0	0
Total Short Term Securities	0	0
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	58,000	58,000
Commercial Paper	0	0
Total Cash and Cash Equivalents	58,000	58,000
Total Investments	\$ 435,477	\$ 429,958

Total Rate of Return (quarter ending 2/29/00)

2.5%

University of Houston Downtown
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 1999	\$ 8,228,438	\$ 8,228,438
Receipts/Contributions	6,000,000	6,000,000
Investment Income	117,239	117,239
Distributions	(4,451,083)	(4,451,083)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - February 29, 2000	<u>\$ 9,894,594</u>	<u>\$ 9,894,594</u>

**University of Houston Downtown
Non-Endowed Pooled Funds
Summary of Investments
At February 29, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries		
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	0	0
US Government Agencies (Non- Gtd.)		
Mortgage Backed	0	0
Other	0	0
Total US Gov't Agencies (Non- Gtd.)	0	0
Foreign Government Obligations	0	0
Municipal and County Bonds		
Corporate Bonds		
Other	0	0
Total Debt Securities	0	0
Equity Securities		
Common Stock and Other Equities	0	0
Index Funds	0	0
Mutual Funds	0	0
Other - Partnerships	0	0
Total Equity Securities	0	0
Short Term Securities		
US Government (Direct & Guaranteed)		
US Government Agencies (Non-Gtd.)	0	0
Corporate Bonds	0	0
TexPool	0	0
Other - Municipal and County Bonds		
Total Short Term Securities	0	0
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	9,894,594	9,894,594
Commercial Paper	0	0
Total Cash and Cash Equivalents	9,894,594	9,894,594
Total Investments	\$ 9,894,594	\$ 9,894,594

Total Rate of Return (quarter ending 2/29/00)

1.4%

University of Houston Downtown
Consolidated Revenue Bonds, Series 1995 Project Fund
Statement of Changes in Investment Assets
Quarter Ended February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 1999	\$ 186,847	\$ 186,847
Receipts/Contributions		
Investment Income	839	839
Distributions	(187,686)	(187,686)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - February 29, 2000	\$ -	\$ -

University of Houston Downtown
Consolidated Revenue Bonds, Series 1995 Project Fund
Summary of Investments
At February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	0	0
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	0	0
US Government Agencies (Non- Gtd.)		
Mortgage Backed	0	0
Other	0	0
Total US Gov't Agencies (Non- Gtd.)	0	0
Foreign Government Obligations	0	0
Municipal and County Bonds	0	0
Corporate Bonds	0	0
Other- Fixed Rate Repurchase Agreement	0	0
Total Debt Securities	0	0
Equity Securities		
Common Stock and Other Equities	0	0
Index Funds	0	0
Mutual Funds	0	0
Other - Partnerships	0	0
Total Equity Securities	0	0
Short Term Securities		
US Government (Direct & Guaranteed)	0	0
US Government Agencies (Non-Gtd.)	0	0
Corporate Bonds	0	0
TexPool	0	0
Other	0	0
Total Short Term Securities	0	0
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	0	0
Commercial Paper	0	0
Total Cash and Cash Equivalents	0	0
Total Investments	\$ -	\$ -

Total Rate of Return (quarter ending 2/29/00)

0.9%

University of Houston Victoria
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended February 29, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 1999	\$ 1,907,143	\$ 1,907,143
Receipts/Contributions	1,900,000	1,900,000
Investment Income	27,401	27,401
Distributions	(1,900,100)	(1,900,100)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - February 29, 2000	<u><u>\$ 1,934,444</u></u>	<u><u>\$ 1,934,444</u></u>

**University of Houston Victoria
Non-Endowed Pooled Funds
Summary of Investments
At February 29, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	0	0
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	0	0
US Government Agencies (Non- Gtd.)		
Mortgage Backed	0	0
Other	0	0
Total US Gov't Agencies (Non- Gtd.)	0	0
Foreign Government Obligations	0	0
Municipal and County Bonds	0	0
Corporate Bonds	0	0
Other	0	0
Total Debt Securities	0	0
Equity Securities		
Common Stock and Other Equities	0	0
Index Funds	0	0
Mutual Funds	0	0
Other - Partnerships	0	0
Total Equity Securities	0	0
Short Term Securities		
US Government (Direct & Guaranteed)	0	0
US Government Agencies (Non-Gtd.)	0	0
Corporate Bonds	0	0
TexPool	0	0
Other	0	0
Total Short Term Securities	0	0
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	1,934,444	1,934,444
Commercial Paper	0	0
Total Cash and Cash Equivalents	1,934,444	1,934,444
Total Investments	\$ 1,934,444	\$ 1,934,444

Total Rate of Return (quarter ending 2/29/00)

1.4%