

University of Houston System

Investment Report

Third Quarter Report

FY 2000

March, 2000 – May, 2000

University of Houston System

Investment Report

Contents

University of Houston System

Endowment Fund

Consolidated Non-Endowed Pooled Funds

Consolidated Revenue Bonds, Series 1999 Project Fund

University of Houston – System Administration

Non-Endowed Pooled Funds

University of Houston

Non-Endowed Pooled Funds

Consolidated Revenue Bonds, Series 1998 Project Fund

University of Houston – Clear Lake

Non-Endowed Pooled Funds

Consolidated Revenue Refunding Bonds, Series 1998 Project Fund

University of Houston – Downtown

Non-Endowed Pooled Funds

University of Houston – Victoria

Non-Endowed Pooled Funds

**University of Houston System Endowment Fund
Statement of Changes in Investment Assets
Quarter Ended May 31, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2000	\$ 245,915,847	\$ 397,604,848
Receipts/Contributions	2,119,963	2,119,963
Investment Income	2,636,480	2,636,480
Distributions	(343,732)	(343,732)
Net Realized Gains (Losses)	5,747,625	5,747,625
Changes in Net Unrealized Appreciation (Depreciation)	<u> </u>	<u>25,342,416</u>
Ending Investment Assets - May 31, 2000	<u><u>\$ 256,076,183</u></u>	<u><u>\$ 433,107,600</u></u>

University of Houston System Endowment Fund
Summary of Investments
At May 31, 2000

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	\$ 5,556,423	5,432,596
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	<u>5,556,423</u>	<u>5,432,596</u>
US Government Agencies (Non- Gtd.)		
Mortgage Backed	5,465,098	5,080,600
Other	14,669,723	14,230,557
Total US Gov't Agencies (Non- Gtd.)	<u>20,134,821</u>	<u>19,311,157</u>
Foreign Government Obligations	0	0
Dollar Denominated	0	0
Municipal and County Bonds	0	0
Corporate Bonds	40,258,487	37,693,876
Other	0	0
Total Debt Securities	<u>65,949,731</u>	<u>62,437,629</u>
Equity Securities		
Common Stock and Other Equities	122,726,768	284,708,359
Preferred Stock	16	16
Index Funds	20,000,000	16,295,760
Mutual Funds	14,953,289	32,626,583
Other - Partnerships	7,182,398	10,426,043
Total Equity Securities	<u>164,862,471</u>	<u>344,056,761</u>
Short Term Securities		
US Government (Direct & Guaranteed)	1,241,895	1,241,800
US Government Agencies (Non-Gtd.)	2,986,395	2,961,795
Corporate Bonds	4,840,144	4,574,919
TexPool	0	0
Other - Municipal Bonds	0	0
Total Short Term Securities	<u>9,068,434</u>	<u>8,778,514</u>
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	14,879,547	14,879,547
Commercial Paper	0	0
Total Cash and Cash Equivalents	<u>14,879,547</u>	<u>14,879,547</u>
Land	1,316,000	1,293,600
Accrued Income	<u>0</u>	<u>1,661,549</u>
Total Investments	<u><u>\$ 256,076,183</u></u>	<u><u>\$ 433,107,600</u></u>

Total Rate of Return (quarter ending 5/31/00)

8.5%

**University of Houston System
Consolidated Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended May 31, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2000	\$ 88,546,981	\$ 86,833,493
Receipts/Contributions		
Investment Income	1,685,484	1,685,484
Distributions		
Net Realized Gains (Losses)	(428,649)	(428,649)
Changes in Net Unrealized Appreciation (Depreciation)		(222,659)
	<hr/>	<hr/>
Ending Investment Assets - May 31, 2000	<u>\$ 89,803,816</u>	<u>\$ 87,867,669</u>

**University of Houston System
Consolidated Non-Endowed Pooled Funds
Summary of Investments
At May 31, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	\$ 10,223,459	\$ 10,076,749
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	10,223,459	10,076,749
US Government Agencies (Non- Gtd.)		
Mortgage Backed	3,913,367	3,549,010
Other	18,924,193	18,478,290
Total US Gov't Agencies (Non- Gtd.)	22,837,560	22,027,300
Foreign Government Obligations	0	0
Municipal and County Bonds	16,400,010	16,104,319
Corporate Bonds	29,887,931	29,255,110
Other	0	0
Total Debt Securities	79,348,960	77,463,478
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.)	741,615	690,950
Corporate Bonds	0	0
TexPool	0	0
Other - Municipal and County Bonds	0	0
Total Short Term Securities	741,615	690,950
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	9,713,241	9,713,241
Commercial Paper	0	0
Total Cash and Cash Equivalents	9,713,241	9,713,241
Accrued Income		1,135,142
Total Investments	\$ 89,803,816	\$ 89,002,811

Total Rate of Return (quarter ending 5/31/00)

1.2%

**University of Houston System
Consolidated Revenue Bonds, Series 1999 Project Fund
Statement of Changes in Investment Assets
Quarter Ended May 31, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2000	\$ 21,227,807	\$ 21,227,807
Receipts/Contributions		
Investment Income	535,114	535,114
Distributions	(2,395,438)	(2,395,438)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - May 31, 2000	<u>\$ 19,367,483</u>	<u>\$ 19,367,483</u>

**University of Houston System
Consolidated Revenue Bonds, Series 1999 Project Fund
Summary of Investments
At May 31, 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	19,367,483	19,367,483
Total Debt Securities	19,367,483	19,367,483
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	\$ 19,367,483	\$ 19,367,483

Total Rate of Return (quarter ending 5/31/00)

1.2%

University of Houston System Administration
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended May 31, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2000	\$ 17,401,967	\$ 17,401,967
Receipts/Contributions	26,550,000	26,550,000
Investment Income	250,005	250,005
Distributions	(29,701,972)	(29,701,972)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - May 31, 2000	<u><u>\$ 14,500,000</u></u>	<u><u>\$ 14,500,000</u></u>

**University of Houston System Administration
Non-Endowed Pooled Funds
Summary of Investments
At May 31, 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	14,500,000	14,500,000
Commercial Paper	0	0
Total Cash and Cash Equivalents	14,500,000	14,500,000
Total Investments	\$ 14,500,000	\$ 14,500,000

Total Rate of Return (quarter ending 5/31/00)

1.4%

University of Houston
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended May 31, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2000	\$ 25,712,148	\$ 25,712,148
Receipts/Contributions	16,150,000	16,150,000
Investment Income	372,693	372,693
Distributions	(18,128,434)	(18,128,434)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - May 31, 2000	<u>\$ 24,106,407</u>	<u>\$ 24,106,407</u>

**University of Houston
Non-Endowed Pooled Funds
Summary of Investments
At May 31, 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	24,106,407	24,106,407
Commercial Paper	0	0
Total Cash and Cash Equivalents	24,106,407	24,106,407
Total Investments	\$ 24,106,407	\$ 24,106,407

Total Rate of Return (quarter ending 5/31/00)

1.4%

University of Houston
Consolidated Revenue Bonds, Series 1998 Project Fund
Statement of Changes in Investment Assets
Quarter Ended May 31, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2000	\$ 234,542	\$ 234,542
Receipts/Contributions		
Investment Income	3,418	3,418
Distributions	(20)	(20)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - May 31, 2000	<u>\$ 237,940</u>	<u>\$ 237,940</u>

University of Houston
Consolidated Revenue Bonds, Series 1998 Project Fund
Summary of Investments
At May 31, 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	237,940	237,940
Commercial Paper	0	0
Total Cash and Cash Equivalents	237,940	237,940
Total Investments	\$ 237,940	\$ 237,940

Total Rate of Return (quarter ending 5/31/00)

1.4%

University of Houston Clear Lake
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended May 31, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2000	\$ 8,386,812	\$ 8,386,812
Receipts/Contributions	3,700,000	3,700,000
Investment Income	108,049	108,049
Distributions	(4,303,060)	(4,303,060)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - May 31, 2000	<u><u>\$ 7,891,801</u></u>	<u><u>\$ 7,891,801</u></u>

**University of Houston Clear Lake
Non-Endowed Pooled Funds
Summary of Investments
At May 31, 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	7,891,801	7,891,801
Commercial Paper	0	0
Total Cash and Cash Equivalents	0	0
Total Investments	\$ 7,891,801	\$ 7,891,801

Total Rate of Return (quarter ending 5/31/00)

1.4%

University of Houston Clear Lake
Consolidated Revenue Refunding Bonds, Series 1998 Projects Fund
Statement of Changes in Investment Assets
Quarter Ended May 31, 2000

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2000	\$ 435,477	\$ 429,958
Receipts/Contributions		
Investment Income	505	505
Distributions	(47)	(47)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		(2,396)
	_____	_____
Ending Investment Assets - May 31, 2000	<u>\$ 435,935</u>	<u>\$ 428,020</u>

University of Houston Clear Lake
Consolidated Revenue Refunding Bonds, Series 1998 Projects Fund
Summary of Investments
At May 31, 2000

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	\$ 377,477	\$ 369,562
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	377,477	369,562
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	369,562
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	58,458	58,458
Commercial Paper	0	0
Total Cash and Cash Equivalents	58,458	58,458
Total Investments	\$ 435,935	\$ 428,020

Total Rate of Return (quarter ending 5/31/00)

1.2%

**University of Houston Downtown
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended May 31, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2000	\$ 9,894,594	\$ 9,894,594
Receipts/Contributions	2,075,000	2,075,000
Investment Income	140,170	140,170
Distributions	(2,151,145)	(2,151,145)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - May 31, 2000	<u>\$ 9,958,619</u>	<u>\$ 9,958,619</u>

**University of Houston Downtown
Non-Endowed Pooled Funds
Summary of Investments
At May 31, 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	9,958,619	9,958,619
Commercial Paper	0	0
Total Cash and Cash Equivalents	9,958,619	9,958,619
Total Investments	\$ 9,958,619	\$ 9,958,619

Total Rate of Return (quarter ending 5/31/00)

1.4%

**University of Houston Victoria
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended May 31, 2000**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2000	\$ 1,934,444	\$ 1,934,444
Receipts/Contributions	1,025,000	1,025,000
Investment Income	23,574	23,574
Distributions	(1,525,115)	(1,525,115)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - May 31, 2000	<u>\$ 1,457,903</u>	<u>\$ 1,457,903</u>

**University of Houston Victoria
Non-Endowed Pooled Funds
Summary of Investments
At May 31, 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	1,457,903	1,457,903
Commercial Paper	0	0
Total Cash and Cash Equivalents	1,457,903	1,457,903
Total Investments	\$ 1,457,903	\$ 1,457,903

Total Rate of Return (quarter ending 5/31/00)

1.4%