

University of Houston System

Investment Report

Second Quarter Report

FY 2002

December, 2001 – February, 2002

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 28, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 2001	\$ 297,578,365	\$ 406,913,624
Receipts/Contributions	3,257,401	3,257,401
Investment Income	4,558,342	4,558,342
Distributions	(337,468)	(337,468)
Net Realized Gains (Losses)	1,918,994	1,918,994
Changes in Net Unrealized Appreciation (Depreciation)	<u> </u>	<u>(6,757,492)</u>
Ending Investment Assets - February 28, 2002	<u>\$ 306,975,634</u>	<u>\$ 409,553,401</u>

**University of Houston System Endowment Fund
Summary of Investments
At February 28, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	\$ 7,531,820	\$ 7,690,864
Guaranteed Mortgage Backed	1,257,285	1,256,600
Guaranteed Other	0	0
Total US governmental Obligations	8,789,105	8,947,464
US Government Agencies (Non- Gtd.)		
Mortgage Backed	11,647,970	11,783,392
Other	14,989,361	15,489,163
Total US Gov't Agencies (Non- Gtd.)	26,637,331	27,272,555
Foreign Government Obligations	0	0
Dollar Denominated	241,523	249,062
Municipal and County Bonds		
Corporate Bonds	44,876,229	44,326,276
Other	2,347,174	2,357,466
Total Debt Securities	82,891,362	83,152,823
Equity Securities		
Common Stock and Other Equities	154,887,516	267,242,455
Preferred Stock		
Index Funds	42,612,014	34,616,999
Mutual Funds		
Other - Partnerships	6,128,400	4,084,656
Total Equity Securities	203,627,930	305,944,110
Short Term Securities		
US Government (Direct & Guaranteed)	1,528,969	1,541,250
US Government Agencies (Non-Gtd.)	995,065	1,005,310
Corporate Bonds		
TexPool		
Other - Municipal Bonds		
Total Short Term Securities	2,524,034	2,546,560
Cash and Cash Equivalents		
Cash Held at State Treasury		
Money Markets	16,616,308	16,616,308
Commercial Paper		
Total Cash and Cash Equivalents	16,616,308	16,616,308
Land	1,316,000	1,293,600
Total Investments	\$ 306,975,634	\$ 409,553,401

Total Rate of Return (quarter ending 2/28/02)

-0.3%

**University of Houston System
Consolidated Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended February 28, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 2001	\$ 102,326,799	\$ 103,972,404
Receipts/Contributions	73,984	73,984
Investment Income	987,798	987,798
Distributions		
Net Realized Gains (Losses)	(79,888)	(79,888)
Changes in Net Unrealized Appreciation (Depreciation)	<u> </u>	<u>(567,987)</u>
Ending Investment Assets - February 28, 2002	<u><u>\$ 103,308,693</u></u>	<u><u>\$ 104,386,311</u></u>

**University of Houston System
Consolidated Non-Endowed Pooled Funds
Summary of Investments
At February 28, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	\$ 41,762,300	\$ 41,858,574
Guaranteed Mortgage Backed	0	0
Guaranteed Other	0	0
Total US governmental Obligations	41,762,300	41,858,574
US Government Agencies (Non- Gtd.)		
Mortgage Backed	1,768,729	1,678,674
Other	18,800,460	18,970,138
Total US Gov't Agencies (Non- Gtd.)	20,569,189	20,648,812
Foreign Government Obligations	0	0
Municipal and County Bonds	4,115,599	4,321,539
Corporate Bonds	11,914,388	12,588,849
Other	0	0
Total Debt Securities	78,361,476	79,417,774
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	1,030,520	1,051,840
TexPool	0	0
Other - Municipal and County Bonds	0	0
Total Short Term Securities	1,030,520	1,051,840
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	23,916,697	23,916,697
Commercial Paper	0	0
Total Cash and Cash Equivalents	23,916,697	23,916,697
Total Investments	\$ 103,308,693	\$ 104,386,311

Total Rate of Return (quarter ending 2/28/02)

0.7%

**University of Houston System
Consolidated Revenue Bonds, Series 1999 Project Fund
Statement of Changes in Investment Assets
Quarter Ended February 28, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 2001	\$ 12,086,107	\$ 12,086,107
Receipts/Contributions		
Investment Income	192,432	192,432
Distributions	(525,781)	(525,781)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - February 28, 2002	<u>\$ 11,752,758</u>	<u>\$ 11,752,758</u>

**University of Houston System
Consolidated Revenue Bonds, Series 1999 Project Fund
Summary of Investments
At February 28, 2002**

	<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	11,752,758	11,752,758
Total Debt Securities	11,752,758	11,752,758
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	\$ 11,752,758	\$ 11,752,758

Total Rate of Return (quarter ending 2/28/02)

1.2%

University of Houston System
Consolidated Revenue Bonds, Series 2000 Project Fund
Statement of Changes in Investment Assets
Quarter Ended February 28, 2002

	<u>Book</u> <u>Value</u>	<u>Market</u> <u>Value</u>
Beginning Investment Assets - December 1, 2001	\$ 44,469,451	\$ 44,469,451
Receipts/Contributions		
Investment Income	1,529,116	1,529,116
Distributions	(8,465,212)	(8,465,212)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - February 28, 2002	<u>\$ 37,533,355</u>	<u>\$ 37,533,355</u>

University of Houston System
Consolidated Revenue Bonds, Series 2000 Project Fund
Summary of Investments
At February 28, 2002

	<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	37,533,355	37,533,355
Total Debt Securities	37,533,355	37,533,355
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	\$ 37,533,355	\$ 37,533,355

Total Rate of Return (quarter ending 2/28/02)

1.6%

**University of Houston System Administration
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended February 28, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 2001	\$ 26,007,775	\$ 26,007,775
Receipts/Contributions	32,550,000	32,550,000
Investment Income	123,944	123,944
Distributions	(38,950,016)	(38,950,016)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - February 28, 2002	<u><u>\$ 19,731,703</u></u>	<u><u>\$ 19,731,703</u></u>

**University of Houston System Administration
Non-Endowed Pooled Funds
Summary of Investments
At February 28, 2002**

	<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	19,731,703	19,731,703
Commercial Paper	0	0
Total Cash and Cash Equivalents	19,731,703	19,731,703
Total Investments	\$ 19,731,703	\$ 19,731,703

Total Rate of Return (quarter ending 2/28/02)

0.5%

University of Houston
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended February 28, 2002

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 2001	\$ 39,788,539	\$ 39,788,539
Receipts/Contributions	45,250,000	45,250,000
Investment Income	193,095	193,095
Distributions	(52,550,341)	(52,550,341)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - February 28, 2002	<u><u>\$ 32,681,293</u></u>	<u><u>\$ 32,681,293</u></u>

**University of Houston
Non-Endowed Pooled Funds
Summary of Investments
At February 28, 2002**

	<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	32,681,293	32,681,293
Commercial Paper	0	0
Total Cash and Cash Equivalents	32,681,293	32,681,293
Total Investments	\$ 32,681,293	\$ 32,681,293

Total Rate of Return (quarter ending 2/28/02)

0.5%

**University of Houston Clear Lake
 Non-Endowed Pooled Funds
 Statement of Changes in Investment Assets
 Quarter Ended February 28, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 2001	\$ 15,238,588	\$ 15,238,588
Receipts/Contributions	5,550,000	5,550,000
Investment Income	71,980	71,980
Distributions	(5,600,032)	(5,600,032)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - February 28, 2002	<u><u>\$ 15,260,536</u></u>	<u><u>\$ 15,260,536</u></u>

**University of Houston Clear Lake
Non-Endowed Pooled Funds
Summary of Investments
At February 28, 2002**

	<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	15,260,536	15,260,536
Commercial Paper	0	0
Total Cash and Cash Equivalents	0	0
Total Investments	\$ 15,260,536	\$ 15,260,536

Total Rate of Return (quarter ending 2/28/02)

0.5%

University of Houston Clear Lake
Consolidated Revenue Refunding Bonds, Series 1998 Project Fund
Statement of Changes in Investment Assets
Quarter Ended February 28, 2002

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 2001	\$ 426,385	\$ 426,385
Receipts/Contributions		
Investment Income	1,669	1,669
Distributions	(376)	(376)
Net Realized Gains (Losses)		
Adjustment to Cost Basis		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - February 28, 2002	<u><u>\$ 427,678</u></u>	<u><u>\$ 427,678</u></u>

University of Houston Clear Lake
Consolidated Revenue Refunding Bonds, Series 1998 Project Fund
Summary of Investments
At February 28, 2002

	<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	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)		
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	427,678	427,678
Commercial Paper	0	0
Total Cash and Cash Equivalents	427,678	427,678
 Total Investments	 \$ 427,678	 \$ 427,678

Total Rate of Return (quarter ending 2/28/02)

0.3%

University of Houston Downtown
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended February 28, 2002

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 2001	\$ 12,915,688	\$ 12,915,688
Receipts/Contributions	6,875,000	6,875,000
Investment Income	61,955	61,955
Distributions	(4,300,012)	(4,300,012)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - February 28, 2002	<u><u>\$ 15,552,631</u></u>	<u><u>\$ 15,552,631</u></u>

**University of Houston Downtown
Non-Endowed Pooled Funds
Summary of Investments
At February 28, 2002**

	<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	15,552,631	15,552,631
Commercial Paper	0	0
Total Cash and Cash Equivalents	15,552,631	15,552,631
Total Investments	\$ 15,552,631	\$ 15,552,631

Total Rate of Return (quarter ending 2/28/02)

0.5%

**University of Houston Victoria
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended February 28, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - December 1, 2001	\$ 3,410,155	\$ 3,410,155
Receipts/Contributions	2,525,000	2,525,000
Investment Income	18,074	18,074
Distributions	(2,400,000)	(2,400,000)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
Ending Investment Assets - February 28, 2002	<u><u>\$ 3,553,229</u></u>	<u><u>\$ 3,553,229</u></u>

**University of Houston Victoria
Non-Endowed Pooled Funds
Summary of Investments
At February 28, 2002**

	<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	3,553,229	3,553,229
Commercial Paper	0	0
Total Cash and Cash Equivalents	3,553,229	3,553,229
Total Investments	\$ 3,553,229	\$ 3,553,229

Total Rate of Return (quarter ending 2/28/02)

0.5%