

University of Houston System

Investment Report

Third Quarter Report

FY 2002

March, 2002 – May, 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 May 31, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2002	\$ 306,975,634	\$ 409,553,401
Receipts/Contributions	643,877	643,877
Investment Income	2,956,498	2,956,498
Distributions	(331,325)	(331,325)
Net Realized Gains (Losses)	(595,430)	(595,430)
Changes in Net Unrealized Appreciation (Depreciation)	_____	(10,994,206)
Ending Investment Assets - May 31, 2002	<u><u>\$ 309,649,254</u></u>	<u><u>\$ 401,232,815</u></u>

**University of Houston System Endowment Fund
Summary of Investments
At May 31, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	\$ 6,710,737	\$ 6,840,875
Guaranteed Mortgage Backed	1,480,047	1,483,647
Guaranteed Other		
Total US governmental Obligations	8,190,784	8,324,522
US Government Agencies (Non- Gtd.)		
Mortgage Backed	10,703,425	10,841,067
Other	17,211,413	17,719,195
Total US Gov't Agencies (Non- Gtd.)	27,914,838	28,560,262
Foreign Government Obligations	0	0
Dollar Denominated		
Municipal and County Bonds		
Corporate Bonds	47,647,801	45,717,858
Other	1,805,041	1,806,914
Total Debt Securities	85,558,464	84,409,556
Equity Securities		
Common Stock and Other Equities	151,328,962	256,715,467
Preferred Stock	2,624,026	3,032,516
Index Funds	44,987,134	34,342,559
Mutual Funds		
Other - Partnerships	6,086,741	3,691,569
Total Equity Securities	205,026,863	297,782,111
Short Term Securities		
US Government (Direct & Guaranteed)	1,528,969	1,528,590
US Government Agencies (Non-Gtd.)		
Corporate Bonds		
TexPool		
Other - Municipal Bonds		
Total Short Term Securities	1,528,969	1,528,590
Cash and Cash Equivalents		
Cash Held at State Treasury		
Money Markets	16,218,958	16,218,958
Commercial Paper		
Total Cash and Cash Equivalents	16,218,958	16,218,958
Land	1,316,000	1,293,600
Total Investments	\$ 309,649,254	\$ 401,232,815

Total Rate of Return (quarter ending 5/31/02)

-1.7%

**University of Houston System
Consolidated Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended May 31, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Adj. Beginning Investment Assets - March 1, 2002	\$ 104,278,212	\$ 105,355,830
Receipts/Contributions		
Investment Income	1,138,190	1,138,190
Distributions		
Net Realized Gains (Losses)	(66,469)	(66,469)
Changes in Net Unrealized Appreciation (Depreciation)	<u> </u>	<u>122,686</u>
Ending Investment Assets - May 31, 2002	<u><u>\$ 105,349,933</u></u>	<u><u>\$ 106,550,237</u></u>

**University of Houston System
Consolidated Non-Endowed Pooled Funds
Summary of Investments
At May 31, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	42830345	42964849
Guaranteed Mortgage Backed		
Guaranteed Other		
Total US governmental Obligations	42,830,345	42,964,849
US Government Agencies (Non- Gtd.)		
Mortgage Backed	1,482,923	1,406,695
Other	15,778,462	15,858,594
Total US Gov't Agencies (Non- Gtd.)	17,261,385	17,265,289
Foreign Government Obligations	0	0
Municipal and County Bonds	4,115,599	4,278,675
Corporate Bonds	15,400,393	16,110,629
Other		
Total Debt Securities	79,607,722	80,619,442
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.)	3,477,921	3,658,585
Corporate Bonds	1,030,520	1,038,440
TexPool	0	0
Other - Municipal and County Bonds		
Total Short Term Securities	4,508,441	4,697,025
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	20,450,243	20,450,243
Commercial Paper	0	0
Total Cash and Cash Equivalents	20,450,243	20,450,243
Total Investments	\$ 104,566,406	\$ 105,766,710
Accrued Interest	783,527	783,527
Total Assets	\$ 105,349,933	\$ 106,550,237
Total Rate of Return (quarter ending 5/31/02)		1.1%

**University of Houston System
Consolidated Revenue Bonds, Series 1999 Project Fund
Statement of Changes in Investment Assets
Quarter Ended May 31, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2002	\$ 11,752,758	\$ 11,752,758
Receipts/Contributions		
Investment Income	44,148	44,148
Distributions	(555,566)	(555,566)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - May 31, 2002	<u>\$ 11,241,340</u>	<u>\$ 11,241,340</u>

**University of Houston System
Consolidated Revenue Bonds, Series 1999 Project Fund
Summary of Investments
At May 31, 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	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	11,241,340	11,241,340
Commercial Paper	0	0
Total Cash and Cash Equivalents	11,241,340	11,241,340
Total Investments	\$ 11,241,340	\$ 11,241,340

Total Rate of Return (quarter ending 5/31/02)

0.3%

**University of Houston System
Consolidated Revenue Bonds, Series 2000 Project Fund
Statement of Changes in Investment Assets
Quarter Ended May 31, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2002	\$ 37,533,355	\$ 37,533,355
Receipts/Contributions		
Investment Income		
Distributions	(11,589,090)	(11,589,090)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)	_____	_____
Ending Investment Assets - May 31, 2002	<u><u>\$ 25,944,265</u></u>	<u><u>\$ 25,944,265</u></u>

University of Houston System
Consolidated Revenue Bonds, Series 2000 Project Fund
Summary of Investments
At May 31, 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	25,944,265	25,944,265
Total Debt Securities	25,944,265	25,944,265
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	\$ 25,944,265	\$ 25,944,265

Total Rate of Return (quarter ending 5/31/02)

1.6%

**University of Houston System Administration
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended May 31, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2002	\$ 19,731,703	\$ 19,731,703
Receipts/Contributions	36,125,000	36,125,000
Investment Income	106,871	106,871
Distributions	(34,227,728)	(34,227,728)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - May 31, 2002	<u><u>\$ 21,735,846</u></u>	<u><u>\$ 21,735,846</u></u>

**University of Houston System Administration
Non-Endowed Pooled Funds
Summary of Investments
At May 31, 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	21,735,846	21,735,846
Commercial Paper	0	0
Total Cash and Cash Equivalents	21,735,846	21,735,846
Total Investments	\$ 21,735,846	\$ 21,735,846

Total Rate of Return (quarter ending 5/31/02)

0.3%

University of Houston
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended May 31, 2002

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2002	\$ 32,681,293	\$ 32,681,293
Receipts/Contributions	34,350,000	34,350,000
Investment Income	142,428	142,428
Distributions	(28,150,000)	(28,150,000)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - May 31, 2002	<u>\$ 39,023,721</u>	<u>\$ 39,023,721</u>

**University of Houston
Non-Endowed Pooled Funds
Summary of Investments
At May 31, 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	39,023,721	39,023,721
Commercial Paper	0	0
Total Cash and Cash Equivalents	39,023,721	39,023,721
Total Investments	\$ 39,023,721	\$ 39,023,721

Total Rate of Return (quarter ending 5/31/02)

0.3%

University of Houston Clear Lake
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended May 31, 2002

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2002	\$ 15,260,536	\$ 15,260,536
Receipts/Contributions	4,225,000	4,225,000
Investment Income	87,333	87,333
Distributions	(3,403,679)	(3,403,679)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - May 31, 2002	<u>\$ 16,169,190</u>	<u>\$ 16,169,190</u>

**University of Houston Clear Lake
Non-Endowed Pooled Funds
Summary of Investments
At May 31, 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	16,169,190	16,169,190
Commercial Paper	0	0
Total Cash and Cash Equivalents	0	0
Total Investments	\$ 16,169,190	\$ 16,169,190

Total Rate of Return (quarter ending 5/31/02)

0.3%

University of Houston Clear Lake
Consolidated Revenue Refunding Bonds, Series 1998 Project Fund
Statement of Changes in Investment Assets
Quarter Ended May 31, 2002

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2002	\$ 427,678	\$ 427,678
Receipts/Contributions		
Investment Income	1,449	1,449
Distributions	(365)	(365)
Net Realized Gains (Losses)		
Adjustment to Cost Basis		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - May 31, 2002	<u><u>\$ 428,762</u></u>	<u><u>\$ 428,762</u></u>

**University of Houston Clear Lake
Consolidated Revenue Refunding Bonds, Series 1998 Project Fund
Summary of Investments
At May 31, 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	428,762	428,762
Commercial Paper	0	0
Total Cash and Cash Equivalents	428,762	428,762
 Total Investments	 \$ 428,762	 \$ 428,762

Total Rate of Return (quarter ending 5/31/02)

0.3%

**University of Houston Downtown
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended May 31, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2002	\$ 15,552,631	\$ 15,552,631
Receipts/Contributions	3,200,000	3,200,000
Investment Income	81,692	81,692
Distributions	(2,601,445)	(2,601,445)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - May 31, 2002	<u>\$ 16,232,878</u>	<u>\$ 16,232,878</u>

**University of Houston Downtown
Non-Endowed Pooled Funds
Summary of Investments
At May 31, 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	16,232,878	16,232,878
Commercial Paper	0	0
Total Cash and Cash Equivalents	16,232,878	16,232,878
Total Investments	\$ 16,232,878	\$ 16,232,878

Total Rate of Return (quarter ending 5/31/02)

0.3%

**University of Houston Victoria
Non-Endowed Pooled Funds
Statement of Changes in Investment Assets
Quarter Ended May 31, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - March 1, 2002	\$ 3,553,229	\$ 3,553,229
Receipts/Contributions	1,350,000	1,350,000
Investment Income	20,210	20,210
Distributions	(400,150)	(400,150)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - May 31, 2002	<u><u>\$ 4,523,289</u></u>	<u><u>\$ 4,523,289</u></u>

**University of Houston Victoria
Non-Endowed Pooled Funds
Summary of Investments
At May 31, 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	4,523,289	4,523,289
Commercial Paper	0	0
Total Cash and Cash Equivalents	4,523,289	4,523,289
Total Investments	\$ 4,523,289	\$ 4,523,289

Total Rate of Return (quarter ending 5/31/02)

0.3%