

University of Houston System

Investment Report

Fourth Quarter Report

FY 2002

June, 2002 – August, 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 August 31, 2002**

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - June 1, 2002	\$ 309,649,254	\$ 401,232,815
Receipts/Contributions	2,914,773	2,914,773
Investment Income	3,120,515	3,120,515
Distributions	(789,745)	(789,745)
Net Realized Gains (Losses)	(7,784,790)	(7,784,790)
Changes in Net Unrealized Appreciation (Depreciation)	<u> </u>	<u>(29,287,292)</u>
Ending Investment Assets - August 31, 2002	<u><u>\$ 307,110,007</u></u>	<u><u>\$ 369,406,276</u></u>

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

	<u>Book</u>	<u>Market</u>
	<u>Value</u>	<u>Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	\$ 7,157,701	\$ 7,607,225
Guaranteed Mortgage Backed	1,660,240	1,681,778
Guaranteed Other		
Total US governmental Obligations	8,817,941	9,289,003
US Government Agencies (Non- Gtd.)		
Mortgage Backed	9,933,532	10,176,731
Other	16,922,818	17,634,275
Total US Gov't Agencies (Non- Gtd.)	26,856,350	27,811,006
Foreign Government Obligations	0	0
Dollar Denominated		
Municipal and County Bonds		
Corporate Bonds	41,678,370	42,315,853
Other	1,993,915	2,212,024
Total Debt Securities	79,346,576	81,627,886
Equity Securities		
Common Stock and Other Equities	148,064,625	226,449,829
Preferred Stock	2,624,026	2,297,516
Index Funds	44,987,134	29,374,771
Mutual Funds		
Other - Partnerships	5,907,313	3,386,997
Total Equity Securities	201,583,098	261,509,113
Short Term Securities		
US Government (Direct & Guaranteed)	1,528,969	1,514,535
US Government Agencies (Non-Gtd.)		
Corporate Bonds	3,205,927	3,331,705
TexPool		
Other - Municipal Bonds		
Total Short Term Securities	4,734,896	4,846,240
Cash and Cash Equivalents		
Cash Held at State Treasury		
Money Markets	20,129,437	20,129,437
Commercial Paper		
Total Cash and Cash Equivalents	20,129,437	20,129,437
Land	1,316,000	1,293,600
Total Investments	\$ 307,110,007	\$ 369,406,276

Total Rate of Return (quarter ending 8/31/02)

-8.5%

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

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - June 1, 2002	\$ 105,349,933	\$ 106,550,237
Receipts/Contributions		
Investment Income	1,149,357	1,149,357
Distributions		
Net Realized Gains (Losses)	952,228	952,228
Changes in Net Unrealized Appreciation (Depreciation)	<u> </u>	<u>1,629,385</u>
Ending Investment Assets - August 31, 2002	<u><u>\$ 107,451,518</u></u>	<u><u>\$ 110,281,207</u></u>

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

	<u>Book Value</u>	<u>Market Value</u>
Long Term Securities		
Debt Securities		
US Government Obligations		
Direct Treasuries	47,555,065	49,014,115
Guaranteed Mortgage Backed		
Guaranteed Other		
Total US governmental Obligations	47,555,065	49,014,115
US Government Agencies (Non- Gtd.)		
Mortgage Backed	953,030	896,212
Other	14,857,164	15,104,722
Total US Gov't Agencies (Non- Gtd.)	15,810,194	16,000,934
Foreign Government Obligations	1,991,880	2,090,320
Municipal and County Bonds	4,115,599	4,319,874
Corporate Bonds	16,982,367	17,874,323
Other		
Total Debt Securities	86,455,105	89,299,566
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.)	242,485	233,163
Corporate Bonds	1,030,520	1,025,070
TexPool	0	0
Other - Municipal and County Bonds		
Total Short Term Securities	1,273,005	1,258,233
Cash and Cash Equivalents		
Cash Held at State Treasury	0	0
Money Markets	18,662,746	18,662,746
Commercial Paper	0	0
Total Cash and Cash Equivalents	18,662,746	18,662,746
Total Investments	\$ 106,390,856	\$ 109,220,545
Accrued Interest	1,060,662	1,060,662
Total Assets	\$ 107,451,518	\$ 110,281,207
Total Rate of Return (quarter ending 8/31/02)		3.5%

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

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - June 1, 2002	\$ 11,241,340	\$ 11,241,340
Receipts/Contributions		
Investment Income	64,212	64,212
Distributions	(1,513,512)	(1,513,512)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - August 31, 2002	<u>\$ 9,792,040</u>	<u>\$ 9,792,040</u>

University of Houston System
Consolidated Revenue Bonds, Series 1999 Project Fund
Summary of Investments
At August 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	9,792,040	9,792,040
Commercial Paper	0	0
Total Cash and Cash Equivalents	9,792,040	9,792,040
Total Investments	\$ 9,792,040	\$ 9,792,040

Total Rate of Return (quarter ending 8/31/02)

0.4%

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

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - June 1, 2002	\$ 25,944,265	\$ 25,944,265
Receipts/Contributions		
Investment Income	1,098,184	1,098,184
Distributions	(8,959,980)	(8,959,980)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - August 31, 2002	<u>\$ 18,082,469</u>	<u>\$ 18,082,469</u>

University of Houston System
Consolidated Revenue Bonds, Series 2000 Project Fund
Summary of Investments
At August 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	18,082,469	18,082,469
Total Debt Securities	18,082,469	18,082,469
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	\$ 18,082,469	\$ 18,082,469

Total Rate of Return (quarter ending 8/31/02)

1.6%

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

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - June 1, 2002	\$ 21,735,846	\$ 21,735,846
Receipts/Contributions	40,775,000	40,775,000
Investment Income	78,326	78,326
Distributions	(48,403,077)	(48,403,077)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - August 31, 2002	<u><u>\$ 14,186,095</u></u>	<u><u>\$ 14,186,095</u></u>

University of Houston System Administration
Non-Endowed Pooled Funds
Summary of Investments
At August 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	14,186,095	14,186,095
Commercial Paper	0	0
Total Cash and Cash Equivalents	14,186,095	14,186,095
Total Investments	\$ 14,186,095	\$ 14,186,095

Total Rate of Return (quarter ending 8/31/02)

0.4%

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

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - June 1, 2002	\$ 39,023,721	\$ 39,023,721
Receipts/Contributions	53,875,000	53,875,000
Investment Income	129,548	129,548
Distributions	(46,766,913)	(46,766,913)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - August 31, 2002	<u><u>\$ 46,261,356</u></u>	<u><u>\$ 46,261,356</u></u>

**University of Houston
Non-Endowed Pooled Funds
Summary of Investments
At August 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	46,261,356	46,261,356
Commercial Paper	0	0
Total Cash and Cash Equivalents	46,261,356	46,261,356
Total Investments	\$ 46,261,356	\$ 46,261,356

Total Rate of Return (quarter ending 8/31/02)

0.4%

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

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - June 1, 2002	\$ 16,169,190	\$ 16,169,190
Receipts/Contributions	6,725,000	6,725,000
Investment Income	64,178	64,178
Distributions	(8,806,250)	(8,806,250)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - August 31, 2002	<u>\$ 14,152,118</u>	<u>\$ 14,152,118</u>

**University of Houston Clear Lake
Non-Endowed Pooled Funds
Summary of Investments
At August 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	14,152,118	14,152,118
Commercial Paper	0	0
Total Cash and Cash Equivalents	14,152,118	14,152,118
Total Investments	\$ 14,152,118	\$ 14,152,118

Total Rate of Return (quarter ending 8/31/02)

0.4%

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

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - June 1, 2002	\$ 428,762	\$ 428,762
Receipts/Contributions		
Investment Income	1,508	1,508
Distributions	(378)	(378)
Net Realized Gains (Losses)		
Adjustment to Cost Basis		
Changes in Net Unrealized Appreciation (Depreciation)		
	_____	_____
Ending Investment Assets - August 31, 2002	<u>\$ 429,892</u>	<u>\$ 429,892</u>

University of Houston Clear Lake
Consolidated Revenue Refunding Bonds, Series 1998 Project Fund
Summary of Investments
At August 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	429,892	429,892
Commercial Paper	0	0
Total Cash and Cash Equivalents	429,892	429,892
 Total Investments	 \$ 429,892	 \$ 429,892

Total Rate of Return (quarter ending 8/31/02)

0.3%

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

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - June 1, 2002	\$ 16,232,878	\$ 16,232,878
Receipts/Contributions	5,025,000	5,025,000
Investment Income	62,275	62,275
Distributions	(7,352,289)	(7,352,289)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - August 31, 2002	<u>\$ 13,967,864</u>	<u>\$ 13,967,864</u>

**University of Houston Downtown
Non-Endowed Pooled Funds
Summary of Investments
At August 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	13,967,864	13,967,864
Commercial Paper	0	0
Total Cash and Cash Equivalents	13,967,864	13,967,864
Total Investments	\$ 13,967,864	\$ 13,967,864

Total Rate of Return (quarter ending 8/31/02)

0.4%

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

	<u>Book Value</u>	<u>Market Value</u>
Beginning Investment Assets - June 1, 2002	\$ 4,523,289	\$ 4,523,289
Receipts/Contributions	1,800,000	1,800,000
Investment Income	19,521	19,521
Distributions	(1,700,000)	(1,700,000)
Net Realized Gains (Losses)		
Changes in Net Unrealized Appreciation (Depreciation)		
	<hr/>	<hr/>
Ending Investment Assets - August 31, 2002	<u>\$ 4,642,810</u>	<u>\$ 4,642,810</u>

**University of Houston Victoria
Non-Endowed Pooled Funds
Summary of Investments
At August 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	4,642,810	4,642,810
Commercial Paper	0	0
Total Cash and Cash Equivalents	4,642,810	4,642,810
Total Investments	\$ 4,642,810	\$ 4,642,810

Total Rate of Return (quarter ending 8/31/02)

0.4%