UTIMCO's Private Equity Returns Versus Public Benchmarks

(Annual Returns as of 11/30/02)	**One Year**	**Three Years**	**Five Years**	**Ten Years**
PUF Private Equity Returns	(9.82%)	(1.64%)	4.09%	14.35%
GEF Private Equity Returns	(11.84%)	(1.79%)	7.43%	14.98%
S&P 500 Index	(16.51%)	(11.13%)	0.97%	10.14%

- The long term performance of the UTIMCO Private Equity Portfolio has been excellent. The three, five, and ten year compound annual returns are well above the S&P 500's returns.
- This superior long term performance relative to this public index added approximately $400 Million to the PUF & GEF above what would have been earned from more conventional investments in public equities over the ten year period. To put the value added from private equity in perspective, the superior performance effectively provided approximately 1 year of the total payout from both the PUF and the GEF.
- Although negative, the recent (One Year) performance of the Private Equity Portfolio was noteworthy on a relative basis. Despite being invested in younger, more fragile companies including many companies trapped in the technology bust, the total PUF Private Equity Portfolio loss was 9.82%, significantly better than the 16.51% loss suffered by the blue-chip stocks in the S&P 500 Index.
- One can also assess the performance of UTIMCO's Private Equity Portfolio by comparing the PUF and the GEF's actual returns to those results that would have been generated had the funds invested their actual private equity cash flows into the S&P 500 or Wilshire 5000 indices. The table below summarizes the results of this analysis.

(From Inception* to 11/30/02)		**Returns if Cash Invested In:**		**Private Equity Return Differential**	
	Actual Returns	***S&P 500***	***Wilshire 5000***	***S&P 500***	***Wilshire 5000***
PUF	11.82%	5.21%	2.44%	6.61%	9.38%
GEF	9.88%	6.85%	2.23%	3.03%	7.65%

* Funds began investing in private equity on December 15, 1982.

- As the table demonstrates, the PUF and GEF have generated 11.82% and 9.88% IRRs, respectively, since inception on their Private Equity Portfolios. Had those funds invested in the public markets using the S&P 500 or Wilshire 5000 indices instead of investing in private equity, the funds' returns would have been lower. For instance, if the PUF had invested each of its private equity cash outflows (dollars invested in private companies or private equity partnerships) into the S&P 500 during this period, the PUF would have generated an IRR of only 5.21% over that same time period. As such, the PUF's private equity program has generated 6.61% in additional IRR above those returns attainable through this established public market index.