

UTIMCO's Private Equity Returns Versus Public Benchmarks

(Annual Returns as of 02/28/03)	One Year	Three Years	Five Years	Ten Years
PUF Private Equity Returns	(10.29%)	(9.85%)	3.83%	13.91%
GEF Private Equity Returns	(10.79%)	(10.12%)	5.17%	14.98%
S&P 500 Index	(22.69%)	(13.72%)	(2.99%)	8.65%

- The performance of the UTIMCO private equity portfolio has outperformed the S&P 500 Index on a one, three, five, and ten year basis.
- Although negative, the recent 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 downturn, the total PUF Private Equity Portfolio loss was 10.29%, over 1000 basis points better than the 22.69% 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 02/28/03)		Returns if Cash Invested In:		Private Equity Return Differential	
	<i>Actual Returns</i>	<i>S&P 500</i>	<i>Wilshire 5000</i>	<i>S&P 500</i>	<i>Wilshire 5000</i>
PUF	11.21%	3.30%	0.48%	7.91%	10.73%
GEF	9.44%	4.58%	-0.48%	4.86%	9.92%

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

- As the table demonstrates, the PUF and GEF have generated an 11.21% and 9.44% internal rate of return (IRR), respectively, since inception of their respective investment periods. 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 3.30% over that same time period. As such, the PUF's private equity program has generated 7.91% in additional IRR above those returns attainable through this established public market index. To put this in dollar terms, the private equity portfolio added approximately \$400 Million to the PUF & GEF above what would have been earned from investing in the S&P 500. This equates to approximately 1 year of the total payout from both the PUF and the GEF.