

## UTIMCO's Private Equity Returns Versus Public Benchmarks

(Annual Returns as of 05/31/03)	One Year	Three Years	Five Years	Ten Years
<b>PUF Private Equity Returns</b>	(12.18%)	(10.98%)	2.18%	12.79%
<b>GEF Private Equity Returns</b>	(12.07%)	(10.51%)	2.60%	14.31%
<b>S&amp;P 500 Index</b>	(8.06%)	(10.85%)	(1.08%)	9.93%

- The performance of the UTIMCO private equity portfolio has outperformed the S&P 500 Index on a five and ten year basis. In the past year, the S&P 500 has outperformed the private equity portfolio. In the last quarter alone (ending 5/31/03), the S&P 500 appreciated by 14.6%.
- Private market values tend to lag those of the public market. If the public markets maintain their recent gains in upcoming quarters, the staff will expect the market values for UTIMCO's private investments to also increase.
- UTIMCO also assesses the performance of its 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 05/31/03)		<b>Returns if Cash Invested In:</b>		<b>Private Equity Return Differential</b>	
	<i>Actual Returns</i>	<i>S&amp;P 500</i>	<i>Wilshire 5000</i>	<i>S&amp;P 500</i>	<i>Wilshire 5000</i>
<b>PUF</b>	10.43%	5.78%	3.37%	4.65%	7.06%
<b>GEF</b>	8.63%	7.21%	3.35%	1.42%	5.28%

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

- As the table demonstrates, the PUF and GEF have generated a 10.43% and 8.63% 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 than the actual returns. 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 5.78% over that same time period. As such, the PUF's private equity program has generated 4.65% 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 \$255 Million to the PUF & GEF above what would have been earned from investing in the S&P 500.