



U T I M C O

THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY

★Long Term Fund★ Investment Summary Report (\$ millions)

★Fourth Quarter Commentary

Distributions to the 5,080 endowment and other accounts underlying the LTF totaled \$25.7 million; an increase in distributions of 4.05% versus the fourth quarter of the prior year. On a per unit basis, each endowment's ownership in the LTF increased from the previous quarter from \$5.23 to \$5.35 a share. Total investment return (unannualized) for the quarter was 3.4% versus the neutral policy portfolio return of 2.6%. Asset allocation was 21% fixed income and 79% broadly defined equities.

★Third Quarter Commentary

Distributions to the 5,003 endowment and other accounts underlying the LTF totaled \$25.5 million; an increase in distributions of 3.2% versus the third quarter of the prior year. On a per unit basis, each endowment's ownership in the LTF increased from \$5.05 to \$5.23 a share. Total investment return (unannualized) for the quarter was 4.63% versus the neutral policy portfolio return of 4.99%. Asset allocation was 22% fixed income and 78% broadly defined equities.

★Second Quarter Commentary

Distributions to the 4,936 endowment and other accounts underlying the LTF totaled \$25.2 million; an increase in distributions of 21% versus the second quarter of the prior year. On a per unit basis, each endowment's ownership in the LTF increased from \$5.01 to \$5.05 a share. Total investment return (unannualized) for the quarter was 1.8% versus the neutral policy portfolio return of 2.6%. Asset allocation was 21% fixed income and 79% broadly defined equities.

★First Quarter Commentary

Distributions to the 4,880 endowment and other accounts underlying the LTF totaled \$25.1 million; an increase in distributions of 21% versus the first quarter of the prior year. On a per unit basis, each endowment's ownership in the LTF increased from \$4.57 to \$5.01 a share. Total investment return (unannualized) for the quarter was 10.9% versus the neutral policy portfolio return of 16.0%. Asset allocation was 21% fixed income and 79% broadly defined equities.

	1st Quarter 11/30/98	2nd Quarter 2/28/99	3rd Quarter 5/31/99	4th Quarter 8/31/99	Year To Date
Beginning Net Assets	\$2,147.7	\$2,390.2	\$2,425.4	\$2,538.2	\$2,147.7
Contributions	31.6	17.1	26.1	10.2	85.0
Investment Return	237.2	44.9	114.0	86.4	482.5
Receipt of Funds from System for UTIMCO Fee	0.6	0.5	0.5	.6	2.2
Expenses	(1.6)	(1.9)	(2.2)	(2.6)	(8.3)
Distribution (Payout)	(25.1)	(25.2)	(25.5)	(25.7)	(101.5)
Distribution of Gain on Participant Withdrawals	(0.2)	(0.2)	(0.1)	(4.8)	(5.3)
Ending Net Assets	\$2,390.2	\$2,425.4	\$2,538.2	\$2,602.3	\$2,602.3
Net Asset Value, Per Unit	\$5.010	\$5.048	\$5.227	\$5.347	\$5.347
No. of Units (End of Period)	477,070,872	480,447,414	485,586,789	486,701,841	486,701,841
Distribution Rate Per Unit	\$0.0525	\$0.0525	\$0.0525	\$.0525	\$0.2100