



**Permanent Health Fund  
Investment Summary Report  
(\$ millions)**

	<b>1st Quarter 11/30/2003</b>	<b>2nd Quarter 2/29/2004</b>	<b>3rd Quarter 5/31/2004</b>	<b>4th Quarter 8/31/2004</b>	<b>Year-to- Date</b>
<b>Beginning Net Assets</b>	<b>\$ 745.0</b>	<b>\$ 785.6</b>	<b>\$ 840.0</b>	<b>\$ 818.5</b>	<b>\$ 745.0</b>
Investment Return	50.4	64.2	(11.7)	5.7	108.6
Expenses	(0.2)	(0.1)	(0.2)	(0.2)	(0.7)
Distributions (Payout)	(9.6)	(9.7)	(9.6)	(9.6)	(38.5)
<b>Ending Net Assets</b>	<b>\$ 785.6</b>	<b>\$ 840.0</b>	<b>\$ 818.5</b>	<b>\$ 814.4</b>	<b>\$ 814.4</b>
Net Asset Value, Per Unit	\$ 0.958104	\$ 1.024378	\$ 0.998166	\$ 0.993200	\$ 0.993200
Number of Units (End of Period)	820,000,000	820,000,000	820,000,000	820,000,000	820,000,000
Distribution Rate Per Unit	\$ 0.01175	\$ 0.01175	\$ 0.01175	\$ 0.01175	\$ 0.04700

Note: On March 1, 2001, Permanent Health Fund (PHF) purchased units in the newly created General Endowment Fund (GEF). The PHF no longer invests in individual securities except for GEF units and a negligible amount of cash. The PHF, therefore, is actively managed to the Endowment Policy Portfolio through its investment in the GEF. The Investment Summary includes the summary activity of PHF's ownership in GEF.

**Year End Commentary**

The PHF is actively managed to the Endowment Policy Portfolio, UTIMCO's computed benchmark for endowment funds, through its investment in the GEF. Total net investment return for the year was positive 14.60% versus the neutral policy return of positive 13.22%.

**Third Quarter Commentary**

The PHF is actively managed to the Endowment Policy Portfolio, UTIMCO's computed benchmark for endowment funds, through its investment in the GEF. Total net investment return for the quarter was negative 1.41% versus the neutral policy return of positive 0.69%.



### **Second Quarter Commentary**

The PHF is actively managed to the Endowment Policy Portfolio, UTIMCO's computed benchmark for endowment funds, through its investment in the GEF. Total net investment return for the quarter was positive 8.15% versus the neutral policy return of positive 5.70%.

### **First Quarter Commentary**

The PHF is actively managed to the Endowment Policy Portfolio, UTIMCO's computed benchmark for endowment funds, through its investment in the GEF. Total net investment return for the quarter was positive 6.76% versus the neutral policy return of positive 6.14%.