

**Deloitte &  
Touche**

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**Permanent University Fund**  
**Detail Schedules of Investment Securities**

Year Ended August 31, 1998

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
The University of Texas Investment Management Company  
Austin, Texas

We have audited, in accordance with generally accepted auditing standards, the financial statements of the Permanent University Fund (the "PUF") for the year ended August 31, 1998, and have issued our report thereon dated October 30, 1998. We have also audited the accompanying schedules of debt securities (Schedule A), preferred stocks (Schedule B), equity securities (Schedule C), cash and cash equivalents (Schedule D), Equity Index Fund B Lendable (Schedule E) and Mid Cap Index Fund B Lendable (Schedule F) as of August 31, 1998. These schedules are the responsibility of the PUF's management. Our responsibility is to express an opinion on these schedules based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedules referred to above are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedules. Our procedures included confirmation of securities owned as of August 31, 1998, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such schedules present fairly, in all material respects, the PUF's par value, shares, cost and value of investments as shown in the accompanying Schedules A through F as of August 31, 1998, in conformity with generally accepted accounting principles.

*Deloitte & Touche LLP*

October 30, 1998

**PERMANENT UNIVERSITY FUND**  
**DEBT SECURITIES**  
August 31, 1998

SCHEDULE A

SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
<b>U.S. GOVERNMENT OBLIGATIONS (DIRECT AND GUARANTEED)</b>			
<b>DIRECT OBLIGATIONS</b>			
SYNTHETIC O-T-R TREASURY RECEIPT 94-3			
6% CUSTODY RECEIPT DUE 8/15/2011.....	10,000,000	9,637,797	10,582,800
UNITED STATES TREASURY			
0% STRIPS (CPNS) DUE 11/15/2011.....	23,000,000	7,429,832	11,351,650
0% STRIPS (CPNS) DUE 5/15/2010.....	10,000,000	3,832,008	5,384,500
5.875% NOTES DUE 11/15/99.....	2,000,000	1,993,716	2,017,820
6.25% BONDS DUE 8/15/2023.....	18,000,000	18,159,776	19,963,080
6.25% NOTES DUE 2/15/2003.....	5,000,000	5,023,381	5,241,400
6.75% BONDS DUE 8/15/2026.....	10,000,000	10,990,189	11,879,700
6.875% BONDS DUE 8/15/2025.....	94,000,000	105,071,137	112,902,460
7.125% BONDS DUE 2/15/2023.....	12,000,000	13,699,732	14,685,000
7.25% BONDS DUE 8/15/2022.....	30,000,000	30,209,196	37,106,100
7.25% BONDS DUE 5/15/2016.....	8,000,000	7,928,959	9,648,720
7.5% BONDS DUE 11/15/2016.....	18,000,000	17,551,833	22,249,620
7.5% NOTES DUE 11/15/2001.....	8,800,000	8,869,246	9,432,456
7.75% NOTES DUE 2/15/2001.....	13,000,000	12,924,986	13,812,500
8% NOTES DUE 8/15/99.....	9,000,000	8,998,066	9,236,250
8% NOTES DUE 5/15/2001.....	12,000,000	11,962,623	12,896,280
8.125% BONDS DUE 8/15/2019.....	14,000,000	14,307,302	18,613,420
8.25% BONDS DUE 5/15/2005.....	5,000,000	4,923,588	5,250,000
8.5% NOTES DUE 11/15/2000.....	2,100,000	2,098,711	2,252,586
8.5% NOTES DUE 2/15/2000.....	2,000,000	1,998,622	2,095,320
8.75% NOTES DUE 8/15/2000.....	9,000,000	8,983,249	9,627,210
8.875% BONDS DUE 2/15/2019.....	5,000,000	5,749,285	7,089,850
8.875% NOTES DUE 11/15/98.....	7,000,000	6,997,034	7,050,330
9.125% BONDS DUE 5/15/2009.....	1,500,000	1,485,610	1,786,635
9.125% BONDS DUE 5/15/2018.....	8,000,000	9,393,327	11,524,960
10.75% BONDS DUE 2/15/2003.....	7,000,000	6,908,345	8,578,290
11.125% BONDS DUE 8/15/2003.....	5,000,000	4,980,923	6,320,300
15.75% BONDS DUE 11/15/2001.....	14,000,000	13,971,748	18,401,180
<b>TOTAL DIRECT OBLIGATIONS</b>		<u>356,080,221</u>	<u>406,980,417</u>
<b>GUARANTEED OBLIGATIONS</b>			
FARMERS HOME ADMINISTRATION			
9% C B O DUE 11/3/99.....	5,000,000	5,000,000	5,202,300
FONDS D EQUIPMENT A.I.D. MOROCCO			
7.29% NOTES DUE 5/1/2023.....	9,000,000	8,890,796	10,561,590
GOVERNMENT BACKED TRUST			
9.625% CERTIFS CL T-3 DUE 5/15/2002.....	5,614,742	5,611,831	5,922,036
LONGMONT COUNTY UNITED HOSPITAL			
9.15% HILL-BURTON NT DUE 4/1/99.....	60,000	60,000	60,167
<b>TOTAL GUARANTEED OBLIGATIONS</b>		<u>19,562,627</u>	<u>21,746,093</u>
<b>GUARANTEED OBLIGATIONS - MORTGAGE BACKED</b>			
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION			
7% PASS THRU 1212 DUE 6/20/2023.....	3,259,934	3,252,606	3,323,111

**PERMANENT UNIVERSITY FUND**  
**DEBT SECURITIES**  
August 31, 1998

SCHEDULE A  
(CONTINUED)

SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
7% PASS THRU 2084 DUE 9/15/2002.....	99,821	99,475	101,148
8% PASS THRU 16676 DUE 4/15/2007.....	923,955	921,047	957,670
8% PASS THRU 183691 DUE 1/15/2002.....	68,120	68,110	69,079
8% PASS THRU 189914 DUE 1/15/2002.....	177,581	177,555	180,083
8% PASS THRU 194952 DUE 1/15/2002.....	70,904	70,894	71,903
8% PASS THRU 201307 DUE 3/15/2002.....	562,919	562,419	570,850
8% PASS THRU 206065 DUE 1/15/2002.....	105,898	105,883	107,390
8% PASS THRU 182539 DUE 1/15/2002.....	125,307	125,289	127,072
8.25% PASS THRU 8790 DUE 4/15/2006.....	41,536	41,522	43,341
8.25% PASS THRU 10215 DUE 6/15/2006.....	72,448	72,426	75,271
8.25% PASS THRU 10834 DUE 6/15/2006.....	52,654	52,617	54,943
8.25% PASS THRU 9323 DUE 6/15/2006.....	119,633	119,305	124,833
8.25% PASS THRU 9675 DUE 4/15/2006.....	54,796	54,761	57,178
8.25% PASS THRU 9806 DUE 5/15/2006.....	44,908	44,893	46,860
8.25% PASS THRU 9813 DUE 4/15/2006.....	34,357	34,335	35,695
8.25% PASS THRU 10770 DUE 5/15/2006.....	124,969	123,402	129,838
9% PASS THRU 139698 DUE 8/15/2001.....	486,469	484,569	494,797
9% PASS THRU 152730 DUE 6/15/2001.....	204,826	204,626	208,332
9.25% POOL #160183 DUE 2/15/99.....	2,267	2,265	2,278
9.5% PASS THRU 290652 DUE 8/15/2020.....	408,189	405,925	440,942
10% PASS THRU 233778 DUE 2/15/2018.....	415,448	413,227	456,154
10% PASS THRU 252468 DUE 6/15/2019.....	319,560	317,374	351,449
10% PASS THRU 151185 DUE 3/15/2016.....	480,156	472,576	526,078
10% PASS THRU 271412 DUE 6/15/2019.....	56,799	56,412	62,419
10% PASS THRU 291147 DUE 5/15/2020.....	258,353	258,353	284,328
10.5% PASS THRU 224630 DUE 10/15/2017.....	482,962	464,411	536,721
11% PASS THRU 35288 DUE 3/15/2010.....	184,784	183,219	204,685
11.5% PASS THRU 131670 DUE 5/15/2015.....	32,536	32,376	36,971
12% PASS THRU 49551 DUE 7/15/2011.....	91,510	77,838	104,575
12.5% PASS THRU 43162 DUE 11/15/2010.....	9,132	8,719	10,570
12.5% PASS THRU 40016 DUE 6/15/2010.....	62,830	61,843	72,072
12.5% PASS THRU 40744 DUE 5/15/2010.....	57,813	56,910	66,638
12.5% PASS THRU 44298 DUE 11/15/2010.....	87,107	83,169	100,403
13% PASS THRU 45915 DUE 4/15/2011.....	36,247	35,334	42,308
13% PASS THRU 45386 DUE 4/15/2011.....	224,233	204,164	260,363
13% PASS THRU 47171 DUE 4/15/2011.....	35,048	33,908	41,092
13% PASS THRU 49550 DUE 7/15/2011.....	33,787	30,321	39,614
13% PASS THRU 47219 DUE 4/15/2011.....	56,163	54,174	65,553
13.5% PASS THRU 45236 DUE 5/15/2011.....	28,079	25,664	33,185
13.5% PASS THRU 39589 DUE 8/15/2010.....	30,620	30,581	36,188
13.5% PASS THRU 40310 DUE 5/15/2010.....	14,879	14,821	17,585
13.5% PASS THRU 41007 DUE 7/15/2010.....	44,146	44,080	52,173
13.5% PASS THRU 45053 DUE 5/15/2011.....	36,805	33,649	43,707
13.5% PASS THRU 45940 DUE 5/15/2011.....	98,925	90,194	116,913
13.5% PASS THRU 48879 DUE 5/15/2011.....	19,651	17,918	23,337
13.5% PASS THRU 49003 DUE 5/15/2011.....	49,577	45,215	58,874

**PERMANENT UNIVERSITY FUND**  
**DEBT SECURITIES**  
August 31, 1998

SCHEDULE A  
(CONTINUED)

SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
13.5% PASS THRU 49276 DUE 1/15/2012.....	3,403	3,370	4,057
13.5% PASS THRU 47634 DUE 5/15/2011.....	29,415	29,139	34,764
13.5% PASS THRU 41570 DUE 5/15/2010.....	19,301	19,195	22,683
TOTAL GUARANTEED OBLIGATIONS - MORTGAGE BACKED		<u>10,222,078</u>	<u>10,928,073</u>
TOTAL U.S. GOVERNMENT OBLIGATIONS (DIRECT AND GUARANTEED)		<u>385,864,926</u>	<u>439,654,583</u>
<b>U.S. GOVERNMENT AGENCIES (NON-GUARANTEED)</b>			
FEDERAL FARM CREDIT BANK			
6.28% MED TERM NOTES DUE 11/26/2012.....	25,000,000	24,828,132	26,475,000
6.3% MED TERM NOTES DUE 12/3/2013.....	25,000,000	24,943,732	26,586,000
6.74% MED TERM NOTES DUE 4/11/2011.....	5,000,000	4,827,783	5,493,750
6.81% MED TERM NOTES DUE 3/28/2011.....	5,000,000	5,000,000	5,495,300
7.53% MED TERM NOTES DUE 4/15/2009.....	3,900,000	3,900,000	4,465,500
8.16% MED TERM NOTES DUE 9/30/2014.....	5,000,000	5,000,000	6,157,050
FEDERAL HOME LOAN BANK			
6.535% MED TERM NOTES DUE 12/22/2014.....	3,000,000	3,000,000	3,192,660
6.64% DEBS DUE 12/13/2016.....	10,000,000	9,430,067	10,740,600
FEDERAL HOME LOAN MORTGAGE CORP			
7.14% MED TERM NOTES DUE 12/15/2007.....	3,000,000	3,000,000	3,362,640
7.69% MED TERM NOTES DUE 9/15/2022.....	4,000,000	4,000,000	4,994,880
FEDERAL NATIONAL MORTGAGE ASSOCIATION			
0% DEBS DUE 7/5/2014.....	75,000,000	20,294,081	30,621,000
6.03% MED TERM NOTES DUE 10/8/2027.....	25,000,000	22,828,054	25,433,500
6.32% MED TERM NOTES DUE 12/20/2027.....	11,300,000	11,265,596	11,886,131
6.86% MED TERM NOTES DUE 6/13/2025.....	2,735,000	2,682,459	3,076,875
7.125% MED TERM NOTES DUE 4/30/2026.....	5,000,000	4,924,559	5,808,600
7.8% MED TERM NOTES DUE 2/21/2007.....	4,000,000	3,893,405	4,048,800
TENNESSEE VALLEY AUTHORITY			
6.25% BONDS DUE 12/15/2017.....	10,000,000	9,915,839	10,287,500
6.75% GLOBAL BOND DUE 11/1/2025.....	5,000,000	4,834,855	5,720,600
<b>MORTGAGE BACKED</b>			
FEDERAL HOME LOAN MORTGAGE CORP			
7% CMO 1457-PJ DUE 9/15/2007.....	6,000,000	5,988,956	6,242,040
7% CMO 1477-ID DUE 11/15/2009.....	6,000,000	5,976,275	6,254,520
7.5% CMO 1378-KE DUE 5/15/2009.....	5,850,000	5,793,427	6,201,878
7.5% CMO 1215-H DUE 3/15/2007.....	3,800,000	3,618,898	4,014,282
7.75% CMO 1394-IA DUE 10/15/2022.....	35,100,000	34,802,482	37,976,796
8% CMO 1443-GB DUE 4/15/2022.....	5,500,000	5,464,291	5,862,560
8.25% CMO 1289-PS DUE 5/15/2006.....	5,000,000	4,989,267	5,304,150
8.3% CMO 1245-I DUE 4/15/2007.....	4,100,000	4,077,996	4,387,984
8.5% CMO 1311-KA DUE 7/15/2022.....	7,500,000	7,488,754	8,376,525
8.75% CMO 135-A DUE 5/15/2000.....	671,380	668,740	685,019
9% PRT CERT 380095 DUE 8/1/2005.....	246,270	246,102	256,579
9% PRT CERT 200060 DUE 12/1/2001.....	235,078	233,629	239,331
9.25% PRT CERT 220022 DUE 6/1/2002.....	8,367,916	8,329,267	8,786,312
9.5% PRT CERT 215711 DUE 12/1/2001.....	144,855	144,640	148,733

**PERMANENT UNIVERSITY FUND**  
**DEBT SECURITIES**  
August 31, 1998

SCHEDULE A  
(CONTINUED)

SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
9.5% PRT CERT 380008 DUE 9/1/2002.....	1,321,517	1,319,869	1,368,999
9.5% PRT CERT 380003 DUE 6/1/2002.....	300,673	299,546	308,722
9.5% PRT CERT 380005 DUE 7/1/2002.....	1,315,342	1,314,298	1,362,602
9.6% PRT CERT 240003 DUE 10/1/98.....	1,334,511	1,334,282	1,342,518
9.75% PRT CERT 220023 DUE 8/1/2002.....	9,846,038	9,784,056	10,190,649
9.9% REMIC CMO 17-I DUE 10/15/2019.....	5,449,090	5,423,226	5,965,487
10% REMIC CMO 18-D DUE 11/15/2019.....	14,010,675	13,941,793	15,162,073
10% PRT CERT 735015 DUE 6/1/2005.....	157,124	156,320	165,618
10.5% PRT CERT 380046 DUE 5/1/2004.....	449,906	449,750	472,118
11% PRT CERT 170147 DUE 11/1/2015.....	84,904	84,712	95,682
11.5% PRT CERT 170139 DUE 8/1/2015.....	117,237	116,684	132,290
13.5% PRT CERT 170037 DUE 10/1/2010.....	45,156	44,824	53,375
15.5% PRT CERT 170051 DUE 6/1/2011.....	12,132	12,052	14,602
16.25% PRT CERT 170047 DUE 5/1/2011.....	6,384	6,375	7,725
<b>FEDERAL NATIONAL MORTGAGE ASSOCIATION</b>			
6.8% CMO 59-J DUE 5/25/2008.....	5,000,000	5,000,000	5,172,640
6.9% CMO 43-J DUE 4/25/2008.....	8,500,000	8,469,888	8,882,585
7% CMO 173-PK DUE 1/25/2021.....	4,000,000	3,865,080	4,058,360
7% CMO 44-VC DUE 4/25/2008.....	10,000,000	9,967,065	10,372,215
7% CMO 180-K DUE 7/25/2021.....	7,000,000	6,927,300	7,117,734
7.75% CMO G64-A DUE 3/25/2022.....	3,150,000	3,098,654	3,289,624
8% CMO 122-PL DUE 3/25/2021.....	12,000,000	11,993,032	12,399,031
8.375% CMO G41-MB DUE 8/25/2022.....	10,000,000	9,988,200	11,068,700
8.5% CMO 65-K DUE 5/25/2021.....	10,000,000	9,799,144	10,414,865
8.5% CMO 71-D DUE 6/25/2006.....	3,141,135	3,136,484	3,276,802
8.5% CMO G19-M DUE 4/25/2022.....	10,000,000	9,929,585	10,976,300
8.6% CMO 50-G DUE 8/25/2019.....	6,219,641	6,127,561	6,645,476
<b>TOTAL MORTGAGE BACKED</b>		<u>210,412,504</u>	<u>225,053,501</u>
<b>TOTAL U.S. GOVERNMENT AGENCIES (NON-GUARANTEED)</b>		<u>378,981,066</u>	<u>418,899,887</u>
<b>FOREIGN GOVERNMENT AND PROVINCIAL OBLIGATIONS (US DOLLAR DENOMINATED)</b>			
<b>HYDRO-QUEBEC</b>			
6.49% MED TERM NOTES DUE 2/24/2006.....	10,000,000	9,595,021	10,282,200
7% MED TERM NOTES DUE 5/10/2005.....	2,000,000	2,000,000	2,113,820
8.05% DEBS DUE 7/7/2024.....	5,000,000	4,988,387	5,730,600
8.25% DEBS DUE 4/15/2026.....	7,000,000	6,977,553	8,468,740
8.4% DEBS DUE 1/15/2022.....	1,400,000	1,383,046	1,643,712
<b>KFW INTERNATIONAL FINANCE INC</b>			
7.2% GTD NOTES DUE 3/15/2014.....	9,000,000	8,891,501	9,860,130
8% GTD NOTES DUE 2/15/2010.....	5,000,000	4,966,424	5,893,250
<b>MANITOBA (PROVINCE OF) CANADA</b>			
6.875% DEBS DUE 9/15/2002.....	5,000,000	4,875,802	5,193,600
7.75% DEBS SER CP DUE 2/1/2002.....	2,000,000	1,999,264	2,119,780
<b>NEW BRUNSWICK PROVIDENCE CANADA</b>			
6.75% DEBS DUE 8/15/2013.....	5,000,000	4,973,657	5,303,600
7.125% NOTES DUE 10/1/2002.....	2,000,000	1,996,824	2,111,740

**PERMANENT UNIVERSITY FUND**  
**DEBT SECURITIES**  
August 31, 1998

SCHEDULE A  
(CONTINUED)

SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
<b>NEW ZEALAND GOVERNMENT</b>			
8.75% BONDS DUE 4/1/2016.....	6,050,000	6,050,000	7,617,858
<b>NOVA SCOTIA (PROVINCE OF) CANADA</b>			
8.25% DEBS DUE 7/30/2022.....	8,000,000	7,923,620	9,808,640
<b>ONTARIO (PROVINCE OF) CANADA</b>			
7.375% BONDS DUE 1/27/2003.....	7,000,000	6,988,165	7,428,400
<b>ONTARIO HYDRO</b>			
7.45% NOTES DUE 3/31/2013.....	7,000,000	6,927,689	7,958,790
<b>PETRO CANADA (GUARANTEED)</b>			
8.6% DEBS DUE 1/15/2010.....	2,000,000	2,000,000	2,299,060
<b>QUEBEC (PROVINCE OF) CANADA</b>			
7.5% DEBS DUE 7/15/2002.....	3,000,000	3,088,789	3,162,990
<b>SASKATCHEWAN (PROVINCE OF) CANADA</b>			
7.125% NOTES DUE 3/15/2008.....	3,000,000	2,980,838	3,259,470
7.375% DEBS DUE 7/15/2013.....	1,900,000	1,888,815	2,116,163
8% DEBS DUE 2/1/2013.....	4,000,000	3,979,367	4,650,040
<b>SWEDEN (KINGDOM OF) BONDS</b>			
6.5% BONDS DUE 3/4/2003.....	4,000,000	4,000,000	4,177,680
<b>TOTAL FOREIGN GOVERNMENT AND PROVINCIAL OBLIGATIONS (US DOLLAR DENOMINATED)</b>		<b>98,474,762</b>	<b>111,200,263</b>
<b>MUNICIPAL AND COUNTY BONDS</b>			
<b>CHULA VISTA CALIFORNIA</b>			
8.125% PENS OBLIG SER 94 DUE 8/1/2011.....	5,500,000	5,487,737	6,679,530
<b>CONTRA COSTA COUNTY CALIFORNIA</b>			
6.85% PENS OBLIG SER 94A DUE 6/1/2011.....	10,000,000	9,913,995	10,989,900
<b>DADE COUNTY FLORIDA AVIATION</b>			
8.8% REV RFDG SR94C DUE 10/1/2005.....	2,630,000	2,630,000	3,088,777
<b>FAIRVIEW HOSPITAL MINNESOTA</b>			
6.6% 93B TXBL NOTES DUE 11/15/2010.....	1,275,000	1,255,647	1,332,630
7% 93B TXBL NOTES DUE 11/15/2015.....	5,000,000	4,924,834	5,256,250
<b>FRESNO CALIFORNIA</b>			
7.33% PENS OBLIG SER 94 DUE 6/1/2007.....	3,500,000	3,492,608	3,926,790
7.8% PENS OBLIG SER 94 DUE 6/1/2014.....	4,000,000	4,000,000	4,658,320
<b>KERN COUNTY CALIFORNIA</b>			
7.02% PENS OBLIG SER 95 DUE 8/15/2010.....	4,865,000	4,865,000	5,406,961
<b>LONG BEACH CALIFORNIA</b>			
7.09% PENS OBLIG RFG DUE 9/1/2009.....	4,000,000	3,934,900	4,422,000
7.14% PENS OBLIG RFG DUE 9/1/2010.....	3,455,000	3,455,000	3,841,960
7.24% PENS OBLIG RFG DUE 9/1/2011.....	2,500,000	2,480,882	2,810,750
<b>LOS ANGELES CITY CALIFORNIA</b>			
7.125% TAX ALLOCATION DUE 12/1/2013.....	5,000,000	4,942,207	5,345,700
<b>LOS ANGELES COUNTY CALIFORNIA</b>			
7.07% PENS OBLIG SER 940 DUE 6/30/2009.....	5,000,000	5,000,000	5,526,150
8.62% PENS OBLIG SER 94A DUE 6/30/2006.....	6,000,000	6,000,000	6,790,200
<b>MINNEAPOLIS &amp; ST PAUL MINNESOTA METROPOLITAN</b>			
8.95% TAXABLE GO REV DUE 1/1/2022.....	6,900,000	6,900,000	7,805,970

**PERMANENT UNIVERSITY FUND**  
**DEBT SECURITIES**  
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SCHEDULE A  
(CONTINUED)

SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
NACOGDOCHES COUNTY TEXAS HOSPITAL TAX 7.1% RV 93B (AMBAC) DUE 5/15/2009.....	1,400,000	1,394,588	1,482,698
OAKLAND CALIFORNIA 6.98% PENS OBLIG 97 SUB A DUE 12/15/2009.....	4,900,000	4,891,648	5,373,487
PROVO CITY UTAH ENERGY SERIES B 7.9% ENERGY REV REF DUE 5/15/2014.....	6,000,000	5,972,261	6,590,820
SACRAMENTO COUNTY CALIFORNIA 7.68% 95A DUE 8/15/2021.....	6,330,000	6,330,000	7,567,515
SAN ANTONIO TEXAS RIVER AUTHORITY 7% REV REF 93A DUE 7/1/2012.....	1,500,000	1,461,014	1,573,350
SAN BERNARDINO COUNTY CALIFORNIA 7.09% PENS OBLIG REV DUE 8/1/2011.....	7,250,000	7,082,761	8,049,675
SONOMA COUNTY CALIFORNIA 6.625% PENS OBLIG SER 93 DUE 6/1/2013.....	4,000,000	4,035,435	4,329,080
TEXAS STATE PUBLIC FINANCIAL AUTHORITY REVENUE TAX 9% WCI FUND REV DUE 12/1/2006.....	3,385,000	3,385,000	3,779,014
TEXAS STATE TAXABLE WATER DEVELOPMENT 7% REF DUE 8/1/2005.....	1,000,000	996,122	1,088,270
WESTMORLAND COUNTY PENNSYLVANIA 6.1% REV 93A (FGIC) DUE 8/15/2006.....	4,500,000	4,457,753	4,628,160
<b>TOTAL MUNICIPAL AND COUNTY BONDS</b>		<u>109,289,392</u>	<u>122,343,957</u>

**CORPORATE BONDS**

**BANKING & FINANCE**

ABN AMRO BANK NV CHICAGO 7% SUB NOTES DUE 4/1/2008.....	5,000,000	4,965,569	5,144,200
AETNA SERVICES INC 6.375% NOTES DUE 8/15/2003.....	3,950,000	3,934,220	3,877,281
6.75% DEBS DUE 9/15/2013.....	11,090,000	10,809,881	10,563,890
ALLSTATE CORP 6.75% NOTES DUE 6/15/2003.....	3,000,000	3,000,000	3,089,730
7.5% DEBS DUE 6/15/2013.....	7,000,000	6,492,704	7,573,650
AMERICAN GENERAL CORP 9.625% NOTES DUE 7/15/2000.....	10,100,000	10,042,099	10,795,486
ASSOCIATES CORP OF NORTH AMERICA 7.6% MED TERM NOTES DUE 11/1/2002.....	10,000,000	10,000,000	10,687,500
BEAR STEARNS COMPANIES INC 6.7% SENIOR NOTES DUE 8/1/2003.....	4,000,000	3,996,193	4,080,200
CIT GROUP HOLDING INC 5.875% DEBS DUE 10/15/2008.....	9,000,000	8,060,901	8,932,320
COMMERCIAL CREDIT GROUP INC 9.6% NOTES DUE 5/15/99.....	2,000,000	2,000,000	2,054,040
DONALDSON LUFKIN & JENRETTE 6.875% SENIOR NOTES DUE 11/1/2005.....	2,000,000	1,989,885	2,075,960
FIRST COLONY CORP 6.625% NOTES DUE 8/1/2003.....	3,000,000	2,997,985	3,101,910



**PERMANENT UNIVERSITY FUND**  
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SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
<b>FORD MOTOR CREDIT CO</b>			
6.375% NOTES DUE 11/5/2008.....	6,500,000	6,427,561	6,475,690
6.75% NOTES DUE 8/15/2008.....	5,440,000	5,244,506	5,568,602
6.98% MED TERM NOTES DUE 6/28/2010.....	5,000,000	4,798,096	5,294,200
<b>GENERAL ELECTRIC CAPITAL CORP</b>			
7.5% MED TERM NOTES DUE 6/15/2009.....	8,500,000	8,397,662	9,597,180
8.125% MED TERM NOTES DUE 11/9/2001.....	5,115,000	5,110,101	5,491,311
8.125% GTD SUB NOTES DUE 5/15/2012.....	5,170,000	5,152,019	6,084,263
<b>GENERAL MOTORS ACCEPTANCE CORP</b>			
6.625% NOTES DUE 10/15/2005.....	5,000,000	4,816,682	5,093,850
<b>HOUSEHOLD FINANCE CORP LTD</b>			
6.45% NOTES DUE 2/1/2009.....	11,500,000	11,350,010	11,519,780
7.625% NOTES DUE 1/15/2003.....	4,000,000	3,997,942	4,230,120
8.25% NOTES DUE 2/15/2005.....	4,000,000	3,996,366	4,433,000
<b>ITT CORP</b>			
10.125% SENIOR DEBS DUE 4/5/99.....	2,000,000	2,000,000	2,045,420
<b>LEGG MASON INC</b>			
6.5% SENIOR NOTES DUE 2/15/2006.....	1,000,000	996,220	1,018,430
<b>LIBERTY MUTUAL CAPITAL CORP</b>			
7% MED TERM NOTES DUE 4/15/2003.....	5,000,000	4,995,892	5,260,650
<b>MERRILL LYNCH &amp; CO</b>			
6.25% NOTES DUE 10/15/2008.....	5,000,000	4,895,214	4,990,650
7% NOTES DUE 1/15/2007.....	2,150,000	2,135,816	2,248,470
10.375% NOTES DUE 2/1/99.....	1,000,000	1,000,000	1,018,060
<b>MIDLAND BANK PLC</b>			
6.95% NOTES DUE 3/15/2011.....	7,000,000	6,930,163	7,094,430
<b>MORGAN STANLEY GROUP</b>			
7% DEBS DUE 10/1/2013.....	4,000,000	3,521,869	4,084,400
<b>PAINE WEBBER GROUP INC</b>			
6.5% NOTES DUE 11/1/2005.....	2,500,000	2,493,418	2,503,375
7.875% SENIOR NOTES DUE 2/15/2003.....	3,000,000	2,999,143	3,190,980
<b>PROVIDIAN CORP</b>			
8.3% MED TERM NOTES DUE 3/15/2015.....	6,000,000	6,000,000	7,460,100
8.39% MED TERM NOTES DUE 3/15/2021.....	5,000,000	5,000,000	6,328,450
<b>RELIASTAR FINANCIAL CORP</b>			
6.625% NOTES DUE 9/15/2003.....	4,000,000	3,995,712	4,086,560
<b>SALOMON INC</b>			
6.75% NOTES DUE 1/15/2006.....	4,300,000	4,298,844	4,380,797
7.5% NOTES DUE 2/1/2003.....	3,500,000	3,486,853	3,719,275
<b>ST PAUL COS</b>			
6.65% MED TERM NOTES DUE 5/15/2003.....	4,000,000	4,000,000	4,170,280
6.65% MED TERM NOTES DUE 5/15/2003.....	2,000,000	1,999,044	2,085,140
<b>SWISS BANK CORP</b>			
7% SUB NOTES DUE 10/15/2015.....	5,000,000	4,970,425	5,079,200
7.375% SUB NOTES DUE 7/15/2015.....	5,000,000	5,000,000	5,267,500
<b>TOTAL BANKING &amp; FINANCE</b>		<u>198,298,995</u>	<u>211,796,330</u>

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SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
<b>COLLATERALIZED MORTGAGE OBLIGATIONS</b>			
AMERICAN SOUTHWEST FINANCIAL CORP 8.75% GNMA CMO 68-B DUE 10/1/2018.....	1,607,775	1,459,219	1,614,801
GUARANTEED MORTGAGE CORP III 9% GNMA CMO B-3 DUE 12/1/2007.....	254,987	250,128	261,748
<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b>		<u>1,709,347</u>	<u>1,876,549</u>
<b>INDUSTRIAL</b>			
AIR PRODUCTS & CHEMICALS INC 6.25% MED TERM NOTES DUE 2/7/2011.....	4,600,000	4,490,865	4,693,472
ARCHER-DANIELS-MIDLAND CO 8.125% DEBS DUE 6/1/2012.....	5,000,000	5,000,000	5,687,050
8.375% DEBS DUE 4/15/2017.....	11,925,000	11,939,542	14,260,511
ATLANTIC RICHFIELD CO 8.375% MED TERM NOTES DUE 11/15/2011.....	1,000,000	998,825	1,235,840
8.6% MED TERM NOTES DUE 5/15/2012.....	5,000,000	4,996,768	6,303,200
BP AMERICA INC 9.375% GTD NOTES DUE 11/1/2000.....	1,000,000	997,630	1,072,420
BURLINGTON RESOURCES INC 9.625% NOTES DUE 6/15/2000.....	1,500,000	1,498,681	1,596,060
DILLARD DEPARTMENT STORES 7.85% DEBS DUE 10/1/2012.....	10,500,000	10,234,186	11,123,490
DOW CHEMICAL CO 6.85% DEBS DUE 8/15/2013.....	5,250,000	5,175,757	5,437,005
7.75% MED TERM NOTES DUE 9/15/2020.....	7,500,000	7,027,190	9,009,675
9.42% NOTES (GTD DOW) DUE 12/31/2004.....	1,832,609	1,832,609	2,145,893
EASTMAN KODAK CO 9.375% NOTES DUE 3/15/2003.....	16,000,000	15,617,225	18,182,240
FORD MOTOR CO 9.5% DEBS DUE 9/15/2011.....	6,000,000	5,995,510	7,822,140
GENERAL FOODS CORP 7% DEBS DUE 6/15/2011.....	3,000,000	2,571,853	3,067,500
GENERAL MILLS INC 7.3% MED TERM NOTES DUE 9/15/2002.....	10,000,000	10,000,000	10,624,000
8.5% MED TERM NOTES DUE 3/15/2012.....	5,500,000	5,500,000	6,790,080
GENERAL MOTORS CORP 7.7% DEBS DUE 4/15/2016.....	4,000,000	3,887,175	4,329,120
9.625% NOTES DUE 12/1/2000.....	7,000,000	7,000,000	7,555,660
GTE CORP 9.1% DEBS DUE 6/1/2003.....	3,500,000	3,496,763	3,949,540
GULF CANADA RESOURCES LTD 9% DEBS DUE 8/15/99.....	2,000,000	1,994,379	2,048,800
IBM CORP 7.25% NOTES DUE 11/1/2002.....	3,000,000	2,988,515	3,154,590
LOCKHEED CORP 9.375% NOTES DUE 10/15/99.....	2,500,000	2,499,023	2,586,775
MAY DEPT STORES CO			

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SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
9.875% DEBS DUE 6/15/2000.....	9,000,000	8,977,232	9,613,890
MEDIAONE GROUP INC			
9.05% MED TERM NOTES DUE 12/20/99.....	3,900,000	3,883,349	4,029,792
NABISCO INC			
7.55% DEBS DUE 6/15/2015.....	3,700,000	3,695,922	3,422,278
OCCIDENTAL PETROLEUM CORP			
9.25% SR DEB (PUT 2004) DUE 8/1/2019.....	4,000,000	3,972,240	4,666,000
10.125% SENIOR NOTES DUE 11/15/2001.....	2,000,000	1,995,366	2,212,820
10.875% MED TERM NOTES DUE 5/15/2000.....	7,000,000	6,972,854	7,561,680
PENNEY J C INC			
6.875% MED TERM NOTES DUE 10/15/2015.....	3,000,000	2,945,090	3,063,270
PENNZOIL CO			
10.625% DEBS DUE 6/1/2001.....	3,000,000	2,990,571	3,051,210
PEPSICO INC			
5.7% MED TERM NOTES DUE 11/1/2008.....	3,000,000	2,716,330	2,938,980
PHILLIPS PETROLEUM CO			
9% NOTES DUE 6/1/2001.....	2,900,000	2,897,052	3,107,205
9.18% SF DEBS DUE 9/15/2021.....	5,000,000	4,976,248	5,481,050
9.375% NOTES DUE 2/15/2011.....	1,500,000	1,497,174	1,842,615
QUAKER OATS CO			
6.5% MED TERM NOTES DUE 7/15/2010.....	4,000,000	4,000,000	4,225,240
6.63% MED TERM NOTES DUE 9/9/2013.....	2,000,000	1,761,990	2,150,840
7.75% MED TERM NOTES DUE 7/15/2021.....	6,000,000	6,000,000	7,178,820
RALSTON PURINA CO			
7.75% DEBS DUE 10/1/2015.....	3,500,000	3,497,317	3,762,360
SEQUA CORP			
9.625% NOTES DUE 10/15/99.....	2,000,000	1,998,679	2,000,000
SUPER VALU STORES INC			
7.8% NOTES DUE 11/15/2002.....	5,000,000	4,991,256	5,303,600
TENNECO INC			
10.2% DEBS DUE 3/15/2008.....	12,540,000	12,465,061	15,953,263
TEXACO CAPITAL INC			
8% DEBS DUE 8/1/2032.....	8,000,000	7,982,190	8,877,360
8.375% DEBS DUE 7/15/2022.....	4,000,000	4,049,031	4,391,960
8.625% DEBS DUE 6/30/2010.....	3,030,000	3,030,000	3,612,972
8.75% MED TERM NOTES DUE 4/15/2002.....	3,500,000	3,492,948	3,894,170
TEXAS INSTRUMENTS INC			
9% NOTES DUE 3/15/2001.....	2,000,000	2,000,000	2,159,280
9.25% NOTES DUE 6/15/2003.....	2,000,000	2,000,000	2,261,760
TIMES-MIRROR CO			
7.25% DEBS DUE 3/1/2013.....	1,750,000	1,730,989	1,864,870
UNITED PARCEL SERVICES AMERICA INC			
8.375% DEBS DUE 4/1/2020.....	11,250,000	11,250,000	13,698,225
UNITED TECHNOLOGIES CORP			
8.875% DEBS DUE 11/15/2019.....	7,000,000	7,000,000	8,538,880
UNOCAL CORP			

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SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
7.2% NOTES DUE 5/15/2005.....	2,400,000	2,368,324	2,487,096
9.25% NOTES DUE 2/1/2003.....	7,650,000	7,640,772	8,688,182
9.75% NOTES DUE 12/1/2000.....	3,000,000	3,000,000	3,258,660
<b>WAL MART STORES INC</b>			
8% NOTES DUE 9/15/2006.....	3,500,000	3,493,532	3,920,105
<b>WASTE MANAGEMENT INC</b>			
7.65% DEBS DUE 3/15/2011.....	6,250,000	6,008,114	6,590,375
<b>WESTINGHOUSE ELECTRIC CORP</b>			
8.875% NOTES DUE 6/1/2001.....	2,000,000	1,997,087	2,105,760
<b>TOTAL INDUSTRIAL</b>		<u>265,019,214</u>	<u>300,589,629</u>
<b>PRIVATE PLACEMENT</b>			
<b>BAYER CORP</b>			
7.125% NOTES DUE 10/1/2015.....	6,000,000	5,934,539	6,626,580
<b>COLONIAL PIPELINE CO</b>			
7.45% NOTES DUE 8/15/2007.....	6,000,000	5,955,811	6,666,540
<b>EQUITABLE LIFE ASSURANCE</b>			
7.7% SURPLUS NOTES DUE 12/1/2015.....	2,000,000	1,996,449	2,258,820
<b>GOLDMAN SACHS</b>			
7.25% NOTES DUE 10/1/2005.....	3,000,000	2,997,818	3,224,040
7.875% NOTES DUE 1/15/2003.....	2,500,000	2,495,731	2,720,975
8% NOTES DUE 3/1/2013.....	2,500,000	2,500,000	2,887,150
<b>INDIANAPOLIS LIFE INSURANCE CO</b>			
8.66% SURPLUS NOTES DUE 4/1/2011.....	5,000,000	5,000,000	5,781,050
<b>METROPOLITAN LIFE INSURANCE CO</b>			
7.7% SURPLUS NOTES DUE 11/1/2015.....	10,000,000	9,911,496	11,237,700
<b>NEW YORK LIFE INSURANCE CO</b>			
6.4% SURPLUS NOTES DUE 12/15/2003.....	7,500,000	7,252,453	7,752,600
<b>OHIO NATIONAL LIFE INSURANCE CO</b>			
8.875% SURPLUS NOTES DUE 7/15/2004.....	5,000,000	4,998,749	5,686,200
<b>ONEOK INC</b>			
8.44% SENIOR NOTES DUE 1/31/2004.....	3,500,000	3,500,000	3,821,755
<b>PETROLIAM NASIONAL BERHAD</b>			
7.75% BONDS DUE 8/15/2015.....	12,000,000	11,949,072	7,373,280
<b>PRUDENTIAL INSURANCE</b>			
8.1% NOTES DUE 7/15/2015.....	5,000,000	4,985,130	5,806,450
<b>TELSTRA LTD</b>			
6.5% NOTES DUE 7/31/2003.....	4,900,000	4,884,516	5,125,498
<b>TRANSOK</b>			
6.9% MED TERM NOTES DUE 3/1/2005.....	4,000,000	4,000,000	4,240,360
7.8% MED TERM NOTES DUE 3/1/2004.....	8,000,000	8,000,000	8,795,680
<b>TOTAL PRIVATE PLACEMENT</b>		<u>86,361,764</u>	<u>90,004,678</u>
<b>TRANSPORTATION</b>			
<b>ATCHISON TOPEKA &amp; SANTA FE RAILWAY</b>			
7.47% EQUIP TRUST DUE 2/15/2007.....	3,795,000	3,675,629	4,020,651
7.57% EQUIP TRUST DUE 2/15/2009.....	2,545,000	2,468,430	2,740,685
8.875% EQUIP TRUST W DUE 6/1/2003.....	1,500,000	1,483,929	1,659,270

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SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
<b>CONSOLIDATED RAIL CORP</b>			
5.83% EQUIP TRUST DUE 11/15/2006.....	1,500,000	1,458,375	1,452,975
5.85% EQUIP TRUST DUE 11/15/2007.....	4,000,000	3,884,798	3,868,800
9.75% NOTES DUE 6/1/2000.....	3,500,000	3,497,018	3,720,640
<b>CSX TRANSPORTATION INC</b>			
6.92% EQUIP TRUST DUE 3/15/2010.....	3,800,000	3,800,000	4,028,570
6.96% EQUIP TRUST DUE 3/15/2011.....	3,800,000	3,800,000	4,045,214
6.99% EQUIP TRUST DUE 8/15/2006.....	1,600,000	1,582,555	1,644,208
7.73% EQUIP TR 95-A DUE 3/15/2009.....	3,900,000	3,908,144	4,249,791
7.77% EQUIP TR 95-A DUE 3/15/2010.....	3,850,000	3,840,893	4,229,880
<b>FEDERAL EXPRESS CORP</b>			
10% SENIOR NOTES DUE 4/15/99.....	3,500,000	3,496,989	3,588,410
<b>UNION PACIFIC RAILROAD CO</b>			
6.66% EQUIP TRUST DUE 12/1/2010.....	2,400,000	2,293,528	2,424,480
7.16% EQUIP TR 96-G DUE 6/1/2008.....	2,000,000	2,000,000	2,143,120
<b>TOTAL TRANSPORTATION</b>		<b>41,190,288</b>	<b>43,816,694</b>
<b>UTILITY - ELECTRIC</b>			
<b>ATLANTIC CITY ELECTRIC CO</b>			
6.625% 1ST MTGE AMBAC DUE 8/1/2013.....	5,000,000	4,591,799	5,335,450
<b>BALTIMORE GAS &amp; ELECTRIC</b>			
7.5% 1ST MTGE DUE 1/15/2007.....	4,500,000	4,492,150	4,895,910
<b>CAROLINA POWER &amp; LIGHT CO</b>			
8.2% 1ST MTGE DUE 7/1/2022.....	10,500,000	10,595,572	11,140,710
<b>CENTRAL LOUISIANA ELECTRIC CO</b>			
6.53% MED TERM NOTES DUE 3/15/2007.....	5,000,000	4,984,249	5,240,350
<b>CENTRAL POWER &amp; LIGHT CO</b>			
7.5% 1ST MTGE DUE 12/1/2002.....	2,000,000	1,998,639	2,113,500
<b>CHUGACH ELECTRIC CO-OP</b>			
9.14% 1ST MTGE SER A DUE 3/15/2022.....	8,500,000	8,500,000	9,919,500
<b>DELMARVA POWER &amp; LIGHT CO</b>			
8.15% 1ST MTGE DUE 10/1/2015.....	7,000,000	6,997,904	7,595,000
<b>FLORIDA POWER CORP</b>			
7.375% 1ST MTGE DUE 6/1/2002.....	650,000	628,332	656,734
<b>GUADALUPE VALLEY TEXAS ELECTRIC CO-OP INC</b>			
8.61% 1ST MTGE SF DUE 1/1/2011.....	3,500,000	3,500,000	3,709,160
<b>GULF STATES UTILITIES CO</b>			
6.75% 1ST MTGE DUE 3/1/2003.....	3,000,000	2,970,243	3,056,310
<b>HOUSTON LIGHTING &amp; POWER CO</b>			
8.75% 1ST MTGE DUE 3/1/2022.....	2,400,000	2,380,675	2,732,112
<b>INDIANAPOLIS POWER &amp; LIGHT CO</b>			
7.375% 1ST MTGE DUE 8/1/2007.....	7,100,000	7,086,719	7,967,833
<b>IOWA ELECTRIC LIGHT &amp; POWER CO</b>			
6% COLL TRUST DUE 10/1/2008.....	7,500,000	7,237,484	7,627,725
<b>IOWA SOUTHERN UTILITIES CO</b>			
9.125% 1ST MTGE DUE 7/1/2001.....	8,000,000	8,000,000	8,759,760
<b>LOUISIANA POWER &amp; LIGHT CO</b>			

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7.875% 1ST MTGE DUE 4/1/2001.....	500,000	496,793	517,530
MIDWEST POWER SYSTEM INC			
7.125% 1ST MTGE DUE 2/1/2003.....	1,000,000	997,288	1,059,440
MINNESOTA POWER & LIGHT CO			
7% 1ST MTGE DUE 3/1/2008.....	6,500,000	6,728,796	6,958,835
7.5% 1ST MTGE DUE 8/1/2007.....	5,000,000	4,995,242	5,456,600
7.75% 1ST MTGE DUE 6/1/2007.....	2,000,000	1,970,484	2,136,400
MONONGAHELA POWER CO			
8.375% 1ST MTGE DUE 7/1/2022.....	4,250,000	4,244,543	4,601,050
MONTANA POWER CO			
8.95% 1ST MTGE DUE 2/1/2022.....	2,350,000	2,349,086	2,639,426
NATIONAL RURAL UTILITIES CO-OP			
7.2% COLL TRUST DUE 10/1/2015.....	3,500,000	3,484,295	3,805,690
9% COLL TRUST V DUE 9/1/2021.....	1,475,000	1,457,626	1,615,361
NEW ENGLAND POWER CO			
8% GENL & REF MTG DUE 8/1/2022.....	11,500,000	11,363,681	12,888,970
NEW YORK STATE ELECTRIC & GAS CORP			
6.75% 1ST MTGE DUE 10/15/2002.....	11,000,000	10,871,991	11,403,700
7.625% 1ST MTGE DUE 11/1/2001.....	1,360,000	1,302,342	1,374,838
NORTHERN INDIANA PUBLIC SERVICE CO			
6.63% DEBS (MTN) DUE 6/15/2005.....	9,860,000	9,860,000	10,353,197
7.5% 1ST MTGE SER T DUE 4/1/2002.....	3,695,000	3,516,535	3,732,726
NORTHWESTERN PUBLIC SERVICE CO			
7.1% 1ST MTGE DUE 8/1/2005.....	7,865,000	7,857,159	8,522,593
OLD DOMINION ELECTRIC CO-OP			
7.48% 1ST MTGE DUE 12/1/2013.....	3,000,000	3,000,000	3,131,340
8.76% 1ST MTGE DUE 12/1/2022.....	10,250,000	10,250,000	11,644,410
ORANGE & ROCKLAND UTILITIES			
9.375% DEBS SER A DUE 3/15/2000.....	2,250,000	2,248,692	2,377,260
PACIFIC GAS & ELECTRIC CO			
5.875% 1ST MTGE DUE 10/1/2005.....	5,800,000	5,615,812	5,750,526
6.875% 1ST REF SER PP DUE 12/1/99.....	3,000,000	2,889,880	3,009,600
8.375% 1ST REF SR 92B DUE 5/1/2025.....	12,400,000	12,781,790	13,983,480
PACIFICORP			
6.75% 1ST MTGE DUE 4/1/2005.....	4,000,000	3,996,521	4,164,560
8.05% 1ST MTGE MTN DUE 9/1/2022.....	13,500,000	13,500,000	15,955,245
9.1% SECURD MTN DUE 3/1/2001.....	4,000,000	4,000,000	4,312,000
PEDERNALES ELECTRIC CO-OP			
7.55% 1ST MTGE DUE 11/15/2015.....	6,756,970	6,756,970	7,604,970
PENNSYLVANIA ELECTRIC CO			
7.4% 1ST MTGE MTN DUE 3/1/2003.....	8,000,000	8,000,000	8,536,240
PENNSYLVANIA POWER & LIGHT CO			
6.5% 1ST MTGE DUE 4/1/2005.....	3,000,000	2,980,335	3,084,930
7.375% 1ST MTGE DUE 3/1/2014.....	2,000,000	1,863,581	2,152,900
8.5% 1ST MTGE DUE 5/1/2022.....	5,500,000	5,491,867	6,024,920
PORTLAND GENERAL ELECTRIC CO			

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE A  
(CONTINUED)

SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
7.15% MED TERM NOTES DUE 6/15/2007.....	5,000,000	4,973,491	5,435,250
<b>POTOMAC ELECTRIC POWER</b>			
5.875% 1ST MTGE DUE 10/15/2008.....	3,700,000	3,459,663	3,713,986
<b>PSI ENERGY INC</b>			
6.38% 1ST MTGE MTN DUE 8/15/2008.....	5,000,000	5,000,000	5,155,100
<b>PUBLIC SERVICE COMPANY OF OKLAHOMA</b>			
7.375% 1ST MTGE DUE 12/1/2004.....	5,000,000	4,995,194	5,338,000
<b>PUBLIC SERVICE ELECTRIC &amp; GAS CO</b>			
7.625% 1ST REF MTGE DUE 2/1/2000.....	1,850,000	1,840,747	1,895,806
<b>PUGET SOUND POWER &amp; LIGHT CO</b>			
7.75% 1ST MTGE MTN DUE 2/1/2007.....	4,000,000	4,120,167	4,484,360
<b>SOUTH CAROLINA ELECTRIC &amp; GAS CO</b>			
7.125% 1ST MTGE DUE 6/15/2013.....	10,710,000	10,581,689	11,264,564
<b>SOUTHWESTERN PUBLIC SERVICE CO</b>			
6.5% 1ST MTGE DUE 3/1/2006.....	5,000,000	4,997,550	5,260,450
7.25% 1ST MTGE DUE 7/15/2004.....	3,000,000	2,985,220	3,206,970
8.25% 1ST MTGE DUE 7/15/2022.....	5,000,000	4,947,963	5,475,850
<b>TEXAS UTILITIES CO</b>			
6.25% 1ST MTGE DUE 10/1/2004.....	2,000,000	2,000,000	2,006,300
6.75% 1ST MTGE DUE 3/1/2003.....	4,000,000	3,959,550	4,098,600
8.5% 1ST MTGE DUE 8/1/2024.....	18,350,000	18,584,500	19,923,513
<b>TUCSON ELECTRIC POWER CO</b>			
7.65% 1ST MTGE DUE 5/1/2003.....	500,000	490,664	505,310
<b>WASHINGTON WATER POWER CO</b>			
6.9% 1ST MTGE MTN DUE 7/1/2010.....	5,000,000	5,000,000	5,338,150
7.9% 1ST MTGE MTN DUE 8/25/2006.....	4,000,000	4,000,000	4,479,800
<b>WEST PENN POWER CO</b>			
7.375% 1ST MTGE DUE 8/1/2007.....	8,000,000	7,930,193	8,584,560
7.875% 1ST MTGE DUE 9/1/2022.....	13,000,000	12,745,994	13,889,850
<b>TOTAL UTILITY - ELECTRIC</b>		<u>331,447,660</u>	<u>359,605,210</u>
<b>UTILITY - GAS</b>			
<b>BALTIMORE GAS &amp; ELECTRIC</b>			
6.625% 1ST MTGE DUE 3/15/2008.....	5,195,000	4,549,216	5,380,669
<b>BAY STATE GAS CO</b>			
6% MED TERM NOTES DUE 9/29/2003.....	3,000,000	2,939,050	3,061,230
7.375% MED TERM NOTES DUE 11/1/2002.....	5,000,000	5,000,000	5,343,800
7.55% MED TERM NOTES DUE 11/1/2002.....	3,000,000	2,999,793	3,225,690
<b>BOSTON GAS CO</b>			
6.93% MED TERM NOTES DUE 4/1/2016.....	8,500,000	8,500,000	9,060,150
<b>CASCADE NATURAL GAS CORP</b>			
8.5% MED TERM NOTES DUE 10/2/2006.....	5,000,000	5,000,000	5,760,000
<b>EL PASO NATURAL GAS CO</b>			
9.45% NOTES DUE 9/1/99.....	8,420,000	8,418,752	8,716,384
<b>ENRON CORP</b>			
9.125% SENIOR NOTES DUE 4/1/2003.....	3,500,000	3,493,602	3,851,225
9.875% NOTES DUE 6/15/2003.....	9,000,000	8,909,500	10,210,320

**PERMANENT UNIVERSITY FUND**  
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August 31, 1998

SCHEDULE A  
(CONTINUED)

SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
<b>EQUITABLE RESOURCES INC</b>			
7.5% DEBS DUE 7/1/99.....	2,740,000	2,685,648	2,776,469
7.55% MED TERM NOTES DUE 10/1/2015.....	7,500,000	7,464,504	8,576,400
7.6% MED TERM NOTES DUE 1/15/2018.....	8,000,000	8,000,000	9,152,720
<b>INDIANA GAS CO</b>			
7.15% MED TERM NOTES DUE 3/15/2015.....	5,000,000	5,000,000	5,414,800
<b>MICHIGAN CONSOLIDATED GAS CO</b>			
8% 1ST MTGE DUE 5/1/2002.....	1,710,000	1,704,920	1,868,107
9.125% 1ST MTGE MTN DUE 9/1/2004.....	2,000,000	2,000,000	2,314,900
<b>MOUNTAIN FUEL SUPPLY CO</b>			
7.58% MED TERM NOTES DUE 10/1/2007.....	6,425,000	6,425,000	7,283,444
<b>TOTAL UTILITY - GAS</b>		<u>83,089,985</u>	<u>91,996,308</u>
<b>UTILITY - TELEPHONE</b>			
<b>AT &amp; T CORP</b>			
4.375% DEBS DUE 5/1/99.....	894,000	889,111	886,285
5.125% DEBS DUE 4/1/2001.....	3,375,000	3,144,455	3,327,413
8.125% DEBS DUE 1/15/2022.....	2,600,000	2,600,000	2,817,048
8.125% DEBS DUE 7/15/2024.....	20,000,000	20,272,971	21,400,800
<b>ATLANTIC RICHFIELD CO</b>			
9% DEBS DUE 4/1/2021.....	4,500,000	4,497,949	5,640,210
<b>BELL TELEPHONE CO OF PENNSYLVANIA</b>			
4.75% DEBS DUE 5/1/2001.....	3,519,000	3,481,570	3,467,447
<b>CAROLINA TELEPHONE &amp; TELEGRAPH CO</b>			
6.75% DEBS DUE 8/15/2013.....	1,500,000	1,490,268	1,634,175
<b>CENTEL CAPITAL CORP</b>			
9% DEBS (PUT 1999) DUE 10/15/2019.....	2,500,000	2,465,230	3,018,950
<b>CENTRAL TELEPHONE CO</b>			
6.875% 1ST MTGE MTN DUE 9/21/2004.....	10,000,000	9,646,820	10,635,600
7.04% 1ST MTGE MTN DUE 9/21/2007.....	4,000,000	3,689,260	4,351,800
<b>CHESAPEAKE &amp; POTOMAC TELEPHONE CO</b>			
6.75% DEBS DUE 5/1/2008.....	500,000	501,198	504,280
<b>GTE HAWAIIAN TELEPHONE INC</b>			
6.75% 1ST MTGE SR BB DUE 2/15/2005.....	7,000,000	6,534,316	7,325,010
7% DEBS DUE 2/1/2006.....	2,000,000	1,973,670	2,070,740
<b>GTE NORTH INC</b>			
6% DEBS DUE 1/15/2004.....	5,000,000	4,763,912	5,047,150
<b>GTE SOUTHWEST INC</b>			
6.54% DEBS DUE 12/1/2005.....	9,000,000	8,692,546	9,348,480
<b>INDIANA BELL TELEPHONE INC</b>			
5.5% DEBS DUE 4/1/2007.....	995,000	976,642	959,250
<b>MOUNTAIN STATES TELEPHONE &amp; TELEGRAPH CO</b>			
5% DEBS DUE 4/1/2000.....	790,000	781,728	783,609
<b>NEW ENGLAND TELEPHONE &amp; TELEGRAPH CO</b>			
4.625% DEBS DUE 4/1/99.....	1,040,000	1,036,683	1,035,486
7.875% DEBS DUE 9/1/2022.....	15,000,000	14,840,057	15,789,900
<b>NEW JERSEY BELL TELEPHONE CO</b>			



**PERMANENT UNIVERSITY FUND**  
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SCHEDULE A  
(CONTINUED)

SECURITY	PAR VALUE	COST (\$)	VALUE (\$)
4.875% DEBS DUE 11/1/2000.....	1,002,000	991,268	992,411
8% DEBS DUE 6/1/2022.....	5,000,000	4,951,504	5,872,250
NEW YORK TELEPHONE CO			
5.625% NOTES DUE 11/1/2003.....	5,000,000	4,827,070	4,941,750
7% DEBS DUE 6/15/2013.....	11,900,000	11,453,562	12,376,833
PACIFIC BELL			
7% NOTES DUE 7/15/2004.....	4,000,000	3,987,360	4,200,960
PACIFIC NORTHWEST BELL TELEPHONE			
4.375% DEBS DUE 9/1/2002.....	1,100,000	1,063,005	1,057,903
PACIFIC TELEPHONE & TELEGRAPH CO			
4.625% DEBS DUE 4/1/99.....	497,000	494,656	494,311
4.625% DEBS DUE 5/1/2000.....	2,108,000	2,085,502	2,076,464
SOUTHERN BELL TELEPHONE & TELEGRAPH			
4.75% DEBS DUE 9/1/2000.....	1,830,000	1,805,262	1,807,857
6% DEBS DUE 10/1/2004.....	425,000	424,543	425,055
SOUTHERN NEW ENGLAND TELEPHONE CO			
6.125% MED TERM NOTES DUE 12/15/2003.....	6,500,000	6,458,474	6,622,200
7.125% MED TERM NOTES DUE 8/1/2007.....	2,000,000	1,982,010	2,175,000
SOUTHWESTERN BELL CORP			
5.98% MED TERM NOTES DUE 10/22/2007.....	2,000,000	1,995,763	2,006,340
6.03% MED TERM NOTES DUE 11/15/2007.....	3,500,000	3,500,000	3,522,540
7% DEBS DUE 7/1/2015.....	7,500,000	7,151,853	7,823,925
7% MED TERM NOTES DUE 11/15/2002.....	5,025,000	5,025,562	5,301,526
7.3% MED TERM NOTES DUE 3/1/2003.....	5,000,000	4,997,920	5,346,250
7.35% MED TERM NOTES DUE 5/24/2010.....	15,000,000	14,995,350	16,692,000
UNITED TELECOMMUNICATIONS INC			
9.75% NOTES DUE 4/1/2000.....	1,000,000	998,467	1,058,050
UNITED TELEPHONE COMPANY OF FLORIDA			
6.25% 1ST MTGE DUE 5/15/2003.....	7,000,000	6,934,130	7,232,260
6.875% 1ST MTGE DUE 7/15/2013.....	2,300,000	2,267,249	2,514,774
UNITED TELEPHONE COMPANY OF OHIO			
6.625% 1ST MTGE DUE 10/1/2002.....	8,000,000	7,774,441	8,337,920
UNITED TELEPHONE COMPANY OF PENNSYLVANIA			
7.375% 1ST MTGE DUE 12/1/2002.....	2,000,000	1,986,036	2,143,580
TOTAL UTILITY - TELEPHONE		<u>190,429,373</u>	<u>205,065,792</u>
TOTAL CORPORATE BONDS		<u>1,197,546,626</u>	<u>1,304,751,190</u>
<b>OTHER DEBT</b>			
OAKBAY B V			
8.75% UNSECURED NOTE DUE 7/31/2009.....	4,993,333	4,993,333	4,993,333
TOTAL OTHER DEBT		<u>4,993,333</u>	<u>4,993,333</u>
TOTAL DEBT SECURITIES		<u>2,175,150,105</u>	<u>2,401,843,213</u>

**PERMANENT UNIVERSITY FUND**

SCHEDULE B

**PREFERRED STOCKS**

August 31, 1998

SECURITY	SHARES	COST (\$)	VALUE (\$)
<b>PREFERRED STOCKS</b>			
NEWS CORP LTD			
SPONSORED ADR.....	22,000	378,633	462,000
OAKBAY B V			
.....	2,184	2,693,567	2,693,567
<b>TOTAL PREFERRED STOCKS</b>		<u>3,072,200</u>	<u>3,155,567</u>

PERMANENT UNIVERSITY FUND

SCHEDULE C

EQUITY SECURITIES

August 31, 1998

SECURITY	SHARES	COST (\$)	VALUE (\$)
<b>DOMESTIC COMMON STOCKS</b>			
<b>BASIC INDUSTRIES</b>			
ALLIED SIGNAL INC.....	50,000	886,895	1,715,625
ALUMINUM CO.....	99,100	5,210,721	5,933,613
BALLANTYNE OMAHA INC.....	7,200	94,205	52,200
BROWNING FERRIS INDUSTRY INC.....	115,865	3,106,136	3,765,613
CARPENTER TECHNOLOGY CORP.....	1,900	97,649	68,756
CONCEPTS DIRECT INC.....	3,900	89,915	52,650
CUTTER & BUCK INC.....	50,800	914,467	1,073,151
DOW CHEMICAL CO.....	30,000	1,712,425	2,340,000
DU PONT (E I) DE NEMOURS & CO.....	83,400	1,228,343	4,826,775
GIBRALTAR STEEL CORP.....	4,900	117,109	82,994
GOODYS FAMILY CLOTHING INC.....	26,300	716,691	473,400
INTERNATIONAL PAPER CO.....	121,900	4,747,704	4,510,300
ITEQ INC.....	7,800	105,530	34,367
KELLSTROM INDUSTRIES INC.....	29,200	635,625	673,425
KNOLL INC.....	2,800	115,578	72,625
LINENS N THINGS INC.....	26,600	838,937	621,775
LONE STAR INDUSTRIES INC.....	9,100	725,574	547,138
MINNESOTA MINING & MANUFACTURING CO.....	209,400	15,100,638	14,343,900
NAC RESOURCE CORP.....	11,200	551,689	528,500
NACCO INDUSTRY INC.....	2,700	331,209	257,175
RENTERS CHOICE INC.....	7,400	136,078	167,425
SCHEIN (HENRY) INC.....	16,400	743,210	631,400
STAGE STORES INC.....	1,900	82,363	19,831
TOMMY HILFIGER CORP.....	5,000	192,731	232,500
VEECO INSTRUMENTS INC.....	15,000	394,500	339,375
WESTPOINT STEVENS INC.....	217,200	3,755,829	6,434,550
WEYERHAEUSER CO.....	58,800	2,534,334	2,208,675
WOLVERINE WORLD WIDE INC.....	3,600	86,281	38,025
<b>TOTAL BASIC INDUSTRIES</b>		<u>45,252,366</u>	<u>52,045,763</u>
<b>BUSINESS SERVICES</b>			
CARREKER-ANTINORI INC.....	50,000	525,044	256,250
DUN & BRADSTREET CORP.....	226,200	5,458,750	5,202,600
<b>TOTAL BUSINESS SERVICES</b>		<u>5,983,794</u>	<u>5,458,850</u>
<b>CAPITAL GOODS</b>			
AFC CABLE SYSTEMS INC.....	10,800	363,943	250,085
ALTERA CORP.....	6,000	257,214	174,750
ANADIGICS INC.....	26,900	526,743	341,294
BOEING CO.....	150,400	5,205,770	4,653,000
CIRCLE INTERNATIONAL GROUP INC.....	3,100	74,496	62,775
CROSSMANN COMMUNITIES INC.....	21,300	593,385	543,150
DANAHER CORP.....	8,000	161,068	290,000
DYNAMICS RESH CORP.....	141,860	1,643,419	957,555
ELECTRONIC ARTS.....	3,700	184,819	141,063
EMERSON ELECTRIC CO.....	262,200	10,402,521	14,945,400

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 1998

SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
ENGINEERING ANIMATION INC.....	18,100	927,106	667,438
EXPEDITORS INTERNATIONAL WASH INC.....	3,900	94,564	108,469
GARDNER DENVER INC.....	3,450	92,295	65,334
GENERAL ELECTRIC CO.....	376,700	7,882,755	30,136,000
GENTEX CORP.....	6,200	71,200	71,688
GRAINGER W W INC.....	91,000	4,121,068	3,566,063
HOSPITALITY WORLDWIDE SERVICES.....	266,000	2,997,623	1,163,750
INTEGRATED ELECTRICAL SERVICES INC.....	132,500	1,999,492	1,995,781
K2 INC.....	8,300	161,034	153,031
KENT ELECTRONICS CORP.....	315,300	5,309,925	2,877,113
LENNAR CORP.....	25,500	762,079	462,188
MICROCHIP TECHNOLOGY INC.....	5,000	231,403	91,563
MILLICOM INTERNATIONAL CELLULAR SA.....	3,900	189,350	121,388
NATIONAL-OILWELL INC.....	187,000	3,705,355	1,449,250
NEWARK HOMES CORP.....	71,600	779,298	572,800
OAKWOOD HOMES CORP.....	9,400	199,448	133,950
OEA INC.....	5,700	182,922	44,175
OWENS CORNING.....	30,900	727,133	1,083,431
PMC SIERRA INC.....	3,700	104,539	113,081
ROPER INDUSTRIES INC.....	21,800	676,065	370,600
SHELBY WILLIAMS INC.....	5,800	113,285	68,875
SMART MODULAR TECHNOLOGIES INC.....	21,000	432,563	320,250
STANDARD PACIFIC CORP.....	39,300	644,701	464,231
STONE & WEBSTER INC.....	178,300	7,381,889	6,073,344
TENNECO INC.....	77,700	3,206,831	2,462,119
THOMAS & BETTS CORP.....	132,200	6,100,336	4,503,063
TOKHEIM CORP.....	304,400	5,255,578	2,130,800
TRANSWITCH CORP.....	43,410	751,536	683,708
U S HOME CORP.....	1,600	60,272	45,300
UNITED STATIONERS INC.....	23,682	1,573,373	1,403,159
VARLEN CORP.....	8,000	160,549	176,000
WATERS CORP.....	1,800	91,439	96,975
WATSCO INC.....	6,300	126,363	92,138
<b>TOTAL CAPITAL GOODS</b>		<u>76,526,747</u>	<u>86,126,127</u>
<b>CHEMICALS</b>			
O M GROUP INC.....	149,100	3,242,495	4,286,625
<b>TOTAL CHEMICALS</b>		<u>3,242,495</u>	<u>4,286,625</u>
<b>CONSUMER DURABLES</b>			
ADVENT SOFTWARE INC.....	25,781	1,016,274	783,098
APEX PC SOLUTIONS INC.....	21,100	655,128	361,338
ASPECT DEVELOPMENT INC.....	3,000	61,257	87,375
ATL ULTRASOUND INC.....	3,400	148,298	168,938
AXENT TECHNOLOGIES INC.....	26,400	688,175	412,500
BEST SOFTWARE INC.....	42,300	478,313	744,226
CENTRAL GARDEN & PET CO.....	33,100	877,254	467,538
CHRYSLER CORP.....	152,900	4,620,124	6,918,725

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 1998

SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
D R HORTON INC.....	28,800	507,816	460,800
ETHAN ALLEN INTERIORS INC.....	14,700	730,193	477,750
FACTSET RESEARCH SYSTEMS INC.....	15,300	500,349	493,425
FORD MOTOR CO.....	229,857	4,544,498	10,257,369
GENERAL INSTRUMENT CORP.....	24,500	687,438	486,938
HARBINGER CORP.....	3,150	73,868	21,656
IDX SYSTEMS CORP.....	10,000	506,251	425,000
INTELLIGROUP INC.....	18,700	394,179	391,531
INTERFACE INC.....	5,400	102,398	66,150
LEARNING INC.....	244,400	4,566,048	4,322,825
LEGATO SYSTEMS INC.....	71,847	2,382,382	2,523,626
NICE SYSTEMS LTD.....	2,700	121,698	75,600
PACIFIC GATEWAY EXCHANGE INC.....	9,000	409,750	316,688
SANCHEZ COMPUTER ASSOCIATES INC.....	21,600	562,562	386,100
SAPIENT CORP.....	2,400	63,180	93,750
SAVILLE SYSTEM PLC.....	21,000	725,558	343,875
SCM MICROSYSTEMS INC.....	900	77,895	37,631
SECURE COMPUTING CORP.....	42,000	449,488	267,750
SPECIALITY TELECONSTRUCTIONS INC.....	12,000	469,992	292,500
STERLING COMMUNICATIONS INC.....	5,000	130,594	165,000
TEL SAVE HOLDINGS INC.....	5,400	82,204	81,000
TIER TECHNOLOGIES INC.....	31,800	481,247	453,150
TRANSACTION SYSTEMS ARCHITECTS INC.....	2,500	99,759	82,813
TRANSITION SYSTEM INC.....	6,800	113,151	50,150
VISIO CORP.....	20,000	832,107	420,000
WESTERN WIRELESS CORP.....	6,563	123,611	102,547
<b>TOTAL CONSUMER DURABLES</b>		<b>28,283,039</b>	<b>33,039,362</b>
<b>CONSUMER NON-DURABLES</b>			
ANHEUSER BUSCH COMPANIES INC.....	322,400	7,055,391	15,072,200
CANANDAIGUA BRANDS INC.....	2,100	68,115	87,675
CLOROX CO.....	127,100	3,701,593	12,257,206
COCA COLA CO.....	240,000	1,197,287	15,630,000
CORPORATE EXPRESS INC.....	4,500	89,665	43,313
DEAN FOODS CO.....	139,900	3,596,866	6,155,600
EASTMAN KODAK CO.....	25,000	1,278,947	1,953,125
GENERAL MILLS INC.....	231,900	13,273,147	15,174,956
GILLETTE CO.....	173,600	3,190,389	7,139,300
HEINZ H J CO.....	185,000	6,034,830	9,862,813
KELLOGG CO.....	266,200	6,487,216	8,119,100
KIMBERLY CLARK CORP.....	204,600	5,985,711	7,787,588
LAUDER ESTEE COS INC.....	14,400	977,570	847,800
MCKESSON CORP.....	21,000	750,641	1,575,000
NAUTICA ENTERPRISES INC.....	17,200	405,621	332,175
NESTLE SA ADR BPC.....	40,000	1,180,459	3,708,720
PEPSICO INC.....	185,200	1,060,591	5,162,450
PHILLIP MORRIS.....	881,900	11,596,653	36,653,969

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 1998

SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
PROCTER & GAMBLE CO.....	103,500	2,163,860	7,917,750
SMITHFIELD FOODS INC.....	5,800	146,393	105,850
SUIZA FOOD CORP.....	1,700	86,729	82,238
TRICON GLOBAL RESTAURANTS INC.....	18,520	87,981	686,398
UST INC.....	372,000	10,391,041	9,718,500
VIAD CORP.....	75,000	2,210,280	1,556,250
WHOLE FOODS MARKET INC.....	12,200	595,463	504,775
<b>TOTAL CONSUMER NON-DURABLES</b>		<b>83,612,439</b>	<b>168,134,751</b>
<b>CONSUMER SERVICES</b>			
ABACUS DIRECT CORP.....	900	45,209	36,788
ACCUSTAFF INC.....	5,200	117,897	65,000
ACNIELSEN CORP.....	30,000	612,286	601,875
AFFILIATED PUBLICATIONS INC.....	4,600	130,876	150,363
ALBERTSONS INC.....	18,100	817,695	915,181
AMERICAN SKIING CO.....	322,000	5,484,370	2,576,000
AMERITECH CORP.....	180,400	4,909,406	8,501,350
ANCHOR GAMING.....	9,000	709,718	432,000
ANN TAYLOR STORES CORP.....	5,500	101,324	133,719
APOLLO GROUP INC.....	6,400	167,903	194,400
APPLIED GRAPHICS TECHNOLOGIES.....	1,500	81,544	30,656
AT & T CORP.....	19,000	1,229,332	952,375
BED BATH & BEYOND INC.....	38,000	652,470	686,375
BILLING CONCEPTS CORP.....	5,800	102,037	51,475
BJ SERVICE CO.....	7,400	148,274	93,425
BLYTH INDUSTRIES INC.....	2,800	85,366	64,225
BORDERS GROUP INC.....	3,500	75,975	66,281
BUCKLE INC.....	23,400	716,108	459,225
CACI INC.....	155,800	3,185,282	2,395,425
CANNONDALE CORP.....	4,300	86,761	40,850
CASEY'S GENERAL STORES INC.....	165,600	2,391,509	2,142,450
CATALINA MARKET CORP.....	1,700	55,277	71,506
CBT GROUP PLC.....	1,200	45,411	56,400
CENTRAL PARKING CORP.....	18,000	771,826	743,625
CINAR FILMS INC.....	30,200	463,488	500,188
CKE RESTAURANTS INC.....	1,980	76,044	61,380
CLEAR CHANNEL COMMUNICATIONS.....	20,400	380,111	918,000
COINSTAR INC.....	8,100	81,009	59,231
COMPUTER LEARNING CENTER INC.....	17,000	330,993	80,750
COOPER CAMERON CORP.....	1,400	97,388	30,450
COST PLUS INC.....	20,110	644,766	519,089
COSTCO COS INC.....	27,200	540,956	1,280,100
DATA PROCESSING RESOURCES CORP.....	22,700	473,144	567,500
DEVRY INC.....	23,400	173,531	422,663
DISNEY WALT CO.....	409,500	5,786,421	11,235,657
DOVER DOWNS ENTERTAINMENT INC.....	1,900	57,679	50,113
E TOWN CORP.....	32,500	1,339,713	1,352,813

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 1998

SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
EQUITY CORP INTERNATIONAL.....	5,100	112,952	119,213
EXTENDED STAY AMERICA INC.....	5,700	79,013	49,875
FAMILY GOLF CENTERS INC.....	30,750	655,907	465,094
FIRST YEARS INC.....	47,100	759,011	594,638
GENERAL NUTRITION COMPANIES INC.....	5,900	129,742	78,544
GLOBAL DIRECTMAIL CORP.....	4,100	99,459	54,581
GUITAR CENTER INC.....	5,600	135,443	105,350
HEFTEL BROADCASTING CORP.....	1,300	50,059	39,325
HIBBETT SPORTING GOODS INC.....	2,800	74,193	62,300
HOME DEPOT INC.....	769,000	11,321,715	29,318,125
INTERNATIONAL NETWORK SERVICES.....	1,500	51,349	49,500
INTERNATIONAL TELECOMMUNICATION.....	22,100	611,635	433,713
JONES APPAREL GROUP INC.....	3,200	58,756	62,000
JUST FOR FEET INC.....	38,000	857,955	539,125
KROLL O GARA CO.....	98,700	2,010,400	2,294,775
LABOR READY INC.....	5,800	58,500	65,975
LASON INC.....	1,100	51,475	44,619
MAY DEPT STORES CO.....	24,000	350,854	1,350,000
MCDONALDS CORP.....	76,600	1,365,435	4,318,325
MCGRAW HILL COMPANIES INC.....	216,100	7,015,811	16,477,625
MEREDITH CORP.....	16,400	403,396	550,425
MERISTAR HOTELS & RESORTS.....	4,100	13,979	9,481
MERRILL CORP.....	28,500	589,896	566,438
METAMOR WORLDWIRE INC.....	1,700	51,767	40,375
MSC INDUSTRIAL DIRECT INC.....	5,200	111,582	109,525
NATIONAL R V HOLDINGS INC.....	24,450	643,395	482,888
NATIONAL SERVICE INDUSTRY INC.....	215,200	5,992,465	8,016,200
NETWORK EVENT THEATER INC.....	17,700	98,774	58,631
NEWS CORP LTD.....	44,000	870,687	1,058,750
NORRELL CORP GEORGIA.....	9,600	281,570	120,000
OFFICE DEPOT INC.....	10,000	214,006	255,000
OUTBACK STEAKHOUSE INC.....	3,700	93,954	111,231
OUTDOOR SYSTEM INC.....	7,900	81,014	183,675
PACIFIC SUNWEAR CALIFORNIA INC.....	22,000	659,627	401,500
PAPA JOHNS INTERNATIONAL INC.....	11,000	343,781	291,500
PERSONNEL GROUP AMERICA INC.....	6,000	89,903	67,875
PIER 1 IMPORTS INC.....	55,750	713,964	522,656
PRIME HOSPITALITY CORP.....	8,300	159,532	68,994
PROFFITS INC.....	4,200	91,793	107,100
R H DONNELLEY CORP.....	153,240	1,978,448	2,020,853
REXALL SUNDOWN INC.....	19,900	502,626	363,175
ROMAC INTERNATIONAL INC.....	23,100	462,533	433,125
SBC COMMUNICATIONS INC.....	139,400	4,350,909	5,305,913
SCANDINAVIAN BROADCASTING.....	2,600	76,898	57,850
SEARS ROEBUCK & CO.....	173,100	6,063,566	7,854,413
SERVICE CORP INTERNATIONAL.....	22,800	800,215	772,350

**PERMANENT UNIVERSITY FUND**  
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August 31, 1998

SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
SERVICE EXPERTS INC.....	37,000	1,001,345	994,375
SERVICE MASTER CO.....	649,125	3,498,383	13,591,055
SERVICO INC.....	497,100	9,186,959	4,846,725
SHOE CARNIVAL INC.....	30,000	371,829	255,000
SHOLODGE INC.....	7,800	116,211	39,000
SILVERLEAF RESORTS INC.....	132,400	3,000,077	1,075,750
STAR TELECOMMUNICATIONS INC.....	28,200	693,667	296,100
STARBUCKS CORP.....	2,600	95,288	82,063
SUNTERRA CORP.....	3,000	83,568	27,563
SYLVAN LEARNING SYSTEMS INC.....	5,250	141,150	112,219
TETRA TECHNOLOGIES INC.....	6,625	132,833	138,297
TUBOSCOPE VETCO INTERNATIONAL CORP.....	335,700	4,569,001	3,084,244
UNIFIRST CORP.....	18,000	485,126	453,375
UNITED RENTALS INC.....	1,600	57,672	31,200
UROCOR INC.....	7,564	68,511	36,875
VALASSIS COMMUNICATIONS INC.....	162,700	3,921,828	4,850,494
VETERINARY CENTERS AMERICA INC.....	38,000	699,480	627,000
VICOR CORP.....	3,500	103,578	30,844
WAL MART STORES INC.....	513,200	14,376,875	30,278,800
WASTE MANAGEMENT INC.....	21,600	785,395	950,400
WEST MARINE INC.....	3,600	101,305	26,550
WHITTMAN-HART INC.....	27,400	673,823	513,750
WORLD ACCESS.....	13,100	321,106	250,538
<b>TOTAL CONSUMER SERVICES</b>		<u>129,244,053</u>	<u>187,483,745</u>
<b>ENERGY</b>			
ATWOOD OCEANICS INC.....	2,200	101,585	36,575
BAKER HUGHES INC.....	90,000	3,409,448	1,642,500
BARRETT RESOURCES CORP.....	4,100	146,736	83,281
BRITISH PETROLEUM ADS.....	85,600	4,702,013	6,259,500
CAMCO INTERNATIONAL INC.....	2,300	67,820	115,575
CHEVRON CORP.....	49,800	1,256,386	3,688,313
DEVON ENERGY CORP.....	5,500	150,851	145,406
ENRON CORP.....	18,700	952,320	791,244
EXXON CORP.....	110,800	3,985,659	7,250,475
HALLIBURTON CO.....	24,300	1,032,047	645,469
MCN ENERGY GROUP INC.....	115,400	4,007,018	2,033,925
MOBIL CORP.....	44,000	1,058,373	3,041,500
NABORS INDUSTRIES.....	17,000	519,376	200,813
NEWFIELD EXPLORATION CO.....	1,115,800	2,574,924	14,003,290
NOBLE AFFILIATES INC.....	147,400	6,200,278	3,408,625
PATINA OIL & GAS CORP.....	442,700	4,342,169	1,577,119
PETROLEUM GEO SERVICES.....	5,400	134,148	70,200
PHILLIPS PETROLEUM CO.....	437,600	15,862,322	17,859,551
PLAINS RESOURCES INC.....	279,800	4,673,430	4,266,950
ROYAL DUTCH PETEROLEUM COMPANY NEW YORK.....	243,200	8,346,071	9,728,000
SCHLUMBERGER LTD.....	148,600	4,703,688	6,510,538



**PERMANENT UNIVERSITY FUND**  
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August 31, 1998

SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
SHELL TRANSPORTATION & TRADING.....	266,700	8,338,048	8,317,706
SMITH INTERNATIONAL INC.....	1,800	63,005	31,950
SNYDER OIL CORP.....	387,400	6,239,763	5,762,575
STONE ENERGY CORP.....	2,000	71,225	40,125
TEXACO CAPITAL INC.....	97,300	4,950,866	5,406,231
VARCO INTERNATIONAL INC.....	7,100	102,104	50,588
WILLIAMS COS INC.....	251,000	3,890,222	5,773,000
YPF SOCIEDAD ANONIMA.....	207,500	4,249,387	4,590,938
<b>TOTAL ENERGY</b>		<b>96,131,282</b>	<b>113,331,962</b>
<b>EQUITY REIT (REAL ESTATE INVESTMENT TRUST)</b>			
ALEXANDRIA REAL ESTATE.....	298,900	7,900,330	8,686,781
APARTMENT INVESTMENT & MANAGEMENT.....	230,000	8,015,720	7,877,500
ARCHSTONE COMMUNITIES TRUST.....	293,781	5,980,907	5,692,007
ARDEN REALTY GROUP INC.....	307,000	7,995,020	6,485,375
AVALONE BAY COMMUNITIES INC.....	135,300	4,997,449	4,431,075
BEDFORD PROPERTY INVESTORS.....	347,000	6,204,024	5,768,875
BERKSHIRE REALTY INC.....	247,100	3,000,614	2,347,450
BOSTON PROPERTIES INC.....	245,500	7,999,778	6,966,063
BOYKIN LODGING CO.....	258,600	6,002,243	4,024,463
BRANDYWINE REALTY TRUST.....	166,000	3,993,973	2,988,000
BURNHAM PACIFIC PROPERTIES INC.....	339,000	5,001,131	4,407,000
CARRAMERICA REALTY CORP.....	198,000	4,997,533	4,455,000
COMMERCIAL NET LEASE REALTY INC.....	310,500	4,422,786	4,075,313
CRESCENT REAL ESTATE.....	266,800	8,560,565	6,136,400
CRIIMI MAE INC.....	332,543	5,112,018	4,156,788
DUKE REALTY INVESTMENTS.....	213,000	5,014,014	4,419,750
ELDERTRUST.....	164,700	3,000,414	1,976,400
EQUITY OFFICE PROPERTIES TRUST.....	256,400	7,973,802	5,817,075
EQUITY ONE INC.....	219,000	2,299,202	1,820,438
EXCEL REALTY TRUST INC.....	237,500	5,997,159	5,551,563
FELCOR LODGING TRUST.....	4,100	138,776	83,538
GABLES RESIDENTIAL TRUST.....	157,000	3,990,901	4,042,750
GLENBOROUGH REALTY.....	322,100	8,078,077	7,005,675
GOLF TRUST OF AMERICA INC.....	272,500	7,001,310	7,221,250
GREAT LAKES REIT INC.....	295,000	5,138,737	4,480,313
HOME PROPERTIES N Y INC.....	228,000	6,000,525	5,472,000
INNKEEPERS USA TRUST.....	206,000	2,994,739	1,982,750
IRVINE APARTMENT COMMUNITIES.....	70,000	1,999,525	1,785,000
KILROY REALTY CORP.....	111,600	3,006,169	2,294,775
KIMCO REALTY CORP.....	198,900	6,002,236	7,060,950
LEXINGTON CORP PROPERTIES TRUST.....	105,400	1,501,004	1,225,275
LIBERTY PROPERTIES TRUST.....	272,600	6,001,774	6,167,575
MACK CALIFORNIA REALTY CORP.....	211,100	8,014,626	6,082,319
MANUFACTURED HOME COMMUNITIES INC.....	229,700	6,025,323	5,412,306
MERISTAR HOSPITALITY CORP.....	4,100	82,450	69,188
MGI PROPERTIES.....	88,000	1,956,923	2,310,000

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SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
MID-ATLANTIC REALTY TRUST.....	229,400	3,000,713	2,652,438
MILLS CORP.....	276,100	6,997,442	5,349,438
OMEGA HEALTHCARE INVESTMENTS INC.....	4,000	146,702	114,500
PARKWAY PROPERTIES INVESTMENT.....	239,000	7,983,980	6,482,875
PATRIOT AMERICAN HOSPITALITY INC.....	466,705	7,997,041	6,183,841
PROLOGIS TRUST.....	325,872	5,994,079	6,517,440
PS BUSINESS PARKS INC.....	123,000	2,997,180	2,475,375
PUBLIC STORAGE INC.....	373,000	8,052,438	8,718,875
SL GREEN REALTY CORP.....	290,200	7,022,959	5,586,350
SOVRAN SELF STORAGE INC.....	108,900	3,022,014	2,423,025
SPIEKER PROPERTIES INC.....	50,000	2,001,918	1,778,125
STARWOOD LODGING TRUST.....	289,300	10,013,924	10,414,800
SUNSTONE HOTEL INVESTORS INC.....	234,800	3,997,838	1,966,450
U S RESTAURANTS PROPERTIES INC.....	126,500	3,005,859	3,043,906
UNITED INVESTORS REALTY TRUST.....	100,000	1,000,000	787,500
VORNADO REALTY TRUST.....	205,489	8,001,460	6,447,217
WEEKS CORP.....	195,000	5,979,488	5,386,875
WINSTON HOTELS INC.....	5,500	73,221	48,125
<b>TOTAL EQUITY REIT(REAL ESTATE INVESTMENT TRUST)</b>		<b>269,690,033</b>	<b>237,156,135</b>
<b>FINANCIAL SERVICES</b>			
AFFILIATED MANAGERS GROUP INC.....	3,600	127,962	63,900
ALLIED CAPITAL CORP.....	329,800	7,558,451	5,276,800
ALLSTATE CORP.....	255,202	3,500,826	9,570,075
AMERICAN FINANCIAL GROUP INC.....	131,700	6,007,098	4,379,025
AMERICAN GENERAL CORP.....	61,800	936,303	3,970,650
AMERICAN INTERNATIONAL GROUP INC.....	106,312	3,233,552	8,219,246
AMERICREDIT CORP.....	7,100	156,720	177,056
AMRESKO INC.....	3,000	74,398	37,125
ASSOCIATES FIRST CAPITAL CORP.....	114,241	6,343,178	6,754,499
BANC ONE CORP.....	118,800	5,989,358	4,521,825
BANK OF NEW YORK CO INC.....	289,600	5,958,800	7,095,200
BANK UNITED CORP.....	81,600	2,193,617	2,713,200
BANKAMERICA CORP.....	10,800	1,034,422	696,600
BANKERS TRUST NEW YORK CORP.....	69,100	6,009,233	5,134,994
CATELLUS DEVELOPMENT CORP.....	287,500	4,985,947	3,611,719
CHARTER ONE FINANCIAL INC.....	3,000	94,200	69,000
CHASE MANHATTAN CORP.....	80,000	2,868,592	4,200,000
CITICORP.....	55,000	2,003,407	5,957,188
CMAC INVESTMENT CORP.....	3,800	125,745	146,300
COMMERCIAL FEDERAL CORP.....	5,050	95,813	111,100
CONCORD EFS INC.....	29,060	653,850	573,935
CONTIFINANCIAL CORP.....	5,000	152,956	63,125
DAIN RAUSCHER CORP.....	11,700	630,497	435,094
DELPHI FINANCIAL GROUP INC.....	128,200	4,336,065	5,352,350
DONALDSON LUFKIN & JENRETTE.....	197,800	3,004,884	6,923,000
DORAL FINANCIAL CORP.....	40,000	492,500	600,000

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SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
DUFF & PHELPS CREDIT RATING CO.....	900	52,578	44,100
E TRADE GROUP INC.....	25,000	582,414	415,625
EATON VANCE CORP.....	123,700	3,379,413	4,917,075
ENVOY CORP.....	2,700	111,209	58,725
EVEREN CAPITAL CORP.....	6,000	96,726	109,125
EXECUTIVE RISK INC.....	1,000	73,488	36,000
FEDERAL NATIONAL MORTGAGE ASSOCIATION.....	472,100	15,274,149	26,732,663
FIRST AMERICAN FINANCIAL CORP.....	18,000	535,018	463,500
FIRST CHICAGO CORP.....	94,900	3,915,307	6,014,288
FIRST PLUS FINANCIAL GROUP INC.....	2,400	103,320	54,600
FIRST SIERRA FINANCIAL INC.....	11,200	194,270	175,000
FIRST UN CORP.....	157,638	6,091,276	7,586,329
FLEET FINANCIAL GROUP INC.....	145,000	6,007,198	9,506,563
FOUR SEASONS HOTELS INC.....	37,000	1,034,704	878,750
GOLDEN STATE BANCORP INC.....	2,600	83,124	41,275
GREATER BAY BANCORP.....	30,000	904,388	720,000
HAMBRECHT & QUIST GROUP INC.....	19,700	638,632	398,925
HARLEYSVILLE GROUP INC.....	18,500	430,382	360,750
HORACE MANN EDUCATORS CORP.....	219,900	4,243,839	6,129,713
HSBC HLDGS.....	10,900	1,194,113	2,313,863
JDN REALTY CORP.....	123,000	2,725,632	2,498,438
LIBERTY FINANCIAL COMPANIES INC.....	204,000	5,036,963	6,018,000
LIFE RE CORP.....	2,800	88,514	251,300
LINCOLN NATIONAL CORP.....	157,900	6,342,520	13,579,400
MARSH & MCLENNAN COS INC.....	234,300	6,810,835	11,319,619
MEDALLION FINANCIAL CORP.....	3,700	82,484	52,263
MORGAN STANLEY DEAN WITTER INC.....	21,400	599,592	1,242,538
NATIONSBANK CORP.....	93,000	6,002,450	5,347,500
NORWEST CORP.....	220,000	6,098,373	6,545,000
ORIENTAL FINANCIAL GROUP INC.....	10,300	296,933	391,400
PAYCHEX INC.....	25,500	969,400	969,000
PENNCORP FINANCIAL GROUP INC.....	5,200	172,069	18,850
PHILADELPHIA CONSOLIDATED HOLDINGS CORP.....	4,456	96,265	85,778
PIMCO ADVISORS HOLDINGS LP.....	148,423	3,000,547	4,109,462
PROTECTIVE LIFE CORP.....	218,100	2,462,741	6,733,838
PXRE CORP.....	2,400	64,685	66,000
QUEENS COUNTY BANCORP INC.....	15,000	652,430	532,500
RISK CAPITAL HOLDINGS INC.....	3,700	74,797	80,475
SAFECO CORP.....	124,000	5,990,265	5,037,500
SECURITY CAPITAL GROUP INC.....	99,491	2,991,124	2,114,184
SECURITY CAPITAL U S REALTY.....	360,000	4,993,200	3,636,000
SILICON VALLEY BANCSHARES.....	18,000	382,850	439,875
SLM HOLDING CORP.....	290,150	6,066,122	10,409,131
SOVEREIGN BANCORP INC.....	437,420	4,735,858	5,331,056
SUNAMERICA INC.....	14,100	227,179	873,319
WASHINGTON MUTUAL INC.....	179,295	6,662,202	5,737,440

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SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
WESTERNBANK PUERTO RICO.....	22,500	289,688	292,500
TOTAL FINANCIAL SERVICES		<u>187,429,640</u>	<u>247,322,241</u>
<b>FOOD PROCESSING</b>			
LANDRY'S SEAFOOD RESTAURANT INC.....	30,000	638,914	252,180
TOTAL FOOD PROCESSING		<u>638,914</u>	<u>252,180</u>
<b>HEALTH CARE</b>			
ABBOTT LABS.....	1,034,200	11,878,978	39,816,700
ADVANCED PARADIGM INC.....	11,366	431,908	244,369
ALLEGIANCE CORP.....	464,920	6,003,579	13,133,990
ALPHARMA INC.....	212,600	3,356,422	5,049,250
AMERICAN HOME PRODUCTS CORP.....	753,600	9,386,991	37,774,200
AMERICAN ONCOLOGY RESOURCES.....	37,000	443,159	314,500
AMERISOURCE HEALTH CORP.....	1,400	83,370	65,888
ANIKA THERAPEUTICS INC.....	48,500	409,739	539,563
ARROW INTERNATIONAL INC.....	3,900	129,673	105,788
ATRIX LABS INC.....	36,100	716,887	460,275
BAXTER INTERNATIONAL INC.....	160,300	6,002,560	8,515,938
BIOGEN INC.....	2,500	58,571	115,625
BRISTOL MYERS SQUIBB CO.....	126,100	3,078,403	12,342,038
CAREMATRIX CORP.....	3,400	86,161	58,650
COULTER PHARMACEUTICAL INC.....	28,500	448,165	399,000
COVENTRY HEALTH CARE INC.....	7,200	134,460	32,400
CYTYC CORP.....	31,000	612,967	248,000
FOCAL INC.....	50,000	565,274	375,000
GILEAD SCIENCES INC.....	3,000	91,074	54,750
HBO & CO.....	22,300	727,398	473,875
HEALTH MANAGEMENT ASSOCIATION INC.....	611,080	4,272,957	11,037,633
HEALTHCARE RECOVERIES INC.....	3,300	68,983	32,175
HEALTHSOUTH CORP.....	3,730	72,606	70,637
IMS HEALTH INC.....	187,400	6,685,119	10,307,000
INHALE THERAPEUTIC SYSTEMS.....	40,038	1,105,267	870,827
INTEGRATED HEALTH SERVICES INC.....	150,100	4,840,211	2,908,188
JOHNSON & JOHNSON.....	535,500	15,050,078	36,949,500
JONES PHARMA INC.....	10,600	313,559	221,275
LIFECELL CORP.....	14,078	105,585	54,552
LILLY ELI & CO.....	13,400	969,722	881,050
LINCARE HOLDINGS INC.....	3,800	101,391	128,963
LJL BIOSYSTEMS INC.....	37,500	262,500	182,813
MEDIMMUNE INC.....	2,500	54,539	120,625
MEDTRONIC INC.....	16,400	966,062	842,550
MENTOR CORP.....	6,400	192,078	93,600
MERCK & CO INC.....	97,300	2,564,878	11,280,719
MILLIPORE CORP.....	112,200	2,814,575	2,440,350
MINIMED INC.....	10,900	534,547	555,900
NASTECH PHARMACEUTICAL INC.....	38,000	552,681	194,750
NBTY INC.....	44,800	687,129	408,800

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 1998

SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
NORTH FACE.....	40,200	883,032	412,050
NOVOSTE CORP.....	22,500	474,813	292,500
OCULAR SCIENCES INC.....	2,000	60,965	35,375
OMNICARE INC.....	27,700	900,009	863,894
ORTHODONTIC CENTERS OF AMERICA.....	5,200	94,528	73,775
ORTHOLOGIC CORP.....	16,900	110,394	43,306
OSI PHARMACEUTICALS INC.....	23,000	251,797	80,500
PATHOGENESIS CORP.....	28,200	989,404	634,500
PEDIATRIX MEDICAL GROUP.....	23,000	1,048,148	895,563
PFIZER INC.....	148,600	3,029,629	13,819,800
PHARMACIA & UPJOHN INC.....	295,900	10,228,944	12,335,332
PHARMERICA INC.....	12,000	134,445	46,872
PHYSICIAN RELIANCE NETWORK INC.....	11,255	124,090	89,337
QUORUM HEALTH GROUP INC.....	6,800	163,682	129,200
RENAL CARE GROUP INC.....	30,975	518,822	625,308
RESPIRONICS INC.....	224,300	3,504,265	2,579,450
SABRATEK CORP.....	23,000	685,642	422,625
SCHERING-PLOUGH CORP.....	10,800	948,348	928,800
SEROLOGICALS CORP.....	8,550	127,045	145,350
SOLA INTL INC.....	240,700	8,344,761	3,490,150
STERIS CORP.....	11,000	235,550	262,625
TENET HEALTHCARE CORP.....	209,400	4,997,240	5,365,875
THERAGENICS CORP.....	39,100	907,064	498,525
VENTANA MEDICAL SYSTEMS INC.....	31,500	444,893	630,000
WATSON PHARMACEUTICALS INC.....	23,900	598,948	1,076,994
ZONAGEN INC.....	42,387	1,567,586	498,047
<b>TOTAL HEALTH CARE</b>		<u>128,234,250</u>	<u>245,977,459</u>
<b>MEDIA</b>			
TIME WARNER INC.....	22,700	977,890	1,824,513
<b>TOTAL MEDIA</b>		<u>977,890</u>	<u>1,824,513</u>
<b>OTHER</b>			
EVI WEATHERFORD INC.....	2,470	85,521	37,668
MCORP CLAIM UNITS.....	5,419	1	4,117
MCORP CLAIM UNITS.....	5,422	1	20,774
OAKBAY B V.....	928,421	464,211	459,891
PSS WORLD MEDICAL INC.....	4,700	110,385	72,263
TRIZEC HAHN CORP.....	222,000	4,997,241	3,787,875
<b>TOTAL OTHER</b>		<u>5,657,360</u>	<u>4,382,588</u>
<b>TECHNOLOGY</b>			
ACCESS HEALTH INC.....	6,400	219,861	153,200
ADAPTEC INC.....	4,000	176,748	46,000
ALLIANT TECHSYSTEMS INC.....	97,000	6,403,854	6,365,626
AMERICAN POWER CONVERSION CORP.....	22,500	602,923	607,500
AMERICAN TOWER SYSTEMS CORP.....	1,400	29,400	22,050
AMP INC.....	106,900	4,438,258	3,814,994
APPLIED MATERIAL.....	61,500	1,871,076	1,510,594

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 1998

SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
ASCEND COMMUNICATIONS INC.....	14,700	638,469	517,256
BISYS GROUP INC.....	2,200	75,945	81,400
BLACK BOX CORP.....	2,900	108,057	66,338
BMC SOFTWARE INC.....	19,300	577,583	816,631
CIBER INC.....	18,800	502,550	472,350
CISCO SYSTEM INC.....	34,777	2,161,169	2,614,400
CMG INFORMATION SERVICES INC.....	7,600	530,543	289,750
COGNOS INC.....	4,700	121,836	81,369
COMPAQ COMPUTER CORP.....	77,100	1,622,866	2,153,981
COMPUTER HORIZONS CORP.....	17,400	688,135	406,725
DATA GENERAL CORP.....	533,700	7,400,012	3,969,394
DOCUMENTUM INC.....	10,914	450,203	390,176
DST SYSTEMS INC.....	20,200	1,040,900	1,141,300
ETEC SYSTEMS INC.....	3,400	146,204	82,025
FISERV INC.....	4,050	73,793	157,950
GEOTEL COMMUNICATIONS INC.....	13,800	588,333	483,000
GERBER SCIENTIFIC INC.....	251,100	3,608,204	5,947,931
GLOBALSTAR TELECOMMUNICATIONS.....	4,000	108,588	53,250
HEWLETT PACKARD CO.....	40,000	2,039,495	1,942,500
HNC SOFTWARE INC.....	2,400	94,586	87,150
IBM CORP.....	8,600	727,581	968,575
ICG COMMUNICATIONS INC.....	11,500	357,073	206,281
INFORMIX CORP.....	261,239	2,302,169	914,337
INTEGRATED SYSTEMS INC.....	4,500	98,915	31,781
INTEL CORPORATION OF CALIFORNIA.....	188,600	6,384,924	13,425,963
KOLLMORGEN CORP.....	162,000	2,210,797	2,369,250
LINEAR TECHNOLOGY CORP.....	12,700	825,460	596,900
LUCENT TECHNOLOGIES INC.....	18,500	503,824	1,311,188
MAXIM INTEGRATED PRODUCTS INC.....	3,900	52,061	107,250
MCLEOD USA INC.....	2,400	89,597	69,600
METROMEDIA FIBER NETWORK.....	3,600	64,575	75,600
MICROSOFT CORP.....	153,200	3,172,063	14,697,626
NATIONAL COMPUTER SYSTEMS INC.....	3,400	74,035	74,375
NATIONAL DATA CORP.....	6,600	187,501	231,000
NATURAL MICROSYSTEMS CORP.....	3,200	92,360	35,400
NETWORK APPLIANCE INC.....	16,600	701,245	692,013
NETWORKS ASSOCIATES INC.....	1,400	59,169	45,150
PARAMETRIC TECHNOLOGY CORP.....	28,600	904,914	293,150
PHOENIX TECHNOLOGY LTD.....	5,900	99,508	40,563
PLATINUM TECHNOLOGY INC.....	5,300	92,015	99,375
POLICY MANAGEMENT SYSTEMS CORP.....	150,400	2,906,324	6,279,200
POWERWAVE TECHNOLOGIES INC.....	43,900	791,167	288,094
QWEST COMMUNICATIONS INTERNATIONAL INC.....	47	1,232	1,175
REMEDY CORP.....	5,000	195,292	46,563
SEI CORP.....	8,100	490,775	504,225
SEMTECH CORP.....	3,200	99,804	51,200

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 1998

SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
SENSORMATIC ELECTRONICS.....	547,500	8,877,653	4,174,688
SOUTHERN UNION CO.....	165,150	2,908,998	2,931,413
STANFORD TELECOMMUNICATIONS.....	162,000	1,947,517	1,579,500
STERLING SOFTWARE INC.....	5,800	74,835	119,263
SUNGARD DATA SYSTEMS INC.....	3,800	63,875	120,413
SYBASE INC.....	763,600	7,084,760	5,249,750
SYMANTEC CORP.....	306,000	3,845,065	5,010,750
SYMBOL TECHNOLOGIES INC.....	40,725	1,004,524	1,669,725
SYMIX SYSTEMS.....	25,900	595,643	514,763
SYNOPSYS INC.....	5,000	163,676	130,625
TECH DATA CORP.....	3,400	78,702	128,563
TEKELEC.....	42,032	676,967	759,204
TETRA TECHNOLOGIES INC.....	3,100	74,705	39,331
TEXAS INSTRUMENTS INC.....	40,000	731,823	1,895,000
TRANSACTION NETWORK SERVICES INC.....	4,300	75,546	62,350
UNIPHASE CORP.....	3,300	106,069	131,794
VANTIVE CORP.....	2,500	84,969	20,313
VERITAS SOFTWARE CO.....	2,400	82,989	107,700
WALKER INTERACTIVE SYSTEMS INC.....	43,500	748,938	261,000
XILINX INC.....	4,000	177,353	122,000
<b>TOTAL TECHNOLOGY</b>		<u>89,208,578</u>	<u>102,758,819</u>
<b>TRANSPORTATION</b>			
AIR EXPRESS INTERNATIONAL CORP.....	3,400	77,257	58,225
ALASKA AIRGROUP INC.....	15,200	808,896	591,850
ATLANTIC COAST AIRLINES INC.....	3,600	87,840	81,450
CHAMPION ENTERPRISES INC.....	33,000	862,757	771,376
LANDSTAR SYSTEM INC.....	2,400	64,214	68,700
NORFOLK SOUTHERN CORP.....	45,000	911,723	1,268,438
SWIFT TRANSPORTATION INC.....	32,800	654,675	537,100
<b>TOTAL TRANSPORTATION</b>		<u>3,467,362</u>	<u>3,377,139</u>
<b>UTILITIES</b>			
AQUARION CO.....	80,700	2,753,309	2,758,931
ASPECT TELECOMMUNICATIONS CORP.....	17,687	510,712	421,172
BELL ATLANTIC CORP.....	45,000	2,045,949	1,985,625
BELLSOUTH CORP.....	35,000	1,678,884	2,399,688
COMSAT CORP.....	36,400	1,005,312	793,975
CONSOLIDATED NATURAL GAS CO.....	118,600	6,131,625	5,196,163
DUKE ENERGY CORP.....	110,497	2,148,391	6,892,250
EL PASO ENERGY CORP.....	152,492	4,323,621	3,812,300
HOUSTON INDUSTRIES INC.....	31,900	948,964	919,119
INTERMEDIA COMMUNICATIONS.....	5,300	229,689	131,838
PHILADELPHIA SUBURBAN CORP.....	162,600	3,459,664	4,136,138
PRIMUS TELECOMMUNICATIONS.....	9,500	114,849	85,500
<b>TOTAL UTILITIES</b>		<u>25,350,969</u>	<u>29,532,699</u>
<b>TOTAL DOMESTIC COMMON STOCKS</b>		<u>1,178,931,211</u>	<u>1,522,490,958</u>

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 1998

SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
<b>LIMITED PARTNERSHIPS</b>			
3I EUROFUND II LP.....	8,687,695	9,621,623	8,935,015
3I UK INVESTMENT PARTNERS II LP.....	2,829,601	4,635,057	4,498,954
3I UK INVESTMENT PARTNERS LP.....	9,152,540	14,748,230	16,685,400
ADCOR PARTNERS LP.....	233,419	233,419	75,486
AMERICAN INDUSTRIAL PARTNERS CAPITAL FUND LP.....	5,282,565	5,282,565	3,835,232
AMERICAN SECURITIES PARTNERS LP.....	2,468,024	2,468,024	2,468,024
AMPERSAND SPECIALTY MATERIALS & CHEMICALS III LP.....	6,601,695	6,601,695	6,187,749
ASIAN CORPORATE FINANCE FUND LP.....	4,484,730	4,484,730	4,220,364
ATLANTIC MEDICAL PARTNERS LP.....	3,716,091	3,716,091	3,449,008
AUSTIN VENTURES IV LP.....	4,006,874	4,006,874	6,326,798
AUSTIN VENTURES V LP.....	5,436,892	5,436,892	5,883,185
BAKER COMMUNICATIONS FUND LP.....	7,095,096	7,095,096	6,230,495
BDM ACQUISITION PARTNERS II LP.....	1	1	1
BEACON GROUP III FOCUS VALUE FUND LP.....	11,839,347	11,839,347	12,679,917
BRENTWOOD ASSOCIATES BUYOUT FUND II LP.....	9,996,475	9,996,475	9,377,143
CARLYLE PARTNERS II LP.....	4,407,980	4,407,980	5,768,776
CITICORP MEZZANINE PARTNERS LP.....	5,485,245	5,485,245	6,049,956
CLAYTON, DUBILIER & RICE FUND V LP.....	16,708,494	16,708,494	16,458,201
CLOG PARTNERS LP.....	36,648	36,648	1,020,444
CORTEC GROUP FUND II LP.....	8,867,925	8,867,925	8,113,770
CROWN ASSOCIATES III LP.....	6,093,801	6,093,801	5,238,847
CTI PARTNERS LP.....	2,172,632	2,172,632	2,011,825
CVC EUROPEAN EQUITY PARTNERS LP.....	21,380,036	21,380,036	23,375,350
DOS PARTNERS LP.....	2,587,616	2,587,616	5,339,483
DOUGHTY HANSON & CO II LP.....	16,705,712	15,443,874	11,106,006
DOUGHTY HANSON III LP.....	581,119	581,119	581,119
DRLX PARTNERS LP.....	338,205	338,205	0
ENCAP CAPITAL FUND III B LP.....	14,383,099	14,383,099	14,132,847
EPN PARTNERS LP.....	1,658,849	1,658,849	0
EVERCORE CAPITAL PARTNERS LP.....	964,442	964,442	158,921
FGSI PARTNERS LP.....	699,965	699,965	1,886,481
GEO PARTNERS LP.....	1	1	31,968
HALPERN DENNY FUND II LP.....	5,168,148	5,168,148	4,967,913
HELLMAN & FRIEDMAN CAPITAL PARTNERS II LP.....	3,686,167	3,686,167	3,705,390
HOS PARTNERS II LP.....	70,468	70,468	47,274
IAI US VENTURE FUND II LP.....	6,705,086	6,705,086	6,512,208
INFORMATION TECHNOLOGY VENTURES II LP.....	5,156,485	5,156,485	4,919,880
INFORMATION TECHNOLOGY VENTURES LP.....	6,001,037	6,001,037	11,181,780
ING EQUITY PARTNERS II LP.....	8,771,441	8,771,441	7,785,329
ING MEDIA PARTNERS II LP.....	3,196,712	3,196,712	3,197,706
IVERNESS/PHOENIX PARTNERS LP.....	1,089,835	1,089,835	637,299
KB MEZZANINE FUND II LP.....	12,718,473	12,718,473	11,236,377
KKR 1996 FUND (OVERSEAS) LP.....	1,820,000	1,820,000	1,820,593
KKR FUND LP.....	14,276,416	14,276,416	12,455,188
MORGENTHALER VENTURE PARTNERS III LP.....	7,755,703	7,755,703	4,292,657



**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 1998

SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
MORGENTHALER VENTURE PARTNERS IV LP.....	7,635,571	7,635,571	9,311,602
NORTH AMERICAN FUND II LP.....	11,662,412	11,662,412	25,041,555
NORTH AMERICAN FUND III LP.....	3,001,532	3,001,532	2,684,132
OSCCO III LP.....	3,626,180	3,626,180	1,802,737
PHILADELPHIA VENTURES II LP.....	4,629,584	4,629,584	1,090,100
PMI MEZZANINE FUND LP.....	8,455,125	8,455,125	7,656,784
PRIME VIII LP.....	3,843,644	3,843,644	3,624,652
PRISM VENTURE PARTNERS LP.....	10,161,028	10,161,028	9,501,771
PUF/LTF WARBURG 1997 REVOCABLE TRUST.....	5,775,055	5,775,055	7,389,373
RICE PARTNERS II LP.....	10,813,209	10,813,209	9,894,757
RSTW PARTNERS III LP.....	4,715,889	4,715,889	4,142,852
SCF IV LP.....	2,993,442	2,993,442	2,885,926
SCF PARTNERS III LP.....	14,424,898	14,424,898	15,721,393
SCF-III LP.....	13,468	13,468	13,468
SKM EQUITY FUND II LP.....	12,989,751	12,989,751	12,021,040
TCA PARTNERS LP.....	85,409	85,409	1
TECHNOLOGY FOR INFORMATION & ENTERTAINING III LP.....	5,538,380	5,538,380	6,250,510
TEXAS GROWTH FUND - 1991 TRUST.....	5,168,688	5,168,688	4,375,429
TEXAS GROWTH FUND - 1995 TRUST.....	3,877,864	3,877,864	3,640,294
TRIAD VENTURES LIMITED II LP.....	1,519,688	1,519,688	530,133
VS & A COMMUNICATIONS PARTNERS II LP.....	18,784,873	18,784,873	21,260,663
WAND EQUITY PORTFOLIO II LP.....	3,747,286	3,747,286	3,467,079
WAND/ACORDIA INVESTMENTS LP.....	8,001,265	8,001,265	7,995,176
WAND/CASEWISE INVESTMENTS LP.....	365,674	365,674	362,319
WAND/IMA INVESTMENTS III LP.....	631,383	631,383	597,209
WAND/PARAGON INVESTMENTS I LP.....	1,141,794	1,141,794	1,593,484
WHITNEY 1990 EQUITY FUND LP.....	5,293,636	5,293,636	4,223,003
WILLIS STEIN & PARTNERS LP.....	12,202,280	12,200,457	14,835,605
WINGATE PARTNERS II LP.....	3,621,511	3,621,511	3,929,524
WOODLANDS VENTURE FUND LP.....	1,718,435	1,718,435	400,548
WOODLANDS/ESSEX VENTURE FUND III LP.....	3,546,599	3,546,599	3,315,492
<b>TOTAL LIMITED PARTNERSHIPS</b>		<u>448,375,751</u>	<u>454,444,970</u>
<b>INDEX FUNDS</b>			
BGI EQUITY INDEX FUND B LENDABLE (See schedule E).....	41,372,600	517,939,425	936,699,381
BGI MID CAP INDEX FUND B LENDABLE (See schedule F).....	28,419,302	511,016,166	513,003,187
BGI MSCI EQUITY INDEX FUND B-AUSTRALIA.....	173,185	6,437,227	4,989,552
BGI MSCI EQUITY INDEX FUND B-AUSTRIA.....	97,663	2,185,326	2,271,490
BGI MSCI EQUITY INDEX FUND B-BELGIUM.....	310,688	12,117,183	15,181,577
BGI MSCI EQUITY INDEX FUND B-CANADA.....	456,716	9,651,285	6,970,095
BGI MSCI EQUITY INDEX FUND B-DENMARK.....	35,846	1,260,345	1,579,970
BGI MSCI EQUITY INDEX FUND B-FINLAND.....	180,101	5,426,637	7,247,150
BGI MSCI EQUITY INDEX FUND B-FRANCE.....	1,133,450	47,651,117	52,799,684
BGI MSCI EQUITY INDEX FUND B-GERMANY.....	1,137,979	35,531,026	43,163,461
BGI MSCI EQUITY INDEX FUND B-HONG KONG.....	99,271	9,154,579	4,625,691
BGI MSCI EQUITY INDEX FUND B-IRELAND.....	79,799	1,804,920	2,027,903

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 1998

SCHEDULE C  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
BGI MSCI EQUITY INDEX FUND B-ITALY.....	790,533	19,200,135	19,873,568
BGI MSCI EQUITY INDEX FUND B-JAPAN.....	6,545,199	120,912,078	73,604,743
BGI MSCI EQUITY INDEX FUND B-MALAYSIA.....	134,288	1,565,501	342,336
BGI MSCI EQUITY INDEX FUND B-NETHERLANDS.....	514,220	28,030,891	34,945,060
BGI MSCI EQUITY INDEX FUND B-NEW ZEALAND.....	36,333	607,888	395,451
BGI MSCI EQUITY INDEX FUND B-NORWAY.....	117,478	2,569,627	1,868,711
BGI MSCI EQUITY INDEX FUND B-PORTUGAL.....	272,176	3,566,427	3,497,617
BGI MSCI EQUITY INDEX FUND B-SINGAPORE.....	71,810	4,233,728	1,513,278
BGI MSCI EQUITY INDEX FUND B-SPAIN.....	553,975	11,538,011	15,815,823
BGI MSCI EQUITY INDEX FUND B-SWEDEN.....	163,307	8,839,935	9,676,277
BGI MSCI EQUITY INDEX FUND B-SWITZERLAND.....	1,040,986	43,158,167	59,358,557
BGI MSCI EQUITY INDEX FUND B-UK.....	1,166,559	45,087,645	54,631,548
<b>TOTAL INDEX FUNDS</b>		<u>1,449,485,269</u>	<u>1,866,082,110</u>
<b>RIGHTS AND WARRANTS</b>			
GOLDEN STATE BANCORP.....	2,600	14,669	11,700
MERISTAR HOTELS & RESORTS.....	683	0	1,473
<b>TOTAL RIGHTS AND WARRANTS</b>		<u>14,669</u>	<u>13,173</u>
<b>OTHER</b>			
CHEYENNE III.....	5,148,641	5,148,641	4,891,693
GOLDSTON OIL CO - GLADEWATER JETER ROYALTY INTEREST....	422,932	422,932	1,539,434
GOLDSTON OIL CO - JETER #3.....	284,531	284,531	1,443,125
GOLDSTON OIL-GLADEWATER JETER.....	1,527,551	1,527,551	1,997,492
<b>TOTAL OTHER</b>		<u>7,383,655</u>	<u>9,871,744</u>
<b>TOTAL EQUITY SECURITIES</b>		<u>3,084,190,555</u>	<u>3,852,902,955</u>

**PERMANENT UNIVERSITY FUND**  
**CASH AND CASH EQUIVALENTS**  
 August 31, 1998

SCHEDULE D

SECURITY	COST (\$)	VALUE (\$)
<b>MONEY MARKET FUNDS</b>		
BGI MONEY MARKET FUND.....	8,176,555	8,176,555
DREYFUS INSTITUTIONAL PREFERRED MONEY MARKET FUND.....	135,110,298	135,110,298
TEXAS STATE TREASURY FUND.....	177,964	177,964
<b>TOTAL MONEY MARKET FUNDS</b>	<u>143,464,817</u>	<u>143,464,817</u>
<b>CASH</b>		
ACTUAL CASH.....	17,941	17,941
CASH NON CUSTODIED.....	1	1
FOREIGN CURRENCY CASH.....	338	351
<b>TOTAL CASH</b>	<u>18,280</u>	<u>18,293</u>
 <b>TOTAL CASH AND CASH EQUIVALENTS</b>	 <u><u>143,483,097</u></u>	 <u><u>143,483,110</u></u>

**PERMANENT UNIVERSITY FUND**  
**EQUITY INDEX FUND B LENDABLE**  
August 31, 1998

SCHEDULE E

SECURITY	SHARES	COST (\$)	VALUE (\$)
<b>COMMON STOCKS</b>			
3COM CORP.....	61,185	2,848,764	1,449,320
ABBOTT LABORATORIES.....	265,450	3,729,633	10,219,825
ADOBE SYSTEMS INC.....	11,474	531,868	301,193
ADVANCED MICRO DEVICES INC.....	24,723	647,890	326,035
AEROQUIP-VICKERS INC.....	4,802	131,533	193,581
AETNA INC.....	24,975	1,433,627	1,503,183
AHMANSON (H F) & CO.....	18,909	474,448	1,008,086
AIR PRODUCTS & CHEMICALS INC.....	40,282	938,299	1,231,119
AIRTOUCH COMMUNICATIONS INC.....	98,398	2,331,430	5,534,888
ALBERTO-CULVER CL B CONVERTIBLE.....	9,776	120,978	195,520
ALBERTSON'S INC.....	42,319	1,191,836	2,139,754
ALCAN ALUMINIUM LTD.....	39,135	766,989	743,565
ALLEGHENY TELEDYNE INC.....	33,866	540,197	510,107
ALLERGAN INC.....	11,317	278,641	534,728
ALLIED-SIGNAL INC.....	97,178	1,663,679	3,334,420
ALLSTATE CORP.....	144,430	1,995,429	5,416,125
ALLTEL CORP.....	47,188	1,715,808	2,129,359
ALUMINUM CO OF AMERICA.....	32,106	1,247,957	1,922,347
ALZA CORP.....	14,868	411,299	535,248
AMERADA HESS CORP.....	15,697	825,504	771,115
AMEREN CORP.....	23,579	977,094	932,844
AMERICAN ELECTRIC POWER CO.....	32,703	1,196,224	1,479,811
AMERICAN EXPRESS CO.....	79,323	2,152,840	6,187,194
AMERICAN GENERAL CORP.....	43,578	1,316,907	2,799,887
AMERICAN GREETINGS CORP.....	12,481	344,701	457,117
AMERICAN HOME PRODUCTS.....	225,754	3,967,519	11,315,919
AMERICAN INTERNATIONAL GROUP INC.....	180,418	4,955,483	13,948,567
AMERICAN STORES CO.....	46,998	521,623	1,362,942
AMERITECH CORP.....	189,236	3,716,190	8,917,747
AMGEN INC.....	43,719	956,644	2,661,394
AMOCO CORP.....	164,980	4,641,198	7,475,656
AMP INC.....	37,691	1,198,507	1,345,098
AMR CORP.....	31,362	1,141,164	1,709,229
ANADARKO PETROLEUM CORP.....	20,646	697,003	593,573
ANDREW CORP.....	15,291	93,409	226,498
ANHEUSER-BUSCH COMPANIES INC.....	83,584	2,083,566	3,855,312
AON CORP.....	28,990	1,062,810	1,813,687
APACHE CORP.....	16,992	612,109	388,692
APPLE COMPUTER INC.....	22,862	1,078,153	713,009
APPLIED MATERIALS INC.....	62,958	899,071	1,546,406
ARCHER-DANIELS-MIDLAND CO.....	102,966	1,242,962	1,544,492
ARMCO INC.....	18,538	126,930	76,469
ARMSTRONG WORLD INDUSTRIES INC.....	6,900	260,991	331,200
ASARCO INC.....	6,851	137,370	109,188
ASCEND COMMUNICATIONS INC.....	33,195	1,609,436	1,168,049

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SCHEDULE E  
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SECURITY	SHARES	COST (\$)	VALUE (\$)
ASHLAND INC.....	13,070	391,342	595,502
ASSOCIATES FIRST CAPITAL CORP.....	59,593	2,469,650	3,523,436
AT & T CORP.....	311,652	12,709,129	15,621,557
ATLANTIC RICHFIELD CO.....	55,178	3,330,614	3,200,324
AUTODESK INC.....	8,063	191,629	188,473
AUTOMATIC DATA PROCESSING.....	51,733	1,382,415	3,297,979
AUTOZONE INC.....	26,257	716,106	681,041
AVERY DENNISON CORP.....	20,184	359,800	1,083,629
AVON PRODUCTS INC.....	22,700	656,664	1,427,263
BAKER HUGHES INC.....	54,659	1,103,334	997,527
BALL CORP.....	5,271	168,416	197,004
BALTIMORE GAS & ELECTRIC CO.....	25,477	658,806	785,010
BANC ONE CORP.....	120,667	4,576,693	4,585,346
BANK NEW YORK INC.....	129,224	1,165,516	3,125,606
BANKAMERICA CORP.....	117,384	2,824,866	7,519,913
BANKBOSTON CORP.....	50,516	891,479	1,802,790
BANKERS TRUST CORP.....	16,851	1,353,963	1,252,240
BARD (C R) INC.....	9,779	249,603	320,262
BARRICK GOLD CORP.....	64,239	1,856,255	835,107
BATTLE MOUNTAIN GOLD CO.....	39,532	336,872	121,067
BAUSCH & LOMB INC.....	9,551	479,274	404,127
BAXTER INTERNATIONAL INC.....	48,323	1,343,774	2,573,200
BB & T CORP.....	48,522	1,577,861	1,367,714
BEAR STEARNS COMPANIES INC.....	19,532	1,110,226	721,463
BECTON DICKINSON & CO.....	42,324	404,974	1,409,918
BELL ATLANTIC CORP.....	266,936	7,343,443	11,778,551
BELLSOUTH CORP.....	170,222	4,644,710	11,670,846
BEMIS CO INC.....	9,183	202,412	329,440
BESTFOODS.....	49,622	1,053,657	2,490,404
BETHLEHEM STEEL CORP.....	22,054	405,476	158,513
BIOMET INC.....	19,308	226,366	518,903
BLACK & DECKER CORP.....	16,318	356,238	679,237
BLOCK (H & R) INC.....	18,067	654,198	706,871
BOEING CO.....	173,709	3,129,613	5,374,122
BOISE CASCADE CORP.....	9,652	270,818	235,871
BOSTON SCIENTIFIC CORP.....	33,427	958,517	2,314,820
BRIGGS & STRATTON CORP.....	4,118	131,641	151,594
BRISTOL-MYERS SQUIBB CO.....	171,126	5,166,186	16,748,957
BROWN-FORMAN CORP.....	11,791	324,734	707,460
BROWNING-FERRIS INDUSTRIES INC.....	31,639	859,738	1,028,268
BRUNSWICK CORP.....	17,089	249,858	255,267
BURLINGTON NORTHERN SANTA FE.....	27,078	1,363,006	2,519,946
BURLINGTON RESOURCES INC.....	30,447	1,265,196	900,089
CABLETRON SYSTEMS INC.....	27,286	757,802	191,002
CAMPBELL SOUP CO.....	78,138	1,518,610	3,936,202
CAPITAL ONE FINANCIAL CORP.....	11,267	1,395,829	985,863

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SCHEDULE E  
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SECURITY	SHARES	COST (\$)	VALUE (\$)
CARDINAL HEALTH INC.....	22,907	1,476,425	2,004,363
CAROLINA POWER & LIGHT CO.....	26,051	866,691	1,121,821
CASE CORP.....	12,823	567,084	346,221
CATERPILLAR INC.....	62,992	1,206,111	2,657,475
CBS CORP.....	123,500	2,340,395	3,211,000
CENDANT CORP.....	146,347	3,538,116	1,692,137
CENTEX CORP.....	10,228	167,829	361,816
CENTRAL & SOUTH WEST CORP.....	36,520	1,152,534	954,085
CERIDIAN CORP.....	12,530	374,838	607,705
CHAMPION INTERNATIONAL CORP.....	16,511	563,887	544,863
CHASE MANHATTAN CORP.....	146,732	2,799,093	7,776,796
CHEVRON CORP.....	112,519	4,975,630	8,333,438
CHRYSLER CORP.....	111,041	2,431,861	4,955,205
CHUBB CORP.....	28,904	1,307,303	1,806,500
CIGNA CORP.....	37,062	836,701	2,156,545
CINCINNATI FINANCIAL CORP.....	28,691	1,340,790	964,735
CINCINNATI MILACRON INC.....	6,842	165,969	132,564
CINERGY CORP.....	27,118	638,842	942,351
CIRCUIT CITY STORES INC.....	16,955	502,190	523,486
CISCO SYSTEMS INC.....	175,872	3,291,334	14,399,520
CITICORP.....	77,596	3,326,430	8,390,068
CLEAR CHANNEL COMMUNICATIONS INC.....	42,676	1,636,358	1,920,420
CLOROX CO.....	17,822	456,535	1,718,709
COASTAL CORP (THE).....	36,538	505,655	949,988
COCA-COLA CO.....	424,653	9,122,588	27,655,527
COLGATE-PALMOLIVE CO.....	50,884	1,508,370	3,670,009
COLUMBIA ENERGY GROUP.....	14,286	237,535	710,729
COLUMBIA/HCA HEALTHCARE CORP.....	110,680	2,958,242	2,497,218
COMCAST CORP CL A.....	63,398	1,327,177	2,369,500
COMERICA INC.....	26,956	681,114	1,408,451
COMPAQ COMPUTER CORP.....	284,167	2,009,850	7,938,916
COMPUTER ASSOCIATES INTL INC.....	93,906	862,638	2,535,462
COMPUTER SCIENCES CORP.....	26,816	564,188	1,516,780
CONAGRA INC.....	82,624	1,093,514	2,044,944
CONSECO INC.....	53,316	1,951,952	1,472,855
CONSOLIDATED EDISON INC.....	40,490	1,435,857	1,915,683
CONSOLIDATED NATURAL GAS CO.....	16,474	858,571	721,767
CONSOLIDATED STORES CORP.....	18,585	809,762	585,428
COOPER INDUSTRIES INC.....	20,786	984,665	884,704
COOPER TIRE & RUBBER CO.....	13,581	435,827	217,296
COORS (ADOLPH) CO.....	6,290	119,003	259,463
CORNING INC.....	39,963	1,122,152	984,089
COSTCO COMPANIES INC.....	37,118	731,459	1,746,866
COUNTRYWIDE CREDIT INDUSTRIES INC.....	18,620	621,759	697,086
CRANE CO.....	7,907	143,317	318,257
CROWN CORK & SEAL CO.....	21,382	878,450	700,261

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SECURITY	SHARES	COST (\$)	VALUE (\$)
CSX CORP.....	37,632	1,415,074	1,420,608
CUMMINS ENGINE CO INC.....	6,602	288,927	268,619
CVS CORP.....	66,108	1,515,948	2,404,679
CYPRUS AMAX MINERALS.....	16,112	379,349	148,029
DANA CORP.....	28,310	756,049	1,109,398
DARDEN RESTAURANTS INC.....	24,624	286,719	381,672
DATA GENERAL CORP.....	8,434	116,208	63,255
DAYTON-HUDSON CORP.....	75,168	879,167	2,706,048
DEERE & CO.....	42,659	938,678	1,405,081
DELL COMPUTER CORP.....	110,755	950,389	11,075,500
DELTA AIR LINES INC.....	12,977	879,915	1,323,654
DELUXE CORP.....	13,954	586,607	404,666
DILLARDS INC.....	18,499	704,072	534,159
DISNEY (WALT) CO (THE).....	351,764	5,887,663	9,651,525
DOLLAR GENERAL CORP.....	24,735	1,130,853	664,753
DOMINION RESOURCES INC.....	33,655	1,485,074	1,402,993
DONNELLEY (R R) & SONS CO.....	24,388	703,875	884,065
DOVER CORP.....	38,338	469,255	1,044,711
DOW CHEMICAL CO.....	38,752	2,223,485	3,022,656
DOW JONES & CO INC.....	16,050	501,000	799,491
DRESSER INDUSTRIES INC.....	30,209	662,284	772,218
DTE ENERGY CO.....	24,996	871,958	1,052,957
DU PONT (E I) DE NEMOURS.....	194,096	5,216,209	11,196,913
DUKE ENERGY CORP.....	61,947	1,957,205	3,863,944
DUN & BRADSTREET CORP.....	29,527	595,344	693,885
E M C CORP.....	85,622	978,004	3,869,044
EASTERN ENTERPRISES.....	3,492	94,422	138,152
EASTMAN CHEMICAL CO.....	13,574	622,589	699,909
EASTMAN KODAK CO.....	55,496	2,423,243	4,335,625
EATON CORP.....	12,291	575,815	719,792
ECOLAB INC.....	22,176	226,486	616,770
EDISON INTERNATIONAL.....	62,283	1,464,182	1,771,173
EG & G INC.....	7,773	171,898	182,180
ELECTRONIC DATA SYSTEMS CORP.....	84,517	3,430,690	2,831,320
EMERSON ELECTRIC CO.....	76,146	2,300,973	4,340,322
ENGELHARD CORP.....	24,899	397,432	457,519
ENRON CORP.....	56,477	1,919,613	2,389,683
ENTERGY CORP.....	42,363	1,485,750	1,220,584
EQUIFAX INC.....	25,444	807,859	906,443
EXXON CORP.....	420,702	13,862,344	27,529,687
FDX CORP.....	25,292	885,984	1,266,181
FEDERAL HOME LOAN MORTGAGE.....	116,660	1,559,599	4,608,070
FEDERAL NATIONAL MORTGAGE ASSN.....	178,295	3,629,392	10,129,385
FEDERATED DEPARTMENT STORES INC.....	36,205	988,667	1,577,180
FIFTH THIRD BANCORP.....	45,167	1,260,174	2,402,320
FIRST CHICAGO NBD CORP.....	49,343	1,366,313	3,127,113

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SECURITY	SHARES	COST (\$)	VALUE (\$)
FIRST DATA CORP.....	76,818	2,264,028	1,589,172
FIRST UNION CORP.....	166,645	4,020,872	8,082,283
FIRSTENERGY CORP.....	39,652	996,663	1,144,952
FLEET/NORSTAR FINANCIAL GROUP.....	48,842	1,695,753	3,202,204
FLEETWOOD ENTERPRISES INC.....	6,269	134,025	209,620
FLUOR CORP.....	14,076	588,477	556,882
FMC CORP.....	6,005	282,958	310,759
FORD MOTOR CO.....	208,576	3,934,432	9,177,344
FORT JAMES CORP.....	37,948	1,317,067	1,105,236
FORTUNE BRANDS INC.....	29,784	622,481	820,922
FOSTER WHEELER CORP.....	7,003	207,041	86,224
FPL GROUP INC.....	31,191	1,204,764	2,076,151
FRANKLIN RESOURCES INC.....	43,498	2,325,853	1,402,811
FREEMPORT-MCMORAN COPPER & GOLD.....	31,158	852,370	362,212
FRONTIER CORP.....	29,405	665,937	893,177
FRUIT OF THE LOOM INC.....	12,412	329,197	278,494
GANNETT CO INC.....	48,886	1,277,088	2,884,274
GAP INC (THE).....	67,631	717,059	3,453,408
GATEWAY 2000 INC.....	26,719	1,549,232	1,264,143
GENERAL DYNAMICS CORP.....	21,756	411,806	1,034,770
GENERAL ELECTRIC CO.....	560,263	13,618,967	44,821,040
GENERAL INSTRUMENT CORP.....	25,858	476,321	513,928
GENERAL MILLS INC.....	27,224	1,482,965	1,781,471
GENERAL MOTORS CORP.....	114,909	4,775,998	6,635,995
GENERAL RE CORP.....	13,165	1,631,537	2,731,738
GENERAL SIGNAL CORP.....	7,545	239,124	277,279
GENUINE PARTS CO.....	30,787	741,387	964,018
GEORGIA-PACIFIC CORP.....	15,752	718,722	675,367
GILLETTE CO.....	193,208	3,822,008	7,945,679
GOLDEN WEST FINANCIAL CORP.....	9,864	419,026	750,897
GOODRICH (B F) CO.....	12,517	360,188	338,741
GOODYEAR TIRE & RUBBER CO (THE).....	27,067	1,054,571	1,326,283
GPU INC.....	21,981	661,584	825,661
GRACE (W R) & CO.....	13,115	154,468	168,856
GRAINGER (W W) INC.....	16,818	524,343	659,055
GREAT ATLANTIC & PACIFIC TEA CO.....	6,574	186,114	156,543
GREAT LAKES CHEMICAL CORP.....	10,113	611,209	395,671
GTE CORP.....	165,522	5,919,350	8,276,100
GUIDANT CORP.....	25,964	736,711	1,603,277
HALLIBURTON CO.....	45,204	908,614	1,200,731
HARCOURT GENERAL INC.....	12,147	408,128	589,889
HARNISCHFEGER INDUSTRIES INC.....	8,275	206,878	132,917
HARRAH'S ENTERTAINMENT INC COM.....	17,450	418,643	251,934
HARRIS CORP.....	13,778	273,138	439,174
HARTFORD FINANCIAL SERVICES GROUP.....	40,512	712,949	1,812,912
HASBRO INC.....	22,896	536,523	716,931



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SECURITY	SHARES	COST (\$)	VALUE (\$)
HBO & CO.....	73,928	1,762,531	1,570,970
HEALTHSOUTH CORP.....	72,482	1,574,337	1,372,628
HEINZ (H J) CO.....	62,875	1,597,642	3,352,023
HELMERICH & PAYNE INC.....	8,642	139,829	140,433
HERCULES INC.....	16,319	442,652	417,154
HERSHEY FOODS CORP.....	24,628	632,647	1,723,960
HEWLETT-PACKARD CO.....	178,096	3,919,121	8,648,787
HILTON HOTELS CORP.....	42,421	459,761	880,236
HOME DEPOT INC (THE).....	252,696	3,671,486	9,728,796
HOMESTAKE MINING CO.....	36,368	554,875	322,766
HONEYWELL INC.....	21,694	788,917	1,355,875
HOUSEHOLD INTERNATIONAL INC.....	84,195	1,152,546	3,109,953
HOUSTON INDUSTRIES INC.....	50,852	1,161,470	1,465,173
HUMANA INC.....	28,662	802,618	372,606
HUNTINGTON BANCSHARES INC.....	36,400	1,141,661	828,100
IKON OFFICE SOLUTIONS INC.....	23,316	540,911	129,695
ILLINOIS TOOL WORKS INC.....	43,010	865,486	2,083,297
IMS HEALTH INC.....	28,027	837,509	1,541,485
INCO LTD.....	28,633	761,444	239,801
INGERSOLL-RAND CO.....	28,481	649,988	1,132,120
INTEL CORP.....	291,685	4,970,354	20,764,326
INTERNATIONAL PAPER CO.....	52,900	1,696,320	1,957,300
INTERPUBLIC GROUP OF COS INC.....	23,496	458,440	1,339,272
INTL BUSINESS MACHINES.....	162,154	4,220,734	18,262,594
INTL FLAVORS & FRAGRANCES.....	18,553	720,618	718,929
ITT INDUSTRIES INC.....	20,406	331,838	614,731
JEFFERSON-PILOT CORP.....	18,294	424,793	1,038,185
JOHNSON & JOHNSON.....	231,184	5,590,297	15,951,696
JOHNSON CONTROLS INC.....	14,586	369,067	624,463
JOSTENS INC.....	6,332	126,027	125,849
KAUFMAN & BROAD HOME CORP.....	6,738	116,100	144,025
KELLOGG CO.....	70,432	2,051,093	2,148,176
KERR-MCGEE CORP.....	8,245	434,372	318,463
KEYCORP.....	75,724	1,219,631	1,930,962
KIMBERLY-CLARK CORP.....	95,810	1,895,970	3,652,756
KING WORLD PRODUCTIONS.....	12,570	222,485	263,970
KLA-TENCOR CORP.....	14,993	1,124,875	318,601
KMART CORP.....	83,982	1,785,209	1,070,771
KNIGHT-RIDDER INC.....	13,534	384,759	644,557
KOHL'S CORP.....	27,161	1,550,227	1,234,128
KROGER CO.....	44,038	480,813	1,981,710
LAIDLAW INC.....	56,678	521,197	488,848
LEHMAN BROTHERS HOLDINGS INC.....	20,359	1,083,554	801,636
LILLY (ELI) & CO.....	190,440	2,672,110	12,473,820
LIMITED INC (THE).....	39,075	846,828	815,691
LINCOLN NATIONAL CORP.....	17,285	739,744	1,486,510

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SECURITY	SHARES	COST (\$)	VALUE (\$)
LIZ CLAIBORNE INC.....	11,356	359,673	323,646
LOCKHEED MARTIN CORP.....	33,587	1,453,340	2,936,763
LOEWS CORP.....	19,811	1,121,016	1,671,553
LONGS DRUG STORES CORP.....	6,694	114,001	228,433
LOUISIANA-PACIFIC CORP.....	18,883	616,750	356,417
LOWE'S COMPANIES INC.....	60,110	619,240	2,107,607
LSI LOGIC CORP.....	24,221	898,743	296,707
LUCENT TECHNOLOGIES.....	225,614	5,621,081	15,990,392
MALLINCKRODT INC.....	12,575	372,142	287,653
MANOR CARE INC.....	10,976	151,898	263,424
MARRIOTT INTERNATIONAL INC CL A.....	43,938	478,477	1,233,010
MARSH & MCLENNAN COS INC.....	44,095	1,394,548	2,138,608
MASCO CORP.....	58,492	928,841	1,345,316
MATTEL INC.....	50,472	783,771	1,634,031
MAY DEPARTMENT STORES CO.....	39,732	1,387,161	2,234,925
MAYTAG CORP.....	16,211	247,984	699,099
MBIA INC.....	16,808	906,393	943,349
MBNA CORP.....	86,232	474,018	2,026,452
MCDERMOTT INTERNATIONAL INC.....	10,422	284,811	209,091
MCDONALD'S CORP.....	118,166	3,127,632	6,624,681
MCGRAW-HILL INC.....	17,155	544,082	1,308,069
MCI COMMUNICATIONS CORP.....	124,537	3,247,981	6,226,850
MEAD CORP.....	17,890	413,551	489,739
MEDIAONE GROUP INC.....	104,740	1,811,505	4,294,340
MEDTRONIC INC.....	80,756	815,657	4,148,840
MELLON BANK CORP.....	44,762	881,949	2,327,624
MERCANTILE BANCORP INC.....	26,059	1,464,353	1,144,967
MERCK & CO INC.....	205,584	7,746,759	23,834,895
MEREDITH CORP.....	9,072	78,096	304,479
MERRILL LYNCH & CO INC.....	59,518	1,292,958	3,928,188
MEYER (FRED) INC.....	26,292	1,275,864	1,033,604
MGIC INVESTMENT CORP.....	19,588	612,855	812,902
MICRON TECHNOLOGY INC.....	36,597	736,148	832,582
MICROSOFT CORP.....	423,683	7,050,841	40,647,088
MILLIPORE CORP.....	7,502	128,419	162,700
MINNESOTA MINING & MFG CO.....	69,559	3,773,104	4,764,792
MIRAGE RESORTS INC.....	30,939	841,452	460,218
MOBIL CORP.....	134,380	4,957,086	9,289,018
MONSANTO CO.....	102,943	1,179,108	5,629,695
MOORE CORP LTD.....	15,228	261,453	145,618
MORGAN (J P) & CO INC.....	30,663	2,138,864	2,851,659
MORGAN STANLEY DEAN WITTER & CO.....	103,173	2,619,540	5,990,482
MORTON INTERNATIONAL INC.....	22,407	424,378	498,556
MOTOROLA INC.....	102,779	4,487,513	4,425,921
NACCO INDUSTRIES INC.....	1,391	70,101	132,493
NALCO CHEMICAL CO.....	11,372	388,024	329,077

**PERMANENT UNIVERSITY FUND**  
**EQUITY INDEX FUND B LENDABLE**  
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SCHEDULE E  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
NATIONAL CITY CORP.....	56,473	2,750,338	3,317,789
NATIONAL SEMICONDUCTOR.....	28,317	516,814	258,393
NATIONAL SERVICE INDUSTRIES.....	7,248	193,387	269,988
NATIONSBANK CORP.....	164,716	4,326,408	9,388,812
NAVISTAR INTERNATIONAL CORP.....	11,882	260,016	249,522
NEW YORK TIMES CO (THE).....	32,998	428,991	956,942
NEWELL CO.....	27,360	527,247	1,306,440
NEWMONT MINING CORP.....	27,010	998,570	369,699
NEXTEL COMMUNICATIONS INC.....	47,037	1,586,920	849,606
NIAGARA MOHAWK POWER CORP.....	32,317	681,703	500,914
NICOR INC.....	8,265	235,140	320,785
NIKE INC.....	49,518	867,265	1,717,656
NORDSTROM INC.....	26,258	415,792	786,099
NORFOLK SOUTHERN CORP.....	65,112	1,383,260	1,835,345
NORTHERN STATES POWER CO.....	25,994	601,796	688,841
NORTHERN TELECOM LTD.....	112,373	3,238,330	5,365,792
NORTHERN TRUST CORP.....	19,194	1,330,118	1,070,066
NORTHROP CORP.....	11,634	616,288	737,305
NORWEST CORP.....	130,136	1,794,832	3,871,546
NOVELL INC.....	60,640	1,469,493	576,080
NUCOR CORP.....	15,188	682,968	545,819
OCCIDENTAL PETROLEUM CORP.....	63,171	1,397,195	1,168,664
OMNICOM GROUP INC.....	29,266	1,148,608	1,393,793
ONEOK INC.....	5,418	128,935	162,879
ORACLE SYSTEMS CORP.....	167,425	1,394,441	3,338,036
ORYX ENERGY CO.....	18,319	395,174	227,843
OWENS CORNING.....	9,335	374,423	327,308
OWENS-ILLINOIS INC.....	26,531	969,217	827,436
PACCAR INC.....	13,470	346,406	552,270
PACIFICORP.....	51,198	936,791	1,155,155
PALL CORP.....	21,358	428,837	437,839
PARAMETRIC TECHNOLOGY CORP.....	46,618	954,296	477,835
PARKER-HANNIFIN CORP.....	19,013	276,128	551,377
PECO ENERGY CO.....	38,321	1,155,445	1,312,494
PENNEY (J C) CO INC.....	43,173	1,936,854	2,139,762
PENNZOIL CO.....	8,248	519,713	294,866
PEOPLES ENERGY CORP.....	6,062	188,777	200,804
PEP BOYS-MANNY MOE & JACK.....	10,886	244,298	159,888
PEPSICO INC.....	256,376	4,613,015	7,098,411
PERKIN-ELMER CORP.....	8,441	309,854	488,523
PFIZER INC.....	224,468	4,279,885	20,875,524
PG&E CORP.....	65,659	2,136,645	2,109,295
PHARMACIA & UPJOHN INC.....	87,398	2,604,231	3,632,479
PHELPS DODGE CORP.....	10,044	474,763	449,469
PHILIP MORRIS COS.....	417,750	7,242,850	17,362,734
PHILLIPS PETROLEUM CO.....	44,847	1,347,434	1,830,318

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE E  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
PIONEER HI BRED INTL INC.....	42,004	757,319	1,417,635
PITNEY BOWES INC.....	47,048	984,800	2,334,757
PLACER DOME INC.....	43,054	776,332	347,123
PNC FINANCIAL CORP.....	51,701	1,629,129	2,223,143
POLAROID CORP.....	7,612	270,635	214,088
POTLATCH CORP.....	4,944	221,040	162,534
PP&L RESOURCES INC.....	28,897	747,158	680,886
PPG INDUSTRIES INC.....	30,502	1,114,078	1,549,883
PRAXAIR INC.....	27,146	487,643	973,863
PROCTER & GAMBLE CO.....	230,632	5,934,341	17,643,348
PROGRESSIVE CORP OHIO.....	12,461	1,362,290	1,214,169
PROVIDENT COMPANIES INC.....	21,835	794,413	786,060
PROVIDIAN FINANCIAL CORP.....	16,383	313,302	1,051,584
PUBLIC SVC ENTERPRISE GRP.....	39,896	1,359,960	1,461,191
PULTE CORP.....	7,334	117,809	211,769
QUAKER OATS CO.....	23,813	808,374	1,265,066
RALSTON-RALSTON PURINA GROUP.....	54,462	740,427	1,433,031
RAYCHEM CORP.....	14,456	298,492	419,224
RAYTHEON CO CL B.....	58,273	2,216,638	2,658,706
REEBOK INTERNATIONAL LTD.....	9,670	308,287	156,533
REGIONS FINANCIAL CORP.....	32,642	1,160,660	1,130,229
REPUBLIC NEW YORK CORP.....	18,536	549,759	764,610
REYNOLDS METALS CO.....	12,372	607,225	593,083
RITE-AID CORP.....	44,344	602,988	1,604,699
ROCKWELL INTERNATIONAL CORP.....	33,765	961,548	1,223,981
ROHM & HAAS CO.....	10,386	570,422	896,442
ROWAN COMPANIES INC.....	14,950	144,590	138,288
ROYAL DUTCH PETROLEUM CO.....	368,780	8,808,142	14,659,005
RUBBERMAID INC.....	25,828	809,740	657,000
RUSSELL CORP.....	6,269	193,971	198,257
RYDER SYSTEM INC.....	12,763	315,486	300,728
SAFECO CORP.....	24,311	782,692	987,634
SARA LEE CORP.....	80,310	2,113,523	3,634,028
SBC COMMUNICATIONS INC.....	316,242	6,258,536	12,017,196
SCHERING-PLOUGH CORP.....	126,200	2,156,477	10,853,200
SCHLUMBERGER LTD.....	85,752	2,777,929	3,757,010
SCHWAB (CHARLES) CORP.....	45,905	1,227,604	1,371,412
SCIENTIFIC-ATLANTA INC.....	13,554	190,175	239,736
SEAGATE TECHNOLOGY.....	41,875	1,190,681	732,813
SEAGRAM CO LTD (THE).....	59,586	1,759,597	1,839,718
SEALED AIR CORP.....	14,399	792,646	518,364
SEARS ROEBUCK & CO.....	67,244	1,547,248	3,055,399
SEMPRA ENERGY INC.....	41,161	917,860	1,047,033
SERVICE CORP INTERNATIONAL.....	43,998	699,647	1,490,432
SHARED MEDICAL SYSTEMS CORP.....	4,519	112,637	241,202
SHERWIN-WILLIAMS CO.....	29,876	490,153	713,290

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE E  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
SIGMA ALDRICH CORP.....	17,360	327,065	481,740
SILICON GRAPHICS INC.....	32,531	1,083,459	294,812
SLM HOLDING CORP.....	29,286	1,436,690	1,050,635
SNAP-ON TOOLS CORP.....	10,230	258,693	268,538
SONAT INC.....	18,956	642,559	512,997
SOUTHERN CO.....	119,950	2,562,152	3,373,594
SOUTHWEST AIRLINES CO.....	57,660	725,426	1,027,069
SPRINGS INDUSTRIES INC.....	3,264	133,279	107,916
SPRINT CORP.....	74,063	2,272,602	4,966,850
ST JUDE MEDICAL INC.....	14,448	386,630	318,759
ST PAUL COMPANIES INC.....	40,388	973,679	1,234,358
STANLEY WORKS (THE).....	15,257	350,250	600,744
STATE STREET CORP.....	27,711	1,421,600	1,442,704
STONE CONTAINER CORP.....	18,006	200,284	187,938
SUMMIT BANCORP.....	30,537	1,526,301	1,042,075
SUN CO INC.....	16,135	485,828	533,463
SUN MICROSYSTEMS.....	65,148	449,060	2,581,490
SUNAMERICA INC.....	33,632	1,263,452	2,083,082
SUNTRUST BANKS INC.....	36,349	834,549	2,035,544
SUPER VALU STORES INC.....	20,678	349,758	420,022
SYNOVUS FINANCIAL CORP.....	45,284	978,381	823,603
SYSCO CORP.....	58,078	779,507	1,172,450
TANDY CORP.....	17,398	311,855	949,278
TEKTRONIX INC.....	8,718	168,527	132,405
TELE-COMMUNICATIONS INC.....	87,225	1,363,697	2,878,425
TELLABS INC.....	32,255	806,395	1,362,774
TEMPLE-INLAND INC.....	9,627	425,289	431,410
TENET HEALTHCARE CORP.....	52,993	797,762	1,367,882
TENNECO INC.....	29,160	1,208,027	924,008
TEXACO INC.....	93,034	3,076,245	5,169,202
TEXAS INSTRUMENTS INC.....	67,134	1,166,889	3,201,453
TEXAS UTILITIES CO.....	48,022	2,188,622	2,040,935
TEXTRON INC.....	28,146	752,980	1,766,162
THERMO ELECTRON CORP.....	27,414	1,114,681	445,478
THOMAS & BETTS CORP.....	9,467	346,807	322,470
TIME WARNER INC.....	101,586	3,997,680	8,164,975
TIMES MIRROR CO.....	15,246	355,172	871,881
TIMKEN CO (THE).....	10,694	170,736	194,497
TJX COMPANIES INC (THE).....	55,004	425,422	1,227,277
TORCHMARK CORP.....	24,086	663,346	861,075
TOYS "R" US.....	47,992	1,706,730	890,852
TRANSAMERICA CORP.....	10,818	579,944	1,109,521
TRAVELERS GROUP INC.....	197,726	2,939,564	8,774,091
TRIBUNE CO.....	20,952	566,923	1,350,095
TRICON GLOBAL RESTAURANTS INC.....	26,212	398,756	971,482
TRW INC.....	21,130	680,269	905,949

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SCHEDULE E  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
TUPPERWARE CORP.....	10,760	220,318	203,095
TYCO INTERNATIONAL LTD.....	100,318	3,931,545	5,567,649
U S BANCORP.....	127,774	2,085,382	4,360,288
U S SURGICAL CORP.....	13,251	446,878	529,212
UNICOM CORP.....	37,299	1,067,168	1,328,777
UNILEVER N V.....	110,064	3,072,446	6,975,306
UNION CAMP CORP.....	11,923	540,866	441,896
UNION CARBIDE CORP.....	23,389	499,571	939,945
UNION PACIFIC CORP.....	42,526	1,870,908	1,693,066
UNION PACIFIC RESOURCES GROUP.....	43,311	1,114,559	370,850
UNISYS CORP.....	43,222	606,507	775,295
UNITED HEALTHCARE CORP.....	33,107	1,553,195	1,195,990
UNITED TECHNOLOGIES CORP.....	39,422	1,093,792	2,860,559
UNOCAL CORP.....	41,536	1,270,344	1,300,596
UNUM CORP.....	23,772	672,401	1,045,968
US WEST COMMUNICATIONS GROUP.....	86,256	2,241,016	4,485,312
USAIR GROUP INC.....	17,325	558,925	1,009,181
UST INC.....	31,940	953,628	834,433
USX-MARATHON GROUP.....	49,706	957,153	1,292,356
USX-US STEEL GROUP.....	14,941	572,000	312,827
VENATOR GROUP INC.....	23,277	664,092	210,948
VF CORP.....	20,906	501,994	791,815
VIACOM INC NON VOTING CL B.....	61,341	2,376,039	3,044,047
WACHOVIA CORP.....	35,448	1,749,215	2,598,782
WAL-MART STORES INC.....	386,159	10,049,291	22,686,841
WALGREEN CO.....	85,394	850,813	3,287,669
WARNER-LAMBERT CO.....	140,958	1,746,879	9,197,510
WASHINGTON MUTUAL INC.....	66,547	1,934,588	2,129,504
WASTE MANAGEMENT INC.....	97,128	4,812,040	4,285,773
WELLS FARGO & CO.....	14,691	1,539,541	4,141,026
WENDY'S INTERNATIONAL INC.....	22,595	339,942	453,312
WESTVACO CORP.....	17,520	400,731	367,920
WEYERHAEUSER CO.....	34,262	1,465,342	1,286,966
WHIRLPOOL CORP.....	13,020	740,681	646,118
WILLAMETTE INDUSTRIES INC.....	19,210	652,830	473,046
WILLIAMS COMPANIES INC (THE).....	72,935	1,139,181	1,677,505
WINN-DIXIE STORES INC.....	25,542	741,280	951,440
WORLDCOM INC.....	177,455	4,706,516	7,264,564
WORTHINGTON INDUSTRIES INC.....	16,672	310,315	216,736
WRIGLEY (WM) JR CO.....	19,995	717,104	1,549,613
XEROX CORP.....	56,440	1,496,419	4,956,138
<b>TOTAL COMMON STOCKS</b>		<u>700,868,216</u>	<u>1,315,138,417</u>
<b>CASH AND CASH EQUIVALENTS</b>			
MONEY MARKET FUND B.....		1,774,804	1,774,804

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SCHEDULE E  
 (CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
TOTAL CASH AND CASH EQUIVALENTS		<u>1,774,804</u>	<u>1,774,804</u>
LESS			
NET ADJUSTMENTS OF RECEIVABLES, PAYABLES AND OWNERSHIP INTEREST OF OTHER PARTICIPANTS .....		<u>(184,703,595)</u>	<u>(380,213,840)</u>
 PERMANENT UNIVERSITY FUND INVESTMENT		<u><u>517,939,425</u></u>	<u><u>936,699,381</u></u>

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE F

SECURITY	SHARES	COST (\$)	VALUE (\$)
<b>COMMON STOCK</b>			
ACCUSTAFF INC.....	83,992	3,063,134	1,049,900
ACNIELSEN CORP.....	43,645	725,945	875,628
ACUSON CORP.....	21,397	308,447	312,931
ADC TELECOMMUNICATIONS INC.....	102,141	1,687,837	2,266,253
AES CORP.....	133,467	2,660,366	3,636,976
AFLAC INC.....	203,591	2,920,585	5,115,224
AGCO CORP.....	45,151	1,405,224	389,427
AGL RESOURCES INC.....	43,341	809,522	793,682
AIRBORNE FREIGHT CORP.....	38,180	722,624	744,510
AIRGAS INC.....	53,514	1,150,024	635,479
AK STEEL HOLDING CORP.....	45,068	954,139	625,319
ALASKA AIR GROUP INC.....	19,203	713,865	747,717
ALBANY INTERNATIONAL CORP.....	22,888	434,698	439,164
ALBEMARLE CORP.....	40,429	661,455	679,713
ALEXANDER & BALDWIN INC.....	34,135	839,789	802,173
ALIAN COMMUNICATIONS INC.....	27,523	515,872	681,194
ALLEGHENY ENERGY INC.....	93,168	2,525,534	2,480,598
ALLEGIANCE CORP.....	86,830	1,195,123	2,452,948
ALTERA CORP.....	67,729	1,176,670	1,972,607
AMBAC FINANCIAL GROUP INC.....	53,336	1,886,986	2,516,793
AMERICA ONLINE INC.....	164,489	5,709,640	13,477,817
AMERICAN FINANCIAL GROUP INC.....	46,625	1,476,957	1,550,281
AMERICAN POWER CONVERSION CORP.....	72,557	1,525,306	1,959,039
AMERICAN STANDARD INC.....	55,119	2,624,365	2,156,531
AMERICAN WATER WORKS CO INC.....	60,941	1,224,092	1,675,878
AMETEK INC.....	25,013	335,207	487,754
ANALOG DEVICES INC.....	123,782	1,768,119	1,740,684
APRIA HEALTHCARE GROUP INC.....	39,273	1,032,688	164,456
ARNOLD INDUSTRIES INC.....	19,769	363,254	239,699
ARROW ELECTRONICS INC.....	73,746	1,572,455	967,916
ARVIN INDUSTRIES INC.....	18,649	531,745	704,000
ASA HOLDINGS INC.....	22,710	648,139	777,818
ASSOCIATED BANC-CORP.....	48,050	1,948,982	1,537,600
ATL ULTRASOUND INC.....	10,995	231,973	546,314
ATMEL CORP.....	75,407	1,547,418	454,802
AVNET INC.....	29,429	1,337,091	1,390,520
BANDAG INC.....	17,390	936,459	523,874
BANTA CORP.....	22,573	533,720	632,044
BARNES & NOBLE INC.....	51,841	1,312,493	1,402,947
BECKMAN COULTER INC.....	21,678	694,853	1,200,419
BED BATH & BEYOND INC.....	104,884	1,256,306	1,894,467
BELO (A H) CORP.....	95,223	1,809,432	1,761,626
BERGEN BRUNSWIG CORP.....	38,444	663,893	1,311,902
BEST BUY CO INC.....	76,203	1,261,206	3,000,493
BETZDEARBORN INC.....	22,577	1,079,775	1,388,486



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SCHEDULE F  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
BEVERLY ENTERPRISES INC.....	78,471	938,850	617,959
BIOGEN INC.....	56,056	1,382,172	2,592,590
BJ SERVICES CO.....	58,123	969,166	733,803
BJ'S WHOLESALE CLUB INC.....	28,541	511,463	963,259
BLACK HILLS CORP.....	16,548	282,489	384,741
BMC SOFTWARE INC.....	154,755	2,061,777	6,548,071
BOB EVANS FARMS INC.....	31,651	596,975	583,565
BORDERS GROUP INC.....	58,637	2,000,313	1,110,438
BORG-WARNER AUTOMOTIVE INC.....	17,979	1,015,316	728,150
BOWATER INC.....	43,062	1,576,333	1,628,282
BRINKER INTERNATIONAL INC.....	50,414	1,093,447	863,340
BRUSH WELLMAN INC.....	12,542	182,678	183,427
BUFFETS INC.....	34,491	494,033	435,449
BURLINGTON INDUSTRIES INC.....	46,624	534,944	442,928
CABOT CORP.....	51,588	938,768	1,122,039
CADENCE DESIGN SYSTEMS INC.....	161,317	2,035,692	3,407,822
CALENERGY INC.....	45,926	1,451,691	1,168,243
CALGON CARBON CORP.....	30,152	356,380	186,566
CALLAWAY GOLF CO.....	56,890	1,239,336	565,344
CALMAT CO.....	18,106	339,720	304,407
CAMCO INTERNATIONAL INC.....	28,544	1,629,833	1,434,336
CARLISLE COMPANIES INC.....	22,912	474,148	867,792
CARPENTER TECHNOLOGY CORP.....	17,368	635,769	628,505
CARTER-WALLACE INC.....	34,837	825,471	513,846
CENTOCOR INC.....	53,541	1,192,796	1,740,083
CENTURY TELEPHONE ENTERPRISES INC.....	69,606	1,499,378	3,158,372
CHARTER ONE FINANCIAL INC.....	97,440	2,865,118	2,241,120
CHESAPEAKE CORP.....	16,113	403,412	527,701
CHIRON CORP.....	134,936	2,294,634	1,939,705
CHRIS-CRAFT INDUSTRIES INC.....	24,732	926,173	1,029,470
CHURCH & DWIGHT CO INC.....	14,783	366,425	400,065
CINCINNATI BELL INC.....	103,884	3,674,926	2,441,274
CINTAS CORP.....	74,655	1,565,929	3,042,191
CIRCUS CIRCUS ENTERPRISES INC.....	72,269	2,444,618	740,757
CIRRUS LOGIC INC.....	51,752	980,173	313,747
CITY NATIONAL CORP.....	35,534	528,322	990,510
CLAIRE'S STORES INC.....	38,570	392,897	578,550
CLAYTON HOMES INC.....	90,505	1,150,541	1,397,171
CLECO CORP.....	17,090	444,990	530,858
CLEVELAND-CLIFFS INC.....	8,647	311,442	315,616
CMP GROUP INC.....	24,647	457,539	429,782
CMS ENERGY CORP.....	77,044	2,272,129	3,259,924
CNF TRANSPORTATION INC.....	36,377	906,370	1,136,781
COCA-COLA ENTERPRISES INC.....	307,555	3,757,317	7,304,431
COMDISCO INC.....	116,586	810,027	1,450,038
COMPUSA INC.....	69,053	2,067,532	820,004

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SCHEDULE F  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
COMPUWARE CORP.....	136,651	2,083,388	6,209,080
COMSAT CORP.....	39,368	888,895	858,715
COMVERSE TECHNOLOGY INC.....	33,096	1,570,898	1,274,196
CONCENTRA MANAGED CARE INC.....	35,597	1,120,493	456,087
CONNECTIV INC.....	81,507	1,827,723	1,660,705
CONSOLIDATED PAPERS INC.....	68,639	1,584,256	1,720,265
CORAM HEALTHCARE CORP WTS.....	1,017	0	0
CORDANT TECHNOLOGIES INC.....	27,779	491,420	989,627
CORRECTIONS CORP OF AMERICA.....	61,062	2,589,730	935,012
COVANCE INC.....	44,138	888,395	982,071
CRACKER BARREL OLD CTRY STORE INC.....	47,123	1,276,367	1,151,568
CRESTAR FINANCIAL CORP.....	85,305	2,837,310	4,307,903
CROMPTON & KNOWLES CORP.....	56,578	1,002,824	827,453
CYPRESS SEMICONDUCTOR CORP.....	69,107	668,410	423,280
CYTEC INDUSTRIES INC.....	34,500	1,388,157	789,188
DANAHER CORP.....	101,695	1,938,500	3,686,444
DEAN FOODS CO.....	30,708	952,964	1,351,152
DENTSPLY INTERNATIONAL INC.....	41,218	808,699	879,749
DEXTER CORP.....	17,698	438,394	438,026
DIAL CORP (THE).....	78,037	1,139,884	1,521,722
DIEBOLD INC.....	52,557	1,183,252	1,149,684
DIME BANCORP INC.....	86,851	2,126,864	1,650,169
DOLE FOOD COMPANY INC.....	45,859	1,451,351	1,983,402
DONALDSON INC.....	37,676	454,272	668,749
DREYER'S GRAND ICE CREAM INC.....	20,678	305,054	214,534
EDWARDS (A G) & SONS INC.....	72,805	1,381,308	1,974,836
EL PASO ENERGY CORP.....	91,628	2,158,526	2,273,520
ELECTRONIC ARTS INC.....	45,080	1,376,679	1,718,675
ENERGY EAST CORP.....	49,080	1,491,590	2,208,600
ENESCO GROUP INC.....	12,407	363,640	299,319
ENSCO INTERNATIONAL INC.....	108,183	1,545,719	1,135,922
ETHYL CORP.....	63,491	696,756	269,837
EVI WEATHERFORD INC.....	73,508	3,171,352	1,120,997
FAMILY DOLLAR STORES INC.....	130,955	896,081	1,661,492
FASTENAL CO.....	28,808	1,227,632	840,834
FEDERAL SIGNAL CORP.....	34,770	740,213	708,439
FEDERAL-MOGUL CORP.....	38,932	1,549,262	2,077,996
FERRO CORP.....	28,223	571,100	569,752
FINGERHUT COMPANIES INC.....	35,393	904,005	858,280
FINOVA GROUP INC.....	43,001	1,819,191	1,918,920
FIRST BRANDS CORP.....	30,091	556,505	599,939
FIRST HEALTH GROUP CORP.....	47,990	915,059	968,798
FIRST SECURITY CORP.....	142,245	1,688,086	2,204,798
FIRST TENNESSEE NATIONAL CORP.....	97,204	1,340,024	2,314,670
FIRST VIRGINIA BANKS INC.....	39,395	1,177,975	1,693,985
FIRSTAR CORP.....	110,427	2,823,375	4,279,046

**PERMANENT UNIVERSITY FUND**  
**MID CAP INDEX FUND B LENDABLE**  
August 31, 1998

SCHEDULE F  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
FISERV INC.....	61,352	1,319,663	2,392,728
FLORIDA PROGRESS CORP.....	73,767	2,418,992	3,112,045
FLOWERS INDUSTRIES INC.....	75,908	907,319	1,352,111
FLOWSERVE CORP.....	31,018	959,707	581,588
FOREST LABORATORIES INC.....	61,065	1,345,293	1,999,879
FOUNDATION HEALTH SYSTEMS INC.....	92,833	2,598,519	1,038,569
FULLER (H B) CO.....	10,595	405,887	503,263
GATX CORP.....	37,397	918,655	1,234,101
GENCORP INC.....	31,568	567,181	662,928
GENERAL NUTRITION COMPANIES INC.....	62,826	1,944,041	836,371
GENZYME CORP.....	59,649	1,336,267	1,610,523
GEORGIA GULF CORP.....	24,064	614,639	413,600
GEORGIA-PACIFIC TIMBER.....	70,481	1,755,593	1,418,430
GLATFELTER (P H) CO.....	31,898	528,960	370,814
GLOBAL MARINE INC.....	131,415	1,110,006	1,232,016
GRANITE CONSTRUCTION INC.....	20,956	213,657	497,705
GTECH HOLDINGS CORP.....	31,653	1,000,564	830,891
HANNA (M A) CO.....	38,091	598,983	473,757
HANNAFORD BROTHERS CO.....	32,205	851,557	1,338,520
HARLEY-DAVIDSON INC.....	115,658	1,770,303	3,563,712
HARSCO CORP.....	35,607	902,836	1,306,332
HAWAIIAN ELECTRIC INDUSTRIES INC.....	24,341	883,968	914,309
HEALTH CARE & RETIREMENT CORP.....	34,023	807,294	867,587
HEALTH MGMT ASSOCIATES INC CL A.....	190,775	2,769,592	3,445,873
HEILIG-MEYERS CO.....	44,707	1,085,133	508,542
HIBERNIA CORP.....	115,895	1,524,855	1,564,583
HILLENBRAND INDUSTRIES INC.....	51,401	2,452,163	2,753,166
HON INDUSTRIES INC.....	46,912	790,941	1,008,608
HORMEL FOODS CORP.....	57,547	1,612,031	1,586,139
HOUGHTON MIFFLIN CO.....	23,080	558,991	696,728
HSB GROUP INC.....	22,106	745,114	958,848
HUBBELL INC CL B.....	50,414	1,636,608	1,802,301
HUNT (J B) TRANSPORT SERVICES INC.....	26,987	608,505	457,092
IBP INC.....	70,368	1,119,881	1,165,470
ICN PHARMACEUTICALS INC.....	55,445	2,670,570	852,467
IDAHO POWER CO.....	28,611	877,765	870,847
ILLINOVA CORP.....	54,534	1,328,917	1,407,659
IMATION CORP.....	30,891	731,351	484,603
IMC GLOBAL INC.....	86,930	3,058,997	1,597,339
INDIANA ENERGY INC.....	17,164	398,513	492,392
INFORMATION RESOURCES INC.....	21,935	557,063	213,866
INFORMIX CORP.....	127,379	1,797,378	445,827
INLAND STEEL INDUSTRIES INC.....	14,241	400,140	269,689
INTEGRATED DEVICE TECHNOLOGY INC.....	61,554	1,094,570	282,767
INTERNATIONAL GAME TECHNOLOGY.....	86,216	2,443,748	1,670,435
INTERNATIONAL MULTIFOODS CORP.....	14,230	311,326	247,246

**PERMANENT UNIVERSITY FUND**  
**MID CAP INDEX FUND B LENDABLE**  
August 31, 1998

SCHEDULE F  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
INTERSTATE BAKERIES CORP.....	55,537	1,357,042	1,447,433
INTERSTATE ENERGY CORP.....	58,160	1,946,636	1,752,070
IPALCO ENTERPRISES INC.....	34,153	902,885	1,502,732
IVAX CORP.....	91,188	1,904,105	706,707
JACOBS ENGINEERING GROUP INC.....	19,619	477,390	500,285
JONES APPAREL GROUP INC.....	76,662	858,988	1,485,326
KANSAS CITY POWER & LIGHT CO.....	47,069	1,175,360	1,338,525
KANSAS CITY SOUTHERN INDUSTRIES INC.....	83,034	1,475,245	2,729,743
KAYDON CORP.....	25,101	370,090	679,296
KEANE INC.....	50,878	2,862,242	2,136,876
KELLY SERVICES INC CL A.....	29,089	796,339	745,406
KENNAMETAL INC.....	22,727	685,940	589,482
KN ENERGY INC.....	34,050	1,838,201	1,332,206
LANCASTER COLONY CORP.....	32,859	789,051	948,804
LANCE INC.....	22,837	471,614	422,485
LANDS' END INC.....	23,534	500,535	482,447
LAWTER INTERNATIONAL INC.....	25,824	320,227	196,908
LEAR CORP.....	51,049	2,802,747	2,070,675
LEE ENTERPRISES INC.....	34,102	678,390	805,660
LEGGETT & PLATT INC.....	149,198	2,120,279	2,993,285
LEXMARK INTERNATIONAL GROUP.....	50,514	1,620,180	3,059,254
LG & E ENERGY CORP.....	98,639	2,447,723	2,527,624
LINEAR TECHNOLOGY CORP.....	58,457	1,833,193	2,747,479
LITTON INDUSTRIES INC.....	35,165	1,404,268	1,687,920
LONE STAR STEAKHOUSE SALOON.....	31,290	1,095,710	265,965
LONGVIEW FIBRE CO.....	39,268	675,025	382,863
LUBRIZOL CORP.....	42,958	1,447,067	982,664
LYONDELL CHEMICAL CO.....	59,700	1,286,164	1,287,281
MAGNETEK INC.....	23,888	361,299	310,544
MANPOWER INC.....	61,288	2,114,645	1,248,743
MARK IV INDUSTRIES INC.....	44,233	817,140	627,556
MARKETSPAN CORP.....	120,201	4,026,618	3,290,502
MARSHALL & ILSLEY CORP.....	80,472	2,627,783	3,540,768
MARTIN MARIETTA MATERIALS INC.....	35,335	1,267,663	1,506,154
MAXIM INTEGRATED PRODUCTS INC.....	99,753	1,968,850	2,743,208
MAXXAM INC.....	5,288	179,816	301,416
MCCORMICK & CO INC.....	55,861	1,293,820	1,623,460
MCKESSON CORP.....	70,422	1,849,920	5,281,650
MCN ENERGY GROUP INC.....	59,923	1,329,450	1,052,398
MEDAPHIS CORP.....	59,500	2,218,185	241,719
MEDIA GENERAL INC.....	20,365	586,878	865,513
MENTOR GRAPHICS CORP.....	49,398	643,115	342,699
MERCANTILE BANKSHARES CORP.....	54,774	939,881	1,533,672
MERITOR AUTOMOTIVE INC.....	52,477	1,221,053	931,467
MICRO WAREHOUSE INC.....	26,299	1,161,877	427,359
MICROCHIP TECHNOLOGY INC.....	39,860	904,324	729,936

**PERMANENT UNIVERSITY FUND**  
**MID CAP INDEX FUND B LENDABLE**  
August 31, 1998

SCHEDULE F  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
MIDAMERICAN ENERGY HOLDINGS CO.....	71,970	1,139,704	1,785,756
MILLER (HERMAN) INC.....	68,239	685,904	1,398,900
MINERALS TECHNOLOGIES INC.....	17,134	616,102	622,178
MINNESOTA POWER INC.....	25,702	855,560	1,093,941
MODINE MANUFACTURING CO.....	22,579	595,298	627,978
MOLEX INC.....	119,164	2,211,679	2,889,727
MONTANA POWER CO.....	41,828	1,100,144	1,631,292
MURPHY OIL CORP.....	34,184	1,378,277	1,207,123
MYLAN LABORATORIES INC.....	92,908	1,730,972	2,125,271
NABORS INDUSTRIES INC.....	76,669	985,590	905,653
NATIONAL FUEL GAS CO.....	29,188	1,042,750	1,200,357
NCH CORP.....	5,457	325,125	310,367
NCR CORP.....	78,828	2,618,080	2,084,015
NETWORK ASSOCIATES INC.....	98,905	4,093,430	3,189,686
NEVADA POWER CO.....	38,748	902,082	961,435
NEW CENTURY ENERGIES INC.....	84,601	2,956,380	3,902,221
NEW ENGLAND ELECTRIC SYSTEM.....	48,777	1,903,995	1,969,371
NEWPORT NEWS SHIPBUILDING.....	26,816	460,573	630,176
NINE WEST GROUP INC.....	27,285	880,490	434,855
NIPSCO INDUSTRIES INC.....	92,901	1,710,078	2,717,354
NOBLE AFFILIATES INC.....	43,275	1,400,527	1,000,734
NOBLE DRILLING CORP.....	99,853	1,850,271	1,098,383
NORDSON CORP.....	12,751	689,332	543,511
NORTH FORK BANCORP.....	108,631	2,808,227	2,063,989
NORTHEAST UTILITIES.....	99,129	2,254,732	1,486,935
NOVACARE INC.....	47,017	593,745	343,812
OCEAN ENERGY INC.....	76,481	1,757,391	678,769
OEA INC.....	15,686	447,804	121,567
OFFICE DEPOT INC.....	185,747	4,598,068	4,736,549
OFFICEMAX INC.....	94,809	1,485,025	995,495
OGDEN CORP.....	38,345	741,273	884,332
OGE ENERGY CORP.....	61,426	1,192,134	1,693,054
OLD KENT FINANCIAL CORP.....	72,583	2,229,583	2,340,802
OLD REPUBLIC INTERNATIONAL CORP.....	105,051	2,608,781	2,343,950
OLIN CORP.....	36,453	1,025,709	1,025,241
OLSTEN CORP.....	61,797	1,487,518	363,057
OMNICARE INC.....	67,686	2,146,008	2,110,957
OREGON STEEL MILLS INC.....	19,620	353,136	185,164
OUTBACK STEAKHOUSE INC.....	37,315	1,065,589	1,121,782
OVERSEAS SHIPHOLDING GROUP INC.....	27,948	560,307	398,259
OXFORD HEALTH PLANS INC.....	61,048	3,449,523	373,919
PACIFIC CENTURY FINANCIAL CORP.....	61,012	1,021,667	899,927
PACIFICARE HEALTH SYSTEMS INC CL B.....	31,789	2,245,032	2,002,707
PAINE WEBBER GROUP INC.....	106,380	1,885,984	3,696,705
PARKER DRILLING CO.....	58,365	411,964	233,460
PAYCHEX INC.....	124,101	1,685,710	4,715,838

**PERMANENT UNIVERSITY FUND**  
**MID CAP INDEX FUND B LENDABLE**  
August 31, 1998

SCHEDULE F  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
PAYLESS SHOESOURCE INC.....	28,388	972,907	1,167,457
PENTAIR INC.....	29,227	659,693	814,703
PERRIGO CO.....	56,744	1,423,523	482,324
PINNACLE WEST CAPITAL CORP.....	64,513	1,680,868	2,786,155
PIONEER NATURAL RESOURCES.....	76,362	2,442,841	1,121,567
PITTSTON CO.....	31,310	804,142	982,351
PLATINUM TECHNOLOGY.....	61,728	1,932,898	1,157,400
PMI GROUP INC.....	24,376	1,286,564	1,349,821
POLICY MANAGEMENT SYSTEMS CORP.....	27,951	495,173	1,166,954
POTOMAC ELECTRIC POWER CO.....	90,132	2,340,282	2,208,234
PRECISION CASTPARTS CORP.....	18,437	590,199	694,844
PREMARK INTERNATIONAL INC.....	47,230	1,529,189	1,248,643
PRICE T ROWE & ASSOCIATES INC.....	90,462	1,583,902	2,753,437
PROFFITT'S INC.....	68,042	2,063,978	1,735,071
PROMUS HOTEL CORP.....	66,170	2,347,102	2,034,728
PROTECTIVE LIFE CORP.....	47,011	1,530,179	1,451,465
PROVIDENT FINANCIAL GROUP INC.....	32,828	1,559,632	1,255,671
PSS WORLD MEDICAL INC.....	52,860	1,196,543	812,723
PUBLIC SERVICE CO OF NEW MEXICO.....	31,750	434,869	635,000
PUGET SOUND ENERGY.....	64,268	1,613,592	1,614,734
QUAKER STATE CORP.....	27,705	402,605	348,044
QUALCOMM INC.....	52,614	2,819,854	2,311,728
QUANTUM CORP.....	103,749	1,283,910	1,186,629
QUESTAR CORP.....	62,539	1,175,732	1,016,259
QUINTILES TRANSNATIONAL CORP.....	57,191	2,726,073	2,044,578
QUORUM HEALTH GROUP INC.....	57,325	1,427,475	1,089,175
RANGER OIL LTD.....	95,692	672,420	508,364
RAYONIER INC.....	21,525	776,345	839,475
RELIASTAR FINANCIAL CORP.....	69,393	3,004,143	2,723,675
REYNOLDS & REYNOLDS CO.....	59,675	767,655	753,397
ROBERT HALF INTERNATIONAL INC.....	69,679	2,184,644	3,344,592
ROLLINS INC.....	25,216	602,307	461,768
ROSS STORES INC.....	36,455	1,739,160	1,326,051
RPM INC.....	76,137	954,601	994,540
RUDDICK CORP.....	35,525	406,858	537,316
SAKS HOLDINGS INC.....	48,489	1,266,402	1,015,238
SBARRO INC.....	15,635	433,969	309,768
SCANA CORP.....	81,595	2,048,834	2,503,947
SCHOLASTIC INC.....	12,409	754,035	480,849
SCHULMAN (A) INC.....	27,119	635,068	430,514
SCI SYSTEMS INC.....	45,667	1,449,231	1,047,487
SEAGULL ENERGY CORP.....	47,889	1,033,081	425,015
SENSORMATIC ELECTRONICS CORP.....	56,494	1,506,448	430,767
SEQUA CORP CL A.....	7,865	297,821	501,885
SEQUENT COMPUTER SYSTEMS INC.....	33,205	613,680	213,757
SHAW INDUSTRIES INC.....	92,095	1,770,874	1,392,937

**PERMANENT UNIVERSITY FUND**  
**MID CAP INDEX FUND B LENDABLE**  
August 31, 1998

SCHEDULE F  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
SMITH INTERNATIONAL INC.....	36,719	1,044,804	647,172
SMUCKER (J M) CO CL A.....	22,213	502,381	481,744
SOLETRON CORP.....	88,167	2,261,830	3,642,399
SOLUTIA INC.....	92,217	1,876,580	2,069,119
SONOCO PRODUCTS CO.....	80,059	1,761,420	2,051,512
SOTHEBYS HOLDINGS INC.....	43,163	609,816	739,166
SOUTHDOWN INC.....	29,116	1,573,179	1,230,151
SOUTHERN NEW ENGLAND TELECOM CORP.....	51,722	2,044,409	3,352,232
SOUTHTRUST CORP.....	122,064	2,531,139	3,951,822
SOVEREIGN BANCORP INC.....	109,984	1,910,841	1,340,430
STANDARD REGISTER CO.....	21,666	469,309	679,771
STAPLES INC.....	215,071	2,741,258	5,833,801
STARBUCKS CORP.....	66,428	2,208,255	2,096,634
STERIS CORP.....	51,847	1,605,413	1,237,847
STERLING COMMERCE CORP.....	69,586	2,159,400	2,296,338
STERLING SOFTWARE INC.....	59,044	1,660,016	1,214,092
STEWART & STEVENSON SERVICES INC.....	23,068	952,559	301,326
STEWART ENTERPRISES INC.....	74,147	1,609,242	1,455,135
STORAGE TECHNOLOGY CORP.....	76,950	1,509,566	1,673,663
STRATUS COMPUTER INC.....	18,177	529,763	456,697
STRUCTURAL DYNAMIC RESOURCE CORP.....	27,493	501,834	247,437
STRYKER CORP.....	73,225	1,458,095	2,352,353
SUNDSTRAND CORP.....	43,493	1,256,311	1,981,650
SUNGUARD DATA SYSTEMS INC.....	78,301	2,151,952	2,481,163
SUPERIOR INDUSTRIES INTL INC.....	21,173	623,310	440,663
SYBRON CORP.....	76,578	1,608,132	1,392,762
SYMANTEC CORP.....	43,029	923,915	704,600
SYMBOL TECHNOLOGIES INC.....	44,893	579,817	1,840,613
SYNOPSIS INC.....	50,210	2,135,587	1,311,736
TCA CABLE TV INC.....	37,878	543,897	871,194
TCF FINANCIAL CORP.....	69,379	2,311,924	1,530,674
TECH DATA CORP.....	36,675	1,576,491	1,386,773
TECO ENERGY INC.....	100,196	2,463,670	2,661,456
TECUMSEH PRODUCTS CO CL A.....	16,428	876,772	781,357
TELEFLEX INC.....	28,433	580,547	895,640
TELEPHONE & DATA SYSTEMS INC.....	46,376	2,062,470	1,536,205
TERADYNE INC.....	63,491	1,356,309	1,103,156
TIDEWATER INC.....	46,339	1,325,624	973,119
TIFFANY & CO.....	26,771	610,528	995,547
TOSCO CORP.....	118,923	2,300,544	2,616,306
TOTAL RENAL CARE HOLDINGS INC.....	61,317	1,914,687	1,165,023
TRANSOCEAN OFFSHORE INC.....	76,324	2,305,166	1,874,708
TRINITY INDUSTRIES INC.....	32,937	1,041,898	996,344
TYSON FOODS INC.....	175,971	2,825,951	2,881,525
U S FOODSERVICE.....	35,081	1,136,087	1,300,190
U S OFFICE PRODUCTS INC.....	18,076	750,221	135,570

**PERMANENT UNIVERSITY FUND**  
**MID CAP INDEX FUND B LENDABLE**  
August 31, 1998

SCHEDULE F  
(CONTINUED)

SECURITY	SHARES	COST (\$)	VALUE (\$)
UCAR INTERNATIONAL INC.....	34,169	1,560,419	619,313
ULTRAMAR DIAMOND SHAMROCK CORP.....	68,621	2,187,632	1,586,861
UNIFI INC.....	46,845	1,199,845	1,042,301
UNION PLANTERS CORP.....	95,993	5,268,269	3,863,718
UNISOURCE INC.....	52,649	998,405	348,800
UNITED STATES FILTER CORP.....	116,741	3,548,506	2,101,338
UNIVERSAL CORP VA.....	26,897	681,149	847,256
UNIVERSAL FOODS CORP.....	39,060	688,081	825,143
UTILICORP UNITED INC.....	40,889	1,248,281	1,408,115
VALERO ENERGY CORP.....	42,772	854,526	764,550
VANGUARD CELLULAR SYSTEMS INC.....	28,348	567,108	531,525
VARCO INTERNATIONAL INC.....	49,021	315,024	349,275
VARIAN ASSOCIATES INC.....	22,752	755,769	774,990
VIAD CORP.....	75,527	1,144,492	1,567,185
VISHAY INTERTECHNOLOGY INC.....	48,998	1,652,561	514,479
VLASIC FOODS INTERNATIONAL INC.....	34,560	861,782	501,120
VULCAN MATERIALS CO.....	25,463	1,616,461	2,839,125
WALLACE COMPUTER SERVICES INC.....	33,016	604,619	534,447
WARNACO GROUP INC.....	48,095	1,360,252	1,310,589
WASHINGTON GAS LIGHT CO.....	33,156	727,401	787,455
WASHINGTON POST CO.....	7,707	2,210,125	3,949,838
WATSON PHARMACEUTICALS INC.....	67,825	1,603,981	3,056,364
WATTS INDUSTRIES INC.....	20,529	462,140	342,578
WAUSAU-MOSINEE PAPER CORP.....	44,035	904,815	561,446
WELLMAN INC.....	23,689	469,855	270,943
WESTPOINT STEVENS INC.....	44,535	1,562,397	1,319,349
WHITMAN CORP.....	77,215	1,221,487	1,196,833
WILMINGTON TRUST CORP.....	25,469	854,018	1,190,676
WISCONSIN CENTRAL TRANSPORTATN CORP.....	38,781	1,199,494	487,186
WISCONSIN ENERGY CORP.....	85,888	2,371,717	2,496,120
WITCO CORP.....	43,785	1,365,613	919,485
XILINX INC.....	56,420	1,366,631	1,720,810
YORK INTERNATIONAL CORP.....	31,008	1,259,621	1,073,652
ZIONS BANCORP.....	54,058	2,426,244	2,074,476
<b>TOTAL COMMON STOCK</b>		<u>539,393,619</u>	<u>563,380,269</u>
<b>LESS</b>			
NET ADJUSTMENTS OF RECEIVABLES, PAYABLES AND OWNERSHIP INTEREST OF OTHER PARTICIPANTS .....		<u>(28,377,453)</u>	<u>(50,377,082)</u>
<b>PERMANENT UNIVERSITY FUND INVESTMENT</b>		<u>511,016,166</u>	<u>513,003,187</u>



## PERMANENT UNIVERSITY FUND

### *Notes to Investment Schedules*

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#### **Note 1 -- Organization**

The Permanent University Fund (“PUF”) is a public endowment contributing to the support of eligible institutions of The University of Texas System (“U. T. System”) and The Texas A&M University System (“TAMU System”). The PUF was established in the Texas Constitution of 1876 through the appropriation of land grants previously given to the University of Texas plus one million acres. Additional land grants to the PUF were completed in 1883 with the contribution of another one million acres. Today, the PUF contains 2,109,190 acres located in 24 counties primarily in West Texas.

The investments of the PUF are managed by The University of Texas Investment Management Company (“UTIMCO”). The accompanying investment schedules include only investments of the PUF which are managed by UTIMCO. The PUF’s 2.1 million acres of West Texas land is not included in this report.

#### **Note 2 -- Significant Accounting Policies**

(A) *Security Valuation* - Investments are primarily valued on the basis of market valuations provided by independent pricing services.

Fixed income securities directly held are valued based upon prices supplied by Merrill Lynch Securities Pricing Service and other major fixed income pricing services, external broker quotes and internal pricing matrices.

Equity investment market values are based on the New York Stock Exchange composite closing prices, if available. If not available, the market value is based on the closing price on the primary exchange on which the security is traded (if a closing price is not available, the average of the last reported bid and ask price is used).

Limited partnerships and Other are valued based on a fair valuation determined as specified by policies established by the UTIMCO Board of Directors.

Securities held in index funds are generally valued as follows:

Stocks traded on security exchanges are valued at closing market prices on the valuation date.

Stocks traded on the over-the-counter market are valued at the last reported bid price, except for National Market System OTC stocks which are valued at their closing market prices.

Fixed income securities are valued based upon bid quotations obtained from major market makers or security exchanges.

## PERMANENT UNIVERSITY FUND

Notes to Investment Schedules (cont.)

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(B) *Security Transactions* - Security transactions are accounted for on a trade date basis for most securities. International index fund transactions are recorded on a settle date basis due to trading practices which impose restrictions in acquiring per unit information on the trade date. Gains and losses on securities sold are determined on the basis of average cost. A loss is recognized if there is an impairment in the value of the security that is determined to be other than temporary.

(C) *Use of Estimates* - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

### Note 3 -- Securities Lending

The PUF loaned securities to certain brokers who paid the PUF negotiated lenders' fees. These fees are included in investment income. The PUF receives qualified securities and/or cash as collateral against the loaned securities. The collateral when received will have a market value of 102% of loaned securities of United States issuers and a market value of 105% for loaned securities of non-United States issuers. If the market value of the collateral held in connection with loans of securities of United States issuers is less than 100% at the close of trading on any business day, the borrower is required to deliver additional collateral by the close of the next business day to equal 102% of the market value. For non-United States issuers, the collateral should remain 105% of the market value of the loaned securities at the close of any business day. If it falls below the 105%, the borrower must deliver additional collateral by the close of the following business day.

The value of securities loaned and the value of collateral held as of August 31, 1998 are as follows:

<b>Securities on Loan</b>	<b>Value</b>	<b>Type of Collateral</b>	<b>Value of Collateral</b>
U.S. Government	\$293,735,448	Cash	\$298,296,499
Corporate Bonds	21,030,198	Cash	22,034,870
Common Stock	<u>5,327,432</u>	Cash	<u>6,202,169</u>
Total	<u>\$320,093,078</u>	Total Cash Collateral	<u>\$326,533,538</u>
U.S. Government	\$ 12,434,830	Non-Cash	\$ 12,851,250
Corporate Bonds	<u>5,971,625</u>	Non-Cash	<u>6,125,000</u>
Total	<u>\$ 18,406,455</u>	Total Non-Cash Collateral	<u>\$ 18,976,250</u>

PERMANENT UNIVERSITY FUND

*Notes to Investment Schedules (cont.)*

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**Note 4 -- Investment Commitments**

Unfunded contractual commitments for limited partnerships and other assets were \$783,919,361 at August 31, 1998.

**Note 5 -- Index Funds**

The index funds include the Equity Index Fund B Lendable, which is majority-owned by the PUF and The University of Texas System's Long Term Fund, and the Mid Cap Index Fund B Lendable, which is majority-owned by the PUF.