### PERMANENT UNIVERSITY FUND

Report on Certain Specified Data as Required by Art. 4413 (34e) of the Civil Statutes

June 30, 2018

This report is available on the UTIMCO website at www.utimco.org

#### PERMANENT UNIVERSITY FUND

#### Beneficiaries of the Fund

The Permanent University Fund (PUF) is a public endowment contributing to the support of institutions of The University of Texas System (UT System) and the Texas A&M University System (A&M System). The Constitution of 1876 established the PUF 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 2.1 million acres located in 24 counties primarily in West Texas.

#### Responsibility and Management of the Fund

The State Constitution vests fiduciary responsibility for the PUF with the Board of Regents of The University of Texas System. The Board has entered into a contract with a nonprofit corporation, The University of Texas/Texas A&M Investment Management Company (UTIMCO), for UTIMCO to invest funds under the control and management of the Board. UTIMCO may not engage in any business other than investing funds designated by the Board under the contract. Specific investment decisions are handled by the investment staff as well as unaffiliated investment managers who are employed from time to time.

#### **Investment Objectives**

The Primary investment objective of the PUF shall be to maximize investment returns within the risk parameters specified in the Policy Statement without regard to the distribution rate. Investment returns are expressed net of all investment-related expenses.

#### Market Value and Book Value of the PUF

On June 30, 2018 the market value and book value of the PUF was \$21.5 billion and \$17.8 billion, respectively, exclusive of land acreage.

## PERMANENT UNIVERSITY FUND

# Investment Performance of the Ten Largest Stock Holdings - July 1, 2017 through June 30, 2018.

	Market	Total	Percentage of Fund
Name Name	Value	Return	<b>June 30, 2018</b>
MIDEA GROUP CO LTD	74,907,891.82	26.83%	0.35%
GREE ELECTRIC APPLIANCES INC O	49,091,896.15	22.33%	0.23%
EQUATORIAL ENERGIA SA	47,026,324.14	-8.77%	0.22%
JIANGSU HENGRUI MEDICINE CO LT	45,671,579.44	99.10%	0.21%
DANONE SA	40,113,147.49	0.60%	0.19%
SAMSUNG ELECTRONICS CO LTD	34,524,619.08	2.70%	0.16%
LENNAR CORP	32,819,561.02	-1.09%	0.15%
VALE SA	27,042,031.27	49.80%	0.13%
TAIWAN SEMICONDUCTOR MANUFACTU	26,153,140.34	8.43%	0.12%
KWEICHOW MOUTAI CO LTD	23,689,246.16	63.02%	0.11%

## **Asset Allocation**

Asset allocation is the primary determinant in the volatility of the PUF's performance, subject to the asset allocation range as specified by the investment policy, and is the responsibility of UTIMCO. The following represents asset allocation at June 30, 2018.

A see A Cileura		C/20/2019
Asset Class		6/30/2018
Investment Grade Fixed Income		10.3%
Credit-Related Fixed Income		5.0%
Real Estate		7.5%
Natural Resources		16.8%
Developed Country Equity		42.6%
Emerging Markets Equity		17.8%
	TOTAL	100.00%

#### **Economically Targeted Investments**

The PUF invests in various private equity funds which are considered economically targeted investments. Economically targeted investments means an investment in which at least 50% of the total investment is allocated to economic development within the state of Texas or investment in businesses or entities located within the state of Texas. These private equity investments are made through internally created investment pools.

The following is the market value of PUF's proportionate share of these investments:

AUSTIN VENTURES IX LP       \$2,626,858         AUSTIN VENTURES VII LP       140,815         AUSTIN VENTURES VIII LP       564,986         AUSTIN VENTURES X LP       7,897,671         ENCAP ENERGY CAPITAL FUND VII LP       4,444,709         ESCALATE CAPITAL I LP       1,692,114         DIRECT INVESTMENT #1       406,432         DIRECT INVESTMENT #2       446,657         DIRECT INVESTMENT #3       59,214         DIRECT INVESTMENT #4       42,697         DIRECT INVESTMENT #5       1         PENNYBACKER III LP       49,151,368         PENNYBACKER IV LP       23,948,622         PINTO TV ANNEX FUND LP       59,676         PTV SCIENCES II LP       5,619,576         PTV SCIENCES II LP       5,619,576         PTV SCIENCES LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VILP       5,239,400         SCF-VILP       3,093,365         SCF-VILP       13,399,346         SCF-VILP       16,554,094         SOCT-VILP       21,184,643         SCF-VII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD	Investment Name	Market Value
AUSTIN VENTURES VIII LP AUSTIN VENTURES X LP FINCAP ENERGY CAPITAL FUND VII LP ENCAP ENERGY CAPITAL FUND VII LP ESCALATE CAPITAL I LP DIRECT INVESTMENT #1 DIRECT INVESTMENT #2 DIRECT INVESTMENT #3 DIRECT INVESTMENT #4 DIRECT INVESTMENT #4 DIRECT INVESTMENT #5 1 PENNYBACKER III LP 49,151,368 PENNYBACKER IV LP PINTO TV ANNEX FUND LP FV SCIENCES II LP FV SCIENCES II LP FV SCIENCES II LP S0,619,576 PTV SPECIAL OPPORTUNITIES I LP S0,202,854 SCF-V LP SCF-V LP SCF-V LP SCF-VII (A) LP S0,003,365 SCF-VII LP SOUTHWEST OPPORTUNITY PARTNERS LP TEAKWOOD CAPITAL III (CO-INVESTMENT) LP 17,389,066 TEAKWOOD CAPITAL III LP 17,389,066	AUSTIN VENTURES IX LP	\$2,626,858
AUSTIN VENTURES X LP ENCAP ENERGY CAPITAL FUND VII LP ESCALATE CAPITAL I LP DIRECT INVESTMENT #1 DIRECT INVESTMENT #1 DIRECT INVESTMENT #2 DIRECT INVESTMENT #3 DIRECT INVESTMENT #3 DIRECT INVESTMENT #4 DIRECT INVESTMENT #4 DIRECT INVESTMENT #5 DIRECT INVESTMENT #5  DIRECT INVESTMENT #5  PENNYBACKER III LP 49,151,368 PENNYBACKER III LP 5,619,576 PTV SCIENCES II LP TV SCIENCES II LP TV SCIENCES LP TV SPECIAL OPPORTUNITIES I LP SANTÉ HEALTH VENTURES II LP 5,239,440 SCF-VI LP 5,239,400 SCF-VI LP 5,239,400 SCF-VII (A) LP 5,211,84,643 SCF-VIII LP 50,UTHMEST OPPORTUNITY PARTNERS LP TEAKWOOD CAPITAL III (CO-INVESTMENT) LP 17,389,066 TEAKWOOD CAPITAL III LP 17,389,066	AUSTIN VENTURES VII LP	140,815
ENCAP ENERGY CAPITAL FUND VII LP       4,444,709         ESCALATE CAPITAL I LP       1,692,114         DIRECT INVESTMENT #1       406,432         DIRECT INVESTMENT #2       446,657         DIRECT INVESTMENT #3       59,214         DIRECT INVESTMENT #3       42,697         DIRECT INVESTMENT #5       1         PENNYBACKER III LP       49,151,368         PENNYBACKER IV LP       23,948,622         PINTO TV ANNEX FUND LP       59,676         PTV SCIENCES II LP       5,619,576         PTV SCIENCES LP       32,923         PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	AUSTIN VENTURES VIII LP	564,986
ESCALATE CAPITAL I LP       1,692,114         DIRECT INVESTMENT #1       406,432         DIRECT INVESTMENT #2       446,657         DIRECT INVESTMENT #3       59,214         DIRECT INVESTMENT #4       42,697         DIRECT INVESTMENT #5       1         PENNYBACKER III LP       49,151,368         PENNYBACKER IV LP       23,948,622         PINTO TV ANNEX FUND LP       59,676         PTV SCIENCES II LP       5,619,576         PTV SCIENCES LP       32,923         PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       5,239,400         SCF-VI LP       3,093,365         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	AUSTIN VENTURES X LP	7,897,671
DIRECT INVESTMENT #1       406,432         DIRECT INVESTMENT #2       446,657         DIRECT INVESTMENT #3       59,214         DIRECT INVESTMENT #4       42,697         DIRECT INVESTMENT #5       1         PENNYBACKER III LP       49,151,368         PENNYBACKER IV LP       23,948,622         PINTO TV ANNEX FUND LP       59,676         PTV SCIENCES II LP       5,619,576         PTV SCIENCES LP       32,923         PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	ENCAP ENERGY CAPITAL FUND VII LP	4,444,709
DIRECT INVESTMENT #2       446,657         DIRECT INVESTMENT #3       59,214         DIRECT INVESTMENT #4       42,697         DIRECT INVESTMENT #5       1         PENNYBACKER III LP       49,151,368         PENNYBACKER IV LP       23,948,622         PINTO TV ANNEX FUND LP       59,676         PTV SCIENCES II LP       5,619,576         PTV SCIENCES LP       32,923         PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VII LP       21,184,643         SCF-VII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	ESCALATE CAPITAL I LP	1,692,114
DIRECT INVESTMENT #3       59,214         DIRECT INVESTMENT #4       42,697         DIRECT INVESTMENT #5       1         PENNYBACKER III LP       49,151,368         PENNYBACKER IV LP       23,948,622         PINTO TV ANNEX FUND LP       59,676         PTV SCIENCES II LP       5,619,576         PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	DIRECT INVESTMENT #1	406,432
DIRECT INVESTMENT #4       42,697         DIRECT INVESTMENT #5       1         PENNYBACKER III LP       49,151,368         PENNYBACKER IV LP       23,948,622         PINTO TV ANNEX FUND LP       59,676         PTV SCIENCES II LP       5,619,576         PTV SCIENCES LP       32,923         PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	DIRECT INVESTMENT #2	446,657
DIRECT INVESTMENT #5       1         PENNYBACKER III LP       49,151,368         PENNYBACKER IV LP       23,948,622         PINTO TV ANNEX FUND LP       59,676         PTV SCIENCES II LP       5,619,576         PTV SCIENCES LP       32,923         PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VII (A) LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	DIRECT INVESTMENT #3	59,214
PENNYBACKER III LP       49,151,368         PENNYBACKER IV LP       23,948,622         PINTO TV ANNEX FUND LP       59,676         PTV SCIENCES II LP       5,619,576         PTV SCIENCES LP       32,923         PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	DIRECT INVESTMENT #4	42,697
PENNYBACKER IV LP       23,948,622         PINTO TV ANNEX FUND LP       59,676         PTV SCIENCES II LP       5,619,576         PTV SCIENCES LP       32,923         PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	DIRECT INVESTMENT #5	1
PINTO TV ANNEX FUND LP       59,676         PTV SCIENCES II LP       5,619,576         PTV SCIENCES LP       32,923         PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	PENNYBACKER III LP	49,151,368
PTV SCIENCES II LP       5,619,576         PTV SCIENCES LP       32,923         PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	PENNYBACKER IV LP	23,948,622
PTV SCIENCES LP       32,923         PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	PINTO TV ANNEX FUND LP	59,676
PTV SPECIAL OPPORTUNITIES I LP       1,399,344         SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	PTV SCIENCES II LP	5,619,576
SANTÉ HEALTH VENTURES II LP       50,202,854         SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	PTV SCIENCES LP	32,923
SCF-V LP       5,239,400         SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	PTV SPECIAL OPPORTUNITIES I LP	1,399,344
SCF-VI LP       7,945,694         SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	SANTÉ HEALTH VENTURES II LP	50,202,854
SCF-VII (A) LP       3,093,365         SCF-VII LP       21,184,643         SCF-VIII LP       16,554,094         SOUTHWEST OPPORTUNITY PARTNERS LP       71,647         TEAKWOOD CAPITAL III (CO-INVESTMENT) LP       17,389,066         TEAKWOOD CAPITAL III LP       23,765,685	SCF-V LP	5,239,400
SCF-VII LP21,184,643SCF-VIII LP16,554,094SOUTHWEST OPPORTUNITY PARTNERS LP71,647TEAKWOOD CAPITAL III (CO-INVESTMENT) LP17,389,066TEAKWOOD CAPITAL III LP23,765,685	SCF-VI LP	7,945,694
SCF-VIII LP 16,554,094 SOUTHWEST OPPORTUNITY PARTNERS LP 71,647 TEAKWOOD CAPITAL III (CO-INVESTMENT) LP 17,389,066 TEAKWOOD CAPITAL III LP 23,765,685	SCF-VII (A) LP	3,093,365
SOUTHWEST OPPORTUNITY PARTNERS LP 71,647 TEAKWOOD CAPITAL III (CO-INVESTMENT) LP 17,389,066 TEAKWOOD CAPITAL III LP 23,765,685	SCF-VII LP	21,184,643
TEAKWOOD CAPITAL III (CO-INVESTMENT) LP17,389,066TEAKWOOD CAPITAL III LP23,765,685	SCF-VIII LP	16,554,094
TEAKWOOD CAPITAL III LP 23,765,685	SOUTHWEST OPPORTUNITY PARTNERS LP	71,647
<u></u>	TEAKWOOD CAPITAL III (CO-INVESTMENT) LP	17,389,066
\$243,980,111	TEAKWOOD CAPITAL III LP	23,765,685
		\$243,980,111