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the Creation of Value

2009 Annual Report



S I F



Separately Invested Funds

Overview — 77

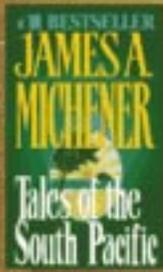
Feature Story — 78

**Separately Invested Funds Overview
(\$200.1 million)**

The UT System Separately Invested Funds (SIFs) consist of approximately 105 privately raised endowments and charitable remainder trusts where the nature of the underlying asset or donor restrictions preclude investment in the Long Term Fund. Distributions from SIF endowments support a variety of academic and health programs at UT System institutions.

SIF Beneficiaries

- UT Arlington
- UT Austin
- UT Brownsville
- UT Dallas
- UT El Paso
- UT Pan American
- UT Permian Basin
- UT San Antonio
- UT Health Science Center at Houston
- UT Tyler
- UT Health Center at Tyler
- UT Southwestern Medical Center at Dallas
- UT Medical Branch at Galveston
- UT Health Science Center at San Antonio
- UT M.D. Anderson Cancer Center
- UT System

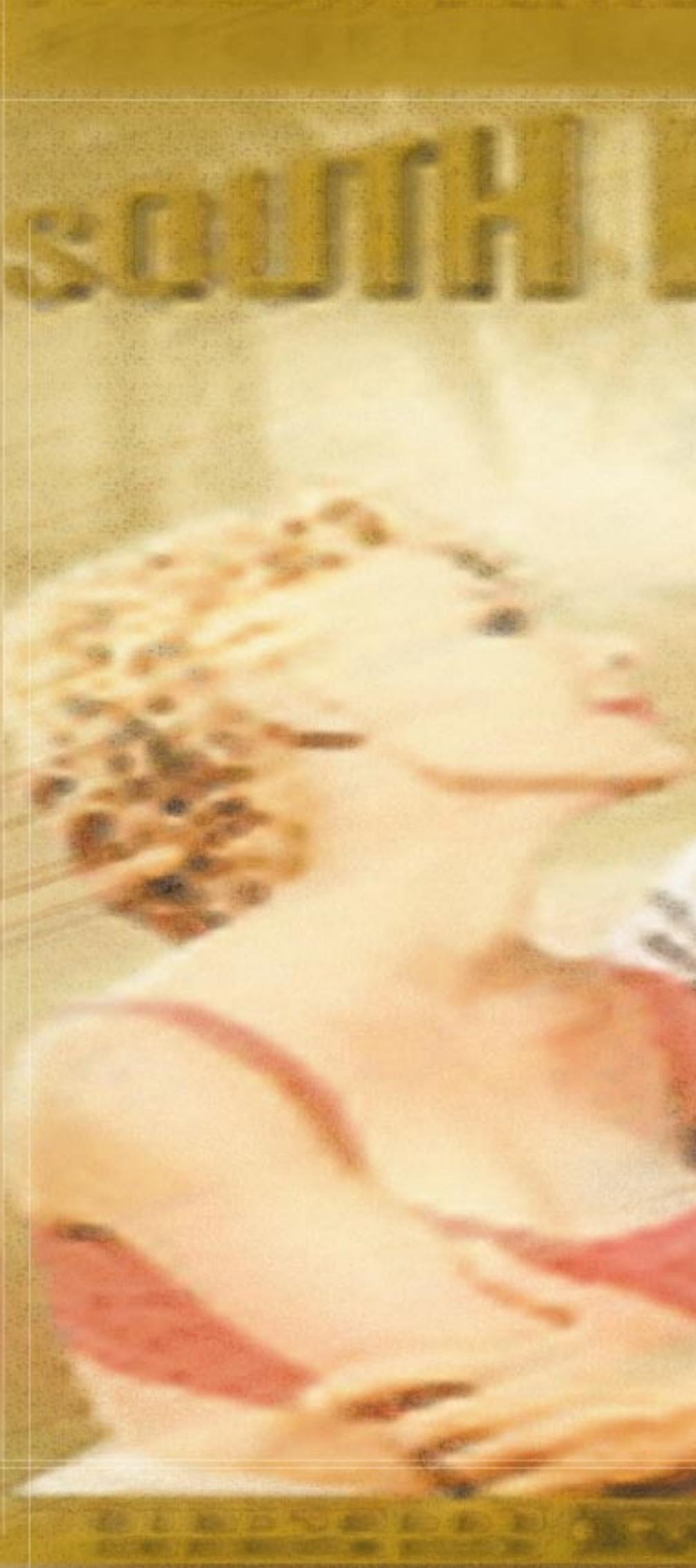


The legacy of a storyteller

He never knew his birth parents. Abandoned at birth, he was adopted by a poor widow who took in orphans. That sounds like the beginning of a great novel, however, that was really the life of James A. Michener, storyteller, writer, and philanthropist. Even though Michener was the poorest child in school, he was regarded as the brightest. A basketball player who helped lead his high school to a championship in 1925, he wrote in *Sports in America*, "And yet, in our little world we were champions, and from that simple fact radiated an inner confidence that has never left me. I could never become a bum, because I was a champion." He won a scholarship to college and after graduating was awarded a Lippincott Traveling Fellowship to Europe and spent two years studying and touring. His passion for learning about different people and cultures was born. He enlisted in the Navy after World War II started. He wrote his first book, *Tales of the South Pacific*, from those experiences and won a Pulitzer Prize for his efforts. That book was then turned into a Broadway musical, thus financially allowing him to pursue his dream of becoming a writer. In his lifetime, he published more than 40 books which sold an estimated 75 million copies. The secrets, he said, for his success were determination and hard work. His boyhood taught him to be self-reliant and shaped the path of an incredibly exciting and adventurous life.

James A. Michener and his wife, Mari, donated more than \$100 million to universities, museums, and libraries. The University of Texas at Austin has received over \$64 million in cash, securities, and artwork from their generosity. The Micheners never sought any recognition for their philanthropic activities. He and his wife had a love of different cultures and wanted to cultivate that interest in places that had an "emotional pull" on them.

The Micheners wanted to further benefit future writers. In 1990, they donated \$1.3 million to the Board of Regents of The University of Texas System as trustee to a charitable trust that benefits institutions of higher education that conduct established writing programs. Since the Trust's inception through August 31, 2000, \$900,000 has been distributed to various non-UT institutions in support of their established writing programs. As of August 31, 2000, the value of the Trust was \$2.0 million. The Trust is invested in a diversified portfolio of fixed income securities and equity mutual funds. Upon termination of the Trust in 2007, the remaining value of the Trust will be used to establish a permanent endowment benefiting UT Austin. James A. Michener, a true champion, left a legacy for all humankind.



#1 Bestseller

PACIFIC

FEATURE
STORY

James A.
Michener
1907 - 1997

