

PERMANENT UNIVERSITY FUND

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

June 30, 2019

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

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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 its investment 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, 2019 the market value and book value of the PUF was \$22.6 billion and \$19.4 billion, respectively, exclusive of land acreage.

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Investment Performance of the Ten Largest Stock Holdings - July 1, 2018 through June 30, 2019.

Name	Market Value	Total Return	Percentage of Fund June 30, 2019
MIDEA GROUP CO LTD	64,973,563.66	-1.68%	0.29%
GREE ELECTRIC APPLIANCES INC O	59,080,936.34	13.99%	0.26%
JIANGSU HENGRUI MEDICINE CO LT	41,893,587.35	1.13%	0.19%
SAMSUNG ELECTRONICS CO LTD	41,128,023.75	-0.78%	0.18%
BERRY GLOBAL GROUP INC	34,476,143.23	14.48%	0.15%
TAKEDA PHARMACEUTICAL CO LTD	27,536,303.61	12.87%	0.12%
TAIWAN SEMICONDUCTOR MANUFACTU	26,050,924.42	10.59%	0.12%
NATURA COSMETICOS SA	23,518,003.75	89.63%	0.10%
INTERCONTINENTAL EXCHANGE INC	23,279,023.41	18.40%	0.10%
ASHLAND GLOBAL HOLDINGS INC	22,652,991.79	3.62%	0.10%

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 its investment policy statement, and is the responsibility of UTIMCO. The following represents asset allocation at June 30, 2019.

Asset Class	6/30/2019
Global Equity:	
U.S. Public Equity	7.2%
Non-U.S. Developed Public Equity	3.8%
Global Developed Public Equity	8.8%
<i>Total Developed Public Equity</i>	19.8%
Emerging Markets Public Equity	10.7%
<i>Total Public Equity</i>	30.5%
Directional Hedge Funds	12.6%
Private Equity	20.5%
Total Global Equity	63.6%
Stable Value:	
Investment Grade Fixed Income	8.7%
Credit-Related Fixed Income	0.1%
<i>Total Fixed Income</i>	8.8%
Cash	1.8%
Stable Value Hedge Funds	7.0%
Total Stable Value	17.6%
Real Return:	
Inflation Linked Bonds	0.0%
Gold	1.6%
Commodities	0.0%
<i>Total Commodities</i>	1.6%
Natural Resources	7.3%
Infrastructure	2.1%
Public Real Estate	0.1%
Private Real Estate	7.7%
Total Real Return	18.8%
Total All Asset Classes	100.0%

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:

Investment Name	Market Value
AUSTIN VENTURES IX LP	\$ 1,600,390
AUSTIN VENTURES VII LP	10,389
AUSTIN VENTURES VIII LP	378,668
AUSTIN VENTURES X LP	6,051,223
ENCAP ENERGY CAPITAL FUND VII LP	4,619,660
ESCALATE CAPITAL I LP	1,182,585
PENNYBACKER III LP	32,282,741
PENNYBACKER IV LP	40,938,527
PINTO TV ANNEX FUND LP	49,670
PTV SCIENCES II LP	5,816,208
PTV SCIENCES LP	24,044
PTV SPECIAL OPPORTUNITIES I LP	795,990
ROX II MED CENTER LP	4,779,011
SANTÉ HEALTH VENTURES II LP	23,077,094
SCF-IX LP	9,586,676
SCF-V LP	2,298,900
SCF-VI LP	5,949,987
SCF-VII (A) LP	2,770,303
SCF-VII LP	18,703,960
SCF-VIII LP	17,440,819
SOUTHWEST OPPORTUNITY PARTNERS LP	65,433
TEAKWOOD CAPITAL III (CO-INVESTMENT) LP	13,409,714
TEAKWOOD CAPITAL III LP	29,515,439
DIRECT INVESTMENT #1	4,407,983
VISTA EQUITY PARTNERS FUND VII LP	18,434,644
	<u>\$ 244,190,058</u>