

**PERMANENT UNIVERSITY FUND**

**Report on Certain Specified Data  
as Required by Texas Government Code Ch. 2101 Subchapter D**

**December 31, 2019**

**This report is available on the UTIMCO website at [www.utimco.org](http://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 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 December 31, 2019 the market value and book value of the PUF was \$23.8 billion and \$20.1 billion, respectively, exclusive of land acreage.

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**Investment Performance of the Ten Largest Stock Holdings – January 1, 2019 through December 31, 2019.**

Name	Market Value	Total Return	Percentage of Fund December 31, 2019
GREE ELECTRIC APPLIANCES INC O	70,739,356.88	89.28%	0.30%
MIDEA GROUP CO LTD	67,184,578.07	60.21%	0.28%
JIANGSU HENGRUI MEDICINE CO LT	55,784,807.51	97.22%	0.23%
SAMSUNG ELECTRONICS CO LTD	44,496,313.22	42.17%	0.19%
BERRY GLOBAL GROUP INC	31,153,012.02	-0.08%	0.13%
TAKEDA PHARMACEUTICAL CO LTD	29,466,649.37	23.72%	0.12%
CAPRI HOLDINGS LTD	29,045,835.21	0.61%	0.12%
TAIWAN SEMICONDUCTOR MANUFACTU	26,809,889.79	57.18%	0.11%
NATURA & CO HOLDING SA	24,952,118.19	67.79%	0.10%
WALVAX BIOTECHNOLOGY CO LTD	24,338,313.77	67.95%	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 December 31, 2019.

Asset Class	12/31/2019
<b>Global Equity:</b>	
U.S. Public Equity	8.9%
Non-U.S. Developed Public Equity	4.5%
Global Developed Public Equity	9.5%
<i>Total Developed Public Equity</i>	22.9%
Emerging Markets Public Equity	10.6%
<i>Total Public Equity</i>	33.5%
Directional Hedge Funds	11.5%
Private Equity	20.6%
<b>Total Global Equity</b>	65.6%
<b>Stable Value:</b>	
Investment Grade Fixed Income	8.1%
Credit-Related Fixed Income	0.1%
<i>Total Fixed Income</i>	8.2%
Cash	0.1%
Stable Value Hedge Funds	8.5%
<b>Total Stable Value</b>	16.8%
<b>Real Return:</b>	
Inflation Linked Bonds	0.4%
Gold	0.9%
Commodities	0.1%
<i>Total Commodities</i>	1.0%
Natural Resources	6.4%
Infrastructure	2.4%
Public Real Estate	0.1%
Private Real Estate	7.3%
<b>Total Real Return</b>	17.6%
<b>Total All Asset Classes</b>	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:

<u>Investment Name</u>	<u>Market Value</u>
AUSTIN VENTURES IX LP	\$ 1,030,391
AUSTIN VENTURES VII LP	9,102
AUSTIN VENTURES VIII LP	361,201
AUSTIN VENTURES X LP	4,286,953
DIRECT INVESTMENT #1	4,099,126
DIRECT INVESTMENT #2	7,336,310
DIRECT INVESTMENT #3	6,716,153
DIRECT INVESTMENT #4	209,052
ENCAP ENERGY CAPITAL FUND VII LP	3,473,133
EQT INFRASTRUCTURE IV CO-INVESTMENT A SCSP	30,811,565
ESCALATE CAPITAL I LP	1,071,420
PENNYBACKER III LP	20,814,476
PENNYBACKER IV LP	48,594,082
PINTO TV ANNEX FUND LP	46,418
PTV SCIENCES II LP	6,818,701
PTV SCIENCES LP	21,207
PTV SPECIAL OPPORTUNITIES I LP	705,137
ROX II MED CENTER LP	4,662,408
SANTÉ HEALTH VENTURES II LP	23,620,962
SCF-IX LP	13,045,281
SCF-V LP	675,793
SCF-VI LP	3,782,844
SCF-VII (A) LP	1,195,445
SCF-VII LP	8,885,245
SCF-VIII LP	15,176,702
SERVE OPPORTUNITIES FUND I LP	10,334,074
SOUTHWEST OPPORTUNITY PARTNERS LP	63,402
TEAKWOOD CAPITAL III (CO-INVESTMENT) LP	10,586,934
TEAKWOOD CAPITAL III LP	29,190,246
VISTA EQUITY ENDEAVOR FUND II LP	3,601,139
VISTA EQUITY PARTNERS FUND VII LP	30,006,436
	<u>\$ 291,231,338.00</u>