



THE UNIVERSITY OF TEXAS
INVESTMENT MANAGEMENT COMPANY

**Joint Meeting of
UT System Board of Regents
UTIMCO Board of Directors**

Bob L. Boldt

July, 2006

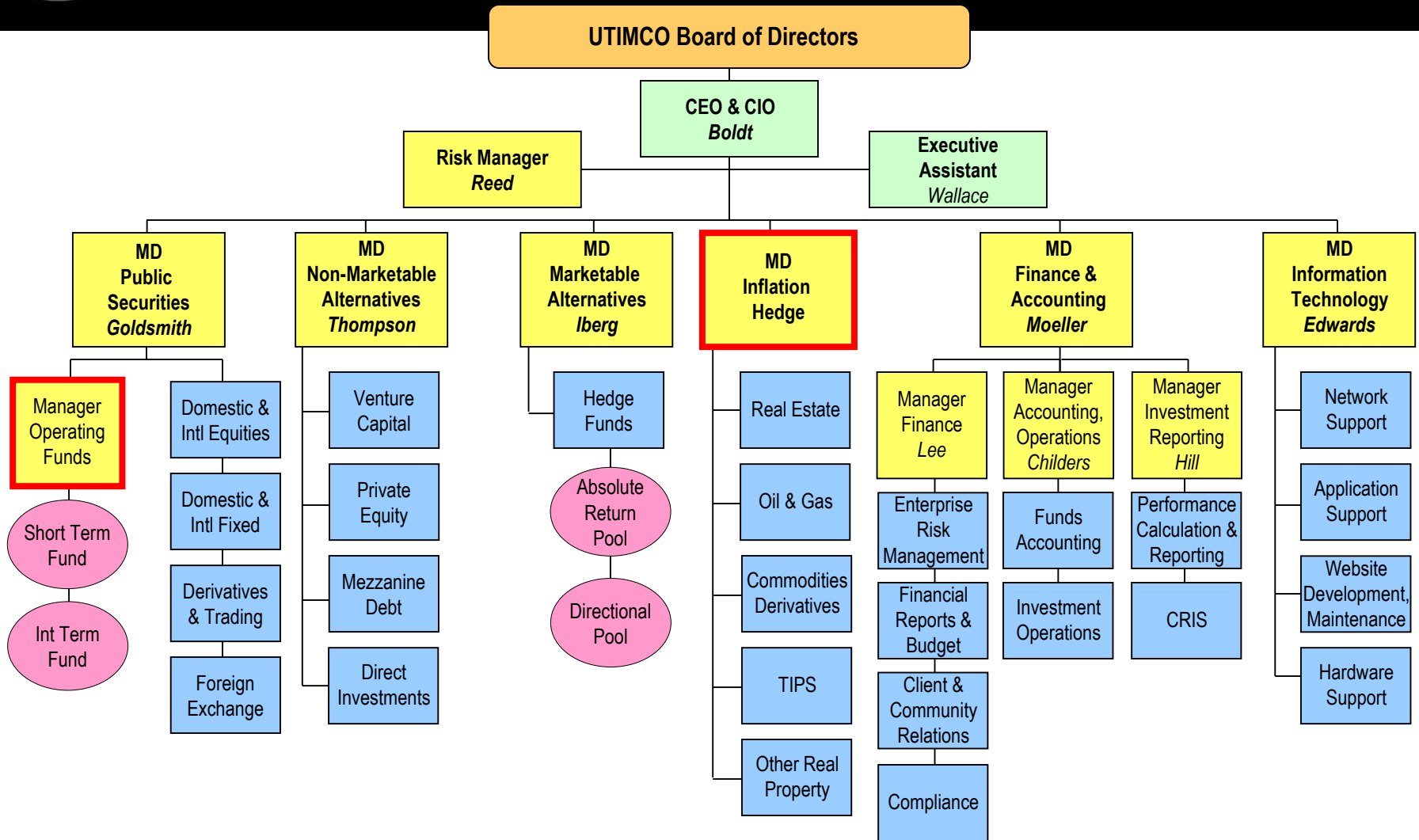


Our Strategic Objectives

- ❑ Earn \$200 million in Value-Added Per Year,
- ❑ Be Recognized as One of the Five Best Managed Endowments in the United States,
- ❑ Earn High Satisfaction Ratings From Our Clients for:
 - Investment Skill
 - Innovation
 - Communication



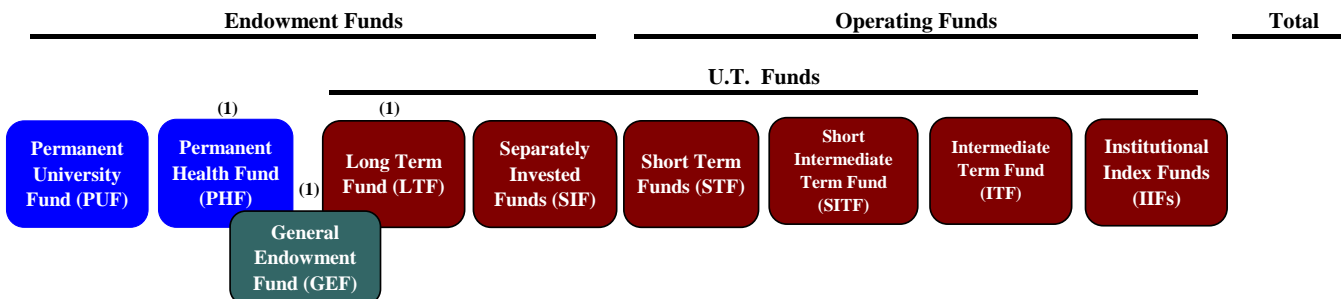
UTIMCO Organizational Structure





UTIMCO Assets Under Management

UTIMCO Assets Under Management



Market Value (\$ millions)

	April, 2006	10,151.3	989.9	4,428.7	167.6	980.9	-	3,058.1	-	19,776.5
March 31, 2006	9,897.9	970.5	4,342.6	160.2	1,018.8	-	3,042.5	-	19,432.5	
February 28, 2006	9,798.6	966.0	4,262.4	326.9	1,084.8	-	2,920.0	-	19,358.7	
November 30, 2005	9,564.6	931.7	4,057.4	315.7	2,330.7	1,208.5	-	283.7	18,692.3	
August 31, 2005	9,426.7	925.9	4,000.9	195.1	2,380.1	1,222.4	-	173.9	18,325.0	
August 31, 2004	8,087.9	814.4	3,393.3	227.6	2,210.4	1,178.0	-	253.0	16,164.6	
August 31, 2003	7,244.8	745.0	2,839.8	352.1	1,837.2	1,435.3	-	321.8	14,776.0	
August 31, 2002	6,738.3	698.2	2,595.1	174.0	1,315.1	1,435.9	-	335.5	13,292.1	
August 31, 2001	7,540.1	881.4	2,843.3	182.6	843.2	1,704.6	-	145.2	14,140.4	
August 31, 2000	8,452.3	1,016.6	3,136.2	200.1	810.6	1,844.4	-	71.0	15,531.2	
August 31, 1999	7,465.6	890.3	2,602.3	165.2	764.5	1,769.4	-	13.1	13,670.4	
August 31, 1998	6,517.1	-	2,147.7	157.4	655.8	1,809.6	-	-	11,287.6	
August 31, 1997	6,368.3	-	2,125.0	146.3	569.3	1,631.4	-	-	10,840.3	
August 31, 1996	5,292.1	-	1,712.1	149.2	561.4	1,332.1	-	-	9,046.9	
UTIMCO formation (3/1/96)	5,280.7	-	1,694.9	170.7	593.5	1,266.8	-	-	9,006.6	
August 31, 1995	4,958.5	-	1,549.7	300.9	526.2	1,129.5	-	-	8,464.8	

(1) As of March 1, 2001 the PHF and LTF are invested in the General Endowment Fund (GEF). GEF serves as the investment pool for the PHF and LTF.



UTIMCO 2005 – 2006 Budget Review

UTIMCO Corporate Operations

UTIMCO Corporate Operations - Budget to Actual Comparison 2005-2006 Fiscal Year

	Thru February, 2006		Full Year	
	Total Budget	Total Actual	Total Budget	Total Projected
UTIMCO Expenses				
Salaries and Benefits	\$4,146,557	\$3,786,568	\$8,514,036	\$7,843,109
General Operating Expenses	768,936	674,367	1,589,204	1,569,676
Depreciation Expense	243,986	148,109	535,900	371,387
Lease Costs	262,351	260,654	307,212	309,212
Professional Fees	113,068	168,327	226,250	346,250
Insurance	119,161	124,313	261,700	261,175
Total Expense	\$5,654,059	\$5,162,338	\$11,434,302	\$10,700,809
Over / (Under) Budget		<u>(491,721)</u>		<u>(733,493)</u>



UTIMCO 2005 – 2006 Budget Review

Direct Fund Expenses

Total Direct Fund Expenses - Budget to Actual Comparison

2005-2006 Fiscal Year

	<u>Actual</u>	<u>Projected</u>	<u>2006 Budget</u>	<u>Over (under)</u>	<u>%</u>
External Management Fees	\$11,072,574	\$14,847,515	\$20,421,000	(\$5,573,484)	-27%
External Mgt. Fees - Performance Fees	18,519,402.34	23,392,536.45	10,391,370.70	13,001,165.75	125%
Total External Mgt. Fees	<u>29,591,975.93</u>	<u>38,240,051.58</u>	<u>30,812,370.32</u>	<u>7,427,681.26</u>	<u>24%</u>
Custodian Fees and other direct costs	1,286,716.71	1,762,216.71	2,356,174.87	(593,958.16)	-25%
Performance Measurement	368,637.50	526,137.50	621,168.75	(95,031.25)	-15%
Analytical tools	253,722.50	336,095.00	289,570.00	46,525.00	16%
Risk Measurement	152,000.00	358,666.67	803,120.50	(444,453.83)	-55%
Total Custodian and Analytical Costs	<u>2,061,076.71</u>	<u>2,983,115.88</u>	<u>4,070,034.12</u>	<u>(1,086,918.24)</u>	<u>-27%</u>
Consultants	619,666.00	808,666.00	1,100,000.00	(291,334.00)	-26%
Auditing	140,000.00	212,000.00	213,920.00	(1,920.00)	-1%
Controls Assessment (Sarbanes Oxley)	97,110.00	122,110.00	136,500.00	(14,390.00)	-11%
Printing	-	163,790.00	150,666.08	13,123.92	9%
Rating agency fees	10,646.02	10,646.02	-	10,646.02	-100%
Legal fees	594,173.31	764,483.31	555,000.00	209,483.31	38%
Background searches and other	24,956.02	33,456.02	67,200.00	(33,743.98)	-50%
Other	14,606.29	18,006.29	6,000.00	12,006.29	100%
Total Other direct costs	<u>1,501,157.64</u>	<u>2,133,157.64</u>	<u>2,229,286.08</u>	<u>(96,128.44)</u>	<u>-4%</u>
Total Direct Fund Expenses	<u><u>\$33,154,210</u></u>	<u><u>\$43,356,325</u></u>	<u><u>\$37,111,691</u></u>	<u><u>\$6,244,635</u></u>	<u><u>17%</u></u>