

**PERMANENT UNIVERSITY FUND**

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

**June 30, 2023**

**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 June 30, 2023 the market value and book value of the PUF was \$32.9 billion and \$29.1 billion, respectively, exclusive of land acreage.

## PERMANENT UNIVERSITY FUND

### Investment Performance of the Ten Largest Stock Holdings – July 1, 2022 through June 30, 2023.

| <b>Name</b>                    | <b>Market Value</b> | <b>Total Return</b> | <b>Percentage of Fund June 30, 2023</b> |
|--------------------------------|---------------------|---------------------|---|
| MICROSOFT CORP                 | 103,675,283.30      | 33.88%              | 0.32%                                   |
| TAIWAN SEMICONDUCTOR MANUFACTU | 65,731,889.04       | 18.03%              | 0.20%                                   |
| AMAZON.COM INC                 | 65,531,465.95       | 22.74%              | 0.20%                                   |
| APPLE INC                      | 58,349,594.18       | 42.72%              | 0.18%                                   |
| NVIDIA CORP                    | 52,977,678.20       | 179.28%             | 0.16%                                   |
| ALPHABET INC                   | 46,864,278.65       | 10.60%              | 0.14%                                   |
| META PLATFORMS INC             | 38,316,930.04       | 77.97%              | 0.12%                                   |
| SAMSUNG ELECTRONICS CO LTD     | 36,837,257.25       | 26.18%              | 0.11%                                   |
| UNITEDHEALTH GROUP INC         | 35,591,126.51       | -5.12%              | 0.11%                                   |
| BROADCOM INC                   | 33,581,524.98       | 83.88%              | 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, 2023.

| <b>Asset Class</b>             | <b>6/30/2023</b> |
|--------------------------------|------------------|
| <b><u>Global Equity:</u></b>   |                  |
| Developed Public Equity        | 23.1%            |
| Emerging Markets Public Equity | 7.1%             |
| <i>Total Public Equity</i>     | 30.2%            |
| Directional Hedge Funds        | 5.5%             |
| Private Equity                 | 26.9%            |
| <b>Total Global Equity</b>     | 62.6%            |
| <b><u>Stable Value:</u></b>    |                  |
| Investment Grade Fixed Income  | 1.0%             |
| Long Treasuries                | 2.2%             |
| Credit-Related Fixed Income    | 0.1%             |
| <i>Total Fixed Income</i>      | 3.3%             |
| Cash                           | 1.3%             |
| Stable Value Hedge Funds       | 10.1%            |
| <b>Total Stable Value</b>      | 14.7%            |
| <b><u>Real Return:</u></b>     |                  |
| Inflation Linked Bonds         | 2.0%             |
| Commodities                    | 0.0%             |
| Natural Resources              | 4.2%             |
| Infrastructure                 | 3.5%             |
| Real Estate                    | 8.3%             |
| <b>Total Real Return</b>       | 18.0%            |
| Strategic Partnerships         | 4.7%             |
| Innovation & Disruption        | 0.0%             |
| <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                      | \$ 522,234            |
| AUSTIN VENTURES X LP                       | 1,265,533             |
| DIRECT INVESTMENT #1                       | 5,432,775             |
| DIRECT INVESTMENT #2                       | 16,430,416            |
| DIRECT INVESTMENT #3                       | 12,937,409            |
| EQT INFRASTRUCTURE IV CO-INVESTMENT A SCSP | 25,952,974            |
| ESCALATE CAPITAL I LP                      | 209,715               |
| HANNATHON CIV LP                           | 18,000,000            |
| PBC AUSTIN 2021 EQUITY I LP                | 11,628,702            |
| PENNYBACKER III LP                         | 1,830,168             |
| PENNYBACKER IV LP                          | 14,698,005            |
| PEP DEVELOPMENT OPPORTUNITIES FUND LP      | -                     |
| PTV SCIENCES II LP                         | 220,188               |
| ROX II MED CENTER LP                       | 3,984,279             |
| SANTÉ HEALTH VENTURES II LP                | 9,188,582             |
| SCF-IX LP                                  | 42,459,591            |
| SCF-VII (A) LP                             | 753,534               |
| SCF-VII LP                                 | 3,414,597             |
| SCF-VIII LP                                | 23,373,503            |
| SERVE OPPORTUNITIES FUND I LP              | 126,004,871           |
| TEAKWOOD CAPITAL III (CO-INVESTMENT) LP    | 9,239,478             |
| TEAKWOOD CAPITAL III LP                    | 21,241,681            |
| VISTA EQUITY ENDEAVOR FUND II LP           | 33,635,339            |
| VISTA EQUITY PARTNERS FUND VII LP          | 124,641,165           |
|  | <u>\$ 507,064,739</u> |