

**I. PERMANENT UNIVERSITY FUND**  
**Investment Reports for Periods Ended May 31, 2018**

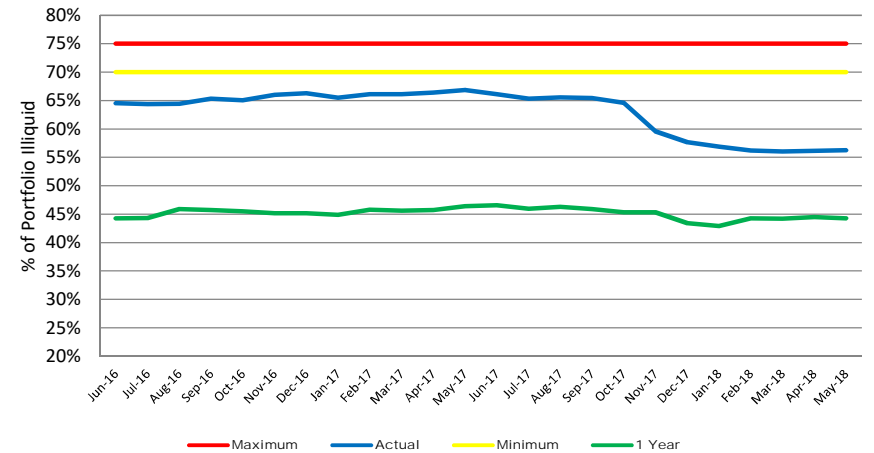
Prepared in accordance with *Texas Education Code Sec. 51.0032*

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
<b>More Correlated and Constrained:</b>							
Investment Grade	7.7%	7.5%	-2.24%	-0.85%	-0.16%	-0.15%	-0.31%
Credit-Related	0.1%	0.0%	-3.38%	-0.56%	0.00%	0.00%	0.00%
Real Estate	0.1%	0.0%	7.04%	2.17%	0.01%	0.01%	0.02%
Natural Resources	5.0%	2.5%	3.06%	-1.73%	-0.12%	0.20%	0.08%
Developed Country	18.6%	19.0%	8.79%	8.39%	-0.12%	0.10%	-0.02%
Emerging Markets	<u>11.3%</u>	<u>10.0%</u>	<u>6.87%</u>	<u>4.22%</u>	<u>-0.09%</u>	<u>0.26%</u>	<u>0.17%</u>
<b>Total More Correlated and Constrained</b>	<b>42.8%</b>	<b>39.0%</b>	<b>5.28%</b>	<b>4.93%</b>	<b>-0.48%</b>	<b>0.42%</b>	<b>-0.06%</b>
<b>Less Correlated and Constrained</b>	<b>18.4%</b>	<b>21.0%</b>	<b>5.12%</b>	<b>4.05%</b>	<b>0.10%</b>	<b>0.22%</b>	<b>0.32%</b>
<b>Private Investments</b>	<b><u>38.8%</u></b>	<b><u>40.0%</u></b>	<b><u>14.60%</u></b>	<b><u>12.12%</u></b>	<b><u>-0.09%</u></b>	<b><u>0.90%</u></b>	<b><u>0.81%</u></b>
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>8.66%</u></b>	<b><u>7.59%</u></b>	<b><u>-0.47%</u></b>	<b><u>1.54%</u></b>	<b><u>1.07%</u></b>

**Summary of Capital Flows**

(\$ millions)	Fiscal Year Ended August 31, 2017	Quarter Ended May 31, 2018	Fiscal Year Ended May 31, 2018
Beginning Net Assets	\$17,880	\$21,448	\$19,913
PUF Lands Receipts	689	243	765
Investment Return (Net of Expenses)	2,183	415	1,725
Distributions to AUF	(839)	(295)	(592)
Ending Net Assets	<u>\$19,913</u>	<u>\$21,811</u>	<u>\$21,811</u>

**Permanent University Fund  
Actual Illiquidity vs. Trigger Zones**



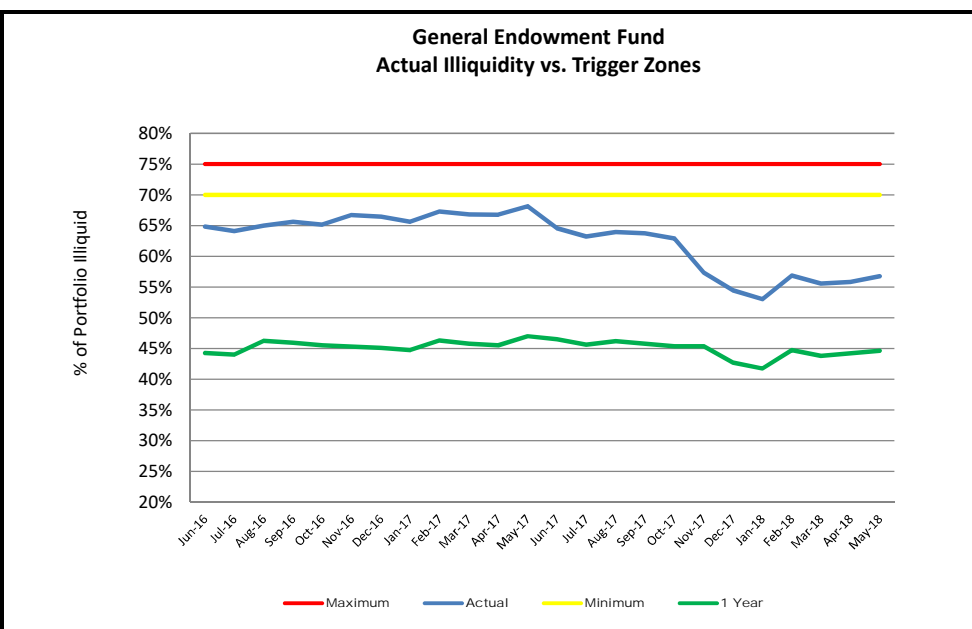
## II. GENERAL ENDOWMENT FUND

### Investment Reports for Periods Ended May 31, 2018

Prepared in accordance with Texas Education Code Sec. 51.0032

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
<b>More Correlated and Constrained:</b>							
Investment Grade	6.6%	7.5%	-1.61%	-0.85%	-0.09%	-0.05%	-0.14%
Credit-Related	0.1%	0.0%	-3.38%	-0.56%	0.00%	0.00%	0.00%
Real Estate	0.1%	0.0%	7.04%	2.17%	0.00%	0.01%	0.01%
Natural Resources	5.1%	2.5%	3.12%	-1.73%	-0.12%	0.19%	0.07%
Developed Country	18.7%	19.0%	8.87%	8.39%	-0.11%	0.04%	-0.07%
Emerging Markets	<u>11.6%</u>	<u>10.0%</u>	<u>8.77%</u>	<u>4.22%</u>	<u>-0.03%</u>	<u>0.50%</u>	<u>0.47%</u>
<b>Total More Correlated and Constrained</b>	<b>42.2%</b>	<b>39.0%</b>	<b>6.18%</b>	<b>4.93%</b>	<b>-0.35%</b>	<b>0.69%</b>	<b>0.34%</b>
<b>Less Correlated and Constrained</b>	<b>18.7%</b>	<b>21.0%</b>	<b>5.12%</b>	<b>4.05%</b>	<b>0.09%</b>	<b>0.21%</b>	<b>0.30%</b>
<b>Private Investments</b>	<b><u>39.1%</u></b>	<b><u>40.0%</u></b>	<b><u>14.60%</u></b>	<b><u>12.12%</u></b>	<b><u>-0.10%</u></b>	<b><u>0.90%</u></b>	<b><u>0.80%</u></b>
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>9.03%</u></b>	<b><u>7.59%</u></b>	<b><u>-0.36%</u></b>	<b><u>1.80%</u></b>	<b><u>1.44%</u></b>

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2017	Quarter Ended May 31, 2018	Fiscal Year Ended May 31, 2018
Beginning Net Assets	\$8,500	\$9,981	\$9,369
Contributions	273	113	283
Withdrawals	(33)	-	-
Distributions	(432)	(112)	(332)
Investment Return (Net of Expenses)	<u>1,061</u>	<u>211</u>	<u>873</u>
Ending Net Assets	<u>\$9,369</u>	<u>\$10,193</u>	<u>\$10,193</u>



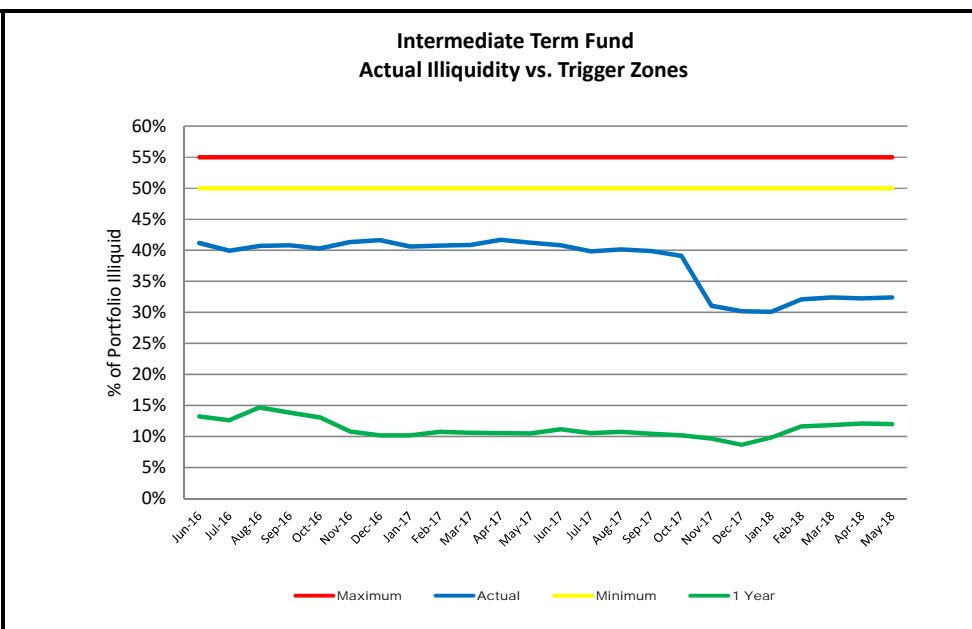
### III. INTERMEDIATE TERM FUND

#### Investment Reports for Periods Ended May 31, 2018

Prepared in accordance with *Texas Education Code Sec. 51.0032*

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
<b>More Correlated and Constrained:</b>							
Investment Grade	31.6%	30.0%	-1.39%	-0.85%	-0.15%	-0.22%	-0.37%
Credit-Related	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	0.1%	0.0%	7.04%	2.17%	0.00%	0.01%	0.01%
Natural Resources	4.7%	2.5%	2.71%	-1.73%	-0.01%	0.16%	0.15%
Developed Country	14.6%	15.0%	8.76%	8.39%	-0.10%	0.05%	-0.05%
Emerging Markets	<u>7.1%</u>	<u>7.5%</u>	<u>8.75%</u>	<u>4.22%</u>	<u>0.00%</u>	<u>0.34%</u>	<u>0.34%</u>
<b>Total More Correlated and Constrained</b>	<b>58.1%</b>	<b>55.0%</b>	<b>2.44%</b>	<b>2.34%</b>	<b>-0.26%</b>	<b>0.34%</b>	<b>0.08%</b>
<b>Less Correlated and Constrained</b>	<b>41.9%</b>	<b>45.0%</b>	<b>5.12%</b>	<b>4.05%</b>	<b>-0.12%</b>	<b>0.46%</b>	<b>0.34%</b>
<b>Private Investments</b>	<b><u>0.0%</u></b>	<b><u>0.0%</u></b>	<b><u>0.00%</u></b>	<b><u>0.00%</u></b>	<b><u>0.00%</u></b>	<b><u>0.00%</u></b>	<b><u>0.00%</u></b>
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>3.54%</u></b>	<b><u>3.12%</u></b>	<b><u>-0.38%</u></b>	<b><u>0.80%</u></b>	<b><u>0.42%</u></b>

<u>Summary of Capital Flows</u>			
(\$ millions)	Fiscal Year Ended August 31, 2017	Quarter Ended May 31, 2018	Fiscal Year Ended May 31, 2018
Beginning Net Assets	\$7,836	\$9,875	\$9,075
Contributions	1,235	338	1,244
Withdrawals	(412)	(18)	(328)
Distributions	(248)	(75)	(218)
Investment Return (Net of Expenses)	<u>664</u>	<u>(6)</u>	<u>341</u>
Ending Net Assets	<u>\$9,075</u>	<u>\$10,114</u>	<u>\$10,114</u>



**IV. SEPARATELY INVESTED ASSETS**  
**Summary Investment Report at May 31, 2018**  
Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (DEBT PROCEEDS AND SHORT TERM FUND)		TOTAL	
	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET
<b>Cash &amp; Equivalents:</b>																
Beginning value 02/28/18	-	-	5,275	5,275	70,374	70,374	1,386	1,386	398	398	77,433	77,433	2,924,687	2,924,725	3,002,120	3,002,158
Increase/(Decrease)	-	-	(3,496)	(3,496)	119,524	119,524	206	206	(334)	(334)	115,900	115,900	(254,935)	(254,746)	(139,035)	(138,846)
Ending value 05/31/18	-	-	1,779	1,779	189,898	189,898	1,592	1,592	64	64	193,333	193,333	2,669,752	2,669,979	2,863,085	2,863,312
<b>Debt Securities:</b>																
Beginning value 02/28/18	-	-	2	2	13,977	13,652	7,792	7,370	-	-	21,771	21,024	-	-	21,771	21,024
Increase/(Decrease)	-	-	-	-	(431)	(485)	363	348	-	-	(68)	(137)	-	-	(68)	(137)
Ending value 05/31/18	-	-	2	2	13,546	13,167	8,155	7,718	-	-	21,703	20,887	-	-	21,703	20,887
<b>Equity Securities:</b>																
Beginning value 02/28/18	-	-	621	2,549	41,763	60,151	8,768	10,419	-	-	51,152	73,119	-	-	51,152	73,119
Increase/(Decrease)	-	-	(468)	(458)	255	189	486	520	-	-	273	251	-	-	273	251
Ending value 05/31/18	-	-	153	2,091	42,018	60,340	9,254	10,939	-	-	51,425	73,370	-	-	51,425	73,370
<b>Other:</b>																
Beginning value 02/28/18	-	-	67	67	7	7	6	6	473	473	553	553	-	-	553	553
Increase/(Decrease)	-	-	734	734	(2)	(2)	-	-	(115)	(115)	617	617	-	-	617	617
Ending value 05/31/18	-	-	801	801	5	5	6	6	358	358	1,170	1,170	-	-	1,170	1,170
<b>Total Assets:</b>																
Beginning value 02/28/18	-	-	5,965	7,893	126,121	144,184	17,952	19,181	871	871	150,909	172,129	2,924,687	2,924,725	3,075,596	3,096,854
Increase/(Decrease)	-	-	(3,230)	(3,220)	119,346	119,226	1,055	1,074	(449)	(449)	116,722	116,631	(254,935)	(254,746)	(138,213)	(138,115)
Ending value 05/31/18	-	-	2,735	4,673	245,467	263,410	19,007	20,255	422	422	267,631	288,760	2,669,752	2,669,979	2,937,383	2,958,739

Details of individual assets by account furnished upon request.