

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT MANAGEMENT
2:00 p.m. – 4:00 p.m.
August 10, 2010**

AGENDA

UNIVERSITY OF HOUSTON SYSTEM ENDOWMENT MANAGEMENT COMMITTEE MEETING

DATE: Tuesday, August 10, 2010

TIME: 2:00 p.m.

PLACE: University of Houston
Athletics/Alumni Center
Melcher Board Room 100B
3100 Cullen Blvd.
Houston, Texas 77204

Chair: Jarvis V. Hollingsworth

Vice Chair: Carroll Robertson Ray

Members: Jim P. Wise
Welcome W. Wilson, Sr., Ex Officio

Advisory

Members: Michael J. Cemo
J. Christopher Jones

ENDOWMENT MANAGEMENT COMMITTEE

- A. Call to Order
- B. Approval of Committee Minutes
- May 24, 2010, Endowment Management Committee Meeting
- Action:** Approval
- C. Report and Recommendations from Cambridge Associates Regarding Endowed and Non-Endowed Assets – University of Houston System EM – 1
- Action:** Information and/or Approval
- D. Approval is requested for delegation of authority to the Chancellor to negotiate and execute contracts for the hiring of investment managers for the University of Houston System Endowment Fund – University of Houston System EM – 2
- Action:** Approval

E. Approval to liquidate The Conrad N. Hilton Quasi Endowment for Facility Improvement – University of Houston System EM – 3

Action: Approval

F. External Audit Report - UHS Endowment Fund, Financial Statements and Independent Auditor’s Report for FY 2009 and FY 2008 – University of Houston System EM – 4

Action: Information

G. Report on Compliance of Private Support Organizations and Foundations – University of Houston System EM – 5

Action: Information

H. Adjourn

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Endowment Management

ITEM: Report and Recommendations from Cambridge Associates Regarding
Endowed and Non-Endowed Assets

**DATE PREVIOUSLY
SUBMITTED:**

SUMMARY:

The Committee will receive reports and recommendations from its investment consultant, Cambridge Associates, and discuss investment strategies for the System's Endowment Fund and Non-Endowed Funds.

SUPPORTING DOCUMENTATION: Discussion materials under separate cover

FISCAL NOTE:

**RECOMMENDATION/
ACTION REQUESTED:** Information and/or Approval. If necessary, administration recommends approval of this item.

COMPONENT: University of Houston System

PRESIDENT

DATE



EXECUTIVE VICE CHANCELLOR

Carl Carlucci

DATE

7/23/2010



CHANCELLOR

Renu Khator

DATE

8/3/10

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Endowment Management

ITEM: Approval is requested for delegation of authority to the Chancellor to negotiate and execute contracts for the hiring of investment managers for the University of Houston System Endowment Fund

**DATE PREVIOUSLY
SUBMITTED:**

SUMMARY:

Approval is requested for delegation of authority to the Chancellor to negotiate and execute contracts for the hiring of investment managers for the University of Houston System Endowment Fund. The Committee will receive a report from the System's investment consultant, Cambridge Associates, regarding their recommendation to hire four new investment managers for the endowment fund.

SUPPORTING DOCUMENTATION: Summary of investment managers

FISCAL NOTE:

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item.

COMPONENT: University of Houston System

PRESIDENT



EXECUTIVE VICE CHANCELLOR

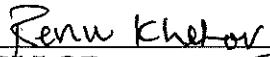
Carl Carlucci

DATE

7/28/2010

DATE

CHANCELLOR



Renu Khator

DATE

8/3/10

DATE

INVESTMENT MANAGER SUMMARY

Hedge Fund Managers:

Anchorage Capital Management

Anchorage is a credit and distressed-oriented hedge fund that takes an opportunistic approach to investing in long and short opportunities in distressed bank debt, high yield bonds, and other debt securities. The investment strategy is designed to take limited risk until an asset class or sector dislocation occurs and then focus on those areas where mispricings are most prominent. The firm is based in New York and is led by Kevin Ulrich and Anthony Davis, both of whom worked at Goldman Sachs prior to Launching Anchorage. At Goldman, Ulrich was head of distressed bank debt and bank debt trading and Davis was co-head of the firm's high yield and distressed bond business.

Partner Fund Management

Partner is a global long-short equity manager primarily focused on developed markets. While the investment team invests in both growth and value stocks and across the market capitalization spectrum, Partner operates with the belief that many of the best opportunities reside in stocks with a market capitalization between \$4 billion and \$12 billion (i.e. mid cap equities). Along with stock specific, bottom up analysis the fund incorporates top down, secular, macroeconomic views in altering risk exposures as market conditions evolve (or de-volve). Partner was founded by Chris James, who previously worked as an analyst and portfolio manager at three widely respected hedge funds, Andor Capital, Pequot Capital, and Moore Capital.

Samlyn Capital

Samlyn is a U.S. value-oriented long short equity fund focused on the financial, industrial, and health care sectors. Aside from identifying over and under valued securities, the investment process focuses on specific catalysts for price change and takes an opportunistic approach to re-sizing investment positions as stocks move closer to or farther from fair value price targets. Samlyn's founder and lead portfolio manager Rob Pholy was previously a portfolio manager at Sigma Capital Management, a wholly owned subsidiary of SAC Capital.

Private Equity Manager:

J.H. Whitney VII, L.P.

Whitney invests in small and middle market U.S. companies with a growth orientation. J.H. Whitney was founded in 1946 as an investment arm for the Whitney family. In the late 1980s, the firm restructured as a private partnership and raised its first institutional private equity fund in 1990. The firm has completed several leadership transitions over the years and is now led by Paul Vigano and Jim Fordyce. Whitney has eight investment professionals based in New Canaan, CT and one investment professional, senior partner Peter Castleman, based on the west coast. Whitney focuses on business services, consumer and retail, healthcare, and specialty manufacturing industries. The firm targets recapitalizations, investments in underperforming companies, and transforming business strategies. Target portfolio companies typically have revenues between \$50 and \$500 million. Deal values may range from \$40 to \$200 million, with most Whitney equity investments remaining under \$100 million. Whitney expects to make approximately 12 investments in Fund VII over a four to five year investment period. The firm uses limited leverage.

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Endowment Management

ITEM: Approval to liquidate The Conrad N. Hilton Quasi Endowment for Facility Improvement

**DATE PREVIOUSLY
SUBMITTED:**

SUMMARY:

In accordance with UH System policy 3.F.02 – section 3.15, approval is requested to liquidate The Conrad N. Hilton Quasi Endowment for Facility Improvement currently invested in the UH System Endowment. The proceeds will be used to pay for refurbishing costs at the Conrad N. Hilton Hotel at UH. The endowment was created with funds raised by the college to equip and furnish the building during its construction in the 1960's. The funds in excess of the campaign quota were placed into a quasi endowment in 1969 at the request of the Dean with the intent that the endowment might be liquidated and the funds made available to the college for refurbishing the building when needed.

**SUPPORTING
DOCUMENTATION:**

FISCAL NOTE: Market value \$407,657 as of 5/31/10.

**RECOMMENDATION/
ACTION REQUESTED:** Administration recommends approval of this item.

COMPONENT: University of Houston System

PRESIDENT



DATE

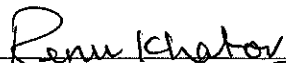
7/23/2010

EXECUTIVE VICE CHANCELLOR

Carl Carlucci

DATE

CHANCELLOR



Renu Khator

DATE

8/3/10

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Endowment Management

ITEM: External Audit Report - UHS Endowment Fund, Financial Statements and Independent Auditor's Report for FY 2009 and 2008

**DATE PREVIOUSLY
SUBMITTED:**

SUMMARY:

Don Guyton, Chief Audit Executive, will present the external audit report on the UH System Endowment Fund for FY2009 and 2008 to the Endowment Management Committee. Mr. Guyton will also be presenting this report to the Audit & Compliance Committee in accordance with Audit & Compliance Committee Charter and Checklist, item number 13.

SUPPORTING DOCUMENTATION: External Audit Report under separate cover

FISCAL NOTE:

**RECOMMENDATION/
ACTION REQUESTED:** Information

COMPONENT: University of Houston System

PRESIDENT



EXECUTIVE VICE CHANCELLOR

Carl Carlucci

CHANCELLOR



Renu Khator

DATE

7/23/2010

DATE

8/3/10

DATE



**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Financial Statements

August 31, 2009 and 2008

(With Independent Auditors' Report Thereon)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Table of Contents

	Page
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Statement of Net Assets	11
Statement of Revenues, Expenses, and Changes in Net Assets	12
Statement of Cash Flows	13
Notes to Basic Financial Statements	14
Other Supplementary Information:	
Schedule of Noncurrent Investments	31
Schedule of Changes in Net Assets by Endowment	39



KPMG LLP
700 Louisiana Street
Houston, TX 77002

Independent Auditors' Report

The Board of Regents
University of Houston System:

We have audited the accompanying financial statements of the business-type activities of the Endowment Fund of the University of Houston System (the System) as of and for the year ended August 31, 2009, as listed in the accompanying table of contents. These financial statements are the responsibility of the Endowment Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying financial statements of the Endowment Fund as of August 31, 2008 were audited by other auditors whose report thereon dated February 25, 2009 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Endowment Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in note 1, the financial statements of the Endowment Fund are intended to present the financial position, changes in financial position, and cash flows of only that portion of the business-type activities of the University of Houston System that is attributable to the transactions of the Endowment Fund. They do not purport to, and do not, present fairly the financial position of the University of Houston System as of August 31, 2009, the changes in its financial position, or its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the 2009 financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Endowment Fund as of August 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Endowment Fund's financial statements. The supplementary information included in those schedules as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

July 26, 2010

UNIVERSITY OF HOUSTON SYSTEM ENDOWMENT FUND

Management's Discussion and Analysis – (Unaudited)

August 31, 2009

Introduction

The following Management's Discussion and Analysis (MD&A) provides an overview of the activities and the financial position of the Endowment Fund of the University of Houston System (the System) for the fiscal year ended August 31, 2009 as compared to fiscal year ended August 31, 2008 with summary comparisons for the year ended August 31, 2007. This MD&A offers a summary of significant current year activities of the Endowment Fund, resulting changes in net assets, and currently known economic conditions and facts. This analysis should be read in conjunction with the Endowment Fund's financial statements and the notes to the financial statements. Responsibility of the financial statements, related footnote disclosures, and MD&A rests with the Endowment Funds' management.

During the 2002 fiscal year, the State of Texas adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. The System is a governmental entity of the State of Texas. The Endowment Fund is a fund group of the System's reporting entity.

During fiscal year 2009, the Endowment Management Committee of the System's Board of Regents (Board of Regents) continued to review existing objectives, risks, asset allocation, and manager structure within the endowment portfolio. The Endowment Fund Statement of Investment Objectives and Policies, among other things, establishes financial objectives for the endowment and an asset allocation with targets and ranges and categorizes each asset class as either a risk reducer or a driver of return.

Endowment Fund Structure

Gifts to the System are placed in the Endowment Fund for investment and oversight purposes. The Board of Regents strives to maintain a plan to preserve and augment the value of the endowment. The Board of Regents works to preserve the broad objective of investing endowment assets so as to preserve both their real value and the long-range purchasing power of endowment income. The Endowment Management Committee of the Board of Regents is responsible for reviewing and approving investment managers and monitoring investment performance and allocations of funds to asset classes to ensure appropriate diversification of investment risks for the Endowment Fund, as well as making recommendations to the Board of Regents for any changes to the investment policy.

The Endowment Fund is a pooled investment fund consisting of nearly 1,300 individual endowments benefiting the four System universities. The investment pool functions similarly to a mutual fund, with each endowment account owning units that represent a claim on the Endowment Fund's net assets. By pooling the investments, the System achieves increased diversification of investment risks and more effective management of endowment assets.

Management of the Fund

The Endowment Fund retains 30 independent investment managers who pursue different portfolio management strategies to maximize the total return through a variety of capital market cycles. Investment managers have been engaged with expertise in the specific areas of:

- Large capitalization growth equities – Fayed Sarofim; Smith Group; Wellington

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Management's Discussion and Analysis – (Unaudited)

August 31, 2009

- Large capitalization value equities – Robeco Boston Partners; Dodge & Cox
- Small capitalization value equities – Luther King Capital Management
- Small capitalization growth equities – Hoover Investment Management
- Pooled equities – Cougar Investment Fund
- Domestic fixed income –Smith Graham; Mondrian
- International growth equities – Silchester
- International value equities – William Blair
- Absolute return – Whippoorwill; Davidson Kempner; Crestline Investors
- Hedged equity – Barlow Partners; York Institutional Partners
- Inflation hedge – Sustainable Woodlands Fund; Morgan Stanley; Berwind Property Group; Salient Trust; Newlin Realty Partners; Moncrief Willingham; Wellington; Absolute Plus; Other (real estate holdings)
- Alternatives – HarbourVest, Trident; Commonfund; EnCap Energy; Fisher Lynch

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Management's Discussion and Analysis – (Unaudited)

August 31, 2009

As of August 31, the allocation of Endowment Fund assets among investment managers was as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Domestic large cap equities:			
Fayez Sarofim	3%	3%	4%
Smith Group	4	5	4
Wellington	3	3	2
Dodge & Cox	4	5	7
Robeco Boston Partners	5	5	7
Cougar Investment Fund (pooled fund)	<1	<1	<1
Subtotal – domestic large cap equities	<u>20</u>	<u>22</u>	<u>24</u>
Domestic small cap equities:			
Luther King Capital Management	2	2	2
Hoover Investment Management	2	2	2
Subtotal – domestic small cap equities	<u>4</u>	<u>4</u>	<u>4</u>
International equities:			
Arnhold & S. Bleichroder	—	—	13
William Blair	10	11	14
Alliance Bernstein	10	12	—
Subtotal – international equities	<u>20</u>	<u>23</u>	<u>27</u>
Absolute return:			
Davidson Kempner	3	2	2
Whipporwill	2	2	1
Crestline	5	2	2
Subtotal – absolute return	<u>10</u>	<u>6</u>	<u>5</u>
Hedged equity:			
Barlow Partners	8	7	7
York Institutional Partners	3	2	3
Federal Street	—	2	2
Subtotal – hedged equity	<u>11</u>	<u>11</u>	<u>12</u>
Inflation hedge:			
Morgan Stanley	1	1	1
Colchester	—	1	1
Moncrief Willingham	1	1	1
Wellington DIH	4	5	5
Absolute Plus	1	1	1
Salient Trust	1	1	1

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Management's Discussion and Analysis – (Unaudited)

August 31, 2009

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Sustainable Woodlands Fund	1%	1%	1%
Berwind Property Group	1	1	1
Newlin Realty Partners	1	1	1
Other – real estate holdings	1	1	1
Subtotal – inflation hedge	<u>11</u>	<u>14</u>	<u>13</u>
Domestic fixed income:			
Wells Capital	—	8	7
Smith Graham	6	8	7
Mondrian	5	—	—
Laddered U.S. Treasuries	5	—	—
Subtotal – domestic fixed income	<u>15</u>	<u>16</u>	<u>14</u>
Alternatives:			
HarbourVest Partners	<1	<1	<1
Trident	<1	<1	<1
Commonfund Capital	<1	<1	<1
EnCap Energy	1	<1	—
Fisher Lynch Capital	1	<1	—
Subtotal – alternatives	<u>2</u>	<u><1</u>	<u><1</u>
Cash and equivalents	<u>7</u>	<u>2</u>	<u>2</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Investment Manager Allocation

Investment managers are given discretion to manage the assets in each portfolio to best achieve investment objectives within the policies and requirements established by the Board of Regents. The objectives and comparative benchmarks, which are provided to each investment manager, are used to evaluate manager performance. The Endowment Management Committee reviews performance and adjusts allocation to investment managers and asset classes in response to current market conditions. Monthly and comprehensive quarterly performance reports are distributed to the Endowment Management Committee of the Board of Regents.

Endowment Payout Policy

The Endowment Management Committee is responsible for reviewing the income payout rate of the Endowment Fund, which is a balance between current income needs and long-term investment objectives. The endowment will maintain a payout rate of approximately 4% to 5%, with any change to this range to be approved by the Board of Regents. The endowment income payout for the year ending August 31, 2009 was 4% of the average year-end market value for the three prior fiscal years; new endowments funded in the current fiscal year and prior to May 1, 2009 received a pro-rata income distribution. If an endowment has been in existence less than three years, the average is based on the number of years in existence. This trailing three-year method is used to

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Management's Discussion and Analysis – (Unaudited)

August 31, 2009

smooth large year-over-year changes in market value, thereby allowing the System's colleges and departments to more reasonably predict future distributions of endowment income intended to benefit their area.

In the three fiscal years 2007 through 2009, endowment payouts to the beneficiary accounts, excluding distributed income returned to principal, in total and by the System's components were as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
University of Houston	\$ 6,568,038	14,992,422	13,657,740
UH – Clear Lake	127,623	598,277	542,200
UH – Downtown	513,029	831,970	745,005
UH – Victoria	285,650	422,003	386,124
System-wide endowments	<u>4,252,881</u>	<u>8,121,804</u>	<u>5,611,032</u>
Total	<u>\$ 11,747,221</u>	<u>24,966,476</u>	<u>20,942,101</u>

Overview of the Financial Statements

The financial statements for the fiscal year ended August 31, 2009 are presented comparatively to financial statements issued for the fiscal year ended August 31, 2008. The financial statements have been prepared in accordance with the standards of the Governmental Accounting Standards Board, which establishes generally accepted accounting principles for state and local governments. The three primary financial statements presented are (1) the Statement of Net Assets, (2) the Statement of Revenues, Expenses, and Changes in Net Assets, and (3) the Statement of Cash Flows. The information contained in the financial statements of the Endowment Fund is incorporated within the System's Combined Annual Financial Report.

The financial operations of the System, and therefore inclusively the Endowment Fund, are considered a business-type (or proprietary fund) activity. The operating activities of the System are financed by tuition and fees, state appropriations, contracts and grants, and auxiliary enterprise revenue. The Endowment Fund is an internally managed pooled-fund and its beneficiaries are internal to the System. The Statement of Net Assets reports resources held and administered by the System, as described in the previous sections of this discussion and analysis. These resources are customarily characterized by the existence of a written agreement that affects the degree of management involvement, the programs supported by income earned by the resources, and the length of time that the resources are held by the System.

Statement of Net Assets

The Statement of Net Assets reflects the Endowment Fund's assets and liabilities using the economic resources measurement focus and accrual basis of accounting, and represents the financial position as of the conclusion of the fiscal year. Net assets are equal to assets minus liabilities. Unrestricted net assets are available to the System for any lawful purpose. Unrestricted net assets often have constraints imposed by management, but such constraints can be removed or modified. Restricted net assets represent net assets that can be utilized only in accordance with third-party imposed restrictions. On August 31, 2009, the fund's assets totaled \$438.2 million, and liabilities totaled \$23.5 million, resulting in net assets of approximately \$414.7 million.

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Management's Discussion and Analysis – (Unaudited)

August 31, 2009

The net assets of the Endowment Fund as contributed by the System's components as of August 31, 2009, compared to the corresponding values as of August 31, 2008 and August 31, 2007, were as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
University of Houston	\$ 246,109,640	290,300,030	323,965,886
UH – Clear Lake	10,142,436	12,060,799	13,092,567
UH – Downtown	13,675,601	16,160,710	17,561,875
UH – Victoria	6,746,435	8,421,742	9,179,031
System-wide endowments	<u>138,016,146</u>	<u>171,323,001</u>	<u>130,222,599</u>
Total	<u>\$ 414,690,258</u>	<u>498,266,282</u>	<u>494,021,958</u>

Variance Analysis-Changes in the Statement of Net Assets

	<u>2009</u>	<u>2008</u>	<u>Change 2009 – 2008</u>	<u>2007</u>
Total assets	\$ 438,216,968	542,276,438	(104,059,470)	532,111,676
Total liabilities	23,526,710	44,010,157	(20,483,447)	38,089,718
Restricted for nonexpendable endowments	288,208,756	362,378,058	(74,169,302)	405,115,286
Restricted expendable endowments	84,349,738	83,444,214	905,524	31,055,418
Unrestricted	42,131,764	52,444,009	(10,312,245)	57,851,254
Net assets	\$ 414,690,258	498,266,281	(83,576,023)	494,021,958

- Total Assets: The \$104 million decrease in fiscal year 2009 is primarily attributable to the net decrease in the fair value of investments caused by the decline in the stock market which began in the latter part of fiscal year 2008 and continued into the first half of fiscal year 2009.
- Total Liabilities: The majority of the \$20.5 million decrease in liabilities is attributable to two factors. First, the amounts payable to the System's components for the income distribution and institutional advancement fee were decreased by \$15.6 million in fiscal year 2009 compared to fiscal year 2008 as a result of the prohibition against the distribution of income or assessment of the institutional advancement fee on any endowment that has a net loss from inception to date. Second, the total amount of securities purchased and pending settlement at fiscal year-end 2009 decreased \$4.1 million. An \$8 million payable was recorded at August 31, 2009 to recognize the future commitment to pay for these pending securities purchases, compared to a \$12.1 million payable at August 31, 2008.

Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets contains information about the additions to, the deductions from, and the resulting net increase or decrease in the fair value of the net assets for the fiscal year. During fiscal year 2009, the Endowment Fund recognized \$16.5 million of gifts and other receipts, interest and investment income of \$2.3 million, and a \$86.9 million net decrease in the fair value of investments. The Endowment Fund's total deductions for fiscal year 2009 were \$15.5 million, including \$11.7 million earmarked for distribution to the beneficiary endowment accounts under the planned payout policy and \$3.8 million for gift

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Management's Discussion and Analysis – (Unaudited)

August 31, 2009

acquisition and fundraising efforts. As a result of these activities, the Endowment Fund realized a decrease in net assets of \$83.6 million.

Variance Analysis for Statement of Revenues, Expenses, and Changes in Net Assets

	<u>2009</u>	<u>2008</u>	<u>Change 2009-2008</u>	<u>2007</u>
Contributions to endowments	\$ 16,506,838	69,502,852	(52,996,014)	11,320,846
Net appreciation (depreciation) (realized and unrealized)	(86,889,653)	(44,661,910)	(42,227,743)	55,506,292
Other nonoperating revenues (expenses)	(15,549,373)	(32,054,009)	16,504,636	(27,516,353)
Transfers-in/(out)	24,039	111,519	(87,480)	(339,044)
Interest and investment income	2,332,126	11,345,871	(9,013,745)	11,289,153
(Decrease) increase in net assets	<u>\$ (83,576,023)</u>	<u>4,244,323</u>	<u>(87,820,346)</u>	<u>50,260,894</u>

- Contributions to endowments decreased \$53 million in 2009 as compared to 2008. Philanthropy decreased as the economy was going through a recession. The recession caused a significant decline in the stock market that began in the latter part of fiscal year 2008 and continued through more than half of fiscal year 2009.
- Changes in investment activities included a decrease in interest and investment income of \$9 million as compared to 2008 as interest rates declined and yields on high quality fixed income securities declined. Fund deductions decreased \$16.5 million due primarily to a \$13.2 million decrease in income distributed to the beneficiary accounts and a \$2.1 million decrease in the institutional advancement fee assessment. These decreases were the result of the prohibition against the distribution of income or assessment of the institutional advancement fee on any endowment that has a net loss from inception to date. The institutional advancement fee was approved by the Board of Regents to offset costs associated with gift acquisition and fundraising efforts at the System components. Administrative costs of \$2.3 million were slightly less than fiscal year 2008 as we increased our cash position, which has a lower cost of management compared to management costs for other asset classes.

Statement of Cash Flows

The Statement of Cash Flows explains the change during the fiscal year in cash and cash equivalents, regardless of whether there are restrictions on their use. The Statement of Cash Flows should be read in conjunction with related disclosures and information in the other financial statements.

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Management's Discussion and Analysis – (Unaudited)

August 31, 2009

Capital Assets

The Endowment Fund does not hold any capital assets, such as buildings or furniture and equipment. The Endowment Fund invests in financial instruments, which constitutes most of the Endowment Fund's assets. Although the Endowment Fund is generally not prohibited from acquiring tangible physical assets to be held as investments for their appreciation qualities, such assets are typically not acquired or held by the Endowment Fund. Presently, the Endowment Fund holds certain parcels of land, which were received as gifts and are being held for their appreciative value.

Debt Administration

The Endowment Fund does not issue long-term debt. The Endowment Fund is not currently engaged in any long-term financing transactions. The operation and administration of the Endowment Fund is currently structured such that its annual financial obligations and expenses are satisfied through earnings and other fund additions.

Economic Outlook

Beginning in mid-calendar year 2008, the U.S. and the world were in the midst of a significant downturn in their financial environments and economies. The recessionary situation was characterized by a contraction of credit, high unemployment, falling prices in housing, rising foreclosures, and deflated valuations for equities and other investment instruments.

Any questions related to the MD&A or financial statements should be directed to University of Houston, Office of the Treasurer, P.O. Box 988, Houston, Texas 77001-0988.

BASIC FINANCIAL STATEMENTS

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Statements of Net Assets

August 31, 2009 and 2008

	2009	2008
Assets:		
Current assets:		
Cash and cash equivalents	\$ 42,424,648	32,406,050
Interest and dividends receivable	419,226	918,985
Receivables for investments sold	418,004	844,262
Short-term investments	5,345,748	440,990
Total current assets	48,607,626	34,610,287
Noncurrent assets:		
Investments	389,609,342	507,666,151
Total noncurrent assets	389,609,342	507,666,151
Total assets	438,216,968	542,276,438
Liabilities:		
Current liabilities:		
Payable for investments purchased	8,001,376	12,067,667
Due to other components	15,525,334	31,942,490
Total current liabilities	23,526,710	44,010,157
Total liabilities	23,526,710	44,010,157
Net assets:		
Restricted nonexpendable endowments	288,208,756	362,378,058
Restricted for expendable endowments	84,349,738	83,444,214
Unrestricted	42,131,764	52,444,009
Total net assets	\$ 414,690,258	498,266,281

See accompanying notes to basic financial statements.

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Statements of Revenues, Expenses, and Changes in Net Assets
Years ended August 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating revenues	\$ —	—
Operating expenses	—	—
Operating income (loss)	<u>—</u>	<u>—</u>
Nonoperating revenues (expenses):		
Interest and investment income	2,332,126	11,345,871
Net depreciation (realized and unrealized) of investments	(86,889,653)	(44,661,910)
Other nonoperating revenues (expenses)	<u>(15,549,373)</u>	<u>(32,054,009)</u>
Total nonoperating revenues (expenses)	(100,106,900)	(65,370,048)
Contributions to endowments	16,506,838	69,502,852
Transfers-in	<u>24,039</u>	<u>111,519</u>
Change in net assets	(83,576,023)	4,244,323
Net assets, beginning of year	<u>498,266,281</u>	<u>494,021,958</u>
Net assets, end of year	<u>\$ 414,690,258</u>	<u>498,266,281</u>

See accompanying notes to basic financial statements.

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Statements of Cash Flows

Years ended August 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:	\$ —	—
Net cash provided by operating activities	<u>—</u>	<u>—</u>
Cash flows from noncapital and related financing activities:		
Capital contributions	16,506,838	69,502,852
Other receipts	24,039	111,519
Transfers to other funds	<u>(16,417,156)</u>	<u>(27,516,353)</u>
Net cash provided by noncapital and related financing activities	<u>113,721</u>	<u>42,098,018</u>
Cash flows from capital and related financing activities:	<u>—</u>	<u>—</u>
Net cash provided by capital and related financing activities	<u>—</u>	<u>—</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	281,196,918	480,911,919
Payments to purchase investments	(271,859,190)	(524,013,170)
Interest and dividends received on investments	2,831,885	10,795,035
Payments for asset management and stewardship	<u>(2,264,736)</u>	<u>(2,278,906)</u>
Net cash provided by (used in) investing activities	<u>9,904,877</u>	<u>(34,585,122)</u>
Increase in cash and cash equivalents	10,018,598	7,512,896
Cash and cash equivalents – beginning of year	<u>32,406,050</u>	<u>24,893,154</u>
Cash and cash equivalents – end of year	<u>\$ 42,424,648</u>	<u>32,406,050</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ —	—
Adjustments	<u>—</u>	<u>—</u>
Net cash provided by operating activities	<u>\$ —</u>	<u>—</u>

See accompanying notes to basic financial statements.

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

(1) Reporting Entity

The University of Houston System (the System) is an agency of the State of Texas, established by the State of Texas to provide undergraduate and graduate university instruction, scholarly research, and public service in the Houston, Texas area. The System is the State of Texas' only metropolitan higher education system, encompassing four universities and two multi-institution teaching centers. The University of Houston System Endowment Fund (the Endowment Fund) is a fund group of the System reporting entity, with the earliest endowment having been established in 1950. The accompanying financial statements present only the Endowment Fund of the System as of August 31, 2009 and 2008, the changes in its financial position, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America and do not purport to, and do not, present fairly the financial position of the System.

The Endowment Fund is a fund group that accounts for all of the System's endowment assets pooled together to ensure better management and uniform accountability for those assets. The Endowment Fund provides financial support for the System's students and the System's research endeavors. The Endowment Fund presently comprises approximately 1,300 restricted and unrestricted endowment funds located in the System's four universities and two multi-institution teaching centers. Restricted endowment funds are funds with respect to which a donor or other outside entity has stipulated that the principal be maintained inviolate and in perpetuity, and that only the income from the investments is available for expenditure. Unrestricted endowment funds consist of funds for which the donor did not impose any restriction as to their use, as well as funds that are designated by the System's Board of Regents, rather than the donor, to function as endowment funds. The principal of these funds may be expended at the discretion of the System's Board of Regents.

(2) Summary of Significant Accounting Policies

(a) General

All financial accounting records of the Endowment Fund are maintained by the System's Office of the Associate Vice Chancellor for Finance in accordance with accounting principles generally accepted in the United States of America for colleges and universities.

(b) Reporting Guidelines

The System applies all applicable Governmental Accounting Standards Board (GASB) pronouncements and all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The Endowment Fund has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The Endowment Fund is reported as a single-purpose business-type activity entity.

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

(c) Basis of Accounting

The financial statements of the Endowment Fund are presented using the economic resources measurement focus and the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been incurred.

(d) Cash and Cash Equivalents

The Endowment Fund believes the carrying value of cash and temporary investments approximates fair value. The Endowment Fund considers investments purchased with a maturity of three months or less from the purchase date to be cash equivalents.

(e) Investments

In accordance with GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are recorded at fair value. Fair value is based on published closing market prices on the last trading day of the fiscal year. In the case of pooled funds or mutual funds, the fair value is determined as the number of units held in the fund multiplied by the price per unit share as publicly quoted. Investments in which a public market does not exist are based on the Endowment Fund's ownership interest in the net asset value of each fund as reported by the fund managers. When fund managers do not provide the net asset value of each fund at fiscal year-end, the fair value is estimated by the System using the most recent statement and adding contributions and subtracting the distributions during the intervening period. In accordance with GASB No. 52, *Land and Other Real Estate Held as Investments by Endowments*, land and other real estate held as investments are recorded at fair value. Chapter 163 of the Texas Property Code (also cited as the Uniform Prudent Management of Institutional Funds Act) grants the System the authority to spend net appreciation.

Because of inherent uncertainties of valuations, management's and fund managers' estimates of fair value may differ from the values that would have been used had a ready market existed.

Investments received as gifts are initially recorded at estimated fair value based on appraised values or broker closing prices for stocks at the date of the gift.

Short-term investments comprise U.S. government obligations and corporate obligations with a maturity date of less than one year as of the statement of net assets date.

(f) New Accounting Pronouncement

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The accounting and financial reporting guidance contained within the statement is intended to provide clarity and enhance the usefulness and comparability of derivative instrument information when governmental entities choose to use derivative instruments to manage specific financial risks or to make investments. The standard provides a comprehensive framework in the measurement, recognition, and disclosure of derivative instrument type transactions. The requirements of GASB No. 53 are effective for financial statements for periods beginning after

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

June 15, 2009, but an early application is permitted. The Endowment Fund will implement GASB No. 53 for fiscal year 2010.

(g) Net Assets

The Endowment Fund's net assets are classified as follows:

Restricted for nonexpendable endowments: Net assets for restricted nonexpendable endowment funds are maintained permanently by the System following the externally imposed stipulations.

Restricted for expendable endowment: Net assets for restricted expendable endowment funds are those funds that may be expended for either a stated purpose or for a general purpose subject to externally imposed stipulations.

Unrestricted: Net assets for unrestricted endowment funds are donated by third parties or created internally by the System and represent resources that are available to the System.

When both restricted and unrestricted resources are available for use, it is the Endowment Fund's policy to use restricted resources first, then unrestricted resources as they are needed.

(h) Revenue Recognition

Contributions to the Endowment Fund and transfers-in from other funds such as distribution payouts returned by beneficiaries for reinvestment are recognized as additions to the Endowment Fund's assets. Dividend income is recorded as income on the date the stock traded ex-dividend. Interest is recognized on fixed income investments on the accrual basis.

The net change in fair value of investments represents both realized and unrealized gains and losses on investments. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gain or loss is computed as the difference between the cost of marketable securities sold and the sale price. The cost of marketable securities sold is determined on specific identification of investments sold. Realized gains or losses are recorded as of the trade date regardless of when the transaction is settled. Unrealized gains or losses are calculated based on the changes in investment fair value between the beginning and end of the fiscal year for investments held since the beginning of the year, or as the difference between the fair value at end of year and the purchase cost for investments purchased during the year.

The Endowment Fund does not currently earn or incur operating revenues and expenses.

(i) Distribution Payout

Effective September 1, 1995, the System's Board of Regents adopted an endowment payout policy whereby the payout rate is based on a percentage of the fiscal year-end net assets averaged over the preceding three-year period. For the fiscal years 2009 and 2008, the payout rate was 4% and 5%, respectively. If an endowment was in existence less than three years, the average was based on the number of years the endowment was in existence. Effective May 1, 2009, no endowment receives a

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

pro rata income distribution from current fiscal year contributions. If an endowment were in existence less than three years, the average is based on the number of years in existence. Due to market conditions, the Board of Regents voted in 2009 to reduce the payout percentage from the Endowment Fund and to make no payout from endowments whose values were below the historical value of donations. The payout is calculated and recorded at the end of each fiscal year. Actual endowment return earned in excess of distributions is reinvested. For years actual endowment return is less than the distribution payout, the shortfall is covered by realized returns from prior years.

(j) Institutional Advancement Assessment

The System's Board of Regents has adopted a policy whereby an assessment is made against the earnings of various endowment funds to offset expenses associated with gift acquisition and fundraising at the System's component universities and multi-institution teaching centers. The policy allows for 1.5% to be assessed on the average of the preceding three years' net asset balances of all endowments except those exempt on the basis of donor-imposed restrictions or recommended by University Advancement, a division of the System which is responsible for fundraising, internal and external communications, and marketing. The assessment is made at the end of each fiscal year to make funds available for the System's institutional advancement activities in the following fiscal year. The total amount assessed for the years ended August 31, 2009 and 2008 was \$3,802,152 and \$5,876,529, respectively.

(k) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) Authorized Investments

The System's Board of Regents is charged with the fiduciary responsibility for preserving and augmenting the value of the Endowment Fund. The System retains the services of a custodial financial institution under a master trust custodian agreement, as well as the services of independent investment managers each of whom plays a part in meeting the System's goals over a variety of capital market cycles. The System's Board of Regents has adopted a written investment policy, including investment manager guidelines for each of the separately invested accounts of the Endowment Fund, regarding the investment of endowment assets as defined in the System's Investment Policy (Policies). The primary long-term financial objective for the Endowment Fund is to preserve the real (inflation adjusted) purchasing power of endowment assets when measured over rolling periods of at least five years. The medium term objective is to outperform each of the capital markets in which the endowment assets are invested, measured over rolling periods of three to five years or complete market cycles, with emphasis on whichever measure is longer.

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

(4) Derivatives

Derivatives are investment products that may be a security or contract that derives its value from another security, currency, commodity, or index, regardless of the source of funds used. The Endowment Fund did not directly invest in derivatives and held no direct derivative instruments at August 31, 2009 or August 31, 2008.

(5) Cash and Investments

(a) Composition of Cash and Cash Equivalents

Cash and cash equivalents consist of money market funds and securities maturing within three months totaling \$42,424,648 and \$32,406,050 at August 31, 2009 and 2008, respectively. The money market funds are invested in commercial paper, certificates of deposit, repurchase agreements, corporate notes, and time deposits.

Cash and cash equivalents included in the statements of net assets consist of the items reported below:

	2009	2008
Money Market premier shares	\$ 8,320,553	22,324,307
Prime short-term investment funds	32,309,307	10,081,743
Securities maturing within 3 months	1,794,788	—
Total cash and cash equivalents	\$ 42,424,648	32,406,050

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

(b) Reconciliation of Cash and Investments to Statements of Net Assets

Total cash and investments at August 31, 2009 and 2008 are as follows:

Type of security	Market value	
	2009	2008
Money market premier shares	\$ 8,320,553	22,324,307
Prime short-term investment funds	32,309,307	10,081,743
Cash equivalents – securities due within 3 months	1,794,788	—
Global fixed income	20,958,604	—
U.S. government obligations	20,471,961	2,437,228
U.S. government agencies	12,345,798	14,862,452
U.S. fixed income (nongovernment/agency)	10,946,782	63,926,141
U.S. equities	102,427,998	134,613,038
Global equities ex – U.S.	86,216,196	121,962,890
Hedged equity funds	46,418,145	66,043,566
Inflation hedge funds (including REITs)	43,533,757	69,000,488
Absolute return funds	40,680,935	30,583,412
Private equity partnerships	6,916,622	639,634
Real estate	4,038,292	4,038,292
Total investments	437,379,738	540,513,191
Less cash equivalents	(42,424,648)	(32,406,050)
Short-term investments	(5,345,748)	(440,990)
Total noncurrent investments	\$ 389,609,342	507,666,151

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

(c) Investment Maturities

As of August 31, 2009 and 2008, the Endowment Fund had the following investments and weighted average maturities:

<u>Investment type</u>	<u>2009</u>		<u>2008</u>	
	<u>Fair value</u>	<u>Weighted average maturity (years)</u>	<u>Fair value</u>	<u>Weighted average maturity (years)</u>
U.S. government obligations	\$ 20,471,961	2.8	\$ 2,437,228	15.4
U.S. government agencies	12,345,798	22.9	14,862,452	22.2
Corporate bonds and asset backed securities (including short-term investments)	10,946,782	11.0	21,704,958	10.4
Equity, mutual funds, other investments	<u>345,844,801</u>	Untenured	<u>469,102,503</u>	Untenured
Total investments at fair value	<u>\$ 389,609,342</u>		<u>\$ 508,107,141</u>	
Weighted average maturity of tenured portfolio		10.4		15.2

(d) Asset Selection and Allocation

The Endowment Fund's Statement of Investment Objectives and Policies governs the overall allocation of endowment funds to asset classes and considerations of limits to investment risk exposures. Allocation of funds to asset classes is based on expected returns, risk levels, desired risk diversification, interaction of various asset classes, and income generation and capital appreciation potentials of each asset class. The market value of investments in each asset class is maintained within an approved range of ratios to the market value of the Endowment Fund's total investments, except for minor deviations due to fluctuations in market value. The Endowment Management Committee monitors asset allocation targets and limits and asset custodial risks and may authorize the reallocation of funds among investment managers.

The Endowment Fund currently invests in a broad array of asset classes in order to diversify the portfolio's risk. Readily marketable securities, such as domestic or international common stocks, domestic bonds, and cash equivalents comprise 67% of the overall investment portfolio (portfolio) at the end of fiscal year 2009. Marketable alternative investments (i.e. Inflation hedges, Absolute return and Hedged equity) represent 32% of the portfolio, and nonmarketable alternative investments (i.e. Venture Capital and Private Equity) constitute 1% of the portfolio on a funded basis. The Endowment Fund's overall investment risk is diversified by asset class and within each class by

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

strategy, economic sector, geography, industry, and market capitalization. Such diversification is aimed at limiting the risks specifically associated with any single security or class of securities.

(e) Investment-Related Risks

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the Endowment Fund will not be able to recover its deposits. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Endowment Fund will not be able to recover the value of its investment or collateral securities that may be in the possession of another party. Securities owned by the endowment but held in custody by the endowment custodian may be lent to other parties through a contract between the System and the custodian pursuant to a written agreement approved by the Board of Regents. As of August 31, 2009 and 2008, the System did not have securities lending agreements with its custodian. Managers may not enter into securities lending agreements without the consent of the Board of Regents. The System recognizes, however, that for those investments placed in commingled vehicles, the Board of Regents cannot dictate whether or not the manager will engage in securities lending. Therefore, the System and its investment consultant make every effort either to avoid commingled investments, or to otherwise limit investments to those managers who will not engage in securities lending. The limited partnerships of marketable and nonmarketable alternative investments are excluded from this limitation. At August 31, 2009 and 2008, the Endowment Fund's total investments at fair value under a master trust custodian agreement with a third-party financial institution was approximately \$155,657,554 and \$197,816,779, respectively. The third-party custodian operates its business worldwide and, at August 31, 2009 and 2008, held risk-insurance contracts with various local and foreign insurance organizations providing coverage for loss due to theft, fraud, and damage to securities while in the custodian's custody; loss of securities while in transit; property damage; and, loss due to business interruption, acts of terrorism, officer negligence, and general liability. The insurance coverage limits ranged from \$1,000,000 to \$500,000,000. The coverage did not protect against market risks and fluctuations associated with market investments.

At August 31, 2009 and 2008, the Endowment Fund's investments at fair value not covered by the master trust custodian agreement were approximately \$281,722,184 and \$332,391,993, respectively. These investments, excluding real estate valued at \$4,038,292 at August 31, 2009 and 2008, were held by various independent investment managers under various independent investment management agreements. The investments are subject to custodial risks associated with those independent investment managers, and to market risks and fluctuations associated with market investments. The System controls these risks through its credit and concentration risk policies as described below:

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its value to changes in market interest rates. The System's investment policy, by way of the investment manager guidelines, requires the weighted average duration of the portfolio should remain in a range of a minimum of 90% and a maximum of 110% of the Lehman Brothers Aggregate Bond Index for active fixed income managers. The System's investment policy is driven

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

primarily by the goal to preserve the long-term real (inflation adjusted) purchasing power of endowment assets while achieving short-term maximum earnings. In order to balance these two primary goals, the Board of Regents is closely involved in managing the exposure to declines in investment fair value and earnings.

Credit Risk and Concentration of Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO). Per GASB Statement No. 40 (GASB 40), *Deposit and Investment Risk Disclosures*, and amendment to GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements* unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. In accordance with the System’s investment policy and manager guidelines, investments in fixed income securities must have an average portfolio credit quality of “AA” or better and should be readily marketable and liquid. The use of options, futures, and other derivatives (excepting mortgage-backed securities) is prohibited without prior approval by the Endowment Management Committee as well as the use of leverage. The investment manager guidelines limit the amount each active manager may invest in any one issuer. Other than U.S. government securities (including agency securities), no security may be purchased so that it will constitute more than 5% of the market value of the portfolio; however, obligations issued or guaranteed by the full faith and credit of the U.S. government may be held without limitation. The System’s endowment funds also include an allocation to alternative investments, which, by their nature, include higher levels of risk, including credit and concentration of credit risk, with the expectation of higher returns relative to traditional equities and fixed income securities. The investment policy does not specify limits as to credit quality or concentration for alternatives as these investments may include highly concentrated positions and may include investing in companies that are either privately held or in financial distress.

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

The credit quality (ratings) of tenured securities and concentration of credit exposure as a percentage of total investments as of August 31, 2009 are as follows:

Issuer	Coupon rate	Maturity date	S&P Risk rating	Fair value	Concentration of credit exposure
Aep Tex Cent Trans 06-A Cl A2	4.98%	01/01/2015	AAA	\$ 159,599	0.04%
AT & T Inc Global Nt	4.98	01/15/2013	A	256,541	0.06
AT&T Wireless Svcs Inc Sr Nt	8.75	03/01/2031	A	225,949	0.05
American Express Co American Express Cr 08-1 Cl A (1)	7.25	05/20/2014	BBB+	132,059	0.03
Ameriprise Financial Inc	0.72	08/15/2013	AAA	378,864	0.09
Axa Sa US\$ Sub Nt	7.30	06/28/2019	A	154,392	0.04
BP Capital Markets Plc	8.60	12/15/2030	BBB+	250,000	0.06
Banc One Corp Debs	1.55	08/11/2011	A	160,288	0.04
Bank Of America Corp	8.00	04/29/2027	A	235,574	0.05
Bear Stearns Coml 01-Top4 A3	7.62	06/01/2019	A	220,202	0.05
Bear Stearns Cos Inc Sr Nt	5.61	11/01/2033	AAA	284,911	0.07
Burlington Nothn Santa Fe Corp	6.40	10/02/2017	A+	206,180	0.05
CVS Caremark Corp Sr Nt	5.75	03/15/2018	BBB+	117,961	0.03
Centerpoint Energy Tran Aa2	6.60	03/15/2019	BBB+	181,168	0.04
Chait 2009-A3 A3	4.97	08/01/2014	AAA	365,674	0.08
Cisco Sys Inc Sr Nt	2.40	06/17/2013	AAA	344,311	0.08
Citigroup Inc Global Nt	4.95	02/15/2019	A+	250,488	0.06
Clorox Co Sr Nt	5.30	10/17/2012	A	202,040	0.05
Commonwealth Edison Co 1St Mtg	5.95	10/15/2017	BBB+	249,200	0.06
Conocophillips Cda Fdg Co I Nt	5.80	03/15/2018	A-	139,945	0.03
Credit Suisse Fb Usa Inc Sr Nt	5.62	10/15/2016	A	232,864	0.05
Dow Chemical Company	6.12	11/15/2011	A+	236,394	0.05
Dow Chemical Co	7.60	05/15/2014	BBB-	183,568	0.04
Ge Cap Cr Card Mstr 06-1 Cl A	4.85	08/15/2012	BBB-	61,276	0.01
Gemnt 2009-2 A	5.08	09/15/2012	AAA	344,217	0.08
Ge Coml Mtg Corp 2006-1 Cl A4	3.69	07/15/2015	AAA	151,206	0.04
General Elec Cap Corp #Tr00806	5.51	03/10/2044	AAA	436,063	0.10
General Mls Inc Nt	5.87	01/14/2038	AA+	133,155	0.03
Goldman Sachs Group Inc Mtn	5.25	08/15/2013	BBB+	217,378	0.05
Ingersoll-Rand Global Hldg Co	7.50	02/15/2019	A	149,972	0.03
Intl Paper Co	6.00	08/15/2013	BBB+	244,272	0.06
JP Morgan Chase Coml 04-C2 A3	7.50	08/15/2021	BBB	121,595	0.03
Kla-Tencor Corp Sr Nt	5.40	05/15/2041	AAA	172,386	0.04
Koninklijke Philips Electrs N	6.90	05/01/2018	BBB	153,411	0.04
	4.62	03/11/2013	A-	248,148	0.06

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

Issuer	Coupon rate	Maturity date	S&P Risk rating	Fair value	Concentration of credit exposure
LB Ubs Coml Mtg Tr 03-C5 A-3	4.25%	07/01/2027	AAA	\$ 397,202	0.09%
LB Ubs Coml Mtg 2005-C7 C1 A1	4.99	11/30/2030	AAA	104,323	0.02
Merrill Lynch & Co Inc Medium	6.87	04/25/2018	A	40,843	0.01
Metlife Inc	6.75	06/01/2016	A-	153,145	0.04
Morgan Stanley Cap 04-Top13 A4	4.66	09/13/2045	AAA	95,490	0.02
Morgan Stanley Cap I 06-Hq8 A4	5.55	03/12/2044	AAA	243,824	0.06
Morgan Stanley	6.00	05/13/2014	A	106,039	0.02
News America Inc	5.65	08/15/2020	BBB+	164,608	0.04
PG&E Energy Recovery 05-2 A2	5.03	03/25/2014	AAA	194,830	0.05
Private Expt Fdg Corp Ser U	4.95	11/15/2015	AA+	163,618	0.04
Prudential Finl Inc Mtn 00029	5.15	01/15/2013	A	120,913	0.03
Rio Tinto Fin Usa Ltd Gtd Nt	5.87	07/15/2013	BBB+	244,364	0.06
Time Warner Cable Inc Nt	7.50	04/01/2014	BBB	80,343	0.02
USAA Auto Owner Tr 05-3 C1 A4	4.63	05/15/2012	AAA	228,322	0.05
Valero Energy Corp Nt	6.62	06/15/2037	BBB	95,612	0.02
Verizon Communications Inc Nt	6.40	02/15/2038	A	227,012	0.05
Viacom Inc	4.37	09/15/2014	BBB	120,186	0.03
Virginia Elec & Pwr Co Sr Nt	5.95	09/15/2017	A-	109,817	0.03
Wellpoint Inc Nt	6.00	02/15/2014	A-	171,173	0.04
Wells Fargo & Co New Sr Nt	5.25	10/23/2012	AA-	127,495	0.03
Xerox Corp Sr Nt	5.50	05/15/2012	BBB-	156,374	0.04
U.S. Treasury Bond	4.37	02/15/2038	Exempt from disclosure	268,247	0.06
U.S. Treas-Cpi Inflat	1.62	01/15/2015	Exempt from disclosure	536,085	0.12
U.S. Treasury Note	4.25	01/15/2011	Exempt from disclosure	2,392,723	0.56
U.S. Treasury Note	4.87	07/31/2011	Exempt from disclosure	2,392,309	0.56
U.S. Treasury Note	4.62	07/31/2012	Exempt from disclosure	2,401,784	0.56
U.S. Treasury Note	2.12	01/31/2010	Exempt from disclosure	2,469,808	0.57
U.S. Treasury Note	2.87	01/31/2013	Exempt from disclosure	2,420,186	0.56
U.S. Treasury Note	2.75	07/31/2010	Exempt from disclosure	2,451,936	0.57
U.S. Treasury Note	3.37	07/31/2013	Exempt from disclosure	2,367,586	0.55

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

Issuer	Coupon rate	Maturity date	S&P Risk rating	Fair value	Concentration of credit exposure
U.S. Treasury Note	1.12%	01/15/2012	Exempt from disclosure	\$ 2,430,240	0.56%
U.S. Treas Strip Int Pmt	—	11/15/2027	Exempt from disclosure	341,058	0.08
GNMA Pool #0591705	7.50	10/15/2032	Exempt from disclosure	2,708	—
GNMA Pool #0511631	9.00	08/15/2030	Exempt from disclosure	14,187	—
GNMA Pool #0781384	11.00	09/15/2015	Exempt from disclosure	5,578	—
FHLMC Pool #G1-8024	4.00	09/01/2019	AGN	234,141	0.05
FHLMC Pool #G1-1630	3.50	06/01/2019	AGN	111,947	0.03
Federal Natl Mtg Assn Debs	7.25	05/15/2030	AGN	281,217	0.07
Federal Natl Mtg Assn Debs	5.00	02/13/2017	AGN	164,649	0.04
Federal Home Ln Mtg Corp Ref	5.12	11/17/2017	AGN	549,775	0.13
Federal Home Ln Mtg Corp Refer	2.50	01/07/2014	AGN	100,167	0.02
Federal Home Ln Mtg Corp Ref	3.75	03/27/2019	AGN	247,865	0.06
FNMA Pool #0254663	5.00	02/01/2013	AGN	181,300	0.04
FNMA Pool #0254801	6.00	07/01/2023	AGN	75,068	0.02
FNMA Pool #0254972	6.00	10/01/2023	AGN	42,380	0.01
FNMA Pool #0255319	5.00	08/01/2019	AGN	275,264	0.06
FNMA Gtd Remic P/T	4.49	11/25/2012	AGN	218,755	0.05
FNMA Gtd Remic P/T 04-36 Eb	4.00	03/25/2018	AGN	89,994	0.02
FNMA Gtd Remic P/T 05-51 Kc	4.50	01/25/2025	AGN	72,170	0.02
FNMA Pool #0725866	4.50	09/01/2034	AGN	327,384	0.08
FNMA Pool #0729175	2.93	06/01/2034	AGN	93,709	0.02
FNMA Pool #0809800	5.50	03/01/2035	AGN	512,917	0.12
GNMA Gtd Remic P/T 2002-48 Oc	6.00	09/16/2030	AGN	714,456	0.17
Commit To Pur FNMA Sf Mtg	5.00	09/01/2039	AGN	1,267,419	0.29
Commit To Pur GNMA Sf Mtg	5.00	09/15/2039	AGN	159,504	0.04
Commit To Pur GNMA Sf Mtg	5.50	09/15/2039	AGN	240,207	0.06
Commit To Pur GNMA Sf Mtg	6.00	09/15/2039	AGN	274,056	0.06
Commit To Pur FNMA Sf Mtg	5.00	09/01/2024	AGN	448,142	0.10
Commit To Pur FNMA Sf Mtg	5.50	09/01/2039	AGN	2,331,706	0.54
Commit To Pur FNMA Sf Mtg	6.50	09/01/2039	AGN	459,833	0.11
Commit To Pur FNMA Sf Mtg	5.50	09/01/2024	AGN	862,796	0.20
Commit To Pur FNMA Sf Mtg	6.00	09/01/2039	AGN	1,562,502	0.36

- (1) The American Express Cr 08-1 Cl A is a variable rate security whose coupon rate resets monthly. So, the rate understandably stands out compared to the other securities whose rate is locked in longer-term and therefore is much higher.

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

The credit quality (ratings) of tenured securities and concentration of credit exposure as a percentage of total investments as of August 31, 2008 are as follows:

Issuer	Coupon rate	Maturity date	S&P Risk rating	Fair value	Concentration of credit exposure
AEP Tex Cent Transition	4.98%	07/01/2013	AAA	\$ 349,916	0.07%
American Express	4.35	12/15/2011	AAA	401,708	0.08
American Express Var Rt	2.92	08/15/2013	AAA	668,678	0.13
AT&T Inc	4.95	01/15/2013	A	239,966	0.05
AT&T Wireless Services Inc	8.75	03/01/1931	A	322,507	0.06
AXA	8.60	12/15/1930	A-	259,475	0.05
Banc One Corp	8.00	04/29/2027	A+	376,207	0.07
Bear Stearns	6.40	10/02/2017	AA-	344,061	6.00
Berkshire Hathaway	5.40	05/15/2018	AAA	179,163	0.03
Burlington Nothn Santa Fe Corp	5.75	03/15/2018	BBB	168,890	0.03
Capital One	3.65	07/15/2011	AAA	450,068	0.08
Centerpoint Energy	4.97	08/01/2014	AAA	407,704	0.08
Chase Issuance Trust	4.23	01/15/2013	AAA	449,091	0.08
Chase Issuance Trust Var Rt	2.49	02/15/2012	AAA	357,386	0.07
CIT Group Inc	5.65	02/13/2017	A-	252,799	0.05
Citigroup Inc	6.00	02/21/2012	AA-	342,206	0.06
Clorox Co	5.00	03/01/2013	BBB+	217,824	0.04
Clorox Co	5.95	10/15/2017	BBB+	399,692	0.08
Commonwealth Edison Co	5.80	03/15/2018	BBB	126,624	0.02
Commonwealth Edison Co	6.15	09/15/2017	BBB	170,415	0.03
ConocoPhillips	5.63	10/15/2016	A	426,251	0.08
Credit Suisse First Boston (USA) Inc	6.13	11/15/2011	AA-	360,500	0.07
Diageo Cap	5.20	01/30/2013	A-	182,101	0.03
Disney Walt Co	5.63	09/15/2016	A	390,245	0.07
Emerson Electric	4.50	05/01/2013	A	390,140	0.07
FHLMC Multiclass	4.25	12/15/2010	AGN	393,726	0.07
FNMA Gtd Remic	4.49	11/25/2012	AGN	620,143	0.12
FNMA Gtd Remic P/T 04-36	4.00	03/25/2018	AGN	112,861	0.02
FNMA Gtd Remic P/T 05-51	4.50	01/25/2025	AGN	179,375	0.03
FNMA Gtd Remic P/T 2004-45	4.50	06/25/2024	AGN	133,119	0.03
GE Capital Credit Card	5.08	09/15/2012	AAA	186,487	0.04
GE Coml Mtg Corp 2006-1 CL A4 Var Rt	5.52	03/10/1944	AAA	419,483	0.08
General Elec Cap Corp	5.63	05/01/2018	AAA	194,444	0.04
General Elec Cap Corp	5.88	01/14/1938	AAA	315,154	0.06
General Mls Inc	5.25	08/15/2013	BBB+	199,568	0.04
Genworth Financial Inc	4.95	10/01/2015	A	298,273	0.06
GlaxoSmithKline Cap Inc	5.65	05/15/2018	A+	310,887	0.06
GNMA Gtd Remic P/T 2002-48	6.00	09/16/1930	Exempt from disclosure	772,700	0.15
Goldman Sachs Group	5.75	10/01/2016	AA-	284,871	0.05
Honda Auto	4.61	08/17/2009	AAA	11,005	—

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

Issuer	Coupon rate	Maturity date	S&P Risk rating	Fair value	Concentration of credit exposure
HoneyWell Int'l Inc	4.25	03/01/2013	A	\$ 278,079	0.05%
Ingersoll-Rand Global Hldg Co	6.00%	08/15/2013	BBB+	421,050	0.08
Int'l Lease Finance Corp	4.88	09/01/2010	A+	252,391	0.05
JPMorgan Chase & Co	5.38	10/01/2012	AA-	327,419	0.06
JPMorgan Chase Coml 04-C2 A3 Var Rt	5.38	05/15/1941	AAA	392,368	0.07
Koninklijke Philips Electrs	4.63	03/11/2013	A-	237,427	0.04
LB UBS Coml Mtg 02 C1 A 2	5.97	03/15/2026	AAA	94,074	0.02
LB UBS Coml Mtg 06-C7 CL A2	5.30	11/15/1938	AAA	389,204	0.07
LB UBS Coml Mtg 2005-C7 CL A1	4.99	11/15/1930	AAA	232,408	0.04
LB UBS Coml Mtg TR 03-C5 A-3	4.25	07/15/2027	AAA	352,325	0.07
Lehman Bros Hldgs Inc	6.50	07/19/2017	A	274,415	0.05
Lehman Bros Hldgs Inc	6.88	07/17/1937	A-	139,201	0.03
Lehman Brothers Hldgs Inc	6.20	09/26/2014	A	56,204	0.01
MBNA Master	4.30	02/15/2011	AAA	450,257	0.08
Merrill Lynch & Co Inc	6.11	01/29/1937	A-	300,140	0.06
Merrill Lynch & Co Inc	6.88	04/25/2018	A	128,941	0.02
Morgan Stanley Cap 04-Top13 A4	4.66	09/13/1945	AAA	95,400	0.02
Pacific Gas & Elec Co	5.63	11/30/2017	BBB+	209,397	0.04
PG&E Energy	5.03	03/25/2014	AAA	403,744	0.08
Rio Tinto Fin USA Ltd	5.88	07/15/2013	BBB+	262,194	0.05
SBC Communications	4.13	09/15/2009	A	351,974	0.07
SBC Communs Inc	5.63	06/15/2016	A	183,960	0.03
Southern Pwr Co	6.25	07/15/2012	BBB+	31,427	0.01
Tele-Communications Inc	7.88	08/01/2013	BBB+	565,890	0.11
US Bancorp	5.30	04/28/2009	AA	429,985	0.08
USAA Auto	4.63	05/15/2012	AAA	552,987	0.10
Valero Energy Corp	6.63	06/15/1937	BBB	158,823	0.03
Verizon Communications Inc	6.40	02/15/1938	A	428,007	0.08
Verizon Global Fund	7.25	12/01/2010	A	370,948	0.07
Virginia Elec & Pwr Co	5.95	09/15/2017	A-	101,293	0.02
Wal-Mart	4.25	04/15/2013	AA	80,294	0.02
Wal-Mart	4.75	08/15/2010	AA	247,157	0.05
Wells Fargo & Co	5.25	10/23/2012	AA+	239,863	0.05

At August 31, 2009 and 2008, the Endowment Fund held no unrated fixed-income marketable securities.

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

(f) Alternative Investments

Investments reported at fair value of approximately \$219,076,796 and \$229,387,378, as of August 31, 2009 and 2008, respectively, are not publicly traded, and have been estimated by management and fund managers in the absence of readily available market values. These funds are invested with external investment managers, generally in commingled funds, limited liability partnerships or corporations in which the System has an interest, who invest, for example, in hedge funds, real estate, natural resources, private equity, managed futures, and distressed opportunities. These investments are domestic and international in nature and some of the investments may not be realized for a period of several years after the investments are made. Risks associated with these investments include liquidity risk, market risk, event risk, foreign exchange risk, interest rate risk, and investment manager risk. More specifically, the risks include the following:

Nonregulation risk – These funds are not required to register with the Securities and Exchange Commission and therefore are not subject to regulatory controls. The Endowment Fund has no specific policy statement with respect to nonregulation risk. The policy does contain limitations on the percent that can be allocated to alternative investments.

Managerial risk – Fund managers for nonpublicly traded investments may fail to produce the intended returns and are not subject to external oversight. However, the fund managers are subject to oversight by the Endowment Fund. The Endowment Fund has no specific policy statement with respect to managerial risk for alternative investments.

Liquidity risk – Many of the endowment's investment funds impose restrictions on redemptions or require multi-year lock-up periods that restrict investors from redeeming their shares or may impose penalties to redeem. The Endowment Fund has no specific policy statement with respect to liquidity risk. The policy does contain limitations on the percent that can be allocated to alternative investments.

Limited transparency – As unregistered investment vehicles, funds are not required to disclose the holdings in their portfolios to investors. The Endowment Fund has no specific policy statement with respect to transparency risk.

Investment strategy risk – Alternative investments often employ sophisticated and more risky investment strategies, as compared to traditional investments, and one or more may use leverage, which could result in volatile returns. The Endowment Fund has no specific policy statement with respect to investment strategy risk. The policy does contain limitations on the percent that can be allocated to alternative investments.

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

Foreign currency risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the Endowment Fund’s non-U.S. dollar-denominated investments. Investment managers may hedge some, all, or none of their foreign currency risk. The Endowment Fund has no specific policy statement with respect to foreign currency risk. Other than the following currencies, non-U.S. dollar-denominated equity investments were unhedged as of August 31, 2009 and August 31, 2008:

	Market value	
	2009	2008
Currency:		
Euro	\$ 620,485	—
Pound sterling	1,283,469	1,950,024
Total	\$ 1,903,954	1,950,024

(6) Due to Other Components

Due to other components at August 31, 2009 and 2008 consists of the following:

	2009	2008
Payable to System components under the income payout policy	\$ 11,747,221	24,966,476
Payable to System components for institutional advancement (Receivable from) payable to System components based on endowment agreements	3,802,152	5,876,529
	(24,039)	1,099,485
Total due to other components	\$ 15,525,334	31,942,490

(7) Related Party Transactions

In addition to the transfers-in described in the revenue recognition policy in note 2, and distributions to other components described in note 6, the Endowment Fund received in-kind contributions from the System in the form of personnel costs, office facilities, equipment, and supplies in the fiscal years ended August 31, 2009 and 2008. The total estimated value of these in-kind contributions received from the System was approximately \$526,252 and \$451,000 for the fiscal years 2009 and 2008, respectively, and are not recorded in the financial statements.

(8) Administrative Costs and Institutional Advancement Fees

The Endowment Fund pays custodial fees and expenses to the financial institution, which acts as the custodian of the portion of the Endowment Fund’s assets managed under a master trust custodian agreement. The fees are based on the number of accounts, market value of the securities, and transaction activities in accordance with the master trust custodian agreement.

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Notes to Basic Financial Statements

August 31, 2009 and 2008

Additionally, the Endowment Fund incurs asset management fees from the independent investment managers of the Endowment Fund. The fees are generally assessed on a quarterly basis on a percentage of the market value of investments held by each investment manager.

The Endowment Fund incurs other expenses related to its operations primarily consisting of professional service fees and expenses. The total fees and expenses incurred by the Endowment Fund for the fiscal years ended August 31, 2009 and 2008 were \$2,264,736 and \$2,387,073, respectively. These amounts are included in the statements of revenues, expenses, and changes in net assets in the net change in fair value of investments.

(9) Income Taxes

The System, of which the Endowment Fund is a fund group of, is a university established as an agency of the State of Texas prior to 1969, and is exempt from income taxes under Section 115(1) of the Internal Revenue Code. Accordingly, provisions for income taxes have been made in the accompanying financial statements.

(10) Subsequent Event (Unaudited)

In the months subsequent to the fiscal year year-end, the U.S. and world's financial markets, as measured by the global stock markets, have continued to improve although uncertainty and volatility remains in the market. These and other economic events have had an effect on the value of investments held by the Endowment Fund. Interim valuation information is not available for all investments through the date of this report. However, for the Endowment Fund, investment appreciation subsequent to year-end and through May 31, 2010 was approximately \$32,329,432. As of that date, the Endowment Fund's total net assets were approximately \$447,019,690.

OTHER SUPPLEMENTARY INFORMATION

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Noncurrent Investments

Year ended August 31, 2009

<u>Issuer</u>	<u>Shares</u>	<u>Coupon rate</u>	<u>Maturity date</u>	<u>Cost</u>	<u>Fair value</u>
U.S. government obligations:					
U S Treas Strip Int Pmt	760,000.000	—%	11/15/2027	\$ 341,307	341,058
U S Treasury Bond	260,000.000	4.37	02/15/2038	266,006	268,247
U S Treasury Note	2,450,000.000	2.12	01/31/2010	2,467,060	2,469,808
U S Treasury Note	2,400,000.000	2.75	07/31/2010	2,449,802	2,451,936
U S Treasury Note	2,280,000.000	4.25	01/15/2011	2,395,975	2,392,723
U S Treasury Note	2,225,000.000	4.87	07/31/2011	2,397,434	2,392,309
U S Treasury Note	2,435,000.000	1.12	01/15/2012	2,436,417	2,430,240
U S Treasury Note	2,200,000.000	4.62	07/31/2012	2,423,858	2,401,784
U S Treasury Note	2,325,000.000	2.87	01/31/2013	2,468,178	2,420,185
U S Treasury Note	2,242,000.000	3.37	07/31/2013	2,364,097	2,367,586
US Treas-Cpi Inflat	536,417.500	1.62	01/15/2015	539,302	536,085
Total U.S. government obligations				<u>20,549,436</u>	<u>20,471,961</u>
U.S. government agency issues:					
Federal Home Ln Mtg Corp Disc	425,000.000	—	03/29/2010	424,004	424,004
Commit To Pur FNMA Sf Mtg	430,000.000	5.00	09/01/2024	444,177	448,142
Commit To Pur FNMA Sf Mtg	820,000.000	5.50	09/01/2024	856,131	862,796
Commit To Pur FNMA Sf Mtg	1,235,000.000	5.00	09/01/2039	1,240,403	1,267,419
Commit To Pur FNMA Sf Mtg	2,240,000.000	5.50	09/01/2039	2,291,342	2,331,706
Commit To Pur FNMA Sf Mtg	430,000.000	6.50	09/01/2039	456,875	459,833
Commit To Pur FNMA Sf Mtg	1,485,000.000	6.00	09/01/2039	1,542,653	1,562,502
Commit To Pur GNMA Sf Mtg	155,000.000	5.00	09/15/2039	158,948	159,504
Commit To Pur GNMA Sf Mtg	230,000.000	5.50	09/15/2039	239,164	240,207
Commit To Pur GNMA Sf Mtg	260,000.000	6.00	09/15/2039	273,569	274,055
Federal Home Ln Mtg Corp Ref	500,000.000	5.12	11/17/2017	540,314	549,775
Federal Home Ln Mtg Corp Ref	250,000.000	3.75	03/27/2019	242,790	247,865
Federal Home Ln Mtg Corp Refer	100,000.000	2.50	01/07/2014	99,704	100,167
Federal Natl Mtg Assn Debs	100,000.000	5.00	02/13/2017	162,701	164,649
Federal Natl Mtg Assn Debs	210,000.000	7.25	05/15/2030	266,124	281,217
FHLMC Pool #G1-1630	113,989.920	3.50	06/01/2019	107,462	111,947
FHLMC Pool #G1-8024	226,863.210	4.00	09/01/2019	223,128	234,141
FNMA Pool #0254663	175,296.260	5.00	02/01/2013	173,861	181,300
FNMA Pool #0254801	70,112.080	6.00	07/01/2023	70,457	75,068
FNMA Pool #0254972	39,581.850	6.00	10/01/2023	39,777	42,379
FNMA Pool #0255319	261,309.330	5.00	08/01/2019	258,852	275,264
FNMA Pool #0725866	323,959.790	4.50	09/01/2034	314,057	327,384
FNMA Pool #0729175	93,270.610	2.93	06/01/2034	93,299	93,709
FNMA Pool #0809800	490,561.950	5.50	03/01/2035	496,503	512,917
FNMA Gtd Remic P/T	210,000.000	4.49	11/25/2012	210,409	218,755
FNMA Gtd Remic P/T 04-36 Eb	86,924.860	4.00	03/25/2018	87,522	89,994
FNMA Gtd Remic P/T 05-51 Kc	71,290.820	4.50	01/25/2025	70,131	72,170
GNMA Pool #0511631	12,250.340	9.00	08/15/2030	12,907	14,187
GNMA Pool #0591705	2,414.350	7.50	10/15/2032	2,550	2,708
GNMA Pool #0781384	5,301.100	11.00	09/15/2015	5,729	5,578
GNMA Gtd Remic P/T 2002-48 Oc	688,088.240	6.00	09/16/2030	720,905	714,456
Total U.S. government agency issues				<u>12,126,448</u>	<u>12,345,798</u>
Fixed income (nongovernment/agency):					
Aep Tex Cent Trans 06-A Cl A2	150,000.000	4.98	07/01/2013	149,949	159,599
American Express Co	120,000.000	7.25	05/20/2014	119,821	132,059
American Express Cr 08-1 Cl A	380,000.000	0.69	08/15/2013	380,000	378,864
Ameriprise Financial Inc	140,000.000	7.30	06/28/2019	140,321	154,392
AT & T Inc Global Nt	240,000.000	4.95	01/15/2013	242,189	256,541
AT&T Wireless Svcs Inc Sr Nt	170,000.000	8.75	03/01/2031	214,163	225,949
Axa Sa Us\$Sub Nt	250,000.000	8.60	12/15/2030	308,869	250,000
Banc One Corp Debs	205,000.000	8.00	04/29/2027	235,378	235,574
Bank Of America Corp	200,000.000	7.62	06/01/2019	201,857	220,202
Bear Stearns Coml 01-Top4 A3	275,000.000	5.61	11/15/2033	277,321	284,911
Bear Stearns Cos Inc Sr Nt	190,000.000	6.40	10/02/2017	189,742	206,180
BP Capital Markets Plc	160,000.000	1.55	08/11/2011	159,970	160,288
Burlington Nothn Santa Fe Corp	110,000.000	5.75	03/15/2018	109,782	117,961
Centerpoint Energy Tran Aa2	344,692.880	4.97	08/01/2014	344,615	365,674
Chait 2009-A3 A3	340,000.000	2.40	06/17/2013	339,798	344,311
Cisco Sys Inc Sr Nt	240,000.000	4.95	02/15/2019	241,390	250,488
Citigroup Inc Global Nt	200,000.000	5.30	10/17/2012	187,210	202,040
Clorox Co Sr Nt	230,000.000	5.95	10/15/2017	230,581	249,200
Commonwealth Edison Co 1St Mtg	130,000.000	5.80	03/15/2018	129,787	139,945
ConocoPhillips Cda Fdg Co I Nt	215,000.000	5.62	10/15/2016	217,080	232,864
Credit Suisse Fb Usa Inc Sr Nt	220,000.000	6.12	11/15/2011	225,623	236,394

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Noncurrent Investments

Year ended August 31, 2009

Issuer	Shares	Coupon rate	Maturity date	Cost	Fair value
CVS Caremark Corp Sr Nt	160,000.000	6.60%	03/15/2019	\$ 161,754	181,168
Dow Chemical Co	60,000.000	4.85	08/15/2012	59,991	61,276
Dow Chemical Company	170,000.000	7.60	05/15/2014	172,249	183,568
Ge Cap Cr Card Mstr 06-1 Cl A	345,000.000	5.08	09/15/2012	340,065	344,217
Ge Coml Mtg Corp 2006-1 Cl A4	455,000.000	5.51	03/10/2044	451,421	436,063
Gemnt 2009-2 A	150,000.000	3.69	07/15/2015	149,978	151,206
General Elec Cap Corp #Tr00806	150,000.000	5.87	01/14/2038	146,753	133,155
General Mls Inc Nt	200,000.000	5.25	08/15/2013	199,660	217,378
Goldman Sachs Group Inc Mtn	130,000.000	7.50	02/15/2019	135,843	149,972
Ingersoll-Rand Global Hldg Co	230,000.000	6.00	08/15/2013	229,922	244,272
Intl Paper Co	120,000.000	7.50	08/15/2021	120,925	121,595
JP Morgan Chase Coml 04-C2 A3	180,000.000	5.40	05/15/2041	187,011	172,386
Kla-Tencor Corp Sr Nt	150,000.000	6.90	05/01/2018	152,944	153,411
Koninklijke Philips Electrs N	240,000.000	4.62	03/11/2013	238,705	248,148
LB Ubs Coml Mtg 2005-C7 Cl A1	103,378.510	4.99	11/15/2030	102,566	104,323
LB Ubs Coml Mtg Tr 03-C5 A-3	390,125.560	4.25	07/15/2027	398,442	397,202
Merrill Lynch & Co Inc Medium	40,000.000	6.87	04/25/2018	39,970	40,843
Metlife Inc	140,000.000	6.75	06/01/2016	140,182	153,145
Morgan Stanley	100,000.000	6.00	05/13/2014	100,712	106,039
Morgan Stanley Cap 04-Top13 A4	100,000.000	4.66	09/13/2045	97,400	95,490
Morgan Stanley Cap I 06-Hq8 A4	270,000.000	5.55	03/12/2044	246,119	243,824
News America Inc	160,000.000	5.65	08/15/2020	161,782	164,608
PG&E Energy Recovery 05-2 A2	185,931.280	5.03	03/25/2014	185,919	194,830
Private Expt Fdg Corp Ser U	150,000.000	4.95	11/15/2015	161,203	163,618
Prudential Finl Inc Mtn 00029	120,000.000	5.15	01/15/2013	93,002	120,913
Rio Tinto Fin Usa Ltd Gtd Nt	230,000.000	5.87	07/15/2013	229,339	244,364
Time Warner Cable Inc Nt	70,000.000	7.50	04/01/2014	69,702	80,342
USAA Auto Owner Tr 05-3 Cl A4	227,296.960	4.63	05/15/2012	226,847	228,322
Valero Energy Corp Nt	110,000.000	6.62	06/15/2037	109,151	95,612
Verizon Communications Inc Nt	210,000.000	6.40	02/15/2038	209,474	227,012
Viacom Inc	120,000.000	4.37	09/15/2014	119,152	120,186
Virginia Elec & Pwr Co Sr Nt	100,000.000	5.95	09/15/2017	99,690	109,817
Wellpoint Inc Nt	160,000.000	6.00	02/15/2014	160,403	171,173
Wells Fargo & Co New Sr Nt	120,000.000	5.25	10/23/2012	119,915	127,495
Xerox Corp Sr Nt	150,000.000	5.50	05/15/2012	131,802	156,373
Total fixed income (nongovernment/agency)				10,595,439	10,946,782
Global fixed income:					
Mondrian Global Fixed Income				20,206,830	20,958,604
Total global fixed income				20,206,830	20,958,604
Equity securities:					
Arch Capital Group Ltd Shs	2,750.000			162,606	178,668
Argo Group International	2,716.000			98,986	95,929
Lazard Ltd Shs -A-	2,700.000			104,943	104,949
Signet Jewelers Limited Shs	3,150.000			66,085	76,325
Uti Worldwide Inc Shs	7,300.000			88,953	93,805
Ace Limited Shs	6,950.000			269,573	362,651
Foster Wheeler Ag Com	2,000.000			56,589	57,900
Transocean Ltd Zug Namen-Akt	1,699.000			202,261	128,852
Core Laboratories N V	1,050.000			91,245	97,304
Abbott Labs Com	18,855.000			877,072	852,812
Abercrombie & Fitch Co Cl A	5,870.000			171,940	189,542
Advanced Auto Pts Inc	1,200.000			37,848	50,760
Aecom Technology Corp Delaware	1,300.000			29,881	35,633
Aeropostale Inc	1,000.000			34,301	39,150
Advent Software Inc	2,000.000			41,956	77,380
Affiliated Managers Group Inc	1,800.000			90,625	117,594
Alexandria Real.Estate	1,500.000			73,943	83,565
Allegheny Energy Inc Com	8,440.000			288,902	222,900
Allegheny Technologies Inc Com	4,505.000			115,324	136,817
Allscripts-Misys Healthcare	2,400.000			29,668	35,640
Alpha Nat Res Inc	1,010.000			15,772	32,633
Altria Group Inc	16,720.000			39,014	305,642
American Elec Pwr Inc Com	3,305.000			86,564	103,876
American Express Co Com	12,550.000			404,721	424,441
American Med Sys Hldgs Inc Com	4,600.000			70,946	70,104
Analog Devices Inc Com	2,695.000			85,140	76,134
Annaly Capital Management Inc	19,525.000			279,256	338,564
Anntaylor Stores Corp Com	3,200.000			39,895	45,056

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Noncurrent Investments

Year ended August 31, 2009

Issuer	Shares	Coupon rate	Maturity date	Cost	Fair value
Ansys Inc Com	4,250.000			\$ 103,518	149,345
Apache Corp Com	4,900.000			427,290	416,255
Apollo Group Inc Cl A	4,800.000			298,382	311,232
Apple Inc	5,700.000			696,336	958,797
Arris Group Inc Com	5,500.000			65,545	72,930
Ashland Inc New	3,000.000			102,719	110,040
Athenahealth Inc Com	1,000.000			35,346	40,230
Atwood Oceanic Inc	5,200.000			148,134	148,096
Automatic Data Processing Inc	3,500.000			142,154	134,225
Bb&T Corp Com	6,710.000			135,628	187,477
Bce Inc Com New	6,515.000			128,656	160,074
Bmc Software Inc Com	13,600.000			443,125	484,840
Baldor Elec Co	3,950.000			137,949	110,877
Bank Of America Corp	40,555.000			691,402	713,362
Barrett Bill Corp	1,700.000			39,574	49,708
Becton Dickinson & Co Com	1,500.000			101,285	104,430
Berkshire Hathaway Inc Del B	191.000			571,962	627,626
Bio-Reference Labs Inc Com	1,200.000			39,089	39,888
Bjs Restaurants Inc	5,050.000			83,286	86,608
Blue Coat Sys Inc Com New	4,300.000			68,715	84,323
Bridgepoint Ed Inc Com	2,800.000			52,979	51,436
Bristol Myers Squibb Co Com	19,000.000			388,574	420,470
Brocade Communications Sys Inc	13,150.000			74,019	95,469
Brookfield Asset Mgmt Inc Cl A	5,625.000			84,499	114,356
Bucyrus International Inc	1,100.000			37,077	32,835
Buffalo Wild Wings Inc	1,100.000			39,023	45,309
Cvs Caremark Corp	9,715.000			283,409	364,507
Cabot Oil & Gas Corp Com	1,600.000			38,710	56,400
Calgon Carbon Corp Com	7,050.000			119,265	100,815
Canadian Nat Res Ltd	1,725.000			119,654	98,722
Capella Ed Co Com	1,250.000			45,005	79,188
Capital Source Inc	8,250.000			37,782	34,155
Cardinal Health Inc Com	4,020.000			138,473	139,012
Carpenter Technology Corp Com	4,750.000			103,045	101,223
Carrizo Oil & Gas Inc Com	4,200.000			89,759	81,186
Carter Hldgs Inc	1,500.000			28,461	37,740
Cash America International Inc	3,850.000			139,664	107,916
Catalyst Health Solutions Inc	2,500.000			64,249	71,400
Caterpillar Inc	3,500.000			247,280	158,585
Charles Riv Laboratories Intl	2,300.000			70,333	79,327
Chevron Corporation Com	20,825.000			1,108,789	1,456,501
Chipotle Mexican Grill Inc Cl	1,500.000			80,963	125,820
Chiquita Brands Intl Inc	7,450.000			134,420	114,730
Church & Dwight Inc	7,800.000			427,250	445,614
Ciena Corp Com New	6,400.000			61,933	85,760
Cisco Sys Inc Com	31,500.000			693,791	680,400
Clarcor Inc	2,000.000			61,241	64,120
Clean Hhrs Inc	300.000			17,608	17,706
Clorox Co Com	4,410.000			245,437	260,587
Coca Cola Co Com	12,976.000			81,394	632,840
Coinstar Inc Com	4,450.000			146,928	146,984
Colgate Palmolive Co	6,400.000			431,763	465,280
Columbia Sportswear Co Com	1,000.000			39,113	39,310
Commscope Inc Com	4,000.000			113,500	107,840
Comstock Res Inc New	1,400.000			53,715	49,462
Comtech Telecommunications	1,600.000			51,300	54,576
Con-Way Inc	10,200.000			441,051	425,952
Conceptus Inc Com	8,150.000			151,654	147,678
Concho Res Inc Com	5,500.000			126,262	179,245
ConocoPhillips	14,900.000			843,552	670,947
Copart Inc	4,300.000			114,547	151,962
Corporate Office Pptys Tr Com	2,400.000			71,292	88,464
Corrections Corp Amer New Com	3,800.000			45,703	75,392
Curtiss Wright Corp	800.000			26,689	26,056
Cypress Semiconductor Corp	3,800.000			24,663	38,456
Dsw Inc Cl A	7,500.000			89,565	113,700
Davita Inc Com	4,960.000			258,475	256,482
Deckers Outdoor Corp Com	800.000			57,678	54,632
Devon Energy Corp New Com	5,575.000			398,443	342,194
Dicks Sporting Goods Inc Oc	3,700.000			48,932	82,917

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Noncurrent Investments

Year ended August 31, 2009

Issuer	Shares	Coupon rate	Maturity date	Cost	Fair value
Digital Rlty Tr Inc	1,800.000			\$ 64,512	78,444
Digital Riv Inc Com	1,100.000			34,476	38,852
Discover Finl Svcs Com	22,545.000			234,233	309,994
Douglas Emmett Inc Com	3,200.000			39,175	38,752
Dr Pepper Snapple Inc	9,520.000			235,623	251,709
Dresser Rand Group Inc	15,200.000			417,593	451,440
Dril-Quip Inc Com	3,450.000			80,305	147,177
Emc Corp Mass	16,620.000			255,679	264,258
Eog Res Inc Com	5,175.000			454,869	372,600
Exco Res Inc Com	11,400.000			141,109	167,124
Ebay Inc Com	12,080.000			279,578	267,451
Edison Intl Com	6,515.000			276,282	217,666
Ehealth Inc Com	2,300.000			38,961	42,550
Electronic Arts	4,500.000			87,406	81,990
Endo Pharmaceuticals Hldgs Inc	4,100.000			77,506	92,537
Equifax Inc Com	9,520.000			238,611	263,133
Exelon Corp Com	1,500.000			112,156	75,030
Express Scripts Inc Com Stk	7,400.000			274,788	534,428
Exxon Mobil Corp	30,073.000			1,259,249	2,079,548
Fei Company	1,700.000			37,273	40,222
Factset Resh Sys Inc	1,400.000			63,498	77,056
Federated Invs Inc Pa Cl B	3,000.000			66,285	78,750
F5 Network Inc Com	2,900.000			72,891	100,050
Firs Cash Financial Services	5,100.000			92,044	95,829
First Horizon National Corp	8,866.000			92,158	118,627
Fluor Corp New Com	1,200.000			81,697	63,480
Flowers Food Inc Com	1,600.000			35,687	38,032
Flowerserve Corp Com	900.000			45,527	77,625
Fomento Economico Mexicano Sab	5,000.000			189,753	181,900
Foot Locker Inc Com	9,850.000			130,104	105,001
Formfactor Inc	4,800.000			83,242	105,312
Forward Air Corp Com	6,250.000			173,013	144,250
Franklin Elec Inc	2,700.000			113,550	85,077
Franklin Res Inc Com	7,540.000			694,387	703,708
Freeport Memoran Copper & Gold	8,500.000			668,519	535,330
Gamestop Corp New	7,730.000			186,769	183,974
Gap Inc Com	10,685.000			134,184	209,960
Gen Probe Inc New	900.000			37,752	34,695
General Cable Corp Del Com New	1,100.000			26,542	38,808
General Dynamics Corp Com	2,000.000			178,996	118,380
General Elec Co Com	17,080.000			81,176	237,412
Geoeye Inc Com	1,500.000			34,707	37,980
Glacier Bancorp Inc New Com	5,202.000			77,492	77,562
Goldman Sachs Group Inc Com	5,405.000			546,725	894,311
Grand Canyon Ed Inc Com	4,550.000			59,829	79,170
Granite Constr Inc Com	200.000			7,602	6,420
Greenhill & Co Inc	500.000			39,996	39,600
Guess Inc Com	1,200.000			38,458	42,048
Hms Holding Corp	900.000			28,734	33,849
Hsbc Hldg Plc Spon Adr New	5,666.000			385,840	305,511
Haemonetics Corp Mass Com	1,850.000			106,811	97,384
Hain Celestial Group Inc Com	1,800.000			31,524	28,800
Halliburton Co Com	5,500.000			196,129	130,405
Harris Corp Del Com	7,815.000			330,571	271,415
Harte-Hanks Inc Com	2,450.000			24,169	31,948
Healthcare Svcs Group Inc	2,650.000			41,503	46,852
Helmerich & Payne Inc Com	1,900.000			45,893	63,574
Hewitt Assocs Inc	3,160.000			109,298	113,823
Hewlett Packard Co Com	21,420.000			844,417	961,544
Hexcel Corp New	12,100.000			159,729	131,648
Hibbett Sports Inc Com	5,550.000			102,894	97,680
Home Depot Inc Com	17,000.000			416,233	463,930
Honeywell Intl Inc Com	7,340.000			280,079	269,818
Icf Intl Inc Com	1,500.000			41,425	41,025
Ipc The Hospitalist Co Inc Com	2,200.000			60,472	64,988
Illinois Tool Wks Inc Com	10,300.000			427,955	430,746
Intel Corp	52,320.000			860,562	1,063,142
Ibm Corp Com	5,070.000			467,068	598,514
Intersil Corp Cl A	8,450.000			96,857	124,976
Inverness Medical Innovations	2,400.000			55,281	85,440

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Noncurrent Investments

Year ended August 31, 2009

Issuer	Shares	Coupon rate	Maturity date	Cost	Fair value
Itron Inc	1,500.000			\$ 85,444	82,185
J Crew Group Inc Com	2,700.000			46,029	92,043
JPMorgan Chase & Co Com	39,890.000			1,534,258	1,733,619
Jabil Circuit Inc Com	4,200.000			41,115	45,990
Jack In The Box Inc Com	3,600.000			91,654	73,404
Janus Cap Group Inc	2,900.000			37,456	36,888
Jarden Corp	5,500.000			137,769	133,925
Johnson & Johnson Com	22,685.000			1,137,249	1,371,081
Jones Lang Lasalle Inc Com	2,900.000			107,606	135,952
Kbw Inc Com	2,900.000			58,939	82,998
K12 Inc Com	4,600.000			112,633	94,714
Kaiser Alum Corp Com Par \$0.01	1,100.000			37,724	35,563
Kaydon Corp	4,000.000			157,208	133,520
Kennametal Inc Com	1,800.000			39,518	39,690
Kirby Corp Com	2,650.000			31,573	98,183
Knight Cap Group Inc	1,900.000			38,981	38,228
Lkq Corp	5,800.000			83,198	100,688
L-3 Communications Hldgs Inc	5,700.000			441,617	424,080
Laboratory Corp Amer Hldgs	3,145.000			191,463	219,490
Landstar Sys Inc Com	3,700.000			167,672	129,019
Lender Processing Svcs Inc Com	13,400.000			444,172	459,352
Liberty Media Corp New	8,506.000			133,054	237,232
Life Time Fitness Inc	2,100.000			42,889	65,352
Lilly Eli & Co Com	3,500.000			280,665	117,110
Lincare Hldgs Inc Com	3,735.000			138,552	98,567
Lindsay Corp	1,800.000			74,972	74,718
Lockheed Martin Corp Com	2,540.000			206,190	190,449
Loews Corp Com	7,070.000			262,467	241,441
Msci Inc Cl A	2,000.000			35,970	58,840
Mwi Veterinary Supply Inc	3,650.000			120,038	135,817
Mantech International Corp	2,050.000			93,085	108,322
Marsh & McLennan Cos Inc Com	8,815.000			172,779	207,505
Mcafee Inc	11,220.000			324,375	446,332
Mcdermott Intl Inc Com	2,000.000			105,096	47,520
Mcdonalds Corp Com	14,300.000			759,357	804,232
Mcgraw Hill Cos Inc Com	7,100.000			187,231	238,631
Mckesson Corp Com	16,005.000			876,152	910,044
Medassets Inc Com	4,100.000			76,483	91,553
Mednax Inc Com	1,600.000			69,037	83,312
Medtronic Inc Com	9,595.000			388,868	367,488
Mercadolibre Inc Com	1,750.000			43,221	55,072
Merck & Co Inc Com	14,867.000			363,355	482,137
Meridian Bioscience Inc Com	4,825.000			97,117	116,282
Merit Med Sys Inc Com	2,300.000			39,565	41,515
Micros Sys Inc Com	2,900.000			48,199	80,823
Microsoft Corp Com	22,470.000			749,020	553,885
Microstrategy Inc Cl A	1,550.000			72,986	95,712
Monro Muffler Brake Inc	1,500.000			38,213	38,670
Monster Worldwide Inc Com	3,700.000			57,365	60,014
Moodys Corp Com	4,795.000			174,838	130,616
Moog Inc Cl A	1,400.000			37,144	40,572
Morningstar Inc	1,700.000			61,412	75,310
Mosaic Co	1,905.000			102,368	92,335
Ncr Corp New	3,100.000			29,215	41,323
National Instrs Corp Com	4,250.000			125,420	108,842
National Semiconductor Corp	4,800.000			51,903	72,816
Nestle Sa Spon ADR Repstg Reg	10,000.000			352,910	416,140
Netezza Corp	10,100.000			91,127	96,960
Neustar Inc Cl A	1,800.000			38,861	41,724
Neutral Tandem Inc Com	3,800.000			104,808	95,038
Nike Inc Cl B Com	3,310.000			136,685	183,341
Noble Energy Inc	2,780.000			151,170	168,079
Novo Nordisk A S ADR	3,000.000			202,458	183,030
Nuance Communications Inc	10,650.000			67,082	131,314
Nuvasive Inc	1,800.000			76,430	72,126
Occidental Pete Corp Com	3,500.000			195,849	255,850
Old Dominion Fght Lines Inc	1,100.000			31,197	39,358
Omnicare Inc Com	7,840.000			194,215	179,458
Omnicom Group Inc USD 0.15 Com	4,270.000			209,751	155,086
Omniture Inc Com	6,300.000			84,310	90,153

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Noncurrent Investments

Year ended August 31, 2009

Issuer	Shares	Coupon rate	Maturity date	Cost	Fair value
Oracle Corporation Com	20,280.000			\$ 309,375	443,726
Pg&E Corp Com	4,485.000			215,906	182,046
Pf Changs China Bistro Inc Com	1,200.000			27,424	38,292
Ppg Inds Inc Com	2,040.000			139,764	113,016
Pss World Med Inc	5,900.000			97,483	120,596
Packaging Corp Amer Com	4,900.000			74,292	99,764
Pactiv Corp Com	18,400.000			444,257	457,240
Panera Bread Co Cl A Com	1,300.000			59,182	67,873
Parexel Intl Corp	8,800.000			125,320	112,904
Peets Coffee & Tea Inc Com	1,300.000			37,244	34,203
Pentair Inc Com	2,000.000			50,900	56,660
Pepsico Inc Com	9,370.000			106,185	530,998
Petrohawk Energy Corp	2,750.000			46,379	59,207
Philip Morris Intl Inc Com	24,480.000			385,668	1,118,981
Phillips Van Heusen Corp Com	3,500.000			144,798	132,230
Piper Jaffray Cos	1,200.000			52,116	60,816
Potlatch Corp New Com	2,112.000			80,676	61,459
Praxair Inc Com	2,615.000			133,340	200,361
Precision Castparts Corp	1,400.000			83,534	127,792
Premiere Global Svcs Inc	9,250.000			141,440	86,580
Priceline Com Inc	500.000			37,141	76,990
Procter & Gamble Co Com	10,400.000			81,894	562,744
Private Bancorp Inc Com	3,950.000			133,217	95,234
Prosperity Bancshares Inc Com	4,750.000			138,975	163,780
Prudential Finl Inc	1,500.000			137,154	75,870
Qualcomm Inc	2,500.000			95,150	116,050
Quality Sys Inc	700.000			38,176	37,688
Quicksilver Res Inc Com	3,100.000			38,097	33,542
Radio Shack Corp Com	2,500.000			36,918	37,825
Raven Inds Inc Com	2,550.000			74,809	73,695
Raymond James Finl Inc Com	9,250.000			158,962	210,437
Raytheon Co Com New	9,200.000			438,912	434,056
Red Hat Inc Com	19,360.000			301,801	444,506
Reinsurance Group Amer Inc Com	4,760.000			232,132	204,918
Reliance Stl & Alum Co	4,815.000			171,331	177,866
Rio Tinto Plc Sponsored Adr	800.000			220,207	124,128
Robbins & Myers Inc Com	1,700.000			38,754	39,474
Rofin Sinar Technologies Inc	3,950.000			104,739	89,823
Ross Stores Inc Com	11,100.000			380,287	517,704
Rovi Corp	3,800.000			70,117	115,672
Royal Dutch Shell Plc	5,900.000			281,306	327,273
Sba Communications Corp Com	3,800.000			40,317	91,618
Saic Inc Com	25,100.000			460,774	464,099
Sei Investment Co Com	6,130.000			87,542	113,037
Slm Corp	16,920.000			121,973	150,588
Sxc Health Solutions Corp Com	2,700.000			60,060	109,917
St Mary Ld & Expi Co	1,300.000			30,496	34,190
Schering Plough Corp Com	6,310.000			105,753	177,816
Schulman A Inc Com	3,650.000			67,309	73,328
Siemens Ag Sponsored Adr	1,635.000			190,141	141,983
Signature Bk New York N Y	2,000.000			56,876	60,720
Silicon Laboratories Inc	1,300.000			30,167	58,578
Silgan Hldgs Inc Com	1,800.000			71,460	87,516
Sirona Dental Sys Inc Com	1,500.000			39,500	39,660
Solera Hldgs Inc Com	1,400.000			36,725	36,876
Stifel Finl Corp	1,000.000			42,268	56,300
Strayer Ed Inc	2,005.000			446,941	423,255
Sunpower Corp Com Cl B	1,700.000			45,327	36,363
Superior Energy Services Inc	4,000.000			80,156	72,920
Sybase Inc Com	2,200.000			66,036	76,670
Sykes Enterprises Inc Com	3,800.000			70,321	79,762
Symantec Corp Com	6,325.000			115,916	95,634
Sysco Corp Com	3,500.000			113,727	89,215
Td Ameritrade Hldg Corp Com	22,700.000			426,623	436,748
Tjx Cos Inc New Com	5,210.000			171,951	187,299
Taiwan Semiconductor Mfg Co	11,748.000			100,722	125,704
Tanger Factory Outlet Ctr Inc	1,900.000			58,786	71,478
Target Corp Com	4,475.000			141,036	210,325
Techno Corp Com	1,450.000			82,174	89,421
Teledyne Technologies Inc Com	1,100.000			32,406	37,136

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Noncurrent Investments

Year ended August 31, 2009

Issuer	Shares	Coupon rate	Maturity date	Cost	Fair value
Tellabs Inc Com	6,500.000			\$ 34,086	41,210
Tempur Pedic Intl Inc	11,150.000			152,566	165,020
Tetra Tech Inc New	2,700.000			64,602	79,758
Texas Cap Bancshares Inc	5,550.000			100,512	91,852
Texas Instrs Inc Com	10,035.000			298,767	246,761
Texas Roadhouse, Inc Common	10,800.000			99,498	110,052
Tibco Software Inc Com	14,000.000			117,538	124,180
Tidewater Inc Com	1,700.000			68,288	73,389
Time Warner Inc New Com New	4,553.000			98,413	127,074
Total Sa Adr	8,715.000			534,999	499,108
Tractor Supply Co	3,450.000			98,795	162,426
Travelers Cos Inc Com	8,727.000			381,410	440,015
Trimble Nav Ltd	3,650.000			71,125	92,929
Tutor Perini Corp Com	1,700.000			34,420	33,354
Ulta Salon Cosmetics &	6,250.000			69,742	72,000
Under Armour Inc Cl A	2,650.000			94,144	63,255
Union Pac Corp Com	1,855.000			86,142	110,948
Unit Corp Com	1,700.000			41,628	63,597
United Natural Foods Inc	1,500.000			32,521	40,530
United Technologies Corp Com	6,965.000			454,769	413,442
Unitrin Inc Com	10,900.000			159,947	206,337
Urban Outfitters Inc Com	4,100.000			75,757	116,563
Vail Resorts Inc Com	1,300.000			40,807	43,056
Valeant Pharmaceuticals Intl	15,900.000			429,496	411,651
Valspar Corp	1,800.000			33,157	48,204
Vodafone Group Plc New	7,965.000			242,193	173,000
Wms Inds Inc Com	10,400.000			442,302	440,232
Wabtec Com	1,600.000			58,420	59,920
Waddell & Reed Finl Inc Cl A	4,100.000			64,819	108,773
Wal Mart Stores Inc Com	20,295.000			887,364	1,032,407
Walgreen Co	9,620.000			43,382	325,926
Walter Energy Inc	1,100.000			37,355	57,101
Warnaco Group Inc	4,700.000			125,933	178,835
Waste Connections Inc Com	3,150.000			101,814	86,152
Wells Fargo & Co New Com	18,315.000			460,751	504,029
Wesco Intl Inc Com	4,300.000			145,777	103,329
Westamerica Bancorporation Com	1,000.000			44,603	51,430
Western Digital Corp Del Com	13,200.000			427,524	452,496
Western Un Co Com	9,080.000			117,553	163,803
Whole Foods Mkt Inc	22,100.000			654,495	642,668
Willbros Group Inc Del Com	4,400.000			126,515	54,780
Williams Sonoma Inc Com	3,600.000			49,179	68,868
Woodward Governor Co	2,800.000			58,156	58,772
Wright Med Group Inc Com	4,950.000			121,744	80,388
Total equity securities				61,511,011	69,469,364
Equities commingled funds/lp interest:					
Dodge & Cox Funds				20,842,483	17,869,370
Wellington U S Research				19,472,112	14,593,220
Cougar Investment Fund				500,000	496,045
Total equities – commingled funds/lp interest				40,814,595	32,958,635
Global equities (excluding U.S.):					
Silchester International				38,660,982	43,717,225
William Blair				62,233,001	42,498,971
Total global equities (excluding U.S.)				100,893,983	86,216,196
Absolute return investments:					
Davidson Kempner Institutional				7,500,000	10,672,671
Crestline Offshore Fund				21,592,307	22,698,974
Whippoorwill Distressed				7,500,000	7,309,290
Total absolute return investments				36,592,307	40,680,935

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Noncurrent Investments

Year ended August 31, 2009

<u>Issuer</u>	<u>Shares</u>	<u>Coupon rate</u>	<u>Maturity date</u>	<u>Cost</u>	<u>Fair value</u>
Inflation hedge investments:					
Morgan Stanley Institutional				\$ 4,670,381	2,277,047
Berwind Property Group VII				3,160,394	2,552,000
BPG Investment Partnership VIII				1,848,269	1,192,332
Newlin Realty Partners LLC				3,442,455	2,083,341
Newlin Realty Ptrs II LP				1,188,071	811,288
Salient Trust				4,911,459	4,040,691
Sustainable Woodlands Fund				4,244,029	5,882,238
Hedgenegy Offshore Fund				3,542,000	3,187,830
Wellington DIH				18,407,861	17,073,716
Absolute Plus Mgt Hgc				4,079,252	4,433,274
Real Estate Holdings				1,326,667	4,038,292
Total inflation hedge investments				<u>50,820,838</u>	<u>47,572,049</u>
Hedge equity investments:					
Barlow Partners Offshore Ltd				30,382,890	34,165,903
York Instl Partners Lp				10,000,000	12,252,242
Total hedge equity investments				<u>40,382,890</u>	<u>46,418,145</u>
Private equity/venture investments:					
The Trident Partnership Lp				1,893	5,297
Harbourvest Partners IV				501,062	324,268
Harbourvest Intl Private Eq-Direct				18,415	7,337
Harbourvest Intl Private-Partnership				194,933	158,515
Commonfund Capital Intl VI				983,007	890,000
Commonfund Private Eq Part VII				654,290	628,857
Commonfund Capital Venture VIII				508,795	513,611
Encap Energy Capital Fund VII				4,523,865	3,684,950
Fisher Lynch Venture Partners				360,930	334,245
Fisher Lynch Buyout				435,397	369,541
Total equity/venture investments				<u>8,182,587</u>	<u>6,916,621</u>
Total				402,676,364	394,955,090
Less short-term investments				<u>(5,340,866)</u>	<u>(5,345,748)</u>
Total noncurrent investments				<u>\$ 397,335,498</u>	<u>389,609,342</u>

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions			Reductions			Net assets, end of year	
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement		Total reductions
M.D. Anderson Foundation	\$ 5,460,217	—	(914,782)	—	(914,782)	227,316	—	227,316	4,318,119
Chevron Scholarship Endowment	403,830	—	(66,315)	—	(66,315)	17,065	6,399	23,464	314,051
Look, Mary	179,105	—	(29,397)	—	(29,397)	7,563	2,836	10,399	139,309
Welch Foundation	5,312,313	(604,503)	(735,496)	—	(1,339,999)	222,238	—	222,238	3,750,076
Flaxman Art Scholarship	243,734	—	(40,025)	—	(40,025)	10,300	3,862	14,162	189,547
Garwood, W. St. John	153,268	—	(25,169)	—	(25,169)	6,477	2,429	8,906	119,193
Lack Music	66,892	—	(10,985)	—	(10,985)	2,827	1,060	3,887	52,020
Wells Fargo	151,680	—	(24,908)	—	(24,908)	6,410	2,404	8,814	117,958
White, William E.	77,037	—	(12,646)	—	(12,646)	3,260	1,222	4,482	59,909
Tomac, Peter J. for HRM	18,191	—	(3,048)	—	(3,048)	757	—	757	14,386
Baker Hughes Professorship	1,166,630	—	(194,900)	—	(194,900)	49,671	15,978	65,649	906,081
O'Leary, Mr. & Mrs. John	380,074	—	(62,414)	—	(62,414)	16,061	6,023	22,084	295,576
Rockwell Foundation	578,330	—	(94,970)	—	(94,970)	24,439	9,165	33,604	449,756
Benbrook/Foerster	20,395	—	(3,416)	—	(3,416)	862	—	862	16,117
Hugh Roy & Lillie Cranz Cullen Dist Chairs Prof	24,474,605	—	(4,019,090)	—	(4,019,090)	1,034,238	387,839	1,422,077	19,033,438
Duncan Professorship	411,503	—	(67,575)	—	(67,575)	17,389	6,521	23,910	320,018
Elkins Professorship	1,018,721	—	(167,289)	—	(167,289)	43,049	16,143	59,192	792,240
Pharmacy	181,373	—	(29,784)	—	(29,784)	7,664	2,874	10,538	141,051
Cullen (Phy)	193,727	—	(31,813)	—	(31,813)	8,186	3,070	11,256	150,658
Cullen (Chem)	193,727	—	(31,813)	—	(31,813)	8,186	3,070	11,256	150,658
Cullen (Math)	194,563	—	(31,950)	—	(31,950)	8,222	3,083	11,305	151,308
Delphian Scholarships	448,266	—	(73,612)	—	(73,612)	18,943	7,103	26,046	348,608
Love, John W.	6,038	—	(1,011)	—	(1,011)	255	—	255	4,772
Anthis-Callicutt Gore	90,346	—	(14,836)	—	(14,836)	3,818	1,432	5,250	70,260
Nelson Esther Marion	26,714	—	(4,475)	—	(4,475)	1,129	—	1,129	21,110
English Scholarships Quasi	28,903	—	(4,841)	—	(4,841)	1,221	—	1,221	22,841
Oberholtzer, EE & Myrtle	117,746	—	(19,335)	—	(19,335)	4,976	1,866	6,842	91,569
Callicutt, Laurie Quasi	59,343	—	(9,745)	—	(9,745)	2,508	940	3,448	46,150
Lee, Albert	150,096	—	(24,648)	—	(24,648)	6,343	2,379	8,722	116,726
Stevens, Barksdale	10,594	—	(1,774)	—	(1,774)	448	—	448	8,372
Speech Scholarship Quasi	24,336	—	(4,076)	—	(4,076)	1,028	—	1,028	19,232
Underwood, Walter Quasi	3,499	—	(586)	—	(586)	148	—	148	2,765
Scardino, Dickie	7,926	50	(1,338)	—	(1,288)	333	—	333	6,305
Daniels, Howard	347,985	14,200	(59,784)	—	(45,584)	13,891	5,209	19,100	283,301
Kuhlman, William Optometry	36,040	—	(6,034)	—	(6,034)	1,524	—	1,524	28,482
Flaherty, Pat	7,014	—	(1,174)	—	(1,174)	295	—	295	5,545
Laufman, Bill	70,445	—	(13,214)	—	(13,214)	3,209	—	3,209	54,022
Blaffer, Sarah Cambell Schol	16,033	—	(2,686)	—	(2,686)	678	—	678	12,669
Werin, Joseph	103,495	—	(17,339)	—	(17,339)	4,309	—	4,309	81,847
Stadtler, Robert & Esther	123,239	—	(20,238)	—	(20,238)	5,208	1,953	7,161	95,840
Jankiewicz, Harry	40,462	—	(6,775)	—	(6,775)	1,710	—	1,710	31,977
Fultz, Mr & Mrs Larry Quasi	73,080	—	(12,001)	—	(12,001)	3,088	1,158	4,246	56,833
Silin, Charles	20,779	—	(3,479)	—	(3,479)	874	—	874	16,426
Cullen Graduate Scholarships	1,229,005	—	(201,821)	—	(201,821)	51,935	19,476	71,411	955,773
Gunter, Thomas Robert	19,325	—	(3,237)	—	(3,237)	817	—	817	15,271
Prudential	195,748	—	(32,145)	—	(32,145)	8,272	3,102	11,374	152,229
Meat Science	12,469	—	(2,088)	—	(2,088)	524	—	524	9,857
Smith, Judge Shern	20,492	—	(3,432)	—	(3,432)	866	—	866	16,194
LULAC	75,783	—	(12,445)	—	(12,445)	3,202	1,201	4,403	58,935
Garbett, Rosemary	113,453	—	(18,631)	—	(18,631)	4,794	1,798	6,592	88,230
McCary, John Leslie	24,184	—	(4,051)	—	(4,051)	1,022	—	1,022	19,111
MacNaughton, John	166,843	1,100	(27,642)	—	(26,542)	6,999	2,625	9,624	130,677
Douthitt, Helen Scholarship	26,361	—	(4,416)	—	(4,416)	1,114	—	1,114	20,831
Rizk, Fred Quasi	13,131	—	(2,198)	—	(2,198)	555	—	555	10,378
Cullen Eng Schol	3,366,807	—	(552,879)	—	(552,879)	142,273	53,352	195,625	2,618,303

EM - 4.1.43

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Univ. Stud. Loan	\$ 307,918	—	(50,528)	—	(50,528)	12,999	4,875	17,874	239,516
Science & Technical Journal	112,172	—	(18,420)	—	(18,420)	4,740	1,778	6,518	87,234
Phillips, Anne Reynolds	13,106	—	(2,195)	—	(2,195)	554	—	554	10,357
Friends of the Library	30,796	1,000	(5,377)	—	(4,377)	1,282	—	1,282	25,137
Hill, Laurita & John	21,910	—	(3,670)	—	(3,670)	926	—	926	17,314
Douthitt, Helen Library	20,757	—	(3,477)	—	(3,477)	877	—	877	16,403
Student Govt	49,865	—	(8,343)	—	(8,343)	2,096	—	2,096	39,426
Franklin, Thomas & Richard Quasi	4,180,466	—	(686,494)	—	(686,494)	176,656	66,246	242,902	3,251,070
Latin Amer Schol Quasi	27,356	—	(4,582)	—	(4,582)	1,156	—	1,156	21,618
Coburn, O.W. Quasi	130,803	—	(21,475)	—	(21,475)	5,528	2,073	7,601	101,727
Mading, Cora & Webb Scholarship	100,586	—	(16,518)	—	(16,518)	4,251	1,594	5,845	78,223
McElhinney, Charles	41,299	—	(6,918)	—	(6,918)	1,745	—	1,745	32,636
HRM Facility Improv. Quasi	488,413	—	(81,810)	—	(81,810)	—	—	—	406,603
Gordon, Aron	274,401	—	(45,061)	—	(45,061)	11,596	4,348	15,944	213,396
Honors Program Quasi	189,828	—	(31,173)	—	(31,173)	8,022	3,008	11,030	147,625
Blaffer Gallery	684,792	—	(112,453)	—	(112,453)	28,938	10,852	39,790	532,549
Athletics Scholarships	2,759,867	—	(453,211)	—	(453,211)	116,625	43,735	160,360	2,146,296
Detering, Carl & William	53,664	—	(8,812)	—	(8,812)	2,268	850	3,118	41,734
Baldwin, R.W.	295,371	—	(48,504)	—	(48,504)	12,482	4,681	17,163	229,704
Capobianco, Rudolph	20,759	—	(3,477)	—	(3,477)	877	—	877	16,405
Delphian-Children's Theatre	92,756	—	(15,232)	—	(15,232)	3,920	1,470	5,390	72,134
Delphian-Shakespeare Festival	92,756	—	(15,232)	—	(15,232)	3,920	1,470	5,390	72,134
Dobrin, Milton	59,235	—	(9,727)	—	(9,727)	2,503	939	3,442	46,066
Lawson, French W.	16,384	—	(2,744)	—	(2,744)	692	—	692	12,948
Wiley, Mary	19,098	—	(3,199)	—	(3,199)	807	—	807	15,092
Winus/Brandon/Blumberg	25,073	—	(4,200)	—	(4,200)	1,060	—	1,060	19,813
Sheeler, John Rubin	77,888	—	(12,790)	—	(12,790)	3,291	1,234	4,525	60,573
Harper, Mabel Jewel	18,241	275	(3,125)	—	(2,850)	760	—	760	14,631
Durham, Mylie & Charles	59,018	—	(9,692)	—	(9,692)	2,494	935	3,429	45,897
Farfel, Esther Faculty Awards	230,899	—	(37,917)	—	(37,917)	9,757	3,659	13,416	179,566
Frankel Quasi	86,649	—	(14,229)	—	(14,229)	3,662	1,373	5,035	67,385
Miller, Murray Scholarships	724,451	—	(118,966)	—	(118,966)	30,614	11,480	42,094	563,391
Greenwood, Howard Athletics	151,877	—	(24,940)	—	(24,940)	6,418	2,407	8,825	118,112
Benner, Charles	135,091	30,637	(27,931)	—	2,706	5,627	2,110	7,737	130,060
Lewis, Guy Athletics Quasi	92,120	1,000	(15,351)	—	(14,351)	3,852	1,445	5,297	72,472
Gulf Coast Surveyor	94,728	1,709	(15,994)	—	(14,285)	4,003	1,504	5,507	74,936
Engel, Mel Athletics	214,962	—	(35,300)	—	(35,300)	9,084	3,406	12,490	167,172
Zimmer, Bill & Helen	22,135	—	(3,708)	—	(3,708)	935	—	935	17,492
Canata, Jack Athletics	38,689	—	(6,480)	—	(6,480)	1,635	—	1,635	30,574
Ashcroft, Carolyn Athletics	98,292	—	—	—	—	—	—	—	98,292
KUHT	361,783	—	(57,657)	—	(57,657)	—	—	—	304,126
Gee, Wallace	31,712	—	(5,313)	—	(5,313)	1,320	—	1,320	25,079
Katims, Milton	67,425	—	(11,072)	—	(11,072)	2,849	1,068	3,917	52,436
Assoc. Bldg, Services/Parker	36,333	500	(6,207)	—	(5,707)	1,535	—	1,535	29,091
Greeman Petty Professorship	799,144	—	(133,885)	—	(133,885)	33,269	—	33,269	631,990
Cullen Eng. Prof.	1,211,743	—	(198,986)	—	(198,986)	51,205	19,202	70,407	942,350
Claridge, Hester	35,899	—	(6,013)	—	(6,013)	1,517	—	1,517	28,369
Canata, Jack & Betty	154,504	—	(25,880)	—	(25,880)	6,529	—	6,529	122,095
Burr, Ruth	63,987	—	(10,508)	—	(10,508)	2,704	1,014	3,718	49,761
Hirsh, Albert	32,834	—	(5,484)	—	(5,484)	1,386	—	1,386	25,964
Cominsky, Catherine	47,617	—	(7,976)	—	(7,976)	2,012	—	2,012	37,629
Bliss, Becky	205,410	9,659	(36,707)	—	(27,048)	—	—	—	178,362
History	30,772	—	(5,154)	—	(5,154)	1,300	—	1,300	24,318
Gallagher, Jack	87,282	—	(14,333)	—	(14,333)	3,688	1,383	5,071	67,878
Wyatt, Earle	34,890	—	(5,844)	—	(5,844)	1,474	—	1,474	27,572

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Houstoun Professorship	\$ 860,081	—	(141,238)	—	(141,238)	36,345	13,629	49,974	668,869
Melcher, Leroy & Lucille	7,695,470	—	(1,263,709)	—	(1,263,709)	325,192	121,947	447,139	5,984,622
Hughes, Ruth	370,981	—	(62,145)	—	(62,145)	—	—	—	308,836
Hadad, Daniel	30,890	—	(5,174)	—	(5,174)	1,305	—	1,305	24,411
Par Excellence Scholarship	37,979	—	(6,237)	—	(6,237)	1,605	602	2,207	29,535
Arthur Andersen Professorship	787,251	—	(131,821)	—	(131,821)	32,899	—	32,899	622,531
Davis, Edward C.	67,391	—	(11,066)	—	(11,066)	2,848	1,068	3,916	52,409
Stalsby, Gretta	27,704	—	(4,640)	—	(4,640)	1,171	—	1,171	21,893
Taylor, Josie B Quasi	517,531	—	(84,923)	—	(84,923)	21,843	8,191	30,034	402,574
Natural Sciences Quasi	123,317	—	(20,250)	—	(20,250)	5,211	1,954	7,165	95,902
School Of Music Quasi	176,767	—	(29,028)	—	(29,028)	7,470	2,801	10,271	137,468
Engineering Schl. Quasi	66,456	—	(10,913)	—	(10,913)	2,808	1,053	3,861	51,682
Bishop, Charles & Dorothy	145,355	—	(23,870)	—	(23,870)	6,142	2,303	8,445	113,040
Hurley, Marvin Professorship	451,394	—	(74,126)	—	(74,126)	19,075	7,153	26,228	351,040
Grinaker, Robert Professorship	393,764	—	(64,681)	—	(64,681)	16,585	5,482	22,067	307,016
Jinnah, M. A.	71,807	—	(11,792)	—	(11,792)	3,034	1,138	4,172	55,843
SICSA/Japan Shipbuilding	1,180,151	—	(197,718)	—	(197,718)	—	—	—	982,433
Houston Cash Mgmt Assoc.	46,513	5,000	(8,911)	—	(3,911)	—	—	—	42,602
TLL Temple Foundation Chair	3,379,382	—	(554,944)	—	(554,944)	142,805	53,552	196,357	2,628,081
Crouch, Pauline Moss	22,216	—	(3,722)	—	(3,722)	925	—	925	17,569
Lovitt Quasi	102,186	—	(16,781)	—	(16,781)	4,318	1,619	5,937	79,468
Nicholson, Charles	26,483	—	(4,436)	—	(4,436)	1,119	—	1,119	20,928
Greeman Petty Quasi	20,431	—	(3,422)	—	(3,422)	—	—	—	17,009
Van Horn, Sue	62,868	1,000	(10,548)	—	(9,548)	2,619	982	3,601	49,719
KPMG/Peat Marwick	495,322	—	(81,349)	—	(81,349)	20,902	7,450	28,352	385,621
Worham Chair	2,247,995	—	(369,154)	—	(369,154)	94,995	35,623	130,618	1,748,223
Day, Martin & Betty	21,890	—	(3,667)	—	(3,667)	925	—	925	17,298
Oberholzer Quasi	10,028	—	(1,680)	—	(1,680)	—	—	—	8,348
Adler-Grinberg	51,049	—	(8,547)	—	(8,547)	2,159	—	2,159	40,343
Marlatt E.E.	24,585	—	(4,118)	—	(4,118)	1,039	—	1,039	19,428
Barnstone, Howard	18,473	—	(3,095)	—	(3,095)	769	—	769	14,609
MCI Telecommunications	35,835	—	(6,003)	—	(6,003)	1,514	—	1,514	28,318
Ross, Billy D	143,648	—	(23,589)	—	(23,589)	6,070	2,276	8,346	111,713
Rolston, Leonard	44,661	—	(7,481)	—	(7,481)	1,887	—	1,887	35,293
Ferguson, Noel	33,445	—	(5,602)	—	(5,602)	1,413	—	1,413	26,430
Meier, Wilber & Judy	11,925	—	(1,997)	—	(1,997)	504	—	504	9,424
Lack, Jean Preston	24,446	—	(4,097)	—	(4,097)	1,018	—	1,018	19,331
Weinstein, Joshua Scholarship	60,021	—	(9,856)	—	(9,856)	2,536	951	3,487	46,678
Borish Chair	758,995	—	(124,638)	—	(124,638)	32,073	12,027	44,100	590,257
Lechenger, Barbara	115,823	—	(19,020)	—	(19,020)	4,895	1,835	6,730	90,073
Albright, Freil	12,640	—	(2,118)	—	(2,118)	526	—	526	9,996
Sloan, Everett	20,462	—	(3,418)	—	(3,418)	825	—	825	16,219
Conn Appliances	207,202	—	(34,128)	—	(34,128)	8,757	3,073	11,830	161,244
Voelkel, Stanley	22,498	—	(3,769)	—	(3,769)	951	—	951	17,778
Japan Shipbuilding	3,550,663	—	(594,863)	—	(594,863)	147,819	—	147,819	2,807,981
Cain Scholarship - UH	1,486,584	—	(244,119)	—	(244,119)	62,819	23,557	86,376	1,156,089
UH GAA	80,041	—	(13,144)	—	(13,144)	3,382	1,268	4,650	62,247
Federation of Houston Women	45,472	—	(7,617)	—	(7,617)	—	—	—	37,855
Pharmacy Golf Tour. Scholarship	140,158	—	(23,016)	—	(23,016)	5,923	2,221	8,144	108,998
Welch Foundation Chair	4,525,423	—	(758,171)	—	(758,171)	188,399	—	188,399	3,578,853
Borish Quasi	188,220	—	(30,908)	—	(30,908)	7,954	2,983	10,937	146,375
Royal Optical	66,425	—	(10,903)	—	(10,903)	2,809	1,053	3,862	51,660
Fertitta, Tilmán	23,239	—	(3,893)	—	(3,893)	982	—	982	18,364
Athletics Scholarship Quasi Endowment	442,166	—	(72,610)	—	(72,610)	18,685	7,007	25,692	343,864
Sutherland, J.P.	27,935	—	(4,679)	—	(4,679)	1,180	—	1,180	22,076

(Continued)

EM - 4.1.45

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Cooper, Sara	\$ 22,110	—	(3,703)	—	(3,703)	934	—	934	17,473
Barnstone, Howard Lecture	56,130	—	(9,218)	—	(9,218)	2,372	889	3,261	43,651
Moores Professorship	798,203	—	(133,701)	—	(133,701)	—	—	—	664,502
Moores Fellowships	2,338,588	—	(384,030)	—	(384,030)	98,823	37,059	135,882	1,818,676
Butler, Mary McCullough	44,258	—	(7,413)	—	(7,413)	1,868	—	1,868	34,977
GPA Improvement	26,768	—	(4,485)	—	(4,485)	1,114	—	1,114	21,169
EMBA Teaching Excell	37,170	—	(6,226)	—	(6,226)	1,571	—	1,571	29,373
Chertok, Nancy	41,310	—	(6,867)	—	(6,867)	—	—	—	34,443
Grover, Blanche	113,676	35,292	(25,267)	—	10,025	4,804	1,801	6,605	117,096
Walker, Hap	28,206	—	(4,725)	—	(4,725)	1,192	—	1,192	22,289
Wilson, Trey	70,051	25	(11,507)	—	(11,482)	2,959	1,110	4,069	54,500
Delta Sigma Pi	19,259	1,000	(3,458)	—	(2,458)	799	—	799	16,002
Prichard, C Victor	17,998	—	(3,016)	—	(3,016)	750	—	750	14,232
McNeill, Charles	4,163	—	(697)	—	(697)	176	—	176	3,290
Hardy, Scott	28,908	—	(4,845)	—	(4,845)	1,204	—	1,204	22,859
Breedlove, rote	18,674	1,000	(3,354)	—	(2,354)	747	—	747	15,573
HRM Dean's Scholarship	158,152	—	(25,971)	—	(25,971)	6,683	2,506	9,189	122,992
Texas Exec Women	72,208	—	(12,095)	—	(12,095)	—	—	—	60,113
Battin, Tom	34,790	710	(5,976)	—	(5,266)	1,458	—	1,458	28,066
Melnnis, Bayliss	6,479	—	(1,033)	262	(771)	262	—	262	5,446
Anderson, Pat	26,158	—	(4,380)	—	(4,380)	1,105	—	1,105	20,673
Hayden, Carlos	33,670	—	(5,624)	—	(5,624)	1,381	—	1,381	26,665
Computing Center	1,586	—	(266)	—	(266)	66	—	66	1,254
Furman, Larry Scholarship	26,729	—	(4,461)	—	(4,461)	—	—	—	22,268
Lofstrom, James	45,323	—	(7,592)	—	(7,592)	1,915	—	1,915	35,816
Hispanic Bus Student Assoc	24,340	300	(4,080)	—	(3,780)	—	—	—	20,560
Pickett, Cecil	53,088	—	(8,718)	—	(8,718)	2,243	841	3,084	41,286
Football Scholarship	42,800	—	(7,169)	—	(7,169)	1,809	—	1,809	33,822
Basketball Scholarship	42,992	—	(7,201)	—	(7,201)	1,817	—	1,817	33,974
David, Gerson	40,903	—	(6,851)	—	(6,851)	1,728	—	1,728	32,324
Nikolaïdi, Elena	17,591	—	(2,945)	—	(2,945)	740	—	740	13,906
American Petroleum Inst	332,152	10,000	(57,874)	—	(47,874)	—	—	—	284,278
Payne, Wayne & Kathryn	104,489	5,000	(18,522)	—	(13,522)	—	—	—	90,967
Greenwood Women's Golf	77,296	—	(12,693)	—	(12,693)	3,266	1,225	4,491	60,112
Men's Athletics	6,189	—	(1,037)	—	(1,037)	258	—	258	4,894
Women's Athletics	2,475	—	(415)	—	(415)	—	—	—	2,060
CRSS/Aaron Farfel	52,221	—	(8,747)	—	(8,747)	2,207	—	2,207	41,267
Galveston Musical	25,532	—	(4,277)	—	(4,277)	1,079	—	1,079	20,176
Zipper, Robert	26,291	—	(4,399)	—	(4,399)	1,112	—	1,112	20,780
White Quasi	16,827	—	(2,819)	—	(2,819)	—	—	—	14,008
Guenther, Peter Quasi	112,342	100	(18,467)	—	(18,367)	4,747	1,780	6,527	87,448
Greenaway, Donald	65,676	—	(10,785)	—	(10,785)	2,775	1,041	3,816	51,075
Lack, Abram	137,599	—	(22,596)	—	(22,596)	5,815	2,180	7,995	107,008
Faculty Growth & Dev Quasi	41,916	—	(7,021)	—	(7,021)	1,771	—	1,771	33,124
Gordon, Harry	290,880	—	(47,767)	—	(47,767)	12,292	4,609	16,901	226,212
Houst Fdn Cont Ed	70,966	—	(11,654)	—	(11,654)	2,999	1,125	4,124	55,188
Center Public Policy Quasi	194,593	—	(31,955)	—	(31,955)	8,223	3,084	11,307	151,331
Wilson, Tom	58,507	—	(9,608)	—	(9,608)	2,472	927	3,399	45,500
Hensley, Marilyn	92,224	—	(15,145)	—	(15,145)	3,897	1,461	5,358	71,721
Ware, Andre	16,232	—	(2,720)	—	(2,720)	676	—	676	12,836
Texas German Studies	11,134	—	(1,867)	—	(1,867)	466	—	466	8,801
NSM-Chemistry Quasi	120,690	—	(19,819)	—	(19,819)	5,100	1,913	7,013	93,858
Croft, John	22,052	—	(3,694)	—	(3,694)	932	—	932	17,426
Bank of America	96,639	—	(15,870)	—	(15,870)	4,084	1,531	5,615	75,154
Okunura, Roy	16,476	—	(2,760)	—	(2,760)	696	—	696	13,020

(Continued)

EM - 4.1.46

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Dow Professorship	\$ 486,734	—	(79,929)	—	(79,929)	20,568	7,713	28,281	378,524
Delphian Sch Quasi	53,896	(53,896)	—	—	(53,896)	—	—	—	—
Foley, Kathryn Quasi	20,928	—	(3,509)	—	(3,509)	876	—	876	16,543
Fitzgerald, Ruth	72,184	—	(11,854)	—	(11,854)	3,050	1,144	4,194	56,136
Hospitality Industry Diversity Inst.	49,331	—	(8,263)	—	(8,263)	—	—	—	41,068
Blakely, Newell Professorship	255,732	—	(41,995)	—	(41,995)	10,807	4,052	14,859	198,878
Charles & Mary Ellen Jones Athletic Scholarship Fund	102,291	1,290	(17,099)	—	(15,809)	4,323	1,621	5,944	80,538
Edmonds Foundation -UH	3,250,082	1,250	(534,000)	—	(532,750)	137,341	51,503	188,844	2,528,488
Rauscher, Pierce, Refnes	14,832	—	(2,484)	—	(2,484)	627	—	627	11,721
Spain, Ken	47,258	—	(7,916)	—	(7,916)	1,997	—	1,997	37,345
Les Dames Escoffier	161,752	1,000	(27,312)	—	(26,312)	—	—	—	135,440
Webber, George & Cecilia	56,562	—	(9,288)	—	(9,288)	2,390	896	3,286	43,988
Alumni Center Quasi	63,764	—	(10,471)	—	(10,471)	2,694	1,010	3,704	49,589
Hirsch, Winifred & Maurice	11,696,914	170,010	(2,000,320)	—	(1,830,310)	—	—	—	9,866,604
Morris Gentile Mem.	38,315	—	(6,418)	—	(6,418)	1,619	—	1,619	30,278
Gehbauer, John & Kathryn	59,366	—	(9,261)	2,375	(6,886)	2,375	891	3,266	49,214
Claridge, Ruth	43,345	—	(7,260)	—	(7,260)	1,832	—	1,832	34,253
Houston Livestock	347,911	—	(58,287)	—	(58,287)	14,484	—	14,484	275,140
Sondock, Judge Ruby Lecture	213,082	—	(34,991)	—	(34,991)	9,003	3,376	12,379	165,712
The Minute Maid Company Foundation	206,274	—	(33,873)	—	(33,873)	8,717	3,269	11,986	160,415
Porter, Leonard	45,608	—	(7,640)	—	(7,640)	1,927	—	1,927	36,041
Huggins, Sara	26,172	—	(4,384)	—	(4,384)	1,106	—	1,106	20,682
UH Student Excell.	4,077	—	(650)	165	(485)	165	—	165	3,427
UH Faculty Excell.	2,334	—	(372)	94	(278)	94	—	94	1,962
UH Facilities Excel.	1,186	—	(189)	48	(141)	48	—	48	997
University Libraries	15,203	—	(2,546)	—	(2,546)	642	—	642	12,015
Jones, Jesse Quasi	7,010,559	—	(1,151,237)	—	(1,151,237)	296,249	111,094	407,343	5,451,979
Schissler Foundation	231,339	—	(37,892)	—	(37,892)	8,740	3,277	12,017	181,430
Keeper, Cele	64,944	—	(10,665)	—	(10,665)	2,744	1,029	3,773	50,506
Nat'l Assn of Purchasing Mgmt- Bay Area, Inc. End	87,285	—	(14,634)	—	(14,634)	3,652	—	3,652	68,999
Doyle	38,103	—	(6,382)	—	(6,382)	1,610	—	1,610	30,111
Perkins/Christie	135,850	918	(22,870)	—	(21,952)	—	—	—	113,898
Dow Employees Schol	886	—	(148)	—	(148)	37	—	37	701
Kent, Herb	6,197	—	(988)	251	(737)	251	—	251	5,209
Public History Quasi	83,786	—	(13,759)	—	(13,759)	3,541	1,328	4,869	65,158
Stewart, Josephine	19,409	—	(3,251)	—	(3,251)	820	—	820	15,338
Lorch, Howie & Jamie	32,783	—	(5,491)	—	(5,491)	1,385	—	1,385	25,907
Stinson, Murray	51,407	—	(8,611)	—	(8,611)	2,172	—	2,172	40,624
Moore TCSUH	2,006,202	—	(329,448)	—	(329,448)	84,777	31,791	116,568	1,560,186
Fischer, Jo	8,454	—	(1,416)	—	(1,416)	357	—	357	6,681
Bohner, Roswell	33,309	—	(5,580)	—	(5,580)	1,409	—	1,409	26,320
Lattin, Gerald	19,283	—	(3,229)	—	(3,229)	805	—	805	15,249
Residence Halls	2,708	—	(432)	109	(323)	109	—	109	2,276
Houston Restaurant Assoc.	184,159	1,500	(31,078)	—	(29,578)	—	—	—	154,581
Power, Douglas & Jeannette	52,491	6,000	(10,123)	—	(4,123)	—	—	—	48,368
Smith, Bo & Josanna	91,221	—	(14,980)	—	(14,980)	3,855	1,446	5,301	70,940
Perkins, Robert B	96,471	137,884	(45,282)	—	92,602	—	—	—	189,073
Turner, Sylvester	21,607	—	(3,438)	881	(2,557)	881	—	881	18,169
Price Waterhouse Professorship	317,321	—	(52,117)	—	(52,117)	13,385	4,696	18,081	247,123
Forkner, William	10,732	—	(1,797)	—	(1,797)	453	—	453	8,482
Lence Distinguished Chair	306,088	—	(51,270)	—	(51,270)	—	—	—	254,818
Waskey, Ted	19,985	200	(3,397)	—	(3,197)	843	—	843	15,945
Moore Univ Priority	18,539,614	—	(3,102,344)	—	(3,102,344)	—	—	—	15,437,270
Moore Library Quasi	2,006,202	—	(329,448)	—	(329,448)	84,777	31,791	116,568	1,560,186
Bates, William Chair	669,445	—	(112,049)	—	(112,049)	27,867	—	27,867	529,529

EM - 4.1.47

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Taxi Squad	\$ 58,063	—	(9,535)	—	(9,535)	2,454	920	3,374	45,154
Adamo, Joseph	9,377	—	(1,494)	379	(1,115)	379	—	379	7,883
Bombaywala, Ghulam	23,374	—	(3,915)	—	(3,915)	988	—	988	18,471
Gillingham, W. J.	781,388	—	(128,315)	—	(128,315)	33,020	12,382	45,402	607,671
Butler, George	77,613	—	(12,745)	—	(12,745)	3,280	1,230	4,510	60,358
Dyer, Everett	78,255	—	(12,851)	—	(12,851)	3,307	1,240	4,547	60,857
Barnett, Marguerite Quasi	59,873	—	(9,832)	—	(9,832)	2,530	949	3,479	46,562
Turner, Sylvester Quasi	10,661	—	(1,696)	436	(1,260)	436	—	436	8,965
Lence Distinguished Chair Quasi	51,921	—	(8,705)	—	(8,705)	2,172	—	2,172	41,044
West, Neva & Wesley	422,327	—	(70,741)	—	(70,741)	—	—	—	351,586
Ken Reese Dean's Chair-Business	626,248	—	(102,811)	—	(102,811)	26,288	9,017	35,305	488,132
Pelton, Barry C.	16,982	—	(2,845)	—	(2,845)	718	—	718	13,419
Doss, R. P.	41,153	—	(6,877)	—	(6,877)	1,696	—	1,696	32,580
Forehand, Larry	141,967	—	(23,780)	—	(23,780)	5,999	—	5,999	112,188
Lepow, Dr. Ronald	26,202	—	(4,389)	—	(4,389)	1,107	—	1,107	20,706
Shaw, Betty	18,035	—	(3,021)	—	(3,021)	762	—	762	14,252
Conoco Phillips Library Fund	214,559	—	(35,234)	—	(35,234)	9,067	3,400	12,467	166,858
Dobson, Harmon	32,485	—	(5,441)	—	(5,441)	—	—	—	27,044
Grant, Richard	195,688	—	(32,128)	—	(32,128)	8,266	3,100	11,366	152,194
Stewart, Josephine Quasi	1,378	—	(220)	56	(164)	56	—	56	1,158
Murphy, Mary Quasi	101,708	—	(16,692)	—	(16,692)	4,299	1,612	5,911	79,105
Johnson Book Fund	40,907	—	(6,849)	—	(6,849)	1,728	—	1,728	32,330
Halliburton Foundation Endowment	138,748	—	(22,784)	—	(22,784)	5,863	2,198	8,061	107,903
Barr, Betty Scholarship	16,098	—	(2,696)	—	(2,696)	—	—	—	13,402
Crum, Jerry & Marge Scholarship	16,609	—	(2,782)	—	(2,782)	702	—	702	13,125
Eichhorn, Patricia	26,235	—	(4,394)	—	(4,394)	—	—	—	21,841
School Of Music Quasi	4,673,708	—	(782,857)	—	(782,857)	—	—	—	3,890,851
Superconductivity Quasi	4,146,735	—	(680,955)	—	(680,955)	175,231	65,712	240,943	3,224,837
UH Quasi	401,127	—	(67,184)	—	(67,184)	—	—	—	333,943
Head, Jeremy	33,929	500	(5,812)	—	(5,312)	1,434	—	1,434	27,183
Asian Amer Immigrant	23,015	—	(3,855)	—	(3,855)	973	—	973	18,187
Rappole – Sheridan	48,839	1,100	(8,432)	—	(7,332)	—	—	—	41,507
Sanders, Don A.	98,914	—	(16,568)	—	(16,568)	—	—	—	82,346
Cooper Industries	84,861	—	(14,214)	—	(14,214)	3,586	—	3,586	67,061
Lyle, James	33,770	—	(5,657)	—	(5,657)	1,427	—	1,427	26,686
Medh, Urvish	9,224	2,000	(1,906)	373	467	373	—	373	9,318
Leadership Passport	32,704	1,000	(5,714)	—	(4,714)	1,382	—	1,382	26,608
Welch Foundation, Chemistry	2,918,434	—	(488,942)	—	(488,942)	121,498	—	121,498	2,307,994
Monsignor George	14,951	—	(2,504)	—	(2,504)	—	—	—	12,447
Social Sciences Alumni Quasi	12,139	—	(2,033)	—	(2,033)	513	—	513	9,593
Buckley, Joseph P.	41,774	500	(7,106)	—	(6,606)	1,743	—	1,743	33,425
NSM Alumni	73,285	—	(12,275)	—	(12,275)	—	—	—	61,010
Danberg, Debra	62,508	—	(10,265)	—	(10,265)	2,641	991	3,632	48,611
Palmer, Marc	84,192	—	(13,826)	—	(13,826)	3,558	1,334	4,892	65,474
Reibenstein, Cynthia	65,744	—	(11,012)	—	(11,012)	2,778	—	2,778	51,954
Temple-Honors Coll	415,155	—	(68,175)	—	(68,175)	17,543	6,579	24,122	322,858
Green Book Fund	234,752	—	(38,550)	—	(38,550)	9,920	3,720	13,640	182,562
Walker, William & Mini Book Fund	56,047	—	(9,388)	—	(9,388)	2,368	—	2,368	44,291
McCammon Molecular Design	74,517	—	(12,237)	—	(12,237)	3,149	1,181	4,330	57,950
Cobb Fendley Schol	81,196	—	(13,322)	—	(13,322)	3,391	1,271	4,662	63,212
Perkin Elmer Corp.	19,299	—	(3,233)	—	(3,233)	816	—	816	15,250
Administaff	16,328	—	(2,735)	—	(2,735)	690	—	690	12,903
Wilson, Herbert O.	47,476	—	(7,952)	—	(7,952)	2,006	—	2,006	37,518
Calderon, Elizabeth	27,051	—	(4,531)	—	(4,531)	—	—	—	22,520
International Student	69,294	—	(11,379)	—	(11,379)	2,928	1,098	4,026	53,889

EM - 4.1.48

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Food & Beverage Mgrs	\$ 107,852	8,000	(19,388)	—	(11,388)	—	—	—	96,464
Cullen Trust Dist Sci	1,701,479	250,000	(343,261)	—	(93,261)	—	—	—	1,608,218
Dukler, Abraham	4,754	—	(796)	—	(796)	201	—	201	3,757
Sarofim, Louisa	46,241	—	(7,746)	—	(7,746)	1,954	—	1,954	36,541
Chu, Paul C.W.	43,357	—	(7,262)	—	(7,262)	1,832	—	1,832	34,263
Briggs, Charles R.	50,312	—	(8,417)	—	(8,417)	—	—	—	41,895
Coastal Securities – Honors	12,218	—	(2,047)	—	(2,047)	—	—	—	10,171
Frede, Ralph	19,345	—	(3,240)	—	(3,240)	818	—	818	15,287
Hearst, William Randolph	364,394	—	(60,524)	—	(60,524)	—	—	—	303,870
Marco, Seymour	71,806	—	(12,025)	—	(12,025)	—	—	—	59,781
York, Meredith & Miriam	50,864	—	(8,520)	—	(8,520)	2,149	—	2,149	40,195
Patterson, Clarence & Dorothy	44,297	—	(7,420)	—	(7,420)	1,872	—	1,872	35,005
Kenneth Lay Professorship	418,347	—	(68,699)	—	(68,699)	17,678	6,629	24,307	325,341
Marshall, Faith Gladstone	18,997	—	(3,182)	—	(3,182)	802	—	802	15,013
El Paso Energy	83,717	—	(13,747)	—	(13,747)	3,537	1,326	4,863	65,107
Alexander, Eric Philip	102,395	—	(17,014)	—	(17,014)	—	—	—	85,381
Lilie Family Early Childhood	108,864	—	(18,236)	—	(18,236)	—	—	—	90,628
Lilie Family Baseball	451,672	—	(74,171)	—	(74,171)	19,087	7,157	26,244	351,257
Lilie Family Entrepreneur	70,675	—	(11,839)	—	(11,839)	—	—	—	58,836
Burke, Jack & D'Ann	34,774	—	(5,825)	—	(5,825)	1,469	—	1,469	27,480
African American Studies	1,589,388	—	(266,226)	—	(266,226)	—	—	—	1,323,162
Morgan, Jeanette	17,715	—	(2,967)	—	(2,967)	749	—	749	13,999
Temple – TCSUH	416,893	—	(68,460)	—	(68,460)	17,617	6,606	24,223	324,210
Bacon, Judge Mary	73,661	—	(12,338)	—	(12,338)	—	—	—	61,323
Kenneth Lay Economics Prof	442,637	—	(72,688)	—	(72,688)	18,705	7,014	25,719	344,230
McNeese, Bill & Gail	28,325	—	(4,744)	—	(4,744)	—	—	—	23,581
Shiffick, Bill & Peggy	86,918	—	(14,559)	—	(14,559)	—	—	—	72,359
Moores Presidential Priorities	23,359,745	—	(3,835,690)	—	(3,835,690)	986,681	370,005	1,356,686	18,167,369
Gordon, H & B.Davis	191,459	—	(31,441)	—	(31,441)	8,091	3,034	11,125	148,893
Brinker International	96,663	—	(16,191)	—	(16,191)	—	—	—	80,472
Gourmet Night	14,695	—	(2,462)	—	(2,462)	621	—	621	11,612
Sheriff, Margaret & Robert/Seismology	472,135	—	(77,531)	—	(77,531)	19,951	7,482	27,433	367,171
Yeoman, Bill Athletic	11,542	—	(1,933)	—	(1,933)	—	—	—	9,609
Nat Hart	29,380	—	(4,921)	—	(4,921)	—	—	—	24,459
Architecture Alumni	156,995	—	(26,297)	—	(26,297)	—	—	—	130,698
Blain, LaRuth	87,712	—	(14,404)	—	(14,404)	3,707	1,390	5,097	68,211
Curry, Herbert & Dorothy	36,799	—	(6,164)	—	(6,164)	1,555	—	1,555	29,080
Reyes, Ben	32,323	—	(5,414)	—	(5,414)	1,366	—	1,366	25,543
Hispanic Literature Chair	1,313,828	—	(220,069)	—	(220,069)	—	—	—	1,093,759
Cizik, Jane Morin Chair	585,652	—	(98,098)	—	(98,098)	—	—	—	487,554
Strahan, Richard	15,007	—	(2,514)	—	(2,514)	—	—	—	12,493
Four Seasons Hotel	110,635	30,000	(25,093)	—	4,907	—	—	—	115,542
Choate, Gary & Palmer, Marc	34,112	—	(5,714)	—	(5,714)	—	—	—	28,398
Klotz Associates	61,342	5,000	(11,417)	—	(6,417)	—	—	—	54,925
Honors Fellows	769,055	—	(128,819)	—	(128,819)	—	—	—	640,236
HRM Houston Livestock	144,457	—	(24,197)	—	(24,197)	—	—	—	120,260
Natl Assoc Of Catering	37,113	—	(6,217)	—	(6,217)	—	—	—	30,896
Fred Parks Wine Cellar	171,315	—	(28,696)	—	(28,696)	—	—	—	142,619
Pappas, Gregory James	73,438	—	(12,301)	—	(12,301)	—	—	—	61,137
Pappas Restaurant	73,438	—	(12,301)	—	(12,301)	—	—	—	61,137
Johnson, Harvey L.	8,013	—	(1,342)	—	(1,342)	—	—	—	6,671
Williams, Louis Awards	14,344	1,300	(2,708)	—	(1,408)	—	—	—	12,936
Ryan, Julie Scholarship	247,375	—	(41,436)	—	(41,436)	—	—	—	205,939
Carolyn Grant Fay	1,714,393	—	(287,165)	—	(287,165)	—	—	—	1,427,228
Henderson, Sen Don Quasi	218,077	—	(36,528)	—	(36,528)	9,215	—	9,215	172,334

(Continued)

EM – 4.1.49

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**
Schedule of Changes in Net Assets by Endowment
Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Charles & Dorothy Riesen	\$ 118,927	—	(19,921)	—	(19,921)	—	—	—	99,006
Robert L. Boblitt	12,437	—	(2,083)	—	(2,083)	—	—	—	10,354
Edythe Bates Old Quasi	1,040,451	—	(174,278)	—	(174,278)	—	—	—	866,173
Anthis-Callicutt Gore Quasi	6,803	—	(1,140)	—	(1,140)	—	—	—	5,663
John A. Beck	404,739	—	(67,795)	—	(67,795)	—	—	—	336,944
Thomas & Vera Stofflebeen	138,006	—	(23,116)	—	(23,116)	—	—	—	114,890
Greater Houston Hotel	113,375	10,000	(20,910)	—	(10,910)	—	—	—	102,465
Alkek-Williams Music	48,499	—	(8,124)	—	(8,124)	—	—	—	40,375
Monsanto End/Honor	14,580	—	(2,442)	—	(2,442)	616	—	616	11,522
Maud & Timothy Maurin	3,434	—	(547)	—	(547)	—	—	—	2,887
Crowther, James	144,931	—	(24,276)	—	(24,276)	—	—	—	120,655
Cobb/Fendley	80,448	—	(13,481)	—	(13,481)	—	—	—	66,967
Georgeanna Stanton	9,903	—	(1,659)	—	(1,659)	—	—	—	8,244
Judith Morris	58,806	—	(9,850)	—	(9,850)	—	—	—	48,956
Pieratt, Harold & Doris	13,482	—	(2,258)	—	(2,258)	—	—	—	11,224
Hines, Gerald	2,723,946	225,000	(510,083)	—	(285,083)	—	—	—	2,438,863
Smith, Beulah Lavange Quasi	49,119	—	(8,228)	—	(8,228)	—	—	—	40,891
Helen Krause	56,179	—	(9,410)	—	(9,410)	—	—	—	46,769
Herman Krause	56,179	—	(9,410)	—	(9,410)	—	—	—	46,769
The Women's Club	32,746	—	(5,485)	—	(5,485)	—	—	—	27,261
Bill D. Cook Scholar	34,676	1,050	(6,084)	—	(5,034)	—	—	—	29,642
Elvira Dell Krause	1,113,338	—	(186,475)	—	(186,475)	—	—	—	926,863
Lehman/Kolbe Quasi	20,781	—	(3,481)	—	(3,481)	—	—	—	17,300
Rudy & Eliz Woerner Quasi	36,753	—	(6,156)	—	(6,156)	—	—	—	30,597
Schiffick Endow	28,424	—	(4,761)	—	(4,761)	—	—	—	23,663
Int'L Assoc Hosp. Acct	52,580	—	(8,807)	—	(8,807)	—	—	—	43,773
Bill Cook Faculty	524,976	1,000	(88,166)	—	(87,166)	—	—	—	437,810
Deans Pharmacy Sch	38,242	—	(6,395)	—	(6,395)	—	—	—	31,847
Roy Weise Jr Schol	11,686	—	(1,958)	—	(1,958)	—	—	—	9,728
Kmart Endow	28,052	—	(4,699)	—	(4,699)	—	—	—	23,353
Tony Vallone End	90,193	—	(15,108)	—	(15,108)	—	—	—	75,085
Larry & Phyllis Hughes	17,754	350	(3,054)	—	(2,704)	—	—	—	15,050
Joel Sailors Fac Fellow Economic	214,072	—	(35,808)	—	(35,808)	—	—	—	178,264
Eugene H Hughes Sch	453,037	100	(75,854)	—	(75,754)	—	—	—	377,283
Bristol Hotel	21,095	—	(3,533)	—	(3,533)	—	—	—	17,562
Melcher, Lucille Endow	485,344	—	(81,243)	—	(81,243)	—	—	—	404,101
Spanish PhD Endow	100,280	—	(16,786)	—	(16,786)	—	—	—	83,494
John & Paula Lovoi	30,290	2,000	(5,490)	—	(3,490)	—	—	—	26,800
Stern, Margie Scholarship	11,064	200	(1,888)	—	(1,688)	—	—	—	9,376
Bullard Schol Endow	14,855	—	(2,474)	—	(2,474)	—	—	—	12,381
Alkek Schol Endow	20,195	—	(3,381)	—	(3,381)	—	—	—	16,814
Italy In America Endow	30,294	—	(5,071)	—	(5,071)	—	—	—	25,223
Elizabeth Rockwell	125,430	—	(20,996)	—	(20,996)	—	—	—	104,434
Robert Eckles Schol End	48,492	—	(8,123)	—	(8,123)	—	—	—	40,369
Joanna Friesen Endow Sch	10,986	800	(2,020)	—	(1,220)	—	—	—	9,766
Margaret & James Elkins	24,205	—	(4,054)	—	(4,054)	—	—	—	20,151
Wilheimina R. Morian End	9,682	—	(1,622)	—	(1,622)	—	—	—	8,060
Linda & Ken Lay Family End	24,205	—	(4,054)	—	(4,054)	—	—	—	20,151
Charlene & Phillip Carrol	9,682	—	(1,622)	—	(1,622)	—	—	—	8,060
Marilyn & R.E. Reamer End	24,205	—	(4,054)	—	(4,054)	—	—	—	20,151
Betty & Harry Jukes End	10,771	—	(1,804)	—	(1,804)	—	—	—	8,967
Larry Gatlin Music End	9,814	—	(1,643)	—	(1,643)	—	—	—	8,171
College Of Educ Alumni Endow	24,354	—	(4,079)	—	(4,079)	—	—	—	20,275
Wayne & Dolores Gentsch	9,380	500	(1,695)	—	(1,195)	—	—	—	8,185
Robert J. Jones Endow	13,610	—	(2,280)	—	(2,280)	—	—	—	11,330

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Stephen Harbachick End	\$ 9,259	—	(1,551)	—	(1,551)	—	—	—	7,708
Ray A. Kroc Schol Endow	22,187	—	(3,716)	—	(3,716)	—	—	—	18,471
Gupta Academic Award End	19,477	—	(3,212)	—	(3,212)	—	—	—	16,265
Todd B. Colvin Schol End	20,307	—	(3,401)	—	(3,401)	—	—	—	16,906
Randall's Endowment Schol	26,139	—	(4,375)	—	(4,375)	—	—	—	21,764
Elizabeth D. Rockwell Chair	479,437	—	(80,255)	—	(80,255)	—	—	—	399,182
Irene Smith Buckner Schol	28,246	1,860	(5,149)	—	(3,289)	—	—	—	24,957
McMillian/Gerstacker Schol	14,133	—	(2,367)	—	(2,367)	—	—	—	11,766
HRM Global Recog. Quasi	37,681	—	(6,312)	—	(6,312)	—	—	—	31,369
Hooker, Dr. Richard Endow	11,273	—	(1,888)	—	(1,888)	—	—	—	9,385
Honors Undergrad Research	93,601	—	(15,675)	—	(15,675)	—	—	—	77,926
Honors Study Abroad Endow	93,601	—	(15,675)	—	(15,675)	—	—	—	77,926
Robert White Accountancy	56,293	—	(9,429)	—	(9,429)	—	—	—	46,864
Jane Blaffer Owen Schol End	46,511	—	(7,712)	—	(7,712)	—	—	—	38,799
Becky & Truman Arnold Sch	14,754	—	(2,470)	—	(2,470)	—	—	—	12,284
Glazer's Endowment	18,957	—	(3,173)	—	(3,173)	—	—	—	15,784
TSO Scholarship Endow	38,698	4,000	(7,341)	—	(3,341)	—	—	—	35,357
McGovern Lectureship End	140,942	—	(23,594)	—	(23,594)	—	—	—	117,348
Mendenhall Fdn Pres. End	26,479	—	(4,435)	—	(4,435)	—	—	—	22,044
Ameena Colombowala Mem	9,891	—	(1,656)	—	(1,656)	—	—	—	8,235
Kroger Pharmacy Endow Sc	24,397	—	(4,084)	—	(4,084)	—	—	—	20,313
Jesse H & M Gibbs Jones	28,008	—	(4,688)	—	(4,688)	—	—	—	23,320
JD Field & Co Inc Schol End	9,084	—	(1,521)	—	(1,521)	—	—	—	7,563
CL Knapp/Chilton Mgmt Sch	27,134	—	(4,545)	—	(4,545)	—	—	—	22,589
Honors Class of 1989 Schol	22,913	3,000	(4,546)	—	(1,546)	—	—	—	21,367
Coastal Corp Schol Endow	13,336	—	(2,234)	—	(2,234)	—	—	—	11,102
Virginia Collier Mem Endow	16,919	1,000	(3,001)	—	(2,001)	—	—	—	14,918
Bexar Cty Pharm Assoc Pres	29,349	—	(4,916)	—	(4,916)	—	—	—	24,433
Phillip G Hoffman President	27,310	—	(4,571)	—	(4,571)	—	—	—	22,739
James H Pickering President	27,310	—	(4,571)	—	(4,571)	—	—	—	22,739
CVS Caremark Scholarship Endowment	21,121	—	(3,539)	—	(3,539)	—	—	—	17,582
Edythe Bates Old Choral Quasi	68,609	—	(11,485)	—	(11,485)	—	—	—	57,124
Edythe Bates Old Oreh Quasi	68,609	—	(11,485)	—	(11,485)	—	—	—	57,124
Clemenger, Florence Quasi	108,577	—	(18,187)	—	(18,187)	—	—	—	90,390
Celco & Martina Cuellar Pres.	29,644	500	(5,077)	—	(4,577)	—	—	—	25,067
Petty Presidential Schol	27,825	—	(4,661)	—	(4,661)	—	—	—	23,164
Agrawal, Durga & Sushila	189,628	—	(31,763)	—	(31,763)	—	—	—	157,865
Rockwell, Elizabeth Engineering Chair	542,982	—	(90,951)	—	(90,951)	—	—	—	452,031
Rockwell, Elizabeth Education Chair	508,342	—	(85,156)	—	(85,156)	—	—	—	423,186
Alan, Dr. Maktoob	9,745	—	(1,632)	—	(1,632)	—	—	—	8,113
Lienhart Engines of Ingenuity	159,171	8,950	(28,392)	—	(19,442)	—	—	—	139,729
Adams, Martin	10,663	—	(1,786)	—	(1,786)	—	—	—	8,877
Uray, Richard	85,860	—	(14,372)	—	(14,372)	—	—	—	71,488
Foerster, Cecile	12,173	—	(2,038)	—	(2,038)	—	—	—	10,135
Structural Consulting/Monteith	7,986	—	(1,322)	—	(1,322)	—	—	—	6,664
African Amer Studies, Chair in Creative Writing	519,120	—	(86,954)	—	(86,954)	—	—	—	432,166
Chiappetta, Dr. Eugene	12,783	—	(2,141)	—	(2,141)	—	—	—	10,642
Phieffer, Eckhard Chair Quasi	879,390	—	(146,224)	—	(146,224)	—	—	—	733,166
Peck, Lora Presidential	29,153	—	(4,883)	—	(4,883)	—	—	—	24,270
Franzheim, Melita	24,523	—	(4,108)	—	(4,108)	—	—	—	20,415
Lebel, Patty & Jesse Loran	103,439	—	(17,315)	—	(17,315)	—	—	—	86,124
Cullen Fndn Chair Creative Writing	1,386,441	—	(231,997)	—	(231,997)	—	—	—	1,154,444
Dewan Scholarship	24,038	2,500	(4,565)	—	(2,065)	—	—	—	21,973
Gupta, Anant Presidential	26,205	—	(4,389)	—	(4,389)	—	—	—	21,816
Cheung, Edson	28,972	—	(4,853)	—	(4,853)	—	—	—	24,119

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Pascoe, Kathleen	\$ 10,607	—	(1,773)	—	(1,773)	—	—	—	8,834
Wolff, Cyvia & Melvin	31,952	—	(5,333)	—	(5,333)	—	—	—	26,619
Armistead, Cora	66,009	92	(1,070)	—	(10,978)	—	—	—	55,031
Hall, George	23,232	—	(3,889)	—	(3,889)	—	—	—	19,343
Houston, Robert	17,550	1,650	(3,328)	—	(1,678)	—	—	—	15,872
Luchsinger, Amy & John	18,055	—	(3,022)	—	(3,022)	—	—	—	15,033
Houston Office Leasing Ass.	18,395	—	(3,079)	—	(3,079)	—	—	—	15,316
Architectural Alumni Pres.	27,193	—	(4,555)	—	(4,555)	—	—	—	22,638
Bianton, Jack	9,331	—	(1,562)	—	(1,562)	—	—	—	7,769
Asian American Studies	55,492	—	(9,287)	—	(9,287)	—	—	—	46,205
Wilson Presidential	40,744	1,050	(7,091)	—	(6,041)	—	—	—	34,703
Lay Presidential	28,131	—	(4,709)	—	(4,709)	—	—	—	23,422
DeBottis	65,467	—	(10,448)	—	(10,448)	—	—	—	55,019
Chambers, Velma	14,647	50	(2,463)	—	(2,413)	—	—	—	12,234
JP Morgan Chase Professorship	265,881	—	(43,662)	—	(43,662)	11,236	4,213	15,449	206,770
UH Communications Disorders	9,789	8,000	(2,976)	—	5,024	—	—	—	14,813
Melcher Violin	355,338	—	(59,481)	—	(59,481)	—	—	—	295,857
Dodds Family	100,715	—	(16,859)	—	(16,859)	—	—	—	83,856
Armistead Presidential	32,339	—	(5,417)	—	(5,417)	—	—	—	26,922
Counseling & Psych.Serv. Quasi	9,300	60	(1,569)	—	(1,509)	—	—	—	7,791
Kagen, Norman	9,118	—	(1,526)	—	(1,526)	—	—	—	7,592
McColium Eleanor	14,611	—	(2,446)	—	(2,446)	—	—	—	12,165
Likhari Presidential	29,000	—	(4,858)	—	(4,858)	—	—	—	24,142
Fitsimmons, Charles	22,576	—	(3,779)	—	(3,779)	—	—	—	18,797
Webb, Sandra Pharmacy Quasi	8,641	—	(1,442)	—	(1,442)	—	—	—	7,199
Sarah & Geoffrey Scholarship	3,883	—	(651)	—	(651)	—	—	—	3,232
Keeeland, Burdette PES	29,015	—	(4,860)	—	(4,860)	—	—	—	24,155
Goodman Scholarship	8,933	—	(1,495)	—	(1,495)	—	—	—	7,438
Cizik, Jane & Robert	91,870	14,360	(18,592)	—	(4,232)	—	—	—	87,638
Smith, Wilhelmina R	90,611	1,235	(15,490)	—	(14,255)	—	—	—	76,356
Shearne, Major Charles PES	81,119	—	(13,552)	—	(13,552)	—	—	—	67,567
Cater, John & Margot	94,685	5,100	(16,982)	—	(11,882)	—	—	—	82,803
Texas Hotel & Motel	134,273	—	(22,491)	—	(22,491)	—	—	—	111,782
DeVido, Rosemary & David	53,037	—	(8,970)	—	(8,970)	—	—	—	44,067
Phi Beta Delta	18,158	1,250	(3,307)	—	(2,057)	—	—	—	16,101
Goldman, Ruthmary	13,080	—	(2,189)	—	(2,189)	—	—	—	10,891
Bauer, C.T.	27,191,352	—	(4,555,864)	—	(4,555,864)	—	—	—	22,635,488
Harcrow, Stephen	12,714	—	(2,130)	—	(2,130)	—	—	—	10,584
Turner, Michelle & Dale Pres	28,785	—	(4,822)	—	(4,822)	—	—	—	23,963
McClellan, LaVerne	10,642	833	(1,980)	—	(1,147)	—	—	—	9,495
Shearne, Major Charles Pres	26,408	—	(4,423)	—	(4,423)	—	—	—	21,985
Shearne, Major Charles Pres	26,408	—	(4,423)	—	(4,423)	—	—	—	21,985
Shearne, Major Charles Pres	26,408	—	(4,423)	—	(4,423)	—	—	—	21,985
Smith, June D.	17,337	1,000	(3,120)	—	(2,120)	—	—	—	15,217
Alkek/Williams Chair	1,033,651	—	(173,150)	—	(173,150)	—	—	—	860,501
Tarrant County Pharmacy Assoc.	22,912	—	(3,905)	—	(3,905)	—	—	—	19,007
Malloy, Ambrose Fellowship	53,792	—	(9,011)	—	(9,011)	—	—	—	44,781
Castaneda, Cris Scholarship	8,825	—	(1,479)	—	(1,479)	—	—	—	7,346
Warner, Dr. Allen R.	13,964	2,000	(2,788)	—	(788)	—	—	—	13,176
Henry, William G., Jr.	8,744	—	(1,465)	—	(1,465)	—	—	—	7,279
McGovern Award For Library Staff	48,394	—	(8,101)	—	(8,101)	—	—	—	40,293
Wheless, Leslie And Kim	20,524	—	(3,436)	—	(3,436)	—	—	—	17,088
Czarnek And Patalik Music	9,256	—	(1,551)	—	(1,551)	—	—	—	7,705
The Thelma Hearn Scholarship	27,157	—	(4,546)	—	(4,546)	—	—	—	22,611
O'Neill, Michael & Donna	8,964	1,000	(1,738)	—	(738)	—	—	—	8,226

(Continued)

EM - 4.1.52

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Primeaux, Walter & Natalie	\$ 47,180	—	(7,774)	—	(7,774)	—	—	—	39,406
Holder, Cecil & Louise	191,539	—	(31,775)	—	(31,775)	—	—	—	159,764
Mason, Lynn & Marcel	31,438	—	(5,266)	—	(5,266)	—	—	—	26,172
Smallman, William R.	9,041	—	(1,514)	—	(1,514)	—	—	—	7,527
Fitzsimmons, Dana S.	16,477	1,000	(2,998)	—	(1,998)	—	—	—	14,479
Jones, Jesse H. & Mary Gibbs	1,049,415	—	(175,780)	—	(175,780)	—	—	—	873,635
Goodrich, Ann Schol Endow	20,005	90	(3,368)	—	(3,278)	—	—	—	16,727
Tomatz, David & Ann	180,406	—	(30,199)	—	(30,199)	—	—	—	150,207
Saunders, Betti & Charles	24,347	—	(4,076)	—	(4,076)	—	—	—	20,271
Hamilton Future Studies	48,433	1,535	(8,471)	—	(6,936)	—	—	—	41,497
Astronaut/Space Studies	38,412	—	(6,436)	—	(6,436)	—	—	—	31,976
Smith, Arthur K.	11,373	1,000	(2,120)	—	(1,120)	—	—	—	10,253
Bettencourt, Sara	11,437	—	(1,916)	—	(1,916)	—	—	—	9,521
Bettencourt, Dorothy	18,690	—	(3,077)	—	(3,077)	—	—	—	15,613
Lanier, Robert Chair	504,090	—	(84,427)	—	(84,427)	—	—	—	419,663
Robinson, Jerome	106,694	—	(17,871)	—	(17,871)	—	—	—	88,823
Jones, Benjamin Scott	13,510	1,500	(2,641)	—	(1,141)	—	—	—	12,369
Lomonte, Leora Cooper	76,217	5,000	(13,731)	—	(8,731)	—	—	—	67,486
Seaver	9,512	—	(1,592)	—	(1,592)	—	—	—	7,920
Strickland, Jerald	39,002	3,000	(7,033)	—	(4,033)	—	—	—	34,969
Lerner, Jane & Ronald	29,428	—	(4,929)	—	(4,929)	—	—	—	24,499
Yelderman, Pauline Chair	557,854	—	(93,442)	—	(93,442)	—	—	—	464,412
Magner, George	11,315	—	(1,884)	—	(1,884)	—	—	—	9,431
Kohler, Dave	13,575	1,650	(2,537)	—	(887)	—	—	—	12,688
Passarelli Hurtado, Diana Jo	30,290	—	(5,074)	—	(5,074)	—	—	—	25,216
Bell, Kate Pres	30,036	—	(5,031)	—	(5,031)	—	—	—	25,005
Lomonte, John N Scholarship	89,209	—	(14,934)	—	(14,934)	—	—	—	74,275
McBride, Rosemary Summers	26,044	2,000	(4,792)	—	(2,792)	—	—	—	23,252
Alkek	47,256	—	(7,916)	—	(7,916)	—	—	—	39,340
Shulman, Lanny & Molly Scholarship	31,430	—	(5,258)	—	(5,258)	—	—	—	26,172
Soucek, William Czech Cultural	99,761	—	(16,699)	—	(16,699)	—	—	—	83,062
Hart, David	405,546	50,000	(76,722)	—	(26,722)	—	—	—	378,824
Shanfield, Henry	2,403	—	(383)	—	(383)	—	—	—	2,020
Dorff, Linda Scholarship	9,682	—	(1,621)	—	(1,621)	—	—	—	8,061
Goel Academic Achievement	9,779	—	(1,637)	—	(1,637)	—	—	—	8,142
Kirkpatrick, C. V. Engineering	23,714	—	(3,972)	—	(3,972)	—	—	—	19,742
Irwin, Melinda	32,815	405	(5,583)	—	(5,178)	—	—	—	27,637
Cook-Price, Elaine	24,321	2,004	(4,502)	—	(2,498)	—	—	—	21,823
Bove, Frank	10,137	1,100	(1,860)	—	(760)	—	—	—	9,377
Rodriguez, Robert	11,372	—	(1,905)	—	(1,905)	—	—	—	9,467
Wiggins, Jayne & Albert	120,156	—	(19,545)	—	(19,545)	—	—	—	100,611
Butler, Dr. John	39,029	—	(6,537)	—	(6,537)	—	—	—	32,492
Rockwell, Eliz. Library	93,864	—	(15,720)	—	(15,720)	—	—	—	78,144
Hagen, John L.	9,491	—	(1,587)	—	(1,587)	—	—	—	7,904
Graham Professorship in Econ	300,705	—	(49,378)	—	(49,378)	12,725	4,772	17,497	233,830
Franzheim, Kenneth	101,619	150,000	(53,301)	—	96,699	—	—	—	198,318
Lohec, Ronald & Bertha	78,532	12,000	(15,724)	—	(3,724)	—	—	—	74,808
Strane, Miriam	9,349	—	(1,490)	—	(1,490)	—	—	—	7,859
Rodd, Frank R.	23,240	3,117	(4,536)	—	(1,419)	—	—	—	21,821
Hearst, W.R.	509,913	—	(85,356)	—	(85,356)	—	—	—	424,557
Fraga Brothers	40,446	—	(6,746)	—	(6,746)	1,659	—	1,659	32,041
Bauer Family Fndn.	260,655	—	(43,657)	—	(43,657)	—	—	—	216,998
Carlson Nelson Scholarship	226,091	—	(37,803)	—	(37,803)	—	—	—	188,288
Robinson, Minette & Jerome	35,075	—	(5,872)	—	(5,872)	—	—	—	29,203
Huang, Diane PES	60,250	350	(10,166)	—	(9,816)	—	—	—	50,434

EM - 4.1.53

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Herman, Ralph S. Scholarship	\$ 64,605	500	(10,933)	—	(10,433)	—	—	—	54,172
Brown, Robert Scholarship	15,117	—	(2,529)	—	(2,529)	640	—	640	11,948
Cemo Foundation PES CLASS	31,491	—	(5,274)	—	(5,274)	—	—	—	26,217
Cemo Foundation, PES Business	31,491	—	(5,274)	—	(5,274)	—	—	—	26,217
Cemo Foundation, PES Business	31,491	—	(5,274)	—	(5,274)	—	—	—	26,217
Maresh, Thelma PES	36,627	—	(6,135)	—	(6,135)	—	—	—	30,492
Evans, Emily Scott Professorship	538,154	—	(90,135)	—	(90,135)	—	—	—	448,019
Gas Processors Scholarship	34,880	—	(5,793)	—	(5,793)	—	—	—	29,087
Simmons, Lornie Scholarship	22,878	—	(3,832)	—	(3,832)	—	—	—	19,046
Akin, Ted Scholarship	14,260	—	(2,388)	—	(2,388)	—	—	—	11,872
Andrews Foundation Scholarship	18,038	—	(3,027)	—	(3,027)	—	—	—	15,011
Dallas/Ft Worth Alumni PES	33,756	—	(5,621)	—	(5,621)	—	—	—	28,135
Allen, James Quasi	135,234	—	(22,652)	—	(22,652)	—	—	—	112,582
San Antonio Alumni PES	35,982	—	(6,027)	—	(6,027)	—	—	—	29,955
San Antonio Alumni PES	34,900	—	(5,846)	—	(5,846)	—	—	—	29,054
Arnold, Genevieve Com Disord	48,475	—	(8,119)	—	(8,119)	—	—	—	40,356
Arnold, Genevieve Psychology	36,356	—	(6,089)	—	(6,089)	—	—	—	30,267
Verghese Fellowship Endowment	12,119	—	(2,030)	—	(2,030)	—	—	—	10,089
Hsu, Thomas Structural Res	61,858	—	(10,361)	—	(10,361)	—	—	—	51,497
Ctr for Mexican American Studies	19,980	1,000	(3,544)	—	(2,544)	—	—	—	17,436
Osborn, Bart Industrial Org	60,594	—	(10,149)	—	(10,149)	—	—	—	50,445
Maresh, Thelma Burnett Schol.	58,501	—	(9,799)	—	(9,799)	—	—	—	48,702
Lopez, Joe Scholarship	12,491	—	(2,092)	—	(2,092)	—	—	—	10,399
Martinez, George & Kathryn	12,627	—	(2,115)	—	(2,115)	—	—	—	10,512
Cobb/Fendley Excellence	51,080	—	(8,556)	—	(8,556)	—	—	—	42,524
Koch, Jay & Marion Library	37,225	6,000	(7,722)	—	(1,722)	—	—	—	35,503
Dunn, John Professorship	705,225	—	(118,117)	—	(118,117)	—	—	—	587,108
Perry, Bob Mexican American	384,215	—	(64,361)	—	(64,361)	—	—	—	319,854
Pollack, Howard Scholarship	43,330	—	(7,144)	—	(7,144)	—	—	—	36,186
Patterson, Claire North Scholarship	30,534	—	(5,114)	—	(5,114)	—	—	—	25,420
Torres, Rosemary Segovia Scholarship	11,765	—	(1,970)	—	(1,970)	—	—	—	9,795
Palacios, Ctr for Mex. Amer Studies	16,887	—	(2,815)	—	(2,815)	—	—	—	14,072
Smith, June Duhar Schol. Quasi	12,875	—	(2,155)	—	(2,155)	544	—	544	10,176
Mitchell, Cynthia Woods Center	16,462,885	—	(2,727,902)	—	(2,727,902)	—	—	—	13,734,983
Mountain, Joe & Lee Scholar.	61,328	5,400	(11,375)	—	(5,975)	—	—	—	55,353
Handal, Suzanne May Scholar.	11,591	—	(1,941)	—	(1,941)	—	—	—	9,650
Johnson Philip Quasi	165,648	—	(27,714)	—	(27,714)	—	—	—	137,934
Quinones, Charles John Schol.	4,821	—	(768)	—	(768)	—	—	—	4,053
Loya, Miguel & Ana	17,384	—	(2,901)	—	(2,901)	—	—	—	14,483
Hollingsworth, Marcile Schol.	42,363	30,328	(14,029)	—	16,299	—	—	—	58,662
Hollingsworth, Marcile Science Educ.	12,076	—	(2,021)	—	(2,021)	—	—	—	10,055
Smith, Arthur & June Quasi	64,659	—	(10,831)	—	(10,831)	—	—	—	53,828
Maresh, Thelma Burnett	28,733	—	(4,812)	—	(4,812)	—	—	—	23,921
Padula, Frank Scholarship	56,204	—	(9,386)	—	(9,386)	—	—	—	46,818
Williamson, Kim & Bruce Schol.	89,310	5,000	(15,706)	—	(10,706)	—	—	—	78,604
Baker Hughes Engineering Schol.	55,380	—	(9,276)	—	(9,276)	—	—	—	46,104
Smith, June Early Childhood Dev	11,075	—	(1,855)	—	(1,855)	—	—	—	9,220
Lilie, Glenn & Judith Dean's Leadership	221,524	—	(37,102)	—	(37,102)	—	—	—	184,422
Mindiola, Tacho & Cindy	21,478	—	(3,597)	—	(3,597)	—	—	—	17,881
Hernandez, Dr. Mary Lou	10,730	—	(1,788)	—	(1,788)	—	—	—	8,942
Miles, Edwin Library	23,016	1,000	(4,042)	—	(3,042)	—	—	—	19,974
Damon Wells Foundation	31,544	10,000	(7,542)	—	2,458	—	—	—	34,002
El-Farouq Foundation	56,265	—	(9,416)	—	(9,416)	—	—	—	46,849
Wilson & Jeter Endowment	6,945	—	(1,107)	—	(1,107)	—	—	—	5,838
Engineering Alumni Assoc.	25,371	—	(4,241)	—	(4,241)	—	—	—	21,130

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Mendenhall, Trinidad Vasquez	\$ 50,279	—	(8,371)	—	(8,371)	—	—	—	41,908
Gore-Laird & Liberman Scholarship	10,059	466	(1,713)	—	(1,247)	—	—	—	8,812
Yelderman, Pauline PES	37,022	—	(6,201)	—	(6,201)	—	—	—	30,821
Union Pacific for Mex. Amer Studies	10,465	—	(1,753)	—	(1,753)	—	—	—	8,712
Hamilton, Elmer Schol.	11,887	—	(1,991)	—	(1,991)	—	—	—	9,896
Watts, Karele Maresh PES	32,274	—	(5,405)	—	(5,405)	—	—	—	26,869
Wells Fargo Ctr for Mex Amer	101,572	—	(16,825)	—	(16,825)	—	—	—	84,747
Hall, George & Myrajane Schol.	11,426	300	(1,969)	—	(1,669)	—	—	—	9,757
HFTP, Raymond Ellis	54,698	—	(9,161)	—	(9,161)	—	—	—	45,537
Cemo, Michael Professorship	136,636	—	(22,885)	—	(22,885)	—	—	—	113,751
Werlin, Joseph Sociology Faculty	64,789	—	(10,852)	—	(10,852)	—	—	—	53,937
McMahen, Charles Chair	1,043,119	—	(174,760)	—	(174,760)	—	—	—	868,359
Rockefeller Fndn Hisp. Lit Quasi	431,136	—	(72,215)	—	(72,215)	—	—	—	358,921
Look, Garret Dawson "Sonny"	23,666	—	(3,964)	—	(3,964)	—	—	—	19,702
Pediatric Optometry Quasi	95,706	—	(16,031)	—	(16,031)	—	—	—	79,675
Hopping, Dr. Desiree PES	32,433	—	(5,432)	—	(5,432)	—	—	—	27,001
Fndn for Educ & Research in Visn.	32,433	—	(5,432)	—	(5,432)	—	—	—	27,001
Underwood, American Humanities	154,864	—	(25,815)	—	(25,815)	—	—	—	129,049
Massad Family Scholarship	10,813	5,000	(2,939)	—	2,061	—	—	—	12,874
Smith, Elva PES	31,390	—	(5,218)	—	(5,218)	—	—	—	26,172
Battle, Jack & Peggy	42,228	—	(7,073)	—	(7,073)	—	—	—	35,155
Lietzow, Sharon Ley PEF	68,858	—	(11,527)	—	(11,527)	—	—	—	57,331
Lietzow, Robert F. PEF	50,290	—	(8,291)	—	(8,291)	—	—	—	41,999
Maresh, Harlan Renan	31,876	—	(5,339)	—	(5,339)	—	—	—	26,537
Adair, Wendy Scholarship	11,277	—	(1,872)	—	(1,872)	—	—	—	9,405
Patel, Nilkanth & Yamini	10,509	—	(1,739)	—	(1,739)	—	—	—	8,770
Old, Edith Bates Prof. Quasi	143,619	—	(24,038)	—	(24,038)	—	—	—	119,581
Agrawal, Brij & Sunita PES	32,829	—	(5,498)	—	(5,498)	—	—	—	27,331
Kuriger, Richard Charles	10,641	—	(1,782)	—	(1,782)	—	—	—	8,859
Latting, Jean Professorship	136,450	—	(22,853)	—	(22,853)	—	—	—	113,597
Bartkowiak, Matthew	42,157	150	(7,090)	—	(6,940)	—	—	—	35,217
Siegel, Stanley TX History	21,826	—	(3,656)	—	(3,656)	—	—	—	18,170
McNabb, John	48,583	—	(7,926)	—	(7,926)	—	—	—	40,657
Countryman, Mark Scholarship	10,173	1,000	(1,845)	—	(845)	—	—	—	9,328
Tansy Family Scholarship	73,426	5,000	(13,203)	—	(8,203)	—	—	—	65,223
Soliz, Olga MAS	22,093	—	(3,697)	—	(3,697)	—	—	—	18,396
McDavid College Professorship	115,683	—	(19,449)	—	(19,449)	—	—	—	96,234
Dept of Economics Professorship	147,914	—	(24,341)	—	(24,341)	—	—	—	123,573
Drury, John Scholarship	22,715	3,050	(4,462)	—	(1,412)	957	—	957	20,346
Stern, David O. in LASS	10,865	—	(1,819)	—	(1,819)	—	—	—	9,046
Congressman Gene Green MAS	10,772	—	(1,790)	—	(1,790)	—	—	—	8,982
Disney, Brian & Lisa Track Endow	10,771	—	(1,804)	—	(1,804)	—	—	—	8,967
Palmer, Wilma Scholarship	53,855	—	(9,020)	—	(9,020)	—	—	—	44,835
Bell, Lany Space Architecture	129,266	—	(21,650)	—	(21,650)	—	—	—	107,616
Sachnowitz, Larry J Prof Mktng	137,077	—	(22,797)	—	(22,797)	—	—	—	114,280
Hou International Materials Forum	296,746	—	(49,509)	—	(49,509)	—	—	—	247,237
Logistics Tech Fund Endow	179,825	13,752	(32,456)	—	(18,704)	—	—	—	161,121
Gonzalez, Jesse Schol Endow Engr	26,077	—	(4,368)	—	(4,368)	—	—	—	21,709
Mason, Lynn & Marcel HRM	19,725	1,166	(3,547)	—	(2,381)	—	—	—	17,344
Rockwell Ctr for Ethics & Ldrshp	1,090	—	(395)	46	(349)	46	—	46	695
Wallace, Jack & Anne	20,822	—	(3,428)	—	(3,428)	—	—	—	17,394
UHY Mann Frankfort & Lipp	33,991	10,000	(8,068)	—	1,932	—	—	—	35,923
Stewart, Dr. Charles	136,049	900	(22,976)	—	(22,076)	—	—	—	113,973
Kevin McDavid-Vision Source Prof	135,670	—	(22,365)	—	(22,365)	—	—	—	113,305
FERV 3	122,208	—	(19,915)	—	(19,915)	—	—	—	102,293

EM - 4.1.55

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Duke Energy Scholarship	\$ 41,878	—	(6,958)	—	(6,958)	—	—	—	34,920
Keeper, Cele & Samuel Prof	140,352	—	(21,613)	—	(21,613)	—	—	—	118,739
Henley, Ernest & Barbara Prof	80,085	55,000	(25,739)	—	29,261	—	—	—	109,346
Berry, Frank Jr Quasi Int Design	13,997	—	(2,344)	—	(2,344)	—	—	—	11,653
Hall, George & MyraJane Ind Engr	10,208	300	(1,767)	—	(1,467)	—	—	—	8,741
Wertheimer, Henry Scholarship	13,980	25	(2,345)	—	(2,320)	—	—	—	11,660
Moreno, Rosanna & Carlos Family	6,899	1,000	(1,287)	—	(287)	—	—	—	6,612
Hawley, Cora Scholarship	61,313	—	(10,179)	—	(10,179)	—	—	—	51,134
William Moffit Excellence in Band Studies End	64,395	1,400	(10,586)	—	(9,186)	—	—	—	55,209
Thacker, Steve & Susan Schol Quasi	40,149	2,700	(7,298)	—	(4,598)	1,534	—	1,534	34,017
Lawrence, Bryan Excellence Quasi	36,223	—	(6,067)	—	(6,067)	—	—	—	30,156
Delta Gamma Richard Shirk Family	112,842	2,750	(19,112)	—	(16,362)	—	—	—	96,480
Andrews, Kurth Scholarship Honors	40,949	—	(6,750)	—	(6,750)	—	—	—	34,199
HEB Endowment MAS	126,400	—	(20,920)	—	(20,920)	—	—	—	105,480
Symons, Virginia Thompson PEF Eng	52,133	—	(8,731)	—	(8,731)	—	—	—	43,402
Symons, Virginia Thompson Envir Eng	139,807	—	(23,416)	—	(23,416)	—	—	—	116,391
Monk, Earl Scholarship	35,040	11,250	(8,312)	—	2,938	—	—	—	37,978
Loomis, Carol & Scott Scholarship	21,291	—	(3,523)	—	(3,523)	—	—	—	17,768
Hamilton, Allie Scholarship	10,745	—	(1,800)	—	(1,800)	—	—	—	8,945
Ruth, Donna A Library Excellence	25,724	—	(4,308)	—	(4,308)	—	—	—	21,416
Gonzalez, Irma Diaz & Roberto	5,765	—	(919)	—	(919)	—	—	—	4,846
Kripp, Robert PES Engr	32,327	—	(5,410)	—	(5,410)	—	—	—	26,917
State Farm - Ctr Mex Amer.	20,114	—	(3,370)	—	(3,370)	—	—	—	16,744
Dr Cynthia Norris Educ Leaders	1,157	—	(184)	—	(184)	—	—	—	973
Wells Fargo Scholars Community	10,065	—	(1,689)	—	(1,689)	—	—	—	8,376
Thomas & Laura HSU Profess End	133,524	—	(22,372)	—	(22,372)	—	—	—	111,152
Mom's Pharmacy Schol Endow	10,682	—	(1,790)	—	(1,790)	—	—	—	8,892
Blessan Samuel Memorial Sch Endow	11,853	—	(1,945)	—	(1,945)	—	—	—	9,908
Charles J Tamborello Mem Sch Endow	35,009	747	(6,049)	—	(5,302)	—	—	—	29,707
Merchandising Star Award Endow	57,259	—	(9,428)	—	(9,428)	—	—	—	47,831
Gerson & Sabina David End Prof	98,444	31,250	(22,345)	—	8,905	—	—	—	107,349
Charles T Bauer Schol Endow	254,973	—	(42,777)	—	(42,777)	—	—	—	212,196
Phyllis & Mudge Miller Endow	19,850	—	(3,333)	—	(3,333)	—	—	—	16,517
Herbert & Faye Lum Schol End	29,149	—	(4,843)	—	(4,843)	—	—	—	24,306
UH Coll of Optometry Sch Endow	5,374	80	(876)	—	(796)	—	—	—	4,578
Verghese Excel Endow-Tech	10,183	—	(1,730)	—	(1,730)	—	—	—	8,453
Bill & Ann Stokes	50,066	—	(8,404)	—	(8,404)	—	—	—	41,662
Franklin & Virginia Law Sch End	10,013	—	(1,681)	—	(1,681)	—	—	—	8,332
Paula A Kelleher Endowment	27,692	10,340	(6,746)	—	3,594	—	—	—	31,286
Musa & Khaleda Dakri Endow	25,033	—	(4,202)	—	(4,202)	—	—	—	20,831
Lynn & Bill Simpson Sch End	9,840	—	(1,653)	—	(1,653)	—	—	—	8,187
Nancy O'Connor Abendshein Prof	119,285	—	(19,822)	—	(19,822)	—	—	—	99,463
Andries Lott Schol Endow	12,484	—	(2,097)	—	(2,097)	—	—	—	10,387
The Red White & Blue Schol End	9,696	—	(1,629)	—	(1,629)	—	—	—	8,067
The Golden Brothers Endow Opt	29,088	—	(4,888)	—	(4,888)	—	—	—	24,200
C T Bauer Part Time MBA Sch End	175,078	—	(29,417)	—	(29,417)	—	—	—	145,661
C T Bauer Full Time Undergrad	145,899	—	(24,514)	—	(24,514)	—	—	—	121,385
Michael W Oneill Mem Sch	35,400	2,000	(6,340)	—	(4,340)	—	—	—	31,060
George L & MyraJane E Hall Sch	10,104	300	(1,741)	—	(1,441)	—	—	—	8,663
Jack E Wilson Endowment	8,114	5,200	(2,617)	—	2,583	—	—	—	10,697
Fredric A & Betsy C Weber Sch	19,453	—	(3,269)	—	(3,269)	—	—	—	16,184
Laura E Swails Schol End	11,831	—	(1,976)	—	(1,976)	—	—	—	9,855
Richard & Dawn Rawson Sch End	9,447	15,000	(5,439)	—	9,561	—	—	—	19,008
Raymond Oeland McCall Sch End	11,837	125	(2,010)	—	(1,885)	—	—	—	9,952
Woody Williams End Sch	280,101	—	(47,103)	—	(47,103)	—	—	—	232,998

(Continued)

EM - 4.1.56

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment
Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Louise Woestemeyer Sch End	\$ 9,527	—	(1,571)	—	(1,571)	—	—	—	7,956
Class Quasi Scholarship Endowment	18,895	—	(3,178)	—	(3,178)	—	—	—	15,717
Leon B. Stinson Memorial Sch End	59,289	—	(9,933)	—	(9,933)	—	—	—	49,356
Everett J. & Mary Lee Lamik Sch End	19,095	6,000	(4,501)	—	1,499	—	—	—	20,594
Spacehab End Sch-Chet Lee	10,214	—	(1,717)	—	(1,717)	—	—	—	8,497
Dennis Allen Mem Sch End	15,750	20	(2,634)	—	(2,614)	—	—	—	13,136
Steven Ronald Martin Sch End	10,156	—	(1,708)	—	(1,708)	—	—	—	8,448
Karen Stout Faculty End Fund	10,403	5,178	(2,846)	—	2,332	—	—	—	12,735
Sanchez Family Found End	24,429	—	(4,105)	—	(4,105)	—	—	—	20,324
Canteen, Bus Svrs, Quasi End	9,772	—	(1,642)	—	(1,642)	—	—	—	8,130
Dwight E. Davis Sch End	9,822	50	(1,663)	—	(1,613)	—	—	—	8,209
Mexican Women's Initiative End	11,693	6,000	(3,061)	—	2,939	418	—	418	14,214
Engineering Tech Excel Fund	13,774	60	(2,314)	—	(2,254)	—	—	—	11,520
James & Elena Hesbrook End Sch	5,887	2,000	(1,455)	—	545	—	—	—	6,432
Joe Martin Scholarship End	13,462	5,000	(3,175)	—	1,825	—	—	—	15,287
Cyvia & Melvin Wolff End #2	36,175	—	(6,038)	—	(6,038)	1,255	—	1,255	28,882
Martin Antonio Flores Sch End	9,701	—	(1,631)	—	(1,631)	—	—	—	8,070
Marcia & J.W. Burns End Sch	57,464	13,000	(12,406)	—	594	—	—	—	58,058
John D & Susan K Thompson End	38,437	50	(6,335)	—	(6,285)	—	—	—	32,152
John Moores Humanitarian Sch	18,698	—	(3,087)	—	(3,087)	—	—	—	15,611
Sylvester Turner Public Service Sch	18,698	—	(3,087)	—	(3,087)	—	—	—	15,611
Jack & Debbie Moore Excel End	48,283	—	(8,118)	—	(8,118)	—	—	—	40,165
Mark G Papa Leadership Excellence Fund End	153,311	33,333	(31,486)	—	1,847	—	—	—	155,158
Lonnie Simmons Sch Quasi End	14,604	—	(2,455)	—	(2,455)	—	—	—	12,149
Lena & Marc Malacoff Sch End	24,007	—	(4,036)	—	(4,036)	—	—	—	19,971
Robert & Margaret Sheriff End/Geophysics	77,820	29,186	(19,809)	—	9,377	—	—	—	87,197
Leland F. Zatopek Memorial Sch End	9,715	882	(1,757)	—	(875)	—	—	—	8,840
Manmohan & Marie Kalsi End	94,457	—	(15,881)	—	(15,881)	—	—	—	78,576
Paul G. Smith, Jr. Sch End	188,915	—	(31,762)	—	(31,762)	—	—	—	157,153
Den B. Chin & May K. Chin End	13,045	6,000	(3,172)	—	2,828	—	—	—	15,873
Ross Lence Sch Quasi End	77,727	410	(13,146)	—	(12,736)	—	—	—	64,991
Ambassador Kenneth Franzheim II End	479,510	—	(80,618)	—	(80,618)	—	—	—	398,892
Mack Rogers, Jr. Insurance & Risk Management	28,572	2,000	(5,311)	—	(3,311)	—	—	—	25,261
Barnes & Noble Sch Quasi End	22,949	3,172	(4,559)	—	(1,387)	—	—	—	21,562
Mark Shadle Scholarship Endowment	9,316	—	(1,545)	—	(1,545)	—	—	—	7,771
Henry W. Graham End Sch	9,111	—	(1,532)	—	(1,532)	—	—	—	7,579
Michelle & Ed Noack Sch End	8,986	5,000	(2,794)	—	2,206	—	—	—	11,192
John P. & May Gee Sch End	9,126	7,500	(3,117)	—	4,383	—	—	—	13,509
Amegy Bank of Texas Endowment	9,138	5,000	(2,755)	—	2,245	—	—	—	11,383
Marvin & Joan Kaplan Sch End	59,387	35,000	(17,590)	—	17,410	—	—	—	76,797
Bhattacharya Family Sch End	7,813	—	(1,245)	—	(1,245)	—	—	—	6,568
Dean Joseph P. Buckley End	9,149	—	(1,538)	—	(1,538)	—	—	—	7,611
John & Sharon Stubblefield End	40,621	—	(6,820)	—	(6,820)	—	—	—	33,801
Link Staffing Services Sch End	18,265	5,000	(4,217)	—	783	—	—	—	19,048
David D. Red Scholarship Endowment	18,069	—	(2,981)	—	(2,981)	—	—	—	15,088
Joan Hohlt & Roger Wich Endowment	16,447	—	(2,765)	—	(2,765)	—	—	—	13,682
Lillie E. Spies-GTF Removing Educ Barriers Sch End	37,219	5,500	(7,319)	—	(1,819)	—	—	—	35,400
Kenton Lloyd Smith Pharmacy Ethics	10,431	—	(1,698)	—	(1,698)	—	—	—	8,733
Brown Fdn Research Director	738,265	60,410	(138,734)	—	(78,324)	—	—	—	659,941
Charles & Margie Denson Sch End	15,566	—	(2,617)	—	(2,617)	—	—	—	12,949
Kelsey-Seybold Scholarship Endowment	9,105	—	(1,531)	—	(1,531)	—	—	—	7,574
Scholz Family Endowment	9,122	—	(1,486)	—	(1,486)	—	—	—	7,636
George LeRoy & Myrajane Ereckson Hall	8,867	300	(1,527)	—	(1,227)	—	—	—	7,640
Willis & Patsy Johnson Sch End	9,602	1,000	(1,733)	—	(733)	—	—	—	8,869
Donna R. Fox End for Faculty Support	9,075	—	(1,526)	—	(1,526)	—	—	—	7,549

(Continued)

EM - 4.1.57

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Gerald McElvy Scholarship Endowment	\$ 39,462	28,000	(12,485)	—	15,515	—	—	—	54,977
Rims Houston Chapter Sch End	34,865	—	(5,867)	—	(5,867)	—	—	—	28,998
Hope Center Endowment	301,084	—	(50,660)	—	(50,660)	—	—	—	250,424
William Cunningham End – Hawes	8,716	250	(1,516)	—	(1,266)	—	—	—	7,450
William Cunningham End – Young	8,716	250	(1,516)	—	(1,266)	—	—	—	7,450
L. Green & B. Schachtel-Green	8,716	1,250	(1,756)	—	(506)	—	—	—	8,210
Saenz/Cantu Scholarship Endowment	8,850	—	(1,489)	—	(1,489)	—	—	—	7,361
Gary K. and Linda B. Rice Sch End	7,010	2,500	(1,740)	—	760	—	—	—	7,770
Cyvia & Melvyn Wolff End #3	31,001	—	(5,190)	—	(5,190)	—	—	—	25,811
Andrea L. Smesny Schol Endow	5,453	4,250	(1,884)	—	2,366	—	—	—	7,819
Univ Community Sch End Honors	9,048	3,500	(2,273)	—	1,227	—	—	—	10,275
Loleet Usener Eckel Sch Endow	8,829	—	(1,484)	—	(1,484)	—	—	—	7,345
Bill & Sue McMahon Rem Ed Bar	18,316	—	(3,081)	—	(3,081)	—	—	—	15,235
Ohia-Edet Memorial Endow	9,554	—	(1,538)	—	(1,538)	—	—	—	8,016
Bruce & Ann Biundo End Sch	3,311	3,500	(1,308)	—	2,192	—	—	—	5,503
H. David Kaplan Endowment	1,891	1,000	(539)	—	461	—	—	—	2,352
Suzanne Woo Honorary Sch Endow	5,609	3,750	(1,771)	—	1,979	—	—	—	7,588
Jeff Dodd & Susan Ohsfeldt Sch	22,297	10,000	(5,852)	—	4,148	—	—	—	26,445
GTF Ajay & Laxmi Aggarwal End	27,087	—	(4,494)	—	(4,494)	—	—	—	22,593
GTF Brij & Sunita Agrawal End	27,087	—	(4,494)	—	(4,494)	—	—	—	22,593
William Hawes Family Scholarship Endowment	37,746	10,000	(8,593)	—	1,407	—	—	—	39,153
Houston Marketing Prof Sch End	8,996	—	(1,456)	—	(1,456)	—	—	—	7,540
Hari & Anjali Agrawal Faculty Fellowship	18,911	20,000	(7,465)	—	12,535	—	—	—	31,446
Houston Area Pharmacist Association End Sch	9,921	—	(1,638)	—	(1,638)	—	—	—	8,283
Jerri Lee Pledger Scholarship Endowment	10,397	11,900	(4,522)	—	7,378	—	—	—	17,775
Hyman Sofer Memorial Scholarship Endowment	22,858	1,550	(3,849)	—	(2,299)	—	—	—	20,559
Powers Brown Architecture Scholarship Endow	18,107	—	(2,835)	—	(2,835)	—	—	—	15,272
Frank L. Worley, Jr. Ugr Sch End	91,610	—	(14,687)	—	(14,687)	—	—	—	76,923
William W. & Georgia Bryan Sch End	228,017	—	(36,749)	—	(36,749)	—	—	—	191,268
John S. Dunn Chair End	472,526	500,000	(189,074)	—	310,926	—	—	—	783,452
Susan & Tom Williams Graduate Sch End	4,728	—	(728)	—	(728)	—	—	—	4,000
Mortar & Pedal Ride Scholarship Endowment	7,980	1,840	(1,671)	—	169	—	—	—	8,149
Dr. Richard Murray Sch End	109,755	3,150	(19,301)	—	(16,151)	—	—	—	93,604
William C. Miller Endowed Chair of Engineering	236,263	250,000	(94,537)	—	155,463	—	—	—	391,726
Margie Nell Eaves Seiver Scholarship End	9,198	10,025	(3,840)	—	6,185	—	—	—	15,383
Marian & Samuel W. Spain Award End	182,340	—	(29,386)	—	(29,386)	—	—	—	152,954
JPMorgan Chase End for Excellence in CMAS	22,792	—	(3,673)	—	(3,673)	—	—	—	19,119
UH Comm Sciences & Disorders	1,884	—	(311)	—	(311)	—	—	—	1,573
Sharon Sanders Hoover Mem End	9,127	—	(1,553)	—	(1,553)	—	—	—	7,574
Houston Area Corps of Cadets/MOAA	7,415	5,765	(2,351)	—	3,414	—	—	—	10,829
Neal R. Amundson Lecture Quasi	49,729	—	(8,447)	—	(8,447)	—	—	—	41,282
Coll of Pharmacy Dean's Advisory Council	16,440	19,600	(7,431)	—	12,169	—	—	—	28,609
Fiesta Mart Endow-MAS	4,709	5,000	(1,935)	—	3,065	—	—	—	7,774
Conrad N Hilton Schol in Communication	91,677	—	(15,572)	—	(15,572)	—	—	—	76,105
Henry & Charlene McClain Endowed Scholarship	6,271	3,333	(1,803)	—	1,530	—	—	—	7,801
Vince & Louise Foster Faculty Award Endow	23,517	—	(3,966)	—	(3,966)	—	—	—	19,551
Richard L. Nelson Excellence Writing Award End	5,639	5,850	(2,154)	—	3,696	—	—	—	9,335
Brookshire Brothers Pharmacy Endowed Scholarship	18,397	—	(3,173)	—	(3,173)	—	—	—	15,224
Thomas H. Mayor Faculty End – Economics	70,551	25,000	(17,678)	—	7,322	—	—	—	77,873
Fred & Mabel R. Parks Fdn End	23,150	25,000	(10,075)	—	14,925	—	—	—	38,075
John P. McGovern Fdn Library Materials End	46,298	25,000	(13,303)	—	11,697	—	—	—	57,995
M.D. Anderson Library Acorn Growth Fund End	19,572	22,855	(8,566)	—	14,289	—	—	—	33,861
Margaret S. O'Donnell End – GCSW	31,033	17,575	(9,199)	—	8,376	—	—	—	39,409
Jim Nantz Endowed Scholarship	46,540	—	(7,581)	—	(7,581)	—	—	—	38,959
John S & Elena M Zaccaria Scholarship Endow	9,401	1,000	(1,781)	—	(781)	—	—	—	8,620

(Continued)

EM – 4.1.58

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
W. Benjamin Fry Rio Grande Valley Endowed Sch	\$ 2,351	5,417	(1,599)	—	3,818	—	—	—	6,169
Ross M. Lence Teacher in Residency Program End	164,572	3,050	(27,551)	—	(24,501)	—	—	—	140,071
Paul R. & Nancy G. Borneman Scholarship End	9,308	—	(1,516)	—	(1,516)	—	—	—	7,792
Kai-King Chow & Cheng-Yok Chow End Sch	9,308	—	(1,516)	—	(1,516)	—	—	—	7,792
Steven Hecht & Deborah Brochstein Sch End	9,308	7,500	(2,919)	—	4,581	—	—	—	13,889
Friends of Paul J. Rice Memorial Scholarship End	1,410	4,500	(1,330)	—	3,170	—	—	—	4,580
Theresa M. Monaco Chair for the Provost	847,487	—	(197,843)	—	(197,843)	43,476	—	43,476	606,168
Texas Pharmacy Foundation Sch End	11,644	—	(2,010)	—	(2,010)	—	—	—	9,634
The Val Link Endowed Scholarship in Art	10,249	—	(1,774)	—	(1,774)	—	—	—	8,475
FKP Architects/Charles Sundin Sch	23,288	—	(4,020)	—	(4,020)	—	—	—	19,268
Elena, Veronica, and Johnny Guerra Sch End	940	9,000	(2,360)	—	6,640	—	—	—	7,580
Debra and Mark Gregg Scholarship Endowment	48,562	3,000	(9,363)	—	(6,363)	—	—	—	42,199
Greater Texas Fdn End Sch for TeachHouston	140,084	—	(24,850)	—	(24,850)	—	—	—	115,234
West Endowment Scholarship	23,347	—	(4,142)	—	(4,142)	—	—	—	19,205
Peek Family Scholarship Endowment	4,690	—	(828)	—	(828)	—	—	—	3,862
Andy & Barbara Gessner "Inspiring Excellence"	25,215	3,000	(5,222)	—	(2,222)	—	—	—	22,993
Henry and Tanya Matula Endowment	4,690	5,000	(1,932)	—	3,068	—	—	—	7,758
Mike and Teresa Baker Volleyball Sch End	—	15,000	(2,505)	—	12,495	—	—	—	12,495
Carole Hegenbarth Scholarship Endowment	—	20,000	(4,471)	—	15,529	—	—	—	15,529
Belgaeen Lies Baghdadi Memorial Scholarship	6,168	7,250	(2,438)	—	4,812	—	—	—	10,980
Cameron "Inspiring Excellence" Sch End	25,215	3,000	(5,222)	—	(2,222)	—	—	—	22,993
Dr. Ted L. Estess Honors Scholarship Endowment	—	51,950	(10,663)	—	41,287	—	—	—	41,287
Johnnie Fadal Endowed Scholarship	938	9,000	(2,247)	—	6,753	—	—	—	7,691
Joseph Schatz Scholarship End	—	10,300	(1,703)	—	8,597	—	—	—	8,597
Leslie & Alan Ma Wong Scholarship End	—	5,000	(1,099)	—	3,901	—	—	—	3,901
Shara L. Zatopek Endowed Scholarship	—	2,325	(484)	—	1,841	—	—	—	1,841
UH College of Pharmacy Dean's Executive Council	—	9,940	(2,206)	—	7,734	—	—	—	7,734
Faculty Senate Enhancement Endowment	—	18,809	(4,042)	—	14,767	—	—	—	14,767
Kenneth & Patty Korthauer Endowed Scholarship	—	5,000	(935)	—	4,065	—	—	—	4,065
Prithvipal & Manmeet Likhari "Inspiring Excellence"	—	30,000	(5,257)	—	24,743	—	—	—	24,743
Carolyn Ashcroft Scholarship Endowment	52,568	—	(9,325)	—	(9,325)	—	—	—	43,243
Simon Yee On Chow Endowed Scholarship	—	100,000	(18,701)	—	81,299	—	—	—	81,299
Society of Iranian American Women for Education	—	10,000	(1,870)	—	8,130	—	—	—	8,130
Williams Group Inspiring Excellence Sch End	—	5,000	(982)	—	4,018	—	—	—	4,018
Honors Student Govt Board End	—	2,500	(468)	—	2,032	—	—	—	2,032
Robin French Family Scholarship Endowment	—	13,295	(2,486)	—	10,809	—	—	—	10,809
Cheryl M. Carlucci Scholarship Endowment	—	21,637	(4,453)	—	17,184	—	—	—	17,184
Dr. Victor A. Zaloom Scholarship Endowment	—	10,000	(1,870)	—	8,130	—	—	—	8,130
Mikela D. Kwan Scholarship Endowment	—	11,520	(2,365)	—	9,155	—	—	—	9,155
Alton & Sandra Kanak Endowed Scholarship	—	6,000	(1,363)	—	4,637	—	—	—	4,637
Teach Houston Challenge Fund Endowment	—	9,921	(2,256)	—	7,665	—	—	—	7,665
Dept of Chem & Biomolecular Engr Founders' Sch	—	16,000	(2,992)	—	13,008	—	—	—	13,008
College of NSM Growth Fund End	—	22,500	(4,884)	—	17,616	—	—	—	17,616
Kathleen O. Macnerney Library Acquisition End	—	913,000	(170,741)	—	742,259	—	—	—	742,259
Boyaki Family Endowment	—	25,000	(5,519)	—	19,481	—	—	—	19,481
J. Scott Chase Endowment in Opera	—	25,000	(5,519)	—	19,481	—	—	—	19,481
Mechanical Engineering Tech Excellence Fund End	—	3,250	(750)	53	2,553	53	—	53	2,500
Dr. Tatcho Mendiola Director's Endow for CMAS	—	50,000	(11,038)	—	38,962	—	—	—	38,962
Matthew B. & Tamara Steele Faculty Award End	—	10,000	(2,321)	—	7,679	—	—	—	7,679
Emerging Technology Growth Fund Endowment	—	24,000	(5,560)	278	18,718	278	—	278	18,440
Inspiring Excellence Sch End Sponsored by Shell	—	45,000	(10,487)	—	34,513	—	—	—	34,513
John D. & Susan K. Thompson Family Sch End	—	25,050	(5,793)	—	19,257	—	—	—	19,257
William Douglas Allums C.T. Bauer Business End	—	310,500	(71,793)	—	238,707	—	—	—	238,707
William Douglas Allums Athletic Endowment	—	310,500	(71,793)	—	238,707	—	—	—	238,707
William Douglas Allums Band Endowment	—	310,500	(71,793)	—	238,707	—	—	—	238,707

(Continued)

EM - 4.1.59

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Brij & Sunita Agrawal Fac Fellow Industrial Engr	\$ —	25,000	(5,780)	—	19,220	—	—	—	19,220
Ted L. Estess Faculty Award Endowment	—	25,000	(5,780)	—	19,220	—	—	—	19,220
Moya Family Scholarship Endowment in Honors	—	75,000	(17,341)	—	57,659	—	—	—	57,659
Keys A. & Joan F. Curry Endowed Excellence Fund	—	15,000	(3,468)	—	11,532	—	—	—	11,532
The Lau & Lau UHCop Growth Fund End	—	25,000	(5,780)	—	19,220	—	—	—	19,220
Howard Family "Inspiring Excellence" End	—	13,000	(2,983)	76	10,093	76	—	76	10,017
James & Theresa Fischer Sch Endowment	—	10,000	(2,312)	—	7,688	—	—	—	7,688
Wilford Weber Memorial Scholarship End	—	14,244	(3,444)	—	10,800	328	—	328	10,472
Margaret S. Sheriff Geophysics Term End	—	136,383	(32,996)	—	103,387	3,180	—	3,180	100,207
Robert E. Sheriff Sequence Stratigraphy Term End	—	136,383	(32,996)	—	103,387	3,180	—	3,180	100,207
Lau & Mrs. Wing Lan Chin Pharm. Sciences End	—	36,000	(8,710)	—	27,290	840	—	840	26,450
College of Education Alumni Assn Sch End #2	—	1,000	(242)	23	781	23	—	23	758
Welch Chair in Chemistry – Grant E0044	—	1,885,449	(483,935)	—	1,401,514	37,709	—	37,709	1,363,805
John Ashford Memorial Fund Endowment	—	3,868	(993)	77	2,952	77	—	77	2,875
Bauer Alumni Assn Scholarship Endowment	—	10,000	(2,567)	200	7,633	200	—	200	7,433
Assn of Well Head Equip Manufacturing Sch End	—	25,000	(6,240)	—	18,760	417	—	417	18,343
Olga & Gerardo Balboa Scholarship Endowment	—	5,000	(1,248)	83	3,835	83	—	83	3,752
Hawkins Family Endowed Scholarship	—	1,000	(250)	17	767	17	—	17	750
UH Alumni Assn Presidential Endowed Sch	—	19,373	(4,571)	—	14,802	—	—	—	14,802
Weltzien Endowed Scholarship	—	10,000	(2,359)	—	7,641	—	—	—	7,641
Howard W. Greenwood Sch Quasi End in Athletics	—	32,542	(7,408)	—	25,134	—	—	—	25,134
Corisman Excellence Presidential Endowed Fellowship	—	4,000	(896)	—	3,104	—	—	—	3,104
Dr. Edward A. Blair Scholarship Endowment	—	39,000	(8,499)	—	30,501	—	—	—	30,501
UH Tier One Scholarship Quasi Endowment	—	7,000,000	—	—	7,000,000	—	—	—	7,000,000
Petrotex	60,999	—	(10,017)	—	(10,017)	—	—	—	50,982
Science & Computer Engineering	131,715	1,270	(21,913)	—	(20,643)	2,578	967	3,545	47,437
Clear Lake Alumni	598,368	4,135	(101,125)	—	(96,990)	5,488	2,058	7,546	103,526
Scholes	34,661	—	(5,806)	—	(5,806)	1,465	—	1,465	27,390
Faculty Special	24,096	—	(4,036)	—	(4,036)	1,018	—	1,018	19,042
Zeon Graduate Fellow	102,291	—	(16,798)	—	(16,798)	4,323	1,621	5,944	79,549
Zeon Science Equipment	71,737	—	(11,780)	—	(11,780)	3,031	1,137	4,168	55,789
Pledger, Rosemary	28,854	—	(4,826)	—	(4,826)	1,192	—	1,192	22,836
BPA Health	758,228	—	(124,512)	—	(124,512)	32,041	12,015	44,056	589,660
Faculty Development	1,249,114	—	(205,123)	—	(205,123)	52,785	19,794	72,579	971,412
Sobrina/Hyer	154,585	—	(25,343)	—	(25,343)	6,424	2,409	8,833	120,409
Brown And Root	138,777	—	(22,789)	—	(22,789)	5,865	2,199	8,064	107,924
Callagan, Donald	56,857	2,397	(10,053)	—	(7,656)	—	—	—	49,201
Neumann Cultural Quasi	14,740	—	(2,469)	—	(2,469)	623	—	623	11,648
Environmental Institute	65,780	120	(10,994)	—	(10,874)	—	—	—	54,906
Air Products	12,686	—	(2,125)	—	(2,125)	536	—	536	10,025
Wismer, M.L.	176,034	1,000	(29,707)	—	(28,707)	—	—	—	147,327
Rohm & Haas	17,689	—	(2,962)	—	(2,962)	743	—	743	13,984
Akzo Chemical	13,332	—	(2,233)	—	(2,233)	563	—	563	10,536
Lockheed Martin Scholarship	20,021	—	(3,354)	—	(3,354)	—	—	—	16,667
Columbia Healthcare	18,890	—	(3,164)	—	(3,164)	—	—	—	15,726
Honeywell	56,563	—	(9,468)	—	(9,468)	—	—	—	47,095
Holton, Mary Ann	28,812	425	(4,929)	—	(4,504)	—	—	—	23,090
G B Tech Inc. Res. Asst.	14,982	—	(2,510)	—	(2,510)	633	—	633	11,839
Sterling Chemical	12,457	—	(2,087)	—	(2,087)	526	—	526	9,844
School Of Educ Devel.	257,200	16,120	(46,704)	—	(30,584)	—	—	—	226,616
BPA Quasi	1,114,976	—	(184,785)	—	(184,785)	—	—	—	930,191
Schergens, Evaline	31,464	500	(5,374)	—	(4,874)	—	—	—	26,590
Jessie & Mary Jones	422,806	—	(70,821)	—	(70,821)	—	—	—	351,985
Thomas Gee Scholarships	47,417	—	(7,942)	—	(7,942)	—	—	—	39,475
University Scholarships	820,325	5,690	(138,654)	—	(132,964)	—	—	—	687,361

(Continued)

EM - 4.1.60

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Joe & Lou Taylor	\$ 42,933	—	(7,190)	—	(7,190)	—	—	—	35,743
Goerke, Glenn & Joyce	12,891	—	(2,159)	—	(2,159)	—	—	—	10,732
Wilson SOE Outstanding Stud.	59,814	2,000	(10,440)	—	(8,440)	—	—	—	51,374
Eve Mieszkuć	13,778	—	(2,306)	—	(2,306)	579	—	579	10,893
Literature Scholarship	20,096	750	(3,532)	—	(2,782)	—	—	—	17,314
School Of Educ. Scholarship	128,281	—	(21,487)	—	(21,487)	—	—	—	106,794
Family Therapy	19,603	35	(3,292)	—	(3,257)	—	—	—	16,346
Eisner Schol Endow	37,548	1,000	(6,506)	—	(5,506)	—	—	—	32,042
Fowles Family Schol	10,495	215	(1,808)	—	(1,593)	—	—	—	8,902
Art Education Endow	11,529	—	(1,931)	—	(1,931)	—	—	—	9,598
King Family Therapy	68,062	—	(11,380)	—	(11,380)	—	—	—	56,682
Elden Schol Endow	20,898	1,000	(3,726)	—	(2,726)	—	—	—	18,172
Kajs Schol Endow	107,273	—	(17,973)	—	(17,973)	—	—	—	89,300
Human Sciences and Humanities	27,271	4,518	(5,552)	—	(1,034)	—	—	—	26,237
Healthcare Assoc	37,957	—	(6,358)	—	(6,358)	—	—	—	31,599
Trask Endow	80,918	10,000	(15,858)	—	(5,858)	—	—	—	75,060
Annual Fund Endow	10,830	—	(1,814)	—	(1,814)	—	—	—	9,016
Sterns	16,113	—	(2,699)	—	(2,699)	—	—	—	13,414
Bruckner Endow	33,996	210	(5,740)	—	(5,530)	—	—	—	28,466
School of Educ, Instruct Tech	72,213	—	(12,096)	—	(12,096)	—	—	—	60,117
Educ Leadership	19,415	—	(3,252)	—	(3,252)	—	—	—	16,163
Hodge Res Sch Endow	14,123	—	(2,366)	—	(2,366)	—	—	—	11,757
Environmental Mgmt Scho	12,378	225	(2,123)	—	(1,898)	—	—	—	10,480
S.T.E.P Scholarship Endow	213,634	510	(35,903)	—	(35,393)	—	—	—	178,241
Colley Endowed Schol	51,762	3,720	(9,509)	—	(5,789)	—	—	—	45,973
Hopkin End Schol	22,011	25	(3,692)	—	(3,667)	—	—	—	18,344
Benson Endow Sch	55,007	—	(9,202)	—	(9,202)	—	—	—	45,805
Lightfoot/Johns Family Accounting Sch End	39,448	5,000	(7,684)	—	(2,684)	—	—	—	36,764
Lea, Hugh Leadership	42,748	3,384	(7,989)	—	(4,605)	—	—	—	38,143
Nettles Pasa End Schol	43,663	1,014	(7,518)	—	(6,504)	—	—	—	37,159
Hobby, William	13,124	—	(2,198)	—	(2,198)	—	—	—	10,926
Matthews, Frank & Dorothy	9,390	—	(1,573)	—	(1,573)	—	—	—	7,817
Jaska Matthew	8,932	—	(1,498)	—	(1,498)	—	—	—	7,434
Porter, Mattie	13,945	—	(2,336)	—	(2,336)	589	—	589	11,020
Wilson, Richard	21,269	3,170	(4,305)	—	(1,135)	—	—	—	20,134
Staples, William	40,007	625	(6,840)	—	(6,215)	—	—	—	33,792
Kyle, Beverly	15,629	11,000	(5,109)	—	5,891	—	—	—	21,520
Mieszkowski, Gretchen	18,382	775	(3,252)	—	(2,477)	—	—	—	15,905
Staples, Bonnie	20,865	2,500	(4,027)	—	(1,527)	—	—	—	19,338
Hill, Margaret & Alan	9,684	1,000	(1,853)	—	(853)	—	—	—	8,831
Bowers Endowment	10,967	—	(1,833)	—	(1,833)	—	—	—	9,134
D&A Endowment	44,699	—	(7,471)	—	(7,471)	—	—	—	37,228
Alumni Program Development	115,333	—	(19,319)	—	(19,319)	—	—	—	96,014
ABPW/Warren Scholarship	27,872	1,500	(5,023)	—	(3,523)	—	—	—	24,349
McKay, Charles	41,997	—	(7,023)	—	(7,023)	—	—	—	34,974
Robinson, Donald	12,891	—	(2,159)	—	(2,159)	—	—	—	10,732
Seymour, Marion	30,180	4,500	(6,092)	—	(1,592)	—	—	—	28,588
Snyder, Carol Lynn	12,337	—	(2,065)	—	(2,065)	—	—	—	10,272
Kierstead, Fred	24,255	5,000	(5,149)	—	(149)	—	—	—	24,106
Harris, DeYossie	11,255	125	(1,912)	—	(1,787)	—	—	—	9,468
Boeing Company	19,527	—	(3,269)	—	(3,269)	821	—	821	15,437
McCracken, Harold & Debra	32,768	—	(5,488)	—	(5,488)	—	—	—	27,280
Bermudez, Peter	16,370	25	(2,748)	—	(2,723)	—	—	—	13,647
Frank G. Ambrose Systems	36,864	—	(6,168)	—	(6,168)	—	—	—	30,696
Karp & South Psychology	15,653	2,494	(3,165)	—	(671)	—	—	—	14,982

(Continued)

EM - 4.1.61

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Barrios Technology	\$ 112,587	—	(18,800)	—	(18,800)	—	—	—	93,787
Leibfried, Elizabeth Funck	47,242	—	(7,911)	—	(7,911)	—	—	—	39,331
Fellman, Sue, Omicron Delta	36,557	4,000	(6,997)	—	(2,997)	—	—	—	33,560
NCMA Space City	10,640	—	(1,782)	—	(1,782)	—	—	—	8,858
Morton, Shelby	22,628	845	(3,963)	—	(3,118)	—	—	—	19,510
Fowler, Billie Scholarship	26,116	3,000	(5,049)	—	(2,049)	—	—	—	24,067
Rakow, Steve Scholarship	56,368	2,250	(9,897)	—	(7,647)	—	—	—	48,721
Bhatia, Chhavi Scholarship	26,578	—	(4,449)	—	(4,449)	—	—	—	22,129
Cohen, Prudence Scholarship	11,493	—	(1,925)	—	(1,925)	—	—	—	9,568
Hightower, James Scholarship	26,710	4,065	(5,449)	—	(1,384)	—	—	—	25,326
Mezzino, Michael Mathematics	11,592	—	(1,942)	—	(1,942)	—	—	—	9,650
Bruce, Mae Snowden	111,291	2,000	(19,136)	—	(17,136)	—	—	—	94,155
Removing Educational Barriers	179,600	—	(29,929)	—	(29,929)	—	—	—	149,671
UHCL Student Life Quasi	56,486	—	(9,429)	—	(9,429)	—	—	—	47,057
Phi Kappa Phi Scholarship	12,913	—	(2,163)	—	(2,163)	—	—	—	10,750
Texas Scholars	642,337	—	(107,393)	—	(107,393)	—	—	—	534,944
Mieszkuce Professorship	217,830	—	(35,905)	—	(35,905)	—	—	—	181,925
Vandagriff, Judy Scholarship	36,426	—	(6,101)	—	(6,101)	—	—	—	30,325
Mieszkuce Scholarship	57,092	370	(9,630)	—	(9,260)	—	—	—	47,832
Wells Fargo Scholarship	11,404	—	(1,910)	—	(1,910)	—	—	—	9,494
Hayes Scholarship	11,454	100	(1,926)	—	(1,826)	—	—	—	9,628
Tamer, Mary Elizabeth	107,930	21,000	(22,555)	—	(1,555)	—	—	—	106,375
DS Labs ISA Endowment	49,617	3,484	(9,068)	—	(5,584)	—	—	—	44,033
Lunar Rendezvous Endowment	58,639	—	(9,736)	—	(9,736)	—	—	—	48,903
Sch of Ed. Program Enhancement	20,159	2,915	(3,816)	—	(901)	—	—	—	19,258
Infragard Scholarship	52,324	—	(8,764)	—	(8,764)	—	—	—	43,560
ISACA Scholarship	103,806	—	(17,308)	—	(17,308)	—	—	—	86,498
Horizon Capital Bank	10,404	—	(1,743)	—	(1,743)	442	—	442	8,219
Perez, Frank Scholarship	14,419	1,000	(2,640)	—	(1,640)	—	—	—	12,779
Bobbitt McCall, Donna Schol.	10,873	4,395	(2,884)	—	1,511	—	—	—	12,384
Lekkos, Barbara Computing	165,025	—	(27,541)	—	(27,541)	—	—	—	137,484
Hall Family Endowment	119,497	1,500	(20,055)	—	(18,555)	—	—	—	100,942
Early Childhood Education	9,712	4,000	(2,502)	—	1,498	—	—	—	11,210
MIS Professorship Quasi	352,562	—	(59,051)	—	(59,051)	—	—	—	293,511
Comp. Sci & Eng, Profship Quasi	352,733	—	(59,083)	—	(59,083)	—	—	—	293,650
TX Assoc of Environ. Prof	15,699	—	(2,621)	—	(2,621)	—	—	—	13,078
Barrios, Robinson Schol Endow	10,168	6,815	(3,183)	—	3,632	—	—	—	13,800
Distinguished Alumni Scholarship	69,058	3,085	(12,085)	—	(9,000)	—	—	—	60,058
Nollie Mayo 8-12 Teacher Educ	11,297	—	(1,887)	—	(1,887)	—	—	—	9,410
Study in Taiwan Quasi	34,689	6,000	(7,184)	—	(1,184)	—	—	—	33,505
Susan Speight Fam Ther End	13,006	1,000	(2,405)	—	(1,405)	—	—	—	11,601
Lunney Family Scholarship Endowment	32,258	3,000	(6,152)	—	(3,152)	—	—	—	29,106
Roger & Linda Bilstein End	16,621	2,945	(3,406)	—	(461)	—	—	—	16,160
UHCL Veterans Scholarship Endowment	15,696	1,598	(2,859)	—	(1,261)	—	—	—	14,435
Dr. Ted Leibfried Legacy Scholarship Endow	10,974	685	(1,937)	—	(1,252)	—	—	—	9,722
Barbara Samuels Educational End	10,946	1,000	(1,990)	—	(990)	—	—	—	9,956
Sandy Johnson/Barrios Technology, Ltd. End	28,257	120,000	(33,718)	—	86,282	—	—	—	114,539
Linda Bell Endowed Scholarship	18,616	—	(3,033)	—	(3,033)	—	—	—	15,583
George Pulliam Distinguished Faculty Fellowship	93,126	635	(15,031)	—	(14,396)	3,725	1,397	5,122	73,608
Honorable Russell P. Austin End for Legal Studies	—	25,752	(6,465)	—	19,287	415	—	415	18,872
UHCL Quasi Endowment Growth Fund	—	12,000	(2,814)	—	9,186	—	—	—	9,186
Trust Investment	591,524	—	(97,137)	—	(97,137)	25,000	9,375	34,375	460,012
Jones Scholarships	2,397,121	—	(393,643)	—	(393,643)	101,297	37,986	139,283	1,864,195
PLM Professorships	1,075,592	—	(176,628)	—	(176,628)	45,452	17,044	62,496	856,468
Lasso	30,263	—	(5,069)	—	(5,069)	1,279	—	1,279	23,915

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Edwards	\$ 531,469	—	(87,275)	—	(87,275)	22,459	8,422	30,881	413,313
Fiesta/Accounting	538,994	—	(88,511)	—	(88,511)	22,777	8,541	31,318	419,165
Red Rose Ball	408,215	200,000	(115,422)	—	84,578	17,250	6,469	23,719	469,074
PLM Quasi	69,460	—	(11,406)	—	(11,406)	2,935	1,101	4,036	54,018
Shipnes	24,722	5,000	(5,268)	—	(268)	—	—	—	24,454
Boney	70,077	—	(11,508)	—	(11,508)	2,961	1,110	4,071	54,498
Rockwell Drama	86,298	—	(14,171)	—	(14,171)	3,648	1,368	5,016	67,111
Cain Scholarship UHD	1,213,247	—	(199,233)	—	(199,233)	51,269	19,226	70,495	943,519
Hearst Foundation	55,652	—	(9,322)	—	(9,322)	—	—	2,352	43,978
Edmonds Foundation UHD	4,091,681	—	(671,914)	—	(671,914)	172,905	64,839	237,744	3,182,023
Brown And Root	140,763	—	(23,600)	—	(23,600)	5,889	—	5,889	111,274
Cain Scholarship For Teaching	258,526	42,000	(53,465)	—	(11,465)	—	—	—	247,061
Engstrom, Donald	45,380	—	(7,601)	—	(7,601)	—	—	—	37,779
Urban Education Program	860,140	—	(144,076)	—	(144,076)	—	—	—	716,064
Trask Endow	37,950	—	(6,329)	—	(6,329)	—	—	—	31,621
Gene & Betty McDavid Endow	38,821	—	(6,503)	—	(6,503)	—	—	—	32,318
100 Club Criminal Justice	162,047	—	(26,920)	—	(26,920)	—	—	—	135,127
Anderson, Jay Kevin	43,627	700	(7,457)	—	(6,757)	—	—	—	36,870
Martel Professorship	273,769	—	(45,857)	—	(45,857)	—	—	—	227,912
Silver Anniversary Schol.	23,934	—	(4,009)	—	(4,009)	—	—	—	19,925
Martel, Speros	62,062	—	(10,395)	—	(10,395)	—	—	—	51,667
O'Connor, Ralph	67,342	—	(11,280)	—	(11,280)	—	—	—	56,062
Faculty Staff Development Quasi	51,936	—	(8,699)	—	(8,699)	—	—	—	43,237
Urban Scholars Learners Com.	835,961	—	(136,292)	17,370	(118,922)	34,740	—	34,740	682,299
Tapp, Teresa Quasi	17,796	—	(2,964)	—	(2,964)	—	—	—	14,832
Metro Bank/ Ming & Tom Wang	64,435	—	(10,690)	—	(10,690)	—	—	—	53,745
Harper, Carol & Tom	66,190	—	(11,086)	—	(11,086)	—	—	—	55,104
Hong Kong City Mall/Hai Du Duong	23,234	—	(3,888)	—	(3,888)	—	—	—	19,346
Axtmann, Terry & Christina	22,016	—	(3,688)	—	(3,688)	—	—	—	18,328
Crown Mark Inc.	63,257	—	(10,484)	—	(10,484)	—	—	—	52,773
Castillo, Alicia S Memorial Schol	23,809	400	(4,088)	—	(3,688)	—	—	—	20,121
Elkins Faculty Fellowship	54,361	—	(9,105)	—	(9,105)	—	—	—	45,256
Miller, Clyde & Susan Scholarship	10,301	—	(1,725)	—	(1,725)	—	—	—	8,576
Axtmann, Christina & Terry Red Rose	63,045	—	(10,423)	—	(10,423)	—	—	—	52,622
TBA Red Rose Scholarship	30,875	—	(5,171)	—	(5,171)	—	—	—	25,704
Hinds, Artie Lee & Jackson Rose	47,862	12,000	(10,733)	—	1,267	—	—	—	49,129
O'Connor, George Red Rose Schol	63,151	—	(10,577)	—	(10,577)	—	—	—	52,574
Stafford Outstanding CIS Graduate	24,243	—	(4,060)	—	(4,060)	—	—	—	20,183
Lanier, Elyse & Bob Red Rose Schol	43,067	—	(7,155)	—	(7,155)	—	—	—	35,912
Dist Faculty Award	225,775	—	(37,025)	—	(37,025)	—	—	—	188,750
Bill & Ann Stokes / UH DTN	99,494	—	(16,697)	—	(16,697)	—	—	—	82,797
James A. Elkins, Jr. Sch End	58,401	—	(9,816)	—	(9,816)	—	—	—	48,585
Joan S. Abramowitz Ugr Sch End	57,895	—	(9,460)	—	(9,460)	—	—	—	48,435
Gordon & Mary Cain Sch End	534,013	436,793	(189,435)	—	247,358	—	—	—	781,371
Donald Bonham Memorial Sch End	36,101	—	(6,070)	—	(6,070)	—	—	—	30,031
Charles & Betti Saunders End	22,449	—	(3,679)	—	(3,679)	—	—	—	18,770
Christy Drennan Memorial Sch End	18,408	(975)	(2,934)	—	(3,909)	—	—	—	14,499
Greater TX Removing Barriers	181,820	—	(29,386)	—	(29,386)	—	—	—	152,434
Max & Rosario Castillo Red Rose Sch End	54,483	—	(8,735)	—	(8,735)	—	—	—	45,748
Christina & Terry Axtmann Red Rose 2007	14,576	13,000	(5,428)	—	7,572	—	—	—	22,148
Duangploys Memorial Scholarship Endowment	9,173	200	(1,511)	—	(1,311)	—	—	—	7,862
Fondren Professorship in Finance Endowment	78,492	83,333	(32,212)	—	51,121	—	—	—	129,613
Bobby Bizzell Memorial Scholarship Endowment	18,776	—	(3,059)	—	(3,059)	—	—	—	15,717
Stanford & Joan Alexander Fdn Red Rose Sch End	18,616	20,000	(7,539)	—	12,461	—	—	—	31,077
Wells Fargo End Sch – Business Downtown	28,016	60,000	(18,628)	—	41,372	—	—	—	69,388

(Continued)

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
Larry Jones Memorial Red Rose Sch Quasi End	\$ —	60,000	(10,019)	—	49,981	—	—	—	49,981
Ricky & Belen Diaz Family Red Rose Sch Quasi End	—	60,000	(10,019)	—	49,981	—	—	—	49,981
Deloitte Foundation Larry Jones Scholarship Fund	—	34,700	(7,459)	—	27,241	—	—	—	27,241
Ellen & Jim Seigler Endowment	—	10,000	(2,312)	—	7,688	—	—	—	7,688
Harry & Antje Gee Red Rose Sch Endowment	—	35,000	(8,468)	—	26,532	816	—	816	25,716
Dr. Asghar Nazemzadeh Memorial Sch Endowment	—	14,200	(3,350)	—	10,850	—	—	—	10,850
Charles Saunders Sr Mem Sch in Entrepreneurship End	—	10,000	(2,253)	—	7,747	—	—	—	7,747
Farfel Lecture	392,334	—	(64,427)	—	(64,427)	16,579	6,217	22,796	305,111
Autrey	518,704	—	(85,179)	—	(85,179)	21,919	8,220	30,139	403,386
General Endowment	29,404,990	2,619	(4,828,885)	—	(4,826,266)	1,241,866	465,700	1,707,566	22,871,158
Cullinan	436,142	—	(71,621)	—	(71,621)	18,430	6,911	25,341	339,180
Mitchell	4,959,058	144,426	(861,952)	—	(717,526)	202,444	—	202,444	4,039,088
International Paper	456,218	—	(74,918)	—	(74,918)	19,279	7,230	26,509	354,791
Cullen Leadership	1,280,516	—	(210,279)	—	(210,279)	54,112	20,292	74,404	995,833
System Matching	3,727,908	—	(624,376)	—	(624,376)	—	—	—	3,103,532
Farfel Quasi	87,944	—	(14,442)	—	(14,442)	3,716	1,394	5,110	68,392
General Purpose	1,031,166	—	(169,318)	—	(169,318)	43,555	16,333	59,888	801,960
Cullen Roy & Lillie	55,165,957	—	(9,059,062)	—	(9,059,062)	2,331,181	874,193	3,205,374	42,901,521
UH System Fellowship Quasi Endowment	250,810	—	(41,183)	—	(41,183)	10,594	3,973	14,567	195,060
Endowment Plus	5,457,064	—	(896,054)	—	(896,054)	230,498	86,437	316,935	4,244,075
Energy Alumni Assoc. Schol.	120,421	—	(19,775)	—	(19,775)	5,089	1,908	6,997	93,649
Melrose Thompson	10,008,164	615,750	(1,802,547)	—	(1,186,797)	—	—	—	8,821,367
Enron Teaching Award	1,268,854	—	(208,364)	—	(208,364)	53,619	20,107	73,726	986,764
UH System Quasi	401,127	—	(67,184)	—	(67,184)	—	—	—	333,943
Houston Jr C Of C	228,972	10,000	(40,198)	—	(30,198)	—	—	—	198,774
New Century Success	35,558	—	(5,953)	—	(5,953)	—	—	—	29,605
Enron Scholarship	773,010	—	(129,481)	—	(129,481)	—	—	—	643,529
Marjorie Gurasich Endow	11,359	500	(2,015)	—	(1,515)	—	—	—	9,844
Baldwin, Mike	11,525	—	(1,930)	—	(1,930)	—	—	—	9,595
Miller, Michel Scholarship	13,399	500	(2,326)	—	(1,826)	—	—	—	11,573
System Core Pool Quasi Endowment	55,281,799	—	(9,027,381)	—	(9,027,381)	—	—	—	46,254,418
Scott	58,626	—	(9,627)	—	(9,627)	2,477	929	3,406	45,593
Hallum	64,728	—	(10,629)	—	(10,629)	2,735	1,026	3,761	50,338
Victoria/Anniv.	98,445	—	(16,166)	—	(16,166)	4,160	1,560	5,720	76,559
Piper, Martha	30,277	—	(5,069)	—	(5,069)	1,274	—	1,274	23,934
Wood Family	453,375	10,000	(76,682)	—	(66,682)	18,755	7,033	25,788	360,905
Alcorn	107,072	—	(17,583)	—	(17,583)	4,525	1,697	6,222	83,267
Victoria Rotary	77,137	2,300	(13,405)	—	(11,105)	—	—	—	66,032
Alkek	2,224,467	—	(365,290)	—	(365,290)	94,001	35,250	129,251	1,729,926
Tracey, Ethel Lec	177,497	10,000	(31,988)	—	(21,988)	—	—	—	155,509
Welder Scholarship	102,669	—	(16,860)	—	(16,860)	4,339	1,627	5,966	79,843
General Scholarship	55,094	—	(9,044)	—	(9,044)	2,317	869	3,186	42,864
Faculty Development	24,947	602	(4,308)	—	(3,706)	—	—	—	21,241
Margin For Excellence	168,973	—	(27,783)	—	(27,783)	7,146	2,670	9,816	131,374
Library	7,599	—	(1,273)	—	(1,273)	316	—	316	6,010
Bumgardner	20,691	—	(3,466)	—	(3,466)	874	—	874	16,351
Carr	47,724	—	(7,990)	—	(7,990)	2,007	—	2,007	37,727
Lentz Scholarship	24,494	—	(4,096)	—	(4,096)	1,004	—	1,004	19,394
Int'l Bank of Commerce	20,564	—	(3,445)	—	(3,445)	869	—	869	16,250
Harrison Waldron & Wherek	20,566	—	(3,443)	—	(3,443)	865	—	865	16,258
Cain Chemical	22,640	—	(3,791)	—	(3,791)	952	—	952	17,897
Stubblefield	50,669	—	(8,487)	—	(8,487)	2,141	—	2,141	40,041
Pittman	50,669	—	(8,487)	—	(8,487)	2,141	—	2,141	40,041
Union Carbide	36,425	—	(6,099)	—	(6,099)	1,532	—	1,532	28,794
Pia Excellence	19,042	—	(3,188)	—	(3,188)	801	—	801	15,053

(Continued)

EM - 4.1.64

**UNIVERSITY OF HOUSTON SYSTEM
ENDOWMENT FUND**

Schedule of Changes in Net Assets by Endowment

Year ended August 31, 2009

Endowment name	Net assets beginning of year	Additions				Reductions			Net assets, end of year
		Contributions received	Net return on investments	Return to principal	Total additions	Income distribution	Institutional advancement	Total reductions	
New York Life	\$ 20,326	—	(3,403)	—	(3,403)	855	—	855	16,068
First Capital Bank	20,744	—	(3,473)	—	(3,473)	873	—	873	16,398
1st Vict Bank	49,731	—	(8,326)	—	(8,326)	—	—	—	41,405
BP Chemicals	17,279	—	(2,893)	—	(2,893)	727	—	727	13,659
Victoria Advocate	40,603	—	(6,798)	—	(6,798)	1,708	—	1,708	32,097
Citizens National Bank	20,114	—	(3,368)	—	(3,368)	846	—	846	15,900
Lack's Stores, Inc.	60,459	—	(9,928)	—	(9,928)	2,555	958	3,513	47,018
Johnson Foundation	1,510,594	—	(247,768)	—	(247,768)	62,868	23,575	86,443	1,176,383
Faculty Dev Quasi	823,376	—	(135,210)	—	(135,210)	34,794	13,048	47,842	640,324
O'Connor, Mary	75,018	—	(12,319)	—	(12,319)	3,170	1,189	4,359	58,340
Dupont	49,269	—	(8,247)	—	(8,247)	2,072	—	2,072	38,950
University Endow UHV	247,678	—	(40,672)	—	(40,672)	10,466	3,925	14,391	192,615
Glenn Goerke	37,378	—	(6,258)	—	(6,258)	1,572	—	1,572	29,548
Victoria Priorities	108,721	—	(17,853)	—	(17,853)	4,594	1,723	6,317	84,551
Center For Children	16,492	—	(2,762)	—	(2,762)	697	—	697	13,033
Hugh Hudler	53,224	—	(8,915)	—	(8,915)	—	—	—	44,309
David B. Lack	51,372	6,850	(10,228)	—	(3,378)	—	—	—	47,994
Justin Pitts	2,780	—	(443)	—	(443)	—	—	—	2,337
Brezina/Visd Golf	19,935	—	(3,339)	—	(3,339)	—	—	—	16,596
Friends of UH Victoria	20,519	500	(3,517)	—	(3,017)	—	—	—	17,502
Ed Bransford Schol	52,882	—	(8,858)	—	(8,858)	2,235	—	2,235	41,789
Barbara Hopmann Quasi	12,024	10	(2,015)	—	(2,005)	—	—	—	10,019
Walker, Kay Kerr	18,273	—	(3,061)	—	(3,061)	—	—	—	15,212
Wells Fargo	36,169	11,000	(8,453)	—	2,547	—	—	—	38,716
Zawadski, Robert	15,052	291	(2,580)	—	(2,289)	—	—	—	12,763
CL Thomas/Exxon Mobil	44,380	10,000	(9,823)	—	177	—	—	—	44,557
Faculty Research	77,062	466	(13,021)	—	(12,555)	—	—	—	64,507
Mitchell, Robert Scholar	21,237	—	(3,557)	—	(3,557)	—	—	—	17,680
Haynes & Nickelson Quasi	11,246	—	(1,883)	—	(1,883)	—	—	—	9,363
Tipton, Rose & Taylor	17,073	25	(2,865)	—	(2,840)	—	—	—	14,233
Removing Educational Barriers	207,704	—	(35,294)	—	(35,294)	—	—	—	172,410
UHV Staff Scholarship	46,347	6,912	(9,357)	—	(2,445)	—	—	—	43,902
Victoria Sunrise Rotary Schol	10,067	1,000	(1,876)	—	(876)	—	—	—	9,191
Johnson Fnd. Professorship	256,037	—	(42,550)	—	(42,550)	—	—	—	213,487
Florence Nightingale Mem Schol	11,428	—	(1,916)	—	(1,916)	—	—	—	9,512
President's Students Come First	21,762	2,768	(4,196)	—	(1,428)	—	—	—	20,334
Ann Gibson Hunt Mem Schol End	25,876	12,550	(6,933)	—	5,617	—	—	—	31,493
Gunasekera Int'l Sch End	8,125	—	(1,301)	—	(1,301)	—	—	—	6,824
Claud J. Jacobs Baseball End	10,025	(528)	(1,598)	—	(2,126)	—	—	—	7,899
American Book Review Endowment	255,115	19,140	(48,048)	—	(28,908)	—	—	—	226,207
Ronald Sukenick Amer Book End	53,854	—	(9,276)	—	(9,276)	—	—	—	44,578
Robert J. Mitchell Sch for Math & Phy Sci	—	10,000	(2,312)	—	7,688	—	—	—	7,688
Fiction Collective Two Endowment	—	3,027	(705)	—	2,322	—	—	—	2,322
UHAO-Victoria Chapter Endowed Scholarship	—	10,000	(2,567)	200	7,633	200	—	200	7,433
H.P. "Buddy" Clarke Scholarship Endowment	—	3,333	(855)	67	2,545	67	—	67	2,478
American Advertising Federation - Victoria End Sch	—	7,500	(1,881)	120	5,739	120	—	120	5,619
Total	\$ 498,266,281	16,506,838	(84,557,527)	24,039	(68,026,650)	11,747,221	3,802,152	15,549,373	414,690,258

See accompanying independent auditors' report.

EM - 4.1.65

THIS PAGE INTENTIONALLY LEFT BLANK

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Endowment Management

ITEM: Report on Compliance of Private Support Organizations and Foundations

**DATE PREVIOUSLY
SUBMITTED:**

SUMMARY:

Board of Regents Policy 32.06 requires an annual report on compliance of private support organizations and foundations. Don Guyton, Chief Audit Executive, provided this report to the Audit and Compliance Committee on May 12, 2010. Mr. Guyton will be presenting this report to the Endowment Management Committee with any update since the May report.

SUPPORTING DOCUMENTATION: Compliance Review of UH System Support Organization

FISCAL NOTE:

**RECOMMENDATION/
ACTION REQUESTED:** Information

COMPONENT: University of Houston System

PRESIDENT



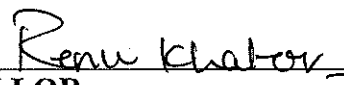
EXECUTIVE VICE CHANCELLOR

Carl Carlucci

DATE

7/23/2010
DATE

CHANCELLOR



Renu Khator

DATE

8/3/10
DATE

**Compliance Review of UH System Support Organizations
July 2010**

Compliance Item:	Assoc. for Community Broadcasting	Cullen ENG Research Foundation	Found. for Education & Research in Vision	Houston Athletics Foundation	UH Alumni Association	UH Business Foundation	UH Law Foundation	UH Foundation
Articles of Incorporation and Bylaws	√	√	√	√	√	√	√	√
Current List of Board Members	√	Note 1	√	√	√	√	√	√
Audited Financial Reports FY2009	√ May 2010	Note 1	√ Jan 2010	Expected by July 31	√ May 2010	√ Jan 2010	Expected by July 31	√ Jan 2010
IRS Form 990 for FY2009	√ June 2010	Note 1	√ June 2010	√ July 2010	Expected by July 31	√ March 2010	Expected by July 31	√ April 2010
Donor Gift Information	√	Note 1	√	√	√	√	√	√
Written Investment Policies	√	Note 1	√	√	√	√	√	√
Updated State Disclosure Statement for Outside Financial Advisors	In process	Note 1	√	√	√	Does Not Use External Advisors	√	In process

Note 1: The Cullen Engineering Research Foundation has been dormant in recent years but has indicated it will reactivate in future

EM - 5.1.1