



**Long Term Fund  
Investment Summary Report  
(\$ millions)**

	1st Quarter 11/30/2003	2nd Quarter 2/29/2004	3rd Quarter 5/31/2004	4th Quarter 8/31/2004	Year-to- Date
<b>Beginning Net Assets</b>	<b>\$ 2,839.8</b>	<b>\$ 3,167.0</b>	<b>\$ 3,404.6</b>	<b>\$ 3,350.1</b>	<b>\$ 2,839.8</b>
Net Contributions	165.1	17.2	33.8	60.4	276.5
Investment Return	204.4	260.5	(47.8)	24.0	441.1
Expenses	(3.3)	(0.9)	(1.0)	(0.9)	(6.1)
Distributions (Payout)	(39.0)	(39.2)	(39.5)	(40.3)	(158.0)
<b>Ending Net Assets</b>	<b>\$ 3,167.0</b>	<b>\$ 3,404.6</b>	<b>\$ 3,350.1</b>	<b>\$ 3,393.3</b>	<b>\$ 3,393.3</b>
Net Asset Value, Per Unit	\$ 5.388	\$ 5.761	\$ 5.613	\$ 5.585	\$ 5.585
Number of Units (End of Period)	587,747,101	591,003,265	596,861,244	607,622,749	607,622,749
Distribution Rate Per Unit	\$ 0.066125	\$ 0.066125	\$ 0.066125	\$ 0.066125	\$ 0.264500

Note: On March 1, 2001, the Long Term Fund (LTF) purchased units in the newly created General Endowment Fund (GEF). The LTF no longer invests in individual securities except for GEF units and a negligible amount of cash. The LTF, therefore, is actively managed to the Endowment Policy Portfolio through its investment in the GEF. The Investment Summary includes the summary activity of LTF's ownership in GEF.

**Year End Commentary**

During the year, net contributions totaled \$276.5 million representing an increase of over 300% from the prior fiscal year. The number of endowments and other accounts underlying the LTF is 6,537 accounts. Total net investment return for the year was positive 14.59% versus a positive 13.22% for the Endowment Policy Portfolio, UTIMCO's computed benchmark for endowment funds.

Distributions to the over 6,000 endowment and other accounts underlying the LTF totaled \$158.0 million for the year; an increase in distributions of 10% versus the prior fiscal year. On a per unit basis, each endowment's ownership in the LTF increased from \$5.114 to \$5.585 per unit during the year.

**Third Quarter Commentary**

During the quarter, net contributions totaled \$33.8 million representing an increase from the third quarter of the prior fiscal year of \$17.2. The number of endowments and other accounts underlying the LTF is 6,454 accounts. Total net investment return for the quarter was negative 1.41% versus a positive 0.69% for the Endowment Policy Portfolio, UTIMCO's computed benchmark for endowment funds.

Distributions to the over 6,000 endowment and other accounts underlying the LTF totaled \$39.5 million for the quarter; an increase in distributions of 9% versus the third quarter of the prior fiscal year. On a per unit basis, each endowment's ownership in the LTF decreased from \$5.761 to \$5.613 per unit during the quarter.



### **Second Quarter Commentary**

During the quarter, net contributions totaled \$17.2 million representing a decrease from the second quarter of the prior fiscal year of \$30.5. The number of endowments and other accounts underlying the LTF is 6,361 accounts. Total net investment return for the quarter was positive 8.14% versus a positive 5.70% for the Endowment Policy Portfolio, UTIMCO's computed benchmark for endowment funds.

Distributions to the over 6,000 endowment and other accounts underlying the LTF totaled \$39.2 million for the quarter; an increase in distributions of 9% versus the second quarter of the prior fiscal year. On a per unit basis, each endowment's ownership in the LTF increased from \$5.388 to \$5.761 per unit during the quarter.

### **First Quarter Commentary**

During the quarter, net contributions totaled \$165.1 million representing an increase from the first quarter of the prior fiscal year of \$34.1. The number of endowments and other accounts underlying the LTF is 6,308 accounts. Total net investment return for the quarter was positive 6.76% versus a positive 6.14% for the Endowment Policy Portfolio, UTIMCO's computed benchmark for endowment funds.

Distributions to the over 6,000 endowment and other accounts underlying the LTF totaled \$39.0 million for the quarter; an increase in distributions of 10% versus the first quarter of the prior fiscal year. On a per unit basis, each endowment's ownership in the LTF increased from \$5.114 to \$5.388 per unit during the quarter.