

THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA  
Stated Meeting - Investment Report  
February 11, 2005

**TOTAL RETURN PERFORMANCE - December 31, 2004**

	Quarter	Fiscal YTD	One Year	Annualized		
				3 Years	5 Years	10 Years
AIF	6.7%	6.5%	11.3%	8.8%	6.4%	11.2%
AIF Composite Index	6.8%	7.0%	10.2%	6.4%	1.3%	10.1%
70% DJW5000 / 30% Lehman GC	7.4%	7.2%	10.1%	6.1%	1.7%	11.0%

**SECTOR PERFORMANCE VS. BENCHMARK**

	Fiscal YTD		One Year		3 Years Annualized	
	Penn	B'mark	Penn	B'mark	Penn	B'mark
Global Developed Equity						
Domestic Equity	7.8%	8.4%	12.9%	12.6%	7.7%	5.5%
International Equity	10.3%	15.0%	19.6%	20.2%	18.6%	11.9%
<i>Total</i>	8.8%	9.7%	15.3%	14.1%	10.4%	6.7%
Excess Return Assets						
Opportunistic Real Estate	-1.8%	6.7%	7.2%	12.4%	6.3%	8.6%
Private Equity	0.7%	0.7%	4.9%	4.9%	-10.1%	-10.1%
<i>Total</i>	-0.6%	3.8%	6.0%	8.7%	0.2%	1.2%
Diversifying Assets						
Absolute Return	7.5%	4.1%	12.7%	7.2%	11.7%	7.8%
High Yield	8.3%	9.5%	8.2%	10.8%	9.8%	12.5%
Natural Resources	-1.8%	-1.8%	n.a.	n.a.	n.a.	n.a.
<i>Total</i>	7.5%	4.9%	12.2%	7.6%	11.3%	8.4%
Invest. Grade Bonds <i>(includes cash)</i>	2.4%	3.6%	2.7%	3.5%	5.1%	6.0%

**ASSET ALLOCATION**

	Market Value (\$ millions)	Actual AIF	Composite Index
Global Developed Equity			
Domestic Equity	\$ 1,233.7	33.6%	41.3%
International Equity	\$ 761.6	20.7%	10.3%
	\$ 1,995.3	54.3%	51.6%
Excess Return Assets			
Opportunistic Real Estate	\$ 132.9	3.6%	3.6%
Buyouts	\$ 59.5	1.6%	1.6%
Venture Capital	\$ 67.9	1.8%	1.8%
	\$ 260.3	7.1%	7.1%
Diversifying Assets			
Absolute Return	\$ 665.5	18.1%	18.1%
High Yield	\$ 65.4	1.8%	3.0%
Natural Resources	\$ 6.5	0.2%	0.2%
	\$ 737.4	20.1%	21.3%
Invest. Grade Bonds <i>(includes cash)</i>	\$ 680.8	18.5%	20.0%
<b>TOTAL AIF</b>	<b>\$ 3,673.9</b>	<b>100.0%</b>	<b>100.0%</b>

**TOTAL ENDOWMENT**

December 31, 2004 Market Value                      \$4.2 Billion